

**RESOLUTION OF VILLAGE AT PAINTED PASTURES PROPERTY OWNERS  
ASSOCIATION, INC. REGARDING INVESTMENT OF RESERVES POLICY**

**SUBJECT:** Adoption of an investment policy for reserves of the Association

**PURPOSE:** To adopt a policy for the investment of reserve funds

**AUTHORITY:** The Declaration, Articles of Incorporation, Bylaws of the Association, and Colorado law.

**EFFECTIVE  
DATE:** January 30th, 2026, ~~2025~~

**RESOLUTION:** The Association hereby adopts the following Policy:

1. **Scope.** In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state law, to manage reserve funds, and to protect the market value of Owners' homes in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. **Purpose of the Reserve Fund.** The purpose of the reserve fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the community that the Association is responsible for, and for such other funding as the Board of Directors may determine. The portions of the community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. **Investment of Reserves.** The Board of Directors of the Association shall invest funds held in the reserve funds accounts to generate revenue that will accrue to the reserve funds accounts balance pursuant to the following goals, criteria, and policies, listed in the order of importance:
  - a. **Safety of Principal.** Promote and ensure the preservation of the reserve fund's principal.
  - b. **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - c. **Minimal Costs.** Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
  - d. **Diversify.** Mitigate the effects of interest rate volatility upon reserve assets.
  - e. **Return.** Funds should be invested to seek a reasonable rate of return.

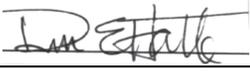
The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

4. **Investment Strategy.** The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.
5. **Independent Professional Investment Assistance.** The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
6. **Review and Control.** The Board of Directors shall review reserve fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
7. **Reserve Study.** In order to determine funding of the reserve fund, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the community to be maintained by the Association and the anticipated costs of maintaining, replacing, and improving those identified areas (hereinafter referred to as a “Reserve Study”).
8. **Review of Reserve Study.** The Board of Directors shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation, and interest yield on invested funds, plus modification, addition, or deletion of components.
9. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. **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 governing the Association.
11. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
12. **Amendment.** This policy may be amended from time to time by the Board of Directors.

**PRESIDENT’S CERTIFICATION:**

The undersigned, being the President of Village at Painted Pastures Property Owners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on the 30 of January, 2026, ~~2025~~, and in witness thereof, the undersigned has subscribed his/her name.

**VILLAGE AT PAINTED PASTURES  
PROPERTY OWNERS ASSOCIATION,  
INC.,** a Colorado nonprofit corporation

By:   
President