

RESOLUTION OF THE RASPBERRY MOUNTAIN RANCH PROPERTY OWNERS' ASSOCIATION, INC.**RESERVE FUND AND INVESTMENT**

The Board of Directors of the Raspberry Mountain Ranch Property Owners' Association, Inc. (herein after known as the "Association") adopted the following Policies and Procedures pursuant to Colorado Revised Statute (C.R.S.) 38-33.3-209.5.

AUTHORITY: In case of any conflict between the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions and the Bylaws, and these listed "Policies and Procedures"; such provisions of the Articles, Declaration and Bylaws shall take precedence and supersede any provisions of these "Policies and Procedures".

In the event a Court of competent jurisdiction finds a provision of any of these Policies and Procedures void or otherwise unenforceable, the other provisions shall remain in full effect.

EFFECTIVE DATE: _____

1/1/2012

RESOLUTION: Adoption of a policy and procedure to be followed regarding reserve fund investment, reserve study and reserve funding:

INVESTING RESERVE FUNDS

1. With regard to investment of reserve funds, Directors and officers shall be subject to the standard of care outlined below. Officers, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

A. Each Director and officer shall perform their duties regarding investment of reserves in good faith, in a manner the Director or officer reasonably believes to be in the best interests of the Association, and with the care and ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a Director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the Director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountant, or other persons as to matters which the Director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the Director or officer does not serve if the Director reasonably believes the committee merits confidence.

B. A Director or officer shall not be considered to be acting in good faith if the Director or officer has knowledge concerning the matter in question that would cause such

reliance to be unwarranted. A Director or officer shall not be liable to the Association or its Members for any action the Director or officer takes or omits to take as a Director or officer if, in connection with such action or omission, the Director or officer performs his duties in compliance with this policy. A Director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

2. The Board of Directors shall establish the amount to be transferred to reserve funds on an annual basis. Approval will be by motion and vote at an open Board meeting. The amount shall be reflected in the budget to be ratified by the Owners.

3. The Board may invest reserve funds in fixed appreciation funds, or other vehicles that have a low risk of loss.

A. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds.

B. The Association shall not invest in the following asset class(es):

- I. Individual stocks;
- II. Equity mutual funds, domestic or foreign;
- III. Mutual funds consisting of bonds or mortgages and or derivatives;
- IV. Options on equity, debt or commodities;
- V. Floating rate securities or floating rate certificates of deposit; and
- VI. Investment in a single institution in excess of FDIC insurance limits.

4. The reserve funds may be invested to achieve the following goals, in descending order of importance:

- A. Promote and ensure the preservation of principal;
- B. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
- C. Mitigate the effects of interest rate volatility upon reserve assets;
- D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
- E. Minimize investment costs.

5. The Board may consider the following circumstances in investing reserve funds:

- A. General economic conditions;
- B. Possible effect of inflation or deflation;
- C. Expected tax consequences;
- D. Role that each investment plays in the overall investment portfolio;
- E. Other resources of the Association.

6. All accounts, instruments and other documentation of such investments shall be subject

to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.

7. The President and Treasurer, if the Treasurer is also a Board member, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph 4; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two Directors shall be required.

8. The Association may carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.

9. The Association's Treasurer, or other person designated by the Board, shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

RESERVE STUDY

1. The Association may perform a reserve study to provide a current estimate of the costs of repairing and replacing major common area components (such as road improvements and equipment) over the long term. Ideally, all major repair and replacement costs will be covered by funds set aside by the Association as reserve, so that funds are there when needed.

2. The Association may establish a reserve study based on the following:
- a. Physical examination of the Association's repair and replacement obligations;
 - b. Financial analysis of costs and timing for non-annual maintenance requirements;
- and
- c. Determination of the availability of necessary (reserve) cash resources.

RESERVE FUNDING

1. Funding for capital improvements is preferred to be based on a financial analysis performed by the Board, and may be delegated to a committee and may be performed in conjunction with a financial professional.

2. Funding for capital improvements is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of Owners, (3) special assessments of Owners, (4) a loan as maybe obtained by the Association, and/or (5) any combination of the above.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Raspberry Mountain Ranch 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, and after a 30 day review by the authorized voting membership.

In witness thereof, the undersigned has subscribed his/her name.

RASPBERRY MOUNTAIN RANCH PROPERTY OWNERS' ASSOCIATION, INC.
A Colorado nonprofit corporation

By: J. Hamley
President

On the 23RD day of July in the year 2011.