

RUNAWAY BAY HOMEOWNERS ASSOCIATION, INC.

INVESTMENT POLICY FOR RESERVE FUNDS

Policy Resolution No. P04-06

WHEREAS, The Board of Directors has determined that there is a need to make consistent choices and bring structure and continuity to Reserve Fund investment decisions;

NOW, THEREFORE, BE IT RESOLVED THAT the replacement reserves shall be invested in such amounts as may be authorized by the Board of Directors in accordance with the following policy:

- A. No funds shall be deposited or invested except in authorized investments. Authorized investments are those that are in accordance with the Virginia Property Owners' Association Act and that are obligations of, or fully guaranteed by, the U.S. Government.
- B. All accounts, instruments, and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the board of directors as appropriate, and they shall be reviewed at least annually.
- C. Investments shall be guided by the following goals, listed in decreasing order of importance:
 - a. Safety of principal. The long-term goal is safety of the replacement reserves.
 - b. Liquidity and accessibility. Funds should be available for projected and unexpected expenditures.
 - c. Minimal costs. Investment costs (redemption fees, commissions, and other transaction costs) should be minimized.
 - d. Professional management. Funds should be invested with professional managers who have good reputations and sound credentials.
 - e. Return. Funds should be invested to seek the highest level of return that is consistent with preservation of the purchasing power of the principal and accumulated interest.

Resolution No. P04-06, Investment Policy for Reserve Funds

**RUNAWAY BAY HOMEOWNER'S ASSOCIATION
RESOLUTION ACTION RECORD**

Resolution Type: Policy Number: P04-06
Pertaining to: Investment Policy for Reserve Funds

Duly adopted at a meeting of the Board of Directors of Runaway Bay Homeowner's Association, held August 21, 2004.

Motion by _____ Seconded by _____

OFFICER AND TITLE	VOTE RECORD			
	YES	NO	ABSTAIN	ABSENT
Roger Winters, President	___	___	___	___
Michael Lobue, Vice President/Treasurer	___	___	___	___
Karen Bragg, Secretary	___	___	___	___
William Wallace, Director	___	___	___	___
James A. Slagle, Director	___	___	___	___

This Resolution Effective, August 21, 2004

ATTEST:

Roger Winters, President

DATE _____

Karen Bragg, Secretary

DATE _____

FOR ASSOCIATION RECORDS

I hereby certify that a copy of the foregoing Policy Resolution was posted to the Book of Resolutions and a copy of this Resolution and any associated documentation was mailed and/or hand-delivered to all members of the Runaway Bay Homeowner's Association at their address of record on this _____ day of _____, 200__.

Runaway Bay HOA Property Owner Services Manager