

Repair and Capitalization Policy

_____ hereby adopts for book and Federal income tax purposes the following policy regarding expenses for the year beginning January 1, 2017.

In accordance with Internal Revenue Code Sections 167 & 168 and related Regulations,

_____ has determined that amounts whose individual cost (including tax, installation and delivery costs) does not exceed \$500 will be deducted as incurred as an operating expense. Amounts exceeding this dollar limit will be examined individually to determine if their use or purpose requires capitalization under the betterment, adaptation or restoration rules used by the Internal Revenue Service and will be capitalized or expensed as incurred as a result of the application of those rules.

Adopted: _____, 2017

By: _____

It's: _____