

Celebration Residential Owners' Association, Inc.

INVESTMENT POLICY RESOLUTION

2011-02

WHEREAS, Article III, Section 3.17 of those certain Second Amended and Restated By-laws of Celebration Residential Owners' Association, Inc. (the "**CROA By-Laws**") grants the Board of Directors of the Celebration Residential Owners' Association, Inc. (the "**CROA Board**") all of the powers and duties necessary for the administration of the affairs of the Celebration Residential Owners' Association, Inc. ("**CROA**"); and

WHEREAS, CROA may accumulate replacement reserve funds and excess operating funds, which should be invested safely; and

WHEREAS, the CROA Board finds it advisable to establish guidelines for the investment of replacement reserve funds and excess operating funds of CROA;

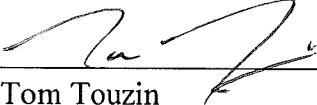
NOW, THEREFORE, BE IT RESOLVED THAT the CROA Board hereby adopts the following Investment Policy for the Association:

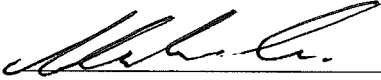
1. The objective of this Investment Policy is to enable the Association to obtain investment returns consistent with the highest levels of principal preservation and consistent with avoidance of credit risk and interest rate risk from investments that are not insured
 - a.) Investment choices must be guided by the following principles in order of importance:
 - i.) SAFETY (Preservation of capital)
 - ii.) LIQUIDITY (Funds to be available when needed)
 - iii.) YIELD (Highest consistent with the above two principles)
 - b.) Investments shall be made with judgment and care, of which persons of prudence, discretion and intelligence exercise not for speculation, but for safety of capital. Taking into consideration known cash requirements, funds shall be deposited in such a manner as will minimize the risk to the funds. This Investment Policy allows for the use of Excess Deposit Program (EDP) coverage when offered by a bank, provided the insurance companies that underwrite the EDP have been given excellent ratings by Moody's, A. M. Best, S & P, and/or Fitch.

2. Excess Operating Funds shall be invested only in certificates of deposit; depository accounts insured by the United States government or an agency thereof, in Treasury bills, notes or bonds maturing in 30 days or less from the date of investment' or, in money market funds, which in turn are invested virtually exclusively in the types of securities enumerated in this paragraph or covered by an EDP. Furthermore, CROA, which utilizes operating funds for accounts payable, shall at all times maintain no less than 45 days of funds which can be drawn on with one day's notice at no risk to principal.
3. Replacement Reserve Funds may be invested in the same type of financial instruments as noted above. Maturities may be extended to as much as ten years for those portions of the replacement reserve funds that will be needed ten or more years into the future, as indicated by a professional replacement reserve study and only if directed by the CROA Board, given market conditions. "Laddering" of investment maturity dates is encouraged to match anticipated needs.
4. The Managing Agent may periodically consult with the Treasurer and/or CROA's selected financial advisor (if any) to maximize investment returns within the context of this policy.

The Investment Policy outlined above may be amended from time to time by resolution of the CROA Board.

The foregoing resolution establishing an Investment Policy for CROA was adopted and made effective on the 24 day of May, 2011.

By: 
Tom Touzin

Attest: 
Alex Carius

Its: President

Its: Secretary