

## Ballot Note.

Ballot Proposition No. 2 seeks Membership approval for the acquisition and installation of two new engines and transmissions for our ferry, and requests to fund this project through the use of Reserves and a Special Assessment. In light of the ongoing Water Project and the recent replacement of docks and pilings at North Beach, Members have asked when, if approved, we would expect to replace the ferry engines and transmissions and, in particular, when the Special Assessment would be required.

Our existing ferry engines and transmissions are currently scheduled to be overhauled in September 2013. If Ballot Proposition No. 2 is approved, we would plan to replace the engines and transmissions in September 2013, instead of overhauling the old ones. The Special Assessment proposed in Ballot Proposition No. 2 would be assessed to the Members at that time.

If, before September 2013, the ferry engines or transmissions fail, which would place the ferry out of commission, approval of Ballot Proposition No. 2 would permit the replacement of the ferry engines and transmissions as necessary. In that event, the Special Assessment proposed in Ballot Proposition No. 2 would be assessed to the Members at that time.