

**CHEESMAN TOWER WEST CONDOMINIUM ASSOCIATION
POLICY AND PROCEDURE
INVESTMENT OF RESERVE FUNDS**

Adopted Apr 1 19, 2007

The following policy and procedure has been adopted by the Cheesman Tower West Condominium Association ("Association") pursuant to Colorado statutes, for investment of the Association's reserve funds.

PURPOSE

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's investment of its reserve funds.

INVESTMENT OBJECTIVES

The principal represents the reserve funds for maintenance, repair, and replacement of those items for which the Association is responsible and that must be periodically maintained, repaired, or replaced. Reserve funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

1. Preservation and safety of principal;
2. Liquidity to meet expected and unexpected expenditures; and
3. Maximization of yield.

INVESTMENT RESPONSIBILITIES

The Board of Directors has sole authority to approve and amend, alter or otherwise make changes to the investment policy. Any modifications to this policy shall be in writing and approved by the Board.

The Board shall have direct control with regard to opening bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.

The Board will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board of Directors shall review investment performance no less than quarterly.

INVESTMENT GUIDELINES

A. Eligible Investments

The portfolio will be limited to instruments guaranteed, insured or backed by the U.S. Government.

B. Credit Quality Restrictions

The portfolio will be limited to AAA-rated or U.S. Treasury securities or other instruments guaranteed, insured or backed by the U.S. Government.

C. Maturity Limits & Strategy

Individual investments shall have maturities consistent with cash flow requirements and capital spending plans determined by reserve studies and/or other spending guidelines adopted by the Board of Directors. Investments may be structured so they mature in successive time periods allowing for maximum flexibility and minimum interest-rate risk.

D. Custodian

Investments will be held in instruments guaranteed, insured or backed by the U.S. Government. Amounts to be invested in any instrument shall be determined by reserve studies and/or other spending guidelines adopted by the Board of Directors.

PROCEDURES

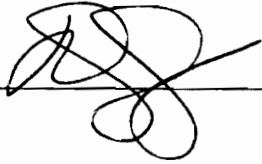
1. Transfers of budgeted additions to reserves shall be made on a monthly basis;
2. A report of earnings shall be prepared at least quarterly by management, financial advisor, or the treasurer and presented at a Board meeting;
3. Two Board member signatures must be required to withdraw funds from reserve accounts. An exception may be made for transfers between accounts of the Association; and
4. In addition to any requirements provided by the Association's governing documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Cheesman Tower West Condominium Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on April 19, 2007, and in witness thereof, the undersigned as subscribed his/her name.

CHEESMAN TOWER WEST CONDOMINIUM ASSOCIATION,
a Colorado non-profit corporation

By: _____



President