

**RESOLUTION
OF LINCOLN CREEK VILLAGE
HOMEOWNERS' ASSOCIATION, INC. ("Association")
REGARDING INVESTMENT OF RESERVES POLICY**

SUBJECT: Adoption of an Investment Policy for reserves of the Association.

PURPOSES: To adopt a policy for the investment of reserve funds.

AUTHORITY: The Supplemental Declaration of Covenants, Conditions and Restrictions for The Bluffs, The Colony and The Courtyard Homes at Lincoln Creek Village ("Declaration"), Bylaws and Articles of the Association and Colorado law.

EFFECTIVE DATE: September 19, 2007

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Project that are the responsibility of the Association, to comply with state statutes, to manage reserve funds (hereinafter "Reserve Fund"), protect market value of Owners' homes and livability in the Project, 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 maintenance of those portions of the Project that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Project 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 Fund account to generate revenue that will accrue to the Reserve Fund account balance pursuant to the following goals, criteria and policies, listed in 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. Minimize investments costs (redemption fees, commissions, and other transactional costs).
- (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.

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(e) Return. Invest funds to seek the highest level of return.

4. Limitation on Investments. Unless otherwise approved by the Board of Directors, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.

5. 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.

6. 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.

7. 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.

8. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration or Bylaws shall have the same meaning herein.

9. 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 law of the State of Colorado governing the Project.

10. 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.

11. Amendment. This policy may be amended from time to time by the Board of Directors.


IN WITNESS WHEREOF, the undersigned governing Association, has executed and adopted this instrument effective the date and year first stated above.

LINCOLN CREEK VILLAGE
HOMEOWNERS' ASSOCIATION, INC.
a Colorado nonprofit corporation

Attest:



Janelle Taylor, Secretary

By 

Craig Pottenger, President