

Motion on Policy Regarding the Sales Proceeds from Real Property

Date: Regular Monthly Meeting – March 9th, 2010

Passed by 100% Majority

Whereas the founders of the Virginia City Highlands Property Owners' Association took very seriously the importance of real estate and particularly common areas such as the roads and adjoining appurtenances,

And Whereas the CC&R's in paragraph 8, Ownership of Streets, and the By-laws, Article II, Section A require a 2/3rds vote to approve any disposition of such real property,

And Whereas the Board of Directors recognizes its duty and responsibilities to maintain and enhance such real property and common areas for the benefit and enjoyment of all homeowners,

And Whereas the Board of Directors adopts this policy to include all roads, building structures, appurtenances and any other form of real property in order to stay in compliance with and in the intent of the CC&R's and By-laws of the Association,

And Whereas the preservation of such assets of the Association improves the value and stability of the homeowners' interests,

Therefore be it Resolved that the duly elected Board of the Virginia City Highlands Property Owners' Association reaffirms and supports the need to preserve and maintain such real estate assets of the Association and,

Further be it Resolved that in order to accomplish such a priority, the Board of the Virginia City Highlands Property Owners' Association hereby adopts the policy that all proceeds received from the sale of any real property be preserved and maintained in an endowment fund for the Association,

And Further be it Resolved that the income from such endowment fund can be used for the Reserve Fund or Operational Funds of the Association, but in no way allow the depletion of the principal of the endowment fund unless approved by 2/3rds vote of the Association's homeowners' vote at a properly noticed regular annual meeting or at a properly noticed special meeting of the Association members and that such funds may not be comingled except as specifically allowed in this policy. Any change in this policy is also subject to the voting requirements as stated herein. The assets of the endowment fund may be invested in appropriate conservative forms of investment as determined by the Board during the course of business.