



## **THIRD LAGUNA HILLS MUTUAL INVESTMENT POLICY**

Resolution 03-23-25; Adopted March 21, 2023

**BE IT RESOLVED**, February 21, 2023, this Corporation, is hereby authorized to invest the assets of the Corporation. All investments on behalf of this Corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions; and

### **NON-DISCRETIONARY INVESTMENTS**

**RESOLVED FURTHER**; Assets administered by the corporation's managing agent ("Managing Agent") must be invested in a "non-discretionary" account in accordance with the provisions of Civil Code §5380. Authorized investments administered by the Managing Agent are limited to obligations of, or fully guaranteed as to principal by, the United States of America; and

**RESOLVED FURTHER**; No non-discretionary investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the following: the Treasurer, the President or the 1st or 2nd Vice President of this corporation. Furthermore, if there is a request that a non-discretionary investment be sold, withdrawn or otherwise converted to cash prior to maturity where there has been no demonstrated immediate need, approval must be provided by the Board of Directors of this Corporation; and

### **DISCRETIONARY INVESTMENTS**

**RESOLVED FURTHER**; in accordance with Civil Code §5515, the Board of this corporation has an obligation to exercise prudent fiscal management in preserving reserve funds ("discretionary investments"). The funds being invested as discretionary investments under this Investment Policy are not required within a reasonable time to pay obligations of the Corporation. The Board will determine the amount to be managed in this discretionary account; and

**RESOLVED FURTHER**; the Board may authorize either (1) a qualified Investment Advisor, interviewed and selected by the Board, or (2) the



Managing Agent to transact purchases and sales of investments for Third Laguna Hills Mutual's discretionary investment account. Such discretion is subject to the underlying conditions as stated below;

1. Assets shall be invested only in authorized investments as provided herein. Authorized investments are limited to:
  - a. Obligations of, or fully guaranteed as to principal by, the United States of America, including;
    - FDIC insured Certificates of Deposit with a maximum maturity value per institution not to exceed current FDIC insured limits; and
    - United States Treasury Bills and Treasury Notes
2. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
3. Any authorized investments, as defined in Item 1 above, previously made by said Managing Agent or Investment Manager, are hereby ratified; and

**RESOLVED FURTHER**, that Resolution 03-19-120 adopted on November 19, 2019, is hereby superseded and cancelled.

February Initial Notification

Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.