

KINGSTOWNE RESIDENTIAL OWNERS CORPORATION

ADMINISTRATION RESOLUTION NO. 25

(Operating Reserve Fund Policy)

WHEREAS, the Board of Trustees of the Kingstowne Residential Owners Corporation has determined that it is in the best interest of the Corporation to establish guidelines and procedures for the Operating Reserve Fund.

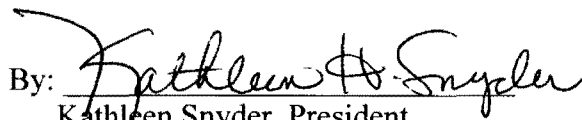
NOW, THEREFORE, BE IT RESOLVED THAT the following procedures be and hereby are adopted to govern the Operating Reserve Fund:

1. The Board shall set aside the amount of \$200,000 from General Income for the Operating Reserve Fund use. The \$200,000 will be comprised of monies in cash and investments.
2. The Board shall also establish a portion of the Operating Reserve Fund for the use of operating expenses incurred by the Single Family and Townhouse Neighborhoods. Such funds shall be established from unallocated year-end income; said funds will be built to equal the amount of \$200,000 as well.
3. The Operating Reserve Fund will be used by the Corporation for the purpose of unforeseen expenses in the Operating budget of which are outside the realm of already budgeted expenses.
4. The use of said Operating Reserve Fund will be pre-approved by the Board of Trustees.

The Effective date of this Resolution shall be 2/2/11.

I hereby certify that this Administration Resolution was duly adopted by the Board of Trustees at a regular meeting on 2/2/11.

KINGSTOWNE RESIDENTIAL OWNERS CORPORATION

By: 
Kathleen Snyder, President