

Vista Tassajara Homeowners Association

Resolution of the Board of Directors

Wherefore, common area of the Association sustained a landslide during the winter of 2016/2017 above the Hillview Drive cul de sac;

Wherefore, the Board of Directors retained Stevens, Ferrone & Bailey, Engineering Company, Inc. ("SF&B"), an engineering firm with expertise in landslides, to analyze the landslide and make recommendations;

Wherefore, SF&B concluded in its report dated June 5, 2017 and in other communications that unless properly repaired ("Repairs"), soil instability would get worse, cause a landslide(s) and damage neighboring property resulting in a threat to the personal safety of residents in the community; and

Wherefore, while the liability and safety risks are high, the immediate threat resulting from landslides will be a small minority of members in the community;

Wherefore, the Association's attorneys have advised that the failure to make reasonable repairs could result in Association liability; and

Wherefore, the cost to make recommended repairs to address the soil instability, landslides and threats to personal safety is approximately \$1,958,793.00 (including loan interest) and the Association lacks enough funds in reserves to make such repairs; and

Wherefore, the Board of Directors adopted a motion for a special assessment for landslide repairs at its April 27, 2017 meeting;

Therefore, upon motion duly made and seconded and following discussions, the following Resolutions were made:

As set forth in another Resolution, the Association will obtain a loan for up to \$950,000 to finance a portion of the Repairs; and

The Board finds that there exists a threat to personal safety within the Development; and that it is prudent to impose a special "emergency" assessment as authorized by Civil Code section 5610 and CC&R section 3.03(d)(ii); and

That the Board desires to revise the special assessment motion approved on April 27, 2017 in light of the construction bids and bank loan documents subsequently received; and

That such special assessment shall be levied equally against all owners and due upon thirty days' notice with payments as set forth below:

I. Fixed, Up-Front Payment

As previously noticed to all owners on May 10, 2017, a "Fixed, Up-Front Payment" of \$4,500 per lot in installments of \$1,500 per lot due on July 1, September 1, and November 1, 2017.

II. Loan Costs

"Loan Costs" on a three-year bank loan totaling approximately \$4,917.27 in principal and interest per lot which will vary slightly based on the interest rate in effect on the date the loan becomes effective. Installment payments in the amount of approximately \$409.77 will be due for each lot each calendar quarter beginning January 1, 2018 until twelve payments have been made. Each lot will be billed only the actual principal, interest and loan costs incurred.

III. Acceleration of Due Dates Based on Sales and Close of Escrow

In the event a lot is sold the entire unpaid balance of the Fixed Up-Front Payment and the Loan Costs per above shall be paid to the Association at close of escrow or recordation of a deed showing new ownership, whichever comes first.

IV. Adjustment of Loan Costs and Reimbursement of Overpayments

In the event the project repair costs are less than currently anticipated, the Association will borrow less which will permit it to reduce the total amount of the Loan Costs. In that event, the remaining installment payment obligations will be reduced equally for all lots ("Adjusted Special Assessment") subject to the following: Owners who acquired title to their lots on or after the date of this resolution will receive a credit for the difference between the Loan Costs and the Adjusted Special Assessment, less any sums then due the Association (for unpaid other assessments, interest, late charges, collection costs and/or fines). The Association shall have no duty to find, notify or pay the difference between the Loan Costs and the Adjusted Special Assessment to anyone not a record owner as of the date written notice of the Adjusted Special Assessment is provided the membership.

Dated: July 6, 2017

Signed:   
Ann Marie Nugent, Secretary  
Vista Tassajara Board of Directors