

**RESOLUTION OF  
DEER CREEK AT NORTHGATE HOMEOWNERS ASSOCIATION  
REGARDING POLICY AND PROCEDURE FOR  
INVESTMENT OF RESERVE FUNDS**

**SUBJECT:** Adoption of policies and procedures regarding investment of reserve funds in compliance with Colorado law.

**PURPOSE:** To amend and restate the Association's policies and procedures concerning appropriate investment of reserve funds in furtherance of the Association's stated purposes.

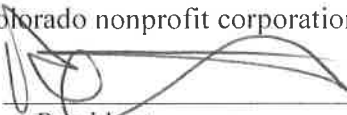
**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** May 21, 2014

**RESOLUTION:** The Association hereby adopts the following policies and procedures, contained herein.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of Deer Creek at Northgate Homeowners Association, a Colorado nonprofit corporation, certifies that the following Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on May 21, 2014 and in witness thereof, the undersigned has subscribed his/her name.

DEER CREEK AT NORTHGATE HOMEOWNERS ASSOCIATION  
INC.  
a Colorado nonprofit corporation

By:   
\_\_\_\_\_  
President

*This document alone does not constitute Full Resale. Full Resale is required under Colorado Law.*

## Investment of Reserve Policies

1. With regard to investment of reserve funds, directors and officers will 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 will 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 an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a director or officer will be entitled to rely on information, opinions, reports or statements, including financial statements and other 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, professional property manager, 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 will 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 will 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, will 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 will establish the amount, if any, to be transferred to reserve funds on an annual basis.
3. 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 pursuant to the Association's investment goals. No funds will be deposited or invested except in authorized investment funds. All investments must be FDIC insured.
4. The reserve funds will be invested to achieve the follow goals, in descending order or importance.
  - a. Promote and ensure the preservation of principal;
  - b. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;

Adopted: \_\_\_\_\_

Effective: \_\_\_\_\_

- 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 accumulated interest;
  - e. Minimize investment costs.
5. All accounts, instruments and other documentation of such investments will be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and may be reviewed periodically at the sole discretion of the Board.

*This document alone does not constitute Full Resale Disclosure as required under Colorado Law.*

Adopted: \_\_\_\_\_  
Effective: \_\_\_\_\_

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