

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS  
 DATE

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

134A



**FROM:** Don Kent, Treasurer-Tax Collector

**SUBMITTAL DATE:**  
**JAN 11 2016**

**SUBJECT:** Recommendation for Distribution of Excess Proceeds for Tax Sale No. 196, Item 653. Last assessed to: Enterprise Equities LLC. District 4 [\$3,561]. Fund 65595 Excess Proceeds from Tax Sale.

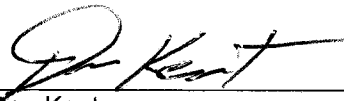
**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the claim from the Riverside County Treasurer-Tax Collector for payment of excess proceeds resulting from the Tax Collector's public auction sale associated with parcel 727205013-7;  
 (continued on page two)

**BACKGROUND:**

**Summary**

In accordance with Section 3691 et seq. of the California Revenue and Taxation Code, and with prior approval of the Board of Supervisors, The Tax Collector conducted the April 29, 2013 public auction sale. The deed conveying title to the purchasers at the auction was recorded June 20, 2013. Further, as required by Section 4676 of the California Revenue and Taxation Code, notice of the right to claim excess proceeds was given on July 17, 2013 to parties of interest as defined in Section 4675 of said code. Parties of interest have been determined by an examination of lot book reports as well as Assessor's and Recorder's records, and various research methods were used to obtain current mailing addresses for these parties of interest.  
 (continued on page two)

  
 Don Kent  
 Treasurer-Tax Collector

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 3,561	\$ 0	\$ 3,561	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
<b>SOURCE OF FUNDS:</b> Fund 65595 Excess Proceeds from Tax Sale				<b>Budget Adjustment:</b> N/A	
				<b>For Fiscal Year:</b> 15/16	

**C.E.O. RECOMMENDATION:**

**APPROVE**

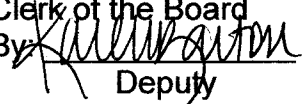
BY:   
 Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Jeffries, Tavaglione, Benoit and Ashley  
**Nays:** None  
**Absent:** Washington  
**Date:** March 29, 2016  
**xc:** Treasurer

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

Prev. Agn. Ref.:

District: 4

Agenda Number:

9-14

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Departmental Concurrence

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

**FORM 11:** Recommendation for Distribution of Excess Proceeds for Tax Sale No. 196, Item 653. Last assessed to: Enterprise Equities LLC. District 4 [\$3,561]. Fund 65595 Excess Proceeds from Tax Sale.

**DATE:** JAN 11 2016

**PAGE:** Page 2 of 2

**RECOMMENDED MOTION:**

2. Deny the claim from Enterprise Equities LLC;
3. Authorize and direct the Auditor-Controller to issue a warrant to the Riverside County Treasurer-Tax Collector in the amount of \$3,561.72, no sooner than ninety days from the date of this order, unless an appeal has been filed in Superior Court, pursuant to the California Revenue and Taxation Code Section 4675.

**BACKGROUND:**

**Summary (continued)**

The Treasurer-Tax Collector has received two claims for excess proceeds:

1. Claim from the Riverside County Treasurer-Tax Collector based on a Certificate of Lien recorded May 21, 2008 as Instrument No. 2008-0274624, a Certificate of Lien recorded May 27, 2008 as Instrument No. 2008-0283332, a Certificate of Lien recorded May 27, 2008 as Instrument No. 2008-0283334, a Certificate of Lien recorded April 24, 2009 as Instrument No. 2009-0204324, a Certificate of Lien recorded August 26, 2009 as Instrument No. 2009-0446061 and a Certificate of Lien recorded August 26, 2009 as Instrument No. 2009-0446062.
2. Claim from Enterprise Equities LLC based on a Grant Deed recorded February 22, 2006 as Instrument 2006-0127715.

Pursuant to Section 4675 of the California Revenue and Taxation Code, it is the recommendation of this office that the Riverside County Treasurer-Tax Collector be awarded excess proceeds in the amount of \$3,561.72. Since the amount claimed by the Riverside County Treasurer-Tax Collector exceeds the amount of excess proceeds available, there are no funds available for consideration for the claim from Enterprise Equities LLC. Supporting documentation has been provided. The Tax Collector requests approval of the above recommended motion. Notice of this recommendation was sent to the claimants by certified mail.

**Impact on Citizens and Businesses**

Excess proceeds are being released to the lien holder of the property.

**ATTACHMENTS (if needed, in this order):**

Copies of the Excess Proceeds Claim forms and supporting documentation are attached.

CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY  
(SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS)

To: Don Kent, Treasurer-Tax Collector

Re: Claim for Excess Proceeds

TC 196 Item 653 Assessment No.: 727205013-7

Assessee: ENTERPRISE EQUITIES LLC

Situs:

Date Sold: April 29, 2013

Date Deed to Purchaser Recorded: June 20, 2013

Final Date to Submit Claim: June 20, 2014

I/We, pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 14,578.28 from the sale of the above mentioned real property. I/We were the  lienholder(s),  property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No. See attached; recorded on \_\_\_\_\_. A copy of this document is attached here to. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

See attached

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this 16<sup>th</sup> day of JULY, 2013 at Riverside, CA  
County, State



Signature of Claimant

Signature of Claimant

Print Name

Print Name

Street Address

Street Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number



THIS IS TO INFORM YOU THAT A TAX LIEN HAS BEEN FILED WITH RESPECT TO UNSECURED PROPERTY

When recorded, mail to:

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

Doc # 2008-0274624 ✓  
05/21/2008 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records  
County of Riverside  
== Larry W Ward ==  
Assessor, County Clerk and Recorder

\*\*This document was electronically prepared and recorded by the County of Riverside\*\*

**CERTIFICATE OF LIEN** ✓

(Recorded pursuant to Revenue and Taxation Code Section 2191.3 et seq. and without acknowledgement pursuant to Government Code Section 27282)

STATE OF CALIFORNIA | SS  
COUNTY OF RIVERSIDE

No. 0347993

I, Paul McDonnell, Tax Collector of the County of Riverside, State of California, hereby certify that there are, on record in my office, unpaid taxes which were duly assessed, computed and levied for the fiscal year shown below pursuant to Section 2151 et seq. of the Revenue and Taxation Code.

The person(s) shown below is (are) liable to said County for the unpaid amounts set forth below plus any other penalties and charges which may accrue pursuant to law.

**NAME AND ADDRESS**

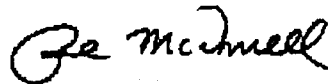
ENTERPRISE EQUITIES  
4197 BROCKON AVE (BROCKTON - PER USPS)  
RIVERSIDE CA 92501

Fiscal Year	Tax Rate Area	Assessment Number	Tax	Penalty	Cost	Recording Fee
2005-2007	058-033	052447673-8	\$526.73	\$52.67		\$13.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 05/17/2008



Paul McDonnell, Tax Collector

THIS IS TO INFORM YOU THAT A TAX LIEN HAS BEEN FILED WITH RESPECT TO UNSECURED PROPERTY

When recorded, mail to:

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

Doc # 2008-0283332  
05/27/2008 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records

County of Riverside  
== Larry W Ward ==  
Assessor, County Clerk and Recorder

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COUNTY OF RIVERSIDE

No. 0347991

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**NAME AND ADDRESS**

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

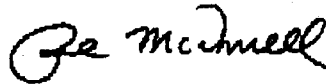
(BROCKTON - PER USPS)

Fiscal Year	Tax Rate Area	Assessment Number	Tax	Penalty	Cost	Recording Fee
2005-2007	058-033	052447670-5	\$373.44	\$37.34		\$13.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 05/17/2008



Paul McDonnell, Tax Collector

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When recorded, mail to:

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

✓ Doc #. 2008-0283334 ✓  
05/27/2008 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records

County of Riverside

== Larry W Ward ==

Assessor, County Clerk and Recorder

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STATE OF CALIFORNIA | SS  
COUNTY OF RIVERSIDE

No. 0347992

I, Paul McDonnell, Tax Collector of the County of Riverside, State of California, hereby certify that there are, on record in my office, unpaid taxes which were duly assessed, computed and levied for the fiscal year shown below pursuant to Section 2151 et seq. of the Revenue and Taxation Code.

The person(s) shown below is (are) liable to said County for the unpaid amounts set forth below plus any other penalties and charges which may accrue pursuant to law.

**NAME AND ADDRESS**

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

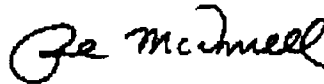
(BROCKTON)

Fiscal Year	Tax Rate Area	Assessment Number	Tax	Penalty	Cost	Recording Fee
2005-2007	058-033	052447671-6	\$526.40	\$52.64		\$13.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 05/17/2008



Paul McDonnell, Tax Collector

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When recorded, mail to:

ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

Doc # 2009-0204324 ✓  
04/24/2009 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records

County of Riverside

== Larry W Ward ==

Assessor, County Clerk and Recorder

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**CERTIFICATE OF LIEN** ✓

(Recorded pursuant to Revenue and Taxation Code Section 2191.3 et seq. and without acknowledgement pursuant to Government Code Section 27282)

STATE OF CALIFORNIA | SS  
COUNTY OF RIVERSIDE

No. 0366725

I, Don Kent, Tax Collector of the County of Riverside, State of California, hereby certify that there are, on record in my office, unpaid taxes which were duly assessed, computed and levied for the fiscal year shown below pursuant to Section 2151 et seq. of the Revenue and Taxation Code.

The person(s) shown below is (are) liable to said County for the unpaid amounts set forth below plus any other penalties and charges which may accrue pursuant to law.

**NAME AND ADDRESS**

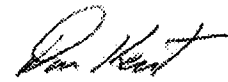
ENTERPRISE EQUITIES  
4197 BROCKON AVE  
RIVERSIDE CA 92501

<u>Fiscal Year</u>	<u>Tax Rate Area</u>	<u>Assessment Number</u>	<u>Tax</u>	<u>Penalty</u>	<u>Cost</u>	<u>Recording Fee</u>
2005-2007	058-033	052746079-6	\$10,100.14	\$1,010.01		\$13.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 04/01/2009



Don Kent, Tax Collector

THIS IS TO INFORM YOU THAT A TAX LIEN HAS BEEN FILED WITH RESPECT TO UNSECURED PROPERTY

When recorded, mail to:

ENTERPRISE EQUITIES  
4197 BROCKTON AVE  
RIVERSIDE CA 92501

Doc # 2009-0446061 ✓  
08/26/2009 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records

County of Riverside

== Larry W Ward ==

Assessor, County Clerk and Recorder

\*\*This document was electronically prepared and recorded by the County of Riverside\*\*

**CERTIFICATE OF LIEN** ✓

(Recorded pursuant to Revenue and Taxation Code Section 2191.3 et seq. and without acknowledgement pursuant to Government Code Section 27282)

STATE OF CALIFORNIA | SS  
COUNTY OF RIVERSIDE

No. 0326337

I, Don Kent, Tax Collector of the County of Riverside, State of California, hereby certify that there are, on record in my office, unpaid taxes which were duly assessed, computed and levied for the fiscal year shown below pursuant to Section 2151 et seq. of the Revenue and Taxation Code.

The person(s) shown below is (are) liable to said County for the unpaid amounts set forth below plus any other penalties and charges which may accrue pursuant to law.

**NAME AND ADDRESS**

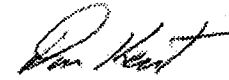
ENTERPRISE EQUITIES  
4197 BROCKTON AVE  
RIVERSIDE CA 92501

Fiscal Year	Tax Rate Area	Assessment Number	Tax	Penalty	Cost	Recording Fee
2006-2007	061-061	052569499-5	\$1,265.19	\$126.51		\$11.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 10/01/2007



Don Kent, Tax Collector



THIS IS TO INFORM YOU THAT A TAX LIEN HAS BEEN FILED WITH RESPECT TO UNSECURED PROPERTY

When recorded, mail to:

ENTERPRISE EQUITIES INC  
4197 BROCKTON AVE  
RIVERSIDE CA 92501

Doc #. 2009-0446062 ✓  
08/26/2009 08:00A Fee: NC  
Page 1 of 1

Recorded in Official Records

County of Riverside

== Larry W Ward ==

Assessor, County Clerk and Recorder

\*\*This document was electronically prepared and recorded by the County of Riverside\*\*

CERTIFICATE OF LIEN ✓

(Recorded pursuant to Revenue and Taxation Code Section 2191.3 et seq. and without acknowledgement pursuant to Government Code Section 27282)

STATE OF CALIFORNIA | SS  
COUNTY OF RIVERSIDE

No. 0326338

I, Don Kent, Tax Collector of the County of Riverside, State of California, hereby certify that there are, on record in my office, unpaid taxes which were duly assessed, computed and levied for the fiscal year shown below pursuant to Section 2151 et seq. of the Revenue and Taxation Code.

The person(s) shown below is (are) liable to said County for the unpaid amounts set forth below plus any other penalties and charges which may accrue pursuant to law.

NAME AND ADDRESS

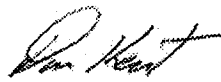
ENTERPRISE EQUITIES INC  
4197 BROCKTON AVE  
RIVERSIDE CA 92501

Fiscal Year	Tax Rate Area	Assessment Number	Tax	Penalty	Cost	Recording Fee
2006-2007	061-061	052569500-2	\$756.20	\$75.62		\$11.00

Upon recordation of this certificate of lien, the total amount required to be paid constitutes a lien upon all personal property and real property now owned or subsequently acquired by the person(s) named herein before the date on which this lien expires.

This lien has the force, effect and priority of judgement lien for ten years from the recording of this instrument, unless sooner released or otherwise discharged.

Executed on 10/01/2007



Don Kent, Tax Collector

ASMTNBR: 052447673-8 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,151.00  
PARENT: 727201053-1 TRA: 058-178 BILLNBR: 006896083 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .68 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 122000 2005  
VALUE(S): LND: 121940 2006

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0347993 DOC: 000020080274624  
PRNT: 02/29/2008 RECD: 05/21/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

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INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		526.73	526.73
12/11/2007	DELQ PENALTY		52.67	579.40
02/29/2008	LIEN FEES		23.00	602.40
02/29/2008	MISC FEES		58.75	661.15
04/29/2013	ACCRUED PENALTY		489.85	1,151.00

ASMTNBR: 052447670-5 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 839.82  
PARENT: 727211045-5 TRA: 058-178 BILLNBR: 006896085 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .46 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 86506 2005  
VALUE(S): LND: 86437 2006

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\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0347991 DOC: 000020080283332  
PRNT: 02/29/2008 RECD: 05/27/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

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INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		373.44	373.44
12/11/2007	DELQ PENALTY		37.34	410.78
02/29/2008	LIEN FEES		23.00	433.78
02/29/2008	MISC FEES		58.75	492.53
04/29/2013	ACCRUED PENALTY		347.29	839.82

ASMTNBR: 052447671-6 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,150.34  
PARENT: 727205020-3 TRA: 058-178 BILLNBR: 006896084 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .72 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 121924 2005  
VALUE(S): LND: 121863 2006

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0347992 DOC: 000020080283334  
PRNT: 02/29/2008 RECD: 05/27/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		526.40	526.40
12/11/2007	DELQ PENALTY		52.64	579.04
02/29/2008	LIEN FEES		23.00	602.04
02/29/2008	MISC FEES		58.75	660.79
04/29/2013	ACCRUED PENALTY		489.55	1,150.34

ASMTNBR: 052746079-6 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 7,046.11  
PARENT: 727112019-6 TRA: 058-178 BILLNBR: 006984522 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 6800 INDIANA AVE STE 220 RIVERSIDE CA 92506  
PRCLDESC: 9.04 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 5196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 890633 2005  
VALUE(S): LND: 890446 2006

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0366725 DOC: 000020090204324  
PRNT: 04/01/2009 RECD: 04/24/2009 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
11/04/2008	TAXES		10,100.14	10,100.14
01/01/2009	DELQ PENALTY		1,010.01	11,110.15
04/01/2009	LIEN FEES		23.00	11,133.15
04/01/2009	MISC FEES		24.50	11,157.65
05/21/2009	ACCRUED PENALTY		454.50	11,612.15
05/21/2009	PAYMENT	0398029	3,855.30	7,756.85
08/03/2009	ACCRUED PENALTY		348.60	8,105.45
08/03/2009	PAYMENT	0016122	3,860.80	4,244.65

ASMTNBR: 052569499-5 YR: 2006 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 2,731.21  
PARENT: 669196004-7 TRA: 061-061 BILLNBR: 006884636 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKTON AVE RIVERSIDE CA 92501  
PRCLDESC: LOT 13 MB 035/005 PALM SPRINGS OASIS  
ID INFO: DUE TO NEW CONSTRUCTION EFFECTIVE DATE: 07/01/2006  
VALUE(S): STR: 194200

\*\*\*\*\* PRESS PA1 FOR MORE DATA \*\*\*\*\*  
\*\*\*\*\* ENFORCEMENT ACTIONS \*\*\*\*\*  
2009-0446661  
CTY: 33 LIEN NBR: 0326337 DOC: 9999999999999999  
PRNT: 10/01/2007 RECD: RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKTON AVE RIVERSIDE CA 925010000

\*\*\*\*\* PRESS PA1 FOR MORE DATA \*\*\*\*\*  
INPUT/PAY-DT: 04/29/2013  
\*\*\*\*\* CHARGES AND PAYMENT HISTORY \*\*\*\*\*

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
06/05/2007	TAXES		1,265.19	1,265.19
08/01/2007	DELQ PENALTY		126.51	1,391.70
10/01/2007	LIEN FEES		23.00	1,414.70
10/01/2007	MISC FEES		45.00	1,459.70
04/29/2013	ACCRUED PENALTY		1,271.51	2,731.21

TAX CODE 0-00

ASMTNBR: 052569500-2 YR: 2006 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,659.80  
PARENT: 669196013-5 TRA: 061-061 BILLNBR: 006884638 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES INC  
MAILADDR: 4197 BROCKTON AVE RIVERSIDE CA 92501  
PRCLDESC: LOT 22 MB 035/005 PALM SPRINGS OASIS  
ID INFO: DUE TO NEW CONSTRUCTION EFFECTIVE DATE: 07/10/2006  
VALUE(S): STR: 194200

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0326338 DOC: 9999999999999999  
PRNT: 10/01/2007 RECD: RELD:  
NAME: ENTERPRISE EQUITIES INC  
ADDRESS: 4197 BROCKTON AVE RIVERSIDE CA 925010000

*2009-0446062*

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013

\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
06/05/2007	TAXES		756.20	756.20
08/01/2007	DELQ PENALTY		75.62	831.82
10/01/2007	LIEN FEES		23.00	854.82
10/01/2007	MISC FEES		45.00	899.82
04/29/2013	ACCRUED PENALTY		759.98	1,659.80

ASMTNBR: 052447673-8 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,151.00  
PARENT: 727201053-1 TRA: 058-178 BILLNBR: 006896083 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .68 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 122000 2005  
VALUE(S): LND: 121940 2006

\*\*\* PRESS PA1 FOR MORE DATA \*\*\*  
\*\*\*\*\* ENFORCEMENT ACTIONS \*\*\*\*\*

CTY: 33 LIEN NBR: 0347993 DOC: 000020080274624  
PRNT: 02/29/2008 RECD: 05/21/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\*\*\* PRESS PA1 FOR MORE DATA \*\*\*  
INPUT/PAY-DT: 04/29/2013  
\*\*\*\*\* CHARGES AND PAYMENT HISTORY \*\*\*\*\*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		526.73	526.73
12/11/2007	DELQ PENALTY		52.67	579.40
02/29/2008	LIEN FEES		23.00	602.40
02/29/2008	MISC FEES		58.75	661.15
04/29/2013	ACCRUED PENALTY		489.85	1,151.00



ASMTNBR: 052447670-5 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 839.82  
PARENT: 727211045-5 TRA: 058-178 BILLNBR: 006896085 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .46 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 86506 2005  
VALUE(S): LND: 86437 2006

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0347991 DOC: 000020080283332  
PRNT: 02/29/2008 RECD: 05/27/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		373.44	373.44
12/11/2007	DELQ PENALTY		37.34	410.78
02/29/2008	LIEN FEES		23.00	433.78
02/29/2008	MISC FEES		58.75	492.53
04/29/2013	ACCRUED PENALTY		347.29	839.82

ASMTNBR: 052447671-6 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,150.34  
PARENT: 727205020-3 TRA: 058-178 BILLNBR: 006896084 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKON AVE RIVERSIDE CA 92501  
PRCLDESC: .72 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 0196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 121924 2005  
VALUE(S): LND: 121863 2006

\* \* \* \* \*  
\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
E N F O R C E M E N T    A C T I O N S    \* \* \* \* \*

CTY: 33    LIEN NBR: 0347992 DOC: 000020080283334  
PRNT: 02/29/2008 RECD: 05/27/2008 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S    A N D    P A Y M E N T    H I S T O R Y    \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
07/06/2007	TAXES		526.40	526.40
12/11/2007	DELQ PENALTY		52.64	579.04
02/29/2008	LIEN FEES		23.00	602.04
02/29/2008	MISC FEES		58.75	660.79
04/29/2013	ACCRUED PENALTY		489.55	1,150.34

ASMTNBR: 052746079-6 YR: 2005 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 7,046.11  
PARENT: 727112019-6 TRA: 058-178 BILLNBR: 006984522 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 6800 INDIANA AVE STE 220 RIVERSIDE CA 92506  
PRCLDESC: 9.04 ACRES M/L IN FOR TOTAL DESCRIPTION SEE ASSESSORS MAPS  
ID INFO: DUE TO CONVEYANCE NBR: 5196231 EFFECTIVE DATE: 03/20/2006  
CONVEY: STT 0196231 03/2006

VALUE(S): LND: 890633 2005  
VALUE(S): LND: 890446 2006

\* \* \* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
E N F O R C E M E N T A C T I O N S \* \* \* \* \*

CTY: 33 LIEN NBR: 0366725 DOC: 000020090204324  
PRNT: 04/01/2009 RECD: 04/24/2009 RELD:  
NAME: ENTERPRISE EQUITIES  
ADDRESS: 4197 BROCKON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \* C H A R G E S A N D P A Y M E N T H I S T O R Y \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
11/04/2008	TAXES		10,100.14	10,100.14
01/01/2009	DELQ PENALTY		1,010.01	11,110.15
04/01/2009	LIEN FEES		23.00	11,133.15
04/01/2009	MISC FEES		24.50	11,157.65
05/21/2009	ACCRUED PENALTY		454.50	11,612.15
05/21/2009	PAYMENT	0398029	3,855.30	7,756.85
08/03/2009	ACCRUED PENALTY		348.60	8,105.45
08/03/2009	PAYMENT	0016122	3,860.80	4,244.65

ASMTNBR: 052569499-5 YR: 2006 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 2,731.21  
PARENT: 669196004-7 TRA: 061-061 BILLNBR: 006884636 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES  
MAILADDR: 4197 BROCKTON AVE RIVERSIDE CA 92501  
PRCLDESC: LOT 13 MB 035/005 PALM SPRINGS OASIS  
ID INFO: DUE TO NEW CONSTRUCTION EFFECTIVE DATE: 07/01/2006  
VALUE(S): STR: 194200

\* \* \* \* \*                   \* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
                          E N F O R C E M E N T     A C T I O N S                   \* \* \* \* \*

CTY: 33           LIEN NBR: 0326337 DOC: 9999999999999999  
  PRNT: 10/01/2007 RECD:                   RELD:  
NAME:            ENTERPRISE EQUITIES  
ADDRESS:         4197 BROCKTON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
                          INPUT/PAY-DT: 04/29/2013  
\* \* \* \* \*   C H A R G E S   A N D   P A Y M E N T   H I S T O R Y   \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
06/05/2007	TAXES		1,265.19	1,265.19
08/01/2007	DELQ PENALTY		126.51	1,391.70
10/01/2007	LIEN FEES		23.00	1,414.70
10/01/2007	MISC FEES		45.00	1,459.70
04/29/2013	ACCRUED PENALTY		1,271.51	2,731.21

ASMTNBR: 052569500-2 YR: 2006 INPUT/PAY-DT: 04/29/2013 BAL-DUE: 1,659.80  
PARENT: 669196013-5 TRA: 061-061 BILLNBR: 006884638 TAX CODE 0-00

ASSESSEE: ENTERPRISE EQUITIES INC  
MAILADDR: 4197 BROCKTON AVE RIVERSIDE CA 92501  
PRCLDESC: LOT 22 MB 035/005 PALM SPRINGS OASIS  
ID INFO: DUE TO NEW CONSTRUCTION EFFECTIVE DATE: 07/10/2006  
VALUE(S): STR: 194200

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
E N F O R C E M E N T    A C T I O N S

\* \* \* \* \*  
CTY: 33      LIEN NBR: 0326338 DOC: 000020090446062  
PRNT:                                      RECD: 08/26/2009 RELD:  
NAME:      ENTERPRISE EQUITIES INC  
ADDRESS:    4197 BROCKTON AVE RIVERSIDE CA 925010000

\* \* \* PRESS PA1 FOR MORE DATA \* \* \*  
INPUT/PAY-DT: 04/29/2013

\* \* \* \* \* C H A R G E S    A N D    P A Y M E N T    H I S T O R Y    \* \* \* \* \*

TAX CODE 0-00

DATE	DESCRIPTION	COLNBR	AMOUNT	BALANCE DUE
06/05/2007	TAXES		756.20	756.20
08/01/2007	DELQ PENALTY		75.62	831.82
08/26/2009	LIEN FEES		23.00	854.82
08/26/2009	MISC FEES		45.00	899.82
04/29/2013	ACCRUED PENALTY		759.98	1,659.80

CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY  
(SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS)

To: Don Kent, Treasurer-Tax Collector

Re: Claim for Excess Proceeds

TC 196 Item 653 Assessment No.: 727205013-7

Assessee: ENTERPRISE EQUITIES LLC

Situs:

Date Sold: April 29, 2013

Date Deed to Purchaser Recorded: June 20, 2013

Final Date to Submit Claim: June 20, 2014

RECEIVED  
JUL 29 2013

I/We, pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 4044.89 from the sale of the above mentioned real property. I/We were the  lienholder(s),  property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No. 2013-029531; recorded on 06/28/13. A copy of this document is attached here to. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this 23 day of JULY, 2013 at RIVERSIDE, CA.  
County, State

[Signature]  
Signature of Claimant

\_\_\_\_\_  
Signature of Claimant

JOHN A. RUSSO  
Print Name

\_\_\_\_\_  
Print Name

1525 E. ONTARIO AVE #101  
Street Address

\_\_\_\_\_  
Street Address

CORONA, CA 92881  
City, State, Zip

\_\_\_\_\_  
City, State, Zip

(951) 836-0530  
Phone Number

\_\_\_\_\_  
Phone Number

RF

CLAIM FOR EXCESS PROCEEDS FROM THE SALE OF TAX-DEFAULTED PROPERTY  
(SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS)

To: Don Kent, Treasurer-Tax Collector

Re: Claim for Excess Proceeds

TC 196 Item 653 Assessment No.: 727205013-7

Assessee: ENTERPRISE EQUITIES LLC

Situs:

Date Sold: April 29, 2013

Date Deed to Purchaser Recorded: June 20, 2013

Final Date to Submit Claim: June 20, 2014

2013 OCT 28 PM 12:12  
THE COUNTY OF RIVERSIDE  
TAX COLLECTOR'S OFFICE

I/We, pursuant to Revenue and Taxation Code Section 4675, hereby claim excess proceeds in the amount of \$ 4144.89 from the sale of the above mentioned real property. I/We were the  lienholder(s),  property owner(s) [check in one box] at the time of the sale of the property as is evidenced by Riverside County Recorder's Document No. 2013-0295591; recorded on 06/28/13. A copy of this document is attached here to. I/We are the rightful claimants by virtue of the attached assignment of interest. I/We have listed below and attached hereto each item of documentation supporting the claim submitted.

NOTE: YOUR CLAIM WILL NOT BE CONSIDERED UNLESS THE DOCUMENTATION IS ATTACHED.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If the property is held in Joint Tenancy, the taxsale process has severed this Joint Tenancy, and all Joint Tenants will have to sign the claim unless the claimant submits proof that he or she is entitled to the full amount of the claim, the claimant may only receive his or her respective portion of the claim.

I/We affirm under penalty of perjury that the foregoing is true and correct.

Executed this 22 day of JULY, 2013 at RIVERSIDE, CA  
County, State

[Signature]  
Signature of Claimant

\_\_\_\_\_  
Signature of Claimant

JOHN A. RUSSO  
Print Name

\_\_\_\_\_  
Print Name

1525 E. ONTARIO #101  
Street Address

\_\_\_\_\_  
Street Address

CORONA, CA 92881  
City, State, Zip

\_\_\_\_\_  
City, State, Zip

(951) 836-0530  
Phone Number

\_\_\_\_\_  
Phone Number

RECORDING REQUESTED BY:  
STEWART TITLE OF CALIFORNIA

**COPY** of Document Recorded  
on 2-22-2006 as No. 2006-0127715  
has not been compared with original.

AND WHEN RECORDED MAIL TO:  
ENTERPRISE EQUITIES, LLC  
4197 BROCKTON AVENUE  
RIVERSIDE, CA 92501

County Recorder  
RIVERSIDE COUNTY, CALIFORNIA

ORDER NO: 33317905

---

APN :

TRA :

DTT : \$

GRANT DEED  
TITLE OF DOCUMENT

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION

(\$3.00 ADDITIONAL RECORDING FEE APPLIES)



DOC # 2006-0127715

02/22/2006 08:00A Fee:26.00

Page 1 of 4 Doc T Tax Paid

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO:

Name: ENTERPRISE EQUITIES LLC
Street Address: 4197 BROCKTON AVENUE
City: RIVERSIDE, CA. 92501

RECORDING REQUESTED BY EIDELITY NATIONAL TITLE INSURANCE

Table with columns: M, S, U, PAGE, SIZE, DA, PCOR, NOCOR, SMF, MISC. and rows for recording details.

ORDER NO. 33317905 TRM 058-033
ESCROW NO. 3113-JB

GRANT DEED

TAX PARCEL NO. 727-205-013

The undersigned declares that the documentary transfer tax is \$71.50 and is X computed on the full value of the interest of the property conveyed, or is computed on the full value less the value of liens or encumbrances remaining thereon at the time of sale.



The land, tenements or realty is located in unincorporated area city MECCA and FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GARY BURT and RICHARD ALAN BURT as Joint Tenants, with right of survivorship.

hereby GRANT(S) to ENTERPRISE EQUITIES LLC

The following described real property in the City of MECCA County of Riverside, State of California:

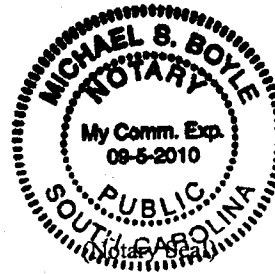
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART THEREOF

Dated 01/20/2006
STATE OF CALIFORNIA, South Carolina
COUNTY OF Charleston
On February 6, 2006 before me, Michael S. Boyle NOTARY PUBLIC
(insert name/title of the officer), personally appeared Gary Burt

Signature of Gary Burt
GARY BURT
Signed in counter part
RICHARD ALAN BURT

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument. WITNESS my hand and official seal.

Signature Michael S Boyle



MAIL TAX STATEMENTS TO PARTY SHOWN BELOW: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE.

ENTERPRISE EQUITIES LLC 4197 BROCKTON AVENUE RIVERSIDE, CA. 92501
Name Street Address City & State

---

**EXHIBIT "A"**

A PORTION OF THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF THE SOUTHWEST QUARTER (SE1/4) OF SECTION EIGHT (8), TOWNSHIP SEVEN (7) SOUTH, RANGE NINE (9) EAST, SAN BERNARDINO BASE AND MERIDIAN, PARTICULARLY DESCRIBED AS FOLLOWS:

THE RECTANGULAR PIECE OF LAND BEGINNING AT A POINT TWENTY (20) FEET NORTHERLY AND 484.2 FEET EASTERLY OF THE SOUTH WEST CORNER, THENCE WESTERLY 50 FEET PARALLEL WITH THIRD STREET AND NORTHERLY 145 FEET PARALLEL WITH DALE KILER ROAD.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO:

Name  
Street ENTERPRISE EQUITIES LLC  
Address 4197 BROCKTON AVENUE RIVERSIDE, CA.  
City 92501  
State  
Zip

RECORDING REQUESTED BY  
FIDELITY NATIONAL TITLE INSURANCE

RECORDERS USE ONLY

GRANT DEED

ORDER NO. 33317905  
ESCROW NO. 3113-JB

TAX PARCEL NO. 727-205-013

The undersigned declares that the documentary transfer tax is SIGNED IN COUNTERPART and is X computed on the full value of the interest of the property conveyed, or is \_\_\_\_\_ computed on the full value less the value of liens or encumbrances remaining thereon at the time of sale.

The land, tenements or realty is located in \_\_\_\_\_ unincorporated area X city MECCA and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
GARY BURT and RICHARD ALAN BURT, EACH A MARRIED MAN, WHO ACQUIRED TITLE AS GARY BURT and RICHARD ALAN BURT, as Joint Tenants, with right of survivorship.

hereby GRANT(S) to  
ENTERPRISE EQUITIES LLC

The following described real property in the City of MECCA  
County of Riverside, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART THEREOF.

Dated 02/13/2006

STATE OF Oregon )  
COUNTY OF Jackson )  
On February 13, 2006 before me,  
Sheri Cain Westerman, Notary Public State of Oregon  
(insert name/title of the officer), personally appeared

RICHARD ALAN BURT

Richard Alan Burt  
RICHARD ALAN BURT  
signed in counterpart  
Gary Burt

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.  
WITNESS my hand and official seal.



Signature [Handwritten Signature]

(Notary Seal)

MAIL TAX STATEMENTS TO PARTY SHOWN BELOW: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE.

ENTERPRISE EQUITIES LLC 4197 BROCKTON AVENUE RIVERSIDE, CA. 92501

Name

Street Address

City & State

Order No. 33317905

**EXHIBIT "ONE"**

A portion of the Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) of Section Eight (8), Township Seven (7) South, Range Nine (9) east, San Bernardino Base and Meridian, particularly described as follows:

The rectangular piece of land beginning at a point twenty (20) feet Northerly and 484.2 feet Easterly of the Southwest corner; thence Easterly 50 feet parallel with Third Street and Northerly 145 feet parallel with Dale Kiler Road.

# Enterprise Equities, LLC

1525 E. Ontario Avenue, Ste 101

Corona, CA 92881

License Number: 782647

Office 951-549-8900 Cell 951-836-0530

Date: 10/01/13

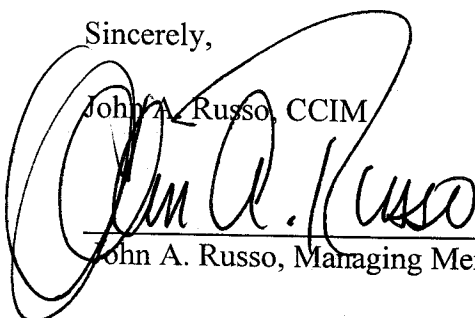
Re: Assessment No.: 727205013-7

To whom it may concern:

Please be advised that Enterprise Equities, LLC has engaged Mr. Donald Helmick to represent Enterprise Equities, LLC to handle them matter pertaining to the attached letter. Should you have any questions or concerns, please do not hesitate to contact me at any time.

Sincerely,

John A. Russo, CCIM

  
\_\_\_\_\_  
John A. Russo, Managing Member

10/01/13  
\_\_\_\_\_  
Date



**RIVERSIDE COUNTY**  
**DELINQUENT PROPERTY TAX BILL**  
 For Fiscal Year July 1, 2011 through June 30, 2012  
 Offices in Riverside, Palm Springs and Temecula

To send us an e-mail, visit our Website: [www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)

**DON KENI, TREASURER**  
 4080 Lemon St (1st Floor) Riverside, California  
 (P.O. Box 12005, Riverside, CA 92502-2205)

Telephone: (951) 955-3900  
 or, from area codes 951 and 760 only  
 toll free: 1 (877) RIVCOTX (748-2689)

Property Data 727205013-7 POR SE 1/4 OF SEC 8 T7S R9E FOR TOTAL  
 DESCRIPTION SEE ASSESSORS MAPS

ASSESSMENT NUMBER  
 727205013-7

Address  
 Owner, JANUARY 1, 2011 ENTERPRISE EQUITIES LLC

Tax Rate Area 058-178 Bill Number 000475236

05/16/2012

**SEE REVERSE SIDE FOR  
 IMPORTANT INFORMATION**

INSTALLMENT	STATUS	DEL
1st	UNPAID	1
2nd	UNPAID	1

*April 24<sup>th</sup>  
 by SP.M.*

PENALTY	COST	TOTAL
\$46.23		\$508.67
\$46.23	\$31.00	\$539.67

**OUR RECORDS SHO  
 ON THE PROPERTY**

*to redeem*

**E DELINQUENT**

\$1,048.34  
 AMOUNT DUE

The Total Amount D

*727205013-7*

After JUNE 30, 2012  
 be added and redemptic  
 delinquency will be adc  
 default, the property bec

*per Adrian P  
 Tap Sale operations  
 \$10,153.01 if paid  
 by 2/28/13*

e property will be tax-defaulted, a redemption fee will  
 his property already has unpaid prior-year taxes, this  
 s remain unpaid for 5 years after the original year of

Note: If June 30<sup>th</sup> falls  
 this bill can be paid on the next business day.

\$508.67	\$539.67
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**PLEASE KEEP TOP PORTION FOR YOUR RECORDS**  
 (NO RECEIPTS WILL BE ISSUED - YOUR CANCELLED CHECK IS YOUR RECEIPT)

P A Y	<b>NO LATER THAN</b> JUNE 30, 2012	
	DELINQUENT	\$539.67
	2nd INSTALLMENT AMOUNT	

(If over \$25,000, see Item #1 on reverse)

SEND THIS STUB WITH YOUR 2nd INSTALLMENT PAYMENT  
**RIVERSIDE COUNTY**  
**SECURED DELINQUENT PROPERTY TAXES**  
 2011-2012  
 PARTIAL PAYMENTS ARE NOT ACCEPTED

051512  
 ASSESSMENT NUMBER  
 727205013-7  
 Bill Number  
 000475236



Check here for a change of mailing address  
 Please provide all corrections on the reverse side.

**2nd**  
 INSTALLMENT  
 cannot be paid unless  
 1st installment is paid

0000053967 022011 000475236 01

Pay taxes online by eCheck or by credit card



OR  
 - Convenience Fee

[www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)

Mailing instructions on the reverse side.

0220117272050137000000539670410201200000053967244



S	R	U	PAGE	SIZE	DA	MISC	LONG	RFD	COPY
1			2						
M	A	L	465	428	PCOR	NCOR	SMF	NCHG	EXAM
SMF FEE			T:	CITY	UNI				

Don Kent, Tax Collector  
 Signature of Assessor

C 089

TRA 058-178  
 Doc. Trans. Tax - computed on full value of property conveyed \$ 1725

**TAX DEED TO PURCHASER OF TAX-DEFAULTED PROPERTY**

On which the legally levied taxes were a lien for Fiscal Year 2006-2007  
 and for nonpayment were duly declared to be in default 2007-127205013-40000  
 Detail Number

This deed, between the Tax Collector of RIVERSIDE County ("SELLER") and **JAMIE GONZALES & LIDEA ALVARADO, HUSBAND AND WIFE AS JOINT TENANTS ("PURCHASER")** conveys to the PURCHASER free of all encumbrances of any kind existing before the sale, except those referred to in §3712 of the Revenue and Taxation Code to the real property described herein which the SELLER sold to the PURCHASER at a public auction held on APRIL 29, 2013 pursuant to a statutory power of sale in accordance with the provisions of Division 1, Part 6, Chapter 2, Revenue and Taxation Code, for the sum of **\$15,100.00**.

**NO TAXING AGENCY** objected to the sale.  
 In accordance with law, the SELLER, hereby grants to the PURCHASER that real property situated in said county, State of California, last assessed to **ENTERPRISE EQUITIES LLC**, described as follows:

Assessor's Parcel Number **727205013-7**  
 OUTSIDE CITY

SEE PAGE 2 ENTITLED "LEGAL DESCRIPTION"

State of California Executed on  
 County of Riverside APRIL 29, 2013 By *[Signature]*

On June 12, 2013, before me, Larry W. Ward, Assessor, Clerk-Recorder, personally appeared Don Kent, Treasurer and Tax Collector for Riverside County, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
 WITNESS my hand and official seal  
 Larry W. Ward, Assessor, Clerk Recorder  
 By *[Signature]* Deputy Seal



§3708 & 3804 R&T Code

TDL 6-13 (6-97)

LEGAL DESCRIPTION  
 A PORTION OF THE NORTHWEST QUARTER (NW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION EIGHT (8), TOWNSHIP SEVEN (7) SOUTH, RANGE NINE (9) EAST, SAN BERNARDINO BASE AND MERIDIAN, PARTICULARLY DESCRIBED AS FOLLOWS: THE RECTANGULAR PIECE OF LAND BEGINNING AT A POINT TWENTY (20) FEET NORTHERLY AND 484.20 FEET EASTERLY OF THE SOUTHWEST CORNER, THENCE EASTERLY 50.00 FEET PARALLEL WITH THIRD STREET AND NORTHERLY 145.00 FEET PARALLEL WITH DALE KILER ROAD THENCE WEST 90.00 FEET THENCE SOUTHERLY 145 FEET TO THE POINT OF BEGINNING.



LARRY W. WARD  
COUNTY OF RIVERSIDE  
ASSESSOR-COUNTY CLERK-RECORDER

Recorder  
P.O. Box 751  
Riverside, CA 92502-0751  
(951)486-7000

[www.riversideacr.com](http://www.riversideacr.com)

6/26/2013

**COURTESY NOTICE**

Document: 2013-0295591

ENTERPRISE EQUITIES LLC  
PO BOX 77816  
CORONA CA 92877

**CONFIRMATION OF RECORDING OF A DOCUMENT**

Dear Homeowner,

The Assessor-County Clerk-Recorder of the County of Riverside is committed to protecting its residents from fraudulent land transactions. In that regard, we are monitoring all recordings of Deeds and Deeds of Trust and other similar documents and are sending out "Courtesy Notices" regarding recent property recording transactions.

Our records indicate that a document affecting your real property was recently recorded. A copy of the first two pages of the document is shown on the reverse side.

**IF THE TRANSACTION IS CORRECT, NO ACTION IS REQUIRED ON YOUR PART.**

If you have questions regarding this notice, you may visit our website at [www.riversideacr.com](http://www.riversideacr.com) and click on "New: Real Estate Fraud Notice" for more information. Please be aware that this notice is generated and mailed by an outside source on behalf of the Assessor-County Clerk-Recorder for Riverside County.

If you are unaware of this transaction, you may wish to contact the County of Riverside District Attorney's Real Estate Fraud Unit by sending an email to [REFraudUnit@RivCoDa.Org](mailto:REFraudUnit@RivCoDa.Org) or by calling 1-877-723-7779. You may also fill out a Special Prosecution Complaint Form, which can be forwarded to the District Attorney's office. This form may be found on the District Attorney's website at: [http://www.rivcoda.org/pdf/SPS\\_ComplaintForm.pdf](http://www.rivcoda.org/pdf/SPS_ComplaintForm.pdf). You may also telephone your local law enforcement agency to have this matter investigated.

Sincerely,  
County of Riverside  
By:

Larry Ward  
Assessor-County Clerk-Recorder



**FIRST AMENDED  
OPERATING AGREEMENT  
FOR  
ENTERPRISE EQUITIES, L.L.C.  
A CALIFORNIA LIMITED LIABILITY COMPANY**

THIS FIRST AMENDED LIMITED LIABILITY COMPANY OPERATING AGREEMENT (the "Agreement") is effective this 1<sup>st</sup> day of December, 2006, by and among the parties on the signature page hereof, as members (the "Members") of **Enterprise Equities, L.L.C.**, a California limited liability company (the "Company").

NOW, THEREFORE, the parties by this Agreement set forth the operating agreement for the Company under the laws of the State of California upon the terms and subject to the conditions of this Agreement.

**ARTICLE I  
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below (all terms used in this Agreement that are not defined in this Article I shall have the meanings set forth elsewhere in this Agreement):

1.1 "Act" shall mean the Beverly-Killea Limited Liability Company Act, codified in the California Corporations Code, Section 17000 et seq., including amendments from time to time.

1.2 "Affiliate" of a Member or Manager shall mean any Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with a Member. The term "control," as used in the immediately preceding sentence, shall mean with respect to a corporation or limited liability company the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity.

1.3 "Aggregate Unpaid Yield" means, as of any date, the sum of each Member's Unpaid Yield on that date.

1.4 "Aggregate Unreturned Capital" means, as of any date, the sum of each Member's Unreturned Capital on that date.

1.5 "Aggregate Yield" means, for any period, the sum of each Member's Yield for each period.

1.6 "Agreement" shall mean this Operating Agreement, as executed and as amended from time to time.

1.7 "Articles" shall mean the Articles of Organization for the Company originally filed with the California Secretary of State and as amended from time to time.

1.8 "Assignee" shall mean the owner of an Economic Interest who has not been admitted as a substitute Member in accordance with Article VII.

1.9 "Assigning Member" means a Member who, by means of a Transfer, has transferred an Economic Interest in the Company to an Assignee.

1.10 "Available Cash" shall mean the amount of cash which the Manager deems available for distribution to the Members, taking into account all debts, liabilities, and obligations of the Company then due, and working capital and other amounts which the Manager deems necessary for the Company's business or to place into reserves for customary and usual claims with respect to such business.

1.11 "Bankruptcy" shall mean: (a) the filing of an application by a Member for, or his consent to, the appointment of a trustee, receiver, or custodian of his other assets; (b) the entry of an order for relief with respect to a Member in proceedings under the United States Bankruptcy Code, as amended or superseded from time to time; (c) the making by a Member of a general assignment for the benefit of creditors; (d) the entry of an order, judgment, or decree by any court of competent jurisdiction appointing a trustee, receiver, or custodian of the assets of a Member unless the proceedings and the person appointed are dismissed within ninety (90) days; or (e) the failure by a Member generally to pay his debts as the debts become due within the meaning of Section 303(h)(1) of the United States Bankruptcy Code, as determined by the Bankruptcy Court, or the admission in writing of his inability to pay his debts as they become due.

1.12 "Base Rate" means, on any date, a rate per annum equal to the prime rate of interest published by the Wall Street Journal from time to time.

1.13 "Capital Account" shall mean with respect to any Member the capital account which the Company establishes and maintains for such Member pursuant to Section 3.3.

1.14 "Capital Contribution" shall mean the total amount of cash and fair market value of property contributed to the Company by Members. The Capital Contribution of the Members as of the effective date of this Agreement is set forth on Exhibit "A" attached hereto.

1.15 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, the provisions of succeeding law, and to the extent applicable, the Regulations.

1.16 "Company" shall mean Enterprise Equities, L.L.C., a California limited liability company.

1.17 "Company Minimum Gain" shall have the meaning ascribed to the term "Partnership Minimum Gain" in the Regulations Section 1.704-2(d).

1.18 "Corporations Code" shall mean the California Corporations Code, as amended from time to time, and the provisions of succeeding law.

1.19 (Intentionally Left Blank)

1.20 "Dissolution Event" shall mean with respect to any Member one or more of the events described in Section 8.1.

1.21 "Economic Interest" shall mean the right to receive distributions of the Company's assets and allocations of income, gain, loss, deduction, credit and similar items from the Company pursuant to this Agreement and the Act, but shall not include any other rights of a Member, including, without limitation, the right to vote or participate in the management of the Company, or except as provided in Section 17106 of the Corporations Code, any right to information concerning the business and affairs of the Company.

1.22 "Economic Owner" means any owner of an Economic Interest who is not a Member. No owner of an Economic Interest which is not a Member shall be deemed a "member" (as that term is used in the California Act) of the Company.

1.23 "Encumber" means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

1.24 "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.

1.25 "Fair Market Value" means the market value of assets owned by the Company or contributed to the Company by the Members, as determined by the Manager; provided, however, that if the net sales proceeds to the Company from a sale of any property originally contributed by Member John A. Russo are less than the Fair Market Value of such property as determined on its contribution date, the Fair Market Value of such property shall, for all purposes of this Agreement, including, without limitation, Section 6.9, be deemed to equal the amount of such net sales proceeds.

1.26 "Fiscal Year" shall mean the Company's fiscal year, which shall be the calendar year.

1.27 "Former Member" shall have the meaning ascribed to it in Section 8.1.

1.28 "Former Member's Interest" shall have the meaning ascribed to it in Section 8.1.

1.29 "Involuntary Transfer" means, with respect to any Membership Interest, or any element thereof, any Transfer or Encumbrance, 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.

1.30 "Majority Interest" shall mean those Members whose Percentage Interests represent more than fifty percent (50%) of the Percentage Interests of all the Members.

1.31 "Manager/s/" shall have the meaning attributed to it in Article V herein.

1.32 "Member" shall mean each Person who (a) is a signatory to this Agreement, has been admitted to the Company as a Member in accordance with the Articles or this Agreement or is an Assignee who has become a Member in accordance with Article VII, and (b) has not become the subject of a Dissolution Event or ceased to be a Member in accordance with Article VIII or for any other reason.

1.33 "Member Nonrecourse Debt" shall have the meaning ascribed to the term "Partner Nonrecourse Debt" in Regulations Section 1.704-2(b)(4).

1.34 "Member Nonrecourse Deductions" shall mean items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures which are attributable to Member Nonrecourse Debt.

1.35 "Membership Interest" shall mean a Member's entire interest in the Company including the Member's Economic Interest, the right to vote on or participate in the management, and the right to receive information concerning the business and affairs, of the Company.

1.36 Intentionally Left Blank)

1.37 "Nonrecourse Liability" shall have the meaning set forth in Regulations Section 1.752-1(a)(2).

1.38 "Notice" means a written notice required or permitted under this Agreement. A notice shall be deemed given or sent when deposited, as certified mail or for overnight delivery, postage and fees prepaid, in the United States mails; when delivered to Federal Express, United Parcel Service or DHL WorldWide Express for overnight delivery, charges prepaid or charged to the sender's account; when personally delivered to the recipient; when transmitted by electronic means, and such transmission is electronically confirmed as having been successfully transmitted; or when delivered to the home or office of a recipient in the care of a person whom the sender has reason to believe will promptly communicate the notice to the recipient.

1.39 "Percentage Interest" shall mean the percentage of a Member set forth opposite the name of such Member under the column "Member's Percentage Interest" in Exhibit "A" hereto, as such percentage may be adjusted from time to time as determined by the Manager.

1.40 "Person" shall mean an individual, partnership, limited partnership, limited liability company, corporation, trust, estate, association or any other entity.

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

1.42 "Regulations" shall, unless the context clearly indicates otherwise, mean the regulations in force as final or temporary that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

1.43 "Remaining Members" shall have the meaning ascribed to it in Section 7.1 of this Agreement.

1.44 "Russo's Capital Commitment" shall mean an amount equal to \$334,100.04 worth of property.

1.45 "Tax Item" means each item of income, gain loss deduction or credit of the Company.

1.46 (Intentionally Left Blank)

1.47 "Transfer" means, with respect to a Membership Interest or any element of a Membership Interest, any sale, assignment, gift, Involuntary Transfer, Encumbrance, or other disposition of such a Membership Interest or any element of such Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.

1.48 (Intentionally Left Blank)

1.49 "Unpaid Yield" means, with respect to each Member as of any date, an amount equal to the excess, if any, of (x) the aggregate Yield accrued on such Member's Unreturned Capital through such date, over (y) the aggregate amount of prior distributions made by Company pursuant to Section 6.14(a).

1.50 "Unreturned Capital" means, with respect to each Member, such Member's Capital Contribution reduced by all distributions made to such Member by the Company pursuant to or in accordance with Section 6.14(b).

1.51 "Vote" means a written consent or approval, a ballot cast at a meeting, or a voice vote.

1.52 "Yield" means, with respect to each Member, an amount, calculated on a daily basis (without daily compounding) from the date said Member made a Capital Contribution at the rate of ten percent (10%) per annum on (a) such Member's Unreturned Capital plus (b) such Member's Unpaid Yield as determined at the close of the prior quarterly period. For the purpose of calculating Yield in the Company's initial quarterly period (or initial partial quarterly period), Unpaid Yield shall equal zero. Yield for all Members shall cease to accrue on the date Russo's Capital Commitment is completed.

## ARTICLE II ORGANIZATIONAL MATTERS

2.1 Formation. The Members have previously caused Articles of Organization to be filed with the California Secretary of State. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company shall be "Enterprise Equities, L.L.C." The business of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Members deem appropriate or advisable. The Members shall file any fictitious name certificates and similar filings, and any amendments thereto, that a Majority Interest considers appropriate or advisable.

2.3 Term. The term of this Agreement commenced on the filing of the Articles and shall continue in perpetuity, unless terminated as hereinafter provided.

2.4 Office and Agent. The Company shall continuously maintain a registered office and registered agent in the State of California. The registered office of the Company shall be 4197 Brockton, Riverside, California 92501, or as the Manager may determine. The Company may also have such offices, anywhere within and without the State of California, as the Manager may determine from time to time, or the business of the Company may require. The registered agent shall be as stated in the Articles or as otherwise determined by the Manager.

2.5 Names and Addresses of the Members. The names and addresses of the Members are set forth on the attached Exhibit "A". A Member may change his address upon notice thereof to the other Members.

2.6 Purpose and Business of the Company. The purpose of the Company is to engage in any lawful activity for which a limited liability company may be organized under the Act. Notwithstanding the foregoing, without the consent of a Majority Interest, the Company shall not engage in any business other than the following:

(a) The business of acquiring, owning, developing, operating, leasing, marketing, selling and conveying real property (including the acquisition of general or limited partnership interests in one or more partnerships engaged in the foregoing activities); and

(b) Such other activities reasonably related to and in furtherance of the foregoing business as may be necessary, advisable, or appropriate, in the reasonable opinion of a Majority Interest.

2.7 Limited Liability Company. The Members intend the Company to be a limited liability company under the Act. No Member shall take any action inconsistent with the express intent of the parties to this Agreement.

ARTICLE III  
CAPITAL CONTRIBUTIONS

3.1 Capital Contributions. The Members have contributed to the Company that consideration described on Exhibit "A" attached hereto.

3.2 Additional Capital Contributions. No Member shall be required to make any other additional Capital Contribution. Upon approval of the Manager, one or more Member may voluntarily make additional Capital Contributions. If one or more Members, with the approval of the Manager, agree to make a additional Capital Contributions, other than an additional Capital Contribution contemplated in Section 3.2(a) hereof, each Member shall have the right, but not the obligation, to make an additional Capital Contribution on a pro rata basis, based on the Capital Account balances of all Members. Each Member shall receive a credit to his Capital Account in the amount of any additional capital which he contributes to the Company. This Section 3.2 is not intended to create any obligation of the Members to third parties or expand the recourse of third parties with respect to any Company debt or obligation.

3.3 Capital Accounts. The Company shall establish and maintain an individual Capital Account for each Member in accordance with Regulations Section 1.704-1(b)(2)(iv) and adjusted in accordance with the following provisions:

(a) A Member's Capital Account shall be increased by that Member's Capital Contributions, that Member's share of Profits, and any items in the nature of income or gain that are specially allocated to that Member pursuant to Article VI.

(b) A Member's Capital Account shall be increased by the amount of any Company liabilities assumed by that Member subject to and in accordance with the provisions of Regulations Section 1.704-1(b)(2)(iv)(c).

(c) A Member's Capital Account shall be decreased by (a) the amount of cash distributed to that Member; (b) the Fair Market Value of any property of the Company so distributed, net of liabilities secured by such distributed property that the distributee Member is considered to assume or to be subject to under Code Section 752; and (c) the amount of any items in the nature of expenses or losses that are specially allocated to that Member pursuant to Article VI.

(d) A Member's Capital Account shall be reduced by the Member's share of any expenditures of the Company described in Code Section 705(a)(2)(B) or which are treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i).

(e) If any Economic Interest (or portion thereof) is transferred, the transferee of such Economic Interest or portion shall succeed to the transferor's Capital Account attributable to such interest or portion.

(f) The principal amount of a promissory note that is not readily traded on an established securities market and that is contributed to the Company by the maker of the note shall not be included in the Capital Account of any Person until the Company makes a taxable

disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

(g) Each Member's Capital Account shall be increased or decreased as necessary to reflect a revaluation of the Company's property assets in accordance with the requirements of Regulations Section 1.704-1(b)(2)(iv)(f) and 1.704(b)(2)(iv)(g), including the special rules under Regulations Section 1.704-1(b)(4), as applicable. The provisions of this Agreement respecting the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with those Regulations.

3.4 Title. Except as set forth on Exhibit A hereto, each Member represents and warrants to the other Members and to the Company that such Member has good and marketable title to each piece of property contributed to the Company by such Member, free of any and all liens and encumbrances which may affect the Company's ability to utilize such property for its intended purpose.

3.5 Loans to Company. If the Manager determines that additional funds (beyond the Capital Contributions described in Sections 3.1 and 3.2 above) are at any time required in order to properly conduct the affairs of the Company, the Members will have the option to fund such loan or loans in such amount as may be determined by the Manager. Any such loan will bear interest at a rate not to exceed the Base Rate plus ten percent (10%) per annum, as determined by the Manager, will be deemed made or arranged by a licensed California real estate broker (inasmuch as Member, John A. Russo, is a licensed California real estate broker), will be amortized over such period and have such maturity date as may be determined by the Manager and shall be repaid on a priority basis.

3.6 No Interest. No Member shall be entitled to receive any interest on his Capital Contributions.

3.7 Limited Liability. A Member shall not be personally 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.

## ARTICLE V MEMBERS

4.1 Members and Voting Rights. 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 except as specifically provided for in Article V and Article VI. Subject to the provisions of this Agreement, Members shall have the right and power to appoint, remove, and replace Managers and officers of the Company and the right to Vote on all other matters with respect to which this Agreement or the Act requires or permits such Member action. Each Member shall Vote in proportion to the Member's Percentage Interest as of the governing record date, determined in accordance with the Act.



Without limiting the foregoing, all of the following acts shall require the unanimous Vote of the Members:

(a) The Transfer of a Membership Interest and the admission of the Assignee as a Member of the Company;

(b) Any amendment of the Articles of Organization or this Agreement (other than an amendment simply to reflect the admission or withdrawal of a Member, or a change in a Member's Percentage Interest in connection with an admission, withdrawal, additional capital contribution, or otherwise);

(c) A compromise of the obligation of a Member to make a Capital Contribution under Article III; and

(d) The appointment or removal of a Manager.

4.2 Member Approval/Meetings. No annual or regular meetings of the Members are required to be held. However, if such meetings are held, such meetings shall be noticed, held and conducted pursuant to the Act. Subject to the last sentence in this Section 4.2, in any instance in which the approval of the Members is required under this Agreement, such approval may be obtained in any manner permitted by the Act. Unless otherwise provided in this Agreement, approval of the Members shall mean the approval of a Majority Interest.

4.3 Remuneration to Members. Except as otherwise specifically provided in this Agreement, or by separate employment agreement between the Member and the Company, no Member is entitled to remuneration for acting in the Company business.

4.4 Indemnification. Notwithstanding the fact that each Member will have an active role in the management of the Company, if any Member purports to bind the Company or execute any instrument on behalf of the Company in contravention of this Agreement and/or the rights of the other Members, such Member shall indemnify, defend, and save harmless each other Member and the Company from and against any and all loss, cost, expense, liability, or damage arising from or out of any claim based upon the actions of such Member.

4.5 Action by Written Consent without a Meeting. Any action that may be taken at a meeting of Members may be taken without a meeting, if a consent in writing setting forth the action so taken, is signed and delivered to the Company within sixty (60) days of the record date for that action by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Members entitled to vote on that action at a meeting were present and voted. All such consents shall be filed with the Company and shall be maintained in the Company records. Any Member giving a written consent, or the Member's proxy holders, may revoke the consent by a writing received by the secretary, if any, of the Company before written consents of the number of votes required to authorize the proposed action have been filed.

Unless the consents of all Members entitled to vote have been solicited in writing, (i) notice of any Member approval of an amendment to the Articles or this Agreement, a

dissolution of the Company, or a merger of the Company, without a meeting by less than unanimous written consent, shall be given at least ten (10) days before the consummation of the action authorized by such approval, and (ii) prompt notice shall be given of the taking of any other action approved by Members without a meeting by less than unanimous written consent, to those Members entitled to vote who have not consented in writing.

4.6. Telephonic Participation by Members at Meetings. Members may participate in any Members' meeting through the use of any means of conference telephones or similar communications equipment as long as all Members participating can hear one another. A Member so participating is deemed to be present in person at the meeting.

4.7 Time Devoted to the Company. (Intentionally Left Blank)

4.8 Transactions Between Company and Members. Notwithstanding that it may constitute a conflict of interest, the Members and their Affiliates may engage in any transaction with the Company so long as such transaction is not expressly prohibited by this Agreement and so long as the terms and conditions of such transaction, on an overall basis, are fair and reasonable to the Company and are at least as favorable to the Company as those that are generally available from persons or entities capable of similarly performing them or if Members holding a Majority Interest approve the transaction. The Members have specifically approved loans to the Company pursuant to Section 3.5 as fair and reasonable to the Company.

4.9 Title to Assets. Unless approved by the Manager, the Company shall hold title to real property assets in the name of the Company.

4.10 Competing Activities/Company Opportunities. The Members acknowledge that no Member, excepting John A. Russo and other Members who become employees of the Company, such as Casey Gray, are required and expected to devote all of their time to the business and affairs of the Company. Other Members may pursue other business ventures and opportunities, including those involving the acquisition, management and disposition of real property not owned by the Company. Those Members who are employees of the Company, such as Casey Gray and John A. Russo, shall devote all of their time to the business and affairs of the Company and shall make all business opportunities available first to the Company with respect to real property which may be acquired, constructed, renovated, held and/or sold by the Company, in accordance with the purpose and business of the Company as set forth in Section 2.6 above.

4.11 Preemptive Rights. In connection with any issuance of Membership Interests of the Company, each Member immediately prior to such issuance shall have the right to acquire a pro-rata portion of the Membership Interests so issued as follows:

(a) Not less than five (5) business days prior to any issuance of Membership Interests to which the provisions of this Section 4.11 apply (a "Proposed Issuance"), the Manager shall cause the Company to give each Member a written notice (a "Funding Notice") setting forth the aggregate quantity of the Membership Interests to be issued and the Capital Contributions to be made in respect thereof, and setting forth in reasonable detail the terms and conditions of such Proposed Issuance, including, without limitation, the date of issuance ("Issuance Date"),

(b) Each Member may, by giving the Company written notice (a "Subscription Notice") not later than the 5<sup>th</sup> business day after the date of a Funding Notice, subscribe for such Member's pro-rata portion of the Membership Interests in the Proposed Issuance at the price and on the other terms and conditions set forth in the Funding Notice. Any such Member may decline to subscribe for such Member's portion of the Membership Interests described in any Funding Notice, and shall have the sole right in its absolute discretion to do so, and any such Member which does not give a Subscription Notice during such five (5)-business day period will be deemed to have so declined. On the Issuance Date, those Members who subscribed for their pro-rata portion of the Membership Interests described in the Funding Notice shall be issued such portion upon payment to the Company in readily available funds of the applicable issuance price. Any Member who fails to make timely payment shall be deemed to have declined to have subscribed for the additional Membership Interests.

## ARTICLE V MANAGEMENT AND CONTROL OF THE COMPANY

5.1 Management of Company. Except as otherwise specifically limited herein, the Manager has the exclusive right to manage the Company's business. Accordingly, except as otherwise specifically limited in this Operating Agreement or under applicable law, the Manager shall: (i) manage the affairs and business of the Company; (ii) exercise the authority and powers granted to the Company; and (iii) otherwise act in all other matters on behalf of the Company. No contract, obligation or liability of any kind or type can be entered into on behalf of the Company by any Member other than an existing Manager of the Company. The Manager shall take all actions which shall be necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Operating Agreement.

5.2 Specific Rights and Powers of Manager. Except as otherwise specifically limited in this Operating Agreement or under applicable law, in addition to the rights and powers which he may have in accordance with Section 5.1, the Manager shall have all specific rights and powers required for the management of the business of the Company including, without limitation, the right to do the following:

- (a) Incur all reasonable expenditures and pay all obligations of the Company;
- (b) Execute or delegate the authority to execute any and all documents or instruments of any kind which the Manager deems necessary or appropriate to achieve the purposes of the Company, including, without limitation, contracts, agreements, leases, subleases, easements, deeds, notes, mortgages and other documents or instruments of any kind or character or amendments of any such documents or instruments;
- (c) Purchase or lease equipment for Company purposes;
- (d) Borrow money from individuals, banks and other lending institutions for any Company purpose, and mortgage or pledge any or all Company Properties; to secure or

provide for the repayment of such loans; obtain replacements of any mortgage or mortgages in whole or in part, refinance, recast, modify, extend or consolidate any mortgage affecting Company Property;

(e) Procure and maintain, at the expense of the Company and with responsible companies, such insurance as may be available in such amounts and covering such risks as are appropriate in the reasonable judgment of the Manager, including insurance policies insuring the Manager against liability arising as a result of any action he may take or fail to take in his capacity as Manager of the Company;

(f) Employ and dismiss from employment any and all Company employees, agents, independent contractors, attorneys and accountants;

(g) Supervise the preparation and filing of all Company tax returns; and

(h) Subject to the restrictions contained in Section 4.11, cause the Company to issue additional Membership Interests, specifying the rights and preferences incident thereto, and admit the owners thereof as Members.

5.3 Number, Tenure and Qualifications. The number of Managers of the Company shall be one (1), who shall be John Russo. The Manager shall hold office until his resignation or removal. The Manager need not be a resident of California. The number of the Managers may be increased or decreased from time to time by resolution of all of the Members; but no decrease shall have the effect of shortening the term of any incumbent Manager. If the number of Managers is increased to more than one, the following provisions (or additions to all other provisions contained in this Article V) shall apply:

(a) Regular meetings of the Managers shall be held at such times and in such places as the Managers shall determine.

(b) Special meetings shall be called at any time by or at the request of a Manager.

(c) Notice of any special meeting of the Managers shall be given no fewer than three (3) days and no more than ten (10) days prior to the date of the meeting. Notices shall be delivered in the manner set forth herein. The attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Managers need be specified in the notice or waiver of notice of such meeting.

(d) A majority of the number of Managers shall constitute a quorum for transaction of business at any meeting of the Managers, provided that if less than a majority of such number of Managers are present at said meeting, a majority of the Managers present may adjourn the meeting at any time without further notice.

(e) The act of the majority of the Managers present at a meeting at which a quorum is present shall be the act of the Managers, unless the act of a greater number is required by statute, this Operating Agreement or the Articles.

(f) Unless specifically prohibited by the Articles, any action required to be taken at a meeting of the Managers, or any other action which may be taken at a meeting of the Managers, or of any committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Managers entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be. Any such consent signed by all the Managers or all the members of the committee shall have the same effect as a unanimous vote, and maybe stated as such in any document filed with the Secretary of State or with anyone else.

5.4 Vacancies. Any Manager position to be filled for any reason shall be filled by election at a meeting of the Members.

5.5 Action Without Meeting. Unless specifically prohibited by the Articles, any action required to be taken by the Manager, may be taken by written consent setting forth the action so taken, and signed by the Manager.

## ARTICLE VI ALLOCATIONS OF PROFITS AND LOSSES AND DISTRIBUTIONS

6.1 Allocations of Profits and Losses. Except as otherwise provided herein, Profits and Losses for each fiscal year shall be allocated as follows:

(a) After giving effect to the special allocations set forth in Section 6.4, Profits for each fiscal year shall be allocated in the following order and priority:

(1) First, to the Members in the amount equal to the excess, if any, of  
(i) the cumulative Losses allocated pursuant to Section 6.1(b)(1)(iii) hereof for all prior fiscal years, over (ii) the cumulative Profits allocated pursuant to this Section 6.1(a)(1) for all prior fiscal years;

(2) Second, to the Members in an amount equal to the excess, if any,  
of:

(A) the sum of the Aggregate Unpaid Yield of the Members (in the proportion that each Member's Unpaid Yield bears to the Aggregate Unpaid Yield of the Members) and the cumulative Losses allocated pursuant to Section 6.1(b)(1)(ii) for all prior fiscal years; over

(B) the cumulative Profits allocated pursuant to this Section 6.1(a)(2) for all prior fiscal years;

(3) The balance, if any, to the Members in accordance with their respective Percentage Interests.

(b) After giving effect to the special allocations set forth in Section 6.4 hereof, Losses for any fiscal year shall be allocated as set forth in Section 6.1(b)(1) below, subject to the limitations in Section 6.1(b)(4) below.

(1) Losses for any fiscal year shall be allocated in the following order and priority:

(i) First, to the Members in accordance with the Percentage Interest in an amount equal to the excess, if any, of (A) the cumulative Profits allocated pursuant to Section 6.1(a)(3) hereof for all prior fiscal years, over (B) the cumulative Losses allocated pursuant to this Section 6.1(b)(1)(i) for all prior fiscal years;

(ii) Second, to the Members in an amount equal to the excess, if any, of (A) the cumulative Profits allocated pursuant to Section 6.1(a)(2) hereof for all prior fiscal years, over (B) the cumulative Losses allocated pursuant to this Section 6.1(b)(1)(ii) for all prior fiscal years; and

(iii) The balance, if any, to the Members in accordance with their respective Percentage Interests.

(2) The Losses allocated pursuant to Section 6.1(b)(1) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. In the event some but not all of the Members would have an Adjusted Capital Account Deficit as a consequence of an allocation of Losses pursuant to Section 6.1(b)(1), the limitation set forth in this Section 6.1(b)(2) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Treas. Reg. Sec. 12.704-1(b)(2)(ii)(d).

6.2 Certain Definitions. As used in this Agreement, "Profits" and "Losses" mean, 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), including all Tax Items required to be stated separately pursuant to Code Section 703(a)(1), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss; and

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations

Section 1.704-1(b)(2)(iv) and not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or shall increase such loss.

6.3 Definitions Relating to Special Allocations. The following definitions shall apply with respect to this Article VI:

(a) "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year of the Company, after such Member's Capital Account has been adjusted as follows: (1) the Member's Capital Account shall be increased by the amount of such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain; and (2) the Member's Capital Account shall be decreased by the amount of the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently with that Regulation.

(b) (Intentionally Left Blank)

(c) "Book Depreciation" means, with respect to any item of Company property for a given fiscal year, a percentage of depreciation or other cost recovery deduction allowable for federal income tax purposes for such item during that fiscal year equal to the result (expressed as a percentage) obtained by dividing (1) the Fair Market Value of that item at the beginning of the fiscal year (or the acquisition date during the fiscal year), by (2) the federal adjusted tax basis of the item at the beginning of the fiscal year (or the acquisition dated during the fiscal year). If the adjusted tax basis of an item is zero, the Members may determine Book Depreciation, provided that he does so in a reasonable and consistent manner.

(d) (Intentionally Left Blank)

(e) "Company Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(d)(1).

(f) "Member Nonrecourse Debt" is defined in Regulations Section 1.704-2(b)(4).

(g) "Member Nonrecourse Debt Minimum Gain" for a fiscal year of the Company means the net increase in Minimum Gain attributable to Member Nonrecourse Debt, determined as set forth in Regulations Section 1.704-2(i)(2).

(h) "Member Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2). For any fiscal year of the Company, the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt equals the net increase during that fiscal year in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt during that fiscal year, reduced (but not below zero) by the amount of any distributions during such year to the Member bearing the economic risk of loss for such

Member Nonrecourse Debt if such distributions are both from the proceeds of such Member Nonrecourse Debt and are allocable to an increase in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, all as determined according to the provisions of Regulations Section 1.704-2(i)(2). In determining Member Nonrecourse Deductions, the ordering rules of Regulations Section 1.704-2(j) shall be followed.

(i) "Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(c). The amount of Nonrecourse Deductions for a Company fiscal year equals the net increase in the amount of Company Minimum Gain during that fiscal year, reduced (but not below zero) by the aggregate amount of any distributions during that fiscal year of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain.

"Nonrecourse Liability" is defined in Regulations Section 1.752-1(a)(2).

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6.4 Certain Special Allocations. The following special allocations shall be made in the following order:

(a) Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during a fiscal year, each Member shall be allocated, before any other allocation under this section, items of Company income and gain for such fiscal year equal to such Member's share of the net decrease in Company Minimum Gain as determined in accordance with Regulations Section 1.704-2(g)(2).

(b) Member Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease in Member Nonrecourse Debt Minimum Gain during a fiscal year, any Member with a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt as of the beginning of such fiscal year shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. A Member's share of net decrease in Member Nonrecourse Debt Minimum Gain shall be determined pursuant to Regulations Section U (k) 1.704-2(g)(2). A Member shall not be subject to the foregoing chargeback to the extent permitted under Regulations Section 1.704-2(i)(4).

(c) Qualified Income Offset. If any Member unexpectedly receives an adjustment, allocation, or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6), such Member shall be allocated items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income and gain for such fiscal year) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustment, allocation, or distribution.

6.5 Allocations of Member Nonrecourse Deductions. Member Nonrecourse Deductions for any fiscal year of the Company shall be allocated to the Members in the same proportion as Profits are allocated under Section 6.1, provided that any Member Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Member who bears (or is deemed to bear) the economic risk of loss with respect to the Member Nonrecourse Debt to



which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(2).

6.6 (Intentionally Left Blank)

6.7 (Intentionally Left Blank)

6.8 Allocations Respecting Asset Distribution. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to 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 Capital Accounts in the same proportions as Profits are allocated under Section 6.1. 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 Section 6.8, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's federal adjusted tax basis for such property.

6.9 Allocations Respecting Contributed Property. Any item of income, gain, loss, or deduction with respect to any property (other than cash) that has been contributed by a Member to the capital of the Company, or that has been revalued pursuant to the provisions of Article III, Section 3.3(g), and that is required or permitted to be allocated to such Member for income tax purposes under Code Section 704(c) in order to take into account the variation between the tax basis of such property and its Fair Market Value at the time of its contribution, shall be allocated solely for income tax purposes in the manner required or permitted under Code Section 704(c) using the "traditional" method described in Regulations Section 1.704-3(b), except that any other method allowable under applicable Regulations may be used for any contribution of property with respect to which there is agreement among the Members.

6.10 Allocations Between Assignor and Assignee. In the case of a Transfer of an Economic Interest during any fiscal year of the Company, the Assigning Member and Assignee shall each be allocated Profits or Losses based on the number of days each held the Economic Interest during that fiscal year.

6.11 Revaluation of Company Assets. For purposes of this section, "Gross Asset Value" means, with respect to any item of property of the Company, the item's adjusted basis for federal income tax purposes, except (i) the initial Gross Asset Value of any item of property contributed by a Member to the Company shall be the fair market value of such property, as mutually agreed by the contributing Member and the Company; and (ii) the Gross Asset Value of any item of Company property distributed to any Member shall be the fair market value of such item of property on the date of distribution.

(a) The Gross Asset Value of all Company property, shall be adjusted as of the following times: (1) the acquisition of an interest or additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (2) the distribution of money or other property (other than a de minimis amount) by the Company to

a Member as consideration for an Economic Interest in the Company, and (3) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments under clauses (1) and (2) above shall be made only in the event of a revaluation of Company property under Article III, Section 3.3(g) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f).

(b) The Gross Asset Value of Company property shall be increased or decreased to reflect adjustments to the adjusted tax basis of such property pursuant to Code Section 732, Code Section 733, or Code Section 743, subject to the limitations imposed by Code Section 755 and Regulations Section 1.704-1(b)(2)(iv)(m); and

(c) If the Gross Asset Value of an item of property has been determined or adjusted pursuant to Paragraph (a) or (b) of this Section 6.11, such Gross Asset Value shall be adjusted by the book depreciation, if any, taken into account with respect to such property for purposes of computing Profits and Losses.

6.12 Compliance with Law and Regulations. It is the intent of the Members that each Member's allocated share of the Company's income, gain, loss, deduction, or credit be determined in accordance with this Agreement to the fullest extent permitted by Code Sections 704(b) and 704(c). Notwithstanding anything to the contrary contained in this Agreement, if the Company is advised that, as a result of the adoption of new or amended regulations pursuant to Code Sections 704(b) and 704(c), or the issuance of authorized interpretations, the allocations provided in this Agreement are unlikely to be respected for federal income tax purposes, the Tax Matters Partner is hereby granted the power to amend the allocation provisions of this Agreement, on advice of accountants and legal counsel, to the minimum extent necessary to cause such allocation provisions to be respected for federal income tax purposes.

6.13 (Intentionally Left Blank)

6.14 Distribution of Available Cash. All Available Cash shall be distributed as soon as practicable following the determination of the Manager that such cash is available for distribution in the following order and priority:

(a) First, to the Members in an amount equal to the Aggregate Unpaid Yield (in the proportion that each Member's Unpaid Yield bears to the Aggregate Unpaid Yield of the Members);

(b) Second, to the Members in an amount equal to the Aggregate Unreturned Capital (in the proportion that each Member's Unreturned Capital bears to the Aggregate Unreturned Capital of the Members); and

(c) The balance, to the Members in accordance with their Percentage Interests.

6.15 Noncash Proceeds. If the proceeds from a sale or other disposition of an item of Company property consist of property other than cash, the value of that property shall be as determined by the Manager. If such noncash proceeds are subsequently reduced to cash, such

cash shall be taken into account by the Manager in determining Available Cash.

6.16 Liquidating Proceeds. 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 Article VI, 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 as provided in Section 10.5 of this Agreement. The provisions of this Section 6.16 and Section 10.5 shall be construed in accordance with the requirements of Regulations Section 1.704-1 (b)(2)(ii)(b)(2).

## ARTICLE VII TRANSFER AND ASSIGNMENT OF INTERESTS

7.1 Withdrawal of Members. A Member may not withdraw from the Company without the written consents of all other Members ("Remaining Members"). Withdrawal shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred prior to the effective date of withdrawal. A withdrawing Member shall have only the rights of a holder of an Economic Interest in the Company in respect of the Member's Membership Interest in the Company. Unless all Remaining Members consent to such withdrawal, the withdrawing Member shall not be entitled to a distribution of its Economic Interest until the dissolution and liquidation of the Company. For purposes of this Section 7.1, the term "Economic Interest" shall not mean or include any right to share in the income, gains, losses, deductions, credits, or similar items of the Company attributable to any period following withdrawal, or any right to information concerning the business and affairs of the Company, except as provided in California Corporations Code Section 17106.

7.2 Restrictions on Transfer of Interests. Except as expressly provided in this Agreement, a Member shall not transfer any part of the Member's Membership Interest in the Company, whether now owned or later acquired, unless (a) the other Members unanimously approve the transferee's admission to the Company as a Member upon such Transfer and (b) the Membership Interest to be transferred, when added to the total of all other Membership Interests transferred in the preceding twelve (12) months, will not cause the termination of the Company under the Code. No Member may Encumber or permit or suffer 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 the other Members. Such approval may be granted or withheld in the sole discretion of the other Members. Any Transfer or Encumbrance of a Membership Interest without such approval shall be void.

7.3 Right of First Refusal. If a Member wishes to transfer any or all of the Member's Membership Interest in the Company pursuant to a Bona Fide Offer (as defined herein), the Member shall give Notice to the other Members at least ninety (90) days in advance of the proposed sale or Transfer, indicating the terms of the Bona Fide Offer and the identity of the offeror. The Company and the other Members shall have the option to purchase the Membership Interest proposed to be transferred at the price and on the terms provided in this Agreement. If the price for the Membership Interest is other than cash, the fair value in dollars of the price shall be as established in good faith by the Company. For purposes of this Agreement, "Bona

Fide Offer" means an offer in writing setting forth all relevant terms and conditions of purchase from an offeror who is ready, willing, and able to consummate the purchase and who is not an Affiliate of the selling Member. For thirty (30) days after the Notice is given, the Company shall have the right to purchase the Membership Interest offered, on the terms stated in the Notice, for the lesser of (a) the price stated in the Notice (or the price plus the dollar value of noncash consideration, as the case may be) and (b) the price determined under the appraisal procedures set forth in Section 7.8 below.

If the Company does not timely exercise the right to purchase all of the Membership Interest, then, with respect to the portion of the Membership Interest that the Company does not elect to purchase, that right shall be given to the other Members for an additional thirty (30) day period, beginning on the day that the Company's right to purchase expires. Each of the other Members shall have the right to purchase, on the same terms, a part of the interest of the offering Member in the proportion that the Member's Percentage Interest bears to the total Percentage Interest of all of the Members who choose to participate in the purchase; provided, however, that the Company and the participating Members may not, in the aggregate, purchase less than the entire interest to be sold by the offering Member.

If the Company and the other Members do not exercise their rights to purchase all of the Membership Interest, the offering Member may, within ninety (90) days from the date the Notice is given and on the terms and conditions stated in the Notice, sell or exchange that Membership Interest to the offeror named in the Notice. Unless the requirements of Section 7.2 are met, the offeror under this section shall become an Assignee, and shall be entitled to receive only the share of Profits or other compensation by way of income and the return of Capital Contribution to which the assigning Member would have been entitled.

**7.4 Triggering Events.** On the happening of any of the following events ("Triggering Events") with respect to a Member, the Company and the other Members shall have the option to purchase the Membership Interest in the Company of such Member ("Selling Member") at the price and on the terms provided in Section 7.8 of this Agreement:

- (a) The death, retirement, resignation, expulsion, withdrawal, physical incapacity, or mental incapacity of a Member, or the winding up and dissolution of a corporate Member, or merger or other corporate reorganization of a corporate Member as a result of which the corporate Member does not survive as an entity; provided that the Remaining Members have elected to continue the business of the Company as provided in Article VIII.
- (b) The failure of a Member to make the Member's Capital contribution pursuant to the provisions of Article III of this Agreement.
- (c) The occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.
- (d) The Bankruptcy, assignment of a Member's interest for the benefit of creditors, or other insolvency of an individual or corporate Member.

Each Member agrees to promptly give notice of a Triggering Event to the

Manager. Revocation of a revocable trust shall not constitute a Triggering Event so long as the Member's Interest is transferred to the trustor of said Trust.

7.5 Marital Dissolution or Death of a Spouse. Notwithstanding any other provisions of this Agreement:

(a) 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 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 at the price set forth below in Section 7.8 of this Agreement. If the Member has failed to consummate the purchase within one hundred eighty (180) days after the court award (the "Expiration Date"), the Company and the other Members shall have the option to purchase from the former spouse the Membership Interest or portion thereof pursuant to Section 7.6 of this Agreement; provided that the option period shall commence on the later of (1) the day following the Expiration Date, or (2) the date of actual notice of the Award.

(b) 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 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 deceased spouse or Transferee of such deceased spouse, and the estate, successor, or Transferee shall sell the Membership Interest or portion thereof at the price set forth in Section 7.8 of this Agreement. If the Member has failed to consummate the purchase within one hundred eighty (180) days after the date of death (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 Section 7.6 of this Agreement; provided that the option period shall commence on the later of (1) the day following the Date of Death, or (2) the date of actual notice of the death.

7.6 Option Periods. On the receipt of Notice by the other Members as contemplated by Sections 7.1, 7.3, and 7.5, and on receipt of actual notice of any Triggering Event (the date of such receipt is hereinafter referred to as the "Option Date"), the Company shall have the option, for a period ending thirty (30) calendar days following the determination of the purchase prices as provided in Section 7.8 of this Agreement, and the other Members, pro rata in accordance with their prior Membership Interests in the Company, shall then have the option, for a period of thirty (30) days thereafter, to purchase the Membership Interest in the Company 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 in the Company, then the Members electing to purchase shall have the right, pro rata in accordance with their prior Membership Interest in the Company, to purchase the additional Membership Interest in the

Company available for purchase. The transferee of the Membership Interest in the Company that is not purchased shall hold such Membership Interest in the Company subject to all of the provisions of this Agreement.

7.7 Nonparticipation of Interested Member. Neither the Member whose interest is subject to purchase under this Article, nor such Member's Affiliate, shall participate in any Vote or discussion of any matter pertaining to the disposition of the Member's Membership Interest in the Company under this Agreement.

7.8 Option Purchase Price. The purchase price of the Membership Interest that is the subject of an option under Section 7.6 shall be the "Fair Option Price" of the interest as determined under this Section 7.8. "Fair Option Price" means the cash price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the Option Date. Each of the selling and purchasing parties shall use his, her, or its best efforts to mutually agree upon the Fair Option Price. If the parties are unable to so agree within thirty (30) days of the Option Date, the selling party shall appoint, within forty (40) days of the Option Date, one appraiser, and the purchasing party shall appoint within forty (40) days of the Option Date, one appraiser. The two appraisers shall within a period of five (5) additional days, agree upon and appoint an additional appraiser. The three appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Fair Option Price of the Membership Interest in writing and submit their reports to all the parties.

The Fair Option Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two appraisers' valuation, and the arithmetic mean of the remaining two appraisers' valuations shall be the Fair Option Price. Each purchasing party shall pay for the services of the appraiser selected by it, plus one half of the fee charged by the third appraiser, and one half of all other costs relating to the determination of the Fair Option Price. The Fair Option Price as so determined shall be payable in equal annual installments over a period of time not to exceed five (5) years. The unpaid balance shall bear annual interest at the Base Rate.

7.9 Substituted Member. Except as expressly permitted under Section 7.2, 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 (a) on the unanimous Vote of the other Members in favor of the prospective transferee's admission as a Member, and (b) on such prospective transferee executing a counterpart of this Agreement as a party hereto. Any prospective transferee of a Membership Interest shall be deemed an Assignee, and, therefore, the owner of only an Economic Interest until such prospective transferee has been admitted as a Substituted Member. Except as otherwise permitted in the Act, any such Assignee shall be entitled only to receive allocations and distributions under this Agreement with respect to such Membership Interest and shall have no right to Vote or exercise any rights of a Member until such Assignee has been admitted as a Substituted Member. Until the Assignee becomes a Substituted Member, the Assigning Member will continue to be a Member and to have the power to exercise any rights and powers of a Member under this Agreement, including the right to Vote in proportion to the Percentage Interest that the Assigning Member would have had in the event that the assignment had not been made.

7.10 Duties of Substituted Member. Any person admitted to the Company as a Substituted Member shall be subject to all the provisions of this Agreement that apply to the Member from whom the Membership Interest was assigned, provided, however, that the assigning Member shall not be released from liabilities as a Member solely as a result of the assignment, both with respect to obligations to the Company and to third parties, incurred prior to the assignment.

7.11 Notwithstanding anything else to the contrary contained in this Article VII, any Member may transfer, without restriction, his Membership Interest to an Affiliate of such Member.

ARTICLE VIII  
CONSEQUENCES OF DISSOLUTION EVENTS AND  
TERMINATION OF MEMBERSHIP INTEREST

8.1 Dissolution Event. Except as provided below, the Company shall be dissolved upon the first to occur of the following events ("Dissolution Event"):

- (a) The death, retirement, resignation, or expulsion of a Member,
- (b) The Bankruptcy of a Member or the assignment of a Member's interest for the benefit of creditors.

Upon the occurrence of a Dissolution Event, the Company shall dissolve unless the remaining members ("Remaining Members") holding all of the remaining Membership Interests consent within ninety (90) days of the Dissolution Event to the continuation of the business of the Company. If the Remaining Members consent to the continuation of the business of the Company, the Company and/or the Remaining Members shall have the right to purchase, and if such right is exercised, the Member whose actions or conduct resulted in the Dissolution Event or such Member's legal representative shall sell, the Member's Membership Interest for the price and upon the terms contained in Section 7.8.

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8.4 Deficits. 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 each Member, such member shall have no recourse against any other Members for indemnification, contribution, or reimbursement, except as specifically provided in this Agreement.

ARTICLE IX  
ACCOUNTING, RECORDS, REPORTING BY MEMBERS

9.1 Books and Records. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the cash method of accounting. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain at its principal office in Spokane, Washington, and California all of the following:

(a) A current list of the full name and last known business or residence address of each Member and Assignee set forth in alphabetical order, together with the Capital Contributions, Capital Account and Percentage Interest of each Member and Assignee;

(b) A copy of the Articles and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Articles or any amendments thereto have been executed;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

(d) A copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;

(e) Copies of the financial statements of the Company, if any, for the six (6) most recent Fiscal Years; and

(f) The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four (4) Fiscal Years.

9.2 Annual Statements.

(a) The Company shall cause to be prepared at least annually financial statements, at Company expense. The Company shall send or cause to be sent to each Member or Assignee within ninety (90) days after the end of each taxable year such information as is necessary to complete 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 that year.

(b) The Company shall cause to be filed at least annually with the California Secretary of State the statement required under California Corporations Code 17060.

9.3 Filings. The Company, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The tax matters partner, at Company expense, shall also cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or



restatements of, the Articles and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations.

9.4 Tax Matters for the Company. John A. Russo, acting by and behalf of Member Orange Coast Equities, L.L.C., is designated as "Tax Matters Partner" (as defined in Code Section 6231), to represent the Company (at the Company's expense) in connection with all examination of the Company's affairs by tax authorities and to expend Company funds for professional services and costs associated therewith. In the event the Tax Matters Partner can no longer serve in that capacity or ceases to be a Member, as the case may be, a Majority Interest may designate another to be Tax Matters Partner.

## ARTICLE X DISSOLUTION AND WINDING UP

10.1 Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of the following:

- (a) The happening of any event of dissolution specified in the Articles;
- (b) The entry of a decree of judicial dissolution pursuant to Corporations Code Section 17351;
- (c) The vote of a Majority Interest;
- (d) The occurrence of a Dissolution Event and the failure of the Remaining Members to consent in accordance with Section 8.1 to continue the business of the Company within ninety (90) days after the occurrence of such event or the failure of the Company or the Remaining Members to purchase the Former Member's Interest as provided in Section 8.2;
- (e) The sale of all or substantially all of the assets of Company.

10.2 Certificate of Dissolution. As soon as possible following the occurrence of any of the events specified in Section 10.1, the Members shall execute a Certificate of Dissolution in such form as shall be prescribed by the California Secretary of State and file the Certificate as required by the Act.

10.3 Winding Up. Upon the occurrence of any event specified in Section 10.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Members, shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the liabilities of Company and assets, shall either cause its assets to be sold or distributed, and if sold as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefore, to be applied and distributed as provided in Section 10.5. 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 whose addresses appear on the records of the Company. The Members winding up the affairs of the Company shall be entitled to reasonable compensation for such services, which shall be deemed to be

\$50.00 per hour for reasonable services rendered. Such amount shall be modified in accordance with increases or decreases in the cost of living as indicated by the Consumer Price Index, All Items, All Urban Consumers (CPI-U) for the Los Angeles-Anaheim-Riverside area.

10.4 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its Fair Market Value to determine the Net Profit or Net Loss that would have resulted if such asset were sold for such value, such Net Profit or Net Loss shall then be allocated pursuant to Article VI, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in such distributed asset shall be the Fair Market Value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The Fair Market Value of such asset shall be determined by the Members or if any Member objects by an independent appraiser (any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority Interest.

10.5 Order of Payment Upon Dissolution.

(a) After determining that all known debts and liabilities of the Company, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in accordance with their positive Capital Account balances (no Member having a negative Capital Account will be required to make up that negative Capital Account balance), after taking into account income and loss allocations for the Company's taxable year during which liquidation occurs. Such liquidating distributions shall be made by the end of the Company's taxable year in which the Company is liquidated, or, if later, within ninety (90) days after the date of such liquidation.

(b) The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, has been adequately provided for if the payment has been provided for by either of the following means:

(i) Payment thereof has been assumed or guaranteed in good faith by one or more financially responsible persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members or Managers to be adequate at the time of any distribution of the assets pursuant to this section.

(ii) The amount of the debt or liability has been deposited as provided in Section 2008 of the Corporations Code.

This Section 10.5(b) shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

10.6 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall be entitled to look solely to the assets of the Company for the return of his positive Capital Account balance and shall have no recourse for

his Capital Contribution and/or share of Profits (upon dissolution or otherwise) against any other Member.

10.7 Certificate of Cancellation. The Members who filed the Certificate of Dissolution shall cause to be filed in the office of, and on a form prescribed by, the California Secretary of State, a Certificate of Cancellation of the Articles upon the completion of the winding up of the affairs of the Company.

## ARTICLE XI INDEMNIFICATION AND INSURANCE

11.1 Indemnification of Agents. The Company shall defend and indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a Member, employee or other agent of the Company or that, being or having been such a Member, employee or agent, he is or was serving at the request of the Company as an employee or other agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to hereinafter as an "agent"), to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. The Company shall be authorized to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Members deem appropriate in their business judgment.

11.2 Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as an agent, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of Section 11.1 or under applicable law.

## ARTICLE XII INVESTMENT REPRESENTATIONS

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

12.1 Preexisting Relationship or Experience. (i) He has a preexisting personal or business relationship with the Company or one or more of the other Members or (ii) by reason of his business or financial experience, or by reason of the business or financial experience of his 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, he is capable of evaluating the risks and merits of an investment in the Membership Interest and of protecting his own interests in connection with this investment.

12.2 No Advertising. He has not seen, received, been presented with, or been solicited

by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or television advertisement, or any other form of advertising or general solicitation with respect to the sale of the Membership Interest.

12.3 Investment Intent. He is acquiring the Membership Interest for investment purposes for his 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.

12.4 Economic Risk. He is financially able to bear the economic risk of an investment in the Membership Interest, including the total loss thereof.

12.5 No Registration of Membership Interest. He acknowledges that the Membership Interest has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or qualified under the California Corporate Securities Law of 1968, as amended, in reliance, in part, or his representations, warranties, and agreements herein.

12.6 Membership Interest in Restricted Security. He understands that the Membership Interest is a "restricted security" under the Securities Act in that the Membership Interest will be acquired from the Company in a transaction not involving a public offering, and that the Membership Interest may be resold without registration under the Securities Act only in certain limited circumstances and that otherwise the Membership Interest must be held indefinitely.

12.7 Legends. He understands that the certificates (if any) evidencing the Membership Interest may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR REGISTERED NOR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAW OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH HEREIN IN THE COMPANY'S OPERATING AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

(b) Any legend required by applicable state securities laws.

ARTICLE XIII  
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ARTICLE XIV  
MISCELLANEOUS

**14.1 Conflicts, Waiver re: Counsel to the Company.** The Members acknowledge and agree that: (i) the attorney that prepared this Operating Agreement ("Attorney") acted as legal counsel to the Company and not to any of the Members; (ii) the Attorney has acted, and continues to act, as legal counsel to Orange Coast Equities, L.L.C., Gregory W. Kunz individually, and Affiliates of both on other matters; (iii) the Members have been advised by the Attorney of the previous and ongoing representative of Orange Coast Equities, L.L.C., Gregory W. Kunz, and Affiliates on other matters; and that the interests of the Members are opposed to each other and are opposed to the interests of the Company and, accordingly, the Attorney's representation of the Company may not be in the best interests of the Members; and (iv) each of the Members has been advised by the Attorney to retain separate legal counsel. Notwithstanding the foregoing, the Members (i) desire the Attorney to represent the Company; (ii) acknowledge that they have been advised to retain separate counsel and have waived their right to do so; and (iii) jointly and severally forever waive any claim that the Attorney's representation of the Company or preparation of this Operating Agreement constitutes a conflict of interest. The Members shall execute on behalf of the Company and the Members any consent consistent with the waiver provided herein that Attorney may request.

**14.2 Complete Agreement.** This Agreement and the Articles constitute the complete and exclusive statement of agreement among the Members with respect to the subject matter herein and therein and replace and supersede all prior written and oral agreements among the Members. To the extent that any provision of the Articles conflict with any provision of this Agreement, the Articles shall control.

**14.3 Binding Effect.** Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members, and their respective successors and assigns.

**14.4 Interpretation.** All pronouns shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the interpretation of any provision of this Agreement. Numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement unless otherwise expressly stated. In the event any claim is made by any Member relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Member or his counsel.

**14.5 Jurisdiction.** In the event of any dispute between or among the Members which the Members choose to pursue by litigation rather than in accordance with the arbitration provisions set forth below or with respect to the enforcement of any judgment which may be

rendered as a result of the arbitration provisions described below, each Member hereby consents to the exclusive jurisdiction of the state courts sitting in Riverside County, California.

**14.6 WAIVER OF JURY TRIAL/SITUS OF ANY DISPUTE REGARDING VALIDITY AND ENFORCEMENT OF AGREEMENT. THE MEMBERS AGREE THAT, ANY DISPUTE BETWEEN THEM REGARDING THE VALIDITY, ENFORCEMENT, OR ANY OTHER MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT WILL BE RESOLVED BY A COURT WITHOUT A JURY.**

**EACH MEMBER UNDERSTANDS AND ACKNOWLEDGES THAT, BY AGREEING TO THIS JURY WAIVER, HE/IT WAIVES THE RIGHT TO SUBMIT THE DISPUTE FOR DETERMINATION BY A JURY AND ALSO UNDERSTANDS THAT ANY DISPUTE WILL BE RESOLVED BY A COURT TRIAL. THE PARTIES ALSO AGREE THAT ANY SUCH ACTION SHALL BE HEARD BY THE SUPERIOR COURT IN AND FOR THE COUNTY OF SPOKANE, STATE OF WASHINGTON.**

14.7 Severability. If any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

14.8 Notices. Notices will be given to a Member at the address specified in Exhibit "A" hereto. Any party may, at any time by giving five (5) days' prior written notice to the other Members, designate any other address in substitution of the foregoing address to which such notice will be given.

14.9 Amendments. All amendments to this Agreement will be in writing and signed by all of the Members.

14.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

14.11 Attorney Fees. In the event that any dispute between the Company and the Members or among the Members should result in arbitration or litigation, the prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses, all of which shall be deemed to have accrued upon the commencement of such arbitration or litigation and shall be paid whether or not such arbitration or litigation is prosecuted to conclusion.

14.12 Remedies Cumulative. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

14.13 Consent of Spouse. Within ten (10) days after any individual becomes a Member

or a Member marries, such Member shall have his spouse execute a consent substantially in the form attached to this Agreement.

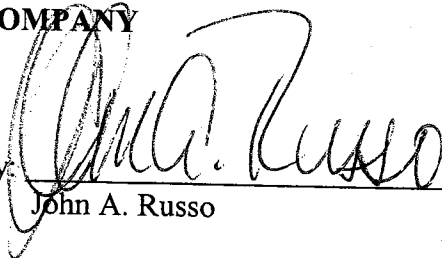
14.14 Member's Other Business. Except as provided in this Agreement, no provision of this Agreement shall be construed to limit in any manner the Members in the carrying out on their own respective businesses or activities.

*[Remainder of page intentionally left blank]*

14.15 Titles and Headings. The article, section, and paragraph titles and headings contained in this Agreement are inserted as matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

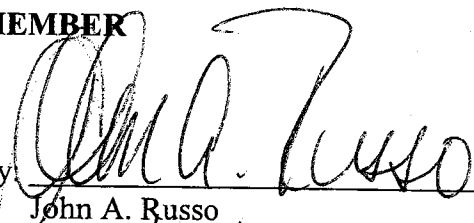
IN WITNESS WHEREOF, all of the Members of Enterprise Equities, L.L.C., a California limited liability company, have executed this Agreement, effective as of the date written above.

**COMPANY**

By:   
John A. Russo

Its: Manager

**MEMBER**

By:   
John A. Russo

Date: 02/07/07

The undersigned spouses of the parties to the foregoing Agreement acknowledge on her own behalf that: I have read the foregoing Agreement and I know its contents. I am aware that by its provision my spouse grants the Company and/or the other Members an option to purchase all of his Membership Interest, including my community interest (if any) in it. I hereby consent to the sale, approve of the provisions of the Agreement, and agree that such Membership Interest (if any) and my interest in it are subject to the provisions of the Agreement and that I will take no action at any time to hinder operation of the Agreement on such Membership Interest or my interest (if any) in it. I also agree to be bound by the dispute resolution provision of Article 14.6

  
JOANNE N. RUSSO



**EXHIBIT "A"**

Names and Addresses of Members	Capital Contribution	Effective Date of Contribution	Percentage Interest
John A. Russo 2975 Shain Circle Corona, CA 92881	Property described on Exhibit B attached hereto which is valued at \$334,100.04*	01/01/05	24.558
	\$100,000.00	02/25/05	
	\$56,000.00	04/21/05	
	\$70,000.00	07/22/05	
	\$70,000.00	09/01/05	
	\$20,000.00	10/18/05	
	\$100,000.00	12/06/05	
	Equipment described on Exhibit C attached hereto which is valued at \$31,067.00	01/20/06	
<b>Total</b>	\$781,167		100.00

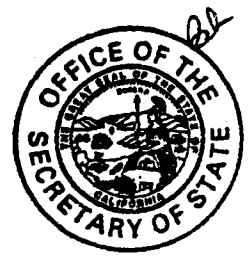
\_\_\_\_\_  
JOHN RUSSO

Date: \_\_\_\_\_

**EXHIBIT "B"**

<b>Russo Property Capital Contribution</b>	<b>Value of Capital Contribution</b>
(1) Assignment of all right title and interest in Ramsey, LLC.	\$ 100.00
(2) Assignment of that certain Promissory Note dated 12/12/04 by Barry Hildebrandt in favor of John A. Russo in the principal amount of \$170,000 bearing an interest rate of 5.88% with a term of three years, and the Deed of Trust securing said Promissory Note. A true and accurate copy of said Promissory Note and Deed of Trust is attached hereto.	\$170,000.00
(3) Assignment of all right, title and interest in Desert Pass Phase II, LLC.	\$144,000.04
(4) Assignment of all right, title and interest in Chase Drive, LLC.	<u>\$ 20,000.00</u>
<b>Total Capital Contribution of Property</b>	<u><b>\$334,100.04</b></u>

*Anterprised  
Cognatus*



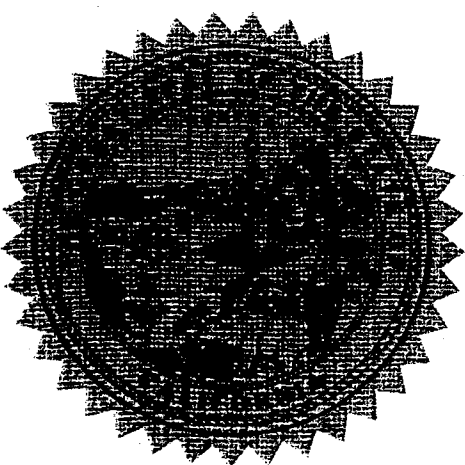
**SECRETARY OF STATE**

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

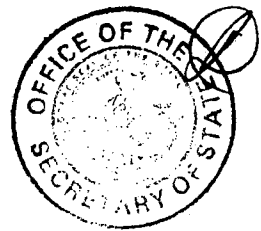
**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of

DEC - 7 2004



*Kevin Shelley*  
Secretary of State

State of California  
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JAN 28 2006

A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON  
Secretary of State

**State of California**  
**Secretary of State**



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 29 2006

A handwritten signature in cursive script, appearing to read "Bruce McPherson".

**BRUCE McPHERSON**  
Secretary of State

\_\_\_\_\_  
JOHN A. RUSSO

\_\_\_\_\_  
CASEY R. GRAY

JOHN T. AND SHARON A. HETTLE TRUST

By John T. Hettle  
John T. Hettle, Trustee

By Sharon A. Hettle Trustee  
Sharon A. Hettle, Trustee

## Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Tuesday, August 11, 2015. Please refer to [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	ENTERPRISE EQUITIES, L.L.C.
Entity Number:	200318910175
Date Filed:	07/02/2003
Status:	SOS/FTB SUSPENDED
Jurisdiction:	CALIFORNIA
Entity Address:	1451 S RIMPAN AVE STE 105
Entity City, State, Zip:	CORONA CA 92879
Agent for Service of Process:	MARK MELLOR
Agent Address:	6800 INDIANA AVE STE 220
Agent City, State, Zip:	RIVERSIDE CA 92506

\* Indicates the information is not contained in the California Secretary of State's database.

\* **Note:** If the agent for service of process is a corporation, the address of the agent may be requested by ordering a status report.

- For information on checking or reserving a name, refer to [Name Availability](#).
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Field Descriptions and Status Definitions](#).

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