

RESOLUTION
OF THE BOARD OF DIRECTORS OF
THE CAPES HOMEOWNERS ASSOCIATION

WHEREAS, the Association and various individual owners at The Capes have recently settled litigation against the developer and other parties arising out of certain erosion and construction defect problems at The Capes; and

WHEREAS, some individual owners and some groups of owners are expected to *ask* for permission to undertake various projects to mitigate erosion and other problems at the Capes such as relocating homes, installing tie-backs or making other alterations that require the approval of the Association; and

WHEREAS, some such projects are expected to require the Association to retain the services of an engineer, geologist or other technical advisor as well as legal counsel to assist the Association in responding to such proposals; and

WHEREAS, the Association has limited funds, and technical and legal evaluations of work occasioned by the request of only one owner or a group of owners should not reasonably be fully funded by all owners;

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that individuals or groups proposing any project, the evaluation of or response to which, in the opinion of the Board of Directors, requires legal or technical assistance, shall pay all legal and technical costs and expenses incurred by the Association in connection with the Association's evaluation and documentation of such project, except that the Association will pay the first \$500.00 of legal expenses and costs and the first \$500.00 of technical expenses and costs.

EN WITNESS WHEREOF, the undersigned Secretary hereby certifies that the above-referenced Resolution was duly adopted by the Association's Board of Directors effective March 10, 2001.

THE CAPES HOMEOWNERS ASSOCIATION

By: *Sue Blatner*
Secretary President.