

**BOARD RESOLUTION REGARDING ADOPTION OF
EMERGENCY SPECIAL ASSESSMENT**

The following resolution of the Board of Directors of Shadow Oaks Condominium Association pertains to discussion and adoption of an emergency special assessment pursuant to *Civil Code* Section 1366(b)(3).

WHEREAS,, on July 16, 2009 a regularly noticed meeting of the Board of Directors was conducted at 7:00 p.m. in the Association's recreation room. During the meeting there was a discussion which included, but was not necessarily limited to, a potential emergency assessment pertaining to repair work for portions of the 528 Water Oak Lane building. The meeting was attended by approximately thirty (30) members of the Association;

WHEREAS,, Shadow Oaks Condominium Association was named in a lawsuit by Michael Ex and Norman Ames, i.e., members of the Shadow Oaks Condominium Association and owners of units located in the 528 Water Oak Lane building;

WHEREAS, the lawsuit sets forth multiple causes of action against the Condominium Association;

WHEREAS, the lawsuit claims, amongst other allegations, that the subject 528 building has shifting soils and that the plaintiffs have demanded that the building and units be repaired;

WHEREAS, Plaintiff's expert/consultant reports setting forth the nature and extent of the claims, causation of the alleged issues, and possible repairs were presented to the Association in early 2009;

WHEREAS, consultants retained on behalf of the Association have performed their own evaluations in response to Plaintiff's consultants statements and reports and that such Association consultants reports, findings and recommendations were provided to the Association only a few months ago;

WHEREAS, the Association's consultants had developed what they believe to be a appropriate and reasonable repair to the 528 building for foundational stabilization;

WHEREAS, the Board of Directors of the Association was not in possession of the Plaintiff's expert/consultants reports, recommendations and findings and the Association's reports, recommendations and findings until 2009;

WHEREAS, the Board of Directors has now determined that it would be reasonable and appropriate to perform and institute a foundational repair as developed by the Association's consultants and engineers;

WHEREAS, in order to fund such a repair an emergency assessment would be required so as to repair or maintain the common interest development as to those areas for which the

Association is responsible;

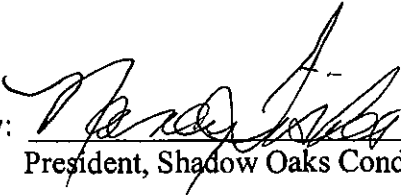
WHEREAS, based upon the recent submission of the findings of the consultants, such repairs could not have been reasonably foreseen by the Board in preparing and distributing the 2009 proforma operating budget under Section 1365;

WHEREAS, the Board of Directors believes that the emergency assessment and the expenses identified therein are reasonably necessary and could not have been reasonably foreseen in the 2009 budgeting process.

RESOLUTION

It is hereby resolved by the Board of Directors for Shadow Oaks Condominium Association that an emergency assessment in the amount of \$350,000 was voted on and unanimously approved by the four (4) board members in attendance at the meeting. That the \$350,000 special assessment will apply equally to all members of the Association. That the payments will be in the amount of \$4,375 per unit and owed in three (3) equal installments of \$1,458.33. Payments will be due and payable by each member to the Association as follows: September 1, 2009, November 1, 2009 and January 1, 2010.

Dated: July 22, 2009

By: 
President, Shadow Oaks Condominium Association

Dated: July 22, 2009

By:  DIANNE WALTON
Secretary, Shadow Oaks Condominium Association