PROPOSED
FOUNTAIN GREENS HOMEOWNERS ASSOCIATION, INC.,
POLICY NUMBER 6

MAINTENANCE AND INVESTMENT OF ASSOCIATION FUNDS

SUBJECT: This Policy establishes the principles and methods for maintaining and investing Operating and Reserve Funds owned by the Fountain Greens Homeowners Association, Inc. (the "Association"), including what procedures must be followed by the Association's officers and agents in depositing to and withdrawing from Reserve Accounts. It applies to all Reserve Accounts held in the name of the Association or hereafter created, prescribes how funds held in Reserve Accounts can be expended to maintain or improve properties within the Fountain Greens Subdivision (the "Subdivision"), and allows reasonable flexibility in selecting investments to maximize the investment return on those funds during the time they are held by the Association.

PURPOSE: To adopt definite and consistent procedures for establishing, maintaining, depositing to and withdrawing from Operating and Reserve Accounts held for the benefit of the Association.

INTENT: This Policy is intended by the Board to comply with the requirements of Section 38-33.3-209.5 (1)(b) of the Colorado Revised Statutes, which is titled "*Responsible governance policies - due process for imposition of fines -procedure for collection of delinquent accounts – definition*", and which provides:

> "(1) To promote responsible governance, associations shall:
> . . .
> (b) Adopt policies, procedures, and rules and regulations concerning:
> . . .
> (VI) Investment of reserve funds. . ."

AUTHORITY: The laws of the State of Colorado, the Covenants referred to in Paragraph A of Article I, below, as well as the Articles of Incorporation and Bylaws of the Association (as they have been or may be amended occasionally hereafter), and the Policies of the Association as previously or hereafter adopted by the Board of Directors of the Association.

EFFECTIVE DATE: _____ (which date shall not be earlier than the day thirty (30) days after the day this Policy was first published in final form on the Association's Website as an approved Policy with the required Policy Notice)

RESOLUTION: The Board of Directors (the "Board") of Fountain Greens Homeowners Association, Inc., hereby adopts the following Policy:

ARTICLE I

Rules for Interpretation of Policy

This Policy Number 6 ("this Policy") has been adopted by the Board to comply with the requirements of Section 38-33.3-209.5 (1)(b)(VI) of the Colorado Revised Statutes, to protect the funds of the Association, and to help engender the confidence of the owners of real estate in the Subdivision (the "Owners") that their funds are being invested and maintained in a prudent manner. The Board intends that this Policy be interpreted in a manner consistent with the documents, laws, and principles referred to below, to wit:

A. Governing Documents: This Policy is subject (and subordinate) to (as pertinent) the "Governing Documents" listed and described in Exhibit B to this Policy (attached).

B. Definitions: The financial terms and concepts implicit or used in this Policy have the meanings in Exhibit A, attached. In addition, the following terms have the following meanings:

1. Association: Fountain Greens Homeowners Association, Inc., a Colorado not-for-profit corporation.

2. Association's Funds: All cash, cash equivalents, securities, Certificates of Deposit, Bonds, and other financial assets owned by the Association.

3. Board: The Board of Directors of Fountain Greens Homeowners Association, Inc.

4. Covenants: Collectively, the Master Association Covenants, the Block Specific Covenants, and the Sub-Association Covenants.

5. Fiscal Year: The Fiscal Year of the Association, i.e., from March 1 of each calendar year until the following February 28 or 29, or such other fiscal period as the Board may establish from time-to-time hereafter.

6. Manager: The management firm engaged by the Board to manage the Association and the Association's property and finances, and to assist the Members and the Association in complying with the Covenants, the Policies, and the laws of the State of Colorado.

7. Owner or Member: Any person who owns a residential dwelling in the Subdivision and who is a Member of the Association. The term "Owner" and "Member" shall interchangeably apply to all persons who own a sole, joint, or partial interest in any residence in the Association, and otherwise shall have the same meanings as specified in the Covenants.

8. Operating Accounts: The Association's Checking Accounts held at Banks and other Financial Institutions which are utilized by the Manager and Treasurer to pay currently due obligations of the Association.

9. Policy or Policies: Each of the separate (and effective) Policies of the Association duly adopted or which may hereafter be adopted by the Association's Board after complying with Policy Number 7.

10. Reserve Accounts: Separate Reserve Accounts established on the records of the Association which comply with the requirements of this Policy Number 6, to wit: (i) are separate from the Association's Operating Accounts; (ii) the expenditures from which are intended to comply with the requirements of Policy Number 9; and (iii) were created to fund an anticipated future need in either a General Expense Area or a Block Specific Area and which will arise later than during the current fiscal year. A list of those Reserve Accounts which were in existence as of the Effective Date of this Policy is attached hereto as Exhibit C.

11. Reserve Assessments: The periodic payments due from Members based upon the currently applicable Reserve Study in such amounts that the Board determines will be reasonably sufficient to pay for repairs and replacements of a long-term nature (i.e., capital improvements such as streets, gutters, sidewalks, or irrigation systems) at the future point in time when needed and in amounts reasonably necessary to eliminate the need for special assessments.

12. Sub-Associations and Sub-Association Covenants: The six entities subject to the separate covenants and agreements described in subparagraph 6 of Exhibit B.

C. Incorporation of Policies Numbers 1 through 12 and Exhibits by Reference: Policies adopted by the Board and not revoked before the Effective Date of this Policy or which may hereafter be adopted, and all said Policies which are hereafter amended or restated and which have not been revoked, are incorporated in this Policy by reference. Exhibits A, B, and C as attached hereto are incorporated in this Policy by reference.

D. Revocation of Previous Policies: This Policy Number 6 supersedes and replaces the previous policy titled "The Fountain Greens Homeowners Association, Inc., Policy for Use and Distribution of Block Reserve Funds" adopted April 19, 2006. Said previous policy is hereby revoked as of the Effective Date of this Policy.

ARTICLE II

Overview

The procedures in this Policy are intended by the Association to establish how Operating and Reserve Accounts required by the Master Covenants will be maintained and invested under those requirements and the Governing Documents. This Policy describes the efforts which the Board must undertake in order to assure the safety and financial prudence of those Operating and Reserve Accounts to the highest degree reasonably possible.

ARTICLE III

Policy Statement

It is the policy of the Association to invest the Association's Funds in a manner which will: (1) provide maximum security; (2) meet the Association's cash flow demands; (3) conform to the Covenants and applicable laws governing the investment of non-profit homeowner association funds; and (4) provide as close to a market rate of return through budgetary and economic cycles as is prudent and reasonable under the circumstances. This investment policy applies to all financial assets of the Association, including operating funds. These funds shall be accounted for in the Association's annual financial statements furnished to its Members. Said financial statements and reports may be viewed by the Association's membership on the Association's website: https://www.fountaingreenshoa.com/practice_areas.

ARTICLE IV

Prudent and Safe Investments

The Association's Funds shall be invested and reinvested in accordance with this Policy. Investments of the Association's Funds shall be made with due regard for the following principles:

A. Prudence: The investment of the Association's Funds shall be made with the assistance of Custodians, Banks, Brokers, and other Financial Institutions in Securities and other investments authorized by this Policy and which are of the type that persons of prudence, discretion, and intelligence would invest in the management of their own affairs, i.e., not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. The standard of prudence to be used by the Association's officials charged with that responsibility shall be that of the "Prudent Person," and shall be applied in the context of managing an overall portfolio under prevailing economic conditions at the moment the relevant investment commitments are made. Investment officers who, when acting in accordance with written procedures and this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. In determining whether any member of the Finance Committee has exercised prudence with respect to an investment decision, the determination shall be made by taking into consideration the investment of all funds over which the Finance Committee had responsibility rather than a consideration of the prudence of a single investment.

B. Safety: Safety of principal shall be the foremost objective of the Association's investment program. Investments of the Association's Funds must be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

C. Liquidity: The Association's Portfolio of Investments must remain sufficiently liquid so as to enable the Association to meet all cash requirements that might reasonably be anticipated. This shall be accomplished by structuring the Portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the Portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

D. Return on Investment: The Investment Portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the Association's investment risk constraints and liquidity needs. Return on investments is of secondary importance compared to the safety and liquidity objectives described above. The core of investments shall be limited to relatively low risk securities in anticipation of earning a fair rate of return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize the loss of principal;

2. A security or interest rate swap which would improve the quality, yield, or target duration of the portfolio may be accomplished; or

3. Liquidity needs of the portfolio may require that the security be sold early.

ARTICLE V

Finance Committee's Authority to Invest Association's Funds

The Association's Funds shall be managed and invested by the persons named in this Article, to wit:

A. Authority of Association's Representatives. The Association's Treasurer shall be primarily responsible for supervising and monitoring the investment of the Association's Funds. However:

1. The Treasurer shall not have the unilateral or individual authority to invest, deposit to, sell, or withdraw funds or investments owned by the Association. Instead the authority to make investments and to sell or liquidate any investment shall be vested in the Finance Committee.

2. The ability to add to or withdraw from any Reserve Account owned by the Association shall require the authorization of the Board, which shall be in the form of a Board Resolution duly adopted at any special or regular meetings of the Board and shall be accurately reflected in the Board's minutes.

3. Any instruction to a Custodian, Broker, Financial Institution, Bank or other Third-Party to liquidate any investment and to reinvest the resulting funds must be approved by the Finance Committee. Any instruction to a Custodian, Broker, Financial Institution, Bank or other Third-Party to liquidate any investment and to withdraw the resulting funds realized from that liquidation and transfer them to an Operating Account must be approved by an appropriate resolution of the Board and be evidenced by a written confirmation of that instruction signed by at least two (2) persons who are among those persons currently serving as the Association's President, Treasurer, Manager, and the other members of the Finance Committee.

4. The Association may establish one or more Operating Accounts, which shall be checking accounts established at a Bank or equivalent Financial Institution approved by the Board. Expenditures of funds in said Operating Accounts shall be made in a timely manner to pay the Association's current obligations. All checks drawn on an Operating Account shall require the signature of an authorized representative of the Manager and by an officer of the Board (President, Vice-President, Secretary, or Treasurer).

B. Finance Committee. The Board hereby resolves to create a permanent committee known as the "Finance Committee." The Finance Committee shall be created and obligated to function in accordance with the following:

1. The Finance Committee shall consist of the Board's Treasurer and no less than four other members who shall be appointed by the President with the advice and consent of the Board. At least two members of the Finance Committee (in addition to the Treasurer) shall be members of the Board. The remaining two members of the Finance Committee need not be members of the Board but shall be Members of the Association. The membership of the Finance Committee shall be reflected in the minutes of the Board.

2. Each Member of the Finance Committee shall be appointed to a term of one year, but such term shall be extended until that member's successor has been duly appointed and approved. A member of the Finance Committee may be reappointed to successive terms.

3. The Finance Committee shall make recommendations to the Board concerning additions to and withdrawals from Reserve Accounts. No withdrawal may be made from any Reserve Account without an express resolution of the Board approving same. However, the Board shall not approve any such resolution without first considering the Finance Committee's recommendation concerning the amount and purpose of such withdrawal.

4. The members of the Finance Committee shall meet no less frequently than quarter-annually to review the Association's investments, expenditures, income, and financial obligations. The Finance Committee shall have the authority to make investments of the Association's Funds in accordance with this Policy, and may liquidate investments and reinvest the resulting proceeds, but shall not have the authority to withdraw the Association's Funds from any investment account without the express approval of the Board.

5. The Finance Committee shall recommend to the Board the selection of one or more Financial Institutions, Custodians, Brokers, or other agents to hold and advise as to the

investment of the Association's Funds. However, the selection of any such agent or institution must be approved by the Board in each instance, and such selection shall be reflected in Board's minutes.

6. The Finance Committee shall recommend to the Board any necessary withdrawals of invested funds in order to create sufficient balances of funds in the Association's Operating Accounts necessary to meet current obligations. However, the balance in the Association's Operating Accounts shall not exceed the anticipated total of all expenditures required to meet the Association's current obligations for the next succeeding six months. All of the Association's Funds in excess of what is required to meet said current obligations shall be invested by the Finance Committee in accordance with the requirements of this Policy.

C. Treasurer's Duties: The Treasurer shall be elected from the membership of the Board and have the duties prescribed by the Bylaws of the Association and the additional duties specified in this Policy. The Treasurer, with the assistance of the Manager and the membership of the Investment Committee, shall investigate alternative possible investments so that the Finance Committee's determinations concerning the purchase and sale of any of the investments of the Association's Funds may be as informed as is reasonably possible. Any investment of Association Funds shall not be made without the approval of the Treasurer and a majority of the members of the Finance Committee (and, in this regard, the Treasurer's vote on any investment issue shall be included in determining whether a majority of the membership of the Finance Committee has approved of such investment). The Treasurer, with the assistance of the Manager, shall maintain accurate and complete financial records of the Association's Operating and Reserve Accounts, Investments, and other Bank accounts, and shall publish such records from time to time (but no less frequently than annually) on the Association's website: https://www.fountaingreenshoa.com/practice_areas.

ARTICLE VI

Ethics and Conflicts of Interest

The Association's investment portfolio and reserve accounts shall be subject to reasonable inspection by the Association's Members. All pertinent details concerning the Association's Funds shall be subject to regular disclosure by the Association to its Members and shall be managed with a degree of professionalism that is worthy of public trust. Furthermore:

A. The Association's officers, Board Members, and the Manager who are involved in investment and fund management activities shall refrain from any conduct that: (i) conflicts with the proper execution of the Association's investment program; (ii) impairs their ability to make impartial investment decisions; or (iii) gives any appearance of deriving a personal benefit which violates Policy Number 2.

B. The Treasurer shall assure that Investment officials disclose to the Treasurer any material financial benefits that the financial institutions with which they are affiliated may gain as the direct or indirect result of doing business with the Association. Any investment advisor to the

Association must disclose any personal financial or investment positions that could be related to the performance of the Association's portfolio, particularly with regard to the timing of purchases and sales.

ARTICLE VII

Authorized Financial Dealers and Institutions

A. Banks. Selection of a primary bank for the Association's general banking services shall be made by the Board following the Board's receipt and careful consideration of the recommendations of the Finance Committee.

B. Financial Institutions. The Treasurer shall maintain a list of financial institutions authorized to provide investment services to the Association. In addition, the Treasurer shall maintain a list of approved security broker/dealers selected. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Certificates of deposit shall be purchased only from those institutions which are able to assure the Association that the full amount of the Association's Funds held with respect to any Certificate of Deposit are insured by the FDIC. Qualified broker/dealers and financial institutions shall be reviewed and selected by the Board after receipt and consideration of the Investment Committee's recommendations on a routine basis. All brokers/dealers and financial institutions who do business with the Association must supply the Treasurer with the following:

1. Annual audited financial statements;
2. Proof of FINRA (Financial Industry Regulatory Authority or certification);
3. Proof of registration with the State of Colorado; and
4. A schedule of costs and fees for services rendered.

The Treasurer shall conduct an annual review of the financial condition of the firms. A current audited financial statement is required to be on file for each financial institution and broker/dealer with whom the Association invests.

ARTICLE VIII

Authorized Investments

The Association is authorized to invest the Association's Funds in the following types of investments:

1. U.S. Treasury Obligations;

2. U.S. Government Agency obligations and U.S. Government Sponsored Enterprises (GSE's) which may include, but are not limited to the following: Federal Farm Credit

Bank (FFCB), Federal Home Loan Bank (FHLB), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Student Loan Marketing Corporation (SLMA), Tennessee Valley Authority (TVA);

3. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the United States government as its largest shareholder;

4. Corporate Bonds and Notes (which must have a rating of at least Aaa or the equivalent from a nationally recognized rating agency), purchased on the secondary market;

5. Banker's Acceptances (BA's) purchased on the secondary market;

6. Commercial Paper, purchased in the secondary market;

7. Non-negotiable Certificates of Deposit of financial institutions;

8. Repurchase Agreements, provided that they are collateralized at a minimum of 102% of market value of principal and interest and are direct obligations of the U.S. Treasury, U.S. Government Agency and/or U.S. Government instrumentality obligations. All such securities shall be held in third party safekeeping. Third party safekeeping agreements must be entered into with a signed agreement between the safekeeping financial institution and the Association. All securities in a repurchase agreement shall be priced daily to reflect current market conditions for both principal and accrued interest. Securities shall be purchased from primary dealers;

9. Bonds of the State of Colorado and any local government in the State of Colorado, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency; and

10. General obligation bonds of a state other than the State of Colorado and general obligation bonds of a local government of a state other than the State of Colorado, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.

ARTICLE IX

Diversification

In order to eliminate risk of loss resulting from the over-concentration of assets in a maturity, issuer or class of securities, all cash and cash equivalent assets and all funds shall be diversified by maturity, issuer and by the class of security. Diversification strategies shall be determined and revised periodically by the Finance Committee for all Association investments.

Subject to the diversification requirements of this Article, the Association's Funds may be commingled and aggregated in order to improve the overall investment yield (investment return) of the Association's Funds. In establishing specific diversification strategies, the following constraints shall apply:

For Investments Made In	The Portion of the Association's Investment Portfolio Represented by Such Investment Shall Not Exceed
U.S. Treasury Obligations	100%
Federal Agency Securities	90%
Public Fund Interest Bearing Securities	50%
Certificates of Deposit	40%
Repurchase Agreements ("Repos")	30%
Bonds of State of Colorado or any local government in the State of Colorado	30%
Aaa or better rated publicly traded corporate bonds	30%
Supranationals Banker's Acceptance (BA's) Commercial Paper and Notes and any other type of investment described in Article VIII	20%

ARTICLE X

Amendment

This Policy may be amended from time to time by the Board, but only in accordance with the provisions of Policy Number 7.

* *

PRESIDENT'S CERTIFICATION: The undersigned, Jennie Kopf, being the President of Fountain Greens Homeowners Association Inc., certifies that the foregoing Policy was approved and adopted by the Board of ARC of the Association, at a duly called and held meeting of the Board of the Association on ____________________________ and in witness thereof, the undersigned has subscribed her name.

Fountain Greens Homeowners Association, Inc., a Colorado nonprofit corporation

By: ______________________________ Its: President

EXHIBIT A

Definitions of Financial Terms Relevant to Policy #6

1. Accrued Interest -The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

2. Agency-A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. (Also see Federal Agency Securities and Government Security).

3. Amortization -In portfolio accounting, periodic charges made against interest income on premium bonds in anticipation of receipt of the call price at call or of par value at maturity.

4. Asset -Available property, as for payment of debts.

5. Average Maturity-A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

6. Bankers Acceptances (BAs)-Bankers Acceptances generally are created based on a letter of credit issued in a foreign trade transaction. They are used to finance the shipment of commodities between countries as well as the shipment of some specific goods within the United States. BAs are short-term, non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value. These notes trade at a rate equal to or slightly higher than Certificates of Deposit (CDs), depending on market supply and demand. Bankers Acceptances are sold in amounts that vary from $100,000 to $5,000,000, or more, with maturities ranging from 30 -270 days. They offer liquidity to the investor as it is possible to sell BAs prior to maturity at the current market price.

7. Bank Wire -A virtually instantaneous electronic transfer of funds between two financial institutions.

8. Basis Point -A measure of an interest rate, i.e., 1/100 of 1 percent, or .0001.

9. Bid -The indicated price at which a buyer is willing to purchase a security or commodity. When selling a Security a bid is obtained. (See Offer)

10. Bond -A long-term debt security, or IOU, issued by a government or corporation that generally pays a stated rate of interest and returns the face value on the maturity date.

11. Book Entry Securities-U.S. government and federal agency securities that do not exist in definitive (paper) form; they exist only in computerized files maintained by the Federal Reserve Bank.

12. Book Value-The amount at which an asset is carried on the books of the owner. The book value of an asset does not necessarily have a significant relationship to market value.

13. Broker -A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

14. Certificates Of Deposit-Certificates of Deposit, familiarly known as CDs, are certificates issued against funds deposited in a bank for a definite period of time and earning a specified rate of return. Certificates of Deposit bear rates of interest in line with money market rates current at the time of issuance.

15. Collateral: Property (as securities) pledged by a borrower to protect the interest of the lender.

16. Commercial Paper: An unsecured short-term promise to repay a fixed amount on a certain future date. Commercial paper usually matures from 2 to 270 days and is traded on a discount basis. This debt instrument, issued by banks, companies and other borrowers, uses only their credit ratings to back the security.

17. Corporate Bond/Note–A debt security issued by a corporation. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. Corporate bonds are considered higher risk than government bonds. As a result, interest rates are almost always higher, even for higher credit quality companies. Most corporate bonds have maturities greater than one year. Corporate debt that matures in less than one year is typically called commercial paper.

18. Competitive Bid Process -A process by which three or more institutions are contacted to obtain interest rates for specific securities.

19. Credit Quality -The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

20. Credit Risk -The risk that another party to an investment transaction will not fulfill its obligations. Credit risk can be associated with the issuer of a security, a financial institution holding the entity's deposit, or a third-party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one investment type or with any one party.

21. Custodian -An independent third party (usually bank or trust company) that holds securities in safekeeping as an agent for the county.

22. Dealer -A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

23. Defease -To discharge the lien of an ordinance, resolution, or indenture relating to a bond issue, and in the process, render inoperative restrictions under which the issuer has been obliged to operate. Comment: Ordinarily an issuer may defease an indenture requirement by depositing with a trustee an amount sufficient to fully pay all amounts under a bond contract as they become due.

24. Delivery -The providing of a security in an acceptable form to the County or to an agent acting on behalf of the County and independent of the seller. Acceptable forms can be physical securities or the transfer of book entry securities. The important distinction is that the transfer accomplishes absolute ownership control by the County. [Delivery Vs Payment -There are two methods of delivery of securities: Delivery vs. payment and delivery vs. receipt (also called free). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

25. Depositary -A person to whom something is entrusted, a depository.

26. Depository Bank-A local bank used as the point of deposit for cash receipts.

27. Depository Insurance-Insurance on deposits with financial institutions. For purposes of this policy statement, depository insurance includes: a) Federal depository insurance funds, such as those maintained by the Federal Deposit Insurance Corporation (FDIC) and b) a Public Deposit Protection Commission.

28. Discount -1. (n.) selling below par; e.g., a $1000 bond selling for $900. 2. (v.) anticipating the effects of news on a security's value; e.g., “The market had already discounted the effect of the labor strike by bidding the company's stock down."

29. Diversification-Dividing available funds among a variety of securities and institutions so as to minimize market risk.

30. Effective Rate -The yield you would receive on a debt security over a period of time taking into account any compounding effect.

31. Face Value-The value of a bond stated on the bond certificate; thus, the redemption value at maturity. Most bonds have a face value, or par, of $1,000.

32. Federal Agency Securities-Several government-sponsored agencies, in recent years, have issued short and long-term notes. Such notes typically are issued through dealers, mostly investment banking houses. These Federal government-sponsored agencies were

established by the U.S. Congress to undertake various types of financing without tapping the public treasury. In order to do so, the agencies have been given the power to borrow money by issuing securities, generally under the authority of an act of Congress. These securities are highly acceptable and marketable for several reasons, mainly because they are exempt from state, municipal and local income taxes. Furthermore, agency securities must offer a higher yield than direct Treasury debt of the same maturity to find investors, partly because these securities are not direct obligations of the Treasury. The main agency borrowing institutions are the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank System (FHLB), and the Federal Farm Credit Bank System (FFCB).

33. Federal Deposit Insurance (FDIC)-A Federal institution that insures bank deposits. The current limit is up to $100,000 per depository account.

34. Federal Farm Credit Bank–FFCB–The Farm Credit System is a nationwide network of borrower-owned lending institutions and specialized service organizations. Established by Congress in 1916 as the authority for certain predecessor entities, the System is the oldest of the Government-sponsored enterprises. Throughout its long history, the fundamental purpose of the System has remained the same: To provide American agriculture with sound and dependable credit at competitive interest rates. Currently, there are three Farm Credit Banks and one Agricultural Credit Bank providing funds and support services to approximately 78 locally owned Farm Credit Associations and numerous cooperatives nationwide. Approximately 40 percent of the real estate and non-real estate credit needs of U.S. agriculture are met by the System.

35. Federal Funds Rate -The rate of interest at which Fed Funds are traded between banks. Fed Funds are excess reserves held by banks that desire to invest or lend them to banks needing reserves. The particular rate is heavily influenced through the open market operations of the Federal Reserve Board. Also referred to as the "Fed Funds rate."

36. Federal Home Loan Bank System -FHLB–Created by the Federal Home Loan Bank Act of 1932 to increase the amount of funds available for lending institutions who provide mortgages and similar loan agreements to individuals. Having served its original objectives well, the FHLB system now primarily focuses on increasing the amount of loanable funds available for affordable housing and community development projects. It continues to have a material impact on housing and development financing offering funds to member institutions at rates that are usually lower than commercially competitive prices. The 11 banks of the FHLB Bank System are owned by over 7,300 regulated financial institutions from all 50 states, U.S. possessions, and territories.

37. Federal Home Loan Mortgage Corporation-FHLMC (Freddie Mac)-is a stockholder-owned, government-sponsored enterprise chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle income Americans. FHLMC purchases, guarantees, and securitizes mortgages to form mortgage-backed securities. The mortgage-backed securities that it issues tend to be very liquid and carry a credit rating close to that of U.S. Treasuries.

38. Federal National Mortgage Association (FNMA)-FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

39. Federal Reserve System-The central bank of the United States which has regulated credit in the economy since its inception in 1913. Includes the Federal Reserve Bank, 14 district banks and the member banks of the Federal Reserve and is governed by the Federal Board.

40. Financial Institutions -Establishments that include the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities.

41. Fiscal Agency -A financial institution that handles certain bond and coupon redemptions on behalf of the entity.

42. Ginnie Maes (GNMAs)-Mortgage securities issued and guarantied, as to timely interest and principal payments, by the Government National Mortgage, an agency within the Department of Housing and Urban Development (HUD).

43. Government Security-Any debt obligation issued by the U.S. government, its agencies or instrumentalities. Certain securities, such as Treasury bonds and GNMA's, are backed by the government as to both principal and interest payments. Other securities, such as those issued by the Federal Home Loan Mortgage Corporation, or Freddie Mac, are backed by the issuing agency.

44. Haircut -This term describes the way brokers and clients protect themselves from market risk in doing repos. An entity wanting to finance the purchase of $100 million in Treasury bonds may borrow just $98 million of the money. The two percent difference between the amount of securities purchased and the amount of money borrowed is the haircut. Similarly, an entity looking to borrow $100 million may need to provide, as collateral, Treasury securities with a market price equal to $102 million.

45. Liquidation -Conversion into cash.

46. Liquidity-Refers to the ease and speed with which an asset can be converted into cash without a substantial loss in value.

47. Loss-The excess of the cost or book value of an asset over selling price.

48. Local Government Investment Pool (LGIP)-The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

49. Mark-To-Market-An adjustment in the valuation of a securities portfolio to reflect the current market values of the respective securities in the portfolio. This process is also used to ensure that margin accounts are in compliance with maintenance.

50. Marketability -Ability to sell large blocks of money market instruments quickly and at competitive prices.

51. Market Risk -The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline.

52. Market Value-The price at which a security is trading and could presumably be sold.

53. Master Repurchase Agreement-An agreement between the investor and the dealer or financial institute. This agreement defines the nature of the transactions, identifies the relationship between the parties, establishes normal practices regarding ownership and custody of the collateral securities during the term of the investment, provides for remedies in the event of a default by either party and otherwise clarifies issues of ownership.

54. Maturity -The time when a security becomes due and at which time the principal and interest or final coupon payment is paid to the investor.

55. Nationally Recognized Statistical Rating Organization (NRSRO)-A credit rating agency that issues credit ratings that the U. S Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

56. Net Worth -A financial institutions available funds after their total liabilities have been deducted from their total assets.

57. Offer-The indicated price at which a seller is willing to sell a security or commodity. (See Bid) When buying a security an offer is obtained.

58. Par Value-The nominal or face value of a debt security; that is, the value at maturity.

59. Portfolio -Collection of securities held by an investor.

60. Premium-The amount by which a bond sells above its par value.

61. Primary Dealers-A pre-approved bank, broker/dealer or other financial institution that is able to make business deals with the U.S. Federal Reserve, such as underwriting new

government debt. These dealers must meet certain liquidity requirements as well as provide a valuable flow of information to the Fed about the state of the worldwide markets.

62. Prime Rate-The interest rate a bank charges on loans to its most credit worthy customers. Frequently cited as a standard for general interest rate levels in the economy.

63. Principal-An invested amount on which interest is charged or earned.

64. Prudence -The ability to govern and discipline oneself by the use of reason. Shrewdness in the management of affairs. Able to use skill and good judgment in the use of resources.

65. Public Fund Interest Bearing Investment Accounts-Bank accounts with Qualified Public Depositories which pay a rate of interest on the balance maintained. Used in diversifying the investment portfolio and most commonly used as part of a liquidity portfolio.

66. Qualified Public Depository-A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated, for the benefit of any commission, eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

67. Registered Security-A security that has the name of the owner written on its face. A registered security cannot be negotiated except by the endorsement of the owner.

68. Repricing -The revaluation of the market value of securities.

69. Repurchase Agreement (REPO)-ARepo is a contractual transaction between an investor and an issuing financial institution (not a secured loan). The investor exchanges cash for temporary ownership of specific securities, with an agreement between the parties that on a future date, the financial institution will repurchase the securities at a prearranged price. An "Open Repo" does not have a specified repurchase date and the repurchase price is established by a formula computation.

70. Reverse Repos -The opposite of the transaction undertaken through a regular repurchase agreement. In a "reverse" the Association initially would own securities and the bank or dealer would temporarily exchange cash for this collateral. This is, in effect, temporarily borrowing cash at a high interest rate and is also known as securities lending. Most typically, a Repo is initiated by the lender of funds. Reverses are used by dealers to borrow securities they have shorted.

71. Safekeeping-A service to customers rendered by banks for a fee whereby all securities and valuables of all types and descriptions are held in the bank's vaults for protection, or in the case of book entry securities, are held and recorded in the customer's name andare inaccessible to anyone else.

72. Sallie Maes-Pooling of student loans guaranteed by the Student Loan Mortgage Association (SLMA) to increase the availability of education loans. The SLMA purchases the loans after buying them on the secondary market from lenders. SLMA stock is publicly traded.

73. Securities-Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

74. Securities And Exchange Commission –(SEC)-A U.S. government agency that oversees securities transactions, activities of financial professionals and mutual fund trading to prevent fraud and intentional deception. The SEC consists of five commissioners who serve staggered five-year terms. No more than three of the commissioners may belong to the same political party.

75. Settlement Dates-The day on which payment is due for a securities purchase. For stocks and mutual funds bought through an investment dealer, settlement is normally five business days after the trade date. Bonds and options normally settle one business day after the trade date mutual fund shares purchased directly by mail or wire settle on the day payment is received.

76. Spread-(a) Difference between the best buying price and the most favorable selling price for any given security; (b) Difference between yields on or prices of two securities of differing quality or differing maturities; (c) In underwriting, difference between price realized by the issuer and price paid by the investor.

77. Stripped Treasuries-U.S. Treasury debt obligations in which coupons are removed by brokerage houses, creating zero-coupon bonds.

78. Supranational Institutions (Supra's)–An international organization or union of separate states our countries whereby member states transcend national boundaries or interests to share in the decision making and vote on issues pertaining to the wider grouping. It is formed by two or more central governments through international treaties. The purpose for creating a supranational is to promote economic development for the member countries. The International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank (IADB), IFC (International Finance Corporation) and ADB (Asian Development Bank) are examples of Supra's.

79. Tripartite Custodian Agreement-An agreement that occurs when a third party or custodian becomes a direct participant in a repurchase transaction. The custodian ensures that the exchange occurs simultaneously and that appropriate safeguards are in place to protect the investor's interest in the underlying collateral.

80. Third-Party Safekeeping -A safekeeping arrangement whereby the investor has full control over the securities being held and the dealer or bank investment department has no access to the securities being held.

81. Time Deposit-Interest-bearing deposit at a savings institution that has a specific maturity.

82. Treasury Bills-Treasury bills are short-term debt obligations of the U.S. Government. They offer maximum safety of principal since they are backed by the full faith and credit of the United States Government. Treasury bills, commonly called "T-Bills," account for the bulk of government financing, and are the major vehicle used by the Federal Reserve System in the money market to implement national monetary policy. T-Bills are sold in three, six, nine, and twelve-month bills. Because treasury bills are considered "risk-free," these instruments generally yield the lowest returns in the major money market instruments.

83. Treasury Notes and Bonds-While T-Bills are sold at a discount rate that establishes the yield to maturity, all other marketable treasury obligations are coupon issued. These include Treasury Notes with maturities from one to ten years and Treasury Bonds with maturities of 10-30 years. The instruments are typically held by banks and savings and loan associations. Since Bills, Notes and Bonds are general obligations of the U.S. Government, and since the Federal Government has the lowest credit risk of all participants in the money market, its obligations generally offer a lower yield to the investor than do other securities of comparable maturities.

84. Underlying Securities-Securities transferred in accordance with a repurchase agreement.

85. Vendor -A business or individual who provides a service or product at a cost.

86. When-Issued Trades -Typically, there is a lag between the time a new bond is announced and sold and the time it is actually issued. During this interval, the security trades “WI,” "when, as, and if issued." WI-When, as, and if issued. See When-issued trades.

87. Yield -The rate at which an investment pays out interest or dividend income, expressed in percentage terms and calculated by dividing the amount paid by the price of the security and annualizing the result.

88. Yield Basis -Stated in terms of yield as opposed to price. As yield increases for a traded issue, price decreases and vice versa. Charts prepared on a yield basis appear exactly opposite of those prepared on a price basis.

89. Yield Spread-The variation between yields on different types of debt securities; generally, a function of supply and demand, credit quality and expected interest rate fluctuations. Treasury bonds, for example, because they are so safe, will normally yield less than corporate bonds. Yields may also differ on similar securities with different maturities. Long-term debt, for example, carries more risk of market changes and issuer defaults than short-term debt and thus usually yields more.

90. Zero-Coupon Bonds-Securities that do not pay interest but are instead sold at a deep discount from face value. They rise in price as the maturity date nears and are redeemed at face value upon maturity.

EXHIBIT B

GOVERNING DOCUMENTS

1. Colorado Statutes: The Colorado Common Interest Ownership Act ("CCIOA") (C.R.S. Title 38, Article 33.3), the Colorado Revised Uniform Arbitration Act ("CRUAA") (C.R.S. §§ 13-22-201 to 13-22-230), and the common and statutory laws of the State of Colorado that apply to the Association.

2. Master Association Covenants ("Master Covenants"): The "Declaration of Homeowners Association Covenants and Restrictions for Fountain Greens, a Subdivision in Boulder County, Colorado," dated June 12, 1975, and recorded on Film Number 893, reception number 144190, in the office of the Clerk and Recorder of Boulder County, Colorado, as amended by the "First Amendment" thereto recorded November 9, 1977, on Film Number 984, reception number 250929 in records of the office of the Clerk and Recorder of Boulder County, Colorado (the "HOA Covenants");

3. Block 3 Covenants: The "DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS" recorded November 29, 1977, on Film Number 0986, reception number 253558 in the records of the office of the Clerk and Recorder of Boulder County, Colorado, but only as it applies to Owners of Lots in Block 3 (the "Block 3 Covenants");

4. Block 4 & 8 Covenants: The "DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS" recorded July 26, 1978, on Film Number 1020, reception number 290878 in the records of the office of the Clerk and Recorder of Boulder County, Colorado, but only as it applies to Owners of Lots in Blocks 4 and 8 (the "Blocks 4 & 8 Covenants");

5. Block 5, 6, and 7 Covenants: The "DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS" recorded January 31, 1977, on Film Number 0951, reception number 209069 in the records of the office of the Clerk and Recorder of Boulder County, Colorado, as amended by the First Amendment thereto recorded November 29, 1977, on Film Number 0986, reception number 253660, but only as it applies to Owners of Lots in Blocks 5, 6 and 7 (the "Blocks 5, 6 & 7 Covenants"); and

6. Sub-Association Covenants: The separate covenants and declarations which apply to the six Sub-Associations in the Subdivision (the "Sub-Association Covenants"), which are subject to regulation and governance by separate regimes, to wit:

a. Buckingham Green Homeowners Association, Inc. ("Buckingham Green"), a Colorado not-for-profit corporation, which was formed to administer the Buckingham Green neighborhood. It is controlled by residents of those residences within Block 1 of the Subdivision under "protective covenants" recorded in the records of the

office of the Clerk and Recorder of Boulder County, Colorado, on June 26, 1992, as Reception number 01197197 on Film number 1742 (the "Buckingham Green Covenants");

b. Ironwood Condominium Association, Inc. ("Ironwood"), a condominium association, which was formed to administer the Ironwood condominiums. It is controlled by residents of those condominium homes within Block 2 of the Subdivision under a condominium declaration recorded in the records of the office of the Clerk and Recorder of Boulder County, Colorado, on May 17, 1984, as Reception Number 621510 on Film Number 1303 (the "Ironwood Covenants");

c. Buckingham Ridge Homeowners Association, Inc. ("Buckingham Ridge"), a Colorado not-for-profit corporation, which was formed to administer the Buckingham Ridge neighborhood. It is controlled by residents of those Lots within Block 10 of the Subdivision under "protective covenants" recorded in the records of the office of the Clerk and Recorder of Boulder County, Colorado, on July 17, 1989, as Reception number 0992865 on Film number 1586 (the "Buckingham Ridge Covenants");

d. Country Club Greens Condominium Association, Inc. ("Country Club Greens"), a Colorado not-for-profit corporation, which was formed to administer the Country Club Greens condominium association. It is controlled by residents of those condominium homes within Block 12 of the Subdivision under a condominium declaration recorded in the records of the office of the Clerk and Recorder of Boulder County, Colorado, on May 9, 1995, as Reception Number 1515695 on Film Number 2051 (the "Country Club Greens Covenants");

e. Fountain Greens Condominiums Association, Inc. ("Fountain Greens I"), a Colorado not-for-profit corporation, which was formed to administer the Fountain Greens Condominiums. It is controlled by residents of those condominium homes within the northern part of Block 13 of the Subdivision under a condominium declaration recorded in the records of the office of the Clerk and Recorder of Boulder County, Colorado, on February 11, 1985, as Reception Number 671444 on Film Number 1340 (the "Fountain Greens Condominiums Covenants"); and

f. Fountain Greens Condominiums II Association, Inc. ("Fountain Greens II"), a Colorado not-for-profit corporation, which was formed to administer the Fountain Greens II Condominiums. It is controlled by residents of those condominium homes within the southern part of Block 13 of the Subdivision under a condominium declaration recorded in the records of the office of the Clerk and Recorder of Boulder County, Colorado, on December 11, 1992, as Reception Number 1248007 on Film Number 1784 (the "Fountain Greens II Condominiums Covenants").

7. Articles of Incorporation: Articles of Incorporation of Fountain Greens Homeowners Association, Inc., dated June 5, 1975, and Recorded in the office of the Boulder County Recorder on Roll 293 Page 2477.

8. Bylaws: Amended and Restated Bylaws of Fountain Greens Homeowners Association, Inc., dated May 20, 2017, as amended by the First Amendment thereto dated November 8, 2017, and by the Second Amendment thereto dated December 20, 2017.

EXHIBIT C

List of Current Reserve Accounts

Reserve Money Market – Union Bank	210,802
BBVA CD	137,255
TCF CD	179,417
BBVA Money Market	31,944