

## OPERATING RESERVES

KBOO shall strive to maintain three month's operating reserves and to budget for such reserves each year. At the end of each fiscal year, any budgeted reserves and/or excess of income over expenses from the operating budget allocated by the Board to reserves shall be placed in a separate interest-bearing Board-designated account or instrument. Operating reserves shall only be used for emergencies, and may not be spent without Board approval.

Adopted by the Board of Directors 6/26/91