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## **INVESTMENT COMMITTEE RULES**

### **INVESTMENT POLICY STATEMENT**

This investment policy describes the long-term objectives of Desert Aire, establishes investment principles for the assets and creates guidelines for evaluating investment decisions.

### **STATEMENT OF INVESTMENT OBJECTIVES**

The two primary investment objectives are:

- 1.) To cause the total value of assets to appreciate over time, and
- 2.) To provide for capital protection.

To accomplish these goals, Desert Aire should maximize the return on its investments, consistent with the appropriate level of risk.

### **GENERAL INVESTMENT RULES**

In selecting investments, consideration will be given to the requirements for liquidity, safety of principal, yield, maturity and the quality and compatibility of investment managers.

### **INVESTMENTS PERMITTED**

As deemed appropriate by Committee Review and approval by the Board.

### **INVESTMENTS NOT PERMITTED**

Real estate and business investments

Savings and loans

Other securities as deemed inappropriate by Committee review

### **INVESTMENT ALLOCATION AND DIVERSIFICATION GOAL**

As deemed appropriate by Committee Review and approval by the Board.

#### **DUTIES AND POWERS OF COMMITTEE**

1. Annually determine how best to invest the various funds in order to obtain the maximum return consistent with safe and prudent money management.
2. To report this determination to the Desert Aire Owner's Association Board of Directors (hereinafter called the Board) and secure Board approval of the investment policy and any material changes in investment policy.
3. To invest the funds in the manner so determined and approved; to maintain a true and accurate record of investments, income and expenditures; to keep all receipts and investment certificates and documents in a bank selected by the committee and approved by the Board of Directors.
4. To furnish a detailed written Treasurer's financial report to the Board, showing all receipts, payments and pertinent investment information as re-investments occur.
5. Responsible for monitoring the investment portfolio each year will be with the Finance Committee, which will report to the Board in the first (1<sup>st</sup>) quarter of the New Year. All investment returns will be available at year-end (12/31).
6. The Finance Committee should review experience and qualifications of the personnel providing investment management services annually.

#### **COMMITTEE ORGANIZATION**

1. The committee shall have seven (7) members; three (3) Desert Aire Owner's Association Board Members and four (4) Desert Aire Owner's Association at large.
2. The Desert Aire Owner's Association (called DAOA) President and Treasurer shall automatically be members and shall serve during their tenure as DAOA President and Treasurer. The DAOA Treasurer shall be Committee Chairman.
3. The other five- (5) members shall be appointed by the DAOA President and shall serve for a term of three- (3) years. The terms of these three (3) shall be staggered so that only 2-3 terms shall expire each year. The terms shall expire the day of the first Board meeting after the Annual Meeting date, and the new terms shall commence on that date.
4. In the case of interim vacancies, the DAOA President shall appoint new members to fill the vacancies during the remainder of the vacated position's term.
5. Three committee members (including the DAOA President and the DAOA Treasurer) must also be serving as members of the DAOA Board. All committee members shall be DAOA members who have some business or investment experience.
6. The DAOA Treasurer shall prepare and maintain the financial record and reports for the Board.
7. Committee members shall serve without pay. However, they shall have the same protections given other officers and directors of DAOA, including non liability except for willful or grossly negligent wrongful acts, defense and reimbursement of costs and fees if sued, etc. They shall in addition be reimbursed for actual expenses necessarily incurred in carrying out committee functions.

## **REMOVAL FROM OFFICE**

1. Once appointed, committee members can be removed before expiration of their terms only by majority vote of the Board.

## **SAFETY OF FUNDS AND RECORDS**

1. The day-to-day banker for funds not otherwise invested shall be a bank or banks selected by the committee and approved by the Board of directors. These funds will be kept in a market interest, or equivalent account.
2. All investment and financial certificates and documents shall be kept in the bank or banks noted above. All bank accounts, assets, investments and records shall be kept in the name of "Desert Aire Owner's Association Investment". Copies of bank statements and account status will be kept in the Desert Aire Owner's Association office.
3. The following signatures shall be required for bank accounts, bills, notes, bonds, certificates and other financial documents of the Combined Investment Capital Fund:
  - ◆ To deposit, cash in or surrender for re-investment any said financial assets or documents: Signing jointly, any two (2) signatures from among the following five persons: The DAOA President, Vice President, Secretary, Treasurer, and the other committee member who is also a Board member.
  - ◆ To withdraw for reimbursement of expenses incurred by DAOA requires two (2) signatures of DAOA Board members.
4. Although as above stated, other signatures may be required to withdraw funds or surrender document, because of bonding requirements, only the DAOA President, Secretary, or Treasurer and a third Board member on the committee shall have at any time actual possession and custody of the Fund monies document and assets.
5. Except for payment of Fund expenses, actually and necessarily incurred, no fund assets shall be expended by the Committee or by the Board.

## **AMENDMENT OF RULES**

These Rules may be amended only by an approving vote two-thirds (2/3) of the entire Board  
And an approving vote of the DAOA Membership.

## **ADOPTION OF RULES**

These original rules were approved and adopted at a special meeting of the DAOA Board of Directors June 7, 1982.

The Amended rules were approved and adopted at the regular meeting of the DAOA Board of Directors the 13<sup>th</sup> day of July 1985.

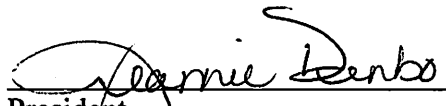
The Rules were further amended, approved and adopted at the regular meeting of the DAOA Board of Directors on October 11, 1995.

The Rules were further amended, approved and adopted at the regular meeting of the DAOA Board of Directors on September 14, 2007.

The Rules were further amended, approved and adopted at the regular meeting of the DAOA Board of Directors on June 11, 2010.

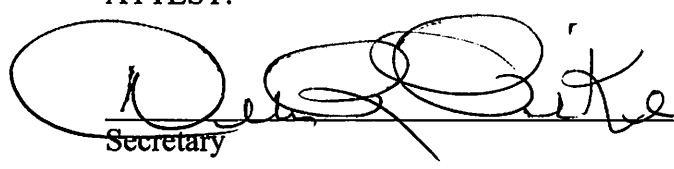
The Rules were further amended, approved and adopted at the regular meeting of the DAOA Board of Directors on May 20, 2019.

The Rules were further amended, approved and adopted by the membership at the Annual Member Meeting of the DAOA on June 22, 2019.

  
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President

9/26/2019  
Date

ATTEST:

  
\_\_\_\_\_  
Secretary

9/26/2019  
Date