

**BUCKHORN RANCH ASSOCIATION INC.
POLICY FOR RESERVE FUNDS, INCLUDING INVESTMENT**

The Board of Directors (Board) of Buckhorn Ranch Association, Inc. (Association) hereby adopts the following Policy for Reserve Funds, Including Investment effective as of 3/19, 2015. Any previous policies on reserves and investment thereof are hereby superseded and replaced in entirety with this policy.

Reserve Fund:

Acting through its Board, the Association may establish a reserve fund for the maintenance, improvement, repair and replacement of open space and common areas, and other Association matters as permitted by law. The Board may prepare or cause to be prepared a reserve study for this purpose and as needed from time to time to assist in determining needed or future capital improvement projects.

In the event a Reserve Fund is established, the Board shall determine annually the amount to be funded into the Reserve Fund based upon anticipated capital improvements and other capital requirements each fiscal year, and how such reserve Fund shall be capitalized. The Reserve Funds shall be utilized only in connection with maintenance, improvement, repair and replacement of open space and common areas, and other Association matters as permitted by law, and at a minimum shall be held in an interest-bearing account at a registered bank or other financial institution as may be determined from time to time by the Board. Expenditures from the Reserve Fund shall be subject to a vote of the Board. The Board may invest such Reserve Funds in money market funds, certificates of deposits or other means, if in its discretion, the Board determines such investment is in the best interests of the Association. Any investment decision the Board makes with respect to the Reserve Funds shall be conservative. The Board shall endeavor to deposit such funds with a financial institution that is FDIC insured or SIPC protected, as appropriate, according to federal requirements.

The Board of Directors shall have the power to retain, as and when appropriate in the discretion of the Board to assist the Board in the exercise of its fiduciary duty to manage the funds of the Association, a qualified firm of professionals specializing in the analysis of capital reserve accounts, practices and policies to assess and prepare a Reserve Study to assist the Board in its continuing analysis of the adequacy of Reserve Fund and the future capital improvement expenses relating to the maintenance of Buckhorn Ranch.

Any amendments to this policy shall be set forth in writing, and adopted by the Board of Directors.

APPROVED AND ADOPTED THIS 19 DAY OF March, 2015

BUCKHORN RANCH ASSOCIATION, INC., a Colorado nonprofit corporation

By: 
Morgan Weinberg, President