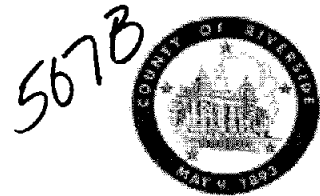


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: TLMA - Planning Department

SUBMITTAL DATE:
December 13, 2007

SUBJECT: CHANGE OF ZONE NO. 7312 / PLOT PLAN NO. 21371 (FTA NO. 2006-03) – MITIGATED NEGATIVE DECLARATION – Applicant: Hogle-Ireland Inc. – Engineer / Representative: Huitt-Zollars-Robert Sundstorm - Second Supervisorial District – Pedley Zoning District – Jurupa Area Plan: Community Development: Heavy Industrial (CD-HI) (0.15 - 0.50 Floor Area Ratio) – Location: Northerly of the Santa Ana River, southerly of the Union Pacific Railroad, and southeasterly corner of Clay Street and General Drive – 21.35 Gross Acres - Zoning: Manufacturing-Heavy (M-H) and Manufacturing-Service Commercial (M-SC) - **REQUEST:** The Change of Zone proposes to change the project site's current zoning classification from Manufacturing-Service Commercial (M-SC) to Manufacturing-Heavy (M-H) for Assessor's Parcel Numbers 163-400-017 and 163-400-016. Assessor's Parcel Number 163-400-014's existing zoning is Manufacturing-Heavy (M-H). The Plot Plan proposes three (3) industrial buildings on a 21.35 gross acre site with a floor area ratio of 0.29 consisting of 2,000 square feet of office mezzanine(s) for each building, 367,314 square feet of landscaping area, 298,532 square feet of paved area, and 370 parking spaces. The total building square footage proposed is 270,146 square feet as follows: building one (1) proposes 79,761 square feet with 10 loading docks in Lot one (1); building two (2) proposes 113,669 square feet with 13 loading docks in Lot three (3); and building three (3) proposes 76,716 square feet with 12 loading docks in Lot eight (8). This project site is affected by the Mira Loma Warehousing/Distribution Center Policy Area and is within compatibility zone D of the Riverside Municipal Airport.

RECOMMENDED MOTION:

The Planning Department recommended Approval; and,
THE PLANNING COMMISSION RECOMMENDED:

Ron Goldman
Planning Director

Damian Meins for
Assistant Planning Director

RG:cv

REVIEWED BY EXECUTIVE OFFICE

DATE 12/20/07

Tina Grande
Departmental Conference

Policy Policy
Consent Consent
Dept't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref. 15.5 (10/16/07)

District: Second

Agenda Number:

15.2

The Honorable Board of Supervisors

RE: CHANGE OF ZONE NO. 7312 / PLOT PLAN NO. 21371 (FTA NO. 2006-03)

December 13, 2007

Page 2 of 2

ADOPTION of a **MITIGATED NEGATIVE DECLARATION** for **ENVIRONMENTAL ASSESSMENT NO. 40650**, based on the findings incorporated in the initial study and the conclusion that the project will not have a significant effect on the environment; and,

TENTATIVE APPROVAL of **CHANGE OF ZONE NO. 7312**, from Manufacturing-Service Commercial (M-SC) to Manufacturing-Heavy (M-H), in accordance with Exhibit #3, based upon the findings and conclusions incorporated in the staff report; and,

APPROVAL of **PLOT PLAN NO. 21371**, subject to the attached conditions of approval, and based upon the findings and conclusions incorporated in the staff report.

BACKGROUND:

Plot Plan No. 21371 was originally scheduled for a Board of Supervisors' Public Hearing on October 16th, 2007. October 15th, 2007, the Clerk of the Board received a letter from David Saunders, who represents Arroyo Partners, the owner of the land to the east of parcels 1 & 3 and lessor to Crest Steel / Reliance Steel. This letter stated that Plot Plan No. 21371 had not included sufficient information and mitigations regarding the impacts this development would have on Arroyo Partners' property. The property owner disagreed with the content of the letter. The property owner met with representatives from Arroyo Partners / Crest Steel on six occasions prior to this letter being issued and no significant concerns were raised. The property owner contacted the Clerk of the Board to request a continuance of this project off calendar. However, it is per the property owners request to place the project back on the Board of Supervisors' Public Hearing agenda.

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY M. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND G. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92875-1447
FAX (951) 737-4384

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1975

AREA CODE 951
737-1910
689-7241

FACSIMILE TRANSMISSION

DATE: 01-25-08 PAGES TO FOLLOW: 12

FROM: DAVID R. SAUNDERS

TO: CLERK OF THE BOARD
COUNTY OF RIVERSIDE

FAX NO. 951-955-1071

SUBJECT: FAST TRACK CHANGE OF ZONE NO. 7312 AND PLOT PLAN NO. 21371
(FTA NO. 2006-03), BIRTCHER CENTER AT GENERAL DRIVE,
BIRTCHER DEVELOPMENT, LLC

MESSAGE: ATTACHED FIND LETTER DATED JANUARY 25, 2008 TO BOARD OF SUPERVISORS
FROM DAVID R. SAUNDERS.

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION WHICH IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.

If there is any difficulty with the receipt of this transmission, please contact DEE at (951) 737-1910.

MIS\BOARD012508CREST.FAX

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY H. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4384

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979

AREA CODE 951
737-1910
689-7241

January 25, 2008

Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor
Riverside, CA 92502-1147

**Re: Fast Track Change of Zone No. 7312 and Plot Plan No. 21371
(FTA No. 2006-03), Birtcher Center at General Drive,
Birtcher Development, LLC
Board Hearing: October 16, 2007**

Honorable Board of Supervisors:

I last wrote to you on October 12, 2007 regarding the concerns of my clients Arroyo Partners, LLC and Crest Steel Corporation. That letter is attached.

The gist of my earlier letter was that the Birtcher project requires relocation of an existing easement that serves the Crest Steel plant. The existing easement cuts directly across an area that Birtcher plans for a building in Parcel 1 of Parcel Map 24176. I explained in my letter how the staff report and conditions of approval failed to adequately address the relocation of the easement and the impacts of the project on Crest Steel's land and operations.

Since that time my clients have worked diligently toward identifying and mitigating the impacts of relocating the easement. Crest has articulated their concerns over and over to Birtcher. It is not true, as stated in the Form 11A, that my clients met 6 times with Birtcher and expressed no concerns about the project. My clients have insisted that the impacts of relocating the easement be addressed prior to project approval. They have expended significant time and expense in evaluating the issues and suggesting resolutions. Please see the attached correspondence between the parties. Birtcher contends that the details should be addressed after the county approves the project. Unfortunately, the parties have been unable to resolve their differences and an agreement to relocate the easement has not been consummated. My clients have notified Birtcher that they no longer desire to keep investing time and money in pursuing a compromise solution that offers my clients questionable benefits at best.

Curiously, we have had no response whatsoever from county staff to my letter to you back in October. My October 12, 2007 letter noted various omissions in the staff analysis and

Board of Supervisors

January 25, 2008

Page 2

requested that an additional condition of approval be added to address Crest Steel's concerns. For example, I noted in my October 12, 2007 letter that the project's Traffic Impact Analysis incorrectly stated that my clients' property was vacant. The report failed to evaluate the traffic issues associated with relocating Crest Steel's easement. We presume that the matter was taken off calendar so that the applicant and the county could address my clients' concerns. While Birtcher and Crest Steel have had a vigorous dialogue since then, I am surprised to hear nothing from the county.

In summary, the design of this project presumes that my clients' access easement be relocated. It appears that the parties cannot reach an agreement for the easement relocation. If the easement cannot be relocated, how can the county properly approve the project? The answer, of course, is that the project should be resubmitted with a design based on the location of the existing access easement.

Thank you for your consideration.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

Enclosures

cc: Crest Steel Corporation

DRS\TRBOARD012508\CREST.BIRTCHER

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4384

ROY H. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979

AREA CODE 951
737-1910
889-7241

October 12, 2007

Clerk of the Board
4080 Lemon Street, 1st Floor
Riverside, CA 92502-1147

Re: Fast Track Change of Zone No. 7312 and Plot Plan No. 21371
(FTA No. 2006-03), Birtcher Center at General Drive,
Birtcher Development, LLC
Board Hearing: October 16, 2007

Honorable Board of Supervisors:

Arroyo Partners, LLC is the property owner of AP #163-400-018-3 (Parcel 2 of PM 24176) located at 6580 General Dr., Riverside, CA 92509. This approximately 25-acre property is developed by the tenant Crest Steel Corporation and has been at this location since 1990. The Crest Steel plant includes offices and warehouse facilities and employs approximately 60 people. In addition, the facility has a large yard area for the storage of structural steel products. The Crest Steel plant receives structural steel and other steel mill shapes from an adjacent Union Pacific Railroad spur and ships these steel products via truck to numerous locations. The primary vehicular access to the property is from General Drive. The approximate average heavy truck ingress/egress trips per day for this facility is 50 and on a peak day this number can be as high as 62. In addition, the facility has onsite employee/guest parking for approximately 42 passenger vehicles.

Reliance Steel & Aluminum, a publicly traded company, recently purchased the Crest Steel Corporation and this event required some organizational changes. Crest Steel has had various discussions with Birtcher Development regarding their proposed project and is continuing this dialogue and the associated process. They were informed of the August Planning Commission hearing, but Crest Steel was unable to evaluate the impacts to its property and to the Crest Steel facility prior to that hearing due in part to the aforementioned organizational changes. Crest Steel apologizes for not bringing its concerns to the County's attention at the Planning Commission hearing.

The Crest Steel plant is located easterly and adjacent to the proposed Birtcher Center development. Specifically, Crest Steel abuts Lot #1 and Lot #3 of the Birtcher project. The previously described access to the Crest Steel property is provided by a 40 foot wide access road that extends from the General Drive cul-de-sac across the Birtcher Lot #1 to the west side of Crest Steel. It should be noted that the Crest Steel parcel does not have frontage along the General Drive cul-de-sac. Various utilities, including domestic water and fire mains, are located within the 40-foot wide access road. This access road is located within a private road easement

Clerk of the Board
October 12, 2007
Page 2

across Birtcher Lot #1 (parcel 1 of PM 24176) and is for the benefit of the Crest Steel parcel (parcel 2 of PM 24176). The private road easement is a record easement per PM 24176, the underlying parcel map for both the Crest Steel parcel and Birtcher Lot #1 and Lot #3 parcels. The Birtcher project is proposing to relocate this access road from its present location to the extreme south edge of their Lot #1. This relocation will also require relocation of a portion of this access road within the Crest Steel parcel.

The previously described access road includes appurtenant facilities now located within the fee-owned portion of the Birtcher Lot #1 parcel. These include a call button and speaker (contained within a raised island) for purposes of contacting the main Crest Steel offices, located in the easterly portion of the property. This system allows the electric access gate (located along the Crest parcel's westerly property line at the access road) to be opened by Crest Steel personnel. This gate and its associated system are critical to the facility's security and operations. The previously described access road, as well as the utilities located within the access road area, are also extremely critical to the operation of the Crest Steel facility.

Crest Steel has recently reviewed various documents prepared by Birtcher and their consultants regarding their proposed project. These include the Traffic Impact Analysis ("TIA") (Revised) report dated April 30, 2007 prepared by Kunzman Associates. Section III B.1 of this report under "Existing Land Uses" for adjacent property to the east of the Birtcher property states "Vacant". This is incorrect because the Crest Steel property is east of and adjacent to both lots in the Birtcher property. Further, the Kunzman report makes no mention of the Crest Steel property. The Riverside County Transportation Department Traffic Impact Analysis Preparation Guide, dated August 2005, under section 10.4 "On-site Circulation" states (in part) the following: "The TIA shall examine the proposed on-site circulation for the project and address its adequacy." In the case of the Birtcher project, the TIA is inadequate because it fails to evaluate the issues associated with relocating the access road to Crest Steel and how this new road will integrate with the on-site circulation of the Birtcher project.

Regarding Exhibit A1-1 of Plot Plan 22513, this exhibit does not depict and label the existing access road or the appurtenant facilities such as the previously described island for the gate call button and speaker. This plot plan also does not depict the relocated driveway alignment within the Crest Steel site that will need to be constructed in order to connect the Crest Steel existing onsite roads to the proposed terminus of the relocated offsite access road across Birtcher Lot #1. This onsite improvement on the Crest Steel property will require new asphalt concrete pavement, grading, and related improvements that benefit Birtcher and not Crest Steel. As such, these improvements need to be depicted on their project documents and ultimately on their construction documents. The typical associated WQMP and SWPPP documents should also reflect the onsite improvement on the Crest Steel site.

Clerk of the Board
October 12, 2007
Page 3

In addition, the Plot Plan exhibit also depicts an offsite "Fire Access" across the Crest Steel property. This proposed access has not been coordinated with the existing onsite roads on the Crest Steel property. In addition, there may be vertical roadway design and associated surface drainage issues with this proposed roadway. Due to these various omissions and inaccuracies, Crest Steel has concerns about the review by County staff and the adequacy of the Conditions of Approval. An example of this would be Condition of Approval 10.Fire 008 "Use-#25-Gate Entrances". This condition requires gate entrances to be at least 2 feet wider than the width of the traffic lanes serving that gate. This condition will impact the relocated gate along the access road to Crest Steel property. The Plot Plan does not reflect the previously described electric gate nor does it show a proposed gate along the relocated access road. Explicit Conditions of Approval should be included in the Plot Plan approval that require Birtcher to address the impacts to the Crest Steel property from the proposed access road relocation. A suggested condition is as follows:

"Lot #1 of the proposed development contains an existing access road to the adjacent property to the east commonly known as the Crest Steel property (163-400-018). This access road traverses the Lot #1 property within a private road easement and provides the primary access for the Crest Steel property. The applicant is proposing to relocate this access road to the extreme southerly side of their Lot #1 and to incorporate this access road into their onsite circulation/fire lane. The relocation of the access road will require various improvements on the adjacent property as depicted on Exhibit " ". The applicant will coordinate with the adjacent property owner regarding the required improvements. In addition, the applicant will insure that the Crest Steel plant maintains ingress/egress and utility service at all times including the construction phase."

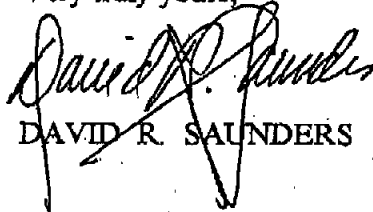
There are various supporting exhibits that were prepared in conjunction with the Plot Plan for this project. It would be appropriate that a separate specific exhibit be prepared and incorporated into the Plot Plan document package. This exhibit should depict the relocated access road/offsite fire access road and the associated revisions to the onsite roads on the Crest Steel property. This document could also provide greater detail and specific relevant information about the proposed improvements.

Arroyo Partners LLC and Crest Steel cannot support this project as it is presently proposed because it does not adequately address several key issues regarding the access to the Crest Steel plant. In addition, the project as presently proposed may have adverse impacts to Crest Steel's operations.

Clerk of the Board
October 12, 2007
Page 4.

Arroyo Partners and Crest Steel appreciate the opportunity to provide input to the County regarding this proposed project. If you have any questions, please feel free to contact Gary J. Laughlin of Laughlin & Associates at 909-628-9446. Again, my clients apologize for not providing these comments in a more timely manner.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

cc: Mr. Christian Hinojosa, County of Riverside Planning Department
Adam Hemmer, Birtcher Development & Investments
Arroyo Partners, LLC
Crest Steel Corporation
Gary Laughlin

DRS\TRA\CLERK101207CREST.BIRTCHER

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY K. MANN
DEBBIE E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINBR
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4384

WALTER S. CLAYSON
1887-1272
E. SPURGEON ROTHROCK
1918-1972

AREA CODE 951
737-1910
889-7241

November 16, 2007

Adam Hemmer
Development Manager
Birtcher Development & Investments, LLC
18201 Von Karman Ave., Suite 1170
Irvine, CA 92612

Re: Change of Zone 7312 and Plot Plan 21371

Dear Mr. Hemmer:

For several weeks Birtcher and Crest Steel have been evaluating the impacts created by Birtcher's proposed development of its project to the west of Crest Steel's plant. While the overall issue could be described simply as a relocation of an access road, the issue is far more complicated than that. Crest Steel must confirm that future development of its site is not impaired by the Birtcher project and that relocation of the roadway properly addresses the operation of the Crest Steel plant, both during the construction phase and for years down the road. Toward that end, Crest Steel's consultants have identified a number of underlying issues, including relocation of utility lines, identification and maintenance of fire access, reorientation of circulation on Crest Steel site, truck turning radii, relocation and configuration of Crest Steel's gate, paving specifications, construction coordination, and timing for release of the existing easements, among others.

Crest Steel prefers that all of the issues be identified, reviewed, and resolved now rather than following approval of Birtcher's project. Frankly, many of the issues should have been part of the County of Riverside oversight and project review process. It may be appropriate for various county departments to review the resolution of certain issues before project approval. Therefore, Crest Steel does not support the condition of approval proposed in your November 13, 2007 e-mail. Instead, Crest Steel believes it is appropriate for the parties to continue to work toward execution of an Easement Agreement that resolves all of the issues created by the Birtcher project. When that occurs, Crest Steel will be in a position to confirm its support for the project.

Very truly yours,


DAVID R. SAUNDERS

DRS:dr

cc: Randal Putnam
David Zertuche
Gary Laughlin

LTRHEMMER111607CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY H. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. SAINIER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4384

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979

AREA CODE 951
737-1910
889-7241

November 21, 2007

James Mullen
Garrett DeFrenza Stiepel LLP
695 Town Center Drive, Ste. 500
Costa Mesa, CA 92626

Dear Mr. Mullen:

Crest Steel and Arroyo Partners, LLC (collectively "Arroyo") have the following comments on the November 13, 2007 draft of the Easement Agreement ("Agreement"):

1. As I mentioned in my earlier letter to Adam Hemmer, Arroyo believes it is appropriate to identify and resolve various issues now rather than after project approval. Arroyo's engineering consultant Gary Laughlin has had numerous conversations and submitted several emails and drawings to Birtcher and its consultants regarding the access easements, utilities, revisions to Arroyo's onsite circulation, fire access, new gate configuration, and other issues. We reviewed these issues at our meeting on October 9, 2007. Gary reports that he has not received revised exhibits from Birtcher or its consultants. Moreover, the latest draft of the Agreement does not contain any exhibits. Since Arroyo's review and approval of detailed exhibits is essential to its execution of the agreement, Arroyo needs these exhibits as soon as possible.

2. The text and the exhibits should specifically note the construction of a new waterline northerly of the new roadway, and Arroyo's right to use the new roadway for ADA access and the right to enter and construct ADA access improvements.

3. Section 2 needs a number of revisions. The defined term "Initial Relocation Work" implies some subsequent work. It should be replaced with the term "Relocation Work". The text should specifically reference the detailed exhibits described in the first numbered paragraph of this letter. Birtcher's work should specifically include the construction of the new access gate and the other work contemplated by the exhibits. Birtcher should be required to reconnect and verify the connection of the utility lines. Instead of the language "Birtcher shall resolve or respond to any such reasonable objection or comments Arroyo may have", insert "Birtcher shall incorporate Arroyo's reasonable comments or objections into the Construction Plans." Please insert a 15-day time period for Arroyo to comment on the proposed Construction Plans. Delete the clause "Birtcher shall use commercially reasonable efforts to limit interference with the use and occupancy of, and ingress and egress to and from the Parcels"

James Mullen
November 21, 2007
Page 2

because Birtcher's obligation is correctly stated as "best efforts" in the remainder of that sentence. Language should be inserted to provide that Birtcher shall hold Arroyo harmless from all claims, damages, cost and expense arising from Birtcher's failure to exercise such best efforts. Language should be inserted to permit Arroyo to also determine that an interim road may be required. The limit on reimbursement for Arroyo's third party consultants should be \$20,000.00 and extend to services for review and consultation regarding the Easement Agreement, review and consultation regarding the Construction Plans, and oversight of the construction process.

4. Section 3 should also include provisions for written notice to Arroyo of completion of the Relocation Work. The process for recording of the quitclaim deed should occur only after written approval from Arroyo within 3 business days after receipt of the notice of completion, with such approval not being unreasonably withheld. The second to the last sentence of Section 3 providing for automatic release of the Existing Easements should be deleted.

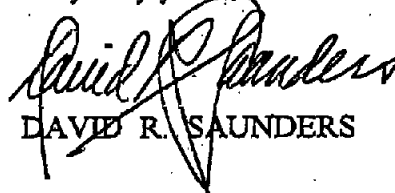
5. Section 4 does not correctly reflect the items discussed at our recent meeting. Arroyo will agree to execute documents and perform acts (a) required by any utility service to the Parcels and (b) reasonably necessary or proper and usual to effect the Agreement. It will not acquiesce in advance to unknown governmental or quasi-governmental requests, or the granting of additional fire and other emergency access across one or more of the parcels. If Birtcher believes that such requests may be forthcoming in the future, it should endeavor to identify and specifically provide for these items in the Agreement.

6. The concept of "reasonable supporting documentation" should expressly include evidence of the cause of the damage.

7. As to Section 6(L), we ought to have a procedure for confirming that the lenders have consented. Otherwise, we will not know if the Agreement is effective.

Thank you for your efforts in drafting the Agreement. Please call me if you want to discuss Arroyo's comments.

Very truly yours,


DAVID R. SAUNDERS

DRS:dr

cc: Adam Hemmer
David Zertuche
Gary Laughlin

LTRMULLEN112107CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92692
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92678-1447
FAX (951) 737-4384ROY H. MANN
DERRILL E. YAEGER
CARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINBR
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZWALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979AREA CODE 951
737-1910
689-7241

November 30, 2007

Fax and Mail

Alan Tuntland

Birtcher Development & Investments, LLC

18201 Von Karman Ave., Suite 1170

Irvine, CA 92612

Re: Change of Zone 7312 and Plot Plan 21371

Dear Mr. Tuntland:

I have received your November 26, 2007 email. Arroyo Partners, LLC's and Crest Steel's (jointly "Crest Steel's") position on your proposed condition of approval was previously addressed in my November 16, 2007 letter to Adam Hemmer of your office. A copy is enclosed.

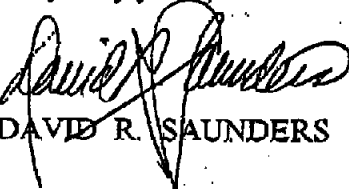
Crest Steel stands by its commitment to be a good neighbor and an ethical party as well. That is why it has spent several thousands of dollars with consultants to analyze the issues raised by Birtcher's relocation of the access road. It has generated a large number of letters, emails, telephone calls, and maps to indicate various conditions and alternatives. Its representatives met with Birtcher on two occasions. It remains committed to achieving a mutually satisfactory resolution. If Crest Steel was not committed to this process, it would not have expended this time, energy, and cost.

The problem with this project is a fundamental difference in the parties' approach. Birtcher wishes to obtain Crest Steel's written consent to the roadway relocation and the project approval from the county now, with details of the roadway relocation to follow later. While this may be standard procedure for developers, it does not address Crest Steel's reasonable concerns. Crest Steel must have a firm commitment from Birtcher now as to how the details of the road relocation will be addressed. Crest Steel believes some of these details may require input from the county prior to project approval. Moreover, Birtcher has the consultants to address these issues now; a future owner or builder may not. Finally, Crest Steel will not permit the resolution of these details to be delayed to the future so that Birtcher can use the political imperatives of an approved project and a tight construction schedule to coerce Crest Steel's acquiescence on some issue or another.

Alan Tuntland
November 30, 2007
Page 2

Crest Steel takes offense to your claim that its requests for detailed exhibits is an attempt to hold your project hostage. I suggest that Birtcher direct its consultants to address the issues raised by Crest Steel's consultant so we can get the Easement Agreement signed and you can get your project approved.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

Enclosure

cc: David Zertuche
Gary Laughlin

LTRTUNTLAND112907CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4284ROY M. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZWALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979AREA CODE 951
737-1210
689-7241

January 3, 2008

Fax and Mail

Alan Tuntland

Birtcher Development & Investments, LLC
18201 Von Karman Ave., Suite 1170
Irvine, CA 92612

Re: Change of Zone 7312 and Plot Plan 21371

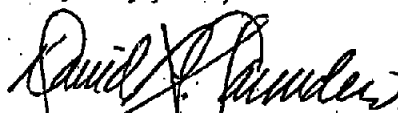
Dear Mr. Tuntland:

Arroyo Partners, LLC and Crest Steel (jointly, "Crest Steel") have reviewed your latest draft of the Easement Agreement. While we appreciate the changes that were made, the company would still prefer to see all the issues regarding new access, utilities, internal traffic circulation, and gate design addressed in detail now rather than after project approval. Nevertheless, Crest Steel insists that three issues be resolved at this time in order to proceed with the agreement.

First, the issue of Crest Steel's new internal circulation must be addressed in detail now. This issue includes specifications for the changes and improvements on Crest Steel's property including but not limited to the driveway curve, paving, and gate connection to General Drive and a provision that all costs of the changes and improvements on Crest Steel's property be borne solely by Birtcher. Second, Birtcher must take the lead in notifying Crest Steel when deliveries and access will need to be rescheduled. Otherwise, Birtcher should assume that Crest Steel will require unfettered access during all business hours. Finally, Birtcher must agree to bear \$20,000.00 of Crest Steel's consultant cost to date (which already exceed \$20,000.00) and up to \$10,000.00 in the future when the Easement Agreement is implemented.

Is Birtcher prepared to address these issues? If not, further work on an easement agreement will not be fruitful.

Very truly yours,


DAVID R. SAUNDERS

DRS:dr

cc: Randall Putnam
David Zertuche
Gary Laughlin

LTR:TUNTLAND010308CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY H. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92682
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92678-1447
FAX (951) 737-4384

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1918-1979

AREA CODE 951
737-1910
688-7241

FACSIMILE TRANSMISSION

DATE: 01-25-08

PAGES TO FOLLOW: 12

FROM: DAVID R. SAUNDERS

TO: JOHN FIELD, ASSISTANT TO SUPERVISOR
COUNTY OF RIVERSIDE

FAX NO. 951-955-1071

SUBJECT: FAST TRACK CHANGE OF ZONE NO. 7312 AND PLOT PLAN NO. 21371
(FTA NO. 2006-03), BIRTCHE CENTER AT GENERAL DRIVE,
BIRTCHE DEVELOPMENT, LLCMESSAGE: ATTACHED FIND LETTER DATED JANUARY 25, 2008 TO BOARD OF SUPERVISORS
FROM DAVID R. SAUNDERS.

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION WHICH IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.

If there is any difficulty with the receipt of this transmission, please contact DEE at (951) 737-1910.

MIS\FIELD012508CREST.FAX

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY H. MANN
DERRILL E. YAEGER
DARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 787-4384

WALTER S. CLAYSON
1887-1972
E. SPURGEON ROTHROCK
1818-1979

AREA CODE 951
787-1810
689-7241

January 25, 2008

Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor
Riverside, CA 92502-1147

**Re: Fast Track Change of Zone No. 7312 and Plot Plan No. 21371
(FTA No. 2006-03), Birtcher Center at General Drive,
Birtcher Development, LLC
Board Hearing: October 16, 2007**

Honorable Board of Supervisors:

I last wrote to you on October 12, 2007 regarding the concerns of my clients Arroyo Partners, LLC and Crest Steel Corporation. That letter is attached.

The gist of my earlier letter was that the Birtcher project requires relocation of an existing easement that serves the Crest Steel plant. The existing easement cuts directly across an area that Birtcher plans for a building in Parcel 1 of Parcel Map 24176. I explained in my letter how the staff report and conditions of approval failed to adequately address the relocation of the easement and the impacts of the project on Crest Steel's land and operations.

Since that time my clients have worked diligently toward identifying and mitigating the impacts of relocating the easement. Crest has articulated their concerns over and over to Birtcher. It is not true, as stated in the Form 11A, that my clients met 6 times with Birtcher and expressed no concerns about the project. My clients have insisted that the impacts of relocating the easement be addressed prior to project approval. They have expended significant time and expense in evaluating the issues and suggesting resolutions. Please see the attached correspondence between the parties. Birtcher contends that the details should be addressed after the county approves the project. Unfortunately, the parties have been unable to resolve their differences and an agreement to relocate the easement has not been consummated. My clients have notified Birtcher that they no longer desire to keep investing time and money in pursuing a compromise solution that offers my clients questionable benefits at best.

Curiously, we have had no response whatsoever from county staff to my letter to you back in October. My October 12, 2007 letter noted various omissions in the staff analysis and

Board of Supervisors

January 25, 2008

Page 2

requested that an additional condition of approval be added to address Crest Steel's concerns. For example, I noted in my October 12, 2007 letter that the project's Traffic Impact Analysis incorrectly stated that my clients' property was vacant. The report failed to evaluate the traffic issues associated with relocating Crest Steel's easement. We presume that the matter was taken off calendar so that the applicant and the county could address my clients' concerns. While Birtcher and Crest Steel have had a vigorous dialogue since then, I am surprised to hear nothing from the county.

In summary, the design of this project presumes that my clients' access easement be relocated. It appears that the parties cannot reach an agreement for the easement relocation. If the easement cannot be relocated, how can the county properly approve the project? The answer, of course, is that the project should be resubmitted with a design based on the location of the existing access easement.

Thank you for your consideration.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

Enclosures

cc: Crest Steel Corporation

DRS\LTR\BOARD012508CREST.BIRTCHER

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4384

ROY M. MANN
DERRILL S. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINES
DAVID R. SAUNDERS
GALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

WALTER S. CLAYSON
1887-1973
E. SPURGEON ROTHROCK
1918-1979
AREA CODE 951
737-1910
889-7241

October 12, 2007

Clerk of the Board
4080 Lemon Street, 1st Floor
Riverside, CA 92502-1147

Re: Fast Track Change of Zone No. 7312 and Plot Plan No. 21371
(FTA No. 2006-03), Birtcher Center at General Drive,
Birtcher Development, LLC
Board Hearing: October 16, 2007

Honorable Board of Supervisors:

Arroyo Partners, LLC is the property owner of AP #163-400-018-3 (Parcel 2 of PM 24176) located at 6580 General Dr., Riverside, CA 92509. This approximately 25-acre property is developed by the tenant Crest Steel Corporation and has been at this location since 1990. The Crest Steel plant includes offices and warehouse facilities and employs approximately 60 people. In addition, the facility has a large yard area for the storage of structural steel products. The Crest Steel plant receives structural steel and other steel mill shapes from an adjacent Union Pacific Railroad spur and ships these steel products via truck to numerous locations. The primary vehicular access to the property is from General Drive. The approximate average heavy truck ingress/egress trips per day for this facility is 50 and on a peak day this number can be as high as 62. In addition, the facility has onsite employee/guest parking for approximately 42 passenger vehicles.

Reliance Steel & Aluminum, a publicly traded company, recently purchased the Crest Steel Corporation and this event required some organizational changes. Crest Steel has had various discussions with Birtcher Development regarding their proposed project and is continuing this dialogue and the associated process. They were informed of the August Planning Commission hearing, but Crest Steel was unable to evaluate the impacts to its property and to the Crest Steel facility prior to that hearing due in part to the aforementioned organizational changes. Crest Steel apologizes for not bringing its concerns to the County's attention at the Planning Commission hearing.

The Crest Steel plant is located easterly and adjacent to the proposed Birtcher Center development. Specifically, Crest Steel abuts Lot #1 and Lot #3 of the Birtcher project. The previously described access to the Crest Steel property is provided by a 40 foot wide access road that extends from the General Drive cul-de-sac across the Birtcher Lot #1 to the west side of Crest Steel. It should be noted that the Crest Steel parcel does not have frontage along the General Drive cul-de-sac. Various utilities, including domestic water and fire mains, are located within the 40-foot wide access road. This access road is located within a private road easement.

Clerk of the Board
October 12, 2007
Page 2

across Birtcher Lot #1 (parcel 1 of PM 24176) and is for the benefit of the Crest Steel parcel (parcel 2 of PM 24176). The private road easement is a record easement per PM 24176, the underlying parcel map for both the Crest Steel parcel and Birtcher Lot #1 and Lot #3 parcels. The Birtcher project is proposing to relocate this access road from its present location to the extreme south edge of their Lot #1. This relocation will also require relocation of a portion of this access road within the Crest Steel parcel.

The previously described access road includes appurtenant facilities now located within the fee-owned portion of the Birtcher Lot #1 parcel. These include a call button and speaker (contained within a raised island) for purposes of contacting the main Crest Steel offices, located in the easterly portion of the property. This system allows the electric access gate (located along the Crest parcel's westerly property line at the access road) to be opened by Crest Steel personnel. This gate and its associated system are critical to the facility's security and operations. The previously described access road, as well as the utilities located within the access road area, are also extremely critical to the operation of the Crest Steel facility.

Crest Steel has recently reviewed various documents prepared by Birtcher and their consultants regarding their proposed project. These include the Traffic Impact Analysis ("TIA") (Revised) report dated April 30, 2007 prepared by Kunzman Associates. Section III B.1 of this report under "Existing Land Uses" for adjacent property to the east of the Birtcher property states "Vacant". This is incorrect because the Crest Steel property is east of and adjacent to both lots in the Birtcher property. Further, the Kunzman report makes no mention of the Crest Steel property. The Riverside County Transportation Department Traffic Impact Analysis Preparation Guide, dated August 2005, under section 10.4 "On-site Circulation" states (in part) the following: "The TIA shall examine the proposed on-site circulation for the project and address its adequacy." In the case of the Birtcher project, the TIA is inadequate because it fails to evaluate the issues associated with relocating the access road to Crest Steel and how this new road will integrate with the on-site circulation of the Birtcher project.

Regarding Exhibit A1-1 of Plot Plan 22513, this exhibit does not depict and label the existing access road or the appurtenant facilities such as the previously described island for the gate call button and speaker. This plot plan also does not depict the relocated driveway alignment within the Crest Steel site that will need to be constructed in order to connect the Crest Steel existing onsite roads to the proposed terminus of the relocated offsite access road across Birtcher Lot #1. This onsite improvement on the Crest Steel property will require new asphalt concrete pavement, grading, and related improvements that benefit Birtcher and not Crest Steel. As such, these improvements need to be depicted on their project documents and ultimately on their construction documents. The typical associated WQMP and SWPPP documents should also reflect the onsite improvement on the Crest Steel site.

Clerk of the Board
October 12, 2007
Page 3

In addition, the Plot Plan exhibit also depicts an offsite "Fire Access" across the Crest Steel property. This proposed access has not been coordinated with the existing onsite roads on the Crest Steel property. In addition, there may be vertical roadway design and associated surface drainage issues with this proposed roadway. Due to these various omissions and inaccuracies, Crest Steel has concerns about the review by County staff and the adequacy of the Conditions of Approval. An example of this would be Condition of Approval 10. Fire 008 "Use-#25-Gate Entrances". This condition requires gate entrances to be at least 2 feet wider than the width of the traffic lanes serving that gate. This condition will impact the relocated gate along the access road to Crest Steel property. The Plot Plan does not reflect the previously described electric gate nor does it show a proposed gate along the relocated access road. Explicit Conditions of Approval should be included in the Plot Plan approval that require Birtcher to address the impacts to the Crest Steel property from the proposed access road relocation. A suggested condition is as follows:

"Lot #1 of the proposed development contains an existing access road to the adjacent property to the east commonly known as the Crest Steel property (163-400-018). This access road traverses the Lot #1 property within a private road easement and provides the primary access for the Crest Steel property. The applicant is proposing to relocate this access road to the extreme southerly side of their Lot #1 and to incorporate this access road into their onsite circulation/fire lane. The relocation of the access road will require various improvements on the adjacent property as depicted on Exhibit " ". The applicant will coordinate with the adjacent property owner regarding the required improvements. In addition, the applicant will insure that the Crest Steel plant maintains ingress/egress and utility service at all times including the construction phase."

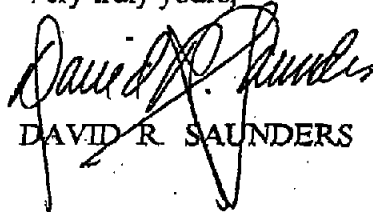
There are various supporting exhibits that were prepared in conjunction with the Plot Plan for this project. It would be appropriate that a separate specific exhibit be prepared and incorporated into the Plot Plan document package. This exhibit should depict the relocated access road/offsite fire access road and the associated revisions to the onsite roads on the Crest Steel property. This document could also provide greater detail and specific relevant information about the proposed improvements.

Arroyo Partners LLC and Crest Steel cannot support this project as it is presently proposed because it does not adequately address several key issues regarding the access to the Crest Steel plant. In addition, the project as presently proposed may have adverse impacts to Crest Steel's operations.

Clerk of the Board
October 12, 2007
Page 4.

Arroyo Partners and Crest Steel appreciate the opportunity to provide input to the County regarding this proposed project. If you have any questions, please feel free to contact Gary J. Laughlin of Laughlin & Associates at 909-628-9446. Again, my clients apologize for not providing these comments in a more timely manner.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

cc: Mr. Christian Hinojosa, County of Riverside Planning Department
Adam Hemmer, Birtcher Development & Investments
Arroyo Partners, LLC
Crest Steel Corporation
Gary Laughlin

DRS\TRA\CLERK101207CREST.BIRTCHER

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY M. MANN
 DERRILL E. YAEGER
 GARY K. ROENZWEIG
 KENT A. HANSEN
 ROLAND G. BAINER
 DAVID R. SAUNDERS
 SALLIE BARNETT
 BARRY M. WALKER
 TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
 601 SOUTH MAIN STREET
 CORONA, CALIFORNIA 92682
 POST OFFICE BOX 1447
 CORONA, CALIFORNIA 92678-1447
 FAX (951) 737-4384

WALTER S. CLAYSON
 1887-1972
 E. SPURGEON BATHROCK
 1918-1979

AREA CODE 951
 737-1910
 889-7241

November 16, 2007

Adam Hemmer
 Development Manager
 Birtcher Development & Investments, LLC
 18201 Von Karman Ave., Suite 1170
 Irvine, CA 92612

Re: Change of Zone 7312 and Plot Plan 21371

Dear Mr. Hemmer:

For several weeks Birtcher and Crest Steel have been evaluating the impacts created by Birtcher's proposed development of its project to the west of Crest Steel's plant. While the overall issue could be described simply as a relocation of an access road, the issue is far more complicated than that. Crest Steel must confirm that future development of its site is not impaired by the Birtcher project and that relocation of the roadway properly addresses the operation of the Crest Steel plant, both during the construction phase and for years down the road. Toward that end, Crest Steel's consultants have identified a number of underlying issues, including relocation of utility lines, identification and maintenance of fire access, reorientation of circulation on Crest Steel site, truck turning radii, relocation and configuration of Crest Steel's gate, paving specifications, construction coordination, and timing for release of the existing easements, among others.

Crest Steel prefers that all of the issues be identified, reviewed, and resolved now rather than following approval of Birtcher's project. Frankly, many of the issues should have been part of the County of Riverside oversight and project review process. It may be appropriate for various county departments to review the resolution of certain issues before project approval. Therefore, Crest Steel does not support the condition of approval proposed in your November 13, 2007 e-mail. Instead, Crest Steel believes it is appropriate for the parties to continue to work toward execution of an Easement Agreement that resolves all of the issues created by the Birtcher project. When that occurs, Crest Steel will be in a position to confirm its support for the project.

Very truly yours,


 DAVID R. SAUNDERS

DRS:dr

cc: Randal Putnam
 David Zertuche
 Gary Laughlin

LTR:HEMMER111607CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING

801 SOUTH MAIN STREET

CORONA, CALIFORNIA 92882

POST OFFICE BOX 1447

CORONA, CALIFORNIA 92878-1447

FAX (951) 737-4384

WALTER S. CLAYSON

1887-1973

E. SPURGEON ROTHROCK

1918-1979

AREA CODE 951

737-1910

689-7241

ROY M. MANN
DERRILL E. YAEGER
CARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINBR
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

November 21, 2007

James Mullen
Garrett DeFrenza Stiepel LLP
695 Town Center Drive, Ste. 500
Costa Mesa, CA 92626

Dear Mr. Mullen:

Crest Steel and Arroyo Partners, LLC (collectively "Arroyo") have the following comments on the November 13, 2007 draft of the Easement Agreement ("Agreement"):

1. As I mentioned in my earlier letter to Adam Hemmer, Arroyo believes it is appropriate to identify and resolve various issues now rather than after project approval. Arroyo's engineering consultant Gary Laughlin has had numerous conversations and submitted several emails and drawings to Birtcher and its consultants regarding the access easements, utilities, revisions to Arroyo's onsite circulation, fire access, new gate configuration, and other issues. We reviewed these issues at our meeting on October 9, 2007. Gary reports that he has not received revised exhibits from Birtcher or its consultants. Moreover, the latest draft of the Agreement does not contain any exhibits. Since Arroyo's review and approval of detailed exhibits is essential to its execution of the agreement, Arroyo needs these exhibits as soon as possible.
2. The text and the exhibits should specifically note the construction of a new waterline northerly of the new roadway, and Arroyo's right to use the new roadway for ADA access and the right to enter and construct ADA access improvements.
3. Section 2 needs a number of revisions. The defined term "Initial Relocation Work" implies some subsequent work. It should be replaced with the term "Relocation Work". The text should specifically reference the detailed exhibits described in the first numbered paragraph of this letter. Birtcher's work should specifically include the construction of the new access gate and the other work contemplated by the exhibits. Birtcher should be required to reconnect and verify the connection of the utility lines. Instead of the language "Birtcher shall resolve or respond to any such reasonable objection or comments Arroyo may have", insert "Birtcher shall incorporate Arroyo's reasonable comments or objections into the Construction Plans." Please insert a 15-day time period for Arroyo to comment on the proposed Construction Plans. Delete the clause "Birtcher shall use commercially reasonable efforts to limit interference with the use and occupancy of, and ingress and egress to and from the Parcels".

James Mullen
November 21, 2007
Page 2

because Birtcher's obligation is correctly stated as "best efforts" in the remainder of that sentence. Language should be inserted to provide that Birtcher shall hold Arroyo harmless from all claims, damages, cost and expense arising from Birtcher's failure to exercise such best efforts. Language should be inserted to permit Arroyo to also determine that an interim road may be required. The limit on reimbursement for Arroyo's third party consultants should be \$20,000.00 and extend to services for review and consultation regarding the Easement Agreement, review and consultation regarding the Construction Plans, and oversight of the construction process.

4. Section 3 should also include provisions for written notice to Arroyo of completion of the Relocation Work. The process for recording of the quitclaim deed should occur only after written approval from Arroyo within 3 business days after receipt of the notice of completion, with such approval not being unreasonably withheld. The second to the last sentence of Section 3 providing for automatic release of the Existing Easements should be deleted.

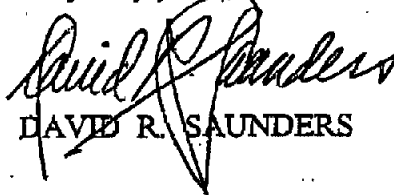
5. Section 4 does not correctly reflect the items discussed at our recent meeting. Arroyo will agree to execute documents and perform acts (a) required by any utility service to the Parcels and (b) reasonably necessary or proper and usual to effect the Agreement. It will not acquiesce in advance to unknown governmental or quasi-governmental requests, or the granting of additional fire and other emergency access across one or more of the parcels. If Birtcher believes that such requests may be forthcoming in the future, it should endeavor to identify and specifically provide for these items in the Agreement.

6. The concept of "reasonable supporting documentation" should expressly include evidence of the cause of the damage.

7. As to Section 6(L), we ought to have a procedure for confirming that the lenders have consented. Otherwise, we will not know if the Agreement is effective.

Thank you for your efforts in drafting the Agreement. Please call me if you want to discuss Arroyo's comments.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

cc: Adam Hemmer
David Zertuche
Gary Laughlin

LTR\MULLEN\112107CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

ROY M. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAISER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4284

WALTER S. CLAYSON
1887-1872
E. SPURGEON ROTHROCK
1918-1979

AREA CODE 951
737-1810
689-7241

November 30, 2007

Fax and Mail

Alan Tuntland

Birtcher Development & Investments, LLC

18201 Von Karman Ave., Suite 1170

Irvine, CA 92612

Re: Change of Zone 7312 and Plot Plan 21371

Dear Mr. Tuntland:

I have received your November 26, 2007 email. Arroyo Partners, LLC's and Crest Steel's (jointly "Crest Steel's") position on your proposed condition of approval was previously addressed in my November 16, 2007 letter to Adam Hemmer of your office. A copy is enclosed.

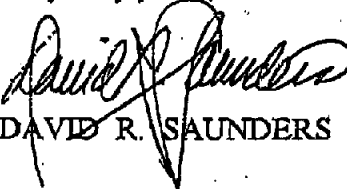
Crest Steel stands by its commitment to be a good neighbor and an ethical party as well. That is why it has spent several thousands of dollars with consultants to analyze the issues raised by Birtcher's relocation of the access road. It has generated a large number of letters, emails, telephone calls, and maps to indicate various conditions and alternatives. Its representatives met with Birtcher on two occasions. It remains committed to achieving a mutually satisfactory resolution. If Crest Steel was not committed to this process, it would not have expended this time, energy, and cost.

The problem with this project is a fundamental difference in the parties' approach. Birtcher wishes to obtain Crest Steel's written consent to the roadway relocation and the project approval from the county now, with details of the roadway relocation to follow later. While this may be standard procedure for developers, it does not address Crest Steel's reasonable concerns. Crest Steel must have a firm commitment from Birtcher now as to how the details of the road relocation will be addressed. Crest Steel believes some of these details may require input from the county prior to project approval. Moreover, Birtcher has the consultants to address these issues now; a future owner or builder may not. Finally, Crest Steel will not permit the resolution of these details to be delayed to the future so that Birtcher can use the political imperatives of an approved project and a tight construction schedule to coerce Crest Steel's acquiescence on some issue or another.

Alan Tuntland
November 30, 2007
Page 2

Crest Steel takes offense to your claim that its requests for detailed exhibits is an attempt to hold your project hostage. I suggest that Birtcher direct its consultants to address the issues raised by Crest Steel's consultant so we can get the Easement Agreement signed and you can get your project approved.

Very truly yours,



DAVID R. SAUNDERS

DRS:dr

Enclosure

cc: David Zertuche
Gary Laughlin

LTR\TUNTLAND\112907\CREST

CLAYSON, MANN, YAEGER & HANSEN

A PROFESSIONAL LAW CORPORATION

CLAYSON LAW BUILDING
601 SOUTH MAIN STREET
CORONA, CALIFORNIA 92882
POST OFFICE BOX 1447
CORONA, CALIFORNIA 92878-1447
FAX (951) 737-4284

ROY M. MANN
DERRILL E. YAEGER
GARY K. ROSENZWEIG
KENT A. HANSEN
ROLAND C. BAINER
DAVID R. SAUNDERS
SALLIE BARNETT
BARRY M. WALKER
TONYA L. RODRIGUEZ

WALTER S. CLAYSON
1987-1972
E. SPURGEON ROTHROCK
1918-1978

AREA CODE 951
737-1910
689-7241

January 3, 2008

Fax and Mail

Alan Tuntland

Birtcher Development & Investments, LLC

18201 Von Karman Ave., Suite 1170

Irvine, CA 92612.

Re: Change of Zone 7312 and Plot Plan 21371

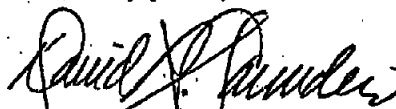
Dear Mr. Tuntland:

Arroyo Partners, LLC and Crest Steel (jointly, "Crest Steel") have reviewed your latest draft of the Easement Agreement. While we appreciate the changes that were made, the company would still prefer to see all the issues regarding new access, utilities, internal traffic circulation, and gate design addressed in detail now rather than after project approval. Nevertheless, Crest Steel insists that three issues be resolved at this time in order to proceed with the agreement.

First, the issue of Crest Steel's new internal circulation must be addressed in detail now. This issue includes specifications for the changes and improvements on Crest Steel's property including but not limited to the driveway curve, paving, and gate connection to General Drive and a provision that all costs of the changes and improvements on Crest Steel's property be borne solely by Birtcher. Second, Birtcher must take the lead in notifying Crest Steel when deliveries and access will need to be rescheduled. Otherwise, Birtcher should assume that Crest Steel will require unfettered access during all business hours. Finally, Birtcher must agree to bear \$20,000.00 of Crest Steel's consultant cost to date (which already exceed \$20,000.00) and up to \$10,000.00 in the future when the Easement Agreement is implemented.

Is Birtcher prepared to address these issues? If not, further work on an easement agreement will not be fruitful.

Very truly yours,


DAVID R. SAUNDERS

DRS:dr

cc: Randall Putnam

David Zertuche

Gary Laughlin

LTR\TUNTLAND\010308CREST