Attachment "E"

Investment Policy Statement

Revised June 4, 2009

This policy is intended to safeguard the assets of the Association while maximizing the return on those investments. In order to protect the purchasing power of the Association's assets, cash not needed for the current operating cycle will be segregated in a separate portfolio. The value of this portfolio will initially be between $5,000,000 and $5,500,000. The appropriateness of this amount will be evaluated on at least an annual basis. The following investment policy addresses the management of this portfolio.

RESPONSIBILITIES OF THE BOARD

1. Develop reasonable and consistent investment guidelines and objectives;
2. Communicate regularly with the staff of the Association on duties and responsibilities;
3. Select an Investment Consultant and oversee their activities;
4. Inform the Investment Consultant of the Association's risk tolerance and investment objectives;
5. Work with the Investment Consultant to determine an appropriate set of investment objectives;
6. Monitor and evaluate investment results on an on-going basis to assure that policy guidelines are being adhered to and that objectives are appropriate.

RESPONSIBILITIES OF THE INVESTMENT CONSULTANT

1. Provide advice to help the Board of Directors establish investment objectives, policies, and guidelines;
2. Adhere to written policy guidelines contained herein. Deviation from these agreed upon objectives must be requested in writing and approved by the Board;
3. Exercise complete investment discretion, within approved guidelines, including the selection of securities and the implementation of the purchase and the sale of those securities;
4. Monitor the performance of all securities, funds and managers;
5. Communicate frequently and openly on all matters of significance regarding these investment policies and the changes in management organization/structure. Periodic performance reviews should be included in these communications.

INVESTMENT OBJECTIVES

Based on input from the Investment Consultant, EMA's primary investment objectives are to preserve capital and maximize returns while maintaining a moderate risk exposure. A portion of the portfolio may be allocated to common stocks and other asset classes with a higher level of volatility, to act as a hedge against the impact of inflation. Achievement of investment returns should be viewed in a long-term context. Rates of return are volatile on a year-to-year basis and achievement of the investment objectives will not progress uniformly over time. Unnecessary levels of risk-taking are to be avoided in achieving the objectives stated below. Diversification, in so far as it reduces portfolio risk, is encouraged. It may be necessary to forgo opportunities for potential large gains to achieve a moderate risk posture.

Given the assumptions about current and projected capital market conditions, the funds should achieve the following objectives over the shorter period of a market cycle or five years (a market cycle is defined as including a peak and trough in the capital markets and usually covers a three to five year period, although this varies):

1. The portfolio should attempt to outperform the Consumer Price Index (CPI) by one to two percentage points, on average, per year.
2. The portfolio's total return is expected to meet or exceed the composite performance of the security markets on a rolling five year annual basis. The security markets are represented by the returns of the following indices:
   a) Bond Market: Merrill Lynch 1-3 year Treasury Index
   b) Stock Market: Standard & Poor's 500 Index
   c) Cash/Cash Equivalents: U.S. Treasury Bills

   These returns will be weighted according to the allocation of the association's assets to each market.
3. As a tax exempt entity, taxes are not a concern and the investment manager should focus on total return.

INVESTMENT POLICY

Based on the Investment Consultant's advice, EMA's investment guidelines are as follows:

	Range	Target
Cash Equivalents	0-15%	5%
Fixed Income	40-85%	71.5%
Equities	10-30%	20%
Hedge Funds and other Alternative Asset Classes	0-10%	3.5%

These asset allocation ranges represent a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Any deviation from policy ranges are to be kept to a minimum, and are to be rebalanced back to target allocations if such variation occurs. The Investment Consultant may shift the target allocation from time to time, provided it remains within the above ranges.

INVESTMENT GUIDELINES

Investment guidelines are the parameters within which the Investment Consultant should operate in executing policies and strategies relative to the investments. Review procedures represent the manner for controlling this process.

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1. **Cash Equivalents –** Cash will be invested in money market mutual funds which are a well diversified portfolio of high quality cash equivalent securities.
    - Cash equivalents should meet or exceed the US 91 Day T-bill yield over a market cycle.
2. **Fixed Income –** Mutual funds and individual bonds are permissible investments. Bonds should be primarily investment grade debt. The average S&P or Moody's rating should be A or better. Average duration will range between 70% and 130% of the Merrill Lynch 1-5 year Treasury Index.
    - Allowable individual fixed income securities will include Treasury, Agency, Corporate, Asset-Backed, Mortgage-Backed, and foreign government debt
    - Fixed income investments should meet or exceed the Merrill Lynch 1-3 year Treasury Index over a market cycle
    - Commercial Paper should be rated no less than A1-AP
    - Corporate debt should be rated no less than BAA- by Moody's or BBB- by Standard and Poors. In the event of a split rating, the lowest rating shall apply.
    - High Yield bond funds are permissible, but should be limited to 10% or less of the total fixed income portfolio.
3. **Equity securities –** Mutual funds and individual stocks are permissible investments. Position sizes for individual equities should be limited to 5% of the equity portfolio. There are no restrictions with respect to position sizes for mutual fund holdings. "Structured Products" are considered to be part of the account's overall equity allocation. Structured Products may not be written on individual stocks. On a stand-alone basis, Structured Products may represent 0-20% of the account's total asset allocation. No one Structured Product may have its cost basis represent more than 5% of the total asset allocation. Structured Products have limited liquidity and a multi-year commitment to the investment may be required.
4. **Alternative Investments –** Hedge funds are the primary vehicle to be used to gain exposure to "alternative" asset classes. Private equity and other alternative asset classes may be considered in the future, but may only be added to the portfolio after discussion between the investment manager and the Board, or the Board's appointed representative. Hedge "fund of funds" are the only type of hedge funds that are appropriate. Single strategy funds are not appropriate given the size of the investment portfolio. Hedge funds and other alternative investments have limited liquidity and a multi-year commitment to the investment may be required.

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REVIEW PROCEDURES

On a quarterly basis the Investment Consultant must deliver a report on the performance of the portfolio. This report will be distributed quarterly to the Executive Committee and annually to the Board.

On an annual basis the Board will discuss:

1. The appropriateness of, and any needed amendments to the objectives, polices and guidelines set forth in this Policy.
2. The achievement of objectives and the adherence to policies and guidelines.
3. The Investment Consultant's report on the performance of the portfolio.
4. The Investment Consultant's recommendations, where appropriate, to change any of the objectives, policies or guidelines presented in this statement.

Adopted by the Board of Directors: May 31, 2006
Revised by the Board of Directors: June 4, 2009

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