

**GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
INVESTMENT GUIDELINES**

WHEREAS, the Board of Directors is entrusted with the fiduciary responsibility of Association funds; and

WHEREAS, Section 5.5 of the by-laws states that “the treasurer shall have custody of all property of the Association including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of the treasurer”; and

WHEREAS, Section 6.6 of the by-laws states that “the depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as authorized by the directors”; and

WHEREAS, the investment objective of the Association is to obtain the maximum rate of return available consistent with the primary goal of preserving capital and maintaining the liquidity needs of the Association; and

WHEREAS, the Board of Directors shall establish the rules for acceptable investments and delegate authority to the general manager to make such investments.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors hereby directs the general manager to work with the designated professional investment advisor (designee) to invest the Association’s operating funds, reserves, working capital funds and maintenance escrow funds in accordance with the following guidelines:

- A. The type of investment vehicle used shall be fixed income investments such as U.S. Treasuries, Certificates of Deposit, or Investment Grade Municipal Bonds.
- B. Unless otherwise authorized by the Board:
 - 1. Operating funds will be deposited in a checking account with a minimum fund balance adequate to conduct the daily business of the Association.
 - 2. All operating funds in excess of the minimum requirement shall be deposited in an interest bearing account.
 - 3. Reserve funds shall be in interest bearing accounts or in instruments producing a yield consistent with the objectives of the Association.

- a. Investments shall be both long term and short term in a laddered approach to meet the liquidity requirements of the Association and to provide for staggered maturity schedules.
- b. A minimum of 50 percent of the accumulated reserves will be invested in instruments having a maturity of not more than three years and not less than one year.

C. The above are further subject to the following limitations:

1. All funds of the Association shall be deposited in banks that are insured by the Federal Depository Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation (FSLIC) or the Securities Investors Protection Corporation (SIPC).
2. The officers and at least two directors and the general manager shall be signatories of all accounts.
3. The Board of Directors, upon the recommendation of the finance committee, shall select the brokerage firm and a professional investment manager to advise the Board of Directors and the general manager of the appropriate instruments to select for the investment of funds.
4. The brokerage firm shall be a registered broker dealer with the Securities and Exchange Commission and a member of the National Association of Securities Dealers (NASD) and Securities Investor Protection Corporation (SIPC).
5. The general manager is authorized to pay brokerage fees as appropriate in maximizing the return on reserve funds invested.
6. No investment may be so withdrawn, redeemed, or otherwise converted to cash prior to maturity without the consent of the treasurer of the Association.
7. The general manager working in conjunction with the designee shall administer the day-to-day investment transactions with funds, lending institutions or other sources approved by the Board or the designee.
8. The general manager shall provide monthly reports to the Board of Directors, treasurer and the finance committee of the Association which reports shall include end-of-the-month inventory, a statement of cash and a schedule of all purchases and sales.
9. All income from restricted funds shall be deposited to the general operating fund.