



## MARIPOSA COMMUNITY ASSOCIATION INVESTMENT POLICY

**WHEREAS**, the By-Laws of Mariposa Community Association a New Mexico non-profit corporation (hereafter the “Association”), grant to the Board of Directors the powers necessary for the administration of the Association;

**WHEREAS**, the Association may accumulate replacement reserve funds and excess operating funds, which should be invested safely; and,

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

**NOW, THEREFORE, IT IS RESOLVED THAT** the Board of Directors hereby adopts the following Investment Policy for the Association:

### **OBJECTIVE**

The objective of this 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 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 to principles)

Investments shall be made with judgement 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 of the funds. This Investment Policy allows for use of Excess Deposit Program (EDP) coverage when offered by a bank, provided the insurance companies that underwrite the EDP have been given excellent ratings by Moody’s A.M. Best, S&P, and/or Fitch.

### **INVESTMENT LIMITATIONS**

**Excess Operating Funds** shall be invested only in certificates of deposit; depository accounts insured by the United States government or an agency thereof, in Treasury bills, notes or bonds for term lengths which shall be determined by the Board of Directors; or, in money market funds, which in turn are invested virtually exclusively in the types of securities enumerated in this paragraph or covered by an EDP. Furthermore, the 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.

**Replacement Reserve Funds** may be invested in the same type of financial instruments as noted above. Maturities may be extended to as much as ten years for those portions of the replacement reserve funds that will be needed ten or more years into the future, as indicated by a professional replacement reserve study and only if directed by the Association's Board of Directors, given market conditions. "Laddering" of investment maturity dates is encouraged to match anticipated needs.

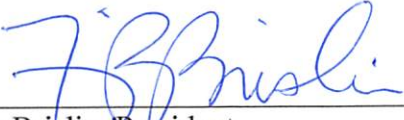
**PLAN DEVELOPMENT AND IMPLEMENTATION**

The Managing Agent may periodically consult with the Treasurer and/or the Association's selected financial advisor (if any) to maximize investment returns within the context of this policy.

**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 establishing an Investment Policy for the Association was adopted and made effective this 26<sup>th</sup> day of September, 2017.



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Tim Brislin, President,  
Mariposa Community Association