

2008-2 RESOLUTION OF THE  
SURFSIDE III CONDOMINIUM OWNERS ASSOCIATION

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

An agenda item at the meeting was to adopt a Resolution to be provided to First Bank that describes the circumstances surrounding the vote to impose the \$20,000 per unit special assessment that will be used as security for and to repay the loan transaction the Association intends to enter into with First Bank.

A ballot was transmitted to the membership of the Association regarding the imposition of the \$20,000 per unit special assessment. The ballot recited that the proceeds from the special assessment would be used to replace drain and water lines, remediate any discovered mold, and to renovate the elevators of the Surfside III HOA project. The ballot specified that the members would have the choice of either making a lump sum payment of \$20,000 or paying the special assessment in installments over five years.

Further, the ballot specified that signed ballots must be returned no later than June 15, 2006. The ballot also specified that more than fifty percent of the owners constituting a quorum must vote in favor of the imposition of the special assessment in order to impose the special assessment. An exemplar of the ballot provided to the membership is attached to this Resolution as Exhibit "A".

A "Voting List" was kept to record the members that returned the special assessment ballot and the dates on which the respective signed ballots were returned.

Patricia Fomin, Rod Kodman, and Anneliese Hardiman served as independent ballot inspectors. A true and correct copy of the identities, addresses, and signatures of the three ballot inspectors is attached hereto as Exhibit "B".

The Association consists of 309 units, of which each member has the right to cast one vote regarding the imposition of the special assessment. As a quorum is more than 50% of the membership, 155 owners would constitute a quorum.

The final results of the vote were recorded on three "Tally Sheets" that were signed by each of the three ballot inspectors. True and correct copies of the three "Tally Sheets" are attached hereto as Exhibit "C". The "Tally Sheets" correctly reflect that 140 votes were cast in favor of the imposition of the special assessment and 65 votes were cast against the imposition of the special assessment. Greater than fifty percent of the owners constituting a quorum voted in favor of the imposition of the special assessment and, based on the outcome of the vote, the special assessment was duly imposed.

IT IS HEREBY RESOLVED that the above statements are a true and correct recital of the circumstances surrounding the membership vote for the imposition of the \$20,000 special assessment which will be used to secure and repay the intended loan from First Bank.

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President of the Association

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Treasurer of the Association

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Secretary of the Association