

# **Birkdale Community Association**

## **Investment Policy**

Dated May 17, 2005

Insofar as each member of the Board of Directors is a fiduciary of the Association and is therefore required to discharge the responsibilities of a Director with good faith judgment of the best interests of the Corporation, and

Insofar as each Director is legally required to be guided by the Prudent Investors Rule when making investment decisions, and

Insofar as the Code of Virginia allows for "Safe Harbor" Investments and Fiduciary Investments (Legal List) which encourages both preservation of principal and growth of capital, therefore:

Be it resolved:

1. that the Association funds shall be invested in such amounts as shall be authorized by the Board of Directors, and
- B. that authorized investments shall be those listed in the Virginia Code, Section 26-40.01, "Safe Harbor" Investments, and Section 26-40, Fiduciary Investments (the Legal List).
1. that upon recommendation from the Investment Council, or by the Board of Directors should such a council not exist, the Board of Directors shall authorize the hiring and replacing of an investment company, investment consultant, or investment manager, and
- D. that 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.
- E. that investments shall be guided by the following goals, listed in decreasing order of importance:
  1. Safety of Principal: the long-term goal is safety of the Replacement Reserves.
  2. Liquidity and accessibility: funds should be readily available for projected or unexpected expenditures.
  3. Minimal costs: investment costs (redemption fees, commissions and other transaction costs) should be minimized.
  4. Professional Management: funds should be invested with professional managers who have good reputations and sound credentials.
  5. 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.
- E. that this Investment Policy of May 17, 2005 supercedes all previous Investment Policies adopted by the Board of Directors of the Birkdale Community Association.