

COUNTRYSIDE PROPRIETARY

RESOLUTION NO. 257

AS AMENDED JUNE 27, 2018

INVESTMENT OF PROPRIETARY FUNDS

WHEREAS, Section 3(b) of Article III of the Declaration confers upon the Board of Directors all power for conduct of the affairs of the Proprietary for which it is enabled by law or by the governing documents;

WHEREAS, Section 2(b) of the Articles of Incorporation empowers the Proprietary, “To do any and all lawful things and acts that the Proprietary may from time to time, in its discretion, deem to be for the benefit of the aforesaid property and the owners and inhabitants thereof, or deemed advisable, proper or convenient for the promotion of the peace, health, comfort, safety or general welfare of the owners and inhabitants thereof.”;

WHEREAS, a clear written policy setting forth guidelines for investing Proprietary funds is in the best interest of all Proprietary members;

WHEREAS, Countryside’s governing documents contain certain policy conflicts and/or are silent with respect to the investment of these funds and the Board of Directors seeks to resolve this by way of this Resolution; and,

WHEREAS, Countryside Proprietary’s Board of Directors desires to fully comport with its governing documents concerning the investment of all Proprietary funds in a manner consistent with the best interests of Proprietary members.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors does hereby adopt the following policy and guidelines for all funds held by the Proprietary on behalf of Proprietary members.

I. **GENERAL**

While not required under Virginia law, all decisions and actions under this Resolution shall comply with the Virginia Uniform Prudent Investor Act, Virginia’s established guide for trustees, investment managers and other fiduciaries. This act requires that a trustee, investment manager of pension funds, treasurer of a city or county, or any fiduciary (a trusted agent) must only invest funds entrusted to him/her as would a person of prudence, i.e. with discretion, care and intelligence and while considering the financial purpose, terms and distribution requirements.

II. **INVESTMENT ACCOUNTS**

All Proprietary funds held for its operation and/or reserves shall be deposited only in accounts with financial institutions chartered and regulated by any agency of a state or the United States government. Further, the accounts shall be insured as to principal by an agency of the state, the United States government and/or a private insurer. Finally, separate accounts at different financial institutions shall be established and maintained for effective and efficient management of each of the

following major account categories: 1. Operating Funds; 2. General Reserves; 3. Townhome Reserves; and 4. Pipestem Escrow Accounts. Not more than is covered by government guarantee or insurance shall be held simultaneously in all accounts within any single institution.

III. INVESTMENTS

Without limit, funds may be invested in debt instruments or debt securities issued by any state or the United States government or any agency thereof as original issue or through a secondary market transaction. Without limit, funds may be invested in debt obligations, such as but not limited to certificates-of-deposit, issued by any state or federally chartered financial institution up to the maximum in any single institution as covered by government guarantee or insurance.

IV. MANAGEMENT

The Treasurer, with advice from the Finance Committee, shall be responsible for managing investments under this resolution as he/she may be instructed in writing by the Board of Directors. The Treasurer shall provide the Board of Directors with a monthly report on the Proprietary's portfolio of investment funds and obtain approval as soon as practicable for all changes in the portfolio from the Board of Directors. The Treasurer, with approval from the Board of Directors, may from time-to-time seek advice from a professional financial planner in conjunction with investment policy or particular investment matters.

ATTEST:

COUNTRYSIDE PROPRIETARY, INC.

PRESIDENT: Dave Barrie

DATE

SECRETARY: Rob Heckman

DATE