

NORTHERN TERRACE HOMEOWNERS ASSOCIATION INVESTMENT POLICY AND PROCEDURES

WHEREAS, the Northern Terrace Homeowners Association (the "Association") is a Nevada nonprofit corporation organized under Chapter 82,

WHEREAS, the Association is subject to the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes, as well as NRS 78 and 82,

WHEREAS, the Association is subject to Chapter 116A of the Nevada Revised Statutes,

WHEREAS, the Association is subject to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements, recorded in Clark County on March 30, 1993 and the Bylaws of the Association, duly adopted by the Board of Directors,

WHEREAS, NRS 116.3103 establishes that in the performance of their duties, the members of the executive board are fiduciaries,

WHEREAS, NRS 116A requires the executive board to establish and adopt written investment policies and procedures,

WHEREAS, NRS 116 establishes the required insurance for association funds,-and

WHEREAS, the Association's managing agent has advised the Board of Directors that the managing agent does not have the expertise to provide investment advice and has not provided investment advice, and whereas the Community Manager has further advised the board to seek any and all investment advice from qualified professional experts in the investment industry on any matters regarding the investment of association funds,

NOW THEREFORE, BE IT RESOLVED:

All funds of the Association shall be maintained and invested in a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund, Securities Investor Protection Corporation, or a private insurer approved pursuant to NRS 678.755, or in government securities that are back by the full faith and credit of the United States Government.

All funds of the Association shall be held in the Association's name and will be accessible only to members of the Board of Directors.

All checks from the Association accounts will be signed by two members of the Board of Directors. The manager will not be a signor on any account maintained by the Association and will not be authorized to make electronic transfers of Association funds.

Investment decisions will be made by the Board of Directors and the Board of Directors may authorize the Treasurer to renew CDs and transfer funds in accordance with the investment decision. Two signatures will be required if transferring funds, in accordance with NRS. Investment advice will be obtained from an expert in the field of investments within the limitation of NRS and NAC.

- No individual investment will be placed in any instrument that will exceed the \$250,000 per account. All such accounts must be Federally insured and steps will be taken to monitor each

account to ensure that any interest obtained over a specific investment period will not exceed the maximum as well.

- Any amount placed with an institution which exceeds the \$250,000 Federal protection amount will be distributed to ensure proper FDIC coverage through programs such as CDARs.

The goals of the investment policy for all accounts of the Association are in order of priority:

1. Security: All money deposited into all accounts will be adequately insured to avoid loss of any principal.
2. Liquidity: All money will be deposited and invested to ensure that funds are available to pay for foreseeable authorized expenses as they become due.
3. Cost of Investment: All deposits and investments will be made with minimal costs of investment.
4. Yield: Return on investment should be maximized within the parameter of goals 1 through 3.

OPERATING FUNDS

All operating funds will be maintained in a manner that conforms to the General Policy stated above. No accounts will be allowed to exceed the maximum amount that is protected by the insurers itemized above.

RESERVE FUNDS

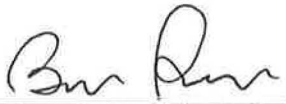
All reserve funds will be maintained in a manner that conforms to the General Policy stated above. No accounts will be allowed to exceed the maximum amount that is protected by the insurers itemized above.

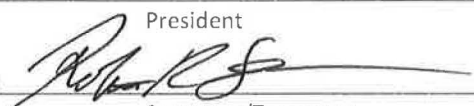
Money deposited in the designated reserve funds will be invested to ensure liquidity at the time of the major replacement, restoration, or repair of the common element or other maintenance item is scheduled in the reserve study, or upon a schedule as decided by the Board of Directors.

At least once every 100 days, unless the declaration or bylaws of the association imposes 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 of 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 in arbitration or mediation in which the association is a party.

THIS RESOLUTION FOR THE INVESTMENT POLICY AND PROCEDURES IS HEREBY ADOPTED BY THE NORTHERN TERRACE HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS THIS FOURTEENTH DAY OF JUNE, 2023.

By:  _____
President

Attested By:  _____
Secretary/Treasurer