COLUMBIA GORGE COMMUNITY COLLEGE FOUNDATION

[Restated] INVESTMENT POLICY

I. Introduction

The purpose of this policy is to provide guidelines for the Columbia Gorge Community College Foundation (the Foundation), through its Board of Directors and Finance Committee, to properly discharge its responsibilities in the management and investment of the Foundation's institutional funds.

This policy will be reviewed by the Finance Committee (the "Committee") and the Board of Directors periodically, but at least every two years, and will be updated or modified as required to recognize current market conditions, economic conditions, and current financial needs of the Foundation.

II. Delegation

The Board of Directors has delegated authority over its financial affairs to the Committee. The Committee is responsible for regularly reporting on investments to the full Board. In carrying out its responsibilities, the Committee and its agents will act in accordance with this Investment Policy and all applicable laws and regulations.

III. Investment Objectives

Assets, income, and capital gains are to be invested in a manner consistent with the mission of the Foundation and in compliance with the provisions of Article IX below. Funds will be invested in short, intermediate, and long term investments according to the cash flow needs of the Foundation.

<u>Short term investments:</u>
Foundation assets requiring protection of principal and quick liquidity will be invested in bank deposits insured by FDIC, money market mutual funds which pursue conservation of capital through U.S. Treasury Bills, and U.S. Treasury Bills or Notes with maturities of less than one year.

<u>Intermediate term investments:</u>
Intermediate term investment goals will be invested in fixed income securities generally having an average maturity of one to five years in order to take advantage of higher yields typically paid for longer maturities while still maintaining low risk of principal loss.

<u>Long term investments:</u>
A portion of the Foundation's assets may be invested to meet its long term goals and objectives. The Foundation may invest in asset classes such as: domestic equity, domestic fixed income, international equity, and international fixed income. The purpose of allocating among classes is to ensure the proper level of diversification.

The general policy for long term investments shall be to diversify investments among both equity and fixed income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. Within the equity and fixed income classes, managers with different investment objectives may be used to reduce the risk of the invested funds.

Other Assets:
If the Committee wishes to retain assets that are not specified in the asset classes above, applicable guidelines will be established for managing, monitoring, and measuring the results.

IV. Risk Tolerance

The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve its long-term objectives. In consideration of the long term nature of the objectives of the Foundation there is an ability to withstand short and medium term volatility. In addition, the Foundation expects to participate in market movements as represented by a balanced portfolio comprised of the Standard & Poor's Stock Index (S & P 500) and Lehman Brother's Government/Corporate Index (LBGC) in similar proportion to the actual portfolio asset mix.

V. Investment Advisor

Subject to the provisions of Article IX below, the Committee may retain an independent investment advisor to provide investment selection services. Advisors will make recommendations on asset allocation, asset disposition, and selection of investment manager(s). Selection and retention of investment advisors will be based on evaluation of performance history, the Foundation's investment strategy and needs.

VI. Investment Manager

Subject to the provisions of Article IX below, the Committee may retain one or more investment managers. The investment managers will be responsible for investment of the funds among classes, industry sectors, and individual securities to pursue opportunities or to reduce risks presented in the capital markets. Selection and retention of investment managers will be based on the recommendation of the investment advisor, and will take into consideration the performance history of the investment managers and the Foundation's investment strategy and needs.

VII. Prohibited Investments:

- Short sales
- Margin purchases
- Private placements
- Commodities
- Puts & calls
- Warrants or other options
- Limited partnerships
- Off-shore trusts

VIII. Investment Performance Review

The Foundation Board will review the performance of all investment accounts annually or more often. The investment performance will be measured against commonly accepted market comparisons relative to the asset class and fund objective.

IX. Compliance with UPMIFA

The Foundation Board recognizes its responsibility to manage and invest the Foundation's institutional funds in compliance with the provisions of ORS 128.305 to 128.336 (the Uniform Prudent Management of Institutional Funds Act or UPMIFA). Therefore, in managing and investing its institutional funds, the Board, the Finance Committee and their agents will consider the following factors, if relevant:

A. General economic conditions;
B. The possible effect of inflation or deflation;
C. The expected tax consequences, if any, of investment decisions or strategies;
D. The role that each investment or course of action plays within the overall investment portfolio of the funds;
E. The expected total return from income and the appreciation of investments;
F. Other resources of the Foundation;
G. The needs of the Foundation and the funds to make distributions and to preserve capital; and
H. An asset's special relationship or special value, if any, to the charitable purposes of the Foundation.

In addition, in managing and investing the Foundation's institutional funds, the Board, the Finance Committee and their agents will:

A. Incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the Foundation and the skills available to the Foundation;
B. Make a reasonable effort to verify facts relevant to the management and investment of the funds;
C. Make decisions about each asset in the context of the portfolio of investments as a whole, and as part of an overall investment strategy that is appropriate for the funds and the Foundation;
D. Diversify investments unless due to special circumstances, the purposes of the funds are better served without diversification; and
E. Dispose of unsuitable property within a reasonable time after receiving the property.

The Board and the Finance Committee will insure that any delegation of the management and investment of the funds will be done in accordance with the provisions of ORS 128.326. In making any such delegations, the Board will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

A. Selecting the agent or agents;
B. Establishing the scope and terms of the delegation, consistent with the purposes of the Foundation and its institutional funds; and

C. Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

X. Review and Revision

The Board of Directors reserves the right to amend this Investment Policy at any time it deems such amendment is necessary, or to comply with changes to any applicable federal or state laws.

APPROVED BY THE BOARD OF DIRECTORS ON March 16, 2010