

2008 -1 RESOLUTION OF THE  
SURFSIDE III CONDOMINIUM OWNERS ASSOCIATION

A regular meeting of the SURFSIDE III CONDOMINIUM OWNERS ASSOCIATION was held on February 13, 2008, in Port Hueneme, California.

An agenda item at the meeting was to authorize the taking of a term loan in the total amount of three million dollars (\$3,000,000) from First Bank and the pledging of the proceeds of the \$20,000 per unit special assessment, passed by the membership in or about June 2006, as security for the repayment of the First Bank loan. The proceeds from the Special Assessment will be used, up to the amount of \$1,119,823 per year, to secure and repay the First Bank loan.

It is intended that the terms of the proposed loan from First Bank will be the terms described in First Bank Loan Commitment Letter dated November 26, 2007, a true and correct copy of which is attached hereto as Exhibit "A". Material terms of the loan include, but are not limited to, the following:

1. Purpose - Renovation project
2. Loan Amount - \$3,000,000
3. Maturity: - Maximum 48 months from loan date
4. Interest Rate: - Fixed
5. Fee: - 1%
6. Repayment Terms: Maximum draw period interest only for 12 months; then monthly P & I payments fully amortized over 36 months. Maximum loan term is 48 months total.

IT IS HEREBY RESOLVED that the First Bank loan described above is hereby authorized. IT IS FURTHER RESOLVED that the proceeds of the \$20,000 per unit special assessment, passed by the membership in or about June 2006, shall be pledged to First Bank as security for the repayment of the First Bank loan. The proceeds from the Special Assessment will be pledged, up to the amount of \$1,119,823 per year, to secure and repay the First Bank loan.

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President of the Association

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Treasurer of the Association

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Secretary of the Association