

ANNUAL TAX RESOLUTION

SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.

RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEARS ASSESSMENTS OR TRANSFERRED TO REPLACEMENT FUNDS.

WHEREAS, the above-named association is a California corporation duly organized and existing under the laws of the State of California; and

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service (Ruling 70-604);

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the association;

RESOLVED, that any amounts collected by or paid to the association in excess of operating expenses for the year ended December 2020 shall be applied against the subsequent tax year member assessments as provided by the IRS ruling 70-604, or set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by Revenue Rulings 75-370 and 75-371. Such amounts shall be deposited into insured interest bearing accounts. Any amounts so added to reserve/replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

This resolution was adopted by a vote of the members and made part of the minutes of the Annual Meeting on October 31, 2020.

Witnessed by the Board of Directors:

Andres Santamaria, President

Name and Title

Note: The members at the meeting approved a motion to authorize the President to sign the Tax Resolution on behalf of the Board.