

RESOLUTION 07.001 OF THE KINGS ROW HOMEOWNERS ASSOCIATION

REGARDING: Internal Revenue Service Revenue ruling 70-604
SUBJECT: Adoption of a procedure regarding excess income for the tax year 2006
PURPOSE: To adopt a standard procedure to be followed for compliance with IRS Revenue ruling 70-604 regarding excess dues.
AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.
EFFECTIVE DATE: January 15, 2007
RESOLUTION: The Association hereby adopts the following Policy and Procedures:

1. General.

It is the general policy of the Kings Row Homeowners Association to encourage compliance with Internal Revenue Policies regarding the conduct of any and all business conducted by the Kings Row Homeowners Association.

2. General Policy.

The Internal Revenue Service's Revenue Procedure 70-604 regarding excess income permits excess income for the tax year 2006 to be either refunded to members or rolled over to tax year 2007.

3. Procedure.

To permit the HOA to roll over excess income from tax year 2006 to tax year 2007 requires election of the IRS Revenue Ruling 70-604.

4. Authority.

Members of the Kings Row Homeowners Association have the responsibility of administering the subdivision through a Board of Directors.

5. Supplement to Law.

The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.

6. Deviations.

The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

7. Amendment.

This policy may be amended from time to time by the Board of Directors.

8. Resolution.

The Board of Directors of the Kings Row Homeowners Association hereby elects, on behalf of the members of the Kings Row Homeowners Association, Internal Revenue Services Revenue Ruling 70-604 for the tax year 2006. Said ruling may, or may not, be utilized at the discretion of the Board.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Kings Row Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 15, 2007 and in witness thereof, the undersigned has subscribed her name.

Kings Row Homeowners Association,

A Colorado non-profit corporation,

By: _____, President Susan Cuseo