



PACIFIC PREMIER BANK[®]
COMMUNITY ASSOCIATION BANKING

HOA LOAN DOCUMENTS
(Standard Loan)

SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.,

a California nonprofit corporation

and

PACIFIC PREMIER BANK,

a California state-chartered banking corporation

Dated as of December 10, 2021

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PROMISSORY NOTE

\$4,787,615.64

December 10, 2021

THIS PROMISSORY NOTE ("Note") is entered into as of December 10, 2021 by and among Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation ("Borrower"), and Pacific Premier Bank, a California state-chartered banking corporation ("Lender").

ARTICLE I – DEFINITIONS

The following capitalized words and terms shall have the following meanings when used in this Note. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Master Loan Agreement.

Assignment. The word "Assignment" means that certain Assignment of Assessments and Lien Rights dated December 10, 2021 executed by Borrower for the benefit of Lender.

Borrower. The word "Borrower" means Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation, its successors and assigns.

Lender. The word "Lender" means Pacific Premier Bank, a California state-chartered banking corporation, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Note from time to time, and further including any and all subsequent amendments, additions, substitutions, renewals and refinancings of any of Borrower's Loans with Lender.

Loan Documents. The words "Loan Documents" mean the Note, the Assignment, this Agreement and any and all other promissory notes, credit agreements, loan agreements, security agreements, instruments, certificates, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Master Loan Agreement. The words "Master Loan Agreement" mean that certain Master Loan Agreement dated December 10, 2021 executed by Borrower, as may be modified or substituted from time to time.

Note. The word "Note" means this Promissory Note dated December 10, 2021 and executed by Borrower in the original principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64), together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or credit agreement.

ARTICLE II – CREDIT FACILITY AND INTEREST

PROMISE TO PAY. Borrower promises to pay to Lender, or order, in lawful money of the United States of America, the principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64) or so much as may be outstanding, together with interest on the unpaid principal balance calculated as described in the "INTEREST CALCULATION METHOD" paragraph until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this Loan in one hundred twenty (120) monthly consecutive principal and interest payments in the initial amount of \$46,804.00 each beginning January 15, 2022, with interest calculated on the unpaid principal balances using a fixed interest rate of 4.10%; Seven (7) monthly consecutive principal and interest payments, beginning January 15, 2032, with interest calculated on the unpaid principal balances using a fixed interest rate based on the U.S. Treasury daily yield curve rate for a 5 year constant maturity plus a margin of 2.75%, adjusted if necessary for the minimum and maximum rate limitations for this Loan. If not sooner paid, the entire remaining unpaid principal balance, together with all accrued and unpaid interest thereon and any other unpaid amounts under this Note, shall be due and payable on July 15, 2032 (the "Maturity Date"). Under no circumstances will the interest rate on this Note be less than 4.00% or more than the maximum rate allowed by applicable law.

The principal and interest payment to be paid hereunder shall be calculated by determining the principal and interest payment sufficient to repay the principal balance hereof outstanding on the date of this Note on the Maturity Date, at the current interest rate defined hereinabove. The result of this calculation shall be the principal and interest payment due on the 15th day of each month.

Unless otherwise agreed or required by applicable law, all payments by Borrower shall be applied when received first to the payment of costs, expenses, fees, late charges or other charges incurred in connection with the indebtedness evidenced by this Note, then to accrued interest, and then to reduce the outstanding principal balance of this Note, except that if any advance made by Lender pursuant to the terms of the Assignment or Master Loan Agreement of even date herewith, securing the timely and complete payment and performance of the obligations evidenced by this Note, has not been repaid, any monies received, at the option of Lender, may first be applied to repay such advance and the interest thereon, and the balance (if any) shall be applied on account of any payment then due under this Note. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

Borrower may, at any time, request that the Loan balance be re-amortized so as to maintain the original Maturity Date. The request is to be made in writing. After receipt of written notice from an authorized officer of Borrower, the re-amortized Loan balance shall take effect at the next monthly billing cycle and remain in effect for the remaining balance of the Loan term.

All payments shall be made via automatic payment and in accordance with the Automatic Loan Payment Authorization (ACH) form executed by Borrower.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender.

LATE CHARGE. If Borrower fails to make any required payment hereunder on or before ten (10) days following the date on which it becomes due, Borrower shall pay, without demand or notice by Lender, a late charge equal to five percent (5.00%) of the amount so overdue.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

INTEREST AFTER DEFAULT. Upon default, the interest rate on this Note shall immediately increase by the greater of (i) five percent (5.00%), or (ii) the maximum amount permitted under applicable law.

ARTICLE III – DEFAULT

Lender, at its option, may declare the entire unpaid principal balance of this Note and accrued unpaid interest thereon to be immediately due and payable without further demand, notice or protest (which are hereby waived) upon the occurrence of any one or more of the following events (each of which is deemed an "Event of Default"):

- (a) The failure by Borrower to pay any amount due under this Note.
- (b) Default in the performance of any of the covenants, conditions or obligations of this Note, the Assignment, the Master Loan Agreement, or any of the Loan Documents;
- (c) The determination by Lender that any representation or warranty heretofore, now, or hereafter made by the Borrower to Lender, in any document, instrument, agreement or paper was not true or accurate when given;
- (d) The occurrence of any Event of Default under any other agreement between Lender and Borrower, or instrument or paper given to Lender by the Borrower, whether such agreement, instrument, or paper now exists or hereafter arises (notwithstanding that Lender may not have exercised its rights upon default under any such other agreement, instrument or paper);
- (e) Any act by, against, or relating to the Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee, or other person, pursuant to court action or otherwise, over all, or any part of the Borrower's property; the granting of any trust mortgage or execution of an assignment for the benefit of the creditors of the Borrower, or the occurrence of any other voluntary or involuntary liquidation or extension of debt agreement for the Borrower; the failure by the Borrower to generally pay the debts of the Borrower as they mature; or the commencement of

any proceedings under any bankruptcy or insolvency laws of, by, or against the Borrower;

(f) The entry of any judgment against the Borrower, which judgment is not satisfied or appealed from (with execution or similar process stayed) within twenty (20) days of its entry or such shorter appeal period as may apply;

(g) The termination of its existence as a corporation and/or a community association, dissolution, or winding up, or liquidation of the Borrower;

(h) If the right of Lender to enforce any material provision hereof shall be impaired by law, Lender shall have the option to deem this Note modified to conform therewith or to declare this note immediately due and payable.

(i) If the Borrower fails to operate in compliance with its Governing Documents (as defined in the Assignment, and Master Loan Agreement).

(j) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

In addition, at Lender's option and without demand, notice or protest, the occurrence of any such Event of Default shall also constitute a default under all other agreements between Lender and Borrower and under all other instruments and papers given to Lender by the Borrower.

ARTICLE IV – COLLATERAL

Borrower's obligations to Lender under this Note, are secured by, among other things, the assets of Borrower assigned pursuant to the terms and conditions of the Assignment and Master Loan Agreement, as well as the assets set forth in that certain Exhibit A to UCC-1 Financing Statement attached hereto, and any other documents executed in connection with, as security for and as a guaranty of the obligations of Borrower to Lender (whether or not this Note is specifically referred to therein), the terms of which are incorporated herein by this reference.

Any and all deposits or other sums at any time credited by, or due to the Borrower from, the Lender or any of Lender's banking or lending affiliates or any bank acting as a participant under any loan arrangement between Lender and Borrower, and any cash, securities, instruments, or other property of Borrower in the possession of Lender, or any of Lender's banking or lending affiliates, or any bank acting as a participant under any loan arrangement between Lender and Borrower, whether for safekeeping, or otherwise, or in transit to or from Lender or any of Lender's banking or lending affiliates or any such participant, or in the possession of any third party acting on Lender's behalf (regardless of the reason Lender had received same or whether Lender has conditionally released the same) shall at all times constitute security for any and all of Borrower's obligations to Lender under this Note, and may be applied or set off against such obligations at any time, whether or not the obligations are then due or whether or not other collateral is available to Lender.

Borrower agrees that Lender shall have the right to approve, realize upon or foreclose any collateral securing this Note and that such rights shall be cumulative and exercised at the sole discretion of Lender with respect to priority, order and type of collateral realized upon or applied toward this indebtedness until the Note, interest, fees and costs shall have been paid in full.

ARTICLE V – WAIVERS

Each party liable hereon in any capacity, whether as borrower, surety or otherwise (referred to as "Obligor"): (1) waives diligence, presentment, demand, protest and notice of presentment, notice of protest and notice of dishonor of this debt, (2) to the extent permitted by applicable law, agrees that Lender, at any time or times, without notice to it or its consent, may grant extensions of time, without limit as to the number of the aggregate period of such extensions, for the payment of any principal or interest due hereon or with respect to any other person or entity liable directly or indirectly for the obligations evidenced by this Note, and (3) to the extent not prohibited by law, waives the benefit of any law or rule of law intended for its advantage or protection as an Obligor hereunder or providing for its release or discharge from liability hereon, in whole or in part, on account of any facts or circumstances other than full and complete payment of all amounts due hereunder.

Borrower hereby waives the benefit of any suretyship defense against this debt or any renewal or extension thereof, waive presentment, demand, protest and notice of protest, dishonor and non-payment and any and all lack of diligence or delays in collection or enforcement hereof, and expressly consent to any modification, extension of time, release of any other party or person primarily or secondarily liable for this obligation, release of any of the security of this Note, acceptance of other security therefor, or any other indulgence or forbearance whatsoever, whether or not made for additional interest or other consideration paid or payable. Any such extension, release, indulgence, or forbearance may be made without notice to said parties and without

in any way affecting the personal liability of such parties. This Note shall, at the option of Lender, become due and payable without notice or demand in the event of the insolvency of, or the filing of a petition of bankruptcy by any maker, co-maker, endorser or guarantor. In addition to all other rights, Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code.

ARTICLE VI – MISCELLANEOUS

NO WAIVER BY LENDER. No delay or omission by Lender in exercising or enforcing any of Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default or right hereunder shall preclude other or further exercise hereunder of that or any other power or right hereunder nor act as a waiver of any other default hereunder, nor as continuing waiver.

ATTORNEYS' FEES; EXPENSES. Borrower agrees to pay all costs and expenses including reasonable attorneys' fees (regardless of whether a legal action is filed or legal proceeding is commenced), for the collection of this Note or for enforcement of rights arising under this Note or under any of the Loan Documents, whether or not any Event of Default shall have occurred.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$29.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

SEVERABILITY. If any provision (or any part of any provision) contained in this Note shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Note, but this Note shall be construed to effect the purposes of this Note as if such invalid, illegal or unenforceable provision (or part of such provision) had never been contained herein and to that extent, the provisions of this Note are severable.

MODIFICATION. The provisions of this Agreement may not be waived, modified, amended, altered or supplemented, in whole or in part, except by a writing executed by all the Parties that makes specific reference to this Agreement. This Note may not be changed or modified orally, but only by an agreement in writing signed by the parties against whom enforcement of any waiver, change, modification, or discharge is sought.

ENTIRE AGREEMENT. All of the terms, covenants, provisions, conditions, stipulations, promises and agreements contained in any Loan Documents signed in connection with this Loan transaction, including all of even date herewith, to be kept, observed and performed by the Borrower are hereby made a part of this Note and incorporated herein by reference to the same extent and with the same force and effect as if they were fully set forth herein, and the Borrower promises and agrees to keep, observe and perform them or cause them to be kept, observed and performed, strictly in accordance with the terms and provisions thereof. The Borrower hereby agrees that the Lender's records shall constitute prima facie evidence of the amounts owing and unpaid on the Note.

TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Note.

ASSIGNMENT. Borrower may not assign this Note, or assign or delegate any of its rights or obligations hereunder, without Lender's prior written consent in each instance. Lender in its sole discretion may transfer this Note, and may sell or assign participations or other interests in all or any part of this Note, all without notice to or the consent of Borrower.

COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or electronically shall be equally as effective as delivery of a manually executed counterpart of this Agreement.

WAIVER OF JURY TRIAL. BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR TO ANY RELATED AGREEMENT INCLUDING, BUT NOT LIMITED TO, THE ASSIGNMENT OR MASTER LOAN AGREEMENT, OR TO CLAIM OR RECOVER ANY SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN ACTUAL DAMAGES. THIS NOTE IS GIVEN TO EVIDENCE A DEBT FOR BUSINESS AND/OR COMMERCIAL PURPOSES. BORROWER HEREBY ACKNOWLEDGES AND CONFIRMS THAT IT HAS READ THE PROVISIONS OF THIS NOTE AND HAS BEEN PROVIDED THE

OPPORTUNITY TO COMMENT AND HAS CONSULTED WITH LEGAL COUNSEL IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS NOTE.

NOTICES. All notices, requests, demands or other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally; by certified mail, return receipt requested, postage prepaid; or by transmission by a telecommunications device, and shall be effective: (i) on the day when personally delivered, including delivery by overnight mail or courier service; (ii) on the third business day after its deposit in the United States mail; or (iii) on the business day of confirmed transmission by telecommunications device if confirmed during business hours, and on the next business day if confirmed after business hours. The addresses of the parties (until notice of a change thereof is served upon the parties) shall be as follows:

If to Borrower:

Surfside III Condominium Owners' Association,
Inc.
c/o Lordon Management
1275 Center Court
Covina, CA 91724

If to Lender:

Pacific Premier Bank
17901 Von Karman Ave., Suite 1200
Irvine, California 92614
Attn: Loan Servicing

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Note to Lender as of the date first set forth above.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

MASTER LOAN AGREEMENT

\$4,787,615.64

December 10, 2021

THIS MASTER LOAN AGREEMENT ("Agreement") is entered into as of December 10, 2021 by and among Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation ("Borrower"), and Pacific Premier Bank, a California state-chartered banking corporation ("Lender").

ARTICLE I – RECITALS

- A.** Borrower is a condominium association established to manage the common interest project known as Surfside III Condominium Owners' Association, Inc. ("Project" and/or "Condominium"), located in Port Hueneme, California.
- B.** The Project is subject to that certain Declaration for Establishment of Covenants, Conditions and Restrictions for Surfside III Condominium Owners' Association, Inc., a Residential Condominium Project, recorded February 27, 1976, in the Official Records of the County of Ventura, California, Instrument No. Book 4547 Page 631, as amended (the "Declaration"). Borrower is governed by the Declaration, Articles of Incorporation of Surfside III Condominium Owners' Association, Inc., filed with the California Secretary of State on January 9, 1976, and Bylaws of Surfside III Condominium Owners' Association, Inc. dated September 29, 2007 (collectively, the "Governing Documents").
- C.** Borrower has applied to Lender for a loan relating to the operation of the Project.
- D.** Lender is willing to make the loan to Borrower, subject to the terms and conditions set forth in this Agreement and the Loan Documents.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

ARTICLE II – DEFINITIONS

2.1 The following capitalized words and terms shall have the following meanings when used in this Agreement. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require.

Assignment. The word "Assignment" means that certain Assignment of Assessments and Lien Rights dated December 10, 2021 executed by Borrower for the benefit of Lender.

Borrower. The word "Borrower" means Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation, its successors and assigns.

Lender. The word "Lender" means Pacific Premier Bank, a California state-chartered banking corporation, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to the Note from time to time, and further including any and all subsequent amendments, additions, substitutions, renewals and refinancings of any of Borrower's Loans with Lender.

Loan Documents. The words "Loan Documents" mean the Note, the Assignment, this Agreement and any and all other promissory notes, credit agreements, loan agreements, security agreements, instruments, certificates, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Master Loan Agreement. The words "Master Loan Agreement" mean this Master Loan Agreement dated December 10, 2021 executed by Borrower, as may be modified or substituted from time to time.

Note. The word "Note" means that certain Promissory Note dated December 10, 2021 and executed by Borrower in the original principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64), together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note.

ARTICLE III – LOAN AMOUNT AND PURPOSE

3.1 Lender agrees to lend to Borrower up to the principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64). The Loan funds will be available as a term loan, to be placed into a deposit account of Borrower's choosing.

3.2 The Loan shall be used by Borrower for business purposes to fund improvements for the Project. Specifically, the Loan shall be used the refinance of two existing loans.

3.3 The Loan is evidenced by the Note in the maximum amount of the Loan. The Note provides for the payment of principal, together with interest and a late charge for delinquent payments at the rates set forth therein, in such installments, at such times, and according to the terms set forth in the Note.

ARTICLE IV – COLLATERAL AND SECURITY INTEREST

4.1 Grant of Security Interest. As security for payment of all indebtedness, interest, late charges and other fees, and all other obligations or other liabilities which may now or hereafter be owed by Borrower to Lender in connection with the Loan or arising under the Note, this Agreement or any other Loan Documents, or for any extensions, renewals, refinancings, restructurings, modifications or replacements, in whole or in part, of the Note (collectively, "Obligations"), Borrower hereby grants to Lender a present and continuing security interest in and lien on all right, title and interest of Borrower in the following: (i) all money, accounts and deposit accounts of Borrower, all right of Borrower to levy and collect regular and special assessments, including but not limited to assessments levied by Borrower against each of the Units in the Project for payment of the Loan by Borrower; (ii) all rights of Borrower to receive payments from owners, present or future, of Units within the Project; (iii) all rights of Borrower to enforce the payment of assessments by lien with power of sale and in any other manner authorized by Borrower's Governing Documents and by law; (iv) all rents, tax refunds, insurance proceeds, condemnation awards, and/or litigation claims, settlements or judgments due to, asserted on behalf of, or hereinafter awarded to Borrower; (v) all assets set forth in that certain Exhibit A to UCC-1 Financing Statement attached hereto; (vi) all proceeds of the foregoing in whatever form; and (vii) all rights, title and interest described in the Assignment (collectively, the "Collateral").

4.2 Perfection of Security Interest. Borrower shall keep, procure, execute, and deliver from time to time any and all warranties, evidence of insurance, financial statements, disclosures, fixture filings and other writings deemed necessary or appropriate by Lender to perfect, maintain, and/or protect its security interest in and lien on the Collateral and the priority of that security interest. Unless prohibited by law, Borrower hereby authorizes Lender to file any financing statement or fixture filing and to record any document contemplated in this Agreement or any other Loan Document with respect to the Collateral.

4.3 Power of Attorney. Borrower hereby makes, constitutes and appoints (which appointment shall be irrevocable so long as this Agreement is in effect) Lender as its attorney-in-fact with full power and authority to take any action contemplated of Borrower by subsection 4.2 above. Lender may exercise the foregoing power of attorney in its discretion, in its name or Borrower's name, and without prior notice to or demand upon Borrower.

4.4 Security Instrument. Lender's security interest in the Collateral shall be evidenced by Borrower executing this Agreement and the Assignment, and concurring in a recorded UCC-1 Financing Statement. The Loan Documents shall be in satisfactory form and content to Lender and shall be subject to no liens or exceptions, other than exceptions approved and accepted by Lender. The Loan Documents shall also include all other documents and instruments which may now or hereafter secure the indebtedness, together with all amendments, supplements, extensions and renewals of the foregoing.

ARTICLE V – CONDITIONS PRECEDENT TO LOAN FUNDING

5.1 Lender's obligation to fund the Loan under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth below, in this Agreement and in the Loan Documents:

a) The Loan Documents shall have been duly executed and delivered by all required parties thereto and in form and substance satisfactory to Lender;

b) Borrower shall have delivered to Lender the insurance certificates required by Article VIII of this Agreement;

c) No Event of Default (as defined below) shall exist hereunder or under any of the other Loan Documents nor shall any event or condition exist which, with the giving of notice where applicable or the expiration of applicable grace or cure periods, or both, would constitute such an Event of Default;

- d) All representations and warranties made by Borrower shall be true and correct in all material respects;
- e) Since the date of the most recent reviewed financial statement for Borrower delivered to Lender, no material adverse change shall have occurred in Borrower's financial condition that has not been disclosed to and accepted by Lender;
- f) The use of the proceeds thereof shall not violate any applicable law, regulation, injunction or order of any government or court.

ARTICLE VI – PROCEDURES FOR ADVANCES

6.1 Intentionally left blank.

ARTICLE VII – REPRESENTATIONS AND WARRANTIES

7.1 Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

a) **Authority.** Borrower has full power, authority and legal right to execute this Agreement, to borrow the amount of the Loan and for the purposes stated, to grant to Lender the security interest hereby contemplated, and to perform all of Borrower's obligations under this Agreement and the other Loan Documents.

b) **Legal Status and Authority.** Borrower (i) is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of California and (ii) has all necessary approvals (governmental and otherwise) to manage the affairs of the Project and to carry out its business as now conducted and proposed to be conducted.

c) **Validity of Documents.** Borrower's execution, delivery and performance of this Agreement and the other Loan Documents: (i) are within Borrower's power and authority; (ii) have been duly authorized by all requisite action of Borrower's members; (iii) have received all necessary approvals and consents (mortgagees, organizations, governmental or otherwise); (iv) will not violate, conflict with, result in a breach of, or constitute a default under any provision of law, any order or judgment of any court or governmental authority, any of Borrower's Governing Documents, or any indenture, contract or other agreement to which Borrower is a party or by which Borrower or any of Borrower's assets (including the Collateral) may be bound or affected; and (v) will not require any authorization or license from, or any filing with, any governmental or other body (except for UCC filings relating to the security interest created hereby) or as otherwise reasonably contemplated by the parties to this transaction.

d) **Authorized Signers.** The persons signing this Agreement and the other Loan Documents on Borrower's behalf have been validly authorized and directed to sign such documents. This Agreement and the other Loan Documents, when executed by or on behalf of Borrower, shall be a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms.

e) **Litigation.** No action, suit or proceeding, judicial, administrative or otherwise (including any condemnation of property within the Project or similar proceeding) is currently pending or, to Borrower's knowledge, threatened or contemplated against Borrower or such property that (i) has not been disclosed in writing to Lender, and (ii) will have (singularly or in the aggregate) a material, adverse effect on the ability of Borrower to perform its obligations to Lender under this Agreement or any of the other Loan Documents.

f) **Financial Condition.** All financial statements and information relating to Borrower which have been delivered to Lender in connection with the Loan are true and correct, fairly represent the financial condition or results of operations of Borrower as of the date(s) or period(s) set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied. No material adverse change in the condition (financial or otherwise) of Borrower has occurred since the date(s) of such financial statements. No bankruptcy, reorganization, insolvency or similar proceedings under any state or federal law have been initiated by or against Borrower. The granting of the security interest contemplated herein does not constitute a fraudulent conveyance.

g) **No Encumbrances on the Collateral.** Except for the security interest and lien granted hereunder in favor of Lender and assigned herewith to Lender, no person has any right, title, claim, or other interest (whether in the nature of a security interest, other lien, assignment or charge, or otherwise) in, against or to any Collateral or any interest therein.

h) **Disclosure.** Borrower has not failed to disclose to Lender any material fact that could cause any representation or

warranty made herein to be false or materially misleading.

ARTICLE VIII – BORROWER’S COVENANTS

8.1 In addition to the covenants set forth in other sections of this Agreement or in the other Loan Documents, Borrower agrees to comply with the following covenants so long as this Agreement is in effect:

a) Restrictions on Transfer of Collateral. The Collateral shall at all times hereunder be and remain solely held by Borrower, subject at the closing of the Loan only to the security interest and lien in favor of Lender. Without limiting the foregoing, Borrower will not, directly or indirectly sell, contract to sell, convey, mortgage, pledge, hypothecate, grant a security interest in or otherwise transfer, encumber or suffer a lien upon or against any of the Collateral without Lender’s prior written consent (except that Borrower may use its assessment income in the ordinary course of Borrower’s operations without such consent).

b) Change in Borrower’s Governing Documents. Borrower shall not amend or modify the terms and provisions of the Governing Documents if such amendment would adversely affect in any manner the rights of Lender under this Agreement or any of the Loan Documents. Lender shall have the right to approve in advance any proposed Governing Document amendment, which consent shall not be unreasonably withheld. If Lender fails to respond to Borrower’s request for such consent within sixty (60) days following delivery to Lender by certified mail or other form of delivery evidencing Lender’s receipt of Borrower’s request, such consent shall be deemed to have been granted. Further, the collection policy provided by Borrower to Lender in applying for this Loan shall not be altered during the term of the Loan without Lender’s prior written approval.

c) Change in Borrower's Managing Agent or Managing Agent’s Address. Borrower shall give Lender not less than thirty (30) days prior written notice of any change in Borrower's managing agent or of its managing agent’s address.

d) Indebtedness, Liens and Other Encumbrances. Borrower shall not, except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money. Borrower shall keep the Collateral and all common areas of the Project free and clear of all liens and claims of others and promptly pay and discharge, any judgment liens, mechanic's liens or other encumbrances or claims of any party which may be filed or recorded against any of the Collateral or common area, within thirty (30) days after Borrower receives notice thereof, whether such notice is received from Lender or otherwise.

e) Notices of Claims and Litigation. Borrower shall promptly inform Lender in writing of (1) any material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

f) Taxes / Corporate and Organizational Filings. Borrower shall: (i) pay promptly when due all fees and taxes (including without limitation property, franchise or other taxes, levies, assessments and all other charges or withholding of any nature together with any penalties, fines or interest thereon) arising at any time prior to or during the term of the Loan or any renewal or extension thereof and assessed to Borrower by any federal, state or local government or taxing authority or any subdivision thereof; and (ii) submit on a timely basis along with applicable fees all statements and registration documents which Borrower is obligated by law to provide to the Secretary of State of California, whether as a nonprofit/mutual benefit corporation or as a condominium association, arising at any time prior to or during the term of the Loan or any renewal or extension thereof.

g) Books and Records. Borrower shall keep adequate books and records of account with respect to Borrower's financial conditions and the Collateral, in accordance with methods acceptable to Lender and consistently applied. Lender and its agents shall have the right upon prior written notice to Borrower (notice to be given unless an Event of Default has occurred and is then continuing) to inspect such books and records and to make copies and abstracts from such materials for Lender's records. Borrower shall furnish to Lender and its agents convenient facilities within the Project or within a reasonable distance from the Project for the examination and audit of any such books and records at all reasonable times. Borrower shall provide Lender with such financial statements, tax returns and other related financial information as Lender may reasonably request, however, unless an Event of Default has occurred, not more frequently than quarterly. Failure of Borrower to provide the requested information to Lender within thirty (30) days of Lender’s written request shall be an Event of Default.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct. Lender reserves the right to request additional statement(s) of Borrower’s financial condition and other relevant financial information as Lender may reasonably request and at more frequent intervals, but, unless an Event of Default has occurred, not more frequently than quarterly. Failure of Borrower to provide the requested financial information to Lender within thirty (30) days of Lender’s written request shall constitute an

Event of Default.

h) Physical Inspections. Whenever Lender, in its reasonable discretion, deems it necessary, Borrower shall permit Lender or any agent designated by Lender to inspect the common areas of the Project and, to the same extent permitted to Borrower under the Governing Documents, those portions of the Units which Borrower is obligated to maintain, repair or replace. In the event Borrower is in default under this Agreement or under any of the other Loan Documents, such inspections, and the cost of all professionals and consultants hired by Lender and deemed commercially reasonable under the circumstances, shall be at the expense of Borrower and paid for by Borrower within thirty (30) days after Lender's request. All inspections and other services rendered or rights exercised on behalf of Lender, whether or not paid for by Borrower, shall be rendered solely for the protection and for the benefit of Lender. Lender shall not be responsible to Borrower or to any other party for failure to cause any inspection permitted or required hereunder or for failure to notify or protect Borrower from any negligence or malfeasance of Borrower or of any other party, whether or not such negligence or malfeasance is (or should have been) actually discovered by any such inspection. Unless an emergency exists or an Event of Default has occurred and is then continuing, Lender will provide reasonable notice of at least 24 hours to Borrower and to Borrower's managing agent prior to entry or inspection. All routine inspections shall be during normal business hours (i.e., Monday through Friday between 9:00 a.m. and 5:00 p.m.).

i) No Liability for Work Performed. Borrower hereby acknowledges that (i) Lender assumes no risk and Borrower assumes all risk with respect to maintenance, repair, replacement or restoration work that Borrower undertakes or completes within the Project; (ii) Borrower shall rely solely upon any separate contract which it has with contractors for the performance or nonperformance of any such work or for the preparation or submission of plans related thereto; and (iii) Lender shall have no liability with respect to any such work undertaken within the Project.

j) Costs of Enforcement. Borrower shall pay on demand by Lender all reasonable fees and disbursements for legal counsel incurred by Lender in connection with (i) protecting its interest in the Collateral; (ii) collecting any amount payable hereunder; or (iii) enforcing its rights hereunder, whether or not any Event of Default shall have occurred and is continuing. All such amounts shall accrue interest at the default rate provided in the Note, which interest shall accrue from the date demanded by Lender until paid in full by Borrower.

k) Insurance. Borrower shall, at its sole expense, cause insurance to be maintained on the Project and for Borrower's operations, as follows: (i) comprehensive general liability and umbrella liability coverage as may reasonably be required by Lender, protecting Lender and Borrower against liability incidental to the use of, or resulting from, an accident occurring on or about the common areas of the Project, including coverage for explosion, collapse and underground hazards, and completed operations; (ii) directors' and officers' liability insurance as may reasonably be required by Lender (but in no event less than the minimum coverage specified by applicable California law for Projects of Borrower's size); (iii) a fidelity bond or fidelity insurance coverage as may reasonably be required by Lender to protect the Collateral; (iv) workers' compensation insurance pursuant to the laws of the State of California; (v) if required by law, federal flood insurance in an amount satisfactory to Lender; and (vi) fire and broad form extended coverage insurance for one hundred percent (100%) of the full insurable replacement cost of any improvements in the Project for which Borrower is responsible to insure, insuring such improvements from loss due to fire, demolition, windstorm, collapse, explosion, underground hazards, and contingent liability for loss arising from the improvements not conforming to any legal requirements of local, state or federal government agencies. Notwithstanding anything to the contrary contained herein, all insurance amounts shall be subject to industry standards and may include deductibles in accordance with industry standards. Each casualty insurance policy and each general liability insurance policy shall name Lender as a certificate holder. Lender may require Borrower to furnish evidence of these and any other insurance coverages that Lender may reasonably require during the term of the Loan; provided, however, that Lender shall be under no obligation to ascertain the existence of or to examine such insurance or to advise Borrower in the event such insurance shall not comply with the requirements of this subsection. All policies of insurance identified hereunder shall provide Lender with mandatory written notice of cancellation, nonrenewal or material change from the insurer not less than thirty (30) days prior to any such cancellation, nonrenewal or material change, and all such policies shall be written by insurance companies satisfactory to Lender. As to the interest of Lender hereunder, such policies shall not be suspended, invalidated or in any manner prejudiced by any action or inaction of Borrower (or any other party other than Lender) and shall insure Lender regardless of any default, misrepresentation or breach of warranty or conditions by Borrower (or any other party other than Lender). Borrower hereby appoints Lender as Borrower's attorney-in-fact to claim receipt for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage under any of these insurance policies.

l) Minimum Level of Assessments. Effective prior to the Loan closing, Borrower's annual assessment level shall be at least equal to \$1,813,212.00. This assessment level shall remain the minimum level for the full term of the Loan. Upon Lender's reasonable request made during the Term of the Loan, Borrower shall provide evidence of its current assessment level

to Lender. Unless an Event of Default exists, Lender shall not make such request more than once per quarter.

ARTICLE IX – DEFAULT

9.1 Each of the following shall constitute an “Event of Default” under this Agreement:

- a)** The failure by the Borrower to pay any amount due under the Note; or
- b)** If an Event of Default as defined in the Note or any of the other Loan Documents shall have occurred; or
- c)** If any representation or warranty of Borrower made herein, in any other Loan Document, or in any certificate, report, financial statement or other instrument or document furnished to Lender in connection with this Loan or in connection with any request for Lender's consent or approval, shall have been false or misleading when made; or
- d)** If Borrower shall make an assignment for the benefit of creditors or shall generally not be paying its debts as they become due; or
- e)** If Borrower is adjudged insolvent or becomes a debtor in any voluntary or involuntary bankruptcy or other proceeding under any existing or future law of any jurisdiction seeking relief with respect to it or its debts; provided that in the case of any such proceeding commenced against Borrower an Event of Default shall not be deemed to have occurred if such proceeding is dismissed or discharged as to Borrower within sixty (60) days from the filing thereof; or
- f)** If Borrower commences any effort to dissolve, wind up its affairs, or terminate its existence as a corporation or condominium association; or
- g)** If any judgment for monetary damages is entered against Borrower which, in Lender's sole judgment, has a material, adverse effect on the ability of Borrower to perform its obligations to Lender under any of the Loan Documents or is not covered to Lender's satisfaction by collectible insurance proceeds; or
- h)** If the insurance Borrower is required to maintain hereunder is not kept in full force and effect, or if Borrower has not delivered to Lender evidence of the renewal thereof at least ten (10) days prior to the expiration of that insurance, provided, Borrower shall have ten (10) days in which to cure this Event of Default before Lender will pursue its remedies hereunder; or
- i)** If Borrower transfers an interest in the Collateral without Lender's prior written consent in violation of Section 8.1(a) hereof; or
- j)** Any execution or attachment is levied against the Collateral, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.
- k)** If the number of delinquent Units in the Project, greater than sixty (60) days past due, represents more than ten percent (10.0%) of the total number of Units at any time during the term of the Loan (provided, however, that Lender will not pursue its remedies for such an Event of Default if the Borrower (1) is not more than thirty (30) days past due on any payment obligation hereunder or under the Note, and (2) establishes to Lender's satisfaction, that Borrower is strictly adhering to Borrower's stated collection policy and is administering such collection policy expeditiously. The determination of delinquency amounts shall not include late charges and penalties; or
- l)** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.
- m)** If Borrower defaults in the performance of any other obligation or agreement with Lender, which continues for ten (10) days following written notice from Lender to Borrower.

ARTICLE X – REMEDIES

10.1 Upon the occurrence of an Event of Default, Lender may, at its option, without notice or demand of any kind, and in addition to any and all other rights available to Lender under applicable law, exercise any one or more of the following remedies as Lender, in its sole discretion, shall elect:

- a) Declare the entire unpaid balance of the Loan immediately due and payable;
- b) Proceed by appropriate court action, either at law or in equity, to enforce performance by Borrower of its obligations under this Agreement or any other Loan Document or to recover damages for the breach thereof;
- c) Exercise any and all rights and remedies available to a lender under the Uniform Commercial Code;
- d) Make demand under, realize upon, collect, receive or enforce upon all or any portion of the Collateral;
- e) Exercise all rights and powers granted to Lender under the Assignment;
- f) File any claims, commence, maintain or discontinue any actions, suits or other proceedings deemed by Lender necessary or advisable for the purpose of collecting or enforcing payment of all or any portion of the indebtedness secured by the Collateral;
- g) Execute any instrument or document and do any and all other things necessary and proper to protect and preserve and realize upon the Collateral and the other rights contemplated hereby; and/or
- h) Require Borrower forthwith to submit to Lender a full accounting of the Collateral, transmit to Lender all assessments received by Borrower from its members or to hold the same in trust for Lender, and/or transfer to and maintain thereafter all of Borrower's money and deposit accounts, including its operating and reserve accounts, in accounts with Lender.
- i) All sums collected by Lender following an Event of Default may be applied by Lender to the payment of Borrower's obligations hereunder in such priority and proportions as Lender, in its sole discretion, shall deem proper.
- j) If Lender realizes upon any item of Collateral, Borrower shall remain liable for the amount of any deficiency between the net of such Collateral (after deducting all costs, charges and expenses, including without limitation reasonable fees for legal counsel incurred by Lender in connection therewith and otherwise as a result of the default or of Lender's exercise of its remedies with respect thereto) and the outstanding indebtedness payable hereunder. In such case, the security interests created by this Agreement and the other Loan Documents shall continue as a lien on the remaining portion of the Collateral, unimpaired and without loss of priority.
- k) Upon the occurrence of any Event of Default, Lender also may, but without any obligation and without notice to or demand of Borrower, cure the same in such manner and to such extent as Lender may deem necessary to protect the Collateral and Lender's interest therein. Lender is authorized for such purposes to appear in, defend or bring any action or proceeding to protect its interest in the Collateral. Costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending or bringing any such action or proceeding shall bear interest at the rate then prevailing under the Note, commencing with notice from Lender that such cost or expense was incurred. All such amounts not paid to Lender within thirty (30) calendar days following Lender's written demand for payment shall bear interest at the default rate as set forth in the Note.
- l) No remedy referred to herein is intended to be exclusive, but each, except to the extent otherwise expressly provided herein, shall be cumulative and in addition to any other remedy referred to in the Note, this Agreement, or the other Loan Documents or otherwise available to Lender at law or in equity.

ARTICLE XI – MISCELLANEOUS

11.1 Indemnification of Lender. In addition to and without limitation of any other obligation of Borrower hereunder, or under any of the other Loan Documents, Borrower shall indemnify and hold Lender harmless from and against all claims, injury, damage, loss and liability of any and every kind arising out of, or in connection with: (i) any Units Owner's action regardless of subject matter; (ii) any action brought by a Board Director, Officer or Board of Directors of Borrower regardless of subject matter; (iii) any construction or other work performed or to be performed on or for the property which is subject to the Declaration; (iv) any geologic defect or hazard at the property which is subject to the Declaration; (v) the operation or maintenance of the property which is subject to the Declaration; (vi) any hazardous waste which may be located on or affecting the property which is subject to the Declaration; (vii) all legal requirements; (viii) any other action or inaction by, or matter which is the responsibility of Borrower under this Agreement; (ix) all monies owed associated therewith; and (x) the Borrower entering into this loan and any subsequent changes to the Loan Documents. The provisions of this paragraph shall survive and remain a binding obligation of Borrower after satisfaction of Borrower's other obligations under the Loan Documents. The foregoing indemnification shall include all court costs and attorneys' fees (including those incurred in appellate proceedings and whether or not suit is instituted) as well as Lender's costs and expenses incurred in hiring professionals and consultants (including expert

witnesses) as Lender deems reasonably necessary in the circumstances. Such amounts due shall be paid by Borrower within thirty (30) days of written notice from Lender, or shall bear interest on the amount due in the amount equal to the lesser of the maximum rate allowed under California law or five percent (5.0%) over the then highest rate of interest as set forth in the Note. If such amount due is not paid within thirty (30) days of written notice, all subsequent regular loan payments shall be applied to costs referenced herein and the loan shall be deemed as being in default.

11.2 Non-Liability of Lender. The relationship between Borrower and Lender created by this Agreement is strictly a debtor and creditor relationship and not fiduciary in nature, nor is the relationship to be construed as creating any partnership or joint venture between Lender and Borrower. Borrower is exercising Borrower's own judgment with respect to Borrower's business. All information supplied to Lender is for Lender's protection only and no other party is entitled to rely on such information. There is no duty for Lender to review, inspect, supervise or inform Borrower of any matter with respect to Borrower's business. Lender and Borrower intend that Lender may reasonably rely on all information supplied by Borrower to Lender, together with all representations and warranties given by Borrower to Lender, without investigation or confirmation by Lender and that any investigation or failure to investigate will not diminish Lender's right to so rely.

11.3 Attorney's Fees; Expenses. If Lender retains counsel or other professionals or consultants, in Lender's reasonable discretion, for the purpose of collecting any monies which may be due under or be secured in any manner by this Agreement or to protect its interest herein by reason of a default or breach by Borrower, whether or not an event of default has occurred, then and in that event and in accordance with the provisions of this Section, all such reasonable counsel fees and disbursements shall become an additional lien upon the Collateral, shall be payable by Borrower on Lender's demand therefor, and shall bear interest at the rate then prevailing under the Note, commencing with notice from Lender that such fees and disbursements were incurred. All such amounts not paid to Lender within twenty (20) calendar days following Lender's written demand for payment shall bear interest at the default rate as set forth in the Note. In the event of any default by Borrower in the performance of any of the terms and conditions of this Agreement or any of the Loan Documents and after Lender provides Borrower with notice and the opportunity to cure the default (if required of Lender in this Agreement), whether or not suit is filed, Borrower shall pay all reasonable attorneys' fees, costs of collection, and all other costs and expenses incurred by Lender in connection with the enforcement thereof or collection of the Note. In any action arising under or brought to enforce the Agreement or any of the Loan Documents, the prevailing party shall be awarded reasonable attorneys' fees and costs.

11.4 Waiver of Jury Trial. EXCEPT AS PROHIBITED BY LAW, BOTH LENDER AND BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT THAT EITHER MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS LOAN. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT AND EXTENDING CREDIT TO BORROWER.

11.5 Usury. Lender does not intend to contract for, charge or receive any interest or other charge which is usurious, and by execution of this Agreement, Borrower acknowledges and agrees that Lender has no such intent. The terms of this Agreement and the Note, and all agreements between Borrower and Lender, whether now existing or hereafter arising, are hereby expressly limited so that in no event, whether by reason of acceleration of the Maturity Date in the Note, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance or detention of the money to be loaned hereunder or otherwise or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing or pertaining to the indebtedness evidence hereby, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever, fulfillment of any provision hereof or other documents at the time performance of such provision shall be due, shall exceed the maximum amount prescribed by law, then, ipso facto, the obligations to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Lender shall ever receive as interest or otherwise an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to reduce the principal amount owing hereunder or on account of any other principal indebtedness of Borrower to Lender and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof and such other indebtedness, such excess shall be refunded to Borrower. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the indebtedness or Borrower to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest on account of such indebtedness does not exceed the maximum permitted by applicable law.

11.6 Assignability. Borrower may not assign this Agreement without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion. The rights of Lender under this Agreement and the Note shall be assignable in whole or in part, and any assignee of Lender shall succeed to and be possessed of the rights of Lender hereunder to the extent of the assignment made. Lender shall have the right to discount, sell, pledge, negotiate or otherwise dispose of the Note, in whole or in part, and all amendments, restatements and other modifications thereto, without in any manner prejudicing or affecting the rights of Lender, or the terms and conditions of this Agreement.

11.7 Notices. All notices, requests, demands or other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally; by certified mail, return receipt requested, postage prepaid; or by transmission by a telecommunications device, and shall be effective: (i) on the day when personally delivered, including delivery by overnight mail or courier service; (ii) on the third business day after its deposit in the United States mail; or (iii) on the business day of confirmed transmission by telecommunications device if confirmed during business hours, and on the next business day if confirmed after business hours. The addresses of the parties (until notice of a change thereof is served upon the parties) shall be as follows:

If to Borrower:

Surfside III Condominium Owners' Association,
Inc.
c/o Lordon Management
1275 Center Court
Covina, CA 91724

If to Lender:

Pacific Premier Bank
17901 Von Karman Ave., Suite 1200
Irvine, California 92614
Attn: Loan Servicing

11.8 Filings; Other Costs and Fees. Borrower may be required by Lender to pay any filing fees, documentary stamps and any other costs and expenses of Lender in memorializing the Loan.

11.9 Entire Agreement; Conflict Among Documents; No Oral Modification. This Agreement, together with the other Loan Documents, represents the entire agreement between Borrower and Lender with respect to the Loan and supersedes all prior discussions, representations, communications and agreements (oral and written) by and between Lender and Borrower with respect thereto. In the event of any conflict between the terms of the Loan Documents, the following order of priority shall be used to resolve such conflict: the Note shall control over this Agreement, and this Agreement shall control over all other Loan Documents. Neither the terms of this Agreement nor any of the other Loan Documents shall be waived, modified, supplemented or terminated in any manner whatsoever, except by a written instrument signed by the party against whom enforcement thereof is sought and then only to the extent expressly set forth in such writing.

11.10 Binding Effect. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns. The foregoing shall not be construed to permit assignments or transfers otherwise prohibited.

11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

11.12 Waiver. Lender will not be deemed as a consequence of any act, delay, failure, omission or forbearance or for any other reason to have waived or be estopped from exercising any of its rights or remedies under this Agreement or any other Loan Document. No single or partial exercise by Lender of any right or remedy will preclude other or further exercise thereof or preclude the exercise of any other right or remedy, and a waiver expressly made in writing on one occasion will be effective only in that specific instance and only for the precise purpose for which given and will not be construed as a consent to or a waiver of any right or remedy on any future occasion. No notice to or demand on Borrower in any instance will entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of Lender's rights to take any other or future action in any circumstances without notice or demand.

11.13 Survival. All indemnities, representations and warranties contained in this Agreement and any other Loan Document shall survive the termination thereof.

11.14 Severability. If any provision (or any part of any provision) contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Agreement, but this Agreement shall be construed to effect the purposes of this Agreement as if such invalid, illegal or unenforceable provision (or part of such provision) had never been contained herein and to that extent, the provisions of this Agreement are severable.

11.15 Interpretation. Should any provision of this Agreement or of any of the Loan Documents require judicial interpretation, it is agreed that the court interpreting or construing the same shall not construe such document against one party more strictly

than against the party who itself or through its agent prepared the same, it being agreed that the agents of all parties have participated in the preparation of this Agreement and the Loan Documents and that each respective party had an opportunity to consult with legal counsel prior to the execution hereof. The descriptive section headings herein have been inserted for convenience of reference only and shall not be deemed to limit or otherwise affect the construction or interpretation of any provision of this Agreement.

11.16 Time is of the Essence. Time is of the essence in the performance of this Agreement.

11.17 Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. In the event of any litigation to enforce the terms of this Agreement or any other Loan Document, such suit shall be brought in the county in which the Project is located.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Agreement to Lender as of the date first set forth above.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

ASSIGNMENT OF ASSESSMENTS AND LIEN RIGHTS**\$4,787,615.64****December 10, 2021**

THIS ASSIGNMENT OF ASSESSMENTS AND LIEN RIGHTS ("Assignment") is entered into as of December 10, 2021 by and among Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation ("Assignor"), and Pacific Premier Bank, a California state-chartered banking corporation ("Assignee").

ARTICLE I – RECITALS

A. Assignor is a condominium association established to manage the common interest project known as Surfside III Condominium Owners' Association, Inc. ("Project" and/or "Condominium"), located in Port Hueneme, California.

B. The Project is subject to that certain Declaration for Establishment of Covenants, Conditions and Restrictions for Surfside III Condominium Owners' Association, Inc., a Residential Condominium Project, recorded February 27, 1976, in the Official Records of the County of Ventura, California, Instrument No. Book 4547 Page 631, as amended (the "Declaration"). Borrower is governed by the Declaration, Articles of Incorporation of Surfside III Condominium Owners' Association, Inc., filed with the California Secretary of State on January 9, 1976, and Bylaws of Surfside III Condominium Owners' Association, Inc. dated September 29, 2007 (collectively, the "Governing Documents"). The owners of Units within the Project are Assignor's members and subject to Assignor's Governing Documents. As more fully set forth in the Governing Documents, Assignor has the power to levy assessments, both regular and special, for common expenses and to collect and enforce such assessments by the exercise of lien rights and the personal obligation of Assignor's members.

C. Pursuant to California law, Assignor further possesses the power and authority to levy assessments sufficient to meet its obligations and to enforce its assessment rights by liens secured against Units within the Project and by the personal obligation of Assignor's members.

D. Concurrently with this Assignment, Assignor has executed a Promissory Note ("Note") in favor of Assignee in the original principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64), subject to terms and conditions required by Assignee ("Loan") and a Master Loan Agreement. The Note, the Master Loan Agreement and all other documents evidencing the Loan are collectively referred to herein as the "Loan Documents." Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Master Loan Agreement.

E. The approval of Assignor's members, to the extent required under the Governing Documents, was obtained, authorizing Assignor to borrow money and to enter into the Loan, which Loan is to be secured by, among other things, the following:

All rights of Assignor to levy and collect regular and special assessments, including but not limited to the assessments levied by Assignor against each of the Units in the Project for payment of the Loan by Assignor; all rights of Assignor to receive payments from owners, present or future, of Units within the Project, and all proceeds of the foregoing in whatever form (collectively, the "Assessments").

F. As security for the timely and complete payment and performance of the obligations of the Assignor evidenced by the Note, Assignor has agreed to assign, convey and set over unto Assignee all of Assignor's right, title and interest in and to its Assessments, in and to its right to collect Assessments, and in and to all lien rights possessed by the Assignor to collect the Assessments from its members.

ARTICLE II – ASSIGNMENT

NOW THEREFORE, for value received, Assignor does hereby assign, convey, set over, and deliver to Assignee all of Assignor's rights to levy and collect Assessments, together with all of Assignor's rights to enforce the payment of Assessments by lien with power of sale and in any other manner authorized by Assignor's Governing Documents and by law (collectively, the "Lien Rights"), for the benefit and protection of Assignee as payee and holder of the Note and for the benefit and protection of Assignee under the Master Loan Agreement and the Loan Documents. This is a present assignment, not an assignment for security purposes only, subject to the license granted herein by Assignee to Assignor to collect and receive all Assessments and exercise all Lien Rights. This Assignment shall remain in full force and effect until all indebtedness evidenced by the Note is fully paid and satisfied.

ARTICLE III – LICENSE TO COLLECT

Assignee confers on Assignor a license (“License”) to collect and retain Assessments as they become due until the occurrence of an Event of Default as set forth in the Note, this Assignment and/or any other Loan Documents. Upon the occurrence of an Event of Default, this License may be revoked upon Assignee’s written notice or demand to the Assignor, after which Assignee may collect and retain Assessments.

ARTICLE IV – AFFIRMATIVE COVENANTS OF ASSIGNOR

4.1 All covenants of Assignor set forth in the Master Loan Agreement are hereby incorporated by reference and affirmed. Assignor further covenants and agrees that, so long as this Assignment remains in effect, Assignor will:

a) Duly observe, perform, and discharge all obligations, terms, covenants, conditions, and warranties set forth in the Master Loan Agreement and other Loan Documents and to give prompt notice to Assignee of any failure of Assignor to observe, perform, and discharge them;

b) Appear in and defend any action or proceeding in any manner connected with the Declaration which has or may have an adverse effect on Assignee’s security interest in the Assessments, Lien Rights, Collateral (as defined in the Master Loan Agreement), or the obligations of Assignor to Assignee under the Loan Documents;

c) Levy and collect Assessments sufficient to tender timely payment of all indebtedness evidenced by the Note;

d) Use all funds collected by Assignor to the maximum extent necessary for the purpose of satisfying the interest, principal and other sums due under the Note;

e) At Assignor’s sole cost:

i) Enforce all remedies available to Assignor in the Event of Default by owners in the payment of Assessments;

ii) Prosecute and defend any action, arbitration, or other controversy relating to the imposition or collection of Assessments; and

iii) If requested by Assignee, provide Assignee with prompt notice of any default in the payment of Assessments by any Units owner. Default in this case shall mean more than sixty (60) days past due.

Violation of any of these covenants shall constitute a default under this Assignment.

ARTICLE V – NEGATIVE COVENANTS OF ASSIGNOR

5.1 All covenants of Assignor set forth in the Master Loan Agreement are hereby incorporated by reference and affirmed. Assignor further covenants and agrees that, while this Assignment is in effect, Assignor shall not, without the prior written consent of Assignee, which consent may be withheld at Assignee’s sole discretion:

a) Execute any other assignment relating to the collection or enforcement of Assessments;

b) Except in the ordinary course of business, grant concessions, forgiveness, forbearance or other relief from the obligation of owners to pay Assessments or other sums due; or

c) Discharge owners from any obligation to pay Assessments.

Violation of any of these covenants shall constitute a default under this Assignment.

ARTICLE V – REPRESENTATIONS AND WARRANTIES

All representations and warranties of Assignor set forth in the Master Loan Agreement are hereby incorporated herein by this reference and affirmed. Assignor further represents and warrants that:

5.1 Assignor has good title to the Assessments and Lien Rights and has good right to assign them, and no other person,

firm, corporation or other entity has any right, title, or interest in them;

5.2 Any Assessments due and issuing from the Units in the Project, or from any part of it, for any period subsequent to the date of this Assignment have not been collected and payment of them has not otherwise been anticipated, waived, released, discounted, set off, or otherwise discharged or compromised, except as otherwise disclosed in writing to and assented to in writing by Assignee; and

5.3 No owner of a Units is in default in the payment of Assessments, except as otherwise disclosed in writing to and assented to in writing by Assignee.

ARTICLE VI – EFFECT OF ASSIGNMENT

6.1 This Assignment will not impose on Assignee any duty to impose or collect Assessments or cause Assignee to be responsible for performing any of the obligations of Assignor in its capacity as an association of owners created to manage the Project, for any dangerous condition of the Project, or for any negligence of management, upkeep, repair or control of the Project.

6.2 Assignee will not be liable to Assignor or any other party as a consequence of the exercise of the rights granted to Assignee under this Assignment or the failure of Assignee to perform any obligation of Assignor arising under the Declaration or by virtue of law.

ARTICLE VII – EMERGENCY ASSESSMENTS

7.1 In the event the Assessments imposed by Assignor are not sufficient to enable Assignor to tender when due any of the payments required under the terms of the Note, then Assignor shall, to the greatest extent permitted by law, levy additional Assessments on an emergency or other expedited basis.

ARTICLE VIII – REMEDIES

In addition to any other remedies in the Note, this Assignment or any other Loan Document, Assignee will have the following rights and remedies upon the occurrence of an Event of Default:

8.1 To receive Assessments and any other amounts arising under the Declaration or from the Project, whether accruing prior to or following execution of the Note and this Assignment;

8.2 To collect, sue for, settle, compromise, and give releases for Assessments and pursue any remedies for the enforcement of Assessments or Assignor's rights thereto permitted by law or in the Declaration;

8.3 To the same extent and in the same manner as Assignor, to enforce the obligation of owners to pay Assessments. Upon Assignee's request, Assignor shall deliver to Assignee all proceeds realized from Assessments and from Assignor's collection activity, and shall execute and deliver to Assignee or file any further documents or assignments necessary to perfect the transfer of such funds and to enable Assignee to enforce liens by Assignor's power of sale or by suit for foreclosure or to collect Assessments in any other manner permitted by law;

8.4 To cause the Board of Directors of Assignor to impose Assessments, including but not limited to additional Assessments on an emergency or other expedited basis, to the maximum extent permitted by law without a vote of Assignor's members; and

8.5 As a matter of right, to apply to any court having jurisdiction to appoint a receiver to take financial control of the operations of Assignor. The receiver shall collect all Assessments and other sums due to Assignee and shall apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the State of California. In all events, Assignor shall be liable for all reasonable costs and expenses of collection and enforcement hereof, including court costs and attorneys' fees, whether or not suit is instituted, and including all costs and fees of appellate proceedings.

ARTICLE IX – MISCELLANEOUS

9.1 Agents And Employees In Collection. Assignee may, after the occurrence of an Event of Default, from time to time appoint and dismiss such agents or employees, including professionals, as shall be necessary for the collection and enforcement of Assessments and to do all acts relating to the collection of the Assessments. Assignee shall have the sole control of such agents or employees, and such agents or employees shall be paid from the proceeds of the Assessments as a cost of collection. Assignor hereby expressly releases Assignee from any liability to Assignor for the acts of such agents or employees so long as

they exercise reasonable care. The costs and expenses of any agents utilized by Assignee shall be borne exclusively by Assignor.

9.2 Waiver. Assignee's collection and application of the proceeds of the Assessments to the indebtedness evidenced by the Note shall not constitute a waiver of any Event of Default which might, at the time of application or thereafter, exist under the Note, this Assignment or the other Loan Documents, and the payment of the indebtedness may be accelerated in accordance with the terms of the Note, notwithstanding such application.

9.3 Rights Cumulative. Nothing in this Assignment shall be construed to limit or restrict in any way the rights and powers granted to Assignee in the Master Loan Agreement or any other Loan Document executed by Assignor in favor of Assignee to evidence or further secure payment of the Note, and the rights herein shall be in addition thereto.

9.4 Cross Default. This Assignment is executed to secure payment of the indebtedness evidenced by the Note and by the other Loan Documents. A default on the part of the Assignor under any one of the Loan Documents shall be and shall constitute a default under this Assignment. Conversely, a default under this Assignment shall be and shall constitute a default on the part of the Assignor under the terms, conditions and provisions of each of the other Loan Documents.

9.5 Amendments. As long as this Assignment remains in effect and if any such modification, amendment, change or release would negatively affect Assignee's rights under this Assignment, Assignor agrees as follows:

a) The resolutions of the Board of Directors of Assignor, including representations as to notice and approval of the Loan identified in this Assignment, may not be modified, amended or changed nor may any liability be released or any changes made in connection with payment terms or any other changes, amendments or modifications made of any kind whatsoever, without the prior written consent of Assignee; and

b) Assignor shall not amend or modify the terms and provisions of the Governing Documents if such amendment would adversely affect in any manner the rights of Assignee under this Assignment without the consent of Assignee, which consent shall not be unreasonably withheld. If Assignee fails to respond to Assignor's request for such consent within sixty (60) days following delivery to Assignee by certified mail or other form of delivery evidencing Assignee's receipt of Assignor's request, such consent shall be deemed to have been granted.

9.6 Notices. Any notice, demand, request or other communication given hereunder or in connection with this Assignment shall be deemed sufficient if in writing and either hand delivered or sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to receive such notice at such address as each party has provided to the other as set forth in the Master Loan Agreement. Notice shall be deemed received when delivered if by hand delivery or three (3) business days after such notice is sent postage prepaid, certified mail, return receipt requested. Notwithstanding the foregoing, routine communications required by this Assignment, such as ordinary distribution checks, copies of documents, etc., may be sent by ordinary first class mail or facsimile.

9.7 Successors; Assigns. This Assignment shall inure to the benefit of Assignee and its successors and assigns and shall be binding upon the successors and assigns of Assignor.

9.8 Applicable Law; Severability; Captions; Plurality. This Assignment is being delivered and is intended to be performed in the State of California and shall be construed and enforced in accordance with and be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California. In the event of any inapplicability or unenforceability of any provision of this Assignment, then such inapplicability or unenforceability shall not affect, limit or impair the validity or operation of all other provisions of this Assignment. The captions used herein are used for convenience only and shall not affect the interpretation of this Assignment. At all times, any word used in the singular herein shall also include the plural, and vice versa.

9.9 Enforcement. In the event of any default by Assignor in the performance of any of the terms and conditions of this Assignment, the Master Loan Agreement or any of the Loan Documents, and after Assignee provides Assignor with notice and the opportunity to cure the default required of Assignee in the Master Loan Agreement, whether or not suit is filed, Assignor shall pay all reasonable attorneys' fees, costs of collection, and all other costs and expenses incurred by Assignee in connection with the enforcement thereof or collection of the Note. In any action arising under or brought to enforce the Master Loan Agreement or any of the Loan Documents, the prevailing party shall be awarded reasonable attorneys' fees and costs.

9.10 Waiver of Right to Jury Trial. EXCEPT AS PROHIBITED BY LAW, BOTH ASSIGNOR AND ASSIGNEE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT THAT EITHER MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH

THE LOAN. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ASSIGNEE ENTERING INTO THE LOAN AND EXTENDING CREDIT TO ASSIGNOR.

9.11 Time is of the Essence. Time is of the essence in the performance of this Assignment.

9.12 Survival. All representations and warranties contained in this Assignment shall survive the termination thereof.

9.13 Unenforceable Provisions. The inapplicability or unenforceability of any provision of this Assignment shall not limit or impair the operation or validity of any other provision of this Assignment.

9.14 Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

9.15 Memorandum of Assignment. A memorandum summarizing the terms and conditions of this Assignment and referencing the Declaration may, in the sole discretion of Assignee, be recorded by Assignee in the Office of the Ventura County Recorder.

IN WITNESS WHEREOF, Assignor, intending to be legally bound, has duly executed and delivered this Assignment to Assignee as of the date first set forth above.

ASSIGNOR:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

CERTIFICATE OF BORROWER

\$4,787,615.64

December 10, 2021

The undersigned are the President and Treasurer, respectively, of Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation ("Borrower"), who hereby certify as follows:

- 1. Composition of Borrower's Board of Directors.** Borrower currently has five (5) members on its Board of Directors, all of whom constitute Borrower's duly-authorized Board of Directors for all purposes.
- 2. Loan.** Borrower is a condominium association established to manage the common interest project known as Surfside III Condominium Owners' Association, Inc. ("Project"), located in Port Hueneme, California. Borrower has applied for a loan ("Loan") with Pacific Premier Bank ("Lender"), for the purpose of the refinance of two existing loans. The Loan has been approved by Lender in an amount not to exceed Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64).
- 3. Business Purpose of Loan.** The Loan is an extension of credit primarily for business purposes. It is the intent of Borrower that the proceeds of the Loan will be used substantially for the purpose set forth in Section 2 above.
- 4. Governing Documents.** The currently effective Declaration for Establishment of Covenants, Conditions and Restrictions for Surfside III Condominium Owners' Association, Inc., a Residential Condominium Project, was recorded on February 27, 1976, in the Official Records of the County of Ventura, California, Instrument No. Book 4547 Page 631, as amended (the "Declaration"). Borrower is governed by the Declaration, Articles of Incorporation of Surfside III Condominium Owners' Association, Inc., filed with the California Secretary of State on January 9, 1976, and Bylaws of Surfside III Condominium Owners' Association, Inc. dated September 29, 2007 (collectively, the "Governing Documents"). Except as appears of record, the Declaration has not been modified, altered, revoked or rescinded and remains in full force and effect.
- 5. Authority Obtained/Board Resolution.** The Loan, as well as the execution and delivery of any and all documents in connection therewith and the fulfillment of any and all obligations thereunder, have been duly authorized and approved by resolution of the Board of Directors, dated December 10, 2021. To the extent required by the Declaration, Bylaws and/or California law, the requisite vote and approval of Borrower's members for (a) the Loan, (b) the project to be funded by the Loan, and/or (c) any increase in annual assessments, including annual and special assessments, has also been duly obtained, which approval is noted in the minutes of the Board or member meeting(s) dated October 22, 2021. No further vote, act or approval is necessary in connection with the Loan.
- 6. No Violation.** Our execution and delivery of the Promissory Note ("Note"), Master Loan Agreement ("Agreement"), Assignment of Assessments and Lien Rights and other Loan Documents (as defined in the Agreement), does not violate any law, regulation or ordinance, does not conflict with any provision in the Declaration or Bylaws or any other document to which Borrower is a party, and is not in violation of any other agreement entered into by Borrower and/or its Board of Directors.
- 7. Litigation/Disputes.** That no action, suit or proceeding, judicial, administrative or otherwise (including any dispute with a local government agency or any condemnation of property within the Project or similar proceeding) is currently pending or, to our knowledge, threatened or contemplated against Borrower or such property that (i) has not been disclosed in writing to Lender, and (ii) will have (singularly or in the aggregate) a material, adverse effect on the ability of Borrower to perform its obligations to Lender under the Agreement or other Loan Documents.
- 8. Prior Assessments.** That Borrower has not assessed more than three (3) special assessments in the prior calendar year, and not more than three (3) special assessments in the current calendar year, other than the special assessment related to the Loan.
- 9. Minimum Level of Assessments.** Effective prior to the Loan closing, Borrower's annual assessment level shall be at least equal to \$1,813,212.00. This assessment level shall remain the minimum level for the full term of the Loan. Upon Lender's reasonable request made during the Term of the Loan, Borrower shall provide evidence of its current assessment level to Lender. Unless an Event of Default exists, Lender shall not make such request more than once per quarter.
- 10. Binding Nature/Execution of Loan Documents.** All of the Loan Documents are being executed and delivered by Borrower in good faith and in exchange for fair equivalent consideration. Affiants are duly authorized to execute and deliver the

Loan Documents on behalf of Borrower. Affiants hereby represent and warrant that their signatures upon the Loan Documents shall be binding upon Borrower.

11. Collateral/Valid First Lien. Borrower's Board of Directors has authorized the undersigned to concur in a UCC-1 Financing Statement, which shall constitute a valid first lien against:

All money, accounts and deposit accounts of Borrower, all right of Borrower to levy and collect regular and special assessments, including but not limited to assessments levied by Borrower against each of the units/lots in the Project for payment of the Loan by Borrower; all right of Borrower to receive payments from owners, present or future, of units/lots within the Project; all right of Borrower to enforce the payment of assessments by lien with power of sale and in any other manner authorized by Borrower's Governing Documents and by law; all rents, tax refunds, insurance proceeds, condemnation awards, and/or litigation claims, settlements or judgments due to, asserted on behalf of, or hereinafter awarded to Borrower; and all proceeds of the foregoing in whatever form.

In the event any intervening liens are filed of record, Borrower shall hold Lender and its attorneys harmless from and against all costs and expenses related to such intervening liens, and shall fully and promptly discharge same.

12. Current Mailing Address. The current mailing address for Borrower is the address specified in the Agreement.

13. Covenant to Cooperate. Even though it is intended that all of the Loan Documents that are or have been executed and delivered in reference to the Loan shall be complete and correct, there might be the need to make certain corrections to the same. In consideration of the granting of the Loan, and as a material inducement of Lender to make and fund the Loan, the undersigned, on behalf of Borrower, promise that at all times that the Loan is in effect and upon Borrower being given notice by the Lender, Borrower shall make, execute and deliver or cause to be made, executed and delivered to the Lender and, where appropriate, shall cause to be recorded or filed and thereafter to be re-recorded or re-filed, at such time and in such place as shall be desirable by the Lender, in its reasonable discretion, any and all such further notes, instruments of further assurance, certificates, amendments, and any other documents as the Lender may consider necessary in order to effectuate, complete, perfect, continue and preserve the obligations of the Borrower under the Note and to comply with all federal and state governmental regulations applicable to this transaction.

14. Information Provided. All of the information furnished by Borrower to Lender in connection with the application for the Loan and all information furnished to Lender by Borrower subsequent thereto has been, at all times, true, accurate and complete. This declaration is made for the purpose of inducing Lender to make and fund the Loan to Borrower in accordance with the terms of the Loan Documents.

The undersigned state that they are familiar with the nature of an oath and with the penalties associated with the commission of perjury as provided by the laws of the State of California for stating under oath false information in an instrument of this nature. The undersigned further certify that they have read all of the facts stated herein and that they ratify and understand its contents.

We declare under penalty of perjury under the laws of the State of California that all the foregoing is true and correct.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Certificate of Borrower to Lender as of the date set forth below.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

Date: Dec 10, 2021 | 12:00 PM PST

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

Date: Dec 10, 2021 | 11:24 AM PST

CERTIFICATE OF CORPORATE RESOLUTION**\$4,787,615.64****December 10, 2021**

**Resolution of the Board of Directors of
Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation,
(hereinafter the "Association")
Authorizing Loan**

I, **Barbara Lopez**, Secretary of the Association, hereby certify that I am the keeper of the records and minutes of meeting of the Board of Directors of the Association, a nonprofit corporation chartered under the laws of the State of California, whose correct corporate name is Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation, and that on October 22, 2021 at a meeting of the Board of Directors of the Association at which a quorum of Directors was present or by unanimous written consent of the Directors, in accordance with California law and the Governing Documents of the Association, the following resolutions were duly and legally passed and have not been revoked, altered or amended:

"RESOLVED", that the President and Treasurer of the Association, with their sole signatures, are hereby authorized and empowered to represent the Association for the purpose of obtaining a loan for the Association, from Pacific Premier Bank ("Lender") in the principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64) ("Loan"), at such rates of interest and upon such other terms and conditions as set forth in that certain Promissory Note dated December 10, 2021 and the other Loan Documents.

"RESOLVED FURTHER", that the President and Treasurer of the Association, with their sole signature, are hereby authorized and empowered to secure the Loan by:

- (a) Executing and delivering, in the name of the Association, any and all agreements, assignments, checks, conveyances, certificates and instruments contemplated by the Loan, or required by Lender in connection therewith (including without limitation, promissory notes, loan agreements, security agreements, pledge agreements, assignments, financing statements and/or guarantees);
- (b) Pledging, mortgaging or assigning to Lender, as applicable, any personal property, whether tangible or intangible, that may legally be pledged, mortgaged, conveyed or assigned by the Association as security for any obligation which it owes to Lender, including, without limitation, all assessments now or hereafter levied against Units owners and any right which the Association may now or hereafter have to receive any sum of money or proceeds from any other person, whether such right arises from any covenant, contract, concession, license, lease or occupancy agreement, cause of action or other right of receipt or recovery which the Association may now or hereafter have, together with all rights of the Association pursuant to its governing documents and California law to enforce collection of assessments or to collect and recover any other sum of money or proceeds which may be owed to the Association;
- (c) Paying, extending or renewing any obligation which the Association owes Lender, as applicable;
- (d) Re-borrowing or refinancing all or any part of the amount paid to Lender, as applicable, on the Loan or any other loan or capital investment advance obtained under this resolution;
- (e) Exercising such authority of the Association, executing and delivering such additional documents and making such further determinations as may be necessary or advisable to accomplish the purpose of this resolution and carry out the terms of the Loan.

"RESOLVED FURTHER" that the authority herein given said President and Treasurer shall remain irrevocable as far as Lender is concerned until Lender is notified of the revocation of such authority, in writing, by certified mail and Lender shall in writing acknowledge receipt of such notification.

I further certify that all Units owners that are required to pay assessments, per the Association's Governing Documents are being billed for such assessments and that, to the extent required by the Governing Documents, all eligible Units owners were provided an opportunity to vote to either approve or disapprove (a) the Loan; (b) the project to be funded by the Loan, and (c) any increase in annual assessments, including annual and special assessments, and that the outcome of the vote was to approve (a) the Loan; (b) the project to be funded by the Loan, and/or (c) any increase in annual assessments, including annual and special assessments; all in accordance with the provisions of the Governing Documents.

IN WITNESS WHEREOF, the undersigned Secretary of the Association, has duly executed and delivered this Certificate of Corporate Resolution to Lender as of the date set forth below.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:

Barbara Lopez

DC92412524004CE...

By: Barbara Lopez

Title: Secretary

Date: Dec 10, 2021 | 12:04 PM PST

CLOSING STATEMENT AND LOAN DISBURSEMENT APPROVAL**\$4,787,615.64****December 10, 2021**

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$4,787,615.64 as follows:

Note Principal:	\$4,787,615.64
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Undisbursed Funds:	\$4,787,615.64
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TOTAL TO BE DISBURSED:	\$4,787,615.64
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CHARGES PAID IN CASH. Borrower has paid and shall be refunded the following:

Charges Paid in Cash:

Application Fee:	\$1,500.00
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Total Charges to be Refunded to Borrower:	\$1,500.00
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FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED December 10, 2021.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

Date: Dec 10, 2021 | 12:00 PM PST

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

Date: Dec 10, 2021 | 11:24 AM PST

LOAN AUDIT COMPLIANCE AGREEMENT

\$4,787,615.64

December 10, 2021

For value received, this Loan Audit Compliance Agreement ("Agreement") is given by Surfside III Condominium Owners' Association, Inc., a California nonprofit corporation ("Borrower"), to Pacific Premier Bank, a California state-chartered banking corporation ("Lender"), in connection with the Loan evidenced by the Loan Documents given this day by the Borrower to Lender. In consideration of Lender disbursing the Loan proceeds, Borrower agrees as follows:

The Loan, including all subsequent renewals and extensions thereof, will be subject to a post-closing quality control documentation review. The Borrower, if requested by Lender or someone acting on behalf of Lender, agrees to cooperate fully and adjust for clerical errors on any and all documents or instruments executed in connection with the Loan, and to execute and deliver all such further instruments as Lender may reasonably require to effectuate more perfectly the intent of the Loan Documents.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Loan Audit Compliance Agreement to Lender as of the date set forth below.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

Date: Dec 10, 2021 | 12:00 PM PST

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

Date: Dec 10, 2021 | 11:24 AM PST

CORRECTION AGREEMENT AND LIMITED POWER OF ATTORNEY

\$4,787,615.64

December 10, 2021

On December 10, 2021, the undersigned Borrower, for and in consideration of the approval, closing, and funding of that certain Promissory Note in the principal amount of Four Million Seven Hundred Eighty-Seven Thousand Six Hundred Fifteen Dollars and 64/100 Dollars (4,787,615.64), hereby grants Pacific Premier Bank, a California state-chartered banking corporation, as Lender, acting by its duly authorized officers and agents, a limited power of attorney to correct and/or execute or initial all typographical errors discovered in any or all of the closing documentation required to be executed by the undersigned at settlement. If this limited power of attorney is exercised the undersigned will be notified and a copy of the document will be executed or initialed on their behalf.

THIS LIMITED POWER OF ATTORNEY MAY NOT BE USED TO INCREASE OR DECREASE THE INTEREST RATE, MODIFY THE TERM OF THE LOAN, MODIFY THE OUTSTANDING PRINCIPAL BALANCE OF THE LOAN, OR MODIFY THE MONTHLY PRINCIPAL AND INTEREST PAYMENTS HEREUNDER. Any of these changes must be executed directly by Borrower.

This limited power of attorney shall automatically terminate 180 days from the closing date of the Borrower’s Loan. Thereafter, Borrower agrees to promptly comply with any reasonable requests to correct any errors, omissions or deficiencies in the documents and to take such action as may be necessary or requested by the Lender to evidence the same.

Borrower further authorizes Lender to file financing statements, continuation statements or amendments without any such Borrower’s signature appearing thereon, and any such financing statements, continuation statements or amendments may be signed by Lender on behalf of any such Borrower and may be filed at any time in any jurisdiction.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Limited Power of Attorney to Lender as of the date set forth below.

BORROWER:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:
Andres Santamaria
67D2EB31E04447D...

By: Andres Santamaria

Title: President

Date: Dec 10, 2021 | 12:00 PM PST

DocuSigned by:
Carol June Falin
DD0287B9AFE1401...

By: Carol June Falin

Title: Treasurer

Date: Dec 10, 2021 | 11:24 AM PST

EXHIBIT A TO UCC-1 FINANCING STATEMENT

DEBTOR: Surfside III Condominium Owners' Association, Inc. (also referred to as "Borrower" or "Association")

SECURED PARTY: PACIFIC PREMIER BANK

This Financing Statement covers the following items of property:

A. The immediate and continuing right to all of Borrower's future income from the units/lots and common elements/areas of the condominium/community from (a) whatever source, including without limitation, common expense assessments, fees, charges, late charges, fines, interest on past-due common expense assessments, and other items collected in the nature of assessments against units/lots, and (b) rents derived from the rental or leasing by Borrower of any unit/lot or all or any portion of the common elements/areas, tax refunds to Borrower relating to any unit/lot or the common elements/areas, amounts received in settlement of insurance or litigation claims asserted on behalf of Borrower, condemnation awards received by Borrower in connection with a full or partial taking of any portion of the common areas/common elements, and awards to Borrower from litigation and any other income from whatever source to Borrower and/or the unit/lot (collectively "Income").

B. Without limiting the foregoing, Income shall include, but not be limited to, all payments by unit/lot owners on account of or in full or partial satisfaction of the common expense liability apportioned to each owner's unit/lot, pursuant to the Declaration and applicable law (the "Common Charges"), now due or which may become due from the unit/lot owners, or to which Borrower may now or shall hereafter become entitled or may demand or claim, as said Common Charges may have been or may from time to time be hereafter, modified, extended and renewed, together with all rights of Borrower to set, levy, impose, assess and collect the same.

C. The statutory lien now or hereafter arising under California law, on a unit/lot for any assessment levied against that unit/lot.

D. The proceeds of all insurance insuring the units/lots and/or common areas/common elements and facilities of the Project in such event that said unit/lot is not repaired, rebuilt or restored but rather the condominium/community is terminated or there is a distribution of such proceeds other than for a repair, restoration or replacement, and then subject to such priority as may exist in favor of first mortgagees of units/lots under the Debtor's Governing Documents, and condemnation awards received by Debtor in connection with a full or partial taking of any portion of the Project or unit/lot and awards to Debtor from litigation.

Terms used herein shall have the following meaning:

"Project" means that certain condominium known as Surfside III Condominium Owners' Association, Inc., a common interest development created pursuant to California law, as set forth in the Declaration for Establishment of Covenants, Conditions and Restrictions for Surfside III Condominium Owners' Association, Inc., a Residential Condominium Project, recorded February 27, 1976, in the Official Records of the County of Ventura, California, Instrument No. Book 4547 Page 631, as amended (the "Declaration").

All other terms shall be as defined in the Declaration. All as set forth in a Master Loan Agreement dated December 10, 2021 by and between the Debtor and the Secured Party.



PACIFIC PREMIER BANK®
COMMUNITY ASSOCIATION BANKING

December 7, 2021

Board of Directors
Surfside III Condominium Owners' Association, Inc.
Port Hueneme, CA

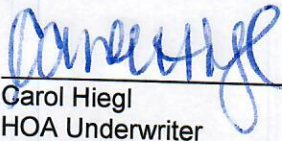
Dear Board of Directors:

Pacific Premier Bank ("PPB") is pleased to notify you that your request to amend the loan commitment dated October 19, 2021 ("Commitment") has been approved as follows:

As referenced in the last paragraph of the Commitment, the Loan must close by December 6, 2021. This date shall be extended to December 22, 2021.

Except as set forth herein, the terms and conditions of the Commitment shall remain unchanged.

Respectfully,
Pacific Premier Bank



Carol Hiegl
HOA Underwriter

The undersigned agrees to pay and hold Pacific Premier Bank harmless from any and all loss, cost or expense arising from the claims of brokers or anyone claiming a right to any fees in connection with this credit facility.

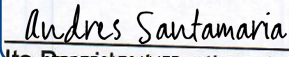
Borrower(s)' Consent and Approval:

The terms and conditions of this Amendment to the Commitment are acceptable. In good faith and without limitation, Borrower agrees to comply with all conditions of this letter.

Acceptance by Borrower:

Surfside III Condominium Owners' Association, Inc.

DocuSigned by:



Its President or other duly authorized officer

Dec 10, 2021 | 12:00 PM PST
Date

Note: The above individual(s) are signing on behalf of their respective entity.

SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.
OPEN AGENDA (AUDIO CONFERENCE) MINUTES
SATURDAY, OCTOBER 9, 2021 @ 10:00am
PLEASE CALL 1-844-854-2222 (Toll Free)
Access Code = 822680#

OWNER'S QUESTIONS

Each homeowner wishing to make comments to the Board can do so during the Open Forum and the homeowner will be given 3 minutes to speak. Comments may or may not be addressed by the Board at that time. Homeowners may not give their time to another homeowner.

CALL TO ORDER THE ANNUAL ELECTION MEETING (Audio Conference) 10:00 am – Meeting could not be held since 99 ballots had been returned as of October 8, 2021. The quorum for this first meeting was 155 ballots. The Annual Election Virtual Meeting will be held October 30, 2021, at 10:00 am and can be held since only 78 ballots are needed to proceed.

- a) Determination and Announcement of Quorum or Lack of Quorum
- b) Proof of Notice of Meeting
- c) Reading of the Minutes of the Last Annual Meeting and approval by the members
- d) Presentation of the Financial Report and approval of the Tax Resolution by the members
- e) Ballot Tabulation
- f) Results of the Election
- g) Board organization – Board elects its officers
- h) Adjournment of the Annual Meeting

1. **CALL TO ORDER OF REGULAR MEETING (Audio Conference) 10:04 am**
Andy Santamaria – President (**Present**)
Bruce Spradlin – Vice –President (**Present**)
Carol Falin – Treasurer (**Present**)
Barbara Lopez - Secretary (**Present**)
Lya Findel – Director (**Present**)

EXECUTIVE SESSION SUMMARY - Board met to discuss violations with three owners, the September 11, 2021, Executive Board Meeting Minutes were approved, and the Board awarded a \$7,983 tree trimming contract to Tree Scapes to trim twenty-two trees in Lighthouse Park– five bids were received \$7,983, \$14,500, \$15,840, \$20,000, and \$48,475.

GUEST/PRESENTATION - None

2. **OPEN FORUM**
3. **EMERGENCY ADDITIONS TO AGENDA - None**
4. **CONSENT AGENDA – Andy Santamaria moves, Bruce Spradlin seconds, to approve the Consent Agenda. Motion passes 5-0.**
Expenditures (sample)
 - \$24,297 – Seal Coat Project
 - \$18,875 – Balcony Inspection – 2nd Payment
 - \$15,273 – Rail Painting
 - \$5,278 – COA Insurance Premium
 - \$5,200 – Monthly Landscaping Fee
 - \$2,466 – Entry Gate Motor Replacement
 - \$1,700 – Management Fee

- \$1,463 – Attorney Services
- \$1,370 – Pool Service
- \$1,240 – Printing/postage – Election Material
- \$850 – Termite Service
- \$669 – Phone Service
- \$650 – Electrical – Light Replacement
- \$583 – Workers Comp Insurance Premium
- \$480 – Pest Control Service
- \$386 – Alarm Service Fee
- \$376 – Clubhouse Cleaning
- \$219 – Water Heater Check Valve
- \$200 – Sewer Line Cleanout
- September 11, 2021, Open Board Minutes

5. COMMITTEE REPORTS

- Budget Committee – Recommendation to the Board to approve the \$1,835,448 expense budget for 2022 which includes a \$152/month/unit loan repayment and an assessment to owner fee of \$489/month/unit. **Bruce Kulpa, a Budget Committee member, presented the 2022 Surfside III budget. Andy Santamaria moves, Lya Findel seconds, to approve the \$1,835,448 expense budget for 2022 which includes a \$152/month/unit loan repayment and an assessment to owner fee of \$489/month/unit. Motion passes 5-0.**
- Unit Improvement Committee – Report on applications submitted: 1) **757 Reef Circle**, Building 5, 2nd floor, replacement of sliding glass window and sliders with approved COA material. Action Taken: Pending Action. **Unit Improvement Committee has approved this application.** 2) **735 Reef Circle**, Building 5, 3rd floor, replacement of security door with approved COA material. Action Taken: Pending Action. **Unit Improvement Committee has approved this application.**

6. OFFICER REPORTS

- President
 - Discussion on motion to consider the Governor’s state of emergency and find that the emergency, per AB 361, continues to directly impact the ability of members to safely meet in person and therefore the Board will continue to meet virtually through November 15, 2021, or until this motion is extended to a further date. **Andy Santamaria moves, Lya Findel seconds, that the Board find that the Governor’s state of emergency per requirements of AB 361 continues to directly impact the ability of members to safely meet in person and therefore the Board will continue to meet virtually through November 15, 2021, or until this motion is extended to a further date. Motion passes 5-0.**
 - Update on Draft Balcony Inspection Report – **Presentation made.**
 - Discussion on Increase of Violation Notices Issued – **Presentation made.**
 - Review of Rules and Regulations, IV, F. Pet Rules (**G. Clubhouse Rules**) – **Discussion held.**
- Vice-President – **No report**
- Treasurer
 - Financial Discussion – **Presentation made.**
 - Board Approval of Association Finances – SB 2912 for August 2021- **Andy Santamaria moves, Lya Findel seconds, to approve the SB 2912 Board review of association finances for August 2021, and to authorize the President to sign the document on behalf of the Board. Motion passes 5-0.**
- Secretary – **No report**
- Director – **No report**

7. ARCHITECTURAL APPLICATIONS – REVIEW/APPROVAL/DENIAL

- **654 Sunfish Way** – Building 2, 2nd floor, request to install a new front door which meets the COA standards. **Andy Santamaria moves, Bruce Spradlin seconds, to approve this application. Motion passes 5-0.**
- **793 Seawind Way** – townhome, request to install a wooden gate in the back fence facing the Industrial Way entrance using the existing fence material plus hardware which meets the COA standards. – **Andy Santamaria moves, Bruce Spradlin seconds, to approve this application. Motion passes 5-0.**

8. **LIENS – No liens**

9. **NEXT MEETING** – The next meeting will be held at 10:00am, October 30, 2021.

10. **MEETING ADJOURNED** – Meeting adjourned at 11:07 am.

DocuSigned by:

Barbara Lopez

DC92412524004CE...

Certificate Of Completion

Envelope Id: 84ED54FD8EEA48A58DEC8B500308B190	Status: Completed
Subject: Please DocuSign: Pacific Premier HOA Streamline Loan Documents for Surfside III	
Template Name: Recurring Payment Authorization	
HR Document Name:	
Source Envelope:	
Document Pages: 38	Signatures: 17
Certificate Pages: 6	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Scott Wright
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	17901 Von Karman Ave, Suite 1200
	Irvine, CA 92614
	scott.wright@ppbi.com
	IP Address: 216.115.70.81

Record Tracking

Status: Original	Holder: Scott Wright	Location: DocuSign
12/10/2021 10:26:09 AM	scott.wright@ppbi.com	

Signer Events

Andres Santamaria
a67sand@aol.com
Security Level: Email, Account Authentication (None), Authentication

Signature

DocuSigned by:

67D2EB31E04447D...

Timestamp

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Viewed: 12/10/2021 11:41:16 AM
Signed: 12/10/2021 12:00:40 PM

Signature Adoption: Pre-selected Style
Using IP Address: 45.48.83.224

Authentication Details

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Information Provided for ID Check: Address
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Question Details:
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failed property.association.single.real

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Result: passed
Vendor ID: LexisNexis
Type: iAuth
Recipient Name Provided by: Recipient
Information Provided for ID Check: Address, SSN9, SSN4, DOB
Performed: 12/10/2021 11:40:49 AM

Question Details:
passed property.association.single.real
passed county.lived.single.real
passed property.purchasedfrom.fake
passed property.association.single.real
failed person.state.real
passed corporate.association.real

Electronic Record and Signature Disclosure:

Accepted: 12/10/2021 11:41:16 AM
ID: bd020882-ebc3-46b2-97ef-0148b3f1f1ff

Carol June Falin
carolfsurfsideiii@gmail.com
Security Level: Email, Account Authentication (None), Authentication

DocuSigned by:

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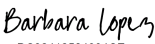
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 SSN9, SSN4, DOB
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Question Details:
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 passed property.county.real
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 passed corporate.association.fake
 passed person.age.real

Electronic Record and Signature Disclosure:
 Accepted: 12/10/2021 11:20:10 AM
 ID: 989a6678-df0d-4fb8-b116-1a34fc8bb326

Barbara Lopez
 hoablssiii@gmail.com
 Security Level: Email, Account Authentication
 (None), Authentication

DocuSigned by:

 DC92412524004CE...

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Authentication Details

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Question Details:
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 passed property.association.single.fake
 passed county.lived.single.real
 passed property.association.single.real
 passed person.state.real
 passed property.city.real

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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Sean Allen
 allen@roseman.law
 Security Level: Email, Account Authentication
 (None)

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Electronic Record and Signature Disclosure:
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HOA Loan Department
 hoaloan@ppbi.com
 Security Level: Email, Account Authentication
 (None)

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Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	12/10/2021 12:04:59 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

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From time to time, Pacific Premier Bank (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Pacific Premier Bank:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: rramirez@ppbi.com

To advise Pacific Premier Bank of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at clientservices@ppbi.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Pacific Premier Bank

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to clientservices@ppbi.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Pacific Premier Bank

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to rramirez@ppbi.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

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- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Pacific Premier Bank as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Pacific Premier Bank during the course of your relationship with Pacific Premier Bank.