

**Resolution
of
Vista Mesa Homeowners Association, Inc.**

Investments and Reserve Funds Resolution Policy

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

WHEREAS, the Board of directors is empowered to govern the affairs of the Association pursuant to Article VII, Section 1(a) of the Bylaws;

WHEREAS, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§3S-33.3-101 et. seq, requires the Association to establish a procedure for Investments and Reserve Funds Policy ; and

WHEREAS, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall govern the manner in which the Association's money is invested; therefore a need to officially adopt and accept the policy for Investments and Reserve Funds Policy;

IT IS THEREFORE RESOLVED that the policy attached hereto as Exhibit A (hereafter referred to as "The Investments and Reserve Funds 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 January 1, 2006. EXECUTED this 21st day of February 2006.

SIGNED ORIGINAL ON FILE

President

Vice-President

Treasurer

EXHIBIT A

INVESTMENT OF RESERVE FUNDS

The Board shall invest the reserve funds of the Association in a Reserve Account so as to generate interest revenue that will accrue to the Reserve Account balance. All investments shall be in the name of the Association, shall not be commingled with the Association's general operating account, and unless otherwise approved by a majority of the votes of the membership, shall be FDIC or SIPC insured or otherwise guaranteed by the United States Government. Investments should take liquidity into consideration, such that funds are available to meet the repair and replacement schedule established by the periodic reserve study undertaken by the Association. The Board may hire an investment counselor to assist in formulating an investment plan. The Board shall review the Reserve Account investment plan at least annually to ensure that the funds are receiving competitive yields, and shall be authorized to make prudent adjustments as needed.