RESOLUTION 2021-003
ROCKING K SOUTH MASTER ASSOCIATION
REGARDING INVESTMENT POLICY
Rocking K South Master Association

WHEREAS, Article VI of the By-Laws of Rocking K South Master Association an Arizona non-profit corporation (hereafter the "Association"), grants to the Board of Directors "shall have the powers to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions..."

WHEREAS, the Association accumulates both reserve and operating savings funds, which should be invested safely, and

WHEREAS, the Board of Directors, finds it advisable to establish guidelines for the investment of reserve and operating funds of the Association

NOW, THEREFORE, IT IS RESOLVED THAT the Board of Directors hereby adopts the following Investment Policy for the Rocking K South Master Association:

INVESTMENT POLICY

OBJECTIVE
The objective of the Rocking K South Master Association Investment Policy is to enable the Association to obtain investment returns consistent with the highest levels of principal preservation and consistent with avoidance of credit risk and interest rate risk from investments that are not FDIC insured. Investment choices must be guided by the following principles in order of importance:

1. SAFETY (preservation of capital)
2. LIQUIDITY (funds to be available when needed)
3. YIELD (highest consistent with the above two principles)
4. Investments shall be made with judgment and care, of which persons of prudence, discretion and intelligence exercise not for speculation, but for safety of capital. Taking into consideration known cash requirements, funds shall be deposited in such manner as will minimize the risk to the funds. This Investment Policy allows for Excess Deposit Programs (EDPs) when offered by a bank, provided the insurance companies that underwrite the EDPs have been given excellent ratings by Moody's, A. M. Best, S&P, and Fitch.

INVESTMENT LIMITATIONS

Operating Funds shall be invested only in certificates of deposit and depositary accounts insured by the United States government or an agency thereof, in Treasury bills, notes, or

bonds maturing in 30 days or less from the date of investment, or in money market funds, which in turn are invested virtually exclusively in the types of securities enumerated in this paragraph, or EDPs. Furthermore, Rocking K South Master Association, which utilizes operating funds for accounts payable, shall at all times maintain no less than 45 days of funds which can be drawn on with one day's notice at no risk to principal.

Reserve Funds may be invested in the same type of financial instruments as noted above for Operating Funds. Maturities may be extended to as much as ten years for portions of the reserves that will be needed ten or more years into the future, as indicated by an outside reserve study and only if advised by the Association's Board of Directors, given market conditions. Laddering of investments is permitted and encouraged to match anticipated needs.

PLAN DEVELOPMENT AND IMPLEMENTATION

The Managing Agent periodically will consult with the Treasurer and the Association's selected Financial Advisor to maximize investment returns within the context of this policy. The Community Manager will submit a written Investment Plan, prepared by the Financial Advisor, to the Treasurer, who will present the plan to the Board of Directors for approval. Once the plan has been approved, the Manager will implement the approved plan with the assistance of the Treasurer and the Financial Advisor, with on-going over-sight by the Board of Directors.

SUBJECT TO AMENDMENT

The Investment Policy outlined above may be amended from time to time by resolution of the Board of Directors.

The foregoing resolution outlining an Investment Policy for the Rocking K South Master Association was adopted on the _____ day of _____, 20_ _, by a majority vote of the Board of Directors and was meant to become effective as of that date.

Robert Tucker, Director

Priscilla Storm, Director

Mark Weinberg, Director