

INVESTMENT POLICY AND PROCEDURES

AUTHORITY AND PURPOSE FOR THE RESOLUTION:

WHEREAS, the Red Mountain RV Resort (BOCA) Homeowners Association (Association) is a Nevada Corporation duly organized and existing under the Laws of the State of Nevada; and BYLAWS Article 4.3. Para (k), gives the board rule making authority; and

WHEREAS, the Executive Board (Board) wishes to memorialize their investment policy for funds in the reserve and operating accounts, and

WHEREAS, Owners have a right to know how their funds are being invested in both the reserve and operating accounts, and

WHEREAS, the Board wishes to ensure that the funds are also available as needed to properly protect, enhance and preserve the assets of the corporation, and

WHEREAS, the Board wishes to be in compliance with applicable Nevada

laws. **NOW THEREFORE, BE IT RESOLVED:**

To ensure compliance of NAC 116.300 and NAC 116.400, the Board shall deposit all money of the Association in a federally insured financial institution that is authorized to do business in Nevada or as current Nevada Law dictates as it changes from time to time. The Board will have a letter in file from each institution stating that they are authorized to do business in the State of Nevada.

No investment decision will be made outside of a Board of Directors meeting and a majority of the Board may make decisions based on recommendations of a person who is educated and properly licensed as an investment advisor. A calendar shall be kept by the Treasurer and Community Manager, which shall show the maturity dates to enable ample time before the renewal of any accounts to place decisions on the agenda for any decisions to be made.

To remain in compliance with NRS 116 and NAC 116, the community manager shall not sign any of the reserve checks, transfer funds out of the reserve account or be a signor on the account cards. Transfers can be made by the manager into the account(s), however, from the operating account(s).

As the documents of the Red Mountain RV Resort (BOCA) Homeowners Association detail that the President and Treasurer SHALL be signers on all accounts, the manager shall not be a signer on the Operating account as well.

|

* No individual investment will be placed in any instrument that will exceed the 250,000 per account Federal Insurance and steps will be taken to calendar each account to ensure that any interest obtained over a specific investment period will not exceed the maximum as well.

* No accounts will be authorized to be covered by private insurance to allow the investment to exceed the 250,000 Federal protections.

At least once every 100 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

- (a) A current year-to-date financial statement of the association;
- (b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;
- (c) A current reconciliation of the operating account of the association;
- (d) A current reconciliation of the reserve account of the association;
- (e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and
- (f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

Should Nevada change the above 100 day requirement, the above requirement will include any of those date changes.

This Investment Policy was approved by the Boulder Oak Community Association Board of Directors on December 20, 2012