

**CONSENT OF DIRECTORS
OF THE
WOLF RANCH OWNERS ASSOCIATION, INC.**

The undersigned, being all of the Directors of the Wolf Ranch Owners Association, Inc., a Colorado non-profit corporation (the "Association"), hereby consent to vote in favor of, and adopt the following resolution:

WHEREAS, the Board of Directors of the Wolf Ranch Owners Association, Inc. is empowered to govern the affairs of the Association pursuant to Chapter 2, Section 2.2 of the Community Charter for Wolf Ranch Residential Property (hereafter referred to as "Charter") and Article 3, Section 3.1 of the Bylaws and Article 5 of the Articles of Incorporation; and,

WHEREAS, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3, requires the Association to establish a policy regarding the investment of reserve funds; and

WHEREAS, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that outlines the principles to be used in the investment of association funds;

IT IS THEREFORE RESOLVED that the policy attached hereto as Exhibit A (hereafter referred to as "The Investment Policy") shall be adopted and hereby established as the policy of this Association;

IT IS FURTHER RESOLVED that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

IT IS FURTHER RESOLVED that this policy shall take effect on December 31, 2005.

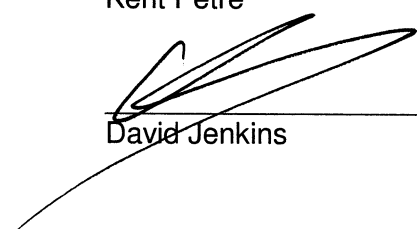
EXECUTED this 31st day of Dec, 2005.



Ralph Braden



Kent Petre



David Jenkins

EXHIBIT A

The Investment Policy

This statement of investment policy pertains to the handling of excess cash reserves not required for short-term operating purposes.

Purpose

This policy is set forth by the Board of Directors in order to:

- Define and assign the responsibilities of all involved parties.
- Establish a clear understanding for all involved parties of the investment goals and objects of Association assets.
- Offer guidance and limitations to board members and its managing agent regarding the investment of Association assets.
- Establish a basis for evaluating investment results.
- Manage Association assets according to prudent standards.
- Establish the relevant investment horizon for which the Association assets will be managed.

In general, the purpose of the Investment Policy is to outline a philosophy and attitude that will guide the board in the investment management of the association's assets toward the desired results; it is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

Authority and Delegation Thereof

Ultimate authority for all matters concerning investment of the funds always rests with the Board of Directors. The Board of Directors may hire outside experts as consultants and/or investment managers to guide the Board in its decision making. The Board may allocate discretion to its expert(s) for the assets placed under the fund's jurisdiction, however all activities must be done in accordance with the policies, guidelines, constraints, and philosophies as outlined in this Policy Statement.

Assignment of Responsibility

It shall be the responsibility of the Board of Directors to:

- Develop and maintain an investment policy statement.
- Periodically review such policy at least annually.
- Review at least semiannually the performance of the Association's investments.

An individual or entities may be appointed by the Board to act as an investment consultant or investment manager for the Association. An investment manager shall, in good faith, make every effort to achieve the investment objectives of the Association, assuring that the investments operate within all policies, guidelines, constraints, and philosophies as outlined in this Policy Statement.

An investment consultant shall be a non-discretionary advisor to the Board of Directors. Investment advice concerning the investment management of the Association's assets will be consistent with the investment objectives, policies, guidelines, and constraints as established in this Policy Statement. This advice includes the following:

- Asset and style allocation and strategy
- Review of the investment policy and investment policy statement, to include suggested changes
- Review of current and prospective economic and capital market issues
- Performance of the overall fund and of investment managers

Investment Management Policy

Funds invested by the Association are generally funds collected from its members for the funding of reserve replacements of the Association. All funds invested by the Association should be adequately available to the Association based on recommendations given in its reserve study analysis and adopted by the board.

The Board of Directors, through this Policy, recognizes that the three essential investment objectives (in order of their importance) are: safety, liquidity, and yield. Therefore, the Association's funds should be invested in accordance with these general policies:

1. **Risk Aversion.** Understanding that risk is present in all types of securities and investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Association's objectives. The Board, through its Investment Manager, is to make reasonable efforts to control risk and they evaluate each investment regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
2. **Fund Availability.** The Board shall utilize the 30-year funding projection as outlined in the Association's reserve study analysis, which shall be updated at least every five years, to ensure that funds are made available for use as needed.
3. **Yield.** It shall be the Board's objective to achieve the greatest return possible in relation to the investment vehicle being used.

Investment Guidelines

Allowable Assets:

Cash Equivalents:

- Treasury Bills
- Money Market Funds
- Certificates of Deposit

Fixed Income Securities:

- U.S. Government and Agency Securities
- U.S. Corporations Notes and Bonds

Equity Securities:

- U.S. Corporations Common and Preferred Stocks

Mutual Funds:

- Mutual Funds, which invest in securities as allowed in this statement.

Prohibited Transactions

- Short selling
- Margin transactions
- Purchase of privately held securities (not publicly traded), real estate properties, and derivative securities.

Asset Allocation Guidelines

Equities will constitute no more than 35% of the total portfolio market value at any time; the remainder (a minimum of 65%, and up to 100% of the total market value) will be invested in fixed obligations (bonds or cash equivalents). The Board of Directors can direct the asset allocation or delegate that to any investment manager(s), within the above limits.

Guidelines for Equity Investments

To ensure sufficient trading liquidity, at least 80% of the total equity portfolio (by market value) shall be in companies having a market capitalization of greater than \$500 million.

Guidelines for Fixed Income Investments and Cash Equivalents

- Corporate bonds must be “investment grade,” rated BBA by Standard and Poors (S&P) and BBB or better by Moody’s.
- Fixed income maturities are restricted to a maximum maturity for any single security of 15 years and the weighted average portfolio maturity may not exceed 10 years.
- Money Market Funds selected shall contain securities whose credit rating at absolute minimum would be rated investment grade by S&P and/or Moody’s.

Selection of Investment Managers

The Board of Director’s selection of an investment manager must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisor Act of 1940, a bank, or an insurance company.

Investment Manager Performance Review and Evaluation

The Board of Directors will, at least quarterly, review and measure the performance of the total portfolio, as well as asset class components, against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement.

The Board of Directors intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate an investment manager and/or advisor for any reason, including the following:

- Investment performance that is significantly less than anticipated, given the discipline employed and risk parameters established, or unacceptable justification of poor results
- Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements
- Significant qualitative changes to the investment management organization

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organization and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

Specific investment goals and constraints for each investment manager, if any, shall be agreed upon by the investment manger and Board of Directors and shall be incorporated as part of this statement of investment policy.