

**SINGLETREE PROPERTY OWNERS ASSOCIATION
POLICY AND PROCEDURE
INVESTMENT OF RESERVE FUNDS**

Adopted: January 15, 2009

The following policy and procedure has been adopted by the Board of Directors ("Board") of Singletree Property Owners Association ("Association") pursuant to Colorado statutes, for investment of the Association's reserve funds.

PURPOSE

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's investment of its reserve funds.

INVESTMENT OBJECTIVES

The principal represents the reserve funds for those items for which the Association is responsible. Reserve funds are to be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

1. Preservation and safety of principal;
2. Liquidity to meet expected and unexpected expenditures; and
3. Maximization of yield.

INVESTMENT RESPONSIBILITIES

The Board has sole authority to approve and amend, alter or otherwise make changes to this Policy. Any modifications to this policy shall be in writing and approved by the Board. The Board shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy. The Board will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board of Directors shall review investment performance no less than quarterly.

INVESTMENT GUIDELINES

A. Eligible Investments

The portfolio will be limited to the following investments:

1. Certificates of deposit (CDs);
2. Money market deposit accounts;
3. Money market funds; and
4. U.S. treasuries and U.S. treasury zero coupons.

B. Credit Quality Restrictions

All investments shall be at least A-rated or U.S. Treasury securities.

C. Maturity Limits

1. No individual investment may exceed 2 years in maturity; and
2. The weighted average maturity of the portfolio will not exceed 1 year. The company must structure its investment portfolio in order to meet anticipated cash requirements.

D. Strategy

Investments shall be structured so they mature in successive years allowing the Association to minimize the interest rate risk.

E. Custodian

Investments will be held in custodial accounts with approved banks or financial Institutions.

PROCEDURES

1. Transfers of budgeted additions to reserves shall be made on a quarterly basis;
2. A quarterly report of earnings shall be prepared by management, financial advisor, or the treasurer and presented at a Board meeting;
3. One Board member signature must be required to withdraw funds from investment accounts. An exception may be made for transfers between accounts of the Association in the same institution so long as both accounts require one Board member signature for withdrawal of funds. At the discretion of the Board, the Managing Agent may sign individual checks from the working account and move money between Association accounts as long as these transactions are reviewed by the Treasurer and a review is done on these accounts at least once per year by an outside C.P.A. firm selected by the Board;
4. In addition to any requirements provided by the Association's governing documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments as long as the insurance is readily available and cost effective;

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of Singletree Property Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association and in witness thereof, the undersigned has subscribed his/her name.

SINGLETREE PROPERTY OWNERS ASSOCIATION,
a Colorado non-profit corporation

By: *Deane Swint Lewis*
Secretary