



THE HAMMOCKS CAPE HAZE

8660 Amberjack Circle ♦ Englewood, FL 34224 ♦ 941-698-2989

www.hammockscap haze.net

A Resolution by the Board of Directors of the Hammocks—Preserve Condominium Association, Inc. Establishing a Policy for the Investment and Management of Reserve Funds

WHEREAS, the Board of Directors shall discharge their duties “within the care an ordinarily prudent person in a like position would exercise under similar circumstances” and;

WHEREAS, it is deemed prudent to establish standard practices regarding the administration of the Association’s Reserve Funds.

THEREFORE, BE IT RESOLVED that the following

POLICY be adopted by the Board of Directors of the Hammocks—Preserve Condominium Association, Inc.

The Hammocks—Preserve Condominium Association, Inc. Policy for the Investment and Management of Reserve Funds

Policy Objectives:

1. Safety of Principal- the objective is to invest Reserve Funds in a manner that guards against the loss of principal.
2. Liquidity- Reserve Funds are to be invested in a manner that ensures adequate cash is available to meet forecasted disbursements.
3. Avoidance of Market Risk- Reserve Funds are to be invested in a manner that allow investments to be held to maturity thereby avoiding a possible market loss.
4. Yield- Reserve Funds are to be invested in a manner that enhances returns within the constraints of the above objectives.

Permissible Investments:

The following types of investments are allowable pursuant to Policy Objectives.

1. FDIC insured checking, savings, and money market accounts.
2. FDIC Insured Certificates of Deposit, including those available under Certificate of Deposit Account Registry Service (CDARS).
3. United States Treasury bills, notes, and bonds.
4. Any other FDIC insured instruments.

Investment Strategy:

1. Annually the Board will review the reserve schedule for the coming year and determine the base amount of liquidity.
2. Reserve Funds in excess of base liquidity may be invested in permissible investments as per Policy Objectives.

Investment Procedures:

1. All Investment transactions shall require the approval of two designated Board members.
2. At the beginning of each calendar year, the newly elected President, Vice President, and Treasurer will obtain signatory authority from the Board to effectuate authorized transactions in the Reserve account(s).
3. Contemporaneously, expired Board members signatory authority will be removed from the applicable Reserve accounts.
4. Monthly account statements will be prepared by the applicable financial institution(s) and forwarded to the account signatories and to the property management firm for the preparation of monthly financial statements.

Approved May 16, 2016 by the Board of Directors of the Hammocks—Preserve Condominium Association, Inc.