

ALQUEZAR HOMEOWNER'S ASSOCIATION
POLICY REGARDING INVESTMENT OF RESERVE FUNDS

This policy sets forth the investment reserve policy for Alquezar Homeowner's Association in compliance with CRS 38-33.3-209.5. Alquezar Homeowner's Association ("Association"), by and through its Board of Directors, does hereby adopt the following as its policy with regard to investment of reserve funds in compliance with CRS 38-33.3-209.5:

- 1. The Association has retained a professional property management company in order to provide property management services on behalf of the Association.**
- 2. That through the professional property management company that the Association has retained, the Association will receive advice regarding investment of reserve funds.**
- 3. The Association Board of Directors, through the advice received from the professional property management company retained by the Association, shall then make decisions on where to invest the reserve funds. The Board shall approve all such actions.**
- 4. At a minimum, reserve funds for the Association will be invested in an account with a financial institution that is federally insured and that is conservatively invested in order to procure a reasonable, but conservative, interest rate of return on the reserve funds while at the same time not unduly placing those funds at risk.**
- 5. The Association's Board of Directors shall be entitled to rely upon the expert advice provided by the professional property management company and/or any accountants or financial advisors that may additionally provide information directly to the Association or through the property management company.**
- 6. This investment reserve policy provides a general guideline for purposes of the investment of the reserve funds. At no time shall the Association, or its Board of Directors or the Association's property management company be responsible for realizing a certain rate of return on the reserve funds and/or for any lost funds that may occur as a result of an investment made in regard to said funds.**
- 7. The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.**

8. The reserve funds are currently invested at _____.

So adopted this ____ day of _____, 2007.

Alquezar Homeowner's Association

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director