KENSINGTON PRESERVE OF ST. ANDREWS EAST ASSOCIATION, INC.

A RESOLUTION OF THE BOARD OF DIRECTORS OF KENSINGTON PRESERVE OF ST. ANDREWS EAST ASSOCIATION, INC. ESTABLISHING INVESTMENT POLICIES AND PROCEDURES FOR ASSOCIATION FUNDS PURSUANT TO SECTION 718.111(16), FLORIDA STATUTES.

WHEREAS, Kensington Preserve of St. Andrews East Association, Inc., (the "Association") is a condominium association, as defined by Section 718.103(12), Florida Statutes, and the entity authorized to operate and maintain a condominium commonly referred to as Kensington Preserve of St. Andrews East at the Plantation, a condominium (the "Condominium") and enforce the Declaration of Condominium of Kensington Preserve of St. Andrews East at the Plantation, a condominium, as recorded in the Official Records of Sarasota County, Florida at Instrument Number 2005244388, as amended (the "Declaration");

WHEREAS, pursuant to Article III of the Bylaws of Kensington Preserve of St. Andrews East Association, Inc. (the "Bylaws"), all affairs of the Association shall be managed and conducted by its Board of Directors (the "Board of Directors");

WHEREAS, Section 7 of the Declaration, grants all rights and powers provided by the Condominium Act, the corporation statutes, the Articles of Incorporation of Kensington Preserve of St. Andrews East Association, Inc. (the "Articles of Incorporation"), the Bylaws, and the Declaration to the Association.

WHEREAS, Section 718.111(16), Florida Statutes, allows the Association to invest reserve funds as follows:

> (16) INVESTMENT OF ASSOCIATION FUNDS.—
> (a) A board shall, in fulfilling its duty to manage operating and reserve funds of its association, use best efforts to make prudent investment decisions that carefully consider risk and return in an effort to maximize returns on invested funds.
> (b) An association, including a multicondominium association, may invest reserve funds in one or any combination of certificates of deposit or in depository accounts at a community bank, savings bank, commercial bank, savings and loan association, or credit union without a vote of the unit owners.

WHEREAS, the Board of Directors has a fiduciary duty to manage and safeguard operating and reserve funds of the Association in a prudent manner per Section 718.111(16)(a), Florida Statutes;

WHEREAS, the Board of Directors desires to establish formal investment policies and procedures governing the management of the Association's operating and reserve funds;

NOW, THEREFORE, upon motion duly made, seconded, and approved at a duly noticed and held meeting of the Board of Directors, **BE IT HEREBY RESOLVED**:

Section 1. THAT the Association shall approve these investment policies and procedures and establish prudent guidelines for the management and investment of the Association's operating and reserve funds. The purpose of these policies and procedures is to:

- Preserve capital and protect Association assets;
- Maintain necessary liquidity to meet operational and reserve obligations;
- Obtain a reasonable rate of return consistent with safety and liquidity objectives;
- Establish clear procedures and controls for investment activities; and
- Comply with Florida Statutes and the governing documents of the Association, including the Declaration, Bylaws, and Articles of Incorporation (collectively the "Governing Documents").

Section 2. THAT the scope of these policies and procedures apply to all Association funds, including but not limited to:

- Operating accounts
- Reserve accounts
- Any other funds held by the Association

Section 3. THAT the Association shall prioritize investment objectives in the following order:

- Safety of principal (primary objective)
- Liquidity sufficient to meet anticipated cash requirements
- Yield or return on investment (secondary consideration)

Section 4. THAT Association funds may be invested in the following **without** the vote of the unit owners:

- FDIC- insured accounts (checking, savings, money market accounts)
- Certificates of Deposit (CDs)

Section 5. THAT Association funds may be invested in the following **with** the vote of the unit owners:

- U.S. Treasury securities and obligations backed by the full faith and credit of the United States Government (Treasury bills, notes, bonds)
- Government-backed money market funds (U.S. Treasury or government only)

Section 6. THAT all investments must be held in the name of the Association.

Section 7. THAT Association funds may not be invested in the following:

- Stocks or equity securities
- Corporate bonds or bond funds
- Mutual funds (except government only money market funds)
- Commodities
- Options, futures, derivatives, or leveraged investments
- Cryptocurrencies or digital assets
- Any speculative or high-risk investments

Section 8. THAT Operating funds shall remain liquid at all times and readily accessible. Reserve funds shall be invested to align with the reserve study schedule.

Section 9. THAT the Association may utilize a laddered maturity structure for CDs and Treasuries to ensure funds are available when needed.

Section 10. THAT Association funds shall be diversified to reduce risk and maintain FDIC coverage where applicable. No more than Two Hundred Fifty Thousand Dollars ($250,000) per institution per account category shall be invested, unless collateralized or otherwise insured. The Association may consider utilizing multiple financial institutions if balances exceed insurance limits.

Section 11. THAT the Board of Directors shall retain full authority over all investment decisions. All investments must be approved by a majority vote of the Board of Directors at a duly noticed Board meeting and recorded in the meeting minutes. The Treasurer and/or Finance Committee, upon delegation by the Board of Directors, may complete research and provide recommendations to the Board of Directors. Only the Board of Directors shall have final authority over any investment decisions.

Section 12. THAT all investments shall be reviewed quarterly by the Board of Directors. Quarterly reports shall include:

- Account balances
- Maturity dates
- Interest rates / yields
- Compliance with these policies and procedures

Section 13. THAT the Board of Directors may engage qualified professionals, including but not limited to:

- Certified Public Accountant (CPA)
- Investment advisor (fiduciary standard preferred)
- Banking representative

Section 14. THAT all investments must comply with Chapter 718, Florida Statutes, the Governing Documents, and these provisions and procedures. In the event of a conflict, Florida law shall control.

Section 15. THAT these provisions and procedures shall be reviewed by the Board of Directors no less than every five (5) years. Notwithstanding this five (5) year review requirement, the Board of Directors shall immediately review these provisions and procedures if:

- There are changes in Florida law;
- Financial conditions have materially changed; or
- The Board of Directors determines that revisions are necessary.

All amendments to these policies and procedures shall be approved by the Board of Directors and documented in the meeting minutes.

Adopted this ____ day of _______________, 2026 by the Board of Directors of Kensington Preserve of St. Andrews East Association, Inc., at a duly noticed held meeting of the Board of Directors of Kensington Preserve of St. Andrews East Association, Inc.

(Corporate Seal)

Kensington Preserve of St. Andrews East Association, Inc.

By: ____
David P. Boomstra, as President

Attest: ____
Diane Santoro, as Secretary