

**RESOLUTION
OF THE
CHERRYWOOD II HOME OWNERS ASSOCIATION**

ACCOUNTING FOR ASSOCIATION FUNDS / INVESTING RESERVE FUNDS

SUBJECT Adoption of a policy and procedures to comply with the Senate Bills referenced above regarding investment of HOA reserve funds.

PURPOSE To describe the Association's investment of reserve funds.

AUTHORITY The Declaration, Bylaws, Articles of Incorporation and Colorado Law.

EFFECTIVE DATE January 1, 2008

RESOLUTION The Association hereby adopts the following procedures regarding the operation of the HOA with respect to investment of reserve funds:

1. BOARD POWERS

The Board shall have general charge, management, and control of the affairs, funds and property of the Association and shall authorize and control all expenditures pursuant and subject to the Articles of Incorporation, the Declaration, and the Bylaws. Said powers shall include the authority to invest reserve funds. Powers include, but are not limited to:

- a) To make, levy, and collect assessments against members of the Association, in accordance with the terms of the Declaration and such Bylaws of the Association as may from time to time be adopted, defray the costs, expenses, and losses of the Association, and to use the proceeds in the exercise of its powers and duties.
- b) To make contracts and incur liabilities, borrow or lend money at such rates of interest as the Association may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage and pledge of all or any of its property, franchises, or income.
- c) To purchase, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with real and personal property, or any interest therein.

2. TREASURER

The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological account of receipts and disbursements in books belonging to the Association, including the vouchers for such disbursements and shall deposit all monies and other valuable effects in the name and the credit of the Association in such depositories as may be designated by the Board of Directors.

He or she shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all transaction as Treasurer and of the financial condition of the Association.

He or she shall keep detail financial records and books of account of the Association including separate account for each lot which, among other things, shall contain the amount of each assessment against such lot, the date when due, the amounts paid thereon and the balance remaining unpaid.

3. RESERVE FUND INVESTMENT

When Operating Funds are deemed sufficient, the Directors shall request the Treasurer to open and maintain a Reserve Fund account. The Reserve Fund account shall be a separate interest bearing account which receives a prevailing rate of return.

4. OWNER'S RIGHT TO EXAMINE

Each lot owner shall have the right to examine the books and records of the Association at any reasonable time and in accordance to Colorado State law 38-33.3-317 (five (5) business days notice).

4. SUPPLEMENT TO LAW

The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the Laws of the State of Colorado.

5. DEVIATIONS

The Board may deviate from the procedures set forth in this Resolution in its sole discretion such deviation is reasonable under the circumstances.

6. AMENDMENT

This policy may be amended at any time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Cherrywood II HOA, Inc. a Colorado Non-profit Corporation, certifies that the following Resolution was adopted by the Board of Directors of the HOA, at a duly called and held meeting of the Owners and Board on this 1 Day of January 2008 and witness thereof, the undersigned has subscribed his/her name.

CHERRYWOOD II HOA, INC.
A Colorado nonprofit Corporation

By: 

President