

**Palm Valley V
Investment Policy**

Summary Policy

Maximum Length of Maturity	5 years
Investment Increments	\$100,000
Minimum/Maximum Money Market Balance	\$50,000/\$150,000
Investment Ladder Structure	Quarterly
Authorized Investment	FDIC CD's and US Government Bond

Formal Investment Policy

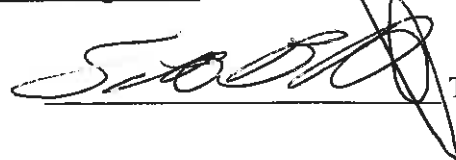
BE IT RESOLVED that the replacement reserves shall be invested in such amounts as may be authorized by the Board of Directors in accord with the following policy:

- A. No funds shall be deposited or invested except in Authorized Investments. Authorized Investments are those, which are in accordance with the the Declaration and Bylaws of the Community Association, and are obligations of, or fully guaranteed by, the United States Government.
- B. All accounts, instruments, and other documentation of such investments shall be subject to the approval of, and may be amended from time to time by, the Board of Directors as appropriate, and shall be reviewed at least annually.
- C. Investments shall be guided by the following goals, listed in decreasing order of importance:
 - Safety of principal.* The long-term goal is safety of the replacement reserves.
 - Liquidity and accessibility.* Funds should be readily available for projected or unexpected expenditures.
 - Minimal costs.* Investment costs (redemption fees, commissions, and other transaction costs) should be minimized.
 - Professional management.* Funds should be invested with professional managers with good reputations and sound credentials.
 - Return.* Funds should be invested to seek the highest level of return that is consistent with preservation of purchasing power of the principal and accumulated interest.
- D. We the Board of Directors implement a quarterly laddered investment strategy with increments of \$100,000 maturing every quarter not to exceed a 5-year time frame. We also want to maintain a minimum of \$50,000 in Money Markets accounts for liquidity. The ladder should be implemented starting the nearest maturing month working out to the 5 year time frame. When the money market reaches \$150,000, remove \$100,000 and place it in the first available quarter in the ladder.


Board Member Signatures



President



Treasurer



Secretary



Vice President