

Mariposa Co-operative Homes Inc.

By-law No. 11

INVESTMENT BY-LAW

Passed by the
Board of Directors on
December 15, 2003

Confirmed by the
members on
March 29, 2004

INVESTMENT BY-LAW

1. Purpose

The purpose of this Policy is to set out rules for the investment of Co-op funds.

2. Investment of Funds

The Board can invest Co-op funds in government bonds, treasury bills or other securities backed by the governments of Canada or Ontario or in securities of mutual or investment funds managed or offered by the Social Housing Services Corporation Financial Inc. (SHSCFI). The Board may invest in government strip bonds but only if they are held to maturity.

3. Social Housing Reform Act

When investing or depositing Co-op funds the Board must comply with the requirements of the *Social Housing Reform Act* and any limitations in the Co-op's operating agreement with funding authorities.

4. Investment Objectives

When investing Co-op funds, the Board must first ensure that the Co-op's capital spending requirements are properly met. Depending on these requirements, the Board will decide on what level of investment risk and rate of return is appropriate.

5. Review of Investment Performance

The Board will review on a regular basis written reports on the performance of the Co-op's investments. These reports will include information on each investment including:

- amount
- investment type
- rate of return
- maturity date
- restrictions (if applicable).

6. Deposit of Funds

The Board can deposit investment funds with:

- a credit union
- a chartered bank
- a trust company
- a Province of Ontario Savings Office
- securities of mutual or investment funds managed or offered by the SHSCFI.

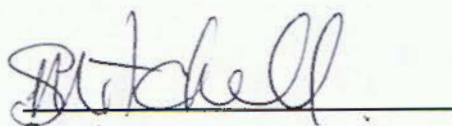
7. Interest Earned

Interest earned on the Co-op's capital reserve fund will be allocated to this fund. Interest earned on any other reserve or special fund will be allocated to the Co-op's operating account.

8. Co-operative Principles

In order to promote co-operative principles, the Board should consider depositing Co-op funds in a credit union.

*Passed by the Board of Directors at a meeting properly held on December 15, 2003 and confirmed by at least two-thirds of the votes cast at a general meeting of the members of the Co-operative properly held on ***** , 2004.*


Secretary

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