

POLICY STATEMENT #25 – INVESTMENTS

Policy #25 serves to set out the procedures and authorizations required to investment reserve fund assets.

Condominium Act, 1998 (Section 115):

- (1) A person who receives money on behalf of or for the benefit of the corporation, including money received from owners as contributions to the common expenses or the reserve fund, shall hold the money, together with interest and other proceeds earned from investing it, in trust for the performance by the corporation of its duties and obligations.
- (2) A corporation shall maintain one or more accounts in its name designated as general accounts and one or more accounts in its name designated as reserve fund accounts.
- (3) Each of the accounts shall be located in Ontario at a bank listed under schedule I or II to the Bank Act (Canada), a trust corporation, a loan corporation, a credit union authorized by law to receive money or deposit or a Province of Ontario Savings Office.
- (4) Subject to subsection (6) and (7), the person who receives money on behalf of or for the benefit of the corporation shall pay the money, together with interest and other proceeds earned from investing it, into:
 - (a) a general account of the corporation, if the money was not received as contributions from owners to the reserve fund; or
 - (b) a reserve fund account of the corporation, if the money was received as contributions from owners to the reserve fund.
- (5) In subsection (6) and (7), “eligible security” means a bond, debenture, guaranteed investment certificate, deposit receipt, deposit note, certificate of deposit, term deposit or other similar instrument that,
 - (a) is issued or guaranteed by the government of Canada or the government of any province of Canada;
 - (b) is issued by an institution located in Ontario insured by the Canada Deposit Insurance Corporation; or
 - (c) is a security of a prescribed class.
- (6) The board may invest all or any part of the money in the corporation’s general account in eligible securities if,
 - (a) they are convertible to cash in 90 days following a request by the board; and
 - (b) they are,
 - (i) registered in the name of the corporation; or
 - (ii) held in a segregated account under the name of the corporation by a member of the Investment Dealers Association of Canada and insured by the Canadian Investor Protection Fund.
- (7) The Subject to subsection (8) the Board may invest all or any part of the money in the corporation’s reserve fund accounts in eligible securities if they are,
 - (i) registered in the name of the corporation; or
 - (ii) held in a segregated account under the name of the corporation by a member of the Investment Dealers Association of Canada and insured by the Canadian Investor Protection Fund.

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- (8) Before investing any money in the corporation's reserve accounts, the board shall develop an investment plan based on the anticipated cash requirements of the reserve fund as set out in the most recent reserve fund study.
- (9) A person who receives money under subsection (1) shall keep records relating to the receipt and deposition of all money under this section and shall, upon reasonable notice and at all reasonable times, make the records available for examination by the corporation, an owner or a mortgagee.

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7.10 Agents and Attorneys. The Board shall have the power from time to time to appoint agents or attorneys for the Corporation who will have such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

8. BANKING ARRANGEMENTS AND CONTRACTS

8.1 Banking Arrangements. The banking business of the Corporation or any part thereof shall be transacted with such bank or trust company as the Board may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers or other persons as the Board may designate, direct or authorize from time to time by resolution and, to the extent therein provided, including, without restricting the generality of the foregoing, the operation of the Corporation's accounts, the making,~ signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders relating to any property of the Corporation; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such, banking to do any act or thing on the Corporation's behalf to facilitate such banking business.

8.2 Execution of Instruments. Transfers / Deeds of land assignments, contracts and obligations on behalf of the Corporation may be signed by the president or a vice-president together with the secretary or treasurer or any other director. Any contract or obligations within the scope of any management agreement entered into by the Corporation may be executed on behalf of the Corporation in accordance with the provisions of such management agreement. Notwithstanding any provisions to the contrary contained in the by laws of the Corporation, the Board may at any time and from time to time direct the manner in which and the person or persons by whom any particular transfer / deed of land, contract or obligation or any class of transfer / deed of land contract or obligations of the Corporation or shall be signed.

In accordance with the Section 115 of the Condominium Act 1998, Subsections 7.10, 8.1 and 8.2 of the CCC No. 486 Declaration, the Board of Directors may delegate the authority to approve and transact transfers to and from the Corporation's bank accounts, including the reserve account, for the purpose of investing the funds, to its property management firm and specifically to the property management firms' financial manager.

Prior to effecting any such transfer, the management firm shall provide details of the proposed investment to the Board for approval and obtain the authorization in writing from three (3) directors to effect such transfer.