

**RESOLUTION
O F T H E
CREEKSIDE CONDOMINIUM HOMEOWNER'S ASSOCIATION,
REGARDING PROCEDURE FOR RESERVE FUND**

SUBJECT: Adoption of a Policy for Reserves of the Association.

PURPOSES: To adopt a policy for the creation and perpetuation of reserve funds.

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

**EFFECTIVE
DATE:** October 1, 2006

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the complex that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' units and livability in the complex, the Board of Directors determines that it is necessary to have policies and procedures for the creation and perpetuation 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 complex that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the complex that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Creation of the Reserve Fund. The Board of Directors contribute to the Reserve Fund by requiring:
 - (a) Excess over working funds from estimated monthly dues at the end of each working year. (Creekside Condominiums By-Laws, Article IV, Section 3.e).
 - (b) Incoming "new" owners on the transfer of ownership to deposit a sum up to three times (3) the amount of the estimated monthly common assessment. (Creekside Condominium Declaration, Item 33.)
 - (c) Special assessments whenever, in the opinion of the Board of Directors, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. (Creekside Condominiums By-Laws, Article IV, Section 3.e).

4. 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 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.

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

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 may review Reserve Fund policies periodically to ensure that the funds remain consistent with the needs of current and anticipated expenses in the execution of fiscal management responsibilities as referenced in Creekside Condominium By-Laws.

8. 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 complex 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").

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 law of the State of Colorado governing the association.

11. Deviations. The Board 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 the Creekside Condominium Homeowner's Association, 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 October 1, 2006 and in witness thereof, the undersigned has subscribed his/her name.

**CREEKSIDE CONDOMINIUM
HOMEOWNER'S ASSOCIATION,**
a Colorado nonprofit corporation

By: _____
President*

***Original Signature of Board President is on file in
the Association's Policy Book**