

No. _____

**PATRICIA KIRK and
BONNY ENGLISH**

VS.

**TERRAMAR BEACH
COMMUNITY IMPROVEMENT
ASSOCIATION, INC.**

§ IN THE COUNTY COURT OF
§
§
§ GALVESTON COUNTY, TEXAS
§
§
§
§ COUNTY COURT AT LAW NO. 3

**RULE 11 AGREEMENT AND STIPULATIONS AS TO ELECTION
BALLOT RESULTS**

TO THE HONORABLE JUDGE OF SAID COURT:

Pursuant to Rule 11 of the Texas Rules of Civil Procedure, the parties by and through their attorneys of record, enter into this **RULE 11 AGREEMENT AND STIPULATIONS AS TO ELECTION BALLOT RESULTS:**

1. On June 7, 2007, the Court entered an Order granting a temporary restraining order, ex parte, ordering that Defendant its agents, employees, officers, representatives, designees, and assigns, be enjoined and restrained from refusing to recognize proxies at the June 9, 2007, annual meeting for purposes of the casting of votes at the elections of Officers or other action to be voted upon at the meeting pursuant to the agenda or otherwise presented at the meeting in accordance with the By-Laws and applicable law from the date of entry of this order until and to the twentieth day after entry or until further order of the Court.

2. The temporary restraining order was issued and served upon Defendant and their attorney.

3. The annual meeting of the homeowners of Terramar Beach was held on June 9, 2007, and the elections of Officers of the Board of Defendant were held and ballots for votes cast were received and proxies obtained as presented at the meeting.

4. Subsequent thereto, on Wednesday, June 13, 2007, the attorneys for the parties met and canvassed the proxies and the ballots and cataloged the results. The following are the tallies of the proxies and the votes cast in person and by proxy and the results of those votes both with proxies and without proxies:

There were a total of 85 votes cast by proxy. Of those cast by proxy, Defendant contests 28 of the proxy votes as having been cast pursuant to a proxy form that was not promulgated by Defendant. The following is a list of the proxies held:

Ed Nadalin	42 proxies (27 contested, 15 uncontested)	32 proxy votes cast
Pat Kirk	11 proxies (1 contested)	11 proxy votes cast
Bonnie English	24 proxies	24 proxy votes cast
M. A. Torres	1 proxy	1 proxy vote cast
D. Arnold	1 proxy	1 proxy vote cast
TBCIA Board	8 proxies	7 proxy votes cast
R. Thompson	5 proxies	5 proxy votes cast
K. Saxon	5 proxies	5 proxy votes cast

The proxy votes were cast as follows:

Nadalin:	Majewski	32
	Owens	32
	Anderson	32
	Lincecum	32
Kirk:	Majewski	11
	Owens	11
	Anderson	11
	Lincecum	11
English:	Majewski	24
	Owens	24
	Anderson	24
	Lincecum	24
Torres:	Majewski	1
	Owens	1
	Anderson	1
	Lincecum	1
Arnold:	Majewski	1
	Owens	1
	Anderson	1
	Lincecum	1
TBCIA Board:	Ringrose	7
	Warren	7
	Dyess	7
	Gonzales	7
Thompson:	Ringrose	5
	Warren	5
	Dyess	5
	Gonzales	5
Saxon:	Ringrose	5
	Warren	5
	Dyess	5
	Gonzales	5

The following is a canvas and certification of the votes cast and the results of each election:

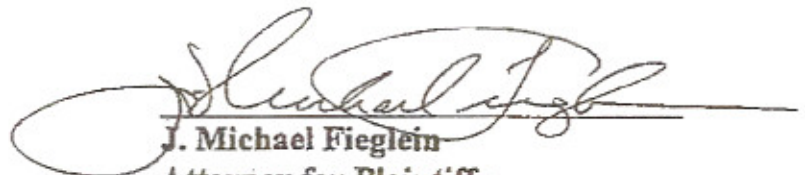
<u>Race/Candidate</u>	<u>Total Votes Cast</u>	<u>Votes w/o Proxies</u>	<u>Winner</u>
President			
Eibsen	92	75	
Nadalin	182	113	X
Vice President			
Ringrose	96	79	
Majewski	175	106	X
Secretary			
Warren	104	87	
Owens	169	100	X
Treasurer			
Dyess	101	84	
Anderson	168	99	X
Section 1			
Hartman	Unopposed		X
Section 3			
Kirk	165	96	X
O'Neill	50	33	
J. Thompson	3		
J. Stoner	1		
Section 5			
English	173	104	X
Almone	36	19	
Sullivan	8		
R. Thompson	3		
J. Steiner	1		
Joe Parr	2		
Section 7			
Gonzales	121	94	contest at issue
Lincecum	138	69	

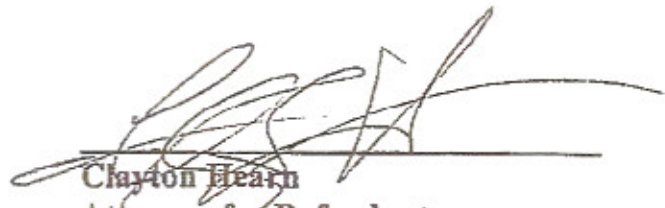
5. The parties stipulate that the facts and election results set forth in paragraph 4 above are true and correct, and shall constitute a certification of the election results of the annual meeting of June 9, 2007.

6. This Agreement shall be executed on behalf of the parties and filed with and made part of the record of the Court in the above-captioned and numbered cause.

Dated June 20, 2007.

Approved, agreed and accepted:


J. Michael Fieglein
Attorney for Plaintiffs


Clayton Hearn
Attorney for Defendant