

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CREEKSIDE HOMEOWNERS ASSOCIATION RELATING TO
RESERVES**

The Board of Directors ("Board") of the Creekside Homeowners Association ("Association"), having duly noticed and convened a meeting of the Board pursuant to A.R.S. §33-1804, hereby adopts the following resolution by a majority vote:


WHEREAS the Board has determined that it is the best interest of the Association to adopt a policy regarding reserves;

WHEREAS, capitalized terms used in the Resolution shall have the same meanings as defined in the CC&Rs, Articles of Incorporation, Bylaws and Rules; and:


WHEREAS, having duly deliberated on and investigated the relative merits of adopting a policy regarding investment of the Association reserve funds:

IT IS HEREBY RESOLVED the Board adopts the attached Resolution to be inserted in the minute book of the corporation:

THIS RESOLUTION was adopted on February 9, 2012 after full deliberation and a majority affirmative vote of the Board.



President



Secretary

CREEKSIDE HOMEOWNER ASSOCIATION'S INVESTMENT POLICY ON RESERVES

Association directors have a fiduciary duty to prudently manage reserve assets. The Board has created this investment policy to outline its policy on managing those assets. This policy is expected to produce income with minimum risk of capital.

The Association's reserve fund shall be invested to achieve the following objectives:

1. To preserve the reserve fund's principal;
2. To structure maturities to ensure availability of assets; and

ASSOCIATION INVESTMENT STRATEGY

The Association shall select securities that mature in one to five years in order to limit the long-term effects of interest rate volatility upon reserve assets. Maturity dates should be staggered to mature at different annual intervals. For example, a ladder of CD's maturing at 1 year, 2 years, 3 years. The Association may update and use the most recent reserve study to match maturity dates to the reserve expenses.

SELECTION CRITERIA

The board shall select securities with emphasis on the following characteristics: preservation of capital, quality, effective maturity, and lastly net return. All securities must be federally insured by FDIC or NCUA.

Review and Control

The Reserve funding, expenses, and investment securities are included in the monthly financial reports and will be routinely reviewed monthly at the regular meeting.

Reserve expenses shall be limited to those listed in the Reserve Study with the exception of emergency situations.