

POLICY ON INVESTMENT OF RESERVE FUNDS

The purpose of reserve funding is to assure that funds are available for capital replacement when the need arises. To that end, investment of such funds should combine liquidity with maximum return while avoiding risk that could deplete the funds.

The Board therefore determines that all reserve funds shall be invested in accounts or instruments guaranteed, insured or backed by the Government of the United States. Funds should be invested so as to achieve maximum return while at the same time being available for capital repair or replacement pursuant to the Association's Reserve Study.