

**TAHOE DONNER ASSOCIATION  
BOARD OF DIRECTORS**

**RESOLUTION 2015-1**

**POLICY REGARDING THE MAINTENANCE  
OF TAHOE DONNER ASSOCIATION'S  
INCOME TAX EXEMPT STATUS**

**WHEREAS**, as defined in the Restated Bylaws of the Tahoe Donner Association<sup>1</sup>, the Association is a nonprofit, mutual benefit corporation organized and operated for the purpose of owning and maintaining common areas and facilities for the use of the Tahoe Donner community, and administering and enforcing protective covenants designed to maintain that community's character; and,

**WHEREAS**, the Tahoe Donner Board of Directors petitioned the IRS in 1992 for Federal tax exempt status as a non-profit Internal Revenue Code 501(c)(4) social welfare organization after approving an amendment to the Association's Articles of Incorporation, which was subsequently approved by the membership through the passing of Resolution 92-10 (Appendix A); and,

**WHEREAS**, the Internal Revenue Service in a letter dated July 1, 1993 (Appendix B) determined that the Tahoe Donner Association is exempt from Federal income tax under section 501 (a) of the Internal Revenue Code as an organization described in IRC Section 501(c)(4); and,

**WHEREAS**, the above-referenced code, and the Treasury Regulations<sup>2</sup> and Revenue Rulings implementing and interpreting it, provide the following qualifications, among others, for an organization to achieve such status:

- That it not be organized or operated for-profit; and,
- That it be operated exclusively for the promotion of social welfare in that it is primarily engaged in promoting the common good and general welfare of the people of the community, and in promoting and generating civic betterments and social improvements; and,

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<sup>1</sup> Restated Bylaws of Tahoe Donner Association, ARTICLE I, Section 3

<sup>2</sup> Treasury Regulation, Section 1.501(c)(4)-1(a)

- While advocating or opposing legislation is permissible, that it not have as a primary purpose the direct or indirect intervention or participation in political campaigns, either on behalf of or against any political candidate for office<sup>3</sup>; and,
- That it benefit the community as a whole, and the purpose of which is not solely for the benefit of individual members or their privately-owned properties; and,

**WHEREAS**, it was determined that Tahoe Donner possesses those characteristics necessary for it to be regarded, in and of itself, as a "community", which allowed for the subsequent determination that the Association's provision of services to Tahoe Donner, in the form of owning and managing common areas and facilities for the benefit of the members of that community, and administering and enforcing governing documents designed to maintain its character, as it currently does, satisfies the qualification requirements for social welfare organization tax exempt status; and,

**WHEREAS**, achievement of such status has eliminated the need for a considerable annual expenditure of Association funds in the form of federal income taxes; and,

**WHEREAS**, the following constitutes the policy regarding the favorable income tax exempt status of Tahoe Donner Association and supersedes the previously approved policy pertaining to the maintenance of such status (Resolution 97-8);

**NOW, THEREFORE, BE IT RESOLVED**, that it shall be the policy of Tahoe Donner Association to preserve, maintain, and defend its income tax exempt status through the adoption of policies and procedures, and the initiation and conduct of activities and projects that promote such status, including but not limited to:

- Remaining focused on the Association's purposes in all decision-making processes, those purposes being the ownership and management of common areas and facilities for the use of the community, and the administration and enforcement of governing documents designed to preserve its character; and,
- Abstaining from the provision of maintenance or other services the sole purpose of which is to benefit individually owned properties, as opposed to the community as a whole; and,
- Adhering to Treasury Regulations and the Internal Revenue Code requirements related to the Association's tax-exempt status, undertaking no activity, political or otherwise, that will jeopardize that tax exempt status.

## **APPROVAL**

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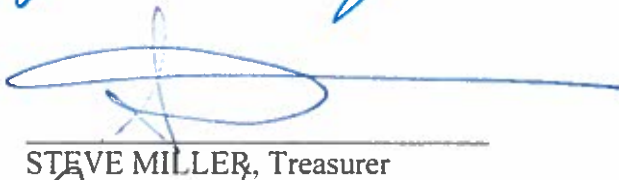
<sup>3</sup> Treasury Regulation, Section 1.501(c)(4)(a)(2)(ii)

Approval of the Policy Regarding the Maintenance of Tahoe Donner Association's Income Tax Exempt Status and any changes, amendments, or modifications thereafter, may only be accomplished at a properly noticed meeting of the Board, after a full reading of the policy in open session, with reasonable time allowed for property owner comment.

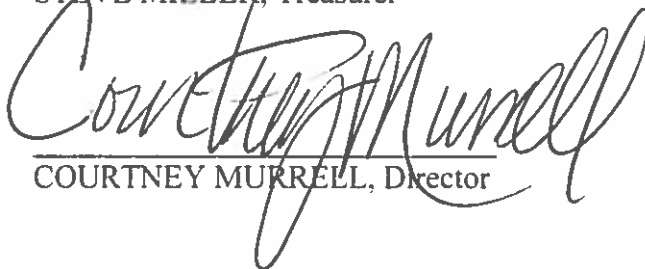
ACCEPTED AND DATED: May 30, 2015

  
JIM STANG, President

  
TOM JOHNS, Vice President

  
STEVE MILLER, Treasurer

  
RON WULFF, Secretary

  
COURTNEY MURRELL, Director