

**RESOLUTION
OF THE
MURPHY CREEK MASTER ASSOCIATION, INC.
REGARDING INVESTMENT OF RESERVE POLICY**

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

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

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

EFFECTIVE

DATE: January 1, 2006

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage investment accounts, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of funds.
2. Purpose of the Investment Fund. The purpose of the Investment Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine.
3. Investment of Funds. The Board of Directors of the Association shall invest funds to generate revenue that will accrue to the investment account(s) balance pursuant to the following goals, criteria and policies:
 - (a) Safety of Principal. Preserve the principal balance.
 - (b) Liquidity and Accessibility. 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.
 - (e) Return. Seek a reasonable rate of return.
4. 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 ladder investment approach.

5. 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.
6. Review and Control. The Board shall review investments periodically to ensure funds are receiving competitive yields and make adjustments as appropriate.
7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
8. 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 community.
9. 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.
10. Amendment. This policy may be amended from time to time by the Board of Directors.
11. The officers and members of the Board of Directors shall make the investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the association in accordance with the Colorado Revised Nonprofit Corporation Act

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Murphy Creek Master Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 8-16-06 and in witness thereof, the undersigned has subscribed his/her name.

MURPHY CREEK MASTER ASSOCIATION, INC.
a Colorado non-profit corporation,

By: _____

President