

Silver Woods Community Association
7 Luzerne Drive, Ocean View, DE 19970
silverwoodsinfo@mediacombb.net

INVESTMENT COMMITTEE CHARTER

Whereas Section 6.2 of the Bylaws state that the Board of Directors (BOD) shall have powers and duties for the administration of the affairs of the Association.

Whereas it is in the best interest of the members of the Silver Woods Community Association, Inc., “Association” to have a committee to assist with various aspects of the Association’s finances.

Now, therefore, be it resolved the BOD of the Silver Woods Community Association, Inc., does establish by this resolution a Finance Committee as a standing committee of the Association.

Article I

Purpose of Investment Committee

The purpose of the Investment Committee shall be to advise the BOD and the Managing Agent on investment options for the Association’s finances.

Responsibilities include:

- Periodically review the Association’s cash position and recommend investment strategy to the BOD and managing company in accordance with the current Investment Policy Resolution.
- The committee shall meet as often as it deems necessary to carry out the obligations imposed upon it, unless directed by the BOD.

ARTICLE II

Membership of the Investment Committee

- The Committee shall consist of three members, one of which will be the BOD Treasurer who will be chairman.

- The BOD shall appoint its committee members after soliciting interest from homeowners. The committee can also recommend homeowners to the BOD for appointment.
- Members appointed to the committee by the BOD shall be members in good standing in the Association and may be members of the BOD and/or any other Association Committee.
- Members shall serve for a one-year term, effective on the date of the appointment of the Chair.
- Committee members can be re-appointed following the one-year term.
- The BOD may remove a member of the Committee, in writing, with or without cause. The Committee may vote to recommend the removal of its chairman or any Committee Member to the BOD with cause. Vacancies created by either of the above for any reason shall be filled by appointment by the BOD.

ARTICLE III

Voting Procedures of the Investment Committee

- The committee shall establish a quorum of two-thirds (2/3) of all committee members for all votes pertaining to committee decisions. Quorum votes may be established in-person or by e-mail with all committee members copied to be a valid vote.
- Should a personal interest or conflict exist on any committee related matter, the committee member shall disclose it to the other members and recuse himself/herself from the discussion and vote on that issue.
- A committee member may choose to abstain from any vote.
- A simple majority vote by the members present shall constitute the committee decision.
- In the event on or more owners from the same residence participates on the Committee, only one member vote is permitted.
- In the event of a tie, a quorum of BOD will cast the tie breaking vote.

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Resolution #2023-08-01-23 INVESTMENT POLICY

Whereas Section 6.2 of the Bylaws state that the Board of Directors (BOD) shall have powers and duties for the administration of the affairs of the Association.

Whereas Section 6.2 (e) states the BOD is responsible for collecting assessments against the Owners, depositing the proceeds thereof in a bank depository which is shall approve, and using the proceeds to carry out the administration of the property.

Whereas the members desire that the SWCA prudent investment policy be applied to all association funds, both operating and reserve and shall remain in effect until otherwise rescinded, modified, or amended by a majority of the BOD.

Now, therefore, be it resolved the BOD hereby adopts the following resolution by and on the behalf of SWCA:

Per the Investment Committee Charter, the BOD appoints an Investment Committee to provide guidance to the BOD and to forward recommendations for investment purposes to the BOD for their action.

The BOD shall invest the SWCA funds, both operating and reserve, with the primary goal of safety and preservation of capital. The investment policies shall follow those generally accepted in the industry, avoid speculative activities and generally be in the form of the following investment vehicles:

1. Interest Bearing Savings – Provided that the accounts do not exceed the FDIC/FSLIC insured limit.
2. Certificates of Deposit – Provided that the accounts do not exceed the FDIC/FSLIC insured limit.
3. General Obligation Notes and Bonds issued by the United States of America it's instrumentalities and all states and their political subdivisions. Investments in general obligation notes exclude special purpose notes and bonds back only by revenues of the project being financed. General Obligation notes include TVA, Federal Home Loan Bank, and Federal Farm Credit Union, each of which is a government sponsored enterprise whose debt obligations carry the implied backing of the United States Government. These notes and bonds must be rated at least A3 or A- by either Moody's Investor Service, Inc. or Standard and Poor's Inc. respectively.
4. Investments in corporations domiciled in the United States must be rated at least A3 or A- by either Moody's Investor Service, Inc. or Standard and Poor's Inc. respectively.
5. The Finance Committee (or registered investment manager if managing an account) will report promptly and regularly to the BOD whenever and owned permitted investment fails to qualify as a permitted investment because the rating by neither Moody's Investor Service, Inc. nor Standard and Poor's, Inc. meets the minimum rating set forth in paragraph 3 or herein.

6. Any owned permitted investment set forth in paragraphs 3 and 4 hereof must be liquidated promptly when the rating by either Moody's Investor Service, Inc. nor Standard and Poor's, Inc. is reduced to BAA3 or BBB-, respectively.
7. There must be liquidity within the investments to meet all association obligations. Therefore, the maximum maturity of all investments should not exceed ten (10) years. Investments in any one entity should not be higher than ten (10) percent of the current market value of all association funds unless those investments are government insured.

The Investment Committee will review this policy annually and recommend any changes to the BOD.

The Investment Committee and the BOD are acting as a fiduciary. The investment committee is responsible suggesting to the BOD on how to direct and monitor the investment management of the various funds/assets on behalf of the SWCA. As such, the Investment Committee is authorized to delegate certain responsibilities to professional experts in various fields. These might include Investment Management Consultant, Investment Manager, Custodian and additional specialists. Upon BOD approval, the Finance Committee is authorized to invest funds of the SWCA.

This Resolution is adopted and made part of the minutes of the SWCA Board Meeting held on September 5, 2023.

Motion by: Marc Bogнар

Seconded by: Laura Giorgianni