

**RESOLUTION
OF THE
MASTER COMMUNITY 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 reserve funds.

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

EFFECTIVE

DATE: June 30, 2010

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. Board members have a fiduciary responsibility to the association. They may not delegate their legal obligation to protect the association's assets to anyone else. The Board must therefore invest association reserve funds responsibly and in a way that provides first safety, then liquidity and finally yield.

2. Goals & Objectives. The Association's reserve assets shall be invested to achieve the following objectives:

1. Promote and ensure the preservation of the reserve fund's principal.
2. Structure maturities to ensure the availability of assets.
3. Minimal costs. Investment costs should be minimized.
4. Funds should be invested with professional managers who have good reputations and sound credentials.
5. Achieve long term investment performance based on lowest risk at highest return.

3. Investment Strategy. Use the most recent reserve study to match the effective maturities to the dates of the expenses. The following are considered suitable investment instruments for reserves:

1. 100% of the fixed-income securities held in the portfolio shall have a Moody's, Standard & Poor's and/or Fitch's credit quality rating of no less than "BBB".
2. 40% of the portfolio shall not be rated less than AA. If the Manager should hold BBB rated securities they must be US companies only. U.S. Treasury securities and U.S. government agency securities, which are unrated securities, are qualified for inclusion in the portfolio.

3. The exposure of the portfolio to any one issuer, other than securities of the U.S. government or U.S. agencies, shall not exceed 15% of the market value of the fixed income portfolio.
4. To the extent possible, holdings of individual issues shall be large enough for easy liquidation
5. The manager shall have the discretion to invest a portion of the assets in cash reserves when they deem appropriate.

(a) An issue by issue review will be conducted for each security that has its credit rating lowered after purchase and for each security presently in the portfolio that falls below these criteria's. A decision will be made to either hold and monitor or liquidate.

4. Selection Criteria. Securities will be selected with an emphasis on these characteristics:

1. Preservation of capital
2. Quality
3. Effective maturity
4. Net after-tax return

5. Investment Options. Securities will be selected with an emphasis on these characteristics:

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2. Quality
3. Effective maturity
4. Net after-tax return

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6. Review and Control. The Executive Director and /or the Treasurer shall work closely with the Manager and the Broker to ensure that the policy outlined is adhered to. The Board of Directors will review the investments and make any necessary corrections, changes, additions or deletions.

7. Reserve Study. In order to determine funding of the Reserve Account, the Board of Directors shall determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").

8. Review of Reserve Study. The Board of Directors shall cause the Reserve Study, if any and reserve funding to be reviewed and updated periodically, at least once every

three years to adjust and make changes in costs, inflation, interest yield on invested funds plus modification, addition or deletion of components.

9. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

10. 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.

11. 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.

12. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on this 15 day of June, 2010 and in witness thereof, the undersigned has subscribed his/her name.

Master Community Association, Inc.

By: 
President