

# Hearthstone Condominium Homeowner's Association

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## **2020 Investment Policy**

WHEREAS the HEARTHSTONE HOA  
is a Nevada nonprofit (Not for Profit) corporation organized under Chapter 82

WHEREAS the HEARTHSTONE HOA  
is subject to the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes

WHEREAS the HEARTHSTONE HOA  
is subject to Chapter 116A of the Nevada Revised Statutes

WHEREAS the HEARTHSTONE HOA  
is subject to NAC 116 of the Nevada Administrative Code

WHEREAS the HEARTHSTONE HOA  
is subject to the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements,  
recorded in Clark County on 11/17/1983 and the Bylaws of the Association, duly adopted by the Board of  
Directors

WHEREAS the HEARTHSTONE HOA  
bylaws, Article VI giving the Board of Directors authority to act on behalf of the Association

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

WHEREAS NRS 116A, as amended by AB 350, requires the executive board to develop and approve  
written investment policies and procedures

WHEREAS NRS 116A.400, as amended by AB 350 and SB 351, establishes that the Association shall  
deposit, maintain and invest all funds of the Association in a financial institutions whose accounts are  
insured as required by statute

WHEREAS the association's management company has advised the Board of Directors of the association  
that the management company does not have the expertise to provide investment advise and has not  
provided investment advice, and the manager has further advised the Board of Directors 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 THAT the following investment policies and procedures are  
adopted by the HEARTHSTONE HOA

### **GENERAL POLICY**

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 backed by the full faith and credit if the united States Government.

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

All checks from HEARTHSTONE HOA accounts will be signed by a member of the Board of Directors. The manager will not be a signor on any account maintained by the Association.

Investment decisions will be made by the Board of Directors and the Board of Directors may authorize the Treasurer to renew CDs. All transfer of funds in accordance with the investment decisions of the Board of Directors must be executed by two members of the Executive Board of Directors.

Investment advice will be obtained from an expert in the field of investments within the limitations of NRS and NAC.

The goals of the investment policy for all accounts of the HEARTHSTONE HOA 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 authorized expenses.
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 parameters 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.

All checks for disbursements from the operating account will be provided by the contracted management company in a timely manner to avoid any late charges.

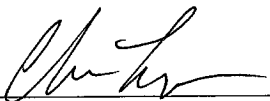
#### **RESERVE FUNDS**

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 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.

This resolution is adopted and made part of the minutes of November, 13, 2019, Board of Directors meeting.

Signed:



Title:

Board Member

Attested By:

Robin Lemeism

Title:

President