

RESOLUTION OF THE EXECUTIVE BOARD
of
COPPERLEAF HOMEOWNERS ASSOCIATION, INC.
c/o Prokopiak Management Company
13700 Troon Court
Broomfield, Colorado 80023

RESERVE FUND INVESTMENT POLICY

The following resolution has been adopted by the Copperleaf Homeowners Association, Inc. (the "Association") pursuant to Colorado law, at a regular meeting of the Executive Board, at which meeting more than a quorum of said Executive Board was present, that said resolutions appear in the minutes of said meeting, and that the same have never been amended, rescinded or revoked:

RECITALS

WHEREAS, The Copperleaf Homeowners Association, Inc., hereinafter referred to as the Association, a nonprofit corporation was incorporated under the laws of the State of Colorado; and

WHEREAS, The Association filed Articles of Incorporation with the State Secretary of State; and

WHEREAS, The Association adopted Bylaws of the Association on May 9, 2005 and adopted a Declaration of Covenants, Conditions and Restrictions ("Declaration") which was recorded on June 28, 2005; and

WHEREAS, Article 9, Section 9.3 of the Declaration for the Association imposes the requirement that "there shall be deposited to the Administrative Functions Reserve Fund that portion of the Common Assessments that was budgeted for the Reserve Fund for Administrative Functions;" and

WHEREAS, The Executive Board for Copperleaf Homeowners Association, Inc., has a fiduciary responsibility to manage the funds of the Association in a prudent manner. This responsibility includes 1) setting explicit investment policies consistent with the Association's objectives; 2) defining long-range objectives appropriate to the reserve fund; and 3) managing the investments to ensure that Board policies are being implemented;

THEREFORE BE IT RESOLVED, That the Association, through its officers and members of the Executive Board 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. The Association has adopted the following objectives and policies regarding management of reserve funds:

OBJECTIVES:

- 1) Have sufficient funds available to meet Reserve Plan projections;
- 2) Fund the annual Reserve Plan with periodic, but at least annual, contributions;
- 3) Minimize risk of principal loss through insured instruments;
- 4) Have the positive intent and ability to hold to maturity all investments; and

- 5) Maximize investment return on the Reserve Funds within the policies established by the Board as enumerated below;

POLICIES:

- 1) Perform an updated Reserve Plan prepared for the portions of the community maintained, repaired, replaced, and improved by the Association at least every other year; such plan shall be based upon both a physical analysis and a financial analysis;
- 2) Invest only in principal insured investments, and these are to include only U.S. Government Treasury Instruments, Bank Certificates of Deposit, or Money Market Funds;
- 3) Diversify investments;
- 4) Fund the Reserve Fund not less frequently than annually with contributions from the Operating Fund;
- 5) Annual Reserve Fund contributions should reflect the estimated current shortfall required to bring the Reserve Plan up-to-date;
- 6) Decreasing the annual Reserve Fund contributions below the Reserve Plan requirements will not be used as a means of balancing the annual budget;
- 7) Manage the timing and durations of investments in order to have the required liquidity to meet obligations on an annual basis without incurring early withdrawal penalties;
- 8) Preservation of principal is the highest priority.

FURTHER RESOLVED, That the authority of the Association Executive Board to perform each and all of the powers conferred by the foregoing resolutions shall continue until notice in writing terminating such authority shall be revoked thereof by the Executive Board of this Corporation.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of Copperleaf Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board of the Association on October 15, 2009.

COPPERLEAF HOMEOWNERS ASSOCIATION, INC.,
A Colorado nonprofit corporation

By: 
President