

Abbe Springs Ranches HOA, Inc. Rules and Regulations

Investment Policy of HOA Funds

It is the responsibility of the Abbe Springs Ranches Homeowners' Association, Inc. (HOA) Board of Directors (BOD) to assure all corporate funds are invested with the best interests of the HOA in mind. The Board must take into consideration the short-term (1 year or less) cash needs of the HOA along with the risks associated with an investment instrument when deciding where and how to invest the HOA's monies.

With these principles as a guide, the BOD has approved the following Investment Policy for all HOA funds.

- All funds are to be invested in an FDIC-insured instrument to protect properly the working capital and liquidity of the HOA
- HOA funds are to be reviewed annually to assure they are allocated properly to meet the annual cash requirements of the HOA as detailed in the Operating Budget
- Approved investment instruments are:
 - Passbook accounts—currently very low-interest bearing
 - Certificates of Deposit with a maturity date of 36 months or less
- Non-Approved investment instruments include:
 - All corporate stock
 - All corporate bonds
 - All mutual funds

Approved 5/16/12 at BOD Meeting