

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

811B



FROM: TLMA - Planning Department

SUBMITTAL DATE:  
May 13, 2010

**SUBJECT: SECOND EXTENSION OF TIME FOR TENTATIVE TRACT MAP NO. 31314** - Applicant: Kim Berry - Third Supervisorial District - Rancho California Zoning Area - Southwest Area Plan: Rural Community: Estate Density Residential (RC-EDR) (2-Ac. Min.) - Location: Northerly of Vino Way, westerly of Anza Road, southerly of Buck Road and easterly of Calle Cabernet - 52.34 Acres - Zoning: Residential Agriculture - 2 Acre Minimum (R-A-2) Approved Project Description - Schedule C subdivision of 52.34 acres into 19 residential lots, with a minimum lot size of two and a half acres - **REQUEST: EXTENSION OF TIME TO June 8, 2009** (SB1185 will bring the expiration date to June 8, 2010) - **SECOND EXTENSION.**

**RECOMMENDED MOTION:**

**RECEIVE AND FILE** the Notice of Decision by the Planning Commission on May 5, 2010.

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

**APPROVED** the **SECOND EXTENSION OF TIME REQUEST** for **TENTATIVE TRACT MAP No. 31314**, extending the expiration date and to reflect SB1185, subject to all the previously approved and/or amended Conditions of Approval with the applicants consent.

**BACKGROUND:**

The County Planning Department, as part of the review of this extension of time request has determined it necessary to recommend the addition of nine (9) new conditions of approval in

Ron Goldman  
Planning Director

Initials:  
RG: [initials]

(continued on attached page)

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter of approval is received and filed as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: May 25, 2010  
xc: Planning, Applicant

Kecia Harper-Ihem  
Clerk of the Board  
By: [signature]  
Deputy

Prev. Agn. Ref.

District: Third

Agenda Number:

ATTACHMENTS FILED

1.3

REVIEWED BY EXECUTIVE OFFICE

DATE

5/13/10

Tina Grande

Departmental Concurrence

Policy

Consent

Dep't Recomm.:

Policy

Consent

Per Exec. Ofc.:

The Honorable Board of Supervisors

Re: **SECOND EXTENSION OF TIME FOR TENTATIVE TRACT MAP NO. 31314**

Page 2 of 2

order to be able to make a determination that the project does not adversely affect the general health, safety and welfare of the public.

The Extension of Time applicant was informed of these recommended conditions of approval and has agreed to accept the conditions. Included in this staff report package are the recommended conditions of approval, and the correspondence from the Extension of Time applicant (dated 3/30/10) indicating the acceptance of the nine (9) conditions.

# COUNTY OF RIVERSIDE

## TRANSPORTATION AND LAND MANAGEMENT AGENCY

George A. Johnson · Agency Director

### Planning Department

Ron Goldman · Planning Director

811 B

**DATE:** May 11, 2010

**TO:** Clerk of the Board of Supervisors

**FROM:** Planning Department - Riverside Office

**SUBJECT:** SECOND EXTENSION OF TIME FOR TENTATIVE TRACT MAP NO. 31314

(Charge your time to these case numbers)

**The attached item(s) require the following action(s) by the Board of Supervisors:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Place on Administrative Action (Receive & File; EOT)        | <input type="checkbox"/> Set for Hearing (Legislative Action Required; CZ, GPA, SP, SPA)        |
| <input type="checkbox"/> Labels provided If Set For Hearing                                     | <input type="checkbox"/> Publish in Newspaper:  |
| <input type="checkbox"/> 10 Day <input type="checkbox"/> 20 Day <input type="checkbox"/> 30 day | <b>**SELECT Advertisement**</b>   |
| <input type="checkbox"/> Place on Consent Calendar  | <input type="checkbox"/> <b>**SELECT CEQA Determination**</b>                                   |
| <input type="checkbox"/> Place on Policy Calendar (Resolutions; Ordinances; PNC)                | <input type="checkbox"/> 10 Day <input type="checkbox"/> 20 Day <input type="checkbox"/> 30 day |
| <input type="checkbox"/> Place on Section Initiation Proceeding (GPIP)                          | <input type="checkbox"/> Notify Property Owners (app/agencies/property owner labels provided)   |
|   | Controversial: <input type="checkbox"/> YES <input type="checkbox"/> NO                         |

**Designate Newspaper used by Planning Department for Notice of Hearing:** NONE

**Please schedule on the May 25, 2010 BOS Agenda**

Riverside Office · 4080 Lemon Street, 9th Floor  
P.O. Box 1409, Riverside, California 92502-1409  
(951) 955-3200 · Fax (951) 955-3157

Desert Office · 38686 El Cerrito Road  
Palm Desert, California 92211  
(760) 863-8277 · Fax (760) 863-7555

Rmj  
5.12.10

**PLANNING COMMISSION  
MINUTE ORDER MAY 5, 2010  
RIVERSIDE COUNTY ADMINISTRATIVE CENTER**

- I. AGENDA ITEM 1.1A: TENTATIVE TRACT MAP NO. 31314** - Applicant: Kim Berry - Third Supervisorial District - Rancho California Zoning Area - Southwest Area Plan: Rural Community: Estate Density Residential (RC-EDR) (2-Ac. Min.) - Location: Northerly of Vino Way, westerly of Anza Road, southerly of Buck Road and easterly of Calle Cabernet - 52.34 Acres - Zoning: Residential Agriculture - 2 Acre Minimum (R-A-2) Approved Project Description - Schedule C subdivision of 52.34 acres into 19 residential lots, with a minimum lot size of two and a half acres – (Quasi-judicial)
- II. PROJECT DESCRIPTION**  
**EXTENSION OF TIME TO June 8, 2009** (SB1185 will bring the expiration date to June 8, 2010) - **SECOND EXTENSION.**
- III. MEETING SUMMARY**  
Subject proposal did not require a presentation.  
Project Planner: Raymond Juarez, Ph: (951) 955-9541 or E-mail at [rjuarez@rctlma.org](mailto:rjuarez@rctlma.org)  
  
No one spoke in favor, neutral or in opposition of the subject proposal.
- IV. CONTROVERSIAL ISSUES**  
NONE
- V. PLANNING COMMISSION ACTION**  
The Planning Commission, by a vote of 4-0 (Commissioner Zuppardo absent); recommended to the Board of Supervisors;  
  
**APPROVAL** of the **SECOND EXTENSION OF TIME REQUEST** for **TENTATIVE TRACT MAP No. 31314**, extending the expiration date and to reflect SB1185, subject to all the previously approved and/or amended Conditions of Approval with the applicants consent.
- VI. CD**  
The entire discussion of this agenda item can be found on CD. For a copy of the CD, please contact Chantell Griffin, Planning Commission Secretary, at (951) 955-3251 or E-mail at [cgriffin@rctlma.org](mailto:cgriffin@rctlma.org).

Agenda Item No. 1.1 A  
Area Plan: Southwest  
Zoning Area: Rancho California  
Supervisory District: Third  
Project Planner: Raymond Juarez

Tentative Tract Map No. 31314  
SECOND EXTENSION OF TIME (EOT)  
Planning Commission Date: May 5, 2010  
Applicant: Kim Berry

## **COUNTY OF RIVERSIDE PLANNING DEPARTMENT EXTENSION OF TIME STAFF REPORT**

The applicant of the subject case has requested an extension of time to begin substantial construction. The following will be presented to the Planning Commission as a consent calendar item. Unless specifically requested by the applicant at the time of consideration, this item may not be discussed and is subject to action by the Planning Commission under a single motion.

CEQA: The subject case has conformed to the requirements of the California Environmental Quality Act, and all impacts have been analyzed in order to protect the public health, safety and welfare.

GENERAL PLAN: Unless otherwise noted, the subject case had been determined to be consistent with the General Plan and all of its elements.

### **REQUEST:**

**SECOND EXTENSION OF TIME REQUEST for TENTATIVE TRACT MAP No. 31314.**

### **BACKGROUND:**

The County Planning Department, as part of the review of this extension of time request has determined it necessary to recommend the addition of nine (9) new conditions of approval in order to be able to make a determination that the project does not adversely affect the general health, safety and welfare of the public.

The Extension of Time applicant was informed of these recommended conditions of approval and has agreed to accept the conditions. Included in this staff report package are the recommended conditions of approval, and the correspondence from the Extension of Time applicant (dated 3/30/10) indicating the acceptance of the nine (9) conditions.

### **FURTHER PLANNING CONSIDERATIONS:**

EFFECT OF Senate Bill No. 1185: On July 15, 2008, Governor Schwarzenegger signed into law SB 1185, which grants a one-time extension of existing subdivision maps so developers can build immediately when the demand for housing goes up. It gives developers an automatic 12 month extension on previously approved subdivision maps set to expire between July 15, 2008 and January 1, 2011.

Therefore, upon an approval action by the Planning Commission, a subsequent receive and file action by the Board of Supervisors, and the conclusion of the 10-day appeal period without an appeal application, the tentative map's expiration date will become June 8, 2009 and will automatically gain benefit of the change to State law, and will, in fact, be extended until June 8,



**TENTATIVE TRACT MAP NO. 31314**  
**SECOND EXTENSION OF TIME**  
**PC Staff Report: MAY 5, 2010**  
**Page 2 of 2**

2010. If a final map has not been recorded prior this date, a third extension of time request must be filed 180 days prior to map expiration.

**ORIGINAL APPROVAL DATE: JUNE 8, 2004**

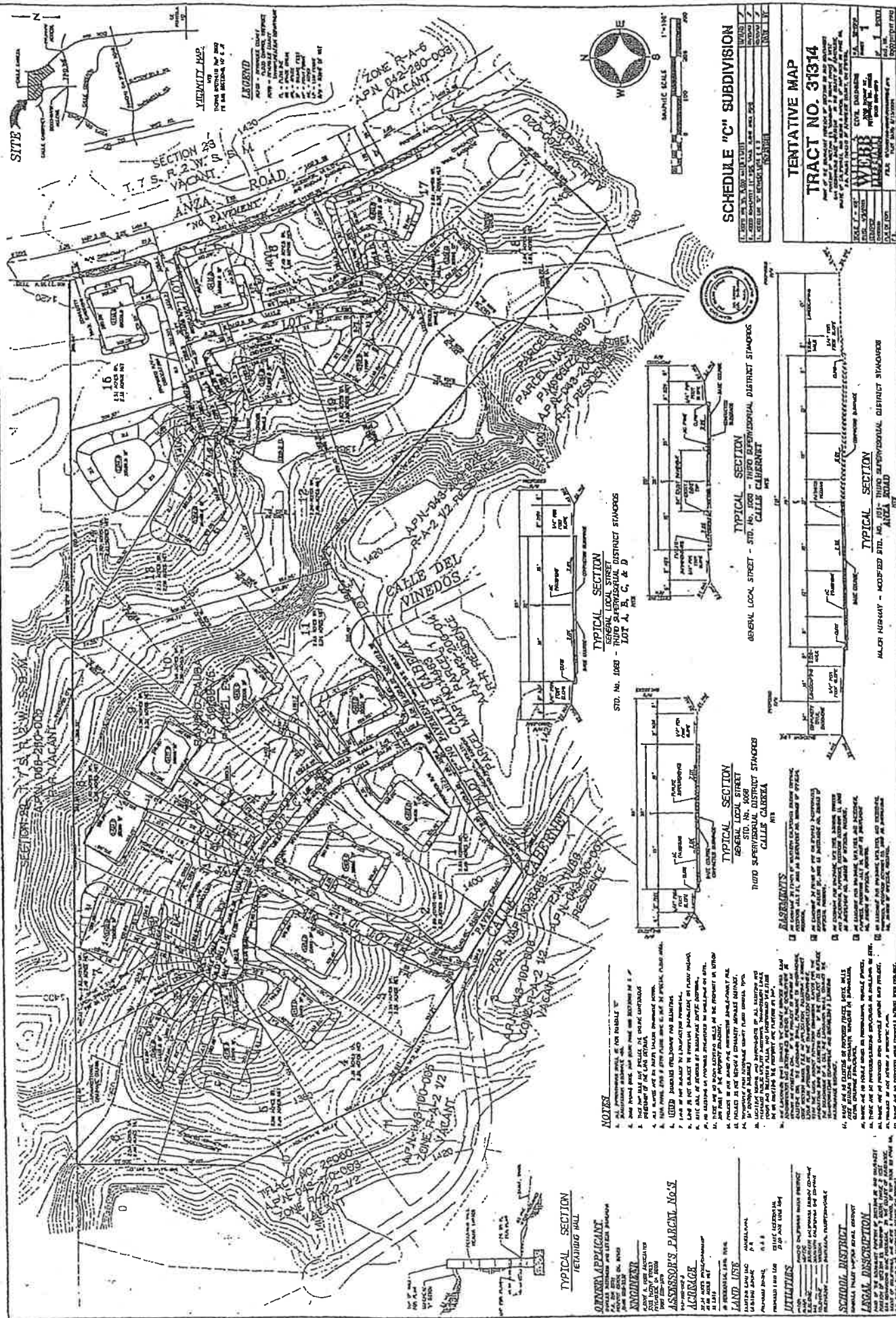
**RECOMMENDATION:**

**APPROVAL** of the **SECOND EXTENSION OF TIME REQUEST** for **TENTATIVE TRACT MAP No. 31314**, extending the expiration date and to reflect SB1185, subject to all the previously approved and/or amended Conditions of Approval with the applicants consent.

**TENTATIVE TRACT MAP NO. 31314** - Applicant: Kim Berry - Third Supervisorial District - Rancho California Zoning Area - Southwest Area Plan: Rural Community: Estate Density Residential (RC-EDR) (2-Ac. Min.) - Location: Northerly of Vino Way, westerly of Anza Road, southerly of Buck Road and easterly of Calle Cabernet - 52.34 Acres - Zoning: Residential Agriculture - 2 Acre Minimum (R-A-2) Approved Project Description - Schedule C subdivision of 52.34 acres into 19 residential lots, with a minimum lot size of two and a half acres - **REQUEST:** EXTENSION OF TIME TO June 8, 2009 (SB1185 will bring the expiration date to June 8, 2010) - SECOND EXTENSION.

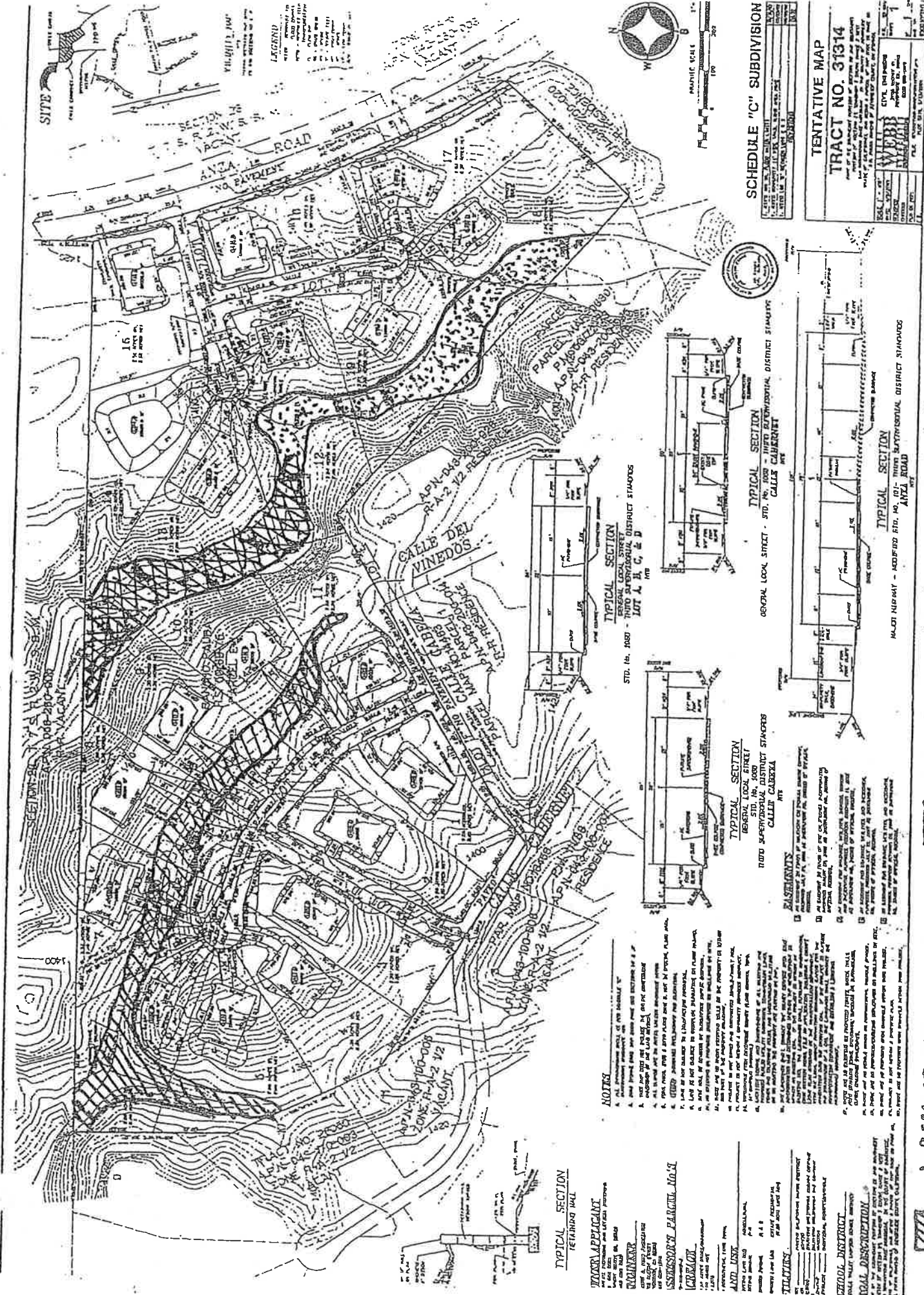
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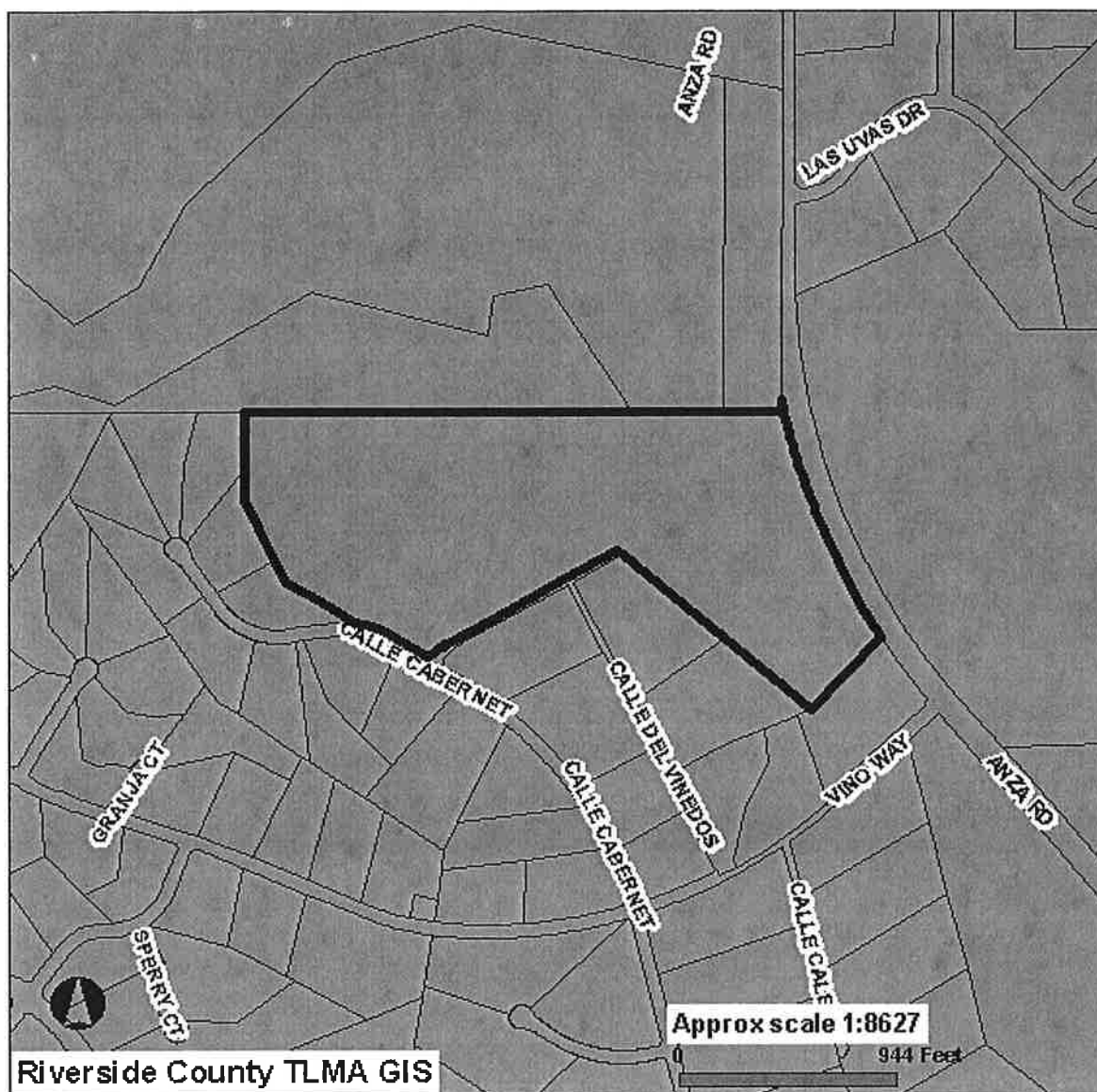








## AREA PLAN - TR31314



Selected parcel(s):  
943-180-004

## AREA PLAN

☐ SELECTED PARCEL    ☐ PARCELS    ☒ SOUTHWEST AREA    ☐ CITY BOUNDARY

**\*IMPORTANT\***

This information is made available through the Riverside County Geographic Information System. The information is for reference purposes only. It is intended to be used as base level information only and is not intended to replace any recorded documents or other public records. Contact appropriate County Department or Agency if necessary. Reference to recorded documents and public records may be necessary and is advisable.

REPORT PRINTED ON...Mon Jun 08 14:13:58 2009

The map displays the RC-EDR (Residential Community - Edge of Development) area, which is outlined in a thick black line. The area is situated in the northern part of the county, adjacent to the OS-CH (Office - Community Highway) area to the north and the AG (Agriculture) area to the east. The RC-EDR area is bounded by Anza Rd to the north and east, and by a network of streets including Calle Cabernet, Calle Del Vinedos, Calle Cale, and Calle Cale to the south and west. The map also shows the location of the RC-EDR area relative to the OS-CH area and the AG area. The map includes a north arrow and a scale bar indicating an approximate scale of 1:8627, with a distance of 944 feet shown.

OS-CH

ANZA RD

LAS UVAS DR

AG

RC-EDR

CALLE CABERNET

CALLE DEL VINEDOS

CALLE CALE

VINO WAY

ANZA RD

SPERRY CT

GRAVIA CT

Approx scale 1:8627

944 Feet

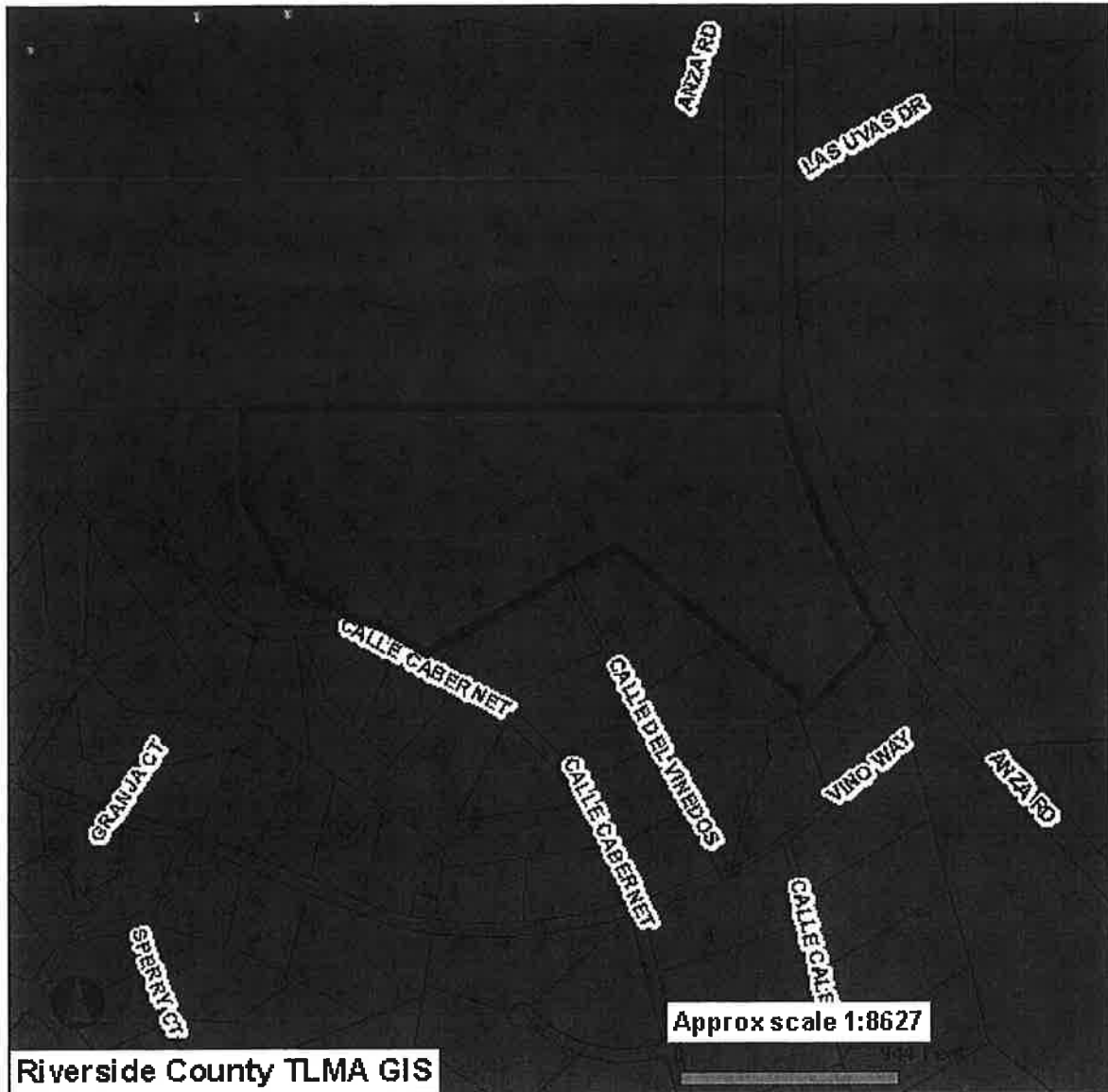
Riverside County TLMA GIS

OS-CH - CONSERVATION  
HABITAT

This information is made available through the Riverside County Geographic Information System. The information is for reference purposes only. It is intended to be used as base level information only and is not intended to replace any recorded documents or other public records. Contact appropriate County Department or Agency if necessary. Reference to recorded documents and public records may be necessary and is advisable.

6/8/2009

## ZONING DISTRICTS - TR31314



Selected parcel(s):  
943-180-004

## ZONING DISTRICTS

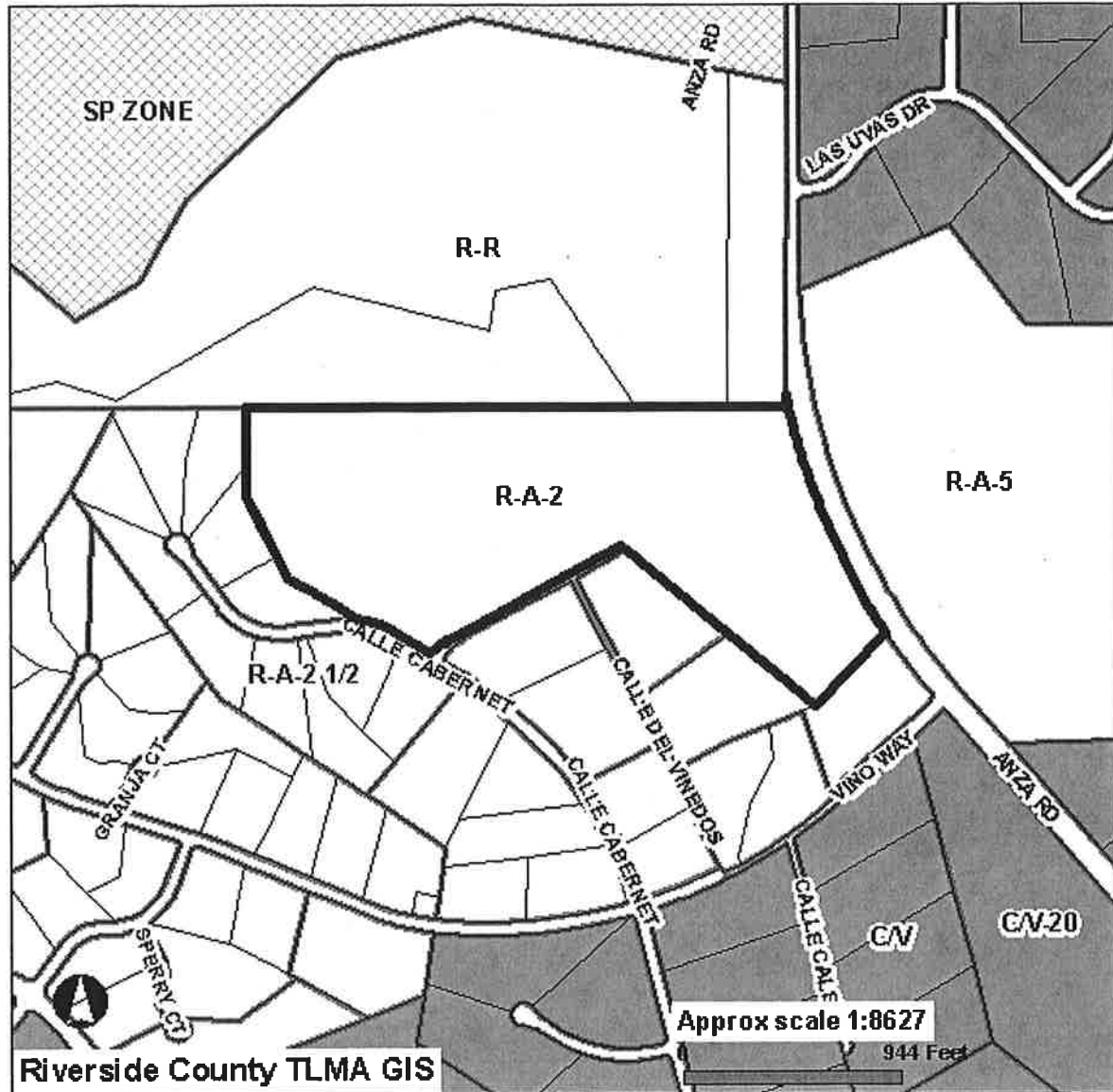
☐ SELECTED PARCEL    ☐ PARCELS    ☒ RANCHO CALIFORNIA AREA    ☐ CITY BOUNDARY

**\*IMPORTANT\***

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REPORT PRINTED ON...Mon Jun 08 14:16:18 2009

## ZONING - TR31314



Selected parcel(s):  
943-180-004

## ZONING

 SELECTED PARCEL	 PARCELS	 ZONING BOUNDARY	 CV, CV-20
R-A-2, R-A-2 1/2, R-A-5	R-R	 SP ZONE	 CITY BOUNDARY

## \*IMPORTANT\*

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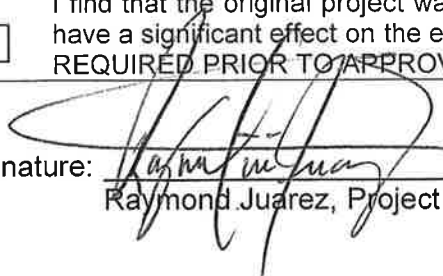


# Extension of Time Environmental Determination

Project Case Number: TR 31314  
Original E.A. Number: 39054  
Extension of Time No.: SECOND  
Original Approval Date: JUNE 8, 2004  
Project Location: Northerly of Vino Way, westerly of Anza Road, southerly of Buck Road and easterly of Calle Cabernet  
Project Description: Schedule C subdivision of 52.34 acres into 19 residential lots, with a minimum lot size of two and a half acres

On March 30, 2010 this Tentative Tract Map and its original environmental assessment/environmental impact report was reviewed to determine: 1) whether any significant or potentially significant changes in the original proposal have occurred; 2) whether its environmental conditions or circumstances affecting the proposed development have changed. As a result of this evaluation, the following determination has been made:

<input type="checkbox"/>	I find that although the proposed project could have a significant effect on the environment, NO NEW ENVIRONMENTAL DOCUMENTATION IS REQUIRED PRIOR TO APPROVAL OF THE EXTENSION OF TIME, because all potentially significant effects (a) have been adequately analyzed in an earlier EIR or Negative Declaration pursuant to applicable legal standards and (b) have been avoided or mitigated pursuant to that earlier EIR or Negative Declaration and the project's original conditions of approval.
<input checked="" type="checkbox"/>	I find that although the proposed project could have a significant effect on the environment, and there are one or more potentially significant environmental changes or other changes to the circumstances under which the project is undertaken, NO NEW ENVIRONMENTAL DOCUMENTATION IS REQUIRED PRIOR TO APPROVAL OF THE EXTENSION OF TIME, because all potentially significant effects (a) have been adequately analyzed in an earlier EIR or Negative Declaration pursuant to applicable legal standards and (b) have been avoided or mitigated pursuant to that earlier EIR or Negative Declaration and revisions to the project's original conditions of approval which have been made and agreed to by the project proponent.
<input type="checkbox"/>	I find that there are one or more potentially significant environmental changes or other changes to the circumstances under which the project is undertaken, which the project's original conditions of approval may not address, and for which additional required mitigation measures and/or conditions of approval cannot be determined at this time. Therefore, AN ENVIRONMENTAL ASSESSMENT/INITIAL STUDY IS REQUIRED in order to determine what additional mitigation measures and/or conditions of approval, if any, may be needed, and whether or not at least one of the conditions described in California Code of Regulations, Section 15162 (necessitating a Supplemental or Subsequent E.I.R.) exist. Additionally, the environmental assessment/initial study shall be used to determine WHETHER OR NOT THE EXTENSION OF TIME SHOULD BE RECOMMENDED FOR APPROVAL.
<input type="checkbox"/>	I find that the original project was determined to be exempt from CEQA, and the proposed project will not have a significant effect on the environment, therefore NO NEW ENVIRONMENTAL DOCUMENTATION IS REQUIRED PRIOR TO APPROVAL OF THE EXTENSION OF TIME.

Signature:   
Raymond Juarez, Project Planner

Date: 3/30/10  
For Ron Goldman, Planning Director

## Griffin, Chantell

---

**From:** Kim Berry [krb1013@cox.net]  
**Sent:** Tuesday, March 30, 2010 1:35 PM  
**To:** Griffin, Chantell; Simmons, Kristina  
**Subject:** COA tract 31314

Hello Chantell and Kristina,

Please be advise that I have accepted your COA that you have placed on the subject property, if you have any questions please give me a call.

Please let me know that you are proceeding with time extension..

Thank you,

Kim

Kim Berry  
949-433-5610

ACT MAP Tract #: TR31314

Parcel: 943-180-003

10. GENERAL CONDITIONS

PLANNING DEPARTMENT

10.PLANNING. 16

MAP - LC LANDSCAPE REQUIREMENT

RECOMMND

The developer/ permit holder shall:

- 1)Ensure all landscape and irrigation plans are in conformance with the APPROVED EXHIBITS;
- 2)Ensure all landscaping is provided with California Friendly landscaping and a weather based irrigation controller(s) as defined by County Ordinance No. 859;
- 3)Ensure that irrigation plans which may use reclaimed water conform with the requirements of the local water purveyor; and,
- 4)Be responsible for maintenance, viability and upkeep of all slopes, landscaped areas, and irrigation systems until the successful completion of the twelve (12) month inspection or those operations become the responsibility of the individual property owner(s), a property owner's association, or any other successor-in-interest, whichever occurs later.

To ensure ongoing maintenance, the developer/ permit holder or any successor in interest shall:

- 1)Connect to a reclaimed water supply for landscape irrigation purposes when reclaimed water is made available.
  - 2)Ensure that landscaping, irrigation and maintenance systems comply with the Riverside County Guide to California Friendly Landscaping, and Ordinance No. 859.
  - 3)Ensure that all landscaping is healthy, free of weeds, disease and pests.
- EOT2

10.PLANNING. 17

GEN - IF HUMAN REMAINS EOT2

RECOMMND

The developer/permit holder or any successor in interest shall comply with the following codes for the life of this project:

If human remains are encountered, State Health and Safety Code Section 7050.5 states that no further disturbance



ACT MAP Tract #: TR31314

Parcel: 943-180-003

10. GENERAL CONDITIONS

10.PLANNING. 17

GEN - IF HUMAN REMAINS EOT2 (cont.)

RECOMMND

shall occur until the County Coroner has made the necessary findings as to origin. Further, pursuant to Public Resources Code Section 5097.98 (b), remains shall be left in place and free from disturbance until a final decision as to the treatment and their disposition has been made. If the Riverside County Coroner determines the remains to be Native American, the Native American Heritage Commission shall be contacted within the period specified by law. Subsequently, the Native American Heritage Commission shall identify the "Most Likely Descendant." The Most Likely Descendant shall then make recommendations and engage in consultation with the County and the property owner concerning the treatment of the remains as provided in Public Resources Code Section 5097.98. Human remains from other ethnic/cultural groups with recognized historical associations to the project area shall also be subject to consultation between appropriate representatives from that group and the County Planning /Director.

10.PLANNING. 18

GEN - INADVERTANT ARCHAEO EOT2

RECOMMND

The developer/permit holder or any successor in interest shall comply with the following for the life of this project:

If during ground disturbance activities, cultural resources are discovered that were not assessed by the archaeological reports and/or environmental assessment conducted prior to project approval, the following procedures shall be followed. A cultural resources site is defined, for this condition, as being three or more artifacts in close association with each other, but may include fewer artifacts if the area of the find is determined to be of significance due to its sacred or cultural importance.

1.All ground disturbance activities within 100 feet of the discovered cultural resource shall be halted until a meeting is convened between the developer, the project archaeologist, the Native American tribal representative (or other appropriate ethnic/cultural group representative), and the Planning Director to discuss the significance of the find.

2.At the meeting, the significance of the discoveries shall be discussed and after consultation with the Native American tribal (or other appropriate ethnic/cultural group

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Riverside County LMS  
CONDITIONS OF APPROVAL

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ACT MAP Tract #: TR31314

Parcel: 943-180-003

10. GENERAL CONDITIONS

10.PLANNING. 18

GEN - INADVERTANT ARCHAEO EOT2 (cont.)

RECOMMND

representative) and the archaeologist, a decision is made, with the concurrence of the Planning Director, as to the appropriate mitigation (documentation, recovery, avoidance, etc) for the cultural resource.

3.Further ground disturbance shall not resume within the area of the discovery until an agreement has been reached by all parties as to the appropriate preservation or mitigation measures.

50. PRIOR TO MAP RECORDATION

PLANNING DEPARTMENT

50.PLANNING. 33

MAP - LC LNDSCP COMMN AREA MNT

RECOMMND

Prior to map recordation, the developer/permit holder shall submit Covenants, Conditions, and Restrictions (CC&R) to the Riverside County Counsel for review along with the required fees set forth by the Riverside County Fee Schedule.

For purposes of landscaping and maintenance, the following minimum elements shall be incorporated into the CC&R's:

1)Permanent public, quasi-public or private maintenance organization shall be established for proper management of the water efficient landscape and irrigation systems. Any agreements with the maintenance organization shall stipulate that maintenance of landscaped areas will occur in accordance with Ordinance No. 859 (as adopted and any amendments thereto) and the County of Riverside Guide to California Friendly Landscaping.

2)The CC&R's shall prohibit the use of water-intensive landscaping and require the use of low water use landscaping pursuant to the provisions of Ordinance No. 859 (as adopted and any amendments thereto).

3)The common maintenance areas shall include all those identified on the approved landscape maintenance exhibit.

The Planning Department shall clear this condition once a copy of the County Counsel approved CC&R's has been submitted to the Planning Department.  
EOT2

ACT MAP Tract #: TR31314

Parcel: 943-180-003

80. PRIOR TO BLDG PRMT ISSUANCE

PLANNING DEPARTMENT

80.PLANNING. 25

MAP - LC LANDSCAPE PLOT PLAN

RECOMMND

Prior to issuance of building permits, the developer/permit holder shall file a Landscaping Minor Plot Plan Application to the Riverside County Planning Department for review and approval along with the current fee. The landscaping plans shall be in conformance with the APPROVED EXHIBITS; in compliance with Ordinance No. 348, Section 18.12; Ordinance No. 859; and, be prepared consistent with the County of Riverside Guide to California Friendly Landscaping.

At minimum, plans shall include the following components:  
1) Landscape and irrigation working drawings "stamped" by a California certified landscape architect;

2) Weather based controllers and necessary components to eliminate water waste;

3) A copy of the "stamped" approved grading plans; and,

4) Emphasis on native and drought tolerant species.

When applicable, plans shall include the following components:

1) Identification of all common/open space areas;

2) Natural open space areas and those regulated/conserved by the prevailing MSHCP;

3) Shading plans for projects that include parking lots/areas;

4) The use of canopy trees (24" box or greater) within the parking areas;

5) Landscaping plans for slopes exceeding 3 feet in height;

6) Landscaping and irrigation plans associated with entry monuments. All monument locations and dimensions shall be provided on the plan; and/or,

7) If this is a phased development, then a copy of the approved phasing plan shall be submitted for reference.

NOTE:

1) Landscaping plans for areas within the road right-of-way

ACT MAP Tract #: TR31314

Parcel: 943-180-003

80. PRIOR TO BLDG PRMT ISSUANCE

80.PLANNING. 25

MAP - LC LANDSCAPE PLOT PLAN (cont.)

RECOMMND

shall be submitted for review and approval by the Transportation Department only. The Planning Department shall not approve landscape plans within the Road Right-of-Way.

2)When the Landscaping Plot Plan is located within a special district such as Valley-Wide Recreation and Park District, Jurupa Community Services District, Coachella Valley Water District, a County Service Area (CSA) or other maintenance district, the developer/permit holder shall submit plans for review to the appropriate special district for simultaneous review. The permit holder shall show evidence to the Planning Department that the subject District has approved said plans.

As part of the plan check review process and request for condition clearance, the developer/permit holder shall show proof of the approved landscaping plot plan by providing the Plot Plan number. The planning department shall verify the landscape route is approved and the Plot Plan is in TENTAPPR status. Upon verification of compliance with this condition and the APPROVED EXHIBITS, the Planning Department shall clear this condition.

EOT2

80.PLANNING. 26

MAP - LC LANDSCAPE SECURITIES

RECOMMND

Prior to the issuance of building permits, the developer/permit holder shall submit an estimate to replace plantings, irrigation systems, ornamental landscape elements, walls and/or fences, in amounts to be approved by the Riverside County Planning Department, Landscape Division. Once the Planning Department has approved the estimate, the developer/permit holder shall submit the estimate to the Riverside County Department of Building and Safety who will then provide the developer/permit holder with the requisite forms. The required forms shall be completed and submitted to Building and Safety for processing and review in conjunction with County Counsel. Upon determination of compliance, the Department of Building and Safety shall clear this condition.

NOTE:

A cash security shall be required when the estimated cost is \$2,500.00 or less. It is highly encouraged to allow adequate time to ensure that securities are in place. The

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Riverside County LMS  
CONDITIONS OF APPROVAL

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CT MAP Tract #: TR31314

Parcel: 943-180-003

80. PRIOR TO BLDG PRMT ISSUANCE

80.PLANNING. 26

MAP - LC LANDSCAPE SECURITIES (cont.)

RECOMMND

performance security shall be released following a successful completion of the One Year Post-Establishment Inspection, and the inspection report confirms that the planting and irrigation components are thriving and in good working order consistent with the approved landscaping plans.

EOT2

90. PRIOR TO BLDG FINAL INSPECTION

PLANNING DEPARTMENT

90.PLANNING. 14

MAP - LC LNDSCP INSPECT DEPOST

RECOMMND

Prior to building permit final inspection, the developer/permit holder shall file an Inspection Request Form and deposit sufficient funds to cover the costs of the Pre-Installation, the Installation, and One Year Post-Establishment landscape inspections. In the event that an open landscape case is not available, then the applicant shall open a FEE ONLY case to conduct inspections. The deposit required for landscape inspections shall be determined by the Riverside County Landscape Division. The Planning Department shall clear this condition upon determination of compliance.

EOT2

90.PLANNING. 15

MAP - LC INSPECTION REQUIREMEN

RECOMMND

The permit holder's landscape architect responsible for preparing the Landscaping and Irrigation Plans (or on-site representative) shall arrange for a PRE-INSTALLATION INSPECTION with the Planning Department at least five (5) working days prior to the installation of any landscape or irrigation components.

Upon successful completion of the PRE-INSTALLATION INSPECTION, the applicant will proceed with the installation of the approved landscape and irrigation system and arrange for an INSTALLATION INSPECTION at least five 5 working days prior to the building final inspection or issuance of occupancy permit, whichever occurs first and comply with the Planning Department's Milestone 80 conditions entitled "USE-LANDSCAPING SECURITY" and the Milestone 90 condition entitled "LANDSCAPE INSPECTION DEPOSIT." Upon successful completion of the INSTALLATION

04/05/10  
14:41

Riverside County LMS  
CONDITIONS OF APPROVAL

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.CT MAP Tract #: TR31314

Parcel: 943-180-003

90. PRIOR TO BLDG FINAL INSPECTION

90.PLANNING. 15                      MAP - LC INSPECTION REQUIREMEN (cont.)                      RECOMMND

INSPECTION, the County Planning Department's Landscape Inspector and the permit holder's landscape architect (or on-site representative) shall execute a Landscape Certificate of Completion that shall be submitted to the Planning Department and the Department of Building and Safety. The Planning Department shall clear this condition upon determination of compliance. EOT2

90.PLANNING. 16                      MAP - LC COMPLY W/ LNDSCP/ IRR                      RECOMMND

The developer/permit holder shall coordinate with their designated landscape representative and the Riverside County Planning Department's landscape inspector to ensure all landscape planting and irrigation systems have been installed in accordance with APPROVED EXHIBITS, landscaping, irrigation, and shading plans. The Planning Department will ensure that all landscaping is healthy, free of weeds, disease and pests; and, irrigation systems are properly constructed and determined to be in good working order. The developer/permit holder's designated landscape representative and the Riverside County Planning Department's landscape inspector shall determine compliance with this condition and execute a Landscape Certificate of Completion. Upon determination of compliance, the Planning Department shall clear this condition.  
EOT2

**LAND DEVELOPMENT COMMITTEE**  
**INITIAL CASE TRANSMITTAL**  
**RIVERSIDE COUNTY PLANNING DEPARTMENT - RIVERSIDE**  
**P.O. Box 1409**  
**Riverside, CA 92502-1409**

DATE: February 25, 2010

**TO:**

Transportation Dept.  
Environmental Health Dept.  
Flood Control District  
Fire Department  
Dept. of Bldg. & Safety (Grading)

Regional Parks & Open Space District  
Co. Geologist  
Environmental Programs Dept.  
P.D. Trails Coordinator – J. Jolliffe  
P.D. Landscaping Section - Kristi Lovelady

**TENTATIVE TRACT MAP NO. 31314** - Applicant: Kim Berry - Third Supervisorial District - Rancho California Zoning Area - Southwest Area Plan: Rural Community: Estate Density Residential (RC-EDR) (2-Ac. Min.) - Location: Northerly of Vino Way, westerly of Anza Road, southerly of Buck Road and easterly of Calle Cabernet – 52.34 Acres - Zoning: Residential Agriculture - 2 Acre Minimum (R-A-2) Approved Project Description - Schedule C subdivision of 52.34 acres into 19 residential lots, with a minimum lot size of two and a half acres - **REQUEST: EXTENSION OF TIME TO June 8, 2009 - SECOND EXTENSION.**

Please review the attached information, together with your existing records for the above-described project. This extension request is being placed on the **September 30, 2009 LDC Comment Agenda** in order to establish a deadline for review and comment. All County Agencies and Departments are to have completed their review prior to the above referenced LDC Comment date. Failure to complete the review and/or provide comments within the indicated time frame will result in a presumption that the affected Agency/Department has no comment, and the extension request will be moved forward to the Planning Commission based on that presumption.

If, it is determined necessary, that in order to maintain conformance with the County General Plan, and/or ensure that the project does not adversely affect the general health, safety and welfare of the public, each LDC Agency or Department may prepare recommended conditions of approval and place them in the County's Land Management System for the affected project.

**LDC MEMBERS ARE ENCOURAGED TO DIFFERENCIATE THOSE CONDITIONS ADDED AS PART OF THE EXTENSION BY ADDING A REFERENCE IN THE CONDITION TITLE AND/OR BODY OF THE CONDITION (ie. "EOT 1, EOT 2)**

Each LDC Agency or Department who does so must then provide documentation to the Planning Department justifying the application of said conditions. Any such conditions, and their justification, will be presented to the Advisory Agency for their consideration as part of their action relative to the extension of time request.

If any LDC Agency or Department finds that the project, as approved, cannot be found to be in conformance with the General Plan and/or finds the project adversely affects the general health, safety and welfare of the public without the processing and approval of a Minor Change or Revised Map to the Approved Map, said Agency or Department must provide to the Planning such a recommendation and provide details as to what issues such an application must address.

Should you have any questions regarding this item, please do not hesitate to contact Chantell Griffin, Planning Commission Secretary, at (951) 955-3251 or email at [cgriffin@RCTLMA.org](mailto:cgriffin@RCTLMA.org)/ **MAILSTOP# 1070**.

**COUNTY OF RIVERSIDE**  
**TRANSPORTATION AND LAND MANAGEMENT AGENCY**  
**Planning Department**  
*Ron Goldman · Planning Director*



**APPLICATION FOR EXTENSION OF TIME**

THIS APPLICATION MUST BE ACCOMPANIED BY APPROPRIATE FILING FEES

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.

**APPLICATION INFORMATION**

CASE NUMBER: Tract 31314 DATE SUBMITTED: 5/25/09

Assessor's Parcel Number(s): Tract 31314 APA 943-180-004-3

EXTENSION REQUEST ☐ First ☒ Second ☒ ~~Third~~ ☐ Fourth ☐ Fifth

*Phased Final Map* \_\_\_\_\_ *Attach evidence of public improvement or financing expenditures.*

NOTE: Land divisions may obtain a maximum of five 1-year extensions of time. Conditional Use Permits and Public Use Permits may obtain extensions of time only to the extent that the period in which to begin substantial construction does not exceed a maximum of three years from the original decision date. Plot Plans may obtain extensions of time only to the extent that the period in which to begin substantial construction does not exceed a maximum of five years from the original decision date. Variances may obtain extensions of time only to the extent that the period in which the variance is to be used does not exceed a maximum of three years from the original decision date, except that a variance in connection with a land division may be used during the same period of time that the land division may be used.

Date of Original Approval: 6/8/04

Applicant's Name: Kim Berry E-Mail: Kberry@dfckc.com

Mailing Address: 7 Upper Newport Plaza  
Newport Beach ca 92660  
City State ZIP

Daytime Phone No: ( 949 ) 851-8375 Fax No: ( \_\_\_\_\_ ) \_\_\_\_\_

Property Owner's Name: Virtual Realty Enterprises LLC E-Mail: hwarshaw@vrellc.com

Mailing Address: 100 S. Brentwood Blvd. Ste 240  
Saint Louis Mo 63105-1635  
City State ZIP

Daytime Phone No: ( 314 ) 244-3501 Fax No: ( 314 ) 244-3511

If the property is owned by more than one person, attach a separate page that reference the application case number and lists the names, mailing addresses, and phone numbers of all persons having an interest in the real property or properties involved in this application.

Riverside Office · 4080 Lemon Street, 9th Floor  
P.O. Box 1409, Riverside, California 92502-1409  
(951) 955-3200 · Fax (951) 955-3157

Desert Office · 38686 El Cerrito Road  
Palm Desert, California 92211  
(760) 863-8277 · Fax (760) 863-7555

Murrieta Office · 39493 Los Alamos Road  
Murrieta, California 92563  
· Fax (951) 600-6145



## **APPLICATION FOR EXTENSION OF TIME**

The Planning Department will primarily direct communications regarding this application to the person identified above as the Applicant. The Applicant may be the property owner, representative, or other assigned agent.

*All approvals of extension of time must be consistent with the pertinent elements of the Riverside County General Plan, the Riverside County Land Use Ordinance (Ordinance No. 348), and the Multiple Species Habitat Conservation Plan (MSHCP).*

*An extension of time for a land division based on the filing of a phased final map shall not be granted unless the Planning Department determines that the requisite funds have been expanded to construct, improve, or finance the construction of public improvements outside the boundaries of the land division. Any other extension of time for a land division shall not be granted unless the land division conforms to the Comprehensive General Plan, is consistent with existing zoning, conforms to the currently applicable schedule of improvements specified by the Riverside County Land Division Ordinance (Ordinance No. 348) and does not affect the general health, safety, and welfare of the public. If required to bring the subject land division into conformance with current general plan, Ordinance No. 460 and public health, safety, and welfare requirements, additional conditions of approval may be imposed upon approval of an extension of time request.*

I hereby request an extension of time for the above referenced project, and I acknowledge that if the basis for extension is something other than the filing of a phased final map, additional conditions of approval may be imposed upon approval of the extension of time and that I may refuse to accept additional conditions of approval only in writing prior to action by the Planning Director, or in writing or in person prior to action by the Planning Commission.

Kim Berry

PRINTED NAME OF APPLICANT

  
SIGNATURE OF APPLICANT

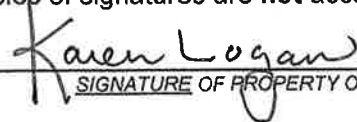
### **AUTHORITY FOR THIS APPLICATION IS HEREBY GIVEN:**

I certify that I am/we are the record owner(s) or authorized agent and that the information filed is true and correct to the best of my knowledge. An authorized agent must submit a letter from the owner(s) indicating authority to sign the application on the owner's behalf.

All signatures must be originals ("wet-signed"). Photocopies of signatures are **not** acceptable.

Karen Logan

PRINTED NAME OF PROPERTY OWNER(S)

  
SIGNATURE OF PROPERTY OWNER(S)

PRINTED NAME OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

If the subject property is owned by persons who have not signed as owners above, attach a separate sheet that references the application case number and lists the printed names and signatures of all persons having an interest in the property.

RESOLUTION

AT

COUNTRY ESTATE HOMES, L.L.C.

On March 7, 2007, at Newport Beach, California, the Board of Directors approved and ratified the following:

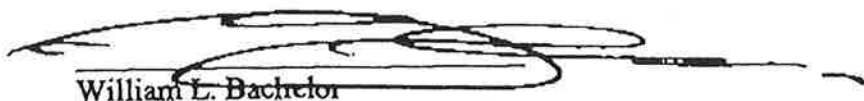
RESOLVED that James C. Gianulias, has certain rights and powers to execute on behalf of Country Estate Homes, L.L.C for Tract 31314, any and all applications (including Minor Change Application), subdivision improvements agreements and surety bonds (including extension of time and one-year maintenance agreements) as necessary within the county of Riverside.

FURTHER RESOLVED that Kim Berry is authorized representative for submitting any necessary documents to the County of Riverside that relate to the subdivision and development of Country Estate Homes, L.L.C for Tract 31314

Approved this 7<sup>th</sup> day of March, 2007


Country Estate Homes, L.L.C  
A California limited liability company

By:



William L. Bachelor  
Its: Managing member

By:



James C. Gianulias  
Its: Member

## OPERATING AGREEMENT OF COUNTRY ESTATES HOMES, L.L.C.

This Operating Agreement ("Agreement") is entered into as of February 1, 2006 by James Chris Gianulias, Trustee of the James Chris Gianulias Trust dated October 14, 2003 (AGianulias@) and William L. Bachelor, Trustee of the Bachelor Family Trust dated July 11, 2001 (ABachelor@) (referred to individually as a "Member" and collectively as the "Members").

A. James C. Gianulias, William L. Bachelor and Dennis Harrah formed a limited liability company named Wine Country, LLC ("Company") under the Beverly Hills Limited Liability Company Act ("Act") (California Corporations Code sections 17000-17705) by filing Articles of Organization with the California Secretary of State on February 5, 2003 and entering into the Operating Agreement of Wine Country, LLC dated as of February 4, 2003 (the "Original Operating Agreement").

B. The name of the Company was changed to Country Estates Homes, L.L.C. pursuant to a Limited Liability Company Certificate of Amendment filed with the California Secretary of State on December 18, 2003.

C. On November 11, 2005, James C. Gianulias assigned his Membership Interest to himself as Trustee of the James Chris Gianulias Trust dated October 14, 2003; Bachelor purchased the entire Membership Interest of Dennis Harrah on January 31, 2006; on February 1, 2006, William L. Bachelor assigned his Membership Interest to himself as Trustee of the Bachelor Family Trust dated July 11, 2001; and the current Members desire to further revise the Original Operating Agreement.

D. Accordingly, the current Members now enter into this Operating Agreement in order to reflect such changes and to provide for the further governance of the Company and the conduct of its business and to specify their relative rights and obligations. This Agreement supersedes and replaces the Original Operating Agreement in its entirety.

NOW THEREFORE, the Members hereby agree as follows:

1. CERTAIN DEFINITIONS. The following capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement and when not so defined shall have the meanings set forth in California Corporations Code section 17001.

1.1 "Majority in Interest" means a Member or Members whose Membership Interests represent more than 50 percent of the Membership Interests of all the Members.

1.2 "Members" (individually, "Member") means the persons named in the first paragraph of this Agreement and any person who otherwise acquires a Membership Interest, as permitted under this Agreement.

1.3 "Membership Interest" means, for each Member, all of the Member's rights and obligations with respect to the Member's interest in the Company. The amount of each Member's Membership Interest, relative to the Membership Interests of all Members, is expressed as a percentage on Exhibit "B" attached to this Agreement.

2. ARTICLES OF ORGANIZATION. The Manager filed Articles of Organization (AArticles@) for the Company with the California Secretary of State on February 5, 2003. The Articles were amended by a Limited Liability Company Certificate of Amendment filed with the California Secretary of State on December 18, 2003, a copy of which is attached to this Agreement as Exhibit "A". The Articles, as amended, are hereby approved, ratified and confirmed by the Members.

2.1 The name of the Company is Country Estates Homes, L.L.C..

2.2 The principal executive office of the Company is at 1105 Quail Street, Newport Beach, California 92660, or such other place or places as may be determined by the Manager from time to time.

2.3 The agent for service of process on the Company is Bachelor. The Manager may from time to time change the Company's agent for service of process.

2.4 Business of the Company. Notwithstanding the purpose of the Company which is described in the Articles, the Company shall not engage in any business other than the business of real estate investment and development without the consent of all of the Members.

2.5 The term of existence of the Company commenced on the date of filing the Articles with the California Secretary of State, and shall continue until February 4, 2051, unless sooner terminated by the provisions of this Agreement or as provided by law.

2.6 Names and Addresses of Members. The names and addresses of the Members are as set forth in Exhibit AB@.

2.7 The name and business address of the **Manager** is: William L. Bachelor, 25050 Madison Avenue, Murrieta, California 92562.

### 3. CAPITALIZATION.

3.1 "**Capital Contribution**" of a Member means the amount of money and the Fair Market Value of any property (other than money) contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take "subject to" under IRC section 752). "**Fair Market Value**" means, with respect to any item of property of the Company, the item's adjusted basis for federal income tax purposes, except as follows:

(a) The Fair Market Value of any property contributed by a Member to the Company shall be the value of such property, as mutually agreed by the contributing Member and the Company;

(b) The Fair Market Value of any item of Company property distributed to any Member shall be the value of such item of property on the date of distribution, as mutually agreed by the distributee Member and the Company; and

(c) Fair Market Value for purposes of Subsection 8.7 shall be as determined under that Subsection.

Each Member shall contribute to the capital of the Company as the Member's Capital Contribution the money and property specified in Exhibit "B" to this Agreement. A Capital Contribution shall not be deemed a loan. The Members anticipate that Gianulias will provide necessary working capital to the Company, and that Bachelor will provide services to the Company; however, unless otherwise agreed in writing by all Members, no Member shall be required to make any Capital Contribution in excess of the Member's Required Capital Contribution set forth in Exhibit "B", or to guarantee any loan.

3.2 If a Member fails to make a required Capital Contribution within 30 days after the effective date of this Agreement, that Member's entire Membership Interest shall terminate and that Member shall indemnify and hold the Company and the other Members harmless from any loss, cost, or expense, including reasonable attorneys' fees caused by the failure to make such Capital Contribution.

3.3 An individual Capital Account shall be maintained for each Member consisting of that Member's Capital Contribution, (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses, and (3) adjusted as required in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended,

("Code") and Regulations. "Regulations" means the income tax regulations promulgated by the United States Department of the Treasury for the purpose of interpreting and applying the provisions of the Code, as they may be amended from time to time, including corresponding provisions of applicable successor regulations.

3.4 A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property from the Company except as provided in this Agreement.

3.5 No interest shall be paid on funds or property contributed to the capital of the Company or on the balance in a Member's Capital Account.

3.6 A Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

3.7 No Member shall have priority over any other Member, with respect to the return of a Capital Contribution, or distributions or allocations of income, gain, losses, deductions, credits, or items thereof.

#### 4. ALLOCATIONS AND DISTRIBUTIONS.

4.1. Profits and Losses. "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code section 703(a). The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to a Member in accordance with the Member's Membership Interest.

4.2. If any Member unexpectedly receives any adjustment, allocation, or distribution described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company gross income and gain shall be specially allocated to that Member in an amount and manner sufficient to eliminate any deficit balance in the Member's Capital Account created by such adjustment, allocation, or distribution as quickly as possible. Any special allocation under this subsection shall be taken into account in computing subsequent allocations of Profits and Losses so that the net amount of allocations of income and loss and all other items shall, to the extent possible, be equal to the net amount that would have been allocated if the unexpected adjustment, allocation, or distribution had not occurred. The provisions of this subsection and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with

Regulations sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

4.3. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to all the Members shall be deemed to be Profits or Losses realized by the Company immediately prior to the distribution of the property and such Profits or Losses shall be allocated to the Members' Capital Accounts in the same proportions as Profits are allocated under the subsection entitled Profits and Losses above. Any property so distributed shall be treated as a distribution to the Members to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing contained in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this subsection, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

4.4. "Economic Interest" means a person's right to share in the income, gains, losses, deductions, credit or similar items of, and to receive distributions from, the Company, but does not include any other rights of a Member, including the right to vote or to participate in management. In the case of a Transfer of an Economic Interest during any fiscal year, the assigning Member ("Assigning Member") and the assignee ("Assignee") shall each be allocated the Economic Interest's share of Profits or Losses based on the number of days each held the Economic Interest during that fiscal year. "Transfer" means, with respect to a Membership Interest, or any element of a Membership Interest, any sale, assignment, gift, Involuntary Transfer, or other disposition of a Membership Interest or any element of such a Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement. "Involuntary Transfer" means, with respect to any Membership Interest, or any element thereof, any Transfer or Encumbrance (as defined in the Section entitled Transfers of Membership Interests), whether by operation of law, pursuant to court order, foreclosure of a security interest, execution of a judgment or other legal process, or otherwise, including a purported transfer to or from a trustee in bankruptcy, receiver, or assignee for the benefit of creditors.

4.5. "Capital Event" means a sale or disposition of any of the Company's capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a similar event with respect to Company property or assets. "Available Cash" means all net revenues from the Company's operations, including net proceeds from all sales, refinancings, and other dispositions of Company property that the Manager, in its sole discretion, deems in excess of the amount reasonably necessary for operating the Company, including debt reduction and reserves for repairs, replacements, improvements and contingencies. All

Available Cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed at such times as the Manager shall determine.

4.6 If the proceeds from a sale or other disposition of a Company asset consist of property other than cash, the value of such property shall be as determined by the Manager. Such non-cash proceeds shall then be allocated among all the Members in the same manner as distribution of Available Cash.

#### 4.7 Distribution of Available Cash and Other Assets by the Company.

4.7.1 All Available Cash resulting from the normal business operations of the Company and from Capital Events shall be distributed first to the Members in proportion to, and in reduction of, their unreturned capital contributions until each Member has recovered his entire capital contribution, and then among the Members in proportion to their Membership Interests.

4.7.2 Notwithstanding anything to the contrary in Section 4.7.1 above, the Manager shall distribute Available Cash from the normal business operations of the Company and from Capital Events to each Member in an amount sufficient to pay the federal and state income tax on the Profit allocated to them pursuant to Section 4.1 to provide cash for such Members to pay taxes on the profit so allocated and not yet distributed ("Tax Distributions"). Tax Distributions shall be made at such time as to enable the Members to satisfy their federal and state estimated and year end tax payment obligations; provided, however, Tax Distributions shall only be made to the extent that cumulative distributions under Section 4.7.1 above are less than such highest federal and state income tax rate multiplied by the cumulative allocations of Profit pursuant to Section 4.1. Any amount distributed to a Member pursuant to this Section 4.7.2 shall be treated as an advance against other distributions to which the Member is entitled and shall be credited against and subtracted from the other distributions to which such Member is entitled, which subtraction shall be from the next distribution to which the Member is entitled and if any creditable amount remains thereafter, from the next immediate distribution until no further credit remains. Any amount credited to a distribution pursuant to the foregoing sentence shall be deemed distributed for purposes of the distribution against which is credited, including for purposes of determining a Member's unreturned Capital Contribution.

4.8. Final Allocations and Distributions. Notwithstanding any other provisions of this Agreement to the contrary, when there is a distribution in liquidation of the Company, or when any Member's interest is liquidated, all items of income and loss first shall be allocated to the Members' Capital Accounts under this Section, and other credits and deductions to the Members' Capital Accounts shall be made before the final distribution is made. The final



distribution to the Members shall be made to the Members to the extent of and in proportion to their positive Capital Account balances.

## 5. MANAGEMENT.

5.1. The business of the Company shall be managed by the Manager. Unless otherwise provided in this Agreement, all decisions concerning the management of the Company's business shall be made by the Manager.

5.2 The Manager shall serve until the earlier of, (i) the Manager's resignation, death or disability, or (ii) five (5) years after the date of this Agreement. A new Manager may be appointed by a Majority in Interest on the occurrence of either of the foregoing.

5.3. The Manager shall have the duties set forth in this Section above. Notwithstanding this, the Manager shall not take any of the following actions on behalf of the Company unless a Majority in Interest has consented to the taking of such action.

(a) Any act that would make it impossible to carry on the ordinary business of the Company;

(b) Confession of a judgement against the Company;

(c) Dissolution of the Company;

(d) Disposition of all or a substantial part of the Company's assets not in the ordinary course of business;

(e) Incurring any debt;

(f) Incurring any contractual obligation or making any capital expenditure in the amount of more than \$ 10,000.

(g) Filing a petition in bankruptcy or entering into an arrangement among creditors; and

(h) Entering into any transaction constituting a "reorganization" within the meaning of Corporations Code 17600.

5.4 The Manager need not be a Member. A Majority in Interest may provide for officers of the Company and for their election, and may establish and alter the powers, duties, and compensation of the officers.

5.5 It is acknowledged that the Manager has other business interests. The Manager shall devote such time to the conduct of the business of the Company as the Manager, in the Manager's good faith and discretion, deems necessary.

5.6 The Manager shall be entitled to reimbursement of all expenses reasonably incurred by the Manager in the performance of the Manager's duties.

5.7 All assets of the Company, whether real or personal, shall be held in the name of the Company. All funds of the Company shall be deposited in one or more accounts with one or more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Manager. Withdrawal from such accounts shall require the signature of the Manager, or such person or persons as the Manager may designate.

## 6. ACCOUNTS AND RECORDS.

6.1 Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office and shall be open to inspection and copying by each Member or the Member's authorized representatives on reasonable notice during normal business hours. The costs of such inspection and copying shall be borne by the Member.

6.2 Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company for federal income tax purposes. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.

6.3 At all times during the term of existence of the Company, and beyond that term if a Majority in Interest deem it necessary, the Manager shall keep or cause to be kept the books of account referred to in Subsection 6.2, and the following:

(a) A current list of the full name and last known business or residence address of each Member, together with the Capital Contribution and the share in Profits and Losses of each Member;

(b) A copy of the Articles of Organization, as amended;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

- (d) Executed counterparts of this Agreement, as amended;
- (e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;
- (f) Financial statements of the Company for the six most recent fiscal years; and
- (g) The books and records of the Company as they relate to the Company's internal affairs for the current and past four fiscal years.

6.4 Within 90 days after the end of each taxable year of the Company the Manager shall send to each of the Members all information necessary for the Members to complete their federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

## 7. MEMBERS AND VOTING.

7.1. There shall be only one class of membership and no Member shall have any rights or preferences in addition to or different from those possessed by any other Member. Each Member shall vote in proportion to the Member's Membership Interest as of the governing record date, determined in accordance with the Subsection below entitled "Record Date". "Vote" means a written consent or approval, a ballot cast at a Meeting, or a voice vote. Any action that may or that must be taken by the Members shall be by a Majority in Interest, except that the following actions shall each require the unanimous vote of the Members:

- (a) transfer of a Membership Interest and admission of the Assignee as a Member in the Company;
- (b) approval of the Encumbrance of any Membership Interest;
- (c) any amendment of the Articles of Organization or this Agreement;
- (d) compromise of the obligation of a Member to make a Capital Contribution; or,
- (e) changing the nature of the principal business of the Company;

7.2 The Members are not required to hold meetings. In the event that Members wish to hold a formal meeting ("Meeting") for any reason, the following procedures shall apply:

(1) Any Member may call a Meeting of the Members by giving notice of the time and place of the Meeting at least 48 hours prior to the time of the holding of the Meeting. The notice need not specify the purpose of the Meeting, or the location if the Meeting is to be held at the principal executive office of the Company.

(2) A Majority in Interest shall constitute a quorum for the transaction of business at any Meeting of the Members.

(3) The transactions of the Members at any Meeting, however called or noticed, or wherever held, shall be as valid as though transacted at a Meeting duly held after call and notice if a quorum is present and if, either before or after the Meeting, each Member not present signs a written waiver of notice, a consent to the holding of the Meeting, or an approval of the minutes of the Meeting.

(4) Members may participate in the Meeting through the use of a conference telephone or similar communications equipment, provided that all Members participating in the Meeting can hear one another.

(5) Any action required or permitted to be taken by the Members under this Agreement may be taken without a Meeting if a Majority in Interest individually or collectively consent in writing to such action.

(6) The Manager shall keep or cause to be kept with the books and records of the Company full and accurate minutes of all Meetings, notices, and waivers of notices of Meetings, and all written consents in lieu of Meetings.

7.3 Record Date. The record date for determining the Members entitled to notice of any Meeting, to vote, to receive any distribution, or to exercise any right in respect of any other lawful action, shall be the date set by the Manager, provided that such record date shall not be more than 60, nor less than 10 days prior to the date of the Meeting, nor more than 60 days prior to any other action.

In the absence of any action setting a record date the record date shall be determined in accordance with California Corporations Code section 17104(k).

7.4 At all Meetings of Members, a Member may Vote in person or by Proxy. Such Proxy shall be filed with any Member before or at the time of the Meeting, and may be filed by facsimile transmission to a Member at the principal executive office of the Company or such other address as may be given by a Majority in Interest to the Members for such

purposes. "Proxy" has the meaning set forth in the first paragraph of California Corporations Code section 17001(ai). A Proxy may not be transmitted orally.

## 8. TRANSFERS OF MEMBERSHIP INTERESTS.

8.1 Withdrawal of a Member. A Member may withdraw from the Company at any time by giving notice of withdrawal to the Manager and all other Members at least 180 calendar days before the effective date of withdrawal. Withdrawal shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred before the effective date of withdrawal. A withdrawing Member shall divest the Member's entire Membership Interest before the effective date of withdrawal in accordance with the transfer restrictions and option rights set forth below.

8.2 No Transfer or Encumbrance. Except as expressly provided in this Agreement, a Member shall not Transfer any part of the Member's Membership Interest, whether now owned or hereafter acquired, unless (1) the other Members unanimously approve the transferee's admission to the Company as a Member upon such Transfer and (2) the Membership Interest to be transferred, when added to the total of all other Membership Interests transferred in the preceding 12 months, will not cause the termination of the Company under the Code. No Member may cause or permit any Encumbrance of all or any part of the Member's Membership Interest in the Company unless such Encumbrance has been approved in writing by all the other Members. "Encumbrance" means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated in this Agreement), option, or preferential right to purchase. Any Transfer or Encumbrance of a Membership Interest without such approval shall be void. Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may transfer all or any portion of his or her Membership Interest to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse, and the Member's issue; provided that the Member is a trustee of the trust, retains a beneficial interest in the trust, and retains all of the Voting Interest included in such Membership Interest. A transfer of a Member's entire beneficial interest in such trust or failure to retain such Voting Interest shall be deemed a Transfer of a Membership Interest. "Voting Interest" means, with respect to a Member, the right to vote or participate in management and any right to information concerning the business and affairs of the Company provided under the Act, except as limited by the provisions of this Agreement. A Member's Voting Interest shall be directly proportional to that Member's Membership Interest.

8.3 Events Triggering Option to Purchase. On the happening of any of the following events with respect to a Member, the Company and the other Members shall have

the option to purchase all or any portion of the Membership Interest in the Company of such Member ("Selling Member") at the price and on the terms provided in Subsection 8.7:

- (a) death or incapacity of a Member;
- (b) bankruptcy of a Member;
- (c) merger or dissolution and winding up of a corporate, partnership, or limited liability company Member, as a result of which the Member does not survive as an entity;
- (d) withdrawal of a Member; or
- (e) except for the events stated in Subsection 8.4, the occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.

Each Member agrees to promptly give notice of such an event to all other Members.

8.4 Notwithstanding any other provisions of this Agreement:

(a) Dissolution of Marriage. If, in connection with the divorce or dissolution of the marriage of a Member, any court issues a decree or order that transfers, confirms, or awards a Membership Interest, or any portion thereof, to that Member's spouse (an "Award"), then, notwithstanding that such transfer would constitute an unpermitted Transfer under this Agreement, that Member shall have the right to purchase from his or her former spouse the Membership Interest, or portion thereof, that was so transferred, and such former spouse shall sell the Membership Interest or portion thereof to that Member pursuant to Subsection 8.5. If the Member has failed to consummate the purchase within 180 days after the Award, the Company and the other Members shall have the option to purchase from the former spouse the Membership Interest or portion thereof pursuant to Subsection 8.5; provided that the option period shall commence 181 days after the date of actual notice of the Award.

(b) Death of Spouse. If, by reason of the death of a spouse of a Member, any portion of a Membership Interest is transferred to a Transferee other than (1) that Member or (2) a trust created for the benefit of that Member (or for the benefit of that Member and any combination between or among the Member and the Member's issue) in which the Member is the sole Trustee and the Member, as Trustee or individually, possesses all of the Voting Interest (as defined above in this Section) included in that Membership Interest, then the Member shall have the right to purchase the Membership Interest or portion thereof from the estate or other successor of his or her deceased spouse or Transferee of such deceased spouse, and the estate, successor, or Transferee shall sell the Membership Interest or portion

thereof pursuant to Subsection 8.5. If the Member has failed to consummate the purchase within 180 days after the date of death, the Company and the other Members shall have the option to purchase from the estate or other successor of the deceased spouse the Membership Interest or portion thereof pursuant to Subsection 8.5; provided that the option period shall commence 181 days after the date of actual notice of the death.

8.5 Option to Purchase. On the receipt of notice by the Manager as contemplated by Subsection 8.1, and on receipt of actual notice of any event set forth in Subsection 8.3, the Company shall have the option, for a period ending 30 calendar days following the determination of the purchase price as provided in Subsection 8.7, to purchase the Membership Interest to which the option relates, at the price and on the terms provided in Subsection 8.7, and the other Members, pro rata in accordance with their prior Membership Interests, shall then have the option, for a period of 30 days thereafter, to purchase the Membership Interest not purchased by the Company, on the same terms and conditions as apply to the Company. If all other Members do not elect to purchase the entire remaining Membership Interest, then the Members electing to purchase shall have the right, pro rata in accordance with their prior Membership Interest, to purchase the additional Membership Interest available for purchase. The transferee of any Membership Interest that is not purchased shall hold such Membership Interest subject to all of the provisions of this Agreement.

8.6 No Member shall participate in any vote or decision in any matter pertaining to the disposition of that Member's Membership Interest.

8.7 The purchase price of the Membership Interest that is the subject of an option under this Agreement shall be the Fair Market Value of such Membership Interest as determined under this Subsection. The Selling Member and purchasing parties shall make an effort to mutually agree on the Fair Market Value. If the parties are unable to so agree within 30 days of the date on which the option is first exercisable (the "Option Date"), then, within 40 days of the Option Date, the Selling Member shall appoint an appraiser and the purchasing party(s) shall appoint an appraiser. If either of the parties fails to appoint an appraiser within the time allowed then the other party shall have the right to also appoint the second appraiser. The two appraisers shall within 5 days, agree on and appoint an additional appraiser. Each party shall pay for the services of the appraiser selected by it, plus half of the fee charged by the third appraiser.

(a) No person shall be appointed or designated an appraiser unless he is then a member of the American Institute of Appraisers and has had a minimum of 5 years of experience appraising commercial properties and residential tracts in and around Riverside County, California.

(b) The appraisers shall, without consulting one another, conduct independent appraisals of the value in place (not highest and best use) of the real property assets held by the Company within 60 days after the appointment of all appraisers.

(c) The determination of the appraiser whose appraisal is neither highest nor lowest shall be binding and conclusive.

(d) Within 30 days following a determination of value of the real property of the Company, an accounting of the total value of the Selling Member=s interest in the Company shall be finalized, based on the Selling Member=s Economic Interest percentage, and the appraisers= determination of value of the Company real property, and the book value of all other assets (other than unamortized loan fees, leasing commissions and similar items) and personal property of the Company, less all liabilities of the Company. The value of the Selling Member's interest shall be determined as if the Company had been dissolved and was being wound up by a sale on the open market of all Company property (as a going concern if appropriate), and with a final distribution of funds upon termination as provided for in this Agreement. The option purchase price as so determined shall be payable in cash within 60 days after determination of the purchase price.

8.8 Except as expressly permitted under Subsection 8.2., a prospective transferee (other than an existing Member) of a Membership Interest may be admitted as a Member with respect to such Membership Interest ("Substituted Member") only (1) on the unanimous vote of the other Members in favor of the prospective transferee's admission as a Member, and (2) on such prospective transferee's executing a counterpart of this Agreement as a party hereto. Any prospective transferee of a Membership Interest shall be merely an Assignee, and therefore the owner of only an Economic Interest, until such prospective transferee has been admitted as a Substituted Member.

8.9 Any person admitted to the Company as a Substituted Member shall be subject to all provisions of this Agreement.

8.10 The initial sale of Membership Interests has not been qualified or registered under the securities laws of any state, or registered under the Securities Act of 1933, as amended, in reliance upon exemptions from the registration provisions of those laws. No attempt has been made to qualify the offering and sale of Membership Interests to Members under the California Corporate Securities Law of 1968, as amended. Notwithstanding any other provision of this Agreement, Membership Interests may not be Transferred or encumbered unless registered or qualified under applicable state and federal securities law or unless, in the opinion of legal counsel satisfactory to the Company, such qualification or registration is not required. The Member who desires to transfer a Membership Interest shall be responsible for all legal fees incurred in connection with said opinion.



## 9. DISSOLUTION AND WINDING UP.

9.1. The Company shall be dissolved on the first to occur of the following events:

(a) On the happening of any of the events that trigger the option to purchase under subsection 8.3; provided, however, that the remaining Members may, by the Vote of a Majority in Interest within 90 days of the happening of that event, Vote to continue the Company, in which case the Company shall not dissolve. If the remaining Members fail to so vote, the remaining Members shall wind up the Company. For purposes of this Paragraph (a), in determining a Majority in Interest, the Membership Interest of the Member who has died, become incapacitated, withdrawn, or who has become bankrupt or dissolved shall not be taken into account.

(b) The expiration of the term of existence of the Company.

(c) The written agreement of all Members to dissolve the Company.

(d) The sale or other disposition of substantially all of the Company assets.

(e) Entry of a decree of judicial dissolution pursuant to California Corporations Code section 17351.

9.2. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Members who have not wrongfully dissolved the Company shall wind up the affairs of the Company. The persons winding up the affairs of the Company shall give written notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to Members) the remaining assets of the Company shall be distributed or applied in the following order of priority:

(a) To pay the expenses of liquidation.

(b) To repay outstanding loans from Members. If there are insufficient funds to pay such loans in full, each Member shall be repaid in the ratio that the Member's respective loan, together with interest accrued and unpaid thereon, bears to the total of all such loans from Members, including all interest accrued and unpaid on those loans. Such repayment shall first be credited to unpaid principal due and the remainder shall be credited to accrued and unpaid interest.

(c) Among the Members in accordance with the provisions of Subsection 4.8.

9.3. Each Member shall look solely to the assets of the Company for the return of the Member's investment, and if the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the investment of any Member, such Member shall have no recourse against any other Members for indemnification, contribution, or reimbursement.

## 10. INDEMNIFICATION.

The Company shall have the power to indemnify any person who was or is a party, or who is threatened to be made a party, to any Proceeding by reason of the fact that such person was or is a Member, Manager, officer, employee, or Trustee of the Company (collectively "Indemnified Parties" and individually an "Indemnified Party"), or by reason of such person's actions or failures to act in such capacity, against expenses, judgments, fines, settlements, attorneys' and experts' fees and other amounts (collectively "Expenses") actually and reasonably incurred by such person in connection with such proceeding, if such person acted in good faith and in a manner that such person reasonably believed to be in the best interests of the Company, and, in the case of a criminal proceeding, such person had no reasonable cause to believe that the person's conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company, or that the person had reasonable cause to believe that the person's conduct was unlawful. "Expenses", as used in this Section also includes the expenses of establishing a right to indemnification.

To the extent that an Indemnified Party, (1) is or was acting in the capacity of a Manager with respect to the subject matter of the Proceeding, or, (2) has been successful on the merits in defense of any Proceeding, or in defense of any claim, issue, or matter in any such Proceeding, the Indemnified Party shall be indemnified against Expenses actually and reasonably incurred in connection with the Proceeding. In all other cases, indemnification shall be provided by the Company only if authorized in the specific case by a Majority in Interest.

"Trustee" as used in this Subsection shall mean only a trustee or other fiduciary of a plan, trust, or other entity or arrangement described in Corp C section 207(f).

"Proceeding" as used in this Subsection means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

Expenses of each Indemnified Party actually and reasonably incurred in connection with the defense or settlement of a proceeding may be paid by the Company in advance of the final disposition of such proceeding, as authorized by the Manager, or if the Manager is seeking indemnification, by a Majority in Interest, upon receipt of an undertaking by such person to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Company.

11. OTHER BUSINESS ACTIVITIES. Except as provided in this Agreement, no provision of this Agreement shall be construed to limit in any manner the Members in the carrying on of their own respective businesses or activities.

12. NO AGENCY. Except as provided in this Agreement, no provision of this Agreement shall be construed to constitute a Member, in the Member's capacity as such, the agent of any other Member.

13. ENTIRE AGREEMENT. This Agreement, together with the documents and exhibits referred to herein, embodies the entire understanding among the Members, merges all prior discussions or communications among them and constitutes the final, complete and exclusive statement of the terms of the Members' agreement. No party shall be bound by representations, arrangements or understandings other than as expressly stated in this Agreement or as subsequently set forth in an amendment of this Agreement signed by all of the Members.

14. BINDING EFFECT. Subject to the provisions herein restricting transfers and assignments, this Agreement shall be binding upon and inure to the benefit of all of the Members and their executors, administrators, devisees, heirs, representatives, permitted assigns and other successors.

15. NO THIRD PARTY BENEFICIARIES. The Members intend that nothing contained in this Agreement shall create or vest any rights in any individuals or entities who are not Members. Any agreement herein to pay any amount of money or to assume any liability, whether expressed or implied, shall be only for the benefit of the Members and their approved assignees, and such agreements and assumptions shall not enure to the benefit of any obligee of any indebtedness of a Member, nor to any other party.

16. INDEPENDENT ADVICE OF COUNSEL. The Members, and each of them, represent and declare that in negotiating and executing this Agreement they have relied solely upon their own judgement, belief and knowledge, and the advice and recommendations of their own consultants and independently selected legal counsel, concerning the nature, extent and duration of their rights and obligations under this Agreement, and that they have not

been influenced by any representations or statements made by any other Members or their representatives, except as otherwise expressly set forth in this Agreement.

17. EXHIBITS. All Exhibits to which references are made are deemed incorporated in this Agreement whether or not actually attached, and this Agreement shall be valid and binding notwithstanding the subsequent attachment of Exhibits. Any Exhibits not attached to the Agreement at the time of its original execution shall, upon attachment, have the same force and effect as if attached at the time of first execution.

18. SEVERABILITY. In the event that any provision or any part of any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason whatsoever, then such provision shall in no way affect (1) any other provisions of this Agreement, which shall be modified, if necessary, to the minimum extent necessary to preserve their validity, (2) the application of any such provision under circumstances different from those adjudicated as unenforceable by the court, or (3) the validity or enforceability of the Agreement as a whole.

29. NOTICES. Unless otherwise provided herein, any notice to be given or other document to be delivered by any party to another hereunder shall be delivered by messenger, by next day delivery service or in person, or may be deposited in the United States mail, certified, return receipt requested, with postage prepaid and addressed to the party to whom it is intended at the address shown in Exhibit AB@. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for the address specified above. If any notice or other document is sent by mail as specified above, the same shall be deemed delivered on the third business day after date of postmark.

20. TIME IS OF THE ESSENCE. The Members acknowledge and agree that the times specified herein have been selected because prompt performance of all obligations is a material part of the bargained-for consideration underlying this Agreement, and without which this Agreement would not have been executed. Time is of the essence.

21. AUTHORITY. Each of the Members covenants, represents and warrants to and with the others that it has all authority necessary to execute this Agreement and, upon execution, this Agreement will be fully binding and enforceable in accordance with its terms. No other consents or approvals of any other or third parties are required or necessary for this Agreement to be so binding. Any signature on this Agreement transmitted by facsimile or other means of electronic transmission shall be considered to be an original signature, binding upon the party whose signature is so transmitted.

22. DUPLICATE ORIGINALS. This Agreement may be fully executed in several duplicate originals, each of which shall be fully effective as an original, and all such fully

executed duplicates shall constitute one and the same Agreement, binding on all of the Members.

23. FURTHER DOCUMENTS AND ACTS. Each of the Members agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect all that is contemplated under this Agreement.

24. INVESTMENT REPRESENTATIONS. Each Member hereby represents and warrants to, and agrees with, the other Members and the Company as follows:

24.1 Preexisting Relationship or Experience. It has a preexisting personal or business relationship with the Company or one or more of its officers or controlling persons, or by reason of its business or financial experience, or by reason of the business or financial experience of its financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or any affiliate or selling agent of the Company, it is capable of evaluating the risks and merits of an investment in the Company and of protecting its own interests in connection with this investment.

24.2 No Advertising. It has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation with respect to the sale of a Membership Interest.

24.3 Investment Intent. It is acquiring the Membership Interest for investment purposes for its own account only and not with a view to or for sale in connection with any distribution of all or any part of the Membership Interest. No other person will have any direct or indirect beneficial interest in or right to the Membership Interest.

25. WAIVER OF JURY TRIAL. To the maximum extent permitted by law, the undersigned hereby expressly waive any right to trial by jury of any action, cause of action, claim, demand, or proceeding arising under or with respect to this Agreement, or in any way connected with, related to, or incidental to the dealings of the parties with respect to this Agreement, whether sounding in contract, tort, equity or otherwise. To the maximum extent permitted by law, the undersigned hereby agree that any such action, cause of action, claim, demand, or proceeding shall be decided by a court trial without a jury and that a counterpart of this Agreement may be filed with any court or other tribunal as written evidence of the consent of the undersigned to the waiver of its right to trial by jury.

26. JURISDICTION. Each party hereby consents to venue in, and the exclusive jurisdiction of, the state and federal courts sitting in Orange County, California in any action on a claim arising out of, under or in connection with this Agreement or the transactions

contemplated by this Agreement. Each party further agrees that personal jurisdiction over him or her may be effected by service of process by registered or certified mail addressed as provided in the Section of this Agreement entitled ANotices@, and that when so made shall be as if served upon him or her personally within the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

**GIANULIAS:**



James Chris Gianulias, Trustee of  
the James Chris Gianulias Trust  
dated October 14, 2003

**BACHELOR:**



William L. Bachelor, Trustee of the  
Bachelor Family Trust dated July 11, 2001

**Exhibit "A"**

**(Limited Liability Company Certificate of Amendment)**

Exhibit "B"

**CAPITAL CONTRIBUTIONS AND  
MEMBERSHIP INTERESTS OF MEMBERS**

<u>Member's Name</u>	<u>Address</u>	<u>Capital Contribution</u>	<u>Membership Interest</u>
Gianulias	1105 Quail Street Newport Beach, CA 92660	\$850,000	50%
Bachelor	25050 Madison Avenue, Murrieta, California 92562	\$116,000	50%
		<hr/>	<hr/>
	TOTAL	\$966,000	100%



## **ASSIGNMENT OF INTEREST IN LIMITED LIABILITY COMPANY**

The undersigned, William L. Bachelor, is a Member in Country Estates Homes, L.L.C., a California limited liability company. The undersigned hereby grants, assigns and transfers, without consideration, all of his right, title and interest in Country Estates Homes, L.L.C. to William L. Bachelor, Trustee of the Bachelor Family Trust dated July 11, 2001, and withdraws as a Member.

Executed on February 1, 2006.




William L. Bachelor

## **ACCEPTANCE OF ASSIGNMENT**

The undersigned, William L. Bachelor, Trustee of the Bachelor Family Trust dated July 11, 2001, hereby accepts the foregoing Assignment of Interest in Limited Liability Company and agrees to be bound by all of the terms and provisions of the Articles of Organization and the Operating Agreement for Country Estates Homes, L.L.C., and any amendments thereto.

Accepted on February 1, 2006.



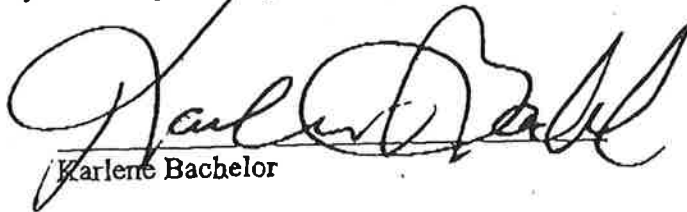
William L. Bachelor, Trustee of the  
Bachelor Family Trust dated July 11,  
2001

## CONSENT OF SPOUSE

I hereby certify that:

1. I am the spouse of William L. Bachelor, who signed the Operating Agreement dated February 4, 2003 (the "Agreement") of Wine Country, LLC, a California limited liability company (the "Company") as a Member. I am the spouse and co-trustee of William L. Bachelor, who signed the Operating Agreement of Country Estates Homes, L.L.C. (formerly named Wine Country, LLC), dated February 1, 2006, as a Member in his capacity as Trustee of the Bachelor Family Trust dated July 11, 2001.
2. I have read, and hereby reaffirm my approval of, the provisions of the Agreement, as amended, including without limitation the provisions regarding the purchase, sale, inheritance or other disposition of the interest of a bankrupt, insolvent, deceased, dissolved, or withdrawing Member.
3. I hereby reaffirm my acceptance and agreement to be bound by the provisions of the Agreement as it may be further amended from time to time insofar as the provisions may affect any interest ("Interest") I may have in the Company, whether the interest may be community property or otherwise, and I accept the provisions of the Agreement in lieu of all other such interests I may have in the Company. I further agree that the amendment of the Agreement and any continuation or reconstitution of the Company or its business shall not require my consent.
4. I further: (1) agree that during my spouse's life my spouse, acting as Trustee of the Bachelor Family Trust dated July 11, 2001, shall have sole and exclusive management power with respect to the Interest, (2) agree that I will not sell or attempt to sell or transfer all or any part of such Interest, (3) agree and direct that the residuary clause in my will shall not be deemed to apply to such Interest, (4) agree that if my spouse is still living at the date of my death, I will not make any specific bequest of the Interest in any manner which would deprive my spouse of the sole and exclusive management power (either individually or as trustee) with respect thereto, and (5) agree that any bequests made in contravention of the above requirements shall be null and void.
5. My execution of this consent shall in no way be construed as an agreement to subject the separate property that I now own, or that I hereafter acquire, to liability for any debt or obligation of the Company or any of its Members.
6. I agree to perform any further acts and to execute and deliver any further documents or procure any court orders which may be reasonably necessary to carry out the provisions of the Agreement or this Consent.

Executed as of February 1, 2006.



Karlene Bachelor