

KINGSTOWNE RESIDENTIAL OWNERS CORPORATION

Administrative Resolution 03-__

Trustee Expense Reimbursement Program

WHEREAS, Article III, Section 3 of the Declaration of Covenants, Conditions and Restrictions, and Article VI, Section 7 of the Bylaws empower the Board of Trustees with all of the powers required to conduct the affairs of the Corporation that are provided by law and the Founding Documents and which are not specifically reserved to the Members in the Founding Documents;

WHEREAS, the affairs of the Corporation increasingly require the Trustees to attend meetings and events during regular business hours, which causes the Trustees to incur a variety of costs and financial losses, including, but, not limited to, reductions in general leave, vacation and other benefits associated with their employment;

WHEREAS, Article VI, Section 9 of the Bylaws provides that the Corporation may reimburse Trustees for any and all costs incurred by a Trustee in the performance of his or her duties as Trustee;

WHEREAS, upon the advice of legal counsel, the Board of Trustees has decided to establish a policy and procedures to issue reimbursements for the costs and financial losses incurred by Trustees in the performance of their duties on behalf of the Corporation consistent with the authority provided by Article VI, Section 9 of the Bylaws; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The following procedures shall apply to any request for reimbursement from the Corporation made by any Trustee:

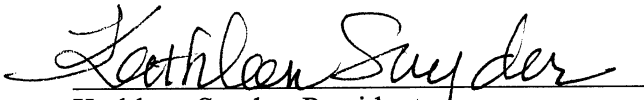
1. Trustees may submit a request for reimbursement for any cost, expense or financial loss that the Trustee incurred in the performance of his or her duties as a Trustee during regular business hours, which shall be defined as time expended during 9:00 a.m. to 6:00 p.m. Monday through Friday. The terms "cost, expense or financial loss" shall include, but not be limited to, copying costs, mileage reimbursement (see below), and loss of employee benefits, such as accrued leave.
2. Trustees must submit such requests in writing to the Corporation's Treasurer with sufficient substantiation of the details to allow the Treasurer to properly review the request. The Treasurer shall review the request in good faith and exercise his or her reasonable discretion when deciding whether to approve or disapprove the

request, in whole or in part. The decisions of the Treasurer shall be appealable to the full Board.

3. When evaluating requests for reimbursement of financial loss, the Treasurer shall use the rate of \$50.00 per hour or fraction thereof, and the approved IRS rate for business related mileage.
4. The Corporation will reimburse Trustees for all other reasonable out of pocket expenses incurred on behalf of the Corporation on a dollar-for-dollar basis.

Resolution adopted and approved by the Board of Trustees of the Kingstowne Residential Owners Corporation this 2 day of December, 2003.

KINGSTOWNE RESIDENTIAL OWNERS
CORPORATION


Kathleen Snyder, President