

**RESOLUTION
OF THE
KISSING CAMELS PROPERTY OWNERS ASSOCIATION
REGARDING POLICY AND PROCEDURES FOR
INVESTMENT AND MANAGEMENT OF ASSOCIATION FUNDS**

Adopted Dec 13th, 2016

At a regular meeting of the Kissing Camels Property Owners Association, a Colorado non-profit corporation (the "Association"), held on Dec 13th, 2016, the Executive Board ("Board") consented to, voted in favor of, and adopted the following resolution:

WHEREAS, the Board is empowered to govern the affairs of the Association pursuant to Article 5, Sections 5.1 and 5.2 of the Declaration, and Article 4, Section 4.1 and Article 7, Section 7.1 of the Bylaws; and

WHEREAS, the Colorado Common Interest Ownership Act ("CCIOA"), Section 38-33.3-209.5, C.R.S. requires the Association to establish a procedure to be used by the Association regarding the collection of unpaid assessments; and

WHEREAS, the CCIOA section referenced above and Section 38-33.3-316, C.R.S. were recently amended by the Colorado Legislature and signed into law by the Governor of the State of Colorado; and

WHEREAS, the Board of Directors, in an effort to comply with the statute, as amended, desires to establish a policy that shall govern the Association's procedures pertaining to the investment and management of Association funds.

IT IS THEREFORE RESOLVED that the policy attached hereto as Exhibit A (hereinafter referred to as the "Investment and Management of Association Funds") shall be adopted and hereby established as the policy of the Association, replacing and superseding any previous policy;

IT IS FURTHER RESOLVED that this policy shall be in effect until amended, terminated, or replaced by a majority vote of the Board; and

IT IS FURTHER RESOLVED that this policy shall take effect immediately.

EXECUTED this 13th day of Dec, 2016.

KISSING CAMELS PROPERTY OWNERS ASSOCIATION, by

L. Marie Parkyn
Levy R. Heeling
Rip W. Schil
Paul Clavin

Sandra L. Swinford
Ray Walkowski
R.A. Fairhead Jr.

SCHEDULE A
INVESTMENT AND MANAGEMENT OF FUNDS
OF KISSING CAMELS PROPERTY OWNERS ASSOCIATION

Purpose – The purpose of this policy is to protect and ensure the safety of the Association’s operating and reserve funds and those volunteers who participate in the investment process. The policy also will provide guidance to those institutions that offer investment services to the Association.

The following investment policy addresses the policies and procedures which must be exercised to ensure effective and judicious fiscal investment management of the Association’s operating and reserve funds. The Executive Board shall make investment decisions in good faith, with the care of an ordinary prudent person in a like fiduciary position would exercise under similar circumstances, and in a manner the Executive Board reasonably believes to be in the best interests of the Association in accordance with Colorado statutes.

1. Investment Objectives. All funds which are held for operating and reserve purposes shall be deposited and invested by the Association in accordance with Colorado statutes and resolutions enacted by the Executive Board in a manner to achieve the following objectives:
 - a. Safety of Funds. Safety of principal is the foremost objective of the investment program. Investments shall be made in a manner that seeks to ensure the preservation of capital with the objective of mitigating credit and interest rate risks.

Credit Risk – The Association will minimize credit risk, defined as the risk of loss due to the failure of a financial institution, by (1) limiting investments to the safest type available as provided herein; (2) pre-qualifying the financial institutions with which the Association does business; and (3) subject to the limitations herein, diversifying the investment portfolio so that potential losses on individual investments will be minimized. All monies belonging to the Association shall be invested only in instruments guaranteed or insured by the United States government or its agencies or investment instruments of similar security.

Interest Rate Risk – The Association will minimize the risk of the market value of investments in the portfolio declining due to changes in interest rates by (1) structuring the investment portfolio in a ladder fashion so that investments mature sufficiently close to cash requirements in order to preclude having to sell or

redeem investments prior to maturity; and (2) investing all funds in short-term investments with maturities no longer than one year.

- b. Liquidity of Funds. The investment portfolio shall remain sufficiently liquid to meet anticipated operating and reserve fund expenditures for the current year and future years. Matching maturities with anticipated needs for both operating and reserve funds will ensure that cash will be available to satisfy these needs.

- c. Types of Investments. The operating and reserve fund portfolio shall consist of savings accounts, money market accounts, certificates of deposit, demand deposits in checking accounts, and U.S. Treasury bills with a maximum maturity of one year. The use of Certificate of Deposit Account Registry System (CDARS) and Insured Cash Sweep (ICS) service shall be used in order to spread funds to other participating federally insured financial institutions to be certain that the Association's funds are within the limit of federal deposit insurance coverage currently in place. The Association's funds shall not be invested in individual stocks or bonds, stock or bond mutual funds, options on equity, debt or commodities, floating rate securities, floating rate certificates of deposit, hedge funds, venture capital funds, or limited partnerships.

- d. Yield. Subject to the restrictions on the types of allowable investments, the Association's portfolio shall earn a competitive market rate of return in keeping with the maturity of like investment vehicles.