

VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION, INC.

Investment of Reserve Funds Policy

WHEREAS Senate Bill 05-100 requires each homeowners association in Colorado to adopt an Investment of Reserve Funds policy, which will provide a detailed procedure for the investment of such Association funds;

NOW THEREFORE, it is resolved that the Bylaws of the Association are amended as indicated below and the following Investment of Reserve Funds is hereby adopted by the Board of Directors:

Investment of Reserve Funds Policy

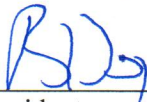
1. **Purpose.** The purpose of this policy is to institute guidelines in accordance with Colorado Revised Statutes and the governing documents of the Association. These guidelines will serve to accomplish the following objectives, in order of importance:
 - A. To preserve the principal;
 - B. To minimize credit risk and interest rate risk;
 - C. To provide the investment portfolio with sufficient liquidity in order to meet all expenditures, expected or unexpected, for the following fiscal year; and
 - D. To maximize yield within the constraints of the other aforementioned objectives.
2. **Board Control.** The Board shall have direct control with regard to any actions necessary to safeguard the Associations investments, including but not limited to the following:
 - A. Opening bank accounts;
 - B. Establishing accounts for the safekeeping of securities owned by the Association;
 - C. Conducting investment transactions based on a majority of approval by the Board; and
 - D. Employing an investment advisor who possesses the professional qualifications to invest Association funds under the guidelines of this Policy.

3. **Investment Guidelines.** The reserve fund portfolio shall consist solely of the following investments: Certificates of Deposit (CDs); money market funds; and money market deposit accounts.
4. **Investment Strategy.** Investments shall be tiered such as to mature in successive years in order to provide sufficient liquidity to the Association to manage itself and to minimize interest rate risk.
5. **Custodial Requirement.** Investments shall be stored solely with financial institutions that are federally insured through FDIC and that have the ability to conduct business in the State of Colorado. No more than \$100,000.00 of the Association's funds shall be held in any single bank.
6. **Revisions.** The Board of Directors has the sole authority to review and revise this Policy as circumstances may warrant. All such revisions shall be in writing and approved by a majority of the Board.
7. **Effective Date**

This policy becomes effective on the date of its signing.

IN WITNESS WHEREOF, the undersigned certify this Policy was adopted by resolution of the Board of Directors of the Association on this 8th day of OCTOBER, 2013.

VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION,
INC.,
a Colorado non-profit corporation,

By: 
Its: President

ATTEST:
By: 