Office of the City Engineer

Los Angeles, California

To The Honorable Council

Of the City of Los Angeles

NOV 1 0 2009

Honorable Members:

C. D. No. 11

# SUBJECT:

Final Map of Tract No. 67016

# **RECOMMENDATIONS:**

Approve the final map of Tract No. 67016 located at 1600 Westgate Avenue easterly of Werstgate Avenue and southerly of Idaho Avenue and accompanying Subdivision Improvement Agreement and Contract with attached security documents.

# FISCAL IMPACT STATEMENT

The Subdivider has paid a fee of \$6,540.00 for the processing of this final tract map pursuant to Section 19.02(A)(2) of the Municipal Code. No additional City Funds are needed.

# **TRANSMITTALS**:

- 1. Map of Tract No. 67016.
- 2. Unnumbered file for Tract No. 67016.
- 3. Subdivision Improvement Agreement and Contract with attached security documents.

# **DISCUSSION:**

The tentative map of Tract No. 67016 was conditionally approved by the Advisory Agency on February 7, 2007 for a maximum 32-unit residential condominium with 5-units set aside for Low Income residential.

The Advisory Agency has determined that this project will not have a significant effect on the environment.

The West Los Angeles Area Planning Commission granted the appeal in part on April 18, 2007. At that time the decision of the Advisory Agency dated February 7, 2007 was upheld and the findings and modified Conditions of Approval adopted.

The conditions of approval for the tract map have been fulfilled including payment of the Recreation and Parks Fee of \$115,500.00, less the Dwelling Unit Construction Tax in the amount of \$6,400.00. The developer has recorded a Covenant and Agreement as Los Angeles County Document No. 20091131658 in accordance with Section 17.12 of the Los Angeles Municipal Code. Transmitted Subdivision Improvement Agreement and Contract with attached security documents guarantees construction of the required improvements. Upon approval by the Council, the final map will be transmitted to the County Engineer for filing with the County Recorder.

The expiration date of the tentative map approval is February 7, 2010.

The subdivider and engineer for this subdivision are:

# Subdivider

Idaho Elegant Apartment, LLC 10350 Santa Monica Blvd., Suite 190 Los Angeles, CA 90025

Report prepared by:

Land Development Group

Joseph Gnade Civil Engineer Phone (213)977-8931

EY/JG/WS H:/tract67016

# **Engineer**

Reynaldo T. DE Rama 3280 Motor Avenue Suite 225 Los Angeles, CA 90034

Respectfully submitted,

Edmond Yew, Manager Land Development Group Bureau of Engineering

# DEPARTMENT OF **CITY PLANNING**

2 0 0 N . SPRING STREET, ROOM 525 LOS ANGELES, CA 90012-4801 AND 62 62 VAN NUYS BLVD., SUITE 351

VAN NUYS. CA 91401

CITY PLANNING COMMISSION

JANE ELLISON USHER WILLIAM ROSCHEN VICE-PRESIDENT DIEGO CARDOSO
REGINA M. FREER
ROBIN R. HUGHES
SABRINA KAY
FR. SPENCER T. KEZIOS CINDY MONTANEZ MICHAEL K. W O O

GABRIELE WILLIAMS IMISSION EXECUTIVE ASSISTANT (213) 978-1300

March 14.2008

# CITY OF LOS ANGELES **CALIFORNIA**



ANTONIO R. VILLARAIGOSA MAYOR

**EXECUTIVE OFFICES** 

S. GAIL COLDBERG, AICP DIRECTOR (213) 978-1271

JOHNM. DUGAN, AICP DEPUTY DIRECTOR (213) 978-1274

**EVA YUAN-MCDANIEI** DEPLITY DIRECTOR (213) 978-1273

FAX: (213) 978-1275

INFORMATION (213) 978-1270 www.planning.lacity.org

Idaho Elegant Apartment, LLC. (A)(O) 10350 Santa Monica Boulevard, Suite 190 Los Angeles, CA 90025

Jack Little Co. (R) 17620 Sherman Way, # 217 Van Nuys, CA 91406

RE:

Tentative Tract No. 67016-CN Address: 1600 Westgate Avenue

Council District No.: 11

LETTER OF CORRECTION

On April 24, 2007, in accordance with the provisions of Section 17.03 of the Los Angeles Municipal Code, the West Los Angeles Area Planning Commission sustained the Advisory Agency approval of Tentative Tract No. 67016-CN, located at 1600 Westgate Avenue, for a maximum 32 unit residential condominium project with 5 units set aside for low income households as shown on map.

The applicant has corresponded with the Department of Transportation regarding their conditions for this project. The Department of Transportation has reviewed the site plan and agreed to allow a 17.5 foot reservoir space between the security gate and the property line with the alley and only require the 20 foot reservoir space between the security gate and property line with the street. Therefore, Condition No. 5.a. of the determination must be corrected as follows.

# Correct Condition No. 5.a. to read:

"5.a.' A minimum 20-foot reservoir space be provided between any security gate(s) and the Westgate Avenue property line."

All other conditions of approval for Tentative Tract No. 67016-CN shall remain unchanged.

. Gail Goldberg/AICP Advisory/Agency

MICHAEL S.Y. YOUNG Debuty Advisory Agency

MSYY:GC:ek

#### DEPARTMENT OF **CITY PLANNING**

200 N. SPRING STREET, ROOM 525 LOS ANGELES, CA 90012-4801 AND 6262 VAN NUYS BLVD., SUITE 351 VAN NUYS, CA 91401

CITY PLANNING COMMISSION JANE ELLISON USHER WILLIAM ROSCHEN DIEGO CARDOSO REGINA M. FREER ROBIN R. HUGHES SABRINA KAY FR. SPENCER T. KEZIOS CINDY MONTAÑEZ MICHAEL K. WOO

**CABRIELE WILLIAMS** AISSION EXECUTIVE ASSISTANT (213) 978-1300

# CITY OF LOS ANGELES

**CALIFORNIA** 



ANTONIO R. VILLARAIGOSA MAYOR

#### **EXECUTIVE OFFICES**

S. GAIL GOLDBERG, AICP DIRECTOR (213) 978-1271

EVA YUAN-MCDANIEL DEPUTY DIRECTOR (213) 978-1273

FAX: (213) 978-1275

INFORMATION (213) 978-1270 www.planning.lacity.org

August 9, 2007

Alcott Properties, LLC (O) 10350 Santa Monica Blvd., Suite 190 Los Angeles, CA 90025

Jonathan Riker (R) Armbruster & Goldsmith, LLP 10940 Wilshire Boulevard, Suite 2100 Los Angeles, CA 90024

Re:

Tentative Tract No. 67016 Address: 1600 Westgate Avenue Council District No. 11

LETTER OF CLARIFICATION

In accordance with provisions of Section 17.03 of the Los Angeles Municipal Code, the Advisory Agency approved Tentative Tract No. 67016 for a 1-lot subdivision located at 1600 Westgate for a maximum new 32-unit detached condominium project with 5-units set aside for Low Income households residential as shown on revised map starnp dated May 24, 2006.

Due to financial reasons, the applicant is no longer able to provide 5 Low Income units and requests to provide 3 units set aside for Very Low Income households. provision of AB1818 are "by-right", this request is not discretionary and does not require public notification and/or a hearing. Council Office 11 is in support of this request. As such, it is necessary for Condition 12a of the decision letter to be changed.

# REVISE CONDITION NO. 12a TO READ AS FOLLOWS:

12.a. Limit the proposed development to a maximum of 32 dwelling units. Three units shall be set aside for Very Low Income households.

All other conditions remain unchanged.



Gail Goldberg, AICP Advisory Agency

MICHAEL S.Y. YOUNG Deputy Advisory Agency

MSYY:GC:JQ:jh

Note: If you wish to file an appeal, it must be within 10 calendar days from the decision date as noted in this letter. For an appeal to be valid to the City Planning Commission, it must be accepted as complete by the City Planning Department and appeal fees paid, prior to expiration of the above 10-day time limit. Such appeal must be submitted on Master Appeal Form No. CP-7769 at the Department's Public Offices, Located at:

Figueroa Plaza 201 N. Figueroa St., 4<sup>th</sup> Floor Los Angeles, CA 90012 213.482.7077

7 % m

Marvin Braude San Fernando Valley Constituent Service Center 6262 Van Nuys Blvd., Room 251 Van Nuys, CA 91401 818.374.5050

# Forms are also available on-line at www.lacity.org/pln.

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedure Section 1094.6. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filed no later than the 90<sup>th</sup> day following the date on which the City's decision becomes final.

If you have any questions, please call Subdivision staff at (213) 978-1330.

# CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA

**EXECUTIVE OFFICES** 

S. GAIL GOLDBERG, AICP DIRECTOR (213) 978-1271

GORDON B. HAMILTON
DEPUTY DIRECTOR
(213) 978-1272

ROBERT H. SUTTON DEPUTY DIRECTOR (213) 978-1274

FAX: (213) 978-1275

INFORMATION (213) 978-1270 www.lacity.org/PLN

COMMISSION EXECUTIVE ASSISTANT (213) 978-1300

DEPARTMENT OF CITY PLANNING

200 N. Spring Street, Room 525 Los Angeles, CA 90012-4801

CITY PLANNING COMMISSION

JANE ELLISON USHER

PRESIDENT
WILLIAM ROSCHEN
VICE-PRESIDENT
DIECO CARDOSO
REGINA M. FREER
ROBIN R. HUGHES
ANDRES F. IRLANDO
SABRINA KAY
FR. SPENCER T. KEZIOS
MICHAEL K. WOO

CABRIELE WILLIAMS

Decision Date: February 7, 2007

Appeal End Date: February 20, 2007

Idaho Elegant Apartment, LLC (A)(O) 10350 Santa Monica Boulevard, Suite 190 Los Angeles, CA 90025 Jack Little (R) 17620 Sherman Way, #217 Van Nuys, CA 91406

RE: Tentative Tract No.: 67016

Related Case: None Council District: 11

Community Plan: West Los

Angeles
Existing Zone: R3-1
ENV-2006-4528-MND
Fish and Game: Exempt

In accordance with provisions of Section 17.03 of the Los Angeles Municipal Code, the Advisory Agency approved Tentative Tract No. 67016 composed of 1-lot, located at 1600 Westgate Avenue for a maximum 32-unit residential condominium with 5-units set aside for Low Income residential as shown on map stamp-dated May 24, 2006 in the West Los Angeles Community Plan. This unit density is based on the R3 Zone. (The subdivider is hereby advised that the Municipal Code may not permit this maximum approved density. Therefore, verification should be obtained from the Department of Building and Safety which will legally interpret the Zoning Code as it applies to this particular property.) For an appointment with the Advisory Agency or a City Planner call (213) 978-1330. The Advisory Agency's approval is subject to the following conditions:

**NOTE** on clearing conditions: When two or more **agencies** must clear a condition, subdivider should follow the sequence indicated in the condition. For the benefit of the applicant, subdivider shall maintain record of all conditions cleared, including all material supporting clearances and be prepared to present copies of the clearances to each reviewing agency as may be required by its staff at the time of its review.





# **BUREAU OF ENGINEERING - SPECIFIC CONDITIONS**

- 1. That 2-foot wide strips of land be dedicated along Idaho Avenue and Westgate Avenue adjoining the subdivision to complete 32-foot wide half right-of-way dedications including a 15-foot radius property line return at their intersection in accordance with Collector Street Standards, satisfactory to the City Engineer.
- 2. That a 2.5-foot wide strip of land be dedicated along the alley adjoining the tract to complete a 10-foot wide half-alley dedication satisfactory to the City Engineer.

# DEPARTMENT OF BUILDING AND SAFETY, GRADING DIVISION

3. Comply with any requirements with the Department of Building and Safety, Grading Division for recordation of the final map and issuance of any permit.

# DEPARTMENT OF BUILDING AND SAFETY, ZONING DIVISION

- 4. That prior to recordation of the final map, the Department of Building and Safety, Zoning Division shall certify that no Building or Zoning Code violations exist on the subject site. In addition, the following items shall be satisfied:
  - a. Obtain permits for the demolition or removal of all existing structures on the site. Accessory structures and uses are not permitted to remain on lots without a main structure or use. Provide copies of the demolition permits and signed inspection cards to show completion of the demolition work.
  - b. Show all street/alley dedication(s) as required by Bureau of Engineering and, provide net lot area after all dedication. "Area" requirements shall be rechecked as per net lot area after street/alley dedication.

# DEPARTMENT OF TRANSPORTATION

- 5. <u>That prior to recordation of the final map</u>, satisfactory arrangements shall be made with the Department of Transportation to assure:
  - a. A minimum of 20-foot reservoir space be provided between any security gate(s) and the property line.
  - b. Driveways and vehicular access to projects shall be provided from alley and/or Westgate Avenue.
  - c. Parking stalls shall be designed so that a vehicle is not required to back out into or out of any public street or sidewalk.

d. This project is subject to the West Los Angeles Transportation Improvement and Mitigation Specific Plan requirements. A Parking area and driveway plan shall be submitted to the Department of Transportation for approval prior to submittal of building permit plans for plan check by the Department of Building and Safety. Final DOT approval should be accomplished by submitting detailed site/driveway plans at a scale of 1"=40' to DOT's West LA/Coastal Development Review Section located at 7166 W. Manchester Ave., Los Angeles, 90045.

# FIRE DEPARTMENT

William.

- 6. That prior to the recordation of the final map, a suitable arrangement shall be made satisfactory to the Fire Department, binding the subdivider and all successors to the following:
  - a. Submittal of plot plans for Fire Department review and approval prior to recordation of Tract Map Action.

#### DEPARTMENT OF WATER AND POWER

7. Satisfactory arrangements shall be made with the Los Angeles Department of Water and Power (LADWP) for compliance with LADWP's Water System Rules and requirements. Upon compliance with these conditions and requirements, LADWP's Water Services Organization will forward the necessary clearances to the Bureau of Engineering. (This condition shall be deemed cleared at the time the City Engineer clears Condition No. S-1.(c).)

#### **BUREAU OF STREET LIGHTING**

- 8. Street light improvements shall be made to the satisfaction of the Bureau of Street Lighting and/or the following street lighting improvements shall be required. (This condition shall be deemed cleared at the time the City Engineer clears Condition S-3. (c).)
  - a. One (1) new light is required on Idaho Avenue.
  - b. One (1) new light is required on Westgate Avenue.
  - Prior to final recordation for this project or issuance of the certificate of occupancy, the developer shall cause Developer shall cause Owner to give written consent to the Bureau of Street Lighting for the formation or annexation of the property within the boundary of the development into a Street Lighting Maintenance Assessment District.

#### **BUREAU OF SANITATION**

9. Satisfactory arrangements shall be made with the Bureau of Sanitation, Wastewater Collection Systems Division for compliance with its sewer system review and requirements. Upon compliance with its conditions and requirements, the Bureau of Sanitation, Wastewater Collection Systems Division will forward the necessary clearances to the Bureau of Engineering. (This condition shall be deemed cleared at the time the City Engineer clears Condition No. S-1. (d).)

#### INFORMATION TECHNOLOGY AGENCY

10. That satisfactory arrangements be made in accordance with the requirements of the Information Technology Agency to assure that cable television facilities will be installed in the same manner as other required improvements. Refer to the Los Angeles Municipal Code Section 17.05N. Written evidence of such arrangements must be submitted to the Information Technology Agency, 200 N. Main Street, Room 1255, Los Angeles, CA 90012, (213) 922-8363.

#### DEPARTMENT OF RECREATION AND PARKS

11. That the Quimby fee be based on the R3 Zone.

# DEPARTMENT OF CITY PLANNING-SITE SPECIFIC CONDITIONS

- 12. <u>Prior to the recordation of the final map</u>, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - a. Limit the proposed development to a maximum of 32 dwelling units. Five units shall be set aside for Low Income households.
  - b. Provide a minimum of 2 covered off-street parking spaces per dwelling unit, plus 1/2 guest parking spaces per dwelling. All guest spaces shall be readily accessible, conveniently located, specifically reserved for guest parking, posted and maintained satisfactory to the Department of Building and Safety.

If guest parking spaces are gated, a voice response system shall be installed at the gate. Directions to guest parking spaces shall be clearly posted. Tandem parking spaces shall not be used for guest parking.

In addition, prior to issuance of a building permit, a parking plan showing offstreet parking spaces, as required by the Advisory Agency, be submitted for review and approval by the Department of City Planning (200 No. Spring Street, Room 750). c. Note to City Zoning Engineer and Plan Check. The Advisory Agency has approved the following variations from the Los Angeles Municipal Code as it applies to this subdivision and the proposed development on the site.

Not Applicable

- d. That prior to issuance of a certificate of occupancy, a minimum 6-foot-high slumpstone or decorative masonry wall shall be constructed adjacent to neighboring residences, if no such wall already exists, except in required front yard.
- e. The applicant shall install an air filtration system(s) to reduce the effects of diminished air quality on occupants of the project.
- f. That a solar access report shall be submitted to the satisfaction of the Advisory Agency prior to obtaining a grading permit.
- g. That the subdivider consider the use of natural gas and/or solar energy and consult with the Department of Water and Power and Southern California Gas Company regarding feasible energy conservation measures.
- h. Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass, and other recyclable material.
- 13. That the subdivider shall record and execute a Covenant and Agreement to comply with the West Los Angeles Transportation Improvement and Mitigation Specific Plan prior to the issuance of a building permit, grading permit and the recordation of the final tract map.
- 14. Owner shall execute a covenant to the satisfaction of the Los Angeles Housing Department to make (5) units of the condominium development available for sale solely to low income households, at sales price determined to be affordable to low income households by the Los Angeles Housing Department, for a period of (30) years. Said units shall be comparable in size, number of bedrooms, distribution, and amenities to the non-income-restricted units in the development.

#### DEPARTMENT OF CITY PLANNING-ENVIRONMENTAL MITIGATION MEASURES

15. That prior to recordation of the final map the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770 and Exhibit CP-6770. M) in a manner satisfactory to the Planning Department requiring the subdivider to identify (a) mitigation monitor(s) who shall provide periodic status reports on the implementation of mitigation items required by Mitigation Condition No(s). 12, 16, 17, and 18 of the Tract's approval satisfactory to the Advisory Agency. The mitigation monitor(s) shall be identified as to their areas of

- responsibility, and phase of intervention (pre-construction, construction, postconstruction/maintenance) to ensure continued implementation of the above mentioned mitigation items.
- 16. <u>Prior to the recordation of the final map</u>, the subdivider will prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - MM-1 All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped and maintained in accordance with a landscape plan, including an automatic irrigation plan, prepared by a licensed landscape architect to the satisfaction of the decision maker.
  - MM-2 The design and construction of the project shall conform to the Uniform Building Code seismic standards as approved by the Department of Building and Safety.
  - MM-3 Prior to the issuance of the demolition permit, the applicant shall provide a letter to the Department of Building and Safety from a qualified asbestos abatement consultant that no ACM are present in the building. If ACM are found to be present, it will need to be abated in compliance with the South Coast Air Quality Management District's Rule 1403 as well as all other state and federal rules and regulations.
  - MM-4 Project applicants are required to implement stormwater BMPs to retain or treat the runoff from a storm event producing 3/4 inch of rainfall in a 24 hour period. The design of structural BMPs shall be in accordance with the Development Best Management Practices Handbook Part B Planning Activities. A signed certificate from a California licensed civil engineer or licensed architect that the proposed BMPs meet this numerical threshold standard is required.
  - MM-5 Post development peak stormwater runoff discharge rates shall not exceed the estimated pre-development rate for developments where the increase peak stormwater discharge rate will result in increased potential for downstream erosion.
  - MM-6 Concentrate or cluster development on portions of a site while leaving the remaining land in a natural undisturbed condition.
  - MM-7 Limit clearing and grading of native vegetation at the project site to the minimum needed to build lots, allow access, and provide fire protection.
  - MM-8 Maximize trees and other vegetation at each site by planting additional vegetation, clustering tree areas, and promoting the use of native and/or drought tolerant plants.

MM-9 Preserve riparian areas and wetlands.

المنافري و يوران و المرافرة ال

- MM-10 Any connection to the sanitary sewer must have authorization from the Bureau of Sanitation.
- MM-11 Reduce impervious surface area by using permeable pavement materials where appropriate, including: pervious concrete/asphalt; unit pavers, i.e. turf block; and granular materials, i.e. crushed aggregates, cobbles.
- MM-12 Install Roof runoff systems where site is suitable for installation. Runoff from rooftops is relatively clean, can provide groundwater recharge and reduce excess runoff into storm drains.
- MM-13 Guest parking lots constitute a significant portion of the impervious land coverage. To reduce the quantity of runoff, parking lots can be designed one of two ways.
  - Hybrid Lot parking stalls utilize permeable materials, such as crushed aggregate, aisles are constructed of conventional materials such as asphalt.
  - Parking Grove is a variation on the permeable stall design, a grid of trees and bollards are added to delineate parking stalls. This design presents an attractive open space when cars are absent, and shade when cars are present.
- MM-14 Promote natural vegetation by using parking lot islands and other landscaped areas.
- MM-15 Paint messages that prohibits the dumping of improper materials into the storm drain system adjacent to storm drain inlets. Prefabricated stencils can be obtained from the Dept. of Public Works, Stormwater Management Division.
- MM-16 All storm drain inlets and catch basins within the project area must be stenciled with prohibitive language (such as NO DUMPING-DRAINS TO OCEAN) and/or graphical icons to discourage illegal dumping.
- MM-17 Signs and prohibitive language and/or graphical icons, which prohibit illegal dumping, must be posted at public access points along channels and creeks within the project area.
- MM-18 Legibility of stencils and signs must be maintained.
- MM-19 Materials with the potential to contaminate stormwater must be: (1) placed in an enclosure such as, but not limited to, a cabinet, shed, or similar

- stormwater conveyance system; or (2) protected by secondary containment structures such as berms, dikes, or curbs.
- MM-20 The storage area must be paved and sufficiently impervious to contain leaks and spills.
- MM-21 The storage area must have a roof or awning to minimize collection of stormwater within the secondary containment area.
- MM-22 Design an efficient irrigation system to minimize runoff including: drip irrigation for shrubs to limit excessive spray; shutoff devices to prevent irrigation after significant precipitation; and flow reducers.
- MM-23 Runoff from hillside areas can be collected in a vegetative swale, wet pond, or extended detention basin, before it reaches the storm drain system.
- MM-24 Cut and fill sloped in designated hillside areas shall be planted and irrigated to prevent erosion, reduce run-off velocities and to provide long-term stabilization of soil. Plant materials include: grass, shrubs, vines, ground covers, and trees.
- MM-25 Incorporate appropriate erosion control and drainage devices, such as interceptor terraces, berms, vee-channels, and inlet and outlet structures, as specified by Section 91.7013 of the Building Code. Protect outlets of culverts, conduits or channels from erosion by discharge velocities by installing rock outlet protection. Rock outlet protection is a physical devise composed of rock, grouted riprap, or concrete rubble placed at the outlet of a pipe. Install sediment traps below the pipe-outlet. Inspect, repair and maintain the outlet protection after each significant rain.
- MM-26 The owner(s) of the property will prepare and execute a covenant and agreement (Planning Department General form CP-6770) satisfactory to the Planning Department binding the owners to post construction maintenance on the structural BMPs in accordance with the Standard Urban Stormwater Mitigation Plan and or per manufacturer's instructions.
- 17. Construction Mitigation Conditions Prior to the issuance of a grading or building permit, or the recordation of the final map, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - CM-1. That a sign be required on site clearly stating a contact/complaint telephone number that provides contact to a live voice, not a recording or voice mail,

during all hours of construction, the construction site address, and the tract map number. YOU ARE REQUIRED TO POST THE SIGN 7 DAYS BEFORE CONSTRUCTION IS TO BEGIN.

- Locate the sign in a conspicuous place on the subject site or structure (if developed) so that it can be easily read by the public. The sign must be sturdily attached to a wooden post if it will be freestanding.
- Regardless of who posts the site, it is always the responsibility of the applicant to assure that the notice is firmly attached, legible, and remains in that condition throughout the entire construction period.
- If the case involves more than one street frontage, post a sign on each street frontage involved. If a site exceeds five (5) acres in size, a separate notice of posting will be required for each five (5) acres, or portion thereof. Each sign must be posted in a prominent location.
- CM-2 All unpaved demolition and construction areas shall be wetted at least twice daily during excavation and construction, and temporary dust covers shall be used to reduce dust emissions and meet SCAQMD District Rule 403. Wetting could reduce fugitive dust by as much as 50 percent.
- CM-3 The owner or contractor shall keep the construction area sufficiently dampened to control dust caused by construction and hauling, and at all times provide reasonable control of dust caused by wind.
- CM-4 All loads shall be secured by trimming, watering or other appropriate means to prevent spillage and dust.
- CM-5 All materials transported off-site shall be either sufficiently watered or securely covered to prevent excessive amount of dust.
- CM-6 All clearing, earth moving, or excavation activities shall be discontinued during periods of high winds (i.e., greater than 15 mph), so as to prevent excessive amounts of dust.
- CM-7 General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions.
- CM-8 The project shall comply with the City of Los Angeles Noise Ordinance No. 144,331 and 161,574, and any subsequent ordinances, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible.

- CM-9 Construction and demolition shall be restricted to the hours of 7:00 am to 6:00 pm Monday through Friday, and 8:00 am to 6:00 pm on Saturday.
- CM-10 Construction and demolition activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- CM-11 The project contractor shall use power construction equipment with stateof-the-art noise shielding and muffling devices.
- CM-12 The project sponsor must comply with the Noise Insulation Standards of Title 24 of the California Code Regulations, which insure an acceptable interior noise environment.
- CM-13 All waste shall be disposed of properly. Use appropriately labeled recycling bins to recycle construction materials including: solvents, water-based paints, vehicle fluids, broken asphalt and concrete, wood, and vegetation. Non recyclable materials/wastes must be taken to an appropriate landfill. Toxic wastes must be discarded at a licensed regulated disposal site.
- CM-14 Leaks, drips and spills shall be cleaned up immediately to prevent contaminated soil on paved surfaces that can be washed away into the storm drains.
- CM-15 Pavement shall not be hosed down at material spills. Dry cleanup methods shall be used whenever possible.
- CM-16 Dumpsters shall be covered and maintained. Place uncovered dumpsters under a roof or cover with tarps or plastic sheeting.
- CM-17 Where truck traffic is frequent, gravel approaches shall be used to reduce soil compaction and limit the tracking of sediment into streets.
- CM-18 All vehicle/equipment maintenance, repair, and washing shall be conducted away from storm drains. All major repairs shall be conducted off-site. Drip pans or drop clothes shall be used to catch drips and spills.
- 18. Prior to the recordation of the final map, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - a. All occupants are given a minimum 180-day written notice of termination of tenancy and no tenant shall be required to move because of the proposed demolition for a period of 180-days after the decision-maker's decision; and

3 - m 4 - 14 relocation assistance is provided to the tenants, satisfactory to the Planning Department and the Los Angeles Housing Department.

OR

b. When 50 percent or more rents of the tenants are at the low-moderate or below levels and/or when 50 percent or more of the occupants are qualified tenants pursuant to Section 47.07 of the Municipal Code all tenants are given a minimum 365-day written notice of termination of tenancy, no tenant shall be required to move because of demolition for a period of 365 days after the decision-maker's decision and relocation assistance is provided to the tenants satisfactory to the Planning Department and the Los Angeles Housing Department and a relocation assistance counselor is made available at no fee for the tenants for the duration of the notice period.

#### AND

c. A cash deposit shall be made to the Los Angeles Housing Department to subsidize a number of rental units equivalent to 25% of the number of units being converted, to make them affordable to moderate income households for a period of 30 years. The subsidized units shall be located within 1-1/2 mile of the proposed project or within the Community Plan area of the proposed project. Their size shall be proportionate to the size of the units being demolished. The in-lieu fee shall be at least the first dollar amount available in the category to be subsidized.

#### DEPARTMENT OF CITY PLANNING-STANDARD CONDOMINIUM CONDITIONS

- C-1. That approval of this tract constitutes approval of model home uses, including a sales office and off-street parking. Where the existing zoning is (T) or (Q) for multiple residential use, no construction or use shall be permitted until the final map has recorded or the proper zone has been effectuated. If models are constructed under this tract approval, the following conditions shall apply:
  - 1. <u>Prior to recordation of the final map</u>, the subdivider shall submit a plot plan for approval by the Division of Land Section of the Department of City Planning showing the location of the model dwellings, sales office and offstreet parking. The sales office must be within one of the model buildings.
  - 2. All other conditions applying to Model Dwellings under Section 12.22A, 10 and 11 and Section 17.05 O of the Code shall be fully complied with satisfactory to the Department of Building and Safety.
- C-2. That prior to recordation of the final map, the subdivider shall record an "Agreement for Development of Units for Lease or Sale ("15% Ordinance")" covenant, to benefit the Housing Authority, for certification of the development in

- accordance with Section 12.39A. Arrangements shall be made with the Department of Building and Safety, Zoning Section Subdivisions (213.482.0000) to approve the covenant format, prior to recording the covenant.
- C-3. <u>Prior to the recordation of the final map</u>, the subdivider shall pay or guarantee the payment of a park and recreation fee based on the latest fee rate schedule applicable. The amount of said fee to be established by the Advisory Agency in
  - accordance with Section 17.12 of the Los Angeles Municipal Code and to be paid and deposited in the trust accounts of the Park and Recreation Fund.
- C-4. That a landscape plan, prepared by a licensed landscape architect, be submitted to and approved by the Advisory Agency in accordance with CP-6730 <u>prior to obtaining any permit</u>. The landscape plan shall identify tree replacement on a 1:1 basis by a minimum of 24-inch box trees for the unavoidable loss of desirable trees on the site. Failure to comply with this condition as written shall require the filing of a modification to this tract map in order to clear the condition.

In the event the subdivider decides not to request a permit before the recordation of the final map, the following statement shall appear on the plan and be recorded as a covenant and agreement satisfactory to the Advisory Agency guaranteeing that:

- a. The planting and irrigation system shall be completed by the developer/builder prior to the close of escrow of 50 percent of the units of the project or phase.
- b. Sixty days after landscape and irrigation installation, the landscape professional shall submit to the homeowners/property owners association a Certificate of Substantial Completion (Sec. 12.40 G LAMC.)
- c. The developer/builder shall maintain the landscaping and irrigation for 60 days after completion of the landscape and irrigation installation.
- d. The developer/builder shall guarantee all trees and irrigation for a period of six months and all other plants for a period of 60 days after landscape and irrigation installation.
- C-5. In order to expedite the development, the applicant may apply for a building permit for an apartment building. However, prior to issuance of a building permit for apartments, the registered civil engineer, architect or licensed land surveyor shall certify in a letter to the Advisory Agency that all applicable tract conditions affecting the physical design of the building and/or site, have been included into the building plans. Such letter is sufficient to clear this condition. In addition, all of the applicable tract conditions shall be stated in full on the building plans and a copy of the plans shall be reviewed and approved by the Advisory Agency prior to submittal to the Department of Building and Safety for a building permit.

If a building permit for apartments will not be requested, the project civil engineer, architect or licensed land surveyor must certify in a letter to the Advisory Agency that the applicant will not request a permit for apartments and intends to acquire a building permit for a condominium building(s). Such letter is sufficient to clear this condition.

# **BUREAU OF ENGINEERING - STANDARD CONDITIONS**

- S-1. (a) That the sewerage facilities charge be deposited prior to recordation of the final map over all of the tract in conformance with Section 64.11.2 of the Municipal Code.
  - (b) That survey boundary monuments be established in the field in a manner satisfactory to the City Engineer and located within the California Coordinate System prior to recordation of the final map. Any alternative measure approved by the City Engineer would require prior submission of complete field notes in support of the boundary survey.
  - (c) That satisfactory arrangements be made with both the Water System and the Power System of the Department of Water and Power with respect to water mains, fire hydrants, service connections and public utility easements.
  - (d) That any necessary sewer, street, drainage and street lighting easements be dedicated. In the event it is necessary to obtain off-site easements by separate instruments, records of the Bureau of Right-of-Way and Land shall verify that such easements have been obtained. The above requirements do not apply to easements of off-site sewers to be provided by the City.
  - (e) That drainage matters be taken care of satisfactory to the City Engineer.
  - (f) That satisfactory street, sewer and drainage plans and profiles as required, together with a lot grading plan of the tract and any necessary topography of adjoining areas be submitted to the City Engineer.
  - (g) That any required slope easements be dedicated by the final map.
  - (h) That each lot in the tract comply with the width and area requirements of the Zoning Ordinance.
  - (i) That 1-foot future streets and/or alleys be shown along the outside of incomplete public dedications and across the termini of all dedications abutting unsubdivided property. The 1-foot dedications on the map shall include a restriction against their use of access purposes until such time as they are accepted for public use.

- (j) That any 1-foot future street and/or alley adjoining the tract be dedicated for public use by the tract, or that a suitable resolution of acceptance be transmitted to the City Council with the final map.
- (k) That no public street grade exceed 15%.
- (I) That any necessary additional street dedications be provided to comply with the Americans with Disabilities Act (ADA) of 1990.
- S-2. That the following provisions be accomplished in conformity with the improvements constructed herein:
  - (a) Survey monuments shall be placed and permanently referenced to the satisfaction of the City Engineer. A set of approved field notes shall be furnished, or such work shall be suitably guaranteed, except where the setting of boundary monuments requires that other procedures be followed.
  - (b) Make satisfactory arrangements with the Department of Traffic with respect to street name, warning, regulatory and guide signs.
  - (c) All grading done on private property outside the tract boundaries in connection with public improvements shall be performed within dedicated slope easements or by grants of satisfactory rights of entry by the affected property owners.
  - (d) All improvements within public streets, private street, alleys and easements shall be constructed under permit in conformity with plans and specifications approved by the Bureau of Engineering.
  - (e) Any required bonded sewer fees shall be paid <u>prior to recordation of the final</u> <u>map</u>.
- S-3. That the following improvements be either constructed <u>prior to recordation of the final map</u> or that the construction be suitably guaranteed:
  - (a) Construct on-site sewers to serve the tract as determined by the City Engineer.
  - (b) Construct any necessary drainage facilities.
  - (c) Install street lighting facilities to serve the tract as required by the Bureau of Street Lighting.
  - (d) Plant street trees and remove any existing trees within dedicated streets or proposed dedicated streets as required by the Street Tree Division of the Bureau of Street Maintenance. All street tree planting's shall be brought up to

current standards. When the City has previously been paid for tree planting, the subdivider or contractor shall notify the Street Tree Division ((213) 485-5675) upon completion of construction to expedite tree planting.

- (e) Repair or replace any off-grade or broken curb, gutter and sidewalk satisfactory to the City Engineer.
- (f) Construct access ramps for the handicapped as required by the City Engineer.
- (g) Close any unused driveways satisfactory to the City Engineer.
- (h) Construct any necessary additional street improvements to comply with the Americans with Disabilities Act (ADA) of 1990.
- (i) That the following improvements be either constructed prior to recordation of the final map or that the construction be suitably guaranteed:
  - Improve Idaho Avenue and Westgate Avenue adjoining the subdivision by the construction of new 5-foot concrete sidewalks and reconstruction of the existing curbs and gutters to provide for new concrete curbs and 2-foot concrete gutters including any necessary removal and reconstruction of the existing improvements all satisfactory to the City Engineer.
  - 2. Improve the alley adjoining the subdivision by the construction of suitable resurfacing to complete a 17.5-foot wide alley, including construction of a new 2-foot wide longitudinal gutter together with any necessary removal and reconstruction of existing improvements all including the reconstruction of the alley intersection with Idaho Avenue all satisfactory to the City Engineer

# NOTES:

The Advisory Agency approval is the maximum number of units permitted under the tract action. However the existing or proposed zoning may not permit this number of units. Any removal of the existing street trees shall require Board of Public Works approval.

Satisfactory arrangements shall be made with the Los Angeles Department of Water and Power, Power System, to pay for removal, relocation, replacement or adjustment of power facilities due to this development. The subdivider must make arrangements for the underground installation of all new utility lines in conformance with Section 17.05N of the Los Angeles Municipal Code.

The final map must record within 36 months of this approval, unless a time extension is granted before the end of such period.

The Advisory Agency hereby finds that this tract conforms to the California Water Code, as required by the Subdivision Map Act.

No building permit will be issued until the subdivider has secured a certification from the Housing Authority that the development complies with the requirements for low-and moderate-income housing, per Section 12.39-A of the LAMC.

The subdivider should consult the Department of Water and Power to obtain energy saving design features which can be incorporated into the final building plans for the subject development. As part of the Total Energy Management Program of the Department of Water and Power, this no-cost consultation service will be provided to the subdivider upon his request.

# **FINDINGS OF FACT (CEQA)**

The Environmental Staff Advisory Committee issued Mitigated Negative Declaration ENV-2006-4528-MND-REC on December 4, 2006. The Committee found that potential negative impact could occur from the projects's implementation due to:

existing ambient air pollution levels potential loss of significant trees loss of rental units potential seismic activity need for landscaping.

The Deputy Advisory Agency, certifies that Mitigated Negative Declaration No. ENV-2006-4528-MND-REC reflects the independent judgment of the lead agency and determined that this project would not have a significant effect upon the environment provided the potential impacts identified above are mitigated to a less than significant level through implementation of Condition No(s). 12; 15, 16, 17, and 18 of the Tract's approval. Other identified potential impacts not mitigated by these conditions are mandatorily subject to existing City ordinances, (Sewer Ordinance, Grading Ordinance, Flood Plain Management Specific Plan, Xeriscape Ordinance, Stormwater Ordinance, etc.) which are specifically intended to mitigate such potential impacts on all projects.

The Initial Study prepared for the project identifies no potential adverse impacts on fish or wildlife resources as far as earth, air, water, plant life, animal life, risk of upset are concerned. Furthermore, the project site, as well as the surrounding area is presently developed with structures and does not provide a natural habitat for either fish or wildlife. In light of the above, the project qualifies for the De Minimis Exemption for Fish and Game fees (AB 3158)

In accordance with Section 21081.6 of the Public Resources Code (AB3180), the Deputy Advisory Agency has assured that the above identified mitigation measures will be implemented by requiring reporting and monitoring as specified in Condition No. 15.

Furthermore, the Advisory Agency hereby finds that modification(s) to and/or correction(s) of specific mitigation measures have been required in order to assure appropriate and adequate mitigation of potential environmental impacts of the proposed use of this subdivision.

# FINDINGS OF FACT (SUBDIVISION MAP ACT)

In connection with the approval of Tentative Tract No. 67016, the Advisory Agency of the City of Los Angeles, pursuant to Sections 66473.1, 66474.60, .61 and .63 of the State of California Government Code (the Subdivision Map Act), makes the prescribed findings as follows:

- (a) THE PROPOSED MAP WILL BE/IS CONSISTENT WITH APPLICABLE GENERAL AND SPECIFIC PLANS.
- (b) THE DESIGN AND IMPROVEMENT OF THE PROPOSED SUBDIVISION ARE CONSISTENT WITH APPLICABLE GENERAL AND SPECIFIC PLANS.

The adopted West Los Angeles Plan designates the subject property for Medium residential land use with the corresponding zone of R3. The property contains approximately 0.44 net acres (19,215 net square feet after required dedication) and is presently zoned R3-1. The proposed development of 24 units plus 8 density bonus units is allowable under the current adopted zone and the land use designation. Five of the density bonus units are set aside for Low Income households in compliance with State Senate Bill 1818.

The site is not subject to the Specific Plan for the Management of Flood Hazards (floodways, floodplains, mud prone areas, coastal high-hazard and flood-related erosion hazard areas).

Therefore, as conditioned, the proposed tract map is consistent with the intent and purpose of the applicable General and Specific Plans.

- (c) THE SITE IS PHYSICALLY SUITABLE FOR THE PROPOSED TYPE OF DEVELOPMENT.
- (d) THE SITE IS PHYSICALLY SUITABLE FOR THE PROPOSED DENSITY OF DEVELOPMENT.

The site is one of the few underimproved properties in the vicinity. The development of this tract is an infill of an otherwise multiple-family residential neighborhood. The property's R3 zone allows the density requested.

The site is level and is not located in a slope stability study area, high erosion hazard area, or a fault-rupture study zone.

(e) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE SUBSTANTIAL ENVIRONMENTAL DAMAGE OR SUBSTANTIALLY AND AVOIDABLY INJURE FISH OR WILDLIFE OR THEIR HABITAT.

The Initial Study prepared for the project identifies no potential adverse impact on fish or wildlife resources as far as earth, air, water, plant life, animal life, risk of upset is concerned.

Furthermore, the project site, as well as the surrounding area is presently developed with structures and does not provide a natural habitat for either fish or wildlife.

In light of the above, the project qualifies for the De Minimis Exemption for Fish and Game fees (AB 3158).

(f) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE SERIOUS PUBLIC HEALTH PROBLEMS.

There appear to be no potential public health problems caused by the design or improvement of the proposed subdivision.

The development is required to be connected to the City's sanitary sewer system, where the sewage will be directed to the LA Hyperion Treatment Plant, which is currently being upgraded to meet Statewide ocean discharge standards. The Bureau of Engineering has reported that the proposed subdivision does not violate the existing California Water Code because the subdivision will be connected to the public sewer system and will have only a minor incremental impact on the quality of the effluent from the Hyperion Treatment Plant.

(g) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS WILL NOT CONFLICT WITH EASEMENTS ACQUIRED BY THE PUBLIC AT LARGE FOR ACCESS THROUGH OR USE OF PROPERTY WITHIN THE PROPOSED SUBDIVISION.

No such easements are known to exist. Needed public access for roads and utilities will be acquired by the City prior to recordation of the proposed tract.

- (h) THE DESIGN OF THE PROPOSED SUBDIVISION WILL PROVIDE, TO THE EXTENT FEASIBLE, FOR FUTURE PASSIVE OR NATURAL HEATING OR COOLING OPPORTUNITIES IN THE SUBDIVISION. (REF. SECTION 66473.1)
  - In assessing the feasibility of passive or natural heating or cooling opportunities in the proposed subdivision design, the applicant has prepared and submitted materials which consider the local climate, contours, configuration of the parcel(s) to be subdivided and other design and improvement requirements.

- 2). Providing for passive or natural heating or cooling opportunities will not result in reducing allowable densities or the percentage of a lot which may be occupied by a building or structure under applicable planning and zoning in effect at the time the tentative map was filed.
- 3). The lot layout of the subdivision has taken into consideration the maximizing of the north/south orientation.
- 4). The topography of the site has been considered in the maximization of passive or natural heating and cooling opportunities.
- 5). In addition, prior to obtaining a building permit, the subdivider shall consider building construction techniques, such as overhanging eaves, location of windows, insulation, exhaust fans; planting of trees for shade purposes and the height of the buildings on the site in relation to adjacent development.

These findings shall apply to both the tentative and final maps for Tract No. 67016.

S. Gail Goldberg, AICP Advisory Agency

MICHAEL S.Y. YOUNG Deputy Advisory Agency

Inchael S. J. J.

MSYY:FT:JQ:jh

Note: If you wish to file an appeal, it must be filed within 10 calendar days from the decision date as noted in this letter. For an appeal to be valid to the City Planning Commission, it must be accepted as complete by the City Planning Department and appeal fees paid, prior to expiration of the above 10-day time limit. Such appeal must be submitted on Master Appeal Form No. CP-7769 at the Department's Public Offices, located at:

Figueroa Plaza 201 N. Figueroa St,. 4<sup>th</sup> Floor Los Angeles, CA 90012 213.482.7077 Marvin Braude San Fernando Valley Constituent Service Center 6262 Van Nuys Bl., Room 251 Van Nuys, CA 91401 818.374.5050

# Forms are also available on-line at www.lacity.org/pln.

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedure Section 1094.6. Under that

# **TENTATIVE TRACT NO. 67016**

PAGE 20

provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filed no later than the 90<sup>th</sup> day following the date on which the City's decision becomes final.

If you have any questions, please call Subdivision staff at (213) 978-1330.

n:tract\_letters (12-20-06)



# WEST LOS ANGELES AREA PLANNING COMMISSION

200 N. Spring Street, Room 532, Los Angeles, California, 90012-4801, (213) 978-1300 www.lacity.org/PLN/index.htm

Determination Mailing Date: APR 2 4 2007

**CASE No.:** TT-67016-1A

CEQA: ENV-2003-4528-MND

Council District: 11

**Location:** 1600 Westgate Avenue **Plan Area:** West Los Angeles

Zone: R3-1

Applicant: Alcott Properties, LLC (aka Idaho Elegant Apartment, LLC)

Appellants: 1. Ardeshir Gowharrizi 2. Michael J. Miller 3. Granvillas HOA c/o Michael J. Miller

4. Lloyd Robert Pfeffer 5. Samuel and Patricia Shim

At its meeting on April 18, 2007, the following action was taken by the West Los Angeles Area Planning Commission:

1. Granted the appeals in part.

- Sustained the decision of the Advisory Agency in <u>approving</u>, pursuant to Section 17.03 of the Los Angeles Municipal Code, Tentative Tract No. 67016; for a maximum 32-unit residential condominium with 5-units set aside for low income residential in the R3 Zone.
- 3. Adopted Modified conditions submitted on April 18, 2007 (attached).
- 4. Adopted Findings of the Advisory Agency (attached).
- 5. Adopted ENV 2003-4528-MND.

Fiscal Impact Statement: There is no General Fund impact as administrative costs are recovered through fees.

This action was taken by the following vote:

Moved: Burton Seconded: Brown

Ayes: Foster, Washington

Absent: Martinez

Vote: 4-0

James Williams, Commission Executive Assistant West Los Angeles Area Planning Commission

Effective Date/Appeals: This action of the West Los Angeles Area Planning Commission will be final within 10 days from the mailing date on this determination unless an appeal is filed within that time to the City Council.

FINAL APPEAL DATE MAY 0 4 2007

All appeals shall be filed on forms provided at the Planning Department's public Counters at 201 North Figueroa Street, Third Floor, Los Angeles, or at 6262 Van Nuys Boulevard, Room 251, Van Nuys. Forms are also available on-line at <a href="https://www.lacity.org/pln">www.lacity.org/pln</a>.

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedure Section 1094.6. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filled no later than the 90th day following the date on which the City's decision becomes final.

Attachments: Modified Conditions of Approval, Findings.

City Planning Associate: James Quinn

In accordance with provisions of Section 17.03 of the Los Angeles Municipal Code, the Advisory Agency approved Tentative Tract No. 67016 composed of 1-lot, located at 1600 Westgate Avenue for a maximum **32-unit residential condominium with 5-units set aside for Low Income residential** as shown on map stamp-dated May 24, 2006 in the West Los Angeles Community Plan. This unit density is based on the R3 Zone. (The subdivider is hereby advised that the Municipal Code may not permit this maximum approved density. Therefore, verification should be obtained from the Department of Building and Safety which will legally interpret the Zoning Code as it applies to this particular property.) For an appointment with the Advisory Agency or a City Planner call (213) 978-1330. The Advisory Agency's approval is subject to the following conditions:

**NOTE** on clearing conditions: When two or more **agencies** must clear a condition, subdivider should follow the sequence indicated in the condition. For the benefit of the applicant, subdivider shall maintain record of all conditions cleared, including all material supporting clearances and be prepared to present copies of the clearances to each reviewing agency as may be required by its staff at the time of its review.

# **BUREAU OF ENGINEERING - SPECIFIC CONDITIONS**

- 1. That 2-foot wide strips of land be dedicated along Idaho Avenue and Westgate Avenue adjoining the subdivision to complete 32-foot wide half right-of-way dedications including a 15-foot radius property line return at their intersection in accordance with Collector Street Standards, satisfactory to the City Engineer.
- 2. That a 2.5-foot wide strip of land be dedicated along the alley adjoining the tract to complete a 10-foot wide half-alley dedication satisfactory to the City Engineer.

# DEPARTMENT OF BUILDING AND SAFETY, GRADING DIVISION

3. Comply with any requirements with the Department of Building and Safety, Grading Division for recordation of the final map and issuance of any permit.

# DEPARTMENT OF BUILDING AND SAFETY, ZONING DIVISION

- 4. That prior to recordation of the final map, the Department of Building and Safety, Zoning Division shall certify that no Building or Zoning Code violations exist on the subject site. In addition, the following items shall be satisfied:
  - a. Obtain permits for the demolition or removal of all existing structures on the site. Accessory structures and uses are not permitted to remain on lots without a main structure or use. Provide copies of the demolition permits and signed inspection cards to show completion of the demolition work.
  - b. Show all street/alley dedication(s) as required by Bureau of Engineering and provide net lot area after all dedication. "Area" requirements shall be rechecked as per net lot area after street/alley dedication.

#### DEPARTMENT OF TRANSPORTATION

- 5. That prior to recordation of the final map, satisfactory arrangements shall be made with the Department of Transportation to assure:
  - a. A minimum of 20-foot reservoir space be provided between any security gate(s) and the property line.
  - b. Driveways and vehicular access to projects shall be provided from alley and/or Westgate Avenue.
  - c. Parking stalls shall be designed so that a vehicle is not required to back out into or out of any public street or sidewalk.
  - d. This project is subject to the West Los Angeles Transportation Improvement and Mitigation Specific Plan requirements. A Parking area and driveway plan shall be submitted to the Department of Transportation for approval prior to submittal of building permit plans for plan check by the Department of Building and Safety. Final DOT approval should be accomplished by submitting detailed site/driveway plans at a scale of 1"=40' to DOT's West LA/Coastal Development Review Section located at 7166 W. Manchester Ave., Los Angeles, 90045.

#### FIRE DEPARTMENT

- 6. <u>That prior to the recordation of the final map</u>, a suitable arrangement shall be made satisfactory to the Fire Department, binding the subdivider and all successors to the following:
  - a. Submittal of plot plans for Fire Department review and approval prior to recordation of Tract Map Action.

# **DEPARTMENT OF WATER AND POWER**

7. Satisfactory arrangements shall be made with the Los Angeles Department of Water and Power (LADWP) for compliance with LADWP's Water System Rules and requirements. Upon compliance with these conditions and requirements, LADWP's Water Services Organization will forward the necessary clearances to the Bureau of Engineering. (This condition shall be deemed cleared at the time the City Engineer clears Condition No. S-1.(c).)

# **BUREAU OF STREET LIGHTING**

8. Street light improvements shall be made to the satisfaction of the Bureau of Street Lighting and/or the following street lighting improvements shall be required. (This

condition shall be deemed cleared at the time the City Engineer clears Condition S-3. (c).)

- a. One (1) new light is required on Idaho Avenue.
- b. One (1) new light is required on Westgate Avenue.
- c. Prior to final recordation for this project or issuance of the certificate of occupancy, the developer shall cause Developer shall cause Owner to give written consent to the Bureau of Street Lighting for the formation or annexation of the property within the boundary of the development into a Street Lighting Maintenance Assessment District.

#### **BUREAU OF SANITATION**

9. Satisfactory arrangements shall be made with the Bureau of Sanitation, Wastewater Collection Systems Division for compliance with its sewer system review and requirements. Upon compliance with its conditions and requirements, the Bureau of Sanitation, Wastewater Collection Systems Division will forward the necessary clearances to the Bureau of Engineering. (This condition shall be deemed cleared at the time the City Engineer clears Condition No. S-1. (d).)

#### INFORMATION TECHNOLOGY AGENCY

10. That satisfactory arrangements be made in accordance with the requirements of the Information Technology Agency to assure that cable television facilities will be installed in the same manner as other required improvements. Refer to the Los Angeles Municipal Code Section 17.05N. Written evidence of such arrangements must be submitted to the Information Technology Agency, 200 N. Main Street, Room 1255, Los Angeles, CA 90012, (213) 922-8363.

# **DEPARTMENT OF RECREATION AND PARKS**

11. That the Quimby fee be based on the R3 Zone.

# DEPARTMENT OF CITY PLANNING-SITE SPECIFIC CONDITIONS

- 12. Prior to the recordation of the final map, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - a. Limit the proposed development to a maximum of 32 dwelling units. Five units shall be set aside for Low Income households.
  - b. Provide a minimum of 2 covered off-street parking spaces per dwelling unit, plus 1/2 guest parking spaces per dwelling. All guest spaces shall be readily

accessible, conveniently located, specifically reserved for guest parking, posted and maintained satisfactory to the Department of Building and Safety.

If guest parking spaces are gated, a voice response system shall be installed at the gate. Directions to guest parking spaces shall be clearly posted. Tandem parking spaces shall not be used for guest parking.

In addition, prior to issuance of a building permit, a parking plan showing offstreet parking spaces, as required by the Advisory Agency, be submitted for review and approval by the Department of City Planning (200 No. Spring Street, Room 750).

- c. **Note to City Zoning Engineer and Plan Check.** The Advisory Agency has approved the following variations from the Los Angeles Municipal Code as it applies to this subdivision and the proposed development on the site.
  - 1. Per SB1818, a by-right incentive to allow an increase in Floor Area Ratio (FAR) of 20% to a maximum 3.6:1.
  - 2. Per SB1818, a by-right incentive to allow an increase in the height of the building 20% to a maximum of 54 feet.
- d. That prior to issuance of a certificate of occupancy, a minimum 6-foot-high slumpstone or decorative masonry wall shall be constructed adjacent to neighboring residences, if no such wall already exists, except in required front yard.
- e. The applicant shall install an air filtration system(s) to reduce the effects of diminished air quality on occupants of the project.
- f. That a solar access report shall be submitted to the satisfaction of the Advisory Agency prior to obtaining a grading permit.
- g. That the subdivider consider the use of natural gas and/or solar energy and consult with the Department of Water and Power and Southern California Gas Company regarding feasible energy conservation measures.
- h. Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass, and other recyclable material.
- 13. That the subdivider shall record and execute a Covenant and Agreement to comply with the West Los Angeles Transportation Improvement and Mitigation Specific Plan prior to the issuance of a building permit, grading permit and the recordation of the final tract map.
- 14. Owner shall execute a covenant to the satisfaction of the Los Angeles Housing Department to make (5) units of the condominium development available for sale

solely to low income households, at sales price determined to be affordable to low income households by the Los Angeles Housing Department, for a period of (30) years. Said units shall be comparable in size, number of bedrooms, distribution, and amenities to the non-income-restricted units in the development.

# DEPARTMENT OF CITY PLANNING-ENVIRONMENTAL MITIGATION MEASURES

- That prior to recordation of the final map the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770 and Exhibit CP-6770. M) in a manner satisfactory to the Planning Department requiring the subdivider to identify (a) mitigation monitor(s) who shall provide periodic status reports on the implementation of mitigation items required by Mitigation Condition No(s). 12, 16, 17, and 18 of the Tract's approval satisfactory to the Advisory Agency. The mitigation monitor(s) shall be identified as to their areas of responsibility, and phase of intervention (pre-construction, construction, postconstruction/maintenance) to ensure continued implementation of the above mentioned mitigation items.
- 16. Prior to the recordation of the final map, the subdivider will prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - MM-1 All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped and maintained in accordance with a landscape plan, including an automatic irrigation plan, prepared by a licensed landscape architect to the satisfaction of the decision maker.
  - MM-2 The design and construction of the project shall conform to the Uniform Building Code seismic standards as approved by the Department of Building and Safety.
  - MM-3 Prior to the issuance of the demolition permit, the applicant shall provide a letter to the Department of Building and Safety from a qualified asbestos abatement consultant that no ACM are present in the building. If ACM are found to be present, it will need to be abated in compliance with the South Coast Air Quality Management District's Rule 1403 as well as all other state and federal rules and regulations.
  - MM-4 Project applicants are required to implement stormwater BMPs to retain or treat the runoff from a storm event producing 3/4 inch of rainfall in a 24 hour period. The design of structural BMPs shall be in accordance with the Development Best Management Practices Handbook Part B Planning Activities. A signed certificate from a California licensed civil engineer or licensed architect that the proposed BMPs meet this numerical threshold standard is required.

- MM-5 Post development peak stormwater runoff discharge rates shall not exceed the estimated pre-development rate for developments where the increase peak stormwater discharge rate will result in increased potential for downstream erosion.
- MM-6 Concentrate or cluster development on portions of a site while leaving the remaining land in a natural undisturbed condition.
- MM-7 Limit clearing and grading of native vegetation at the project site to the minimum needed to build lots, allow access, and provide fire protection.
- MM-8 Maximize trees and other vegetation at each site by planting additional vegetation, clustering tree areas, and promoting the use of native and/or drought tolerant plants.
- MM-9 Preserve riparian areas and wetlands.
- MM-10 Any connection to the sanitary sewer must have authorization from the Bureau of Sanitation.
- MM-11 Reduce impervious surface area by using permeable pavement materials where appropriate, including: pervious concrete/asphalt; unit pavers, i.e. turf block; and granular materials, i.e. crushed aggregates, cobbles.
- MM-12 Install Roof runoff systems where site is suitable for installation. Runoff from rooftops is relatively clean, can provide groundwater recharge and reduce excess runoff into storm drains.
- MM-13 Guest parking lots constitute a significant portion of the impervious land coverage. To reduce the quantity of runoff, parking lots can be designed one of two ways.
  - Hybrid Lot parking stalls utilize permeable materials, such as crushed aggregate, aisles are constructed of conventional materials such as asphalt.
  - Parking Grove is a variation on the permeable stall design, a grid of trees and bollards are added to delineate parking stalls. This design presents an attractive open space when cars are absent, and shade when cars are present.
- MM-14 Promote natural vegetation by using parking lot islands and other landscaped areas.
- MM-15 Paint messages that prohibits the dumping of improper materials into the storm drain system adjacent to storm drain inlets. Prefabricated stencils can be obtained from the Dept. of Public Works, Stormwater Management Division.

- MM-16 All storm drain inlets and catch basins within the project area must be stenciled with prohibitive language (such as NO DUMPING-DRAINS TO OCEAN) and/or graphical icons to discourage illegal dumping.
- MM-17 Signs and prohibitive language and/or graphical icons, which prohibit illegal dumping, must be posted at public access points along channels and creeks within the project area.
- MM-18 Legibility of stencils and signs must be maintained.
- MM-19 Materials with the potential to contaminate stormwater must be: (1) placed in an enclosure such as, but not limited to, a cabinet, shed, or similar
  - stormwater conveyance system; or (2) protected by secondary containment structures such as berms, dikes, or curbs.
- MM-20 The storage area must be paved and sufficiently impervious to contain leaks and spills.
- MM-21 The storage area must have a roof or awning to minimize collection of stormwater within the secondary containment area.
- MM-22 Design an efficient irrigation system to minimize runoff including: drip irrigation for shrubs to limit excessive spray; shutoff devices to prevent irrigation after significant precipitation; and flow reducers.
- MM-23 Runoff from hillside areas can be collected in a vegetative swale, wet pond, or extended detention basin, before it reaches the storm drain system.
- MM-24 Cut and fill sloped in designated hillside areas shall be planted and irrigated to prevent erosion, reduce run-off velocities and to provide long-term stabilization of soil. Plant materials include: grass, shrubs, vines, ground covers, and trees.
- MM-25 Incorporate appropriate erosion control and drainage devices, such as interceptor terraces, berms, vee-channels, and inlet and outlet structures, as specified by Section 91.7013 of the Building Code. Protect outlets of culverts, conduits or channels from erosion by discharge velocities by installing rock outlet protection. Rock outlet protection is a physical devise composed of rock, grouted riprap, or concrete rubble placed at the outlet of a pipe. Install sediment traps below the pipe-outlet. Inspect, repair and maintain the outlet protection after each significant rain.
- MM-26 The owner(s) of the property will prepare and execute a covenant and agreement (Planning Department General form CP-6770) satisfactory to

the Planning Department binding the owners to post construction maintenance on the structural BMPs in accordance with the Standard Urban Stormwater Mitigation Plan and or per manufacturer's instructions.

- 17. Construction Mitigation Conditions Prior to the issuance of a grading or building permit, or the recordation of the final map, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to the following:
  - CM-1. That a sign be required on site clearly stating a contact/complaint telephone number that provides contact to a live voice, not a recording or voice mail,

during all hours of construction, the construction site address, and the tract map number. YOU ARE REQUIRED TO POST THE SIGN 7 DAYS BEFORE CONSTRUCTION IS TO BEGIN.

- Locate the sign in a conspicuous place on the subject site or structure (if developed) so that it can be easily read by the public. The sign must be sturdily attached to a wooden post if it will be freestanding.
- Regardless of who posts the site, it is always the responsibility of the applicant to assure that the notice is firmly attached, legible, and remains in that condition throughout the entire construction period.
- If the case involves more than one street frontage, post a sign on each street frontage involved. If a site exceeds five (5) acres in size, a separate notice of posting will be required for each five (5) acres, or portion thereof. Each sign must be posted in a prominent location.
- CM-2 All unpaved demolition and construction areas shall be wetted at least twice daily during excavation and construction, and temporary dust covers shall be used to reduce dust emissions and meet SCAQMD District Rule 403. Wetting could reduce fugitive dust by as much as 50 percent.
- CM-3 The owner or contractor shall keep the construction area sufficiently dampened to control dust caused by construction and hauling, and at all times provide reasonable control of dust caused by wind.
- CM-4 All loads shall be secured by trimming, watering or other appropriate means to prevent spillage and dust.
- CM-5 All materials transported off-site shall be either sufficiently watered or securely covered to prevent excessive amount of dust.

- CM-6 All clearing, earth moving, or excavation activities shall be discontinued during periods of high winds (i.e., greater than 15 mph), so as to prevent excessive amounts of dust.
- CM-7 General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions.
- CM-8 The project shall comply with the City of Los Angeles Noise Ordinance No. 144,331 and 161,574, and any subsequent ordinances, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible.
- CM-9 Construction and demolition shall be restricted to the hours of 7:00 am to 6:00 pm Monday through Friday, and 8:00 am to 6:00 pm on Saturday.
- CM-10 Construction and demolition activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- CM-11 The project contractor shall use power construction equipment with stateof-the-art noise shielding and muffling devices.
- CM-12 The project sponsor must comply with the Noise Insulation Standards of Title 24 of the California Code Regulations, which insure an acceptable interior noise environment.
- CM-13 All waste shall be disposed of properly. Use appropriately labeled recycling bins to recycle construction materials including: solvents, water-based paints, vehicle fluids, broken asphalt and concrete, wood, and vegetation. Non recyclable materials/wastes must be taken to an appropriate landfill. Toxic wastes must be discarded at a licensed regulated disposal site.
- CM-14 Leaks, drips and spills shall be cleaned up immediately to prevent contaminated soil on paved surfaces that can be washed away into the storm drains.
- CM-15 Pavement shall not be hosed down at material spills. Dry cleanup methods shall be used whenever possible.
- CM-16 Dumpsters shall be covered and maintained. Place uncovered dumpsters under a roof or cover with tarps or plastic sheeting.
- CM-17 Where truck traffic is frequent, gravel approaches shall be used to reduce soil compaction and limit the tracking of sediment into streets.

CM-18 All vehicle/equipment maintenance, repair, and washing shall be conducted away from storm drains. All major repairs shall be conducted off-site. Drip pans or drop clothes shall be used to catch drips and spills.

# DEPARTMENT OF CITY PLANNING-TENANT RELOCATION CONDITIONS

- 18. Prior to the issuance of a grading or building permit, or the recordation of the final map which ever occurs first the subdivider shall submit a relocation plan to the Deputy Advisory Agency for review and approval.
- 19. Prior to recordation of the final map, the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors to provide tenant relocation assistance in accordance to the provisions of Section 47.07.D of the L.A.M.C.
  - Prior to obtaining a demolition permit, the applicant shall submit proof that the tenants were provided relocation assistance in accordance to the provisions of Section 47.07.D of the L.A.M.C.
- 20. Prior the issuance of a grading or building permit, or the recordation of the final map, which ever occurs first the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department, binding the subdivider and all successors-in-interest to provide tenant relocation assistance in accordance to that in effect on January 29, 2007 for the current applicant, and establish a relocation program in a manner consistent with Section 47.07 of the Los Angeles Municipal Code relating to demolitions. The covenant and agreement shall be executed and recorded within 10 days after the tentative map is approved and becomes effective following the expiration of any applicable appeal period (and final action theron). A copy of the covenant and agreement required by this condition shall be provided to each tenant within five days of recordation of the covenant and agreement. (Agreed to by subdivider at West Los Angeles APC hearing, April 18, 2007)
- 21. Prior to the issuance of a grading or building permit, or the recordation of the final map which ever occurs first the subdivider and all successors-in-interest shall submit proof satisfactory to the Advisory Agency that all tenant relocation assistance payments and services owing the tenants pursuant to LAMC Section 47.07 and the conditions of this grant were actually received by the tenants in accordance with all laws relating to such assistance in effect on January 29, 2007. (Agreed to by subdivider at West Los Angeles APC hearing, April 18, 2007)
- 22. <u>Prior to recordation of the final map,</u> the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a

manner satisfactory to the Planning Department, binding the subdivider and all successors-in-interest to the affirmative duty to abide by all provisions of the Ellis Act (Government Code §§ 7060, et seq.) and §§ 151.22-151.27 of the Los Angeles Municipal Code as it relates to the eviction of the tenants; and further that prior to the issuance of a demolition permit, building permit, or the recordation of the final map, the subdivider or the subdivider's successors-in-interest to provide proof satisfactory to the Advisory Agency of the fact that full compliance with the foregoing statutes and ordinances was effectuated in accordance with all laws relating to such assistance in effect on January 29, 2007 for the current applicant. Such proof would take the form of the Los Angeles Housing Department (LAHD) relocation paperwork signed off by a representative of the LAHD. (Agreed to by subdivider at West Los Angeles APC hearing, April 18, 2007)

23. The subdivider agrees to pay each tenant in residence on January 29, 2007 who has not already entered into a separate relocation benefits agreement with the subdivider \$6,450 and a rent-free extension of time to vacate their apartment on or before August 31, 2007 beginning May 1, 2007. (Agreed to by subdivider at West Los Angeles APC hearing, April 18, 2007)

#### DEPARTMENT OF CITY PLANNING-STANDARD CONDOMINIUM CONDITIONS

- C-1. That approval of this tract constitutes approval of model home uses, including a sales office and off-street parking. Where the existing zoning is (T) or (Q) for multiple residential use, no construction or use shall be permitted until the final map has recorded or the proper zone has been effectuated. If models are constructed under this tract approval, the following conditions shall apply:
  - Prior to recordation of the final map, the subdivider shall submit a plot plan for approval by the Division of Land Section of the Department of City Planning showing the location of the model dwellings, sales office and offstreet parking. The sales office must be within one of the model buildings.
  - 2. All other conditions applying to Model Dwellings under Section 12.22A, 10 and 11 and Section 17.05 O of the Code shall be fully complied with satisfactory to the Department of Building and Safety.
- C-2. That prior to recordation of the final map, the subdivider shall record an "Agreement for Development of Units for Lease or Sale ("15% Ordinance")" covenant, to benefit the Housing Authority, for certification of the development in
  - accordance with Section 12.39A. Arrangements shall be made with the Department of Building and Safety, Zoning Section Subdivisions (213.482.0000) to approve the covenant format, prior to recording the covenant.
- C-3. Prior to the recordation of the final map, the subdivider shall pay or guarantee the payment of a park and recreation fee based on the latest fee rate schedule

applicable. The amount of said fee to be established by the Advisory Agency in

accordance with Section 17.12 of the Los Angeles Municipal Code and to be paid and deposited in the trust accounts of the Park and Recreation Fund.

C-4. That a landscape plan, prepared by a licensed landscape architect, be submitted to and approved by the Advisory Agency in accordance with CP-6730 <u>prior to obtaining any permit</u>. The landscape plan shall identify tree replacement on a 1:1 basis by a minimum of 24-inch box trees for the unavoidable loss of desirable trees on the site. Failure to comply with this condition as written shall require the filing of a modification to this tract map in order to clear the condition.

In the event the subdivider decides not to request a permit before the recordation of the final map, the following statement shall appear on the plan and be recorded as a covenant and agreement satisfactory to the Advisory Agency guaranteeing that:

- a. The planting and irrigation system shall be completed by the developer/builder prior to the close of escrow of 50 percent of the units of the project or phase.
- b. Sixty days after landscape and irrigation installation, the landscape professional shall submit to the homeowners/property owners association a Certificate of Substantial Completion (Sec. 12.40 G LAMC.)
- c. The developer/builder shall maintain the landscaping and irrigation for 60 days after completion of the landscape and irrigation installation.
- d. The developer/builder shall guarantee all trees and irrigation for a period of six months and all other plants for a period of 60 days after landscape and irrigation installation.
- C-5. In order to expedite the development, the applicant may apply for a building permit for an apartment building. However, prior to issuance of a building permit for apartments, the registered civil engineer, architect or licensed land surveyor shall certify in a letter to the Advisory Agency that all applicable tract conditions affecting the physical design of the building and/or site, have been included into the building plans. Such letter is sufficient to clear this condition. In addition, all of the applicable tract conditions shall be stated in full on the building plans and a copy of the plans shall be reviewed and approved by the Advisory Agency prior to submittal to the Department of Building and Safety for a building permit.

OR

If a building permit for apartments will not be requested, the project civil engineer, architect or licensed land surveyor must certify in a letter to the Advisory Agency that the applicant will not request a permit for apartments and intends to acquire a building permit for a condominium building(s). Such letter is sufficient to clear this condition.

#### **BUREAU OF ENGINEERING - STANDARD CONDITIONS**

- S-1. (a) That the sewerage facilities charge be deposited prior to recordation of the final map over all of the tract in conformance with Section 64.11.2 of the Municipal Code.
  - (b) That survey boundary monuments be established in the field in a manner satisfactory to the City Engineer and located within the California Coordinate System prior to recordation of the final map. Any alternative measure approved by the City Engineer would require prior submission of complete field notes in support of the boundary survey.
  - (c) That satisfactory arrangements be made with both the Water System and the Power System of the Department of Water and Power with respect to water mains, fire hydrants, service connections and public utility easements.
  - (d) That any necessary sewer, street, drainage and street lighting easements be dedicated. In the event it is necessary to obtain off-site easements by separate instruments, records of the Bureau of Right-of-Way and Land shall verify that such easements have been obtained. The above requirements do not apply to easements of off-site sewers to be provided by the City.
  - (e) That drainage matters be taken care of satisfactory to the City Engineer.
  - (f) That satisfactory street, sewer and drainage plans and profiles as required, together with a lot grading plan of the tract and any necessary topography of adjoining areas be submitted to the City Engineer.
  - (g) That any required slope easements be dedicated by the final map.
  - (h) That each lot in the tract comply with the width and area requirements of the Zoning Ordinance.
  - (i) That 1-foot future streets and/or alleys be shown along the outside of incomplete public dedications and across the termini of all dedications abutting unsubdivided property. The 1-foot dedications on the map shall include a restriction against their use of access purposes until such time as they are accepted for public use.
  - (j) That any 1-foot future street and/or alley adjoining the tract be dedicated for public use by the tract, or that a suitable resolution of acceptance be transmitted to the City Council with the final map.
  - (k) That no public street grade exceed 15%.

- (I) That any necessary additional street dedications be provided to comply with the Americans with Disabilities Act (ADA) of 1990.
- S-2. That the following provisions be accomplished in conformity with the improvements constructed herein:
  - (a) Survey monuments shall be placed and permanently referenced to the satisfaction of the City Engineer. A set of approved field notes shall be furnished, or such work shall be suitably guaranteed, except where the setting of boundary monuments requires that other procedures be followed.
  - (b) Make satisfactory arrangements with the Department of Traffic with respect to street name, warning, regulatory and guide signs.
  - (c) All grading done on private property outside the tract boundaries in connection with public improvements shall be performed within dedicated slope easements or by grants of satisfactory rights of entry by the affected property owners.
  - (d) All improvements within public streets, private street, alleys and easements shall be constructed under permit in conformity with plans and specifications approved by the Bureau of Engineering.
  - (e) Any required bonded sewer fees shall be paid <u>prior to recordation of the final</u> <u>map</u>.
- S-3. That the following improvements be either constructed <u>prior to recordation of the final map</u> or that the construction be suitably guaranteed:
  - (a) Construct on-site sewers to serve the tract as determined by the City Engineer.
  - (b) Construct any necessary drainage facilities.
  - (c) Install street lighting facilities to serve the tract as required by the Bureau of Street Lighting.
  - (d) Plant street trees and remove any existing trees within dedicated streets or proposed dedicated streets as required by the Street Tree Division of the Bureau of Street Maintenance. All street tree planting's shall be brought up to current standards. When the City has previously been paid for tree planting, the subdivider or contractor shall notify the Street Tree Division ((213) 485-5675) upon completion of construction to expedite tree planting.
  - (e) Repair or replace any off-grade or broken curb, gutter and sidewalk satisfactory to the City Engineer.

- (f) Construct access ramps for the handicapped as required by the City Engineer.
- (g) Close any unused driveways satisfactory to the City Engineer.
- (h) Construct any necessary additional street improvements to comply with the Americans with Disabilities Act (ADA) of 1990.
- (i) That the following improvements be either constructed prior to recordation of the final map or that the construction be suitably guaranteed:
  - Improve Idaho Avenue and Westgate Avenue adjoining the subdivision by the construction of new 5-foot concrete sidewalks and reconstruction of the existing curbs and gutters to provide for new concrete curbs and 2-foot concrete gutters including any necessary removal and reconstruction of the existing improvements all satisfactory to the City Engineer.
  - 2. Improve the alley adjoining the subdivision by the construction of suitable resurfacing to complete a 17.5-foot wide alley, including construction of a new 2-foot wide longitudinal gutter together with any necessary removal and reconstruction of existing improvements all including the reconstruction of the alley intersection with Idaho Avenue all satisfactory to the City Engineer

#### NOTES:

The Advisory Agency approval is the maximum number of units permitted under the tract action. However the existing or proposed zoning may not permit this number of units. Any removal of the existing street trees shall require Board of Public Works approval.

Satisfactory arrangements shall be made with the Los Angeles Department of Water and Power, Power System, to pay for removal, relocation, replacement or adjustment of power facilities due to this development. The subdivider must make arrangements for the underground installation of all new utility lines in conformance with Section 17.05N of the Los Angeles Municipal Code.

The final map must record within 36 months of this approval, unless a time extension is granted before the end of such period.

The Advisory Agency hereby finds that this tract conforms to the California Water Code, as required by the Subdivision Map Act.

No building permit will be issued until the subdivider has secured a certification from the Housing Authority that the development complies with the requirements for low-and moderate-income housing, per Section 12.39-A of the LAMC.

The subdivider should consult the Department of Water and Power to obtain energy saving

design features which can be incorporated into the final building plans for the subject development. As part of the Total Energy Management Program of the Department of Water and Power, this no-cost consultation service will be provided to the subdivider upon his request.

#### FINDINGS OF FACT (CEQA)

The Environmental Staff Advisory Committee issued Mitigated Negative Declaration ENV-2006-4528-MND-REC on December 4, 2006. The Committee found that potential negative impact could occur from the projects's implementation due to:

existing ambient air pollution levels potential loss of significant trees loss of rental units potential seismic activity need for landscaping.

The Deputy Advisory Agency, certifies that Mitigated Negative Declaration No. ENV-2006-4528-MND-REC reflects the independent judgment of the lead agency and determined that this project would not have a significant effect upon the environment provided the potential impacts identified above are mitigated to a less than significant level through implementation of Condition No(s). 12, 15, 16, 17, and 18 of the Tract's approval. Other identified potential impacts not mitigated by these conditions are mandatorily subject to existing City ordinances, (Sewer Ordinance, Grading Ordinance, Flood Plain Management Specific Plan, Xeriscape Ordinance, Stormwater Ordinance, etc.) which are specifically intended to mitigate such potential impacts on all projects.

The Initial Study prepared for the project identifies no potential adverse impacts on fish or wildlife resources as far as earth, air, water, plant life, animal life, risk of upset are concerned. Furthermore, the project site, as well as the surrounding area is presently developed with structures and does not provide a natural habitat for either fish or wildlife. In light of the above, the project qualifies for the De Minimis Exemption for Fish and Game fees (AB 3158)

In accordance with Section 21081.6 of the Public Resources Code (AB3180), the Deputy Advisory Agency has assured that the above identified mitigation measures will be implemented by requiring reporting and monitoring as specified in Condition No. 15.

Furthermore, the Advisory Agency hereby finds that modification(s) to and/or correction(s) of specific mitigation measures have been required in order to assure appropriate and adequate mitigation of potential environmental impacts of the proposed use of this subdivision.

#### FINDINGS OF FACT (SUBDIVISION MAP ACT)

In connection with the approval of Tentative Tract No. 67016, the Advisory Agency of the

City of Los Angeles, pursuant to Sections 66473.1, 66474.60, .61 and .63 of the State of California Government Code (the Subdivision Map Act), makes the prescribed findings as follows:

- (a) THE PROPOSED MAP WILL BE/IS CONSISTENT WITH APPLICABLE GENERAL AND SPECIFIC PLANS.
- (b) THE DESIGN AND IMPROVEMENT OF THE PROPOSED SUBDIVISION ARE CONSISTENT WITH APPLICABLE GENERAL AND SPECIFIC PLANS.

The adopted West Los Angeles Plan designates the subject property for Medium residential land use with the corresponding zone of R3. The property contains approximately 0.44 net acres (19,215 net square feet after required dedication) and is presently zoned R3-1. The proposed development of 24 units plus 8 density bonus units is allowable under the current adopted zone and the land use designation. Five of the density bonus units are set aside for Low Income households in compliance with State Senate Bill 1818.

The site is not subject to the Specific Plan for the Management of Flood Hazards (floodways, floodplains, mud prone areas, coastal high-hazard and flood-related erosion hazard areas).

Therefore, as conditioned, the proposed tract map is consistent with the intent and purpose of the applicable General and Specific Plans.

- (c) THE SITE IS PHYSICALLY SUITABLE FOR THE PROPOSED TYPE OF DEVELOPMENT.
- (d) THE SITE IS PHYSICALLY SUITABLE FOR THE PROPOSED DENSITY OF DEVELOPMENT.

The site is one of the few underimproved properties in the vicinity. The development of this tract is an infill of an otherwise multiple-family residential neighborhood. The property's R3 zone allows the density requested.

The site is level and is not located in a slope stability study area, high erosion hazard area, or a fault-rupture study zone.

(e) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE SUBSTANTIAL ENVIRONMENTAL DAMAGE OR SUBSTANTIALLY AND AVOIDABLY INJURE FISH OR WILDLIFE OR THEIR HABITAT.

The Initial Study prepared for the project identifies no potential adverse impact on fish or wildlife resources as far as earth, air, water, plant life, animal life, risk of upset is concerned.

Furthermore, the project site, as well as the surrounding area is presently developed with structures and does not provide a natural habitat for either fish or wildlife.

In light of the above, the project qualifies for the De Minimis Exemption for Fish and Game fees (AB 3158).

(f) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE SERIOUS PUBLIC HEALTH PROBLEMS.

There appear to be no potential public health problems caused by the design or improvement of the proposed subdivision.

The development is required to be connected to the City's sanitary sewer system, where the sewage will be directed to the LA Hyperion Treatment Plant, which is currently being upgraded to meet Statewide ocean discharge standards. The Bureau of Engineering has reported that the proposed subdivision does not violate the existing California Water Code because the subdivision will be connected to the public sewer system and will have only a minor incremental impact on the quality of the effluent from the Hyperion Treatment Plant.

(g) THE DESIGN OF THE SUBDIVISION AND THE PROPOSED IMPROVEMENTS WILL NOT CONFLICT WITH EASEMENTS ACQUIRED BY THE PUBLIC AT LARGE FOR ACCESS THROUGH OR USE OF PROPERTY WITHIN THE PROPOSED SUBDIVISION.

No such easements are known to exist. Needed public access for roads and utilities will be acquired by the City prior to recordation of the proposed tract.

- (h) THE DESIGN OF THE PROPOSED SUBDIVISION WILL PROVIDE, TO THE EXTENT FEASIBLE, FOR FUTURE PASSIVE OR NATURAL HEATING OR COOLING OPPORTUNITIES IN THE SUBDIVISION. (REF. SECTION 66473.1)
  - In assessing the feasibility of passive or natural heating or cooling opportunities in the proposed subdivision design, the applicant has prepared and submitted materials which consider the local climate, contours, configuration of the parcel(s) to be subdivided and other design and improvement requirements.
  - 2). Providing for passive or natural heating or cooling opportunities will not result in reducing allowable densities or the percentage of a lot which may be occupied by a building or structure under applicable planning and zoning in effect at the time the tentative map was filed.
  - 3). The lot layout of the subdivision has taken into consideration the maximizing of the north/south orientation.

#### **TENTATIVE TRACT NO. 67016**

- 4). The topography of the site has been considered in the maximization of passive or natural heating and cooling opportunities.
- 5). In addition, prior to obtaining a building permit, the subdivider shall consider building construction techniques, such as overhanging eaves, location of windows, insulation, exhaust fans; planting of trees for shade purposes and the height of the buildings on the site in relation to adjacent development.

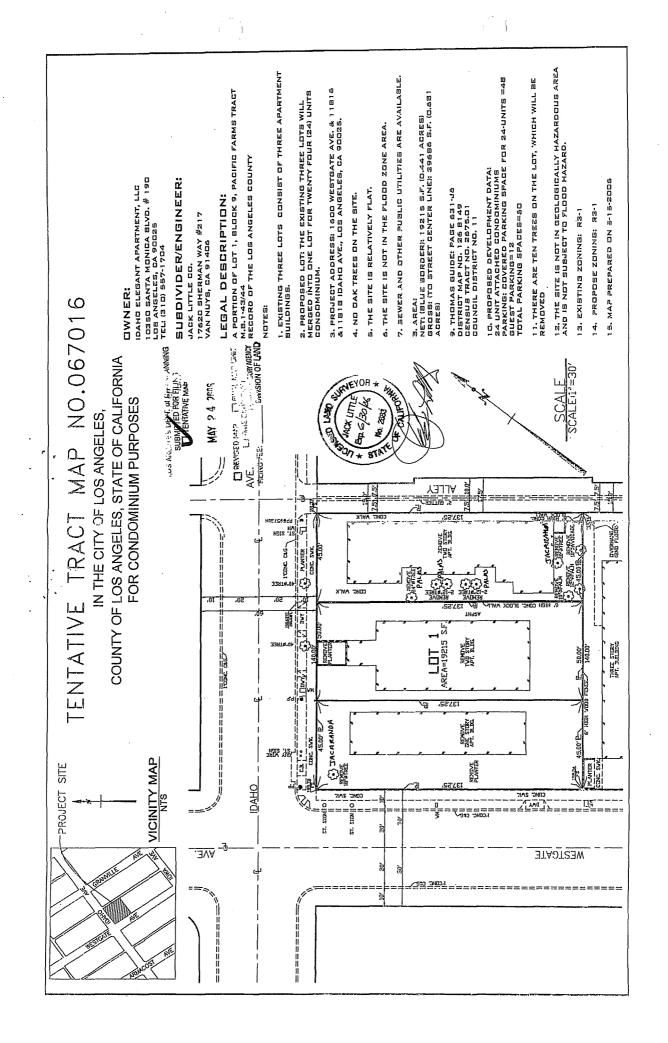
These findings shall apply to both the tentative and final maps for Tract No. 67016.

If you have any questions, please call Subdivision staff at (213) 978-1330.

## CITY OF LOS ANGELES

## INTER-DEPARTMENTAL CORRESPONDENCE

DATE	:	August 3, 2009
TO:		Michael S. Y. Young, Deputy Advisory Agency, City Planning Department 200 N. Spring St., 7th Floor, CH, Los Angeles, CA 90012-2601; Stop 395
FROM	l	Michael A. Shull Superintendent of Planning and Construction Recreation and Parks Department (213) 202-2680; Fax (213) 202-2611
SUBJI	ECT:	RECREATION AND PARK FEE CLEARANCE
site ad Ordina	ldress, j ince No	r of Tentative Tract No. 67016 is obligated to pay a fee of 115,500.00 on 33 dwelling unit(s), 1600 Westgate Avenue in the R3 Zone, in CD 11 as approved by the Advisory Agency letter/ dated 7/28/2009 all in accordance with Section 17.12/Section 12.33 of the Los cipal Code.
The de	veloper	has met this obligation by:
<u> </u>		tion of acres of land, accepted by the Board of Recreation and Park Commissioners (Board Report No.##-###).
<b>⊠</b> 2,	Payme	ent of a fee of \$ <u>105,415.00</u> .
□ 3.	Certific	cates of Deposit guaranteeing payment of a fee of <b>§0.00</b> .
☒ 4.	Payme	nt of a Dwelling Unit Construction Tax of \$ <u>6,400.00</u> on <u>4/16/2008</u> .
5.	•	ayment to Recreation and Parks of a fee of \$0.00 on This payment has been ed from the total Section 17,12 fee.
⊠ 6.		ing from the Advisory Agency, a recreation area credit of \$3,685.00 on 7/24/09. on 17.12 (F) of the Los Angeles Municipal Code).
汉 7.		ering a copy of the Covenant and Agreement associated with this tentative tract or parcel r Zone Change attached as Los Angeles County document No. 20091131658.
	marked <u>FARMS</u> as part	viner will install the (list amenities) <u>PICNIC AREA, EXERCISE AREA</u> In accordance with the plans as Exhibit <u>A3</u> and the credit memo marked as Exhibit <u>CR</u> , for the life of case number <u>TRACT PACIFIC</u> 6,67016. The attached high intensity and low intensity areas and recreation amenities will be installed of the project. The attached plans are current plans for the listed recreational amenities. If any of perpentional amenities are not installed, the required Park fees will be paid.
8.	Deferm	nent of Quimby/Zone Change fees of \$ <u>0.00</u> .
	CITY C	CLERK PLEASE NOTE.
	NOTE:	This clearance also applies to City Planning Case (CPC) No
MAS/CD/	JN:ls	
cc.	Attn: Mich Building 6809; Fax City Plan Parcel Ma City Plan Attn: Davi Recreation	Velopment Group, BOE, Public Works, 201 N, Figueroa St Ste 200, L.A 90012.  Helle Jones, Tel: 213-977-8944; Fax. 213-580-8893  & Safety, 201 N, Figueroa St. 9th Floor, L.A. 90012; Attn. Ann Ormiston, Tel: 213-482-6890; Lourdes Ramiro, Tel: 213-482-6591  Ining: Division of Land. 201 N Spring St. Rm 750, L.A. 90012, Attn: Garland Cheng/Nelson Rodriguez, Tel. 213-978-1330: 395-Lynn Harper, Tel. 213-978-1349. Fax: 213-978-1343  Ining: Zone Change, Site Plan/Ptan Approvals, Unit 201 N, Spring St. Rm 601, L.A. 90012; Id Weintraub, Tel. 213-978-1217; Haideh Aghassi, Tel: 213-978-1220; Fax. 213-978-6586  In & Parks: Planning & Construction, 221 N, Figueroa St., Los Angeles, CA 90012; Attn: Jimmy Newsom Tel: 213-202-2607; Ind Tel. 213-202-2682 Fax: 213-202-2611



# DEPARTMENT OF CITY PLANNING

200 N. Spring Street, Room 525 Los Angeles, CA 90012-4801

CITY PLANNING COMMISSION

JANE ELLISON USHER PRESIDENT
ANDRES F. IRLANDO VICE-PRESIDENT
DIEGO CARDOSO REGINA M. FREER ROBIN R. HUGHES SABRINA KAY
FR. SPENCER T. KEZIOS WILLIAM ROSCHEN MICHAEL K. WOO

GABRIELE WILLIAMS
COMMISSION EXECUTIVE ASSISTANT
(213) 978-1300

# ITY OF LOS ANGELE

CALIFORNIA



**EXECUTIVE OFFICES** 

S. GAIL GOLDBERG, AICP DIRECTOR GR ((2)3) 978-1271

GORDON B. HAMILTON
(16 JUL 17 AM 9: 0 (213) 978-1272

ROBERT H. SUTTON DEPUTY DIRECTOR (213) 978-1274

FAX: (213) 978-1275

INFORMATION (213) 978-1270 www.lacity.org/PLN

ANTONIO R. VILLARAIGOSA

TT FEE PAID NOV 0 7 2006

Filing Notification and Distribution

ADDRESS: 1600 Westgate Ave.

**COMMUNITY: West Los Angeles** 

DATE OF FILING AND MAP STAMP

**DATE:** May 24, 2006

**TRACT MAP NO: 67016** 

DEEMED COMPLETE AND DISTRIBUTION

**DATE**: July 12, 2006

Hillside: ( )Yes (X) No

(X) COUNCIL DISTRICT NO: 11

(X) Neighborhood Planning (Check Office below)

() Valley

(X) West Los Angeles

() Harbor

( ) Metro E/S

Department of Public Works

(X) Bureau of Engineering

(X) Bureau of Sanitation

Department of Building and Safety

(X) Grading Engineer

(X) Zoning Engineer

(X) Department of Transportation

Department of Water and Power

(V) Deel Cetete

(X) Real Estate

(X) Water System

(X) Fire Department (mark "Fire")

( ) Community Plan Revision

(X) Department of Recreation and Parks

(X) Department of Telecommunications

(X) Bureau of Street Lighting (No. P.S.)

( ) Community Redevelopment Agency (See Counter Map) (No. P.S.)

( ) Animal Regulation (Hillside)

(X) Housing Department

(X) Board of Education (No P.S.)

(X) Los Angeles County Health Department (No P.S.)

( ) City of Beverly Hills

(See Counter Map) (No P.S.)

( ) Dan O'Connell (if Mulholland Scenic Corridor)

(X) Imaging Services

(X) GIS - c/o Fae Tsukamoto

( ) Bureau of Street Services (Haul Route)

The above tract has been filed with the Advisory Agency.

Landy for

The Advisory Agency will await your report and recommendation regarding the above matter for 39 days. If we have not received a written report from you after 40 days from the date of filing, we will assume that you have no report to make.

S. Gail Goldberg

Director

EMILY GABEL-LUDDY Deputy Director of Planning

CP-6300 (5/23/00)





City of Los Angeles CAO 0800595

DEPARTMENT OF PUBLIC WORKS

SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

THIS AGREEMENT AND CONTRACT, made and entered into, by and between the CITY OF LOS ANGELES, hereinafter designated as the CITY; and ALCOTT PROPERTIES LLC

hereinafter designated as SUBDIVIDER; WITNESSETH:

ONE: For, and in consideration of the approval of the final map of that certain division of land known as:

#### **TRACT NO. 67016**

and for acceptance of the dedication therein by the CITY, the SUBDIVIDER hereby agrees, at his own costs and expense, to construct and install all public improvements required in and adjoining and covered by the final map which are shown on plans, profiles and specifications, previously supplied to the City Engineer; and to furnish all equipment, labor and materials necessary to construct, install and complete the required improvements in a good and workmanlike manner. The estimated cost for completion of the above-mentioned work and improvement is the sum of **EIGHTY THREE THOUSAND AND NO/100 Dollars (\$83,000.00)**.

<u>TWO:</u> It is agreed that the SUBDIVIDER has furnished to the City Engineer all necessary final plans, profiles and standard specifications for the required public improvements; or, that in lieu of such final plans, profiles and specifications, the City Engineer has been furnished preliminary plans that are of sufficient detail so as to be approved by the City Engineer for use in the preparation of the estimated cost of the required improvements. In consideration of the acceptance of such preliminary plans by the City Engineer, the SUBDIVIDER hereby agrees to furnish all necessary final plans, profiles and specifications in a form that will be sufficient to be processed and approved by the City Engineer not later than six (6) months from the date the final map of said subdivision of land is filed for record with the County Recorder, County of Los Angeles, State of California.

THREE: The SUBDIVIDER agrees to perform all of the above-mentioned work under permit or permits to be issued by the Board of Public Works, hereinafter designated as the BOARD. All work shall be performed in accordance with the standards and specifications of the BOARD, as amended, and to the approval of the City Engineer. The SUBDIVIDER further agrees to pay for such inspection of work and improvements as may be required by the BOARD, and the performance of the work shall be further conditioned upon due compliance with all of the provisions of Article 7 of Chapter 1, and Sections 62.105 through 62.117, inclusive, of the Los Angeles Municipal Code, as amended.

#### SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

<u>FOUR:</u> In the event said work is required to be performed under Class "B" Permit as defined in Section 62.106 of the Municipal Code, the SUBDIVIDER hereby agrees to obtain said permit from the City Engineer, including payment of all necessary fees as required under the provisions of Sections 62.110 and 62.111 of said Code, prior to certification of the final map by the City Engineer.

<u>FIVE:</u> If the planting of street trees is required under the conditions of approval established by the Advisory Agency, the SUBDIVIDER shall pay all necessary planting fees for each tree to be installed by the CITY; and shall pay all maintenance fees for each tree required to be planted, either by the CITY or by the SUBDIVIDER, in accordance with the maintenance fee schedule set forth in Section 62.176 of the Municipal Code. Said fees shall be paid to the Bureau of Street Maintenance of the DEPARTMENT OF PUBLIC WORKS or, if a Class "B" Permit is required, said fees shall be included in the permit fee deposit.

<u>SIX:</u> The SUBDIVIDER agrees to perform any changes or alterations required by the CITY in the construction and installation of the required improvements, provided that all such changes or alterations do not exceed ten (10) percent of the original estimated cost of such improvements; and the SUBDIVIDER further agrees; to install such devices for the abatement of erosion or flood hazard as may be required under the provisions of Section 61.02 of the Municipal Code; the costs of each of the above to be borne by the SUBDIVIDER.

<u>SEVEN:</u> The SUBDIVIDER expressly agrees to perform the above-mentioned work in a diligent and workmanlike manner so as to complete the construction and installation of all required public improvements on or before twenty-four (24) months from the date the final map is filed for record with the County Recorder, County of Los Angeles, State of California; or within any lawful extension of said term, or as otherwise provided by law. The SUBDIVIDER acknowledges that in the event any extension of term is granted, the City Engineer may impose additional conditions in accordance with Section 17.08G-3 of the Municipal Code.

<u>EIGHT:</u> The SUBDIVIDER agrees to warrant all work performed against any defective workmanship, or labor done, or defective materials furnished in the performance of the work required by this contract. The term of this warranty shall expire one year from the date of acceptance of the completed improvements by the City Engineer, all as required under Chapter 5 of Division 2 of Title 7 of the State of California Government Code, known as the "Subdivision Map Act," and as amended. The estimated amount sufficient for warranty is the sum of NONE.

NINE: The CITY shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage happening or occurring from or to the works specified in this contract prior to the completion and acceptance of the same by the City Engineer; nor shall the CITY, nor any officer or employee thereof, be liable for any persons or property injured by reason of the nature of said work, or by reason of the acts or omissions of the SUBDIVIDER, his agents or employees, in the performance of said work; but all of said liabilities shall be assumed by the SUBDIVIDER. The SUBDIVIDER further agrees to protect, defend and hold harmless the CITY and its officers and employees from all loss, liability or claim because of, or arising out of, the acts or omissions of the SUBDIVIDER, or his agents and employees, in the performance of this contract, or arising out of the use of any patent or patented article in the construction of said work.

#### SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

TEN: It is agreed that the SUBDIVIDER has filed or deposited with the CITY a good and sufficient IMPROVEMENT SECURITY in accordance with the provisions of Section 17.08G of the Municipal Code of the CITY, in an amount equal to or greater than the estimated cost of construction and installation of the required improvements and an amount sufficient to act as warranty for said improvements as defined in Article Eight hereof, together with reasonable attorney's fees which may be incurred by the CITY in enforcing the terms and conditions of this contract. IN ADDITION TO the Improvement Security, it is further agreed that the SUBDIVIDER has filed or deposited a good and sufficient PAYMENT SECURITY for labor and materials in an amount not less than fifty (50) percent of the amount of the Improvement Security, to secure the claims to which reference is made in Title 15, commencing with Section 3082, of Part 4 of Division 3 of the Civil Code of the State of California. If the sureties or security on either said Improvement Security or Payment Security, or both, in the opinion of the CITY become insufficient, in any respect, the SUBDIVIDER hereby agrees to furnish sufficient additional security within ten (10) days after receiving notice from the CITY that said extant securities are insufficient.

<u>ELEVEN</u>: It is further understood and agreed, that in the event it is deemed necessary to extend the time for the performance of the work contemplated to be done under this contract, such extensions of time may be granted by the City Engineer or by the BOARD, or both, either at their own option or upon request of the SUBDIVIDER, and such extensions shall in no way affect the validity of this contract, the Subdivision Cash or Negotiable Security Improvement and Warranty Performance Agreement executed in connection herewith or release the Surety on any Surety Bond or Bonds. Such extensions of time may be conditioned upon a construction schedule to be specified by the City Engineer, and/or a revision of the Improvement Security based on revised estimated improvement costs, and/or revision of the plans, profiles and specifications used for the construction and installation of the required improvements to comply with the standards and specifications of the BOARD in effect at the time such extension of time is granted.

<u>TWELVE:</u> The SUBDIVIDER further agrees to maintain the aforesaid Improvement and Payment Security in full force and effect, during the term of this contract, including any extensions of time as may be granted thereto.

THIRTEEN: If the SUBDIVIDER neglects, refuses or fails to prosecute the required work with such diligence as to insure its completion within the time specified herein, or within such extension of said time as may have been granted by the City Engineer or by the BOARD, or both, or if the SUBDIVIDER neglects, refuses or fails to perform satisfactorily any of the provisions of the improvement construction permit, plans and profiles, or specifications, or any other act required under this agreement and contract, the BOARD may declare this agreement and contract in default.

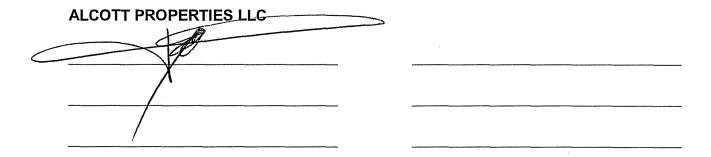
Immediately upon a declaration of default, the Subdivider and Surety shall be liable to City for the cost of construction and installation of the public improvements and for costs and reasonable expense and fees, including reasonable attorneys' fees incurred in enforcing this Agreement and Contract.

A notice of default shall be mailed to the SUBDIVIDER and any Surety and the Board shall cause a demand to be made for payment of any negotiable securities held as Improvement Securities in connection with this Agreement and Contract.

#### SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

In the event of such default, the SUBDIVIDER hereby grants to the CITY and/or the Surety upon any Surety Bond, the irrevocable permission to enter upon the lands of the subject division of land for the purpose of completing the required improvements. The CITY reserves the right if it elects to do the work to exclude the SUBDIVIDER from the site in order to complete the required work either by CITY forces or by separate contract.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named SUBDIVIDER on <u>รืองานฉาน</u>, 20 <u>08</u> .



SEE INSTRUCTIONS FOR SIGNATURES AND ACKNOWLEDGMENTS ON "NOTICE TO CLASS B PERMIT AND BOND APPLICANTS" (FORM ENG. 3.693-REVISED)

District Design Office: WEST LA

Council District No.:

Date Issued: 01/31/2008

Location: 1600 WESTGATE AVE

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

$\sim$	Tune chandle y Notary Rublic Here Insert Name and Title of the Officer Nay 55a Name(s) of Signer(s)
JUNE CHANDLER Commission # 1777923 Notary Public - California Los Angeles County My Comm. Espires Nov 4, 2011	who 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.  I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Place Notary Seal Above	WITNESS my hand and official seal.  Signature Of Notary Public
Though the information below is not required by law,	it may prove valuable to persons relying on the document reattachment of this form to another document.
Description of Attached Document	2 22 22 22 22 22 22 22 22 22 22 22 22 2
Title or Type of Document:	SION IMProvement agreement
Document Date:	Number of Pages:
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer(s)	
Signer's Name:  Individual  Corporate Officer — Title(s):  Partner — Limited General  Attorney in Fact  Trustee  Guardian or Conservator  Other:	☐ Individual ☐ Corporate Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Attorney in Fact ☐ Trustee ☐ Guardian or Conservator ☐ Other:
Signer Is Representing:	Signer Is Representing:
l l	1

City of Los Angeles DEPARTMENT OF PUBLIC WORKS Office of the City Engineer

**WEST LA** 

District/Division Design Office Council District No. Date Issued: 01/31/2008

BOND NO: 1000787847

SURETY'S BOND NO.

PREMIUM: \$1,660.00/YEAR

CAO-RISK MGMT, NO.

#### SUBDIVISION IMPROVEMENT AND WARRANTY PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, ALCOTT PROPERTIES LLC

as PRINCIPAL and incorporated under the laws of the State of <u>CALIFORNIA</u> and authorized by the laws of the State of California to execute bonds and undertakings as sole surety, as SURETY, are held and firmly bound unto the City of Los Angeles, in the JUST and FULL SUM of **EIGHTY**THREE THOUSAND AND NO/100 Dollars (\$83,000.00). lawful money of the United States, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The CONDITION of the foregoing obligation is such that WHEREAS the PRINCIPAL has entered or is about to enter into the annexed agreement with the CITY, pursuant to the authority of an act of the Legislature of the State of California known as the "Subdivision Map Act" (Division 2, commencing with Section 66410, of Title 7 of the Government Code) and amendments thereto, and pursuant to the provisions of Article 7 of Chapter 1, and Sections 62.105 through 62.117, inclusive, of the Municipal Code of the CITY, as amended, for the construction and installation of certain public improvements in accordance with the terms and conditions stipulated in said agreement, and is required by the CITY to give this bond in connection with the execution of said agreement as a contract for approval of that certain division of land known as:

#### **TRACT NO. 67016**

NOW, THEREFORE, if the above bounden PRINCIPAL, his or its heirs, executors, administrators, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said annexed agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the CITY, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

#### SUBDIVISION IMPROVEMENT AND WARRANTY PERFORMANCE BOND

AS PART OF THE OBLIGATION SECURED HEREBY, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the CITY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered therefor.

THE SURETY hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the annexed agreement, or to the work to be performed thereunder, or to the specifications accompanying the work to be performed, shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said agreement, or to the work, or to the plans and specifications. The provisions of Section 2945 of the Civil Code are not a condition precedent to the Surety's obligation hereunder, and are hereby waived by the SURETY.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named PRINCIPAL and SURETY on following, 20 08.

Principal Signatories

ALCOTT PROPERTIES LLC

SURETY: AMERICAN CONTRACTORS INDEMNITY COMPANY

By: TAH CARAZZA

Surety's Address: 9841 AIRPORT BLVD., 9TH FLOOR, LOS ANGELES, CA 90045

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California  County of	June Chandley, Notary Public  Here Insert Name and Title of the Officer  Name (s) of Signer(s)
JUNE CHANDLER Commission # 1777923 Notary Public - California Los Angeles County My Comm. Expires Nov 4, 2011	who 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.  I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Place Notary Seal Above	WITNESS my hand and official seal.  Signature Of Notary Public
Though the information below is not required by law, it i	may prove valuable to persons relying on the document
Description of Attached Document	attachment of this form to another document.
Title or Type of Document: Subdivision IV	n Provenent and warrenty Performance B
Document Date: 1/31/2068	Number of Pages:
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer(s)	
Signer's Name:  Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Other:	☐ Individual ☐ Corporate Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Attorney in Fact ☐ Trustee ☐ Guardian or Conservator ☐ Other: ☐ HIGHT THUMBPRINT OF SIGNER Top of thumb here
Signer Is Representing:	Signer Is Representing:

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	}			
County of LOS ANGELES	J			
On 22908 before me, RO	CHELLE A. HILL, A NOTARY PUBLIC			
Date	Here Insert Name and Title of the Officer			
personally appeared	FAH CARAZZA  Name(s) of Signer(s)			
	who 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 <del>(ies)</del> , and that by his/her/their signature <del>(e)</del> on the instrument the person <del>(e)</del> , or the entity upon behalf of which the person <del>(e)</del> acted, executed the instrument.			
ROCHELLE A. HILL Commission # 1634494 Notary Public - California	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.			
Los Angeles County My Comm. Expires Jan 3, 2010	WITNESS my hand and official seal.			
Chara Natura Carl Mana	Signature Rochelle J. Heel Signature of Notary Public			
Place Notary Seal Above	Signature of Notary Public			
Though the information below is not required by law, it	I may prove valuable to persons relying on the document eatlachment of this form to another document.			
Description of Attached Document				
Title or Type of Document:	1#1000787847			
Document Date:         Bond # 1000787847           Number of Pages:         2-29-08				
Signer(s) Other Than Named Above:				
Capacity(ies) Claimed by Signer(s)				
Signer's Name:	☐ Individual ☐ Corporate Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Attorney in Fact ☐ Individual ☐ Corporate Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Designer			
☐ Guardian or Conservator ☐ Other:	☐ Guardian or Conservator ☐ Other:			
Signer Is Representing:	Signer Is Representing:			

# American Contractors Indemnity Company





#### POWER OF ATTORNEY

#### KNOW ALL MEN BY THESE PRESENTS:

That American Contractors Indemnity Company of the State of California, a California corporation, does hereby appoint,

Frank Mester, Ariel T. Heredia, Tah Carazza, Michael Chalekson, Arkadiy M. Lakshtanov, or Sylvia Chang of Los Angeles, California its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an \*\*\* 3,000,000.00 \*\*\* Amount not to exceed \$ This Power of Attorney shall expire without further action on June 29, 2009. This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of AMERICAN CONTRACTORS INDEMNITY COMPANY at a meeting duly called and held on the 6th day of December, 1990. "RESOLVED that the Chief Executive Officer, President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have the power and authority To appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and, To remove, at any time, any such Attorney-in-Fact and revoke the authority given. RESOLVED FURTHER, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached." IN WITNESS WHEREOF, American Contractors Indemnity Company has caused its seal to be affixed hereto and executed by its Executive Vice President on the 9th day of January, 2007. AMERICAN CONTRACTORS INDEMNITY COMPANY INCORPORATED SEPT. 26, 1990 STATE OF CALIFORNIA Adam S. Pessin, Executive Vice President CALIFORNIA COUNTY OF LOS ANGELES On this 9th day of January, 2007, before me, Steve Fedunak, a notary public, personally appeared Adam S. Pessin, Executive Vice President of American Contractors Indemnity Company, 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. STEVE FEDUNAK WITNESS my hand and official seal Comm. No. 1593578 NOTARY PUBLIC - CALIFORNIA LOS ANGELES COUNTY My Comm. Exp. June 29, 2009 Signature of Notary My Commission expires June 29, 2009 I, Jeannie J. Kinn, Corporate Secretary of American Contractors Indemnity Company, do hereby certify that the Power of Attorney and the

resolution adopted by the Board of Directors of said Company as set forth above, are true and correct transcripts thereof and that neither

the said Power of Attorney nor the resolution have been revoked and they are now in full force and effect.

IN WITNESS HEREOF, I have hereunto set my hand this  $\alpha$ 

Agency No.

Jeannie J. Kim, Corporate Secretary

City of Los Angeles
DEPARTMENT OF PUBLIC WORKS
Office of the City Engineer

**WEST LA** 

District/Division Design Office Council District No. Date Issued: 01/31/2008 BOND NO: 1000787847

SURETY'S BOND NO.

Premium included in Performance

 $\mathbf{Bond}$ 

CAO-RISK MANAGEMENT NO.

#### SUBDIVISION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, ALCOTT PROPERTIES LLC

as PRINCIPAL and AMERICAN CONTRACTORS INDEMNITY COMPANY a corporation incorporated under the laws of the State of CALIFORNIA and authorized by the laws of the State of California to execute bonds and undertakings as sole surety, as SURETY, are held and firmly bound unto the City of Los Angeles, in the JUST and FULL SUM of FORTY ONE THOUSAND FIVE HUNDRED AND NO/100 Dollars (\$41,500.00). lawful money of the United States, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The CONDITION of the foregoing obligation is such that WHEREAS the PRINCIPAL has entered or is about to enter into a contract with the CITY, pursuant to the authority of an act of the Legislature of the State of California known as the "Subdivision Map Act" (Division 2, commencing with Section 66410, of Title 7 of the Government Code) and amendments thereto, for the construction and installation of certain public improvements in accordance with the terms and conditions stipulated in said contract, and WHEREAS, pursuant to said Code, the PRINCIPAL must give this PAYMENT BOND as a condition to the execution of said contract, and for approval by the CITY of that certain division of land known as:

#### **TRACT NO. 67016**

NOW, THEREFORE, if said PRINCIPAL fails to pay the Contractor or his Subcontractors, or fails to pay persons renting equipment or furnishing labor or materials of any kind for the performance of said contract, or fails to pay amounts due under the Unemployment Insurance Act with respect to such work or labor, then said SURETY will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the CITY in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

#### SUBDIVISION LABOR AND MATERIAL PAYMENT BOND

IT IS EXPRESSLY STIPULATED AND AGREED that this bond shall insure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns to any suit brought upon this bond.

SHOULD THE CONDITION of this bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

THE SURETY hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder, or to plans and specifications for the work to be performed, shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition. The provisions of Section 2845 of the Civil Code are not a condition precedent to the SURETY's obligation hereunder and are hereby waived by the SURETY.

IN WITNESS WHEREOF, this instrument has been PRINCIPAL and SURETY on February 7	en duly executed by the abo , 20 <u>o⊗</u>	ve named
Principal Signatories  ALCOTT PROPERTIES LLC	Principal Signatories	
SURETY: AMERICAN CONTRACTORS INDEMNIT	Y COMPANY	
By: Val Carazza  TAH CARAZZA		(Attorney-in-Fact
Surety's Address: 9841 AIRPORT BLVD., 9TH	FLOOR, LOS ANGELES, CA	90045

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California  County of Los Angeles  On February 7 2008 before me, personally appeared Free	Ture charder, Notary Public Here Insert Name and Title of the Officer  Natne(s) of Signer(s)
JUNE CHANDLER Commission # 1777923 Notary Public - California Los Angeles County MyComm Parts	who 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.  I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Place Notary Seal Above	WITNESS my hand and official seal.  Signature of Notary Public
	may prove valuable to persons relying on the document
Description of Attached Document  Title or Type of Document: 5000000000000000000000000000000000000	Labor and Material Payment by  Number of Pages:
Signer(s) Other Than Named Above:	Number of Lages
Capacity(ies) Claimed by Signer(s)	
Signer's Name:  Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other:	☐ Individual ☐ Corporate Officer — Title(s):
Signer Is Representing:	Signer Is Representing:

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	)
County ofLOS ANGELES	}
On 22908 before me, ROC	HELLE A. HILL, A NOTARY PUBLIC
2	Here Insert Name and Tille of the Officer  AH CARAZZA  Name(s) of Signer(s)
ROCHELLE A. HILL Commission # 1634494 Notary Public - California Notary Pub	who proved to me on the basis of satisfactory evidence to be the person(e) whose name(e) 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(e) on the instrument the person(e), or the entity upon behalf of which the person(e) 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.
Place Notary Seal Above	Signature Rochelle Schill Signature of Notary Public  ONAL
Though the information below is not required by law, it n and could prevent fraudulent removal and rea	nay prove valuable to persons relying on the document
·	
Title or Type of Document:	of 41 1000 18 18 77
Document Date: 2-29	4 # 1000787841 -08 Number of Pages: 2
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer(s)	
Signer's Name: Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Other:	Signer's Name:
Signer Is Representing:	Signer Is Representing:

@2007 Nalional Notary Association • 9350 De Solo Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.NalionalNotary.org ltem #5907 Reorder: Call Toll-Free 1-800-876-6827

and the second s

# **American Contractors Indemnity Company**





# POWER OF ATTORNEY

#### KNOW ALL MEN BY THESE PRESENTS:

That American Contractors Indemnity Company of the State of California, a California corporation, does hereby appoint,

Frank Mester, Ariel T. Heredia, Tah Carazza, Michael Chalekson, Arkadiy M. Lakshtanov,

or Sylvia Chang of Los Angeles, California its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts
of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an
Amount not to exceed \$ *** 3,000,000.00 *** . This Power of Attorney shall expire without further action on June
29, 2009.
This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by
the Board of Directors of AMERICAN CONTRACTORS INDEMNITY COMPANY at a meeting duly called and held on the 6th day of December, 1990.
The ATT ATT ATT ATT ATT ATT ATT ATT ATT AT
"RESOLVED that the Chief Executive Officer, President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have the
power and authority
1. To appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto,
bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
2. To remove, at any time, any such Attorney-in-Fact and revoke the authority given.
RESOLVED FURTHER, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate
relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding
upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company
in the future with respect to any bond or undertaking to which it is attached."
IN WITNESS WHEREOF, American Contractors Indemnity Company has caused its seal to be affixed hereto and executed by its
Executive Vice President on the 9 <sup>th</sup> day of January, 2007.
VITON PROPERTY OF THE PROPERTY
AMERICAN CONTRACTORS INDEMNITY COMPANY
(3) INCORPORATED E
THE REPORT OF THE PROPERTY OF
STATE OF CALIFORNIA \$ Adam S. Pessin, Executive Vice President COUNTY OF LOS ANGELES \$
On this 9th day of January, 2007, before me, Steve Fedunak, a notary public, personally appeared Adam S. Pessin, Executive Vice
President of American Contractors Indemnity Company, 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.
Comm. No. 1593578 C
A Tiest NOTARY PUBLIC - CALIFORNIA D
Signature of Notary  Notary  LOS ANGELES COUNTY  My Comm. Exp. June 29, 2009
My Commission Expires June 29, 2009
I, Jeannie J. Kim, Corporate Secretary of American Contractors Indemnity Company, do hereby certify that the Power of Attorney and the
resolution adopted by the Board of Directors of said Company as set forth above, are true and correct transcripts thereof and that neither
the said Power of Attorney nor the resolution have been revoked and they are now in full force and effect.
IN WITNESS HEREOF, I have hereunto set my hand this 29th day of Libruary 2008
IN WITNESS HEREOF, I have hereunto set my hand this 2971 day of Librury , 2008
Bond No. 1000 78 78 47  Jeannie J. Kim, Corporate Secretary
Bond No. 100/07/ Jeannie J. Kim, Corporate Secretary
Agency No. 9012
A 1

# ALCOTT PROPERTIES, LLC

\*\*\*

OPERATING AGREEMENT

#### TABLE OF CONTENTS

1.	DE	FINITIONS	. 7
1	.1.	"ACT"	.7
1	.2.	"AFFILIATE"	.7
1	.3.	"AGREEMENT"	
1	.4.	"ARTICLES"	
1	.5.	"BANKRUPTCY"	
	.6.	"CAPITAL ACCOUNT"	
	.7.	"CAPITAL CONTRIBUTION"	
	.8.	"CODE"	
	.9.	"COMPANY"	
	.10.	"COMPANY MINIMUM GAIN"	9
	.11.	"CORPORATION CODE"	ģ
	.12.	"DISSOLUTION EVENT"	. 9
	.13.	"DISTRIBUTABLE CASH"	
-	.14.	"ECONOMIC INTEREST"	
1	.15.	"ECONOMIC INTEREST OWNER"	10
	.16.	"FAIR MARKET VALUE"	
	.17.	"FISCAL YEAR"	
	.18.	"MAJORITY INTEREST"	
	.19.	"MANAGER"	
	.20.	"MEMBER"	
1	.21.	"MEMBER NONRECOURSE DEBT"	
1	.22.	"MEMBER NONRECOURSE DEDUCTIONS"	11
1	.23.	"MEMBERSHIP INTEREST"	
1	.24.	"NET PROFITS" AND "NET LOSSES"	11
1	.25.	"NONRECOURSE LIABILITY"	
1	.26.	"PERCENTAGE INTEREST"	
1	.27.	"PERSON"	
1	.28.	"REGULATIONS"	
	.29.	"REMAINING MEMBERS"	
	.30.	"TAX MATTERS PARTNER"	
2.	OR	GANIZATION MATTERS	12
2	.1.	FORMATION	12
. 2	.2.	NAME	12
2	.3.	TERM	
2	.4.	OFFICE AND AGENT	12
2	.5.	ADDRESS OF THE MEMBERS AND THE MANAGERS	13
2	.6.	PURPOSE OF COMPANY	13
2	.7.	LIMITED LIABILITY COMPANY	
3.	CA	PITAL CONTRIBUTIONS	13
2	.1.	INITIAL CAPITAL CONTRIBUTIONS	12
	.2.	ADDITIONAL CAPITAL CONTRIBUTIONS	
	.2. .3.	CAPITAL ACCOUNTS.	
<i>.</i>	.s. 3.3.1		11
	3.3.3		
	3.3.4		
	3.3.		15
	0,0,0	- ZALDVA VA ARKAIDADE VA DOVITORIEGIIIIANDI IIIIANDI IIIIANDI IIIIIIII IIII	, ,

	3.3.		
	3.3.	7. COMPLIANCE WITH IRS REGS	15
	3.4.	NO WITHDRAWAL OF CAPITAL	
	3.5.	NO INTEREST ON CAPITAL	
	3,6.	LIMITED LIABILITY OF MEMBERS	
	3.7.	NO PRIORITY BY A MEMBER	16
1.	ME	MBERS	16
	4.1.	LIMITED LIABILITY	16
	4.2.	ADMISSION OF ADDITIONAL MEMBER	
	4.3.	TRANSACTIONS WITH THE COMPANY	
	4.4.	REMUNERATION TO MEMBER	
	4.5.	MEMBERS ARE NOT AGENTS	
	4.6.	VOTING RIGHTS	17
	4.6.		
	4.6.		
	4.7.		
	4.7.		
	4.7.		
	4.7.		
	4.7.		
	4.7.		
	4.7.0		
	4.7.		
	4.7.		20
	4.7.		
	4.7.		
	4.7.		
	4.7.		
	4.8.		
	4.8.3		
	4.8.		
	4.8.	· · · · · · · · · · · · · · · · · · ·	
õ.	MA	ANAGEMENT AND CONTROL OF THE COMPANY	23
		MANAGEMENT OF THE COMPANY BY MANAGERS	
	5,1. 5.2.	ELECTION OF MANAGERS	
	5.2. 5.2.1		
		2. RESIGNATION	
	5.2.		
	5.2.		
	5.3.	POWERS OF MANAGERS	
	5.3.		
	5.3.		
	5.4.	DUTIES OF THE MANAGER	
	5.5.	MEMBERS HAVE NO MANAGERIAL AUTHORITY	/ کے ۔۔۔۔۔۔۔۔۔۔۔ مور
	5.6.	PERFORMANCE OF DUTIES: LIABILITY OF MANAGERS	
	5.7.	DEVOTION OF TIME	
	5.7. 5.8.	COMPETING ACTIVITIES	
	5.9.	TRANSACTIONS BETWEEN THE COMPANY AND THE MANAGER	
	5.3. 5.10.	MANAGERS COMPENSATION	
	5.10. 5.11.	ACTS OF MANAGERS AS CONCLUSIVE EVIDENCE AUTHORITY	
	J. L.L.	ACIO OF MANAGERO AO CONCLUOI Y E EY IDENCE AUTRORIT I	

5.12.	PROCEDURE FOR ACTION BY THE MANAGERS	30
5.1	2.1. NO REGULAR MEETINGS	30
5.1	2.2. CALL AND NOTICE FOR A MEETING	31
5.1	2.3. QUORUM	31
5.1	2.4. WRITTEN WAIVER OF NOTICE TO THE HOLDING OF A MEETING	
5.1	2.5. WRITTEN CONSENT TO THE HOLDING OF A MEETING	31
5.1	2.6. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE	31
5.1	2.7. MINUTES OF THE MEETINGS	
5.13.		
5.1	3.1. APPOINTMENT OF OFFICERS	32
5.1	3.2. REMOVAL, RESIGNATION AND FILLING OF VACANCY OF OFFICERS	
	3.3. ACTS OF OFFICERS AS CONCLUSIVE EVIDENCE OF AUTHORITY	
5.14.		
5.15.		
, i w	TOO AUTONIC OF NEW DECKER AND NEW COOPE AND INCOMPRESSION	22
6. AI	LOCATIONS OF NET PROFITS AND NET LOSSES AND DISTRIBUTIONS	
6.1.	PREFERENTIAL ALLOCATION OF LOSSES	33
6.2.	PROFITS AND LOSSES DEFINED	33
<b>6.</b> 2	.1. EXEMPT INCOME	33
6.2	.2. IRC §705 EXPENDITURES	34
6.2	.3. SPECIAL ALLOCATIONS	34
6.3.	ALLOCATIONS OF MEMBER NONRECOURSE DEDUCTIONS	37
6.4.	ALLOCATION OF PROFITS FROM CAPITAL EVENTS	
6.5.	ALLOCATIONS OF LOSSES FROM CAPITAL EVENTS	
6.6.	ALLOCATIONS RESPECTING ASSET DISTRIBUTIONS	
6.7.	ALLOCATIONS RESPECTING CONTRIBUTED PROPERTY	
6.8.	ALLOCATION BETWEEN ASSIGNOR AND ASSIGNEE	
6.9.	REVALUATION OF COMPANY ASSETS	
6.10.	COMPLIANCE WITH LAW AND REGULATIONS	
6.11.	AVAILABLE CASH FROM BUSINESS OPERATION	
6.12.	AVAILABLE CASH FROM CAPITAL EVENTS	40
6.13.	NONCASH PROCEEDS	
6.14.	LIQUIDATING PROCEEDS	
	CANSFER AND ASSIGNMENT OF INTERESTS	
7 TR	ANSFER AND ASSIGNMENT OF INTERESTS	41
7.1	WITHDRAWAL OF MEMBERS	41
7.2	RESTRICTIONS ON TRANSFER	41
7.3	TRANSFER AND ASSIGNMENT OF INTERESTS	
7.4	FURTHER RESTRICTIONS ON TRANSFER OF INTERESTS	42
7.5	SUBSTITUTION OF MEMBERS	43
7.6	FAMILY AND AFFILIATE TRANSFERS	43
7.7	EFFECTIVE DATE OF PERMITTED TRANSFERS	43
7.8	RIGHTS OF LEGAL REPRESENTATIVES.	43
7.9	NO EFFECT TO TRANSFERS IN VIOLATION OF AGREEMENT	44
7.10	RIGHT OF FIRST REFUSAL	45
7.1	0.5 TRIGGERING EVENTS:	
7.1	0.6 MARITAL DISSOLUTION OR DEATH OF A SPOUSE :	
7.11	OPTION PERIODS.	
7.12	NONPARTICIPATION OF INTERESTED MEMBER	
7.13	OPTION PURCHASE PRICE	
7.14	SUBSTITUTED MEMBER	
	DUTIES OF SUBSTITUTED MEMBERS	

	7.16	SECURITIES LAWS	. 50
8	AC	COUNTING, RECORDS, REPORTING BY MEMBERS	. 50
	8.1	BOOKS AND RECORDS	. 50
	8.2	DELIVERY TO MEMBERS AND INSPECTION	. 51
	8.3	ANNUAL STATEMENTS.	. 52
	8.4	FINANCIAL AND OTHER INFORMATION	. 53
	8.6	BANK ACCOUNTS	. 54
	8.7	ACCOUNTING DECISIONS AND RELIANCE ON OTHERS	
	8.8	TAX MATTERS FOR THE COMPANY HANDLED BY MANAGERS AND TAX MATTERS	
	PART	INER	54
	8.8.		
9	DIS	SSOLUTION AND WINDING UP	
	9.1	DISSOLUTION	55
	9.2	CERTIFICATE OF DISSOLUTION	. 56
	9,3	WINDING UP.	. 56
	9.4	DISTRIBUTIONS IN KIND	. 57
	9.5	ORDER OF PAYMENT OF LIABILITIES UPON DISSOLUTION.	57
	9.6	COMPLIANCE WITH REGULATIONS	58
	9.7	LIMITATIONS ON PAYMENTS MADE IN DISSOLUTION	. 58
	9.8	CERTIFICATE OF CANCELLATION	
	9.9	NO ACTION FOR DISSOLUTION	58
1	) I	NDEMNIFICATION AND INSURANCE	59
	10.1	INDEMNIFICATION OF AGENTS	59
	10.2	INSURANCE	
1:	Ł I	NVESTMENT REPRESENTATIONS	60
	11.1	PREEXISTING RELATIONSHIP OR EXPERIENCE	60
	11.2	NO ADVERTISING	60
	11.3	INVESTMENT INTENT	60
	11.4	PURPOSE OF ENTITY	61
	11.5	RESIDENCY	61
	11.6	ECONOMIC RISK	61
	11.7	NO REGISTRATION OF MEMBERSHIP INTEREST	61
	11.8	MEMBERSHIP INTEREST IN RESTRICTED SECURITY	61
	11.9	NO OBLIGATION TO REGISTER	62
	11.10	NO DISPOSITION IN VIOLATION OF LAW	62
	11.11	LEGENDS	
	11,12	INVESTMENT RISK	63
	11.13	INVESTMENT EXPERIENCE	
	11.14	RESTRICTIONS ON TRANSFERABILITY	63
	11.15	INFORMATION REVIEWED	64
	11.16	NO REPRESENTATIONS BY COMPANY	64
	11.17	CONSULTATION WITH ATTORNEY	
	11.18	TAX CONSEQUENCES	65
	11.19		65
	11.20		
1:	2 (	CONFIDENTIALITY	65
	12.1	NO DISCLOSURE OF CONFIDENTIAL	66

12.2	INJUNCTIVE RELIEF FOR BREACH OF AGREEMENT	
12.3	SEVERABILITY TO MAINTAIN EFFECTIVENESS	66
13	INDEMNIFICATION AND ARBITRATION	66
13.1	INDEMNIFICATION	67
13.2	ARBITRATION	68
14	MISCELLANEOUS	68
14.1	COUNSEL TO THE COMPANY	68
14.2	COMPLETE AGREEMENT	68
14.3	COUNTERPART EXECUTIONS	69
14.4	BINDING EFFECT	
14.5	PARTIES IN INTEREST	69
14.6	PRONOUNS: STATUTORY REFERENCES	69
14.7	HEADINGS	69
14.8	INTERPRETATION	
14.9	REFERENCES TO THIS AGREEMENT	70
14.10	JURISDICTION	70
14.17	EXHIBITS	70
14.12	SEVERABILITY	70
14.13		
14.1	FURTHER ASSURANCES	71
14.15	MEMBER'S OTHER BUSINESS	71
14.10		
14.1		71
14,18		
14.19		
14.20		
14.2		72
14.22		
14.2		
14.24		
14.2		
14.20		
14.2		
14.2		
14.29		
14.30		
	.30.2 IRREVOCABLE POWER	
	30.3 SIGNATURES	

#### ALCOTT PROPERTIES, LLC

#### OPERATING AGREEMENT

\*\*\*

THIS OPERATING AGREEMENT is entered into as of March \_\_\_\_, 2004, by FRED NAYSSAN, herein after referred to as Manager, and THE NAYSSAN FAMILY TRUST dated November 5, 1998, hereinafter referred to as Member, at Los Angeles, California.

WHEREAS, the Members desire to form a limited liability company, (hereinafter referred to as the "Company,") under the Beverly-Killea Limited Liability Company Act, and

WHEREAS, the Members enter into this Agreement to form and provide for the governance of the Company and the conduct of its business, and to specify their relative rights and obligations.

NOW, THEREFORE, in consideration of the mutual terms, conditions, and covenants contained herein, the members hereto hereby agree as follows:

#### 1. **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 1700 et seq., as the same many be amended from time to time.

#### 1.2."AFFILIATE"

shall mean any individual, partnership, corporation, trust or other entity or association, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Member. The term "control," as used in the immediately preceding sentence, means, 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."AGREEMENT"

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

#### 1.4."ARTICLES"

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

#### 1.5. "BANKRUPTCY"

shall mean: (a) the filing of an application by a Member for, or his or her consent to, the appointment of a trustee, receiver, or custodian of his or her 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 or her 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 or her inability to pay his or her debts as they become due.

#### 1.6. "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.

#### 1.7. "CAPITAL CONTRIBUTION"

shall mean the total value of cash and fair market value of property (including promissory notes or other obligation to contribute cash or property) contributed and/or services rendered or to be rendered to the company by Members.

#### 1.8."<u>CODE</u>"

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.

#### 1.9."COMPANY"

shall mean <u>ALCOTT PROPERTIES</u>, <u>LLC.</u>, a California limited liability Company.

#### 1.10. "COMPANY MINIMUM GAIN"

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

#### 1.11. "CORPORATION CODE"

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

#### 1.12. "DISSOLUTION EVENT"

shall mean with respect to any Member one or more of the following: the death, insanity, withdrawal, resignation, expulsion, Bankruptcy, dissolution or occurrence of any other event which terminates the continued membership of any Member unless the other Members consent to continue the business of the Company pursuant to Article 9.

#### 1.13. "DISTRIBUTABLE CASH"

shall mean the amount of cash which the Managers deem available for distribution to the Members, taking into account all Company debts, liabilities, and obligations of the Company then due and amounts which the Managers deem *necessary* to place into reserves for customary and usual claims with respect to the Company's business.

#### 1.14. "ECONOMIC INTEREST"

shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Losses, and distributions of the Company's assets 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, or except as provided in Section 17106 of

the Corporations Code, any right to information concerning the business and affairs of Company.

# 1.15. "ECONOMIC INTEREST OWNER"

shall mean the owner of an Economic Interest who is not a Member.

# 1.16. "FAIR MARKET VALUE"

shall mean, with respect to any item of property of the Company, the items adjusted basis for federal income tax purposes, except as follows:

- 1.16.1. The Fair Market Value of any property contributed by a Member to the Company shall be the value of such property, as mutually agreed by the contributing Member and the Company;
- **1.16.2.** The Fair Market Value of any item of Company property distributed to any Member shall be the value of such item of property on the date of distribution as mutually agreed by distribute Member and the Company.

#### 1.17. "FISCAL YEAR"

shall mean the Company's fiscal year, which shall be the calendar year.

## 1.18. "MAJORITY INTEREST"

shall mean one or more Percentage Interests of Members which taken together exceed fifty percent (50%) of the aggregate of all Percentage Interests.

### 1.19. "MANAGER"

shall mean one or more managers. Specifically, "Manager" shall mean <u>FRED NAYSSAN</u>, or any other persons that succeed any of them in capacity.

## 1.20. "MEMBER"

shall mean each Person who (a) is an initial 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 4 and (b) has not resigned, withdrawn, been expelled or, if other than an individual, dissolved.

#### 1.21. "MEMBER NONRECOURSE DEBT"

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

# 1.22. "MEMBER NONRECOURSE DEDUCTIONS"

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

## 1.23. "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.

# 1.24. "NET PROFITS" and "NET LOSSES"

shall mean the income, gain, loss, deduction, and credits of the company in the aggregate or separately stated, as appropriate, determined in accordance with generally accepted accounting principles employed under the method of accounting at the close of each Fiscal Year on the Company's information tax return filed for federal income tax purposes.

## 1.25. "NONRECOURSE LIABILITY"

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

#### 1.26. "PERCENTAGE INTEREST"

shall mean the percentage interest of a Member set forth opposite the name of such Member under the column "Member's Percentage Interest" in Exhibit "C" hereto, as such percentage may be adjusted from time to time pursuant to the terms of this Agreement. Percentage Interests shall be determined annually, unless otherwise provided herein, in accordance with the relative proportions of the Capital Accounts of the Members, effective as of the first day of the Company's Fiscal Year but with all distributions under this Agreement to be deemed to have occurred on such day immediately prior to determination of the Percentage Interest of a Member.

# 1.27. "PERSON"

shall mean an individual, general partnership, limited partnership, limited liability company, corporation, trust, estate, real estate investment trust association or any other entity.

## 1.28. "REGULATIONS"

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

# 1.29. "REMAINING MEMBERS"

shall have the meaning ascribed to in Article 9.

# 1.30. "TAX MATTERS PARTNER"

shall be FRED NAYSSAN or its successor as designated pursuant to Section 8.8.

# 2. ORGANIZATION MATTERS

#### 2.1. FORMATION

Pursuant to the Act, the Members have formed a California limited liability company under the laws of the State of California by filing the Articles with the California Secretary of State and entering into this Agreement. 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 absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

# 2.2. **NAME**

The name of the Company is "ALCOTT PROPERTIES, LLC." The business of the Company may be conducted under the Name or, upon compliance with applicable laws, any other name that the Managers deem appropriate or advisable. The Mangers shall file any fictitious name certificates and similar filings, and any amendments thereto, that the Managers consider appropriate or advisable.

# 2.3. **TERM**

The term of this Agreement shall be as stated in the Articles, unless extended or sooner terminated as hereinafter provided.

#### 2.4. OFFICE AND AGENT

The Company shall continuously maintain an office and registered agent in the State of California as required by the Act. The principal office of the Company shall be as the Managers may determine. The Company also may have such offices, anywhere within and without the State of California, as the Managers from time to time may determine, or the business of the Company may require. The registered agent shall be as stated in the Articles or as otherwise determined by the Managers.

## 2.5. ADDRESS OF THE MEMBERS AND THE MANAGERS

The respective addresses of the Members and the Managers are set forth on Exhibit "B".

# 2.6. PURPOSE OF 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.

## 2.7. <u>LIMITED LIABILITY COMPANY</u>

The Members intend the Company to be a limited liability company under the Act. Neither the Manager nor any Member shall take any action inconsistent with the express intent of the parties to this agreement.

# 3. CAPITAL CONTRIBUTIONS

## 3.1. INITIAL CAPITAL CONTRIBUTIONS

Each Member shall contribute such amount as is set forth on Exhibit "C" as his or her initial Capital Contribution. The initial Fair Market Value of each item of contributed property (net of liabilities secured by such property) that the Company is considered to assume or to take "subject to" under IRC Section 752, is also set forth in Exhibit "C," together with the description and amount of these liabilities. If a Member fails to make the initial Capital Contributions specified in this Section within 30 days after the effective date of this Agreement, that Member's entire Membership Interest shall terminate, and that Member shall indemnify and hold the Company and the other Members harmless from any loss, cost, or expense, including reasonable attorney fees caused by the failure to make the initial Capital Contribution. If a Member fails to make the initial Capital Contributions specified in this Section within 30 days after the effective date of this Agreement, that Member's entire Membership Interest shall terminate, and that Member shall indemnify and hold the Company and the other Members harmless from any loss, cost, or expense, including reasonable attorney fees caused by the failure to make the Initial Capital Contribution.

# 3.2. ADDITIONAL CAPITAL CONTRIBUTIONS

The Members shall contribute additional capital to the Company in such amounts and at such times as the Managers and Members holding a Majority Interest shall determine. The Members shall contribute such additional capital in proportion to their respective Percentage Interests. Upon a determination that additional capital is required, the Managers shall give written notice to each Member. Each Member shall have seven (7) days from the date such notice is given to contribute his or her share of the additional capital to the Company. Each Member shall receive a credit to his or her Capital Account in the amount of any additional capital which he or she contributes to the Company.

# 3.3. CAPITAL ACCOUNTS.

3.3.1. The Company shall establish an individual Capital Account for each Member. The Company shall determine and maintain each Capital Account in accordance with Regulations Section 1.704-1 (b)(2)(iv). If a Member transfers all or a part of his or her Membership Interest in accordance with this Agreement, such Member's Capital Account attributable to the transferred Membership Interest shall carry over to the new owner of such Membership Interest pursuant to Regulations Section 1.704-1 (b)(2)(iv)(1).

#### 3.3.2. INCREASED DUE TO LIABILITY ASSUMPTION:

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

#### 3.3.3. DECREASED BY DISTRIBUTIONS:

A Member's Capital Account shall be decreased by

- 3.3.3.1. the amount of cash distributed to that Member;
- 3.3.3.2. 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 IRC Section 752; and
- 3.3.3.3. the amount of any items in the nature of expenses or losses that are specially allocated to that Member pursuant to Article 6.

# 3.3.4. REDUCED BY IRC \$705 EXPENDITURES

A Member's Capital Account shall be reduced by the Member's share of any expenditures of the Company described in IRC Section 705(a)(2)(B) or which are treated as IRC Section 705(a)(2)(B) expenditures pursuant to Reg Section 1.704- 1(b)(2)(iv)(i) (including syndication expenses and losses nondeductible under IRC Sections 267(a)(1) or 707(b)).

# 3.3.5. EFFECT OF TRANSFER OF ECONOMIC INTEREST

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.

## 3.3.6. EFFECT OF CONTRIBUTION OF PROMISSORY NOTE

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 Reg Section 1.704-1(b)(2)(iv)(d)(2).

## 3.3.7. COMPLIANCE WITH IRS REGS

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 Reg Sections 1.704-1(b)(2)(iv)(f) and 1.704-1(b)(2)(iv)(g), including the special rules under Reg Section 1.701-1(b)(4), as applicable. The provisions of this Agreement respecting the maintenance of Capital Accounts are intended to comply with Reg Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with those Regulations.

# 3.4. NO WITHDRAWAL OF CAPITAL

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

# 3.5. NO INTEREST ON CAPITAL

No interest shall be paid on Capital Contributions or on the balance of a Member's Capital Account.

# 3.6. LIMITED LIABILITY OF MEMBERS

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

## 3.7. NO PRIORITY BY A MEMBER

Except as otherwise expressly provided in this Agreement, no Member shall have priority over any other Member with respect to the return of a Capital Contribution or distributions or allocations of income, gain, losses, deductions, credits, or items thereof.

## 4. MEMBERS

#### 4.1. LIMITED LIABILITY

Except as required under the Act or as expressly set forth in this Agreement, no Member shall be personally liable for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise.

# 4.2. ADMISSION OF ADDITIONAL MEMBER

The Managers, with the approval of the Members, may admit to the Company additional Members. Any additional Members shall obtain Membership Interests and will participate in the management, Net Profit, Net Losses, and distributions of the Company on such terms as are determined by the Managers and approved by the Members. Notwithstanding the foregoing, substitute members may only be admitted In accordance with Article 7.

# 4.3. TRANSACTIONS WITH THE COMPANY

Subject to any limitations set forth in this Agreement and with the prior approval of the Managers after full disclosure of the Member's involvement, a Member may lend money to and transact other business with the Company.

Subject to other applicable law, such Member has the same rights and obligations with respect thereto as a Person who is not a Member.

# 4.4. REMUNERATION TO MEMBER

Except as otherwise authorized in, or pursuant to, this Agreement, no Member is entitled to remuneration for acting in the Company business, subject to entitlement of Managers or Members winding up the affairs of the Company to reasonable compensation pursuant to Section 9.3.

# 4.5. MEMBERS ARE NOT AGENTS

Pursuant to Section 5.1 and the Articles, the management of the Company is vested in the Managers. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind nor execute any instrument on behalf of the Company. No Member acting solely in the capacity of a Member is an agent of the Company, nor can any Member acting solely in the capacity of a Member bind the Company or execute any instrument on behalf of the Company. Accordingly, each 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 any action by such Member in contravention of the first sentence of this Section 4.5.

#### 4.6. **VOTING RIGHTS**

Except as expressly provided in this Agreement or the Articles, Members shall have no voting, approval or consent rights. Members shall have the right to approve or disapprove matters as specifically stated in this Agreement, including the following:

#### 4.6.1. UNANIMOUS APPROVAL

The following matters shall require the unanimous vote, approval or consent of all Members who are not the subject of a Dissolution Event or an assignor of a Membership Interest:

- **4.6.1.1.** A decision to continue the business after the occurrence of a Dissolution Event.
- **4.6.1.2.** The transfer of a Membership Interest and the admission of an assignee as a Member of the Company.

**4.6.1.3.** A decision to compromise the obligation of a Member to make a Capital Contribution or return money or property paid or distributed in violation of the Act.

## 4.6.2. APPROVAL BY MEMBERS HOLDING A MAJORITY INTEREST

Except as set forth above all other matters in which a vote, approval or consent of the Members is required, a vote, consent or approval of Members holding a Majority Interest (or, in instances in which there are defaulting members, non-defaulting Members who hold a majority of the Percentage Interests held by all non-defaulting Members) shall be sufficient to authorize or approve such act.

# 4.7.MEETINGS OF MEMBERS.

# 4.7.1. DATE, TIME AND PLACE OF MEETINGS OF MEMBERS:

No annual or regular meetings of Members is required. Meetings of Members may be held at such date, time and place within or without the State of California as the Managers may fix from time to time, or if there are two or more Managers and they are unable to agree to such time and place, Members holding a Majority Interest shall determine the time and place. At any Members' meeting, the Managers shall appoint a person to preside at the meeting and a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting which shall be placed in minute books of the Company.

#### 4.7.2. POWER TO CALL MEETING

Unless otherwise prescribed by the Act or by the Articles, meetings of the Members may be called by any Manager, or upon written demand of Members holding more than ten percent (10%) of the Percentage Interests for the purpose of addressing any matters on which the Members may vote.

#### 4.7.3. NOTICE OF MEETING

Written notice of a meeting of Members shall be sent or otherwise given to each Member in accordance with Section 4.7.4. not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and the

general nature of the business to be transacted. No other business may be transacted at this meeting. Upon written request to a Manager by any person entitled to call a meeting of Members, the Managers shall immediately cause notice to be given to the Members entitled to vote that a meeting will be held at a time requested by the person calling the meeting, not less than ten (10) days nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the person entitled to call the meeting may give the notice.

# 4.7.4. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE

Notice of any meeting of Members shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the Members at the address of that Member appearing on the books of the Company or given by the Member of the Company for the purpose of notice. If no such address appears on the Company's books or is given, notice shall be deemed to have been given if sent to that Member by first-class mail or telegraphic or other written communication to the Company's principal executive office, or if published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a Member at the address of that Member appearing on the books of the Company is returned to the Company by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the Member at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the Member on written demand of the Member at the principal executive office of the Company for a period one year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any meeting shall be executed by the Manager or any secretary, assistant secretary, or any transfer agent of the Company giving the notice, and shall be filed and maintained in the minute book of the Company.

# 4.7.5. VALIDITY OF ACTION

Any action approved at the meeting, other than by unanimous approval of those entitled to vote, shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice.

# 4.7.6. **QUORUM**

The presence in person or by proxy of the holders of a Majority Interest shall constitute a quorum at a meeting of Members. The Members present at a duly called or held meeting at which a quorum is present may constitute to do business until adjournment, notwithstanding the loss of a quorum, if any action taken after loss of a quorum (other than adjournment) is approved by at least Members holding a Majority interest.

## 4.7.7. ADJOURNED MEETING: NOTICE

Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Membership Interests represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting. When any meeting of Members is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is subsequently fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Managers shall set a new record date. At any adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

## 4.7.8. WAIVER OF NOTICE OR CONSENT

The actions taken at any meeting of Members however called and noticed, and wherever held, have the same validity as if taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the Members entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or consents to the holding of the meeting or approves the minutes of the meeting. All such waivers, consents or approvals shall be filed with the Company records or made a part of the minutes of the meeting.

Attendance of a person at a meeting shall constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting. Neither the business to be transacted nor the purpose of any meeting of Members need be specified in any written waiver of notice except as provided in Section 4.7.4.

## 4.7.9. 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 Managers or the secretary, if any, of 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 Managers or 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.

## 4.7.10. TELEPHONIC PARTICIPATION BY MEMBER AT MEETING

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.

# 4.7.11. RECORD DATE

The record date for determining the Members entitled to receive Notice of any meeting, to Vote, to receive any distribution, or to exercise any right in respect of any other lawful action, shall be the date set by the Manager or by a Majority of Members; provided that such record date shall not be more than sixty (60), or less than ten (10) calendar days prior to the date of the meeting and not more than sixty (60) calendar days prior to any other action. In the absence of any action setting a record date, the record date shall be determined in accordance with Corp C Section 17104(k).

## 4.7.12. **PROXIES**

Every Member entitled to vote for Managers or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the Managers or secretary, if any, of the Company. A proxy shall be deemed signed if the Member's name is printed on the proxy (whether by manual signature, typewriting, telegraphic transmission, electronic transmission or otherwise) by the Member or the Member's attorney in fact. A proxy may be transmitted by an oral telephonic transmission if it is submitted with information from which it may be determined that the proxy was authorized by the Member or the Member's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the Company stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the Company before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Corporations Code Sections 705(e) and 705(f).

#### 4.8.CERTIFICATE OF MEMBERSHIP INTEREST

# 4.8.1. CERTIFICATE

A Membership Interest may (but is not required to) be represented by a certificate of membership. The exact contents of a certificate of membership may be determined by action of the Managers but shall be issued substantially in conformity with the following requirements. The certificates of membership shall be respectively numbered serially, as they are issued, shall be impressed with the Company seal or a facsimile thereof, if any, and shall be signed by the Managers or officers of the Company. Each certificate of membership shall state the name of the Company, the fact that the Company is organized under the laws of the State of California as a limited liability company, the name of the person to whom issued, the date of issue, and the Percentage Interests represented thereby. A statement of the designations, preferences, qualifications, limitations, restrictions, and special or relative fights of the Membership Interest, if any, shall be set forth in full or summarized on the face or back of the certificates which the Company shall issue, or in lieu thereof, the certificate may set forth that such a statement or summary will be furnished to any holder of a Membership Interest upon request without charge. Each certificate of membership shall be otherwise in such form as may be determined by the Managers.

#### 4.8.2. CANCELLATION OF CERTIFICATE

All certificates of membership surrendered to the Company for transfer shall be canceled and no new certificates of membership shall be issued in lieu thereof until the former certificates for a like number of Membership Interests shall been surrendered and canceled, except as herein provided with respect to lost, stolen, or destroyed certificates.

# 4.8.3. REPLACEMENT OF LOST STOLEN, OR DESTROYED CERTIFICATE

Any Member claiming that his or her certificate of membership is lost, stolen, or destroyed may make an affidavit or affirmation of that fact and request a new certificate. Upon the giving of a satisfactory indemnity to the Company as reasonably as required by the Managers, a new certificate may be issued of the same tenor and representing the same Percentage Interest of membership as was represented by the certificate alleged to be lost, stolen, or destroyed.

#### 5. MANAGEMENT AND CONTROL OF THE COMPANY

# 5.1. MANAGEMENT OF THE COMPANY BY MANAGERS

The business, property and affairs of the Company shall be managed exclusively by the Managers. Except for situations in which the approval of the Members is expressly required by the Articles or this Agreement, the Managers shall have full, complete and exclusive authority, power, and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, property and affairs.

## 5.2. ELECTION OF MANAGERS

## 5.2.1. NUMBER, TERM, AND QUALIFICATIONS

## 5.2.1.1. **NUMBER**

The Company shall initially have one (1) Manager. The number of Managers of the Company shall be fixed from time to time by the affirmative vote or written consent of Members holding a Majority Interest, provided that in no instance shall there be less than one Manager and provided further that if the number of Managers is reduced from more than one to one, the Articles shall be amended to so state, and if the number of Managers is increased to more than one, the Articles shall be amended to delete the statement that the Company has only one Manager.

## 5.2.1.2. QUALIFICATIONS

Managers shall be elected by the affirmative vote or written consent of Members holding a Majority Interest. A Manager need not be a Member, an individual, a resident of the State of California, or a citizen of the United States.

#### 5.2.1.3. TERM

The manager shall serve until the earlier of:

- **5.2.1.3.1.** the Manager's resignation, retirement, death or disability;
- **5.2.1.3.2.** the Manager's removal by the Members; or,

**5.2.1.3.3.** the expiration of the Manager's term as Manager, if a term has been designated by a Majority of Members.

# 5.2.2. RESIGNATION

Any Manager may resign at any time by giving written notice to the Members and remaining Managers without prejudice to the rights, if any, of the Company under any contract to which the Manager is a party. The resignation of any Manager shall take effect upon receipt of that notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

# 5.2.3. REMOVAL

All or any lesser number of Managers may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority Interest at a meeting called expressly for that purpose, or by the written consent of the Members holding a Majority Interest. Any removal shall be without prejudice to the rights, if any, of the Manager under any employment contract and, if the Manager is also a Member, shall not affect the Manager's rights as a Member or constitute a withdrawal of a Member. A Manager also may be removed by the affirmative vote or written consent of a majority of the remaining Managers if such Manager becomes incapable of fulfilling his or her obligations under this Agreement because of injury or physical or mental illness and such incapacity shall exist for thirty (30) working days in the aggregate during any consecutive six (6) month period.

## 5.2.4. VACANCIES

Any vacancy occurring for any reason in the number of Managers may be filled by the affirmative vote or written consent of Members holding a Majority Interest.

#### 5.3. POWERS OF MANAGERS

#### 5.3.1. POWERS OF MANAGERS

Without limiting the generality of Section 5.1, but subject to Section 5.3.2 and to the express limitations set forth elsewhere in this Agreement, the Managers shall have all necessary powers to manage and carry out the purposes, business, property, and affairs of the Company, including, without limitation, the power to exercise on behalf and in the name of the Company all of the powers described in Corporations Code Section 17003.

# 5.3.2. LIMITATIONS ON POWER OF MANAGER

The Managers shall not have authority hereunder to cause the Company to engage in the following transactions without first obtaining the affirmative vote or written consent of a Majority Interest (or such greater Percentage Interests set forth below) of the Members:

- 5.3.2.1. The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a twelve (12) month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution.
- 5.3.2.2. The merger of the Company with another limited liability company or limited partnership shall require the affirmative vote or written consent of Members holding at least fifty-one percent (51%) in Percentage Interests; provided in no event shall a Member be required to become a general partner in a merger with a limited partnership without his express written consent or unless the agreement of merger provides each Member with the dissenter's rights described in the Act.
- 5.3.2.3. The merger of the Company with a corporation or a general partnership or other Person shall require the affirmative vote or written consent of all Members.
- **5.3.2.4.** The establishment of different classes of Members.
- **5.3.2.5.** An alteration of the primary purpose of the Company as set forth in Section
- 5.3.2.6. Transactions between the Company and one or more of the Managers or one or more of any Manager's Affiliates, or transactions in which one or more Managers, or one or more of any Manager's Affiliates, has a material financial interest.

- **5.3.2.7.** Without limiting subsection 5.3.2.6, the lending of money by the Company to any Manager, Member, or officer of the Company.
- **5.3.2.8.** Any act which would make it impossible to carry on the ordinary business
- **5.3.2.9.** The confession of a judgment against the Company.
- **5.3.2.10.** Any other transaction described in this Agreement as requiring the vote, consent, or approval of the Members.

# 5.4. DUTIES OF THE MANAGER

The Manager shall have the powers and duties described in Section <u>5.3</u> hereof and such other powers and duties as may be prescribed in this Agreement or by the Members. Notwithstanding the foregoing, the Manager shall not take any of the following actions on behalf of the Company unless a Majority of Members has consented to the taking of such action.

- **5.4.1.** Any act that would make it impossible to carry on the ordinary business of the Company;
- 5.4.2. Any confession of a judgment against the Company;
- **5.4.3.** The dissolution of the Company;
- **5.4.4.** The disposition of all or a substantial part of the Company's assets not in the ordinary course of business;
- 5.4.5. The incurring of any debt not in the ordinary course of business;
- 5.4.6. A change in the nature of the principal business of the Company;
- 5.4.7. The incurring of any contractual obligation or the making of any capital expenditure with a total cost of more than \$\_\_\_\_\_;
- **5.4.8.** The filing of a petition in bankruptcy or the entering into of an arrangement among creditors; and
- 5.4.9. The entering into, on behalf of the Company, of any transaction constituting a "reorganization" within the meaning of Corporation Code \$17600.

## 5.5. MEMBERS HAVE NO MANAGERIAL AUTHORITY

The Members shall have no power to participate in the management of the Company except as expressly authorized by this Agreement or the Articles and except as expressly required by the Act. Unless expressly and duly authorized in writing to do so by a Manager or Managers, no Member shall have any power or authority to bind or act on behalf of the Company in any way, to pledge its credit, or to render it liable for any purpose.

## 5.6. PERFORMANCE OF DUTIES: LIABILITY OF MANAGERS

A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, reckless or intentional misconduct, or a knowing violation of law by the Manager. The Managers shall perform their managerial duties in good faith, in a manner they reasonably believe to be in the best interests of the Company and its Members, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs the duties of Manager shall not have any liability by reason of being or having been a Manager of the Company.

In performing their duties, the Managers shall be entitled to rely on information, opinions, reports, or statements, Including financial statements and other financial data, of the following persons or groups unless they have knowledge concerning the matter in question that would cause such reliance to be unwarranted and provided that the Managers act in good faith and after reasonable inquiry when the need therefore is indicated by the circumstances:

- 5.6.1. one or more officers, employees or other agents of the Company whom the Managers reasonably believe to be reliable and competent in the matters presented;
- 5.6.2. any attorney, independent accountant, or other person as to matters which the Managers reasonably believe to be within such person's professional or expert competence; or
- 5.6.3. a committee upon which the Managers do not serve, duly designated in accordance with a provision of the Articles or this Agreement, as to matters within its designated authority, which committee the Managers reasonably believe to merit competence.

## 5.7. DEVOTION OF TIME

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

## 5.8. COMPETING ACTIVITIES

The Managers and their officers, directors, shareholders, partners, members, managers, agents, employees and Affiliates may engage or invest in, independently or with others, any business activity of any type or description, including without limitation those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company. Neither the Company nor any Member shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom. The Managers shall not be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be taken by the Company. The Managers shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company. The Members acknowledge that the Managers and their Affiliates own and/or manage other businesses, including businesses that may compete with the Company and for the Managers' time. The Members hereby waive any and all rights and claims which they may otherwise have against the Managers and their officers, directors, shareholders, partners, members, managers, agents, employees, and Affiliates as a result of any of such activities.

#### 5.9. TRANSACTIONS BETWEEN THE COMPANY AND THE MANAGER

Notwithstanding that it may constitute a conflict of interest, the Managers may, and may cause their Affiliates to, engage in any transaction (including, without limitation, the purchase, sale, lease, or exchange of any property or the rendering of any service, or the establishment of any salary, other compensation, or other terms of employment) 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 capable of similarly performing them and in similar transactions between parties operating at arm's length, and

provided that a Majority interest of the Members having no interest in such transaction (other than their interests as Members) affirmatively vote or consent in writing to approve the transaction.

Transactions between the Managers and/or their Affiliates, on the one hand, and the Company, on the other hand, shall be conclusively determined to constitute a transaction on terms and conditions, on an overall basis, fair and reasonable to the Company and at least as favorable to the Company as those generally available in a similar transaction between Parties operating at arm's length if a Majority Interest of the Members having no interest in such transaction (other than their interests as Members) affirmatively vote or consent in writing to approve the transaction. Notwithstanding the foregoing, the Managers shall not have any obligation, in connection with any such transaction between the Company and the Managers or an Affiliate of the Managers, to seek the consent of the Members.

# 5.10. MANAGERS COMPENSATION

The Manager shall be entitled to reasonable compensation for the Manager's services as determined by the majority of the Members, and to reimbursement for all expenses reasonably incurred by the Manager in the performance of the Manager's duties.

# 5.11. ACTS OF MANAGERS AS CONCLUSIVE EVIDENCE AUTHORITY

Any note, mortgage, evidence of indebtedness, contract, certificate, statement, conveyance, or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Company and any other person, when signed by at least two Managers (or by one Manager if the Articles state that the Company is managed by only one Manager), is not invalidated as to the Company by any lack of authority of the signing Managers or Manager in the absence of actual knowledge on the part of the other person that the signing Managers or Manager had no authority to execute the same.

# 5.12. PROCEDURE FOR ACTION BY THE MANAGERS

Actions of the Managers shall be taken at meetings or as otherwise provided in this Section 5.12 by a majority.

## **5.12.1. NO REGULAR MEETINGS**

No regular meetings of the Managers need be held.

#### 5.12.2. CALL AND NOTICE FOR A MEETING

The Manager or any two Managers may call a meeting of the Managers by giving Notice of the time and place of the meeting at least 48 hours prior to the time of the holding of the meeting. The Notice need not specify the purpose of the meeting, nor the location if the meeting is to be held at the principal executive office of the Company.

#### **5.12.3. QUORUM**

A majority of Managers shall constitute a quorum for the transaction of business at any meeting of the Managers.

## 5.12.4. WRITTEN WAIVER OF NOTICE TO THE HOLDING OF A MEETING

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

#### 5.12.5. WRITTEN CONSENT TO THE HOLDING OF A MEETING

Any action required or permitted to be taken by the Managers under this Agreement may be taken without a meeting if a majority of the Managers individually or collectively consent in writing to such action.

# 5.12.6. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE

Managers may participate in the meeting through the use of a conference telephone or similar communications equipment, provided that all Managers participating in the meeting can hear one another.

#### 5.12.7. MINUTES OF THE MEETINGS

The President shall keep or cause to be kept with the books and records of the Company full and accurate minutes of all meetings, notices and waivers of notices of meetings, and all written consents to actions of the Managers.

# 5.13. OFFICERS.

#### **5.13.1. APPOINTMENT OF OFFICERS**

The Managers may appoint officers at any time. The officers of Company, if deemed necessary by the Managers, may include a chairperson, president, vice president, secretary, and chief financial officer. The officers shall serve at the pleasure of the Managers, subject to all rights, if any, of an officer under any contract of employment. Any individual may hold any number of offices. No officer need be a resident of the State of California or citizen of the United States. If a Manager is not an individual, such Manager's officers may serve as officers of Company if elected by the Members. The officers shall exercise such powers and perform such duties as specified in this Agreement and as shall be determined from time to time by the Managers.

# 5.13.2. <u>REMOVAL</u>, <u>RESIGNATION AND FILLING OF VACANCY OF OFFICERS</u>

Subject to the rights, if any, of an officer under a contract of employment, any officer may be removed, either with or without cause, by the Managers at any time. Any officer may resign at any time by giving written notice to the Managers. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in this Agreement for regular appointments to that office.

#### 5.13.3. ACTS OF OFFICERS AS CONCLUSIVE EVIDENCE OF AUTHORITY

Any note, mortgage, evidence of indebtedness, contract, certificate, statement, conveyance, or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Company and any other Person, when signed by the chairperson of the board, the president or any vice president and any secretary, any assistant secretary, the chief financial officer, or any assistant treasurer of the

Company, is not invalidated as to the Company by any lack of authority of the signing officers in the absence of actual knowledge on the part of the other Person that the signing officers had no authority to execute the same.

# 5.14. <u>LIMITED LIABILITY</u>

No person who is a Manager or officer or both a Manager and officer of the Company shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a Manager or Officer of the Company.

## 5.15. TITLE OF ASSETS

The Manager shall cause all assets of the Company, whether real or personal, to be held in the name of the Company.

# 6. ALLOCATIONS OF NET PROFITS AND NET LOSSES AND DISTRIBUTIONS

The following terms and conditions shall apply to the issues of allocations and distributions in connection with the Company.

# 6.1. PREFERENTIAL ALLOCATION OF LOSSES

The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to a Member in accordance with the Member's Percentage Interest. Losses of the Company and all items of loss or deduction shall be allocated first to the CORP, until the Capital Accounts of the parties are equalized. Thereafter, Losses of the Company shall be allocated in accordance with the Member's Percentage Interest.

## 6.2. PROFITS AND LOSSES DEFINED

As used in this Agreement, "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with IRC Section 703(a), including all Tax Items required to be stated separately pursuant to IRC Section 703(a)(1), with the following adjustments:

#### 6.2.1. EXEMPT INCOME

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

## 6.2.2. IRC §705 EXPENDITURES

Any expenditures of the Company described in IRC Section 705(a)(2)(B) or treated as IRC Section 705(a)(2)(B) expenditures pursuant to Reg Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or shall increase such loss; and

# 6.2.3. SPECIAL ALLOCATIONS

Notwithstanding the foregoing provisions of this Section 6.1, any items of income, gain, loss, or deduction that are specially allocated shall not be taken into account in computing Profits or Losses under Section 6.1.

# 6.2.3.1. DEFINITIONS RELATING TO SPECIAL ALLOCATIONS

The following definitions shall apply with respect to Article 6.

#### 6.2.3.1.1. "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:

- **6.2.3.1.1.1.** 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
- 6.2.3.1.1.2. the Member's Capital Account shall be decreased by the amount of the items described in Reg Sections 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 Reg Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently with that Regulation.

# 6.2.3.1.2. "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

- **6.2.3.1.2.1.** the Fair Market Value of that item at the beginning of the fiscal year (or the acquisition date during the fiscal year), by
- **6.2.3.1.2.2.** the adjusted tax basis of the item at the beginning of the fiscal year (or the acquisition date during the fiscal year).

If the adjusted tax basis of an item is zero, the Manager may determine Book Depreciation, provided that he does so in a reasonable and consistent manner.

# 6.2.3.1.3. "COMPANY MINIMUM GAIN"

has the meaning set forth in Reg Section 1.704-2(d)(1).

#### 6.2.3.1.4. "MEMBER NONRECOURSE DEBT"

is defined in Reg Section 1.704-2(b)(4).

# 6.2.3.1.5. "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 Reg Section 1.704-2(i)(2).

#### 6.2.3.1.6. "MEMBER NONRECOURSE DEDUCTIONS"

has the meaning set forth in Reg 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 Reg Section 1.704-2(I)(2). In determining Member Nonrecourse Deductions, the ordering rules of Reg Section 1.704-2(j) shall be followed.

## 6.2.3.1.7. "NONRECOURSE DEDUCTIONS"

has the meaning set forth in Reg 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.

**6.2.3.1.8.** "NONRECOURSE LIABILITY" is defined in Reg Section 1.752-1(a)(2).

# 6.2.3.2. ORDER OF SPECIAL ALLOCATIONS

The following special allocations shall be made in the following order:

## 6.2.3.2.1. 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 Reg Section 1.704-2(g)(2).

# 6.2.3.2.2. <u>MEMBER NONRECOURSE DEBT MINIMUM GAIN</u> <u>CHARGEBACK</u>

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 Reg Section 1.704-2(g)(2). A Member shall not be subject to the foregoing Chargeback to the extent permitted under Reg Section 1.704-2(i)(4).

# 6.2.3.2.3. QUALIFIED INCOME OFFSET:

If any Member unexpectedly receives an adjustment, allocation, or distribution described in Reg 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.

# 6.3. 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 Reg Section 1.704-2(i)(2).

#### 6.4. ALLOCATION OF PROFITS FROM CAPITAL EVENTS

In any fiscal year of the Company, Profits in excess of Losses of the Company resulting from a Capital Event in that Fiscal Year shall be allocated to the Members in the following order:

**6.4.1.** To Members whose Adjusted Capital Contributions are in excess of their Capital Accounts, in proportion to those excesses, until all of those excesses have been eliminated. "Adjusted Capital Contributions" means, with respect to each Member, the excess of such Member's contribution to the capital of the Company over all prior distributions to the Member that have resulted from Capital Events.

**6.4.2.** Among the Members in the proportion that the Capital Contribution of each Member bears to the total Capital Contributions of all Members.

### 6.5. ALLOCATIONS OF LOSSES FROM CAPITAL EVENTS

In any fiscal year of the Company, Losses in excess of Profits of the Company, resulting from a Capital Event in that fiscal year, shall be allocated to the Members with positive Capital Accounts, in proportion to their positive Capital Account balances, until no Member has a positive Capital Account. For this purpose, Capital Accounts shall be reduced by the adjustments set forth in Reg Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

### 6.6. ALLOCATIONS RESPECTING ASSET DISTRIBUTIONS

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 6.2. 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 6.6, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

# 6.7. 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 Section 3.3.7, and that is required or permitted to be allocated to such Member for income tax purposes under IRC 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 IRC Section 704(c) using the "traditional" method described in Reg 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

contributing Member and the Manager (and, if the Manager and the contributing Member are Affiliates, a Majority of Members who are not Affiliates of the Manager).

# 6.8. ALLOCATION 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. If the Assigning Member and Assignee agree to a different proration and advise the Manager of the agreed proration before the date of the Transfer, Profits or Losses from a Capital Event during that fiscal year shall be allocated to the holder of the Interest on the day such Capital Event occurred. If an Assignee makes a subsequent Assignment, said Assignee shall be considered an "Assigning Member" with respect to the subsequent Assignee for purposes of the aforesaid allocations.

# 6.9. REVALUATION OF COMPANY ASSETS

The fair market value of the Company shall be revalued as follows:

- **6.9.1.** The Fair Market Value of all Company property shall be adjusted as of the following times:
  - 6.9.1.1. 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;
  - **6.9.1.2.** 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
  - 6.9.1.3. the liquidation of the Company within the meaning of Reg Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments under Sections 6.9.1.1 and 6.9.1.2 above shall be made only in the event of a revaluation of Company property under Section 3.3.7 in accordance with Reg Section 1.704-1(b)(2)(iv)(f).
- 6.9.2. The Fair Market Value of Company property shall be increased or decreased to reflect adjustments to the adjusted tax basis of such property pursuant to IRC Section 732, IRC Section 733, or IRC Section 743, subject

to the limitations imposed by IRC Section 755 and Reg Section 1.704-1(b)(2)(iv)(m); and

6.9.3. If the Fair Market Value of an item of property has been determined or adjusted pursuant to Section 1.16 or Section 6.9.1.1 or 6.9.1.2, such Fair Market 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.

# 6.10. COMPLIANCE WITH LAW AND REGULATIONS

It is the intent of the Members that each Member's allocated share of Company Tax Items be determined in accordance with this Agreement to the fullest extent permitted by IRC 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 IRC 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 Manager 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.

## 6.11. AVAILABLE CASH FROM BUSINESS OPERATION

All Available Cash, other than revenues or proceeds from a Capital Event or the dissolution of the Company, shall be distributed among the Members in the same manner as Profits. The parties intend that Available Cash shall be distributed as soon as practicable following the Manager's determination that such cash is available for distribution. The parties acknowledge that no assurances can be given with respect to when or whether said cash will be available for distributions to the Members.

#### 6.12. AVAILABLE CASH FROM CAPITAL EVENTS

All Available Cash resulting from a Capital Event (as distinguished from normal business operations or the dissolution of the Company) shall be distributed to the Members in accordance with their respective Percentage Interests as soon as practicable following the Manager's determination that such cash is available for distribution.

#### 6.13. 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 and the Manager shall determine whether such cash has resulted from operations or from a Capital Event.

# 6.14. 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 Article 6, 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 9.3 of this Agreement. The provisions of this Section 6.14 and 9.3 shall be construed in accordance with the requirements of Reg Section 1.704-1(b)(2)(ii)(b)(2).

# 7 TRANSFER AND ASSIGNMENT OF INTERESTS

## 7.1 WITHDRAWAL OF MEMBERS

A Member may withdraw from the Company at any time by giving Notice of withdrawal to the Manager at least 180 calendar days before the effective date of withdrawal. Withdrawal shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred before the effective date of withdrawal. A withdrawing Member shall divest the Member's entire Membership Interest before the effective date of withdrawal in accordance and subject to the provisions of Article 7.

# 7.2 RESTRICTIONS ON TRANSFER

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

7.2.1 the other Members unanimously approve the transferee's admission to the Company as a Member upon such Transfer; and

7.2.2 the Membership Interest to be transferred, when added to the total of all other Membership Interests transferred in the preceding 12 months, will not cause the termination of the Company under the Code.

No Member may 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 Manager. Such approval may be granted or withheld in the Manager's sole discretion. Any Transfer or Encumbrance of a Membership Interest without such approval shall be void. Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may transfer all or any portion of his or her Membership Interest to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse, and the Member's issue; provided that the Member retains a beneficial interest in the trust and all of the Voting Interest included in such Membership Interest. A Transfer of a Member's beneficial interest in such trust, or failure to retain such Voting Interest, shall be deemed a Transfer of a Membership Interest.

# 7.3 TRANSFER AND ASSIGNMENT OF INTERESTS

No Member shall be entitled to transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest except with the prior written consent of the Majority of the other Members, which consent may be given or withheld, conditioned or delayed (as allowed by this Agreement or the Act), as the other Members may determine in their sole discretion. Transfers in violation of this Article 7 shall only be effective to the extent set forth in Section 7.7. After the consummation of any transfer of any part of a Membership Interest, the Membership Interest so transferred shall continue to be subject to the terms and provisions of this Agreement and any further transfers shall be required to comply with all the terms and provisions of this Agreement.

#### 7.4 FURTHER RESTRICTIONS ON TRANSFER OF INTERESTS

In addition to other restrictions found in this Agreement, no Member shall transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest: (i) without compliance with Section 11.10, and (ii) if the Membership Interest to be transferred, assigned, sold or exchanged, when added to the total of all other Membership Interests sold or exchanged in the preceding twelve

(12) consecutive months prior thereto, would cause the termination of the Company under the Code, as determined by the Managers.

## 7.5 SUBSTITUTION OF MEMBERS

A transferee of a Membership Interest shall have the right to become a substitute Member only if (i) the requirements of Sections 7.1 and 7.2 relating to unanimous consent of Members, securities and tax requirements thereof are met, (ii) such Person executes an instrument satisfactory to the Managers accepting and adopting the terms and provisions of this Agreement, and (iii) such person pays any reasonable expenses in connection with his or her admission as a new Member. The admission of a substitute Member shall not result in the release of the Member who assigned the Membership Interest from any liability that such Member may have to the Company.

## 7.6 FAMILY AND AFFILIATE TRANSFERS

The Membership Interest of any Member may be transferred subject to compliance with Section 7.2, and without the prior written consent of all Members as required by Section 7.1, upon consent of the Managers, which shall not be unreasonably withheld, by the Member by inter vivos gift or by testamentary transfer to any spouse, parent, child or grandchild of the Member, or to a trust for the benefit of the Member or such spouse, parent, child or grandchild of the Member.

## 7.7 EFFECTIVE DATE OF PERMITTED TRANSFERS

Any permitted transfer of all or any portion of a Membership Interest shall be effective as of the date provided in Section 6.3 following the date upon which the requirements of Sections 7.1, 7.2 and 7.3 have been met. The Managers shall provide the Members with written notice of such transfer as promptly as possible after the requirements of Sections 7.1, 7.2 and 7.3 have been met. Any transferee of a Membership Interest shall take subject to the restrictions on transfer imposed by this Agreement.

#### 7.8 RIGHTS OF LEGAL REPRESENTATIVES

If a Member who is an individual dies or is adjudged by a court of competent jurisdiction to be incompetent to manage the Members person or property, the Members executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling the Member's estate or administering the Member's property, including any power the Member has under the Articles of this Agreement to give an assignee the right to become a Member. If a Member is a corporation, trust, or other entity and is dissolved or terminated, the powers of that Member may be exercised by his or her legal representative or successor.

# 7.9 NO EFFECT TO TRANSFERS IN VIOLATION OF AGREEMENT

Upon any transfer of a Membership Interest in violation of this Article 7, the transferee shall have no right to vote or participate in the management of the business, property and affairs of the Company or to exercise any rights of a Member. Such transferee shall only be entitled to become an Economic Interest Owner and thereafter shall only receive the share of one or more of the Company's Net Profits, Net Losses and distributions of the Company's assets to which the transferor of such Economic Interest would otherwise be entitled. Notwithstanding the immediately preceding sentences, if, in the determination of the Managers, a transfer in violation of this Article 7 would cause the termination of the Company under the Code, in the sole discretion of the Managers, the transfer shall be null and void and the purported transferee shall not become either a Member or an Economic Interest Owner.

Upon and contemporaneously with any transfer, assignment, conveyance or sale (whether arising out of an attempted charge upon that Members Economic Interest by judicial process, a foreclosure by a creditor of the Member or otherwise) of a Member's Economic Interest which does not at the same time transfer the balance of the rights associated with the Membership Interest transferred by the Member (including, without limitation, the rights of the Member to vote or participate in the management of the business, property and affairs of the Company), the Company shall purchase from the Member, and the Member shall sell to Company for a purchase price of \$100, all remaining rights and interests retained by the Member that immediately before the transfer, assignment, conveyance or sale were associated with the transferred Economic Interest. Such purchase and sale shall not, however, result in the release of the Member from any liability to the Company as a Member.

Each Member acknowledges and agrees that the right of the Company to purchase such remaining rights and interests from a Member who transfers a Membership Interest in violation of this Article 7 is not unreasonable under the circumstances existing as of the date hereof.

# 7.10 RIGHT OF FIRST REFUSAL

Each time a Member proposes to transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest (or as required by operation of law or other involuntary transfer to do so) other than pursuant to Section 7.4, such Member shall first offer such Membership Interest to the Company and the non-transferring Members in accordance with the following provisions:

- 7.10.1 Such Member shall deliver a written notice to the Company and the other Members stating (i) such Member's bonafide intention to transfer such Membership interest, ii) the name and address of the proposed transferee, (iii) the Membership Interest to be transferred, and (iv) the purchase price in terms of payment for which the Member proposes to transfer such Membership Interest.
- 7.10.2 Within thirty (30) days after receipt of the notice described in Section 7.8, each non-transferring Member shall notify the Managers in writing of his or her desire to purchase a portion of the Membership interest being so transferred. The failure of any Member to submit a notice within the applicable period shall constitute an election on the part of that Member not to purchase any of the Membership Interest which may be so transferred. Each Member so electing to purchase shall be entitled to purchase a portion of such Membership Interest in the same proportion that the Percentage Interest of such Member bears to the aggregate of the Percentage Interests of all of the Members electing to so purchase the Membership Interest being transferred. In the event any Member elects to purchase none or less than all of his or her pro rata share of such Membership Interest, then the other Members can elect to purchase more than their pro rata share. If such Members fail to purchase the entire Membership Interest being transferred, the Company may purchase any remaining share of such Membership Interest.
- 7.10.3 Within ninety (90) days after receipt of the notice described in Section 7.8 the Company and the Members electing to purchase such Membership Interest shall have the first right to purchase or obtain such Membership Interest upon the price and term's of

payment designated in such notice. If such notice provides for the payment of non-cash consideration, the Company and such purchasing Members each may elect to pay the consideration in cash equal to the good faith estimate of the present fair market value of the noncash consideration offered as determined by the Managers.

7.10.4 If the Company or the other Members elect not to purchase or obtain all of the Membership Interest designated in such notice, then the transferring Member may transfer the Membership Interest described in the notice to the proposed transferee, providing such transfer (i) is completed within thirty (30) days after the expiration of the Company's and the other Members' right to purchase such Membership Interest, (ii) is made on terms no less favorable to the transferring Member than as designated in the notice, and (iii) the requirements of Sections 7.1, 7.2 and 7.3 relating to unanimous consent of Members, securities and tax requirements hereof are met. If such Membership interest is not so transferred, the transferring Member must give notice in accordance with this Section prior to any other or subsequent transfer of such Membership Interest.

### 7.10.5 TRIGGERING EVENTS:

On the happening of any of the following events, hereinafter referred to as "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, hereinafter referred to as the "Selling Member," at the price and on the terms provided in Section 7.13 of this Agreement:

- 7.10.5.1 The death, bankruptcy, or withdrawal 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 9.
- 7.10.5.2 The failure of a Member to make the Member's Capital Contribution pursuant to the provisions of Section 3.1 of this Agreement.

7.10.5.3 The occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.

Each Member agrees to promptly give Notice of a Triggering Event to the Manager.

### 7.10.6 MARITAL DISSOLUTION OR DEATH OF A SPOUSE:

Notwithstanding any other provisions of this Agreement:

7.10.6.1 If, in connection with the divorce or dissolution of the marriage of a Member, any court issues a decree or order that transfers, confirms, or awards a Membership Interest, or any portion thereof, to that Member's spouse (an "Award"), then, notwithstanding that such transfer would constitute an unpermitted Transfer under this Agreement, that Member shall have the right to purchase from his or her former spouse the Membership Interest, or portion thereof, that was so transferred, and such former spouse shall sell the Membership Interest or portion thereof to that Member at the price set forth below in Section 1.16 of this Agreement. If the Member has failed to consummate the purchase within 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 Article 9 of this Agreement; provided that the option period shall commence on the later of

7.10.6.1.1 the day following the Expiration Date, or

7.10.6.1.2 the date of actual notice of the Award.

7.10.6.2 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 or her 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 1.16 of this Agreement. If the Member has failed to consummate the purchase within 180 days after the date of death (the Expiration Date), 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 Article 9 of this Agreement; provided that the option period shall commence on the later of

7.10.6.2.1 the day following the Expiration Date, or

7.10.6.2.2 the date of actual notice of the death.

### 7.11 OPTION PERIODS

On the receipt of Notice by the Manager and the other Members as contemplated by Sections 7.1, 7.3, and 7.5, and on receipt of actual notice of any Triggering Event as determined in good faith by the Manager, the Company shall have the option, for a period ending 30 calendar days following the determination of the purchase price as provided in Section 7.13, to purchase the Membership Interest in the Company to which the option relates, at the price and on the terms set forth in Section 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 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.

### 7.12 NONPARTICIPATION OF INTERESTED MEMBER

Neither the Member whose interest is subject to purchase under Article 7, 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.

### 7.13 OPTION PURCHASE PRICE

The purchase price of the Membership Interest that is the subject of an option under Section 7.11 shall be the "Fair Market Value" of the interest as determined under this Section 7.13. "Fair Market Value" means the value identified by taking the most current year's fiscal year end financial statement and identifying the "Profit" for the year from the Income Statement and adding thereto, all interest, taxes, depreciation, and amortization. The option purchase price as so determined shall be payable in Sixty (60) equal installments, including principal and interest, beginning 30 days after the exercise of this option, with interest accruing at the rate of 10% simple per year. In the event that at the time necessary to determine the "Fair Market Value" there is not a completed full year of financial statements, then, for the purposes herein, the average "Profit" as adjusted above, shall be determined per month, and said monthly average multiplied by 12, to obtain the "Fair Market Value." The "Fair Market Value" of the Company shall be then multiplied by the Member Percentage Interest to determine the purchase price for that Member's Interest.

### 7.14 SUBSTITUTED MEMBER

Except as expressly permitted under, 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.

### 7.15 DUTIES OF SUBSTITUTED MEMBERS

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.

### 7.16 SECURITIES LAWS

The initial sale of Membership Interests in the Company to the Initial Members has not been qualified or registered under the securities laws of any state, including California, or registered under the Securities Act of 1933, in reliance upon exemptions from the registration provisions of those laws. Notwithstanding any other provision of this Agreement, Membership Interests may not be Transferred unless registered or qualified under applicable state and federal securities law unless, in the opinion of legal counsel satisfactory to the Company, such qualification or registration is not required. The Member who desires to transfer a Membership Interest shall be responsible for all legal fees incurred in connection with said opinion.

### 8 ACCOUNTING, RECORDS, REPORTING BY MEMBERS

### 8.1 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 accounting methods followed for federal income tax purposes. 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 California all of the following:

- 8.1.1 A current list of the full name and last known business or residence address of each Member and Economic Interest Owner set forth in alphabetical order, together with the Capital Contributions, Capital Account and Percentage interest of each Member and Economic Interest Owner;
- **8.1.2** A current list of the full name and business or residence address of each Manager;
- 8.1.3 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;
- **8.1.4** Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;
- 8.1.5 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;
- **8.1.6** Copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; and
- 8.1.7 The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years.

### 8.2 <u>DELIVERY TO MEMBERS AND INSPECTION</u>

**8.2.1** Upon the request of any Member or Economic Interest Owner for purposes reasonably related to the interest of that Person as a Interest Owner, Member or Economic the Managers shall promptly deliver to the requesting Member or Economic the interest Owner. the expense Company, a copy of the information required to be maintained by Sections 8.1.1, 8.1.2, and 8.1.3 a copy of this Agreement.

- 8.2.2 Each Member, Manager and Economic Interest Owner has the right, upon reasonable request for purposes reasonably related to the interest of the Person as Member, Manager or Economic Interest Owner, to:
  - 8.2.2.1 inspect and copy during normal business hours any of the Company records described in Sections 8.1.1 through 8.1.7; and
  - 8.2.2.2 obtain from the Managers, promptly after their becoming available, a copy of the Company's federal, state, and local income tax or information returns for each Fiscal Year.
- 8.2.3 Members representing at least five percent (5%) of the Percentage Interests, or three or more Members, make a written request to the Managers for an income statement of the Company for the initial three-month, six-month, or nine-month period of the current Fiscal Year ended more than 30 days prior to the date of the request, and a balance sheet of the Company as of the end of that period. Such statement shall be accompanied by the report thereon, if any, of the independent accountants engaged by the Company or, if there is no report, the certificate of a Manager that the statement was prepared without audit from the books and records of the Company, if so requested, the statement shall be delivered or mailed to the Members within 30 days thereafter.
- 8.2.4 Any request, inspection or copying by a Member or Economic Interest Owner under this Section 8.2 may be made by that Person or that Person's agent or attorney.
- 8.2.5 The Managers shall promptly furnish to a Member a copy of any amendment to the Articles or this Agreement executed by a Manager pursuant to a power of attorney from the Member.

### 8.3 ANNUAL STATEMENTS.

8.3.1 The Managers shall cause an annual report to be sent to each of the Members not later than 120 days after the close of the Fiscal Year. The report shall contain a balance sheet as of the end of the Fiscal Year and an income statement and statement of changes in

financial position for the Fiscal Year. Such financial statements shall be accompanied by the report thereon, if any, of the independent accountants engaged by the Company or, if there is no report, the certificate of a Manager that the financial statements were prepared without audit from the books and records of the Company.

- 8.3.2 The Managers shall cause to be prepared at least annually, at Company expense, information necessary for the preparation of the Members' and Economic Interest Owners' federal and state income tax returns. The Managers shall send or cause to be sent to each Member or Economic Interest Owner within 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, if the Company has 35 or fewer Members, a copy of the Company's federal, state, and local income tax or information returns for that year.
- 8.3.3 The Managers shall cause to be filed at least annually with the California Secretary of State the statement required under California Corporations Code Section 17060.

### 8.4 FINANCIAL AND OTHER INFORMATION

The Managers shall provide such financial and other information relating to the Company or any other Person in which the Company owns, directly or indirectly, an equity interest, as a Member may reasonably request. The Managers shall distribute to the Members, promptly after the preparation or receipt thereof by the Managers, any financial or other information relating to any Person in which the Company owns, directly or indirectly, an equity interest, including any filings by such Person under the Securities Exchange Act of 1934, as amended, that is received by the Company with respect to any equity interest of the Company in such Person.

### 8.5 FILINGS

The Managers, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Managers, 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. If a Manager required by the Act to execute or file any document fails, after demand, to do so within a reasonable period of time or refuses to do so, any other Manager or Member may prepare, execute and file that document with the California Secretary of State.

### 8.6 BANK ACCOUNTS

The Managers shall maintain the funds of the Company in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

### 8.7 ACCOUNTING DECISIONS AND RELIANCE ON OTHERS

All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Managers. The Managers may rely upon the advice of their accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes.

# 8.8 TAX MATTERS FOR THE COMPANY HANDLED BY MANAGERS AND TAX MATTERS PARTNER

The Manager shall act as Tax Matters Member ("Partner") of the Company pursuant to IRC Section 6231(a)(7).

# 8.8.1 <u>AUTHORITY TO BE EXERCISED BY THE TAX MATTERS MEMBER</u>

The Tax Matters Member ("Partner") is hereby authorized to do the following:

- 8.8.1.1 Keep the Members informed of administrative and judicial proceedings for the adjustment of Company items (as defined in IRC Section 6231(a)(3)) at the Company level, as required under IRC Section 6223(g) and the implementing Regulations;
- 8.8.1.2 Enter into settlement agreements under IRC Section 6224(c)(3) and applicable Regulations with the Internal Revenue Service or the Secretary of the Treasury (the Secretary) with respect to any tax audit or judicial

review, in which agreement the Tax Matters Member may expressly state that such agreement shall bind the other Members, except that such settlement agreement shall not bind any Member who (within the time prescribed under the Code and Regulations) files a statement with the Secretary providing that the Tax Matters Member shall not have the authority to enter into a settlement agreement on behalf of such Member;

- 8.8.1.3 On receipt of a notice of a final Company administrative adjustment, to file a petition for readjustment of the Company items with the Tax Court, the District Court of the United States for the district in which the Company's principal place of business is located, or the United States Court of Federal Claims, all as contemplated under IRC Section 6226(a) and applicable Regulations;
- 8.8.1.4 File requests for administrative adjustment of Company items on Company tax returns under IRC Section 6227(b) and applicable Regulations; and, to the extent such requests are not allowed in full, file a petition for adjustment with the Tax Court, the District Court of the United States for the district in which the Company's principal place of business is located, or the United States Court of Federal Claims, all as contemplated under IRC Section 6228(a); and
- 8.8.1.5 To take any other action on behalf of the Members or the Company in connection with any administrative or judicial tax proceeding to the extent permitted by law or regulations, including retaining tax advisers (at the expense of the Company) to whom the Tax Matters Member may delegate such rights and duties as deemed necessary and appropriate.

### 9 DISSOLUTION AND WINDING UP

### 9.1 DISSOLUTION

The Company shall be dissolved upon the first to occur of the following events:

- 9.1.1 The death, incapacity, bankruptcy, withdrawal, or dissolution of a Member, provided, however, that the remaining Members may by the Vote of a Majority of Members within 90 days of the happening of that event Vote to continue the business of the Company, in which case, the Company shall not dissolve. If the remaining Members fail to so Vote, the remaining Members shall wind up the Company. For purposes of this Paragraph (a), in determining a Majority of Members, the Percentage Interest of the Member who has died, become incapacitated, withdrawn, or who has become bankrupt or dissolved shall be taken into account.
- **9.1.2** The expiration of the term of existence of the Company.
- 9.1.3 The written agreement of all Members to dissolve the Company.
- **9.1.4** The sale or other disposition of substantially all of the Company's assets.
- **9.1.5** Entry of a decree of judicial dissolution under Corporation Code Section 17351.
- 9.1.6 The sale of all or substantially all of the assets of Company.

### 9.2 CERTIFICATE OF DISSOLUTION

As soon as possible following the occurrence of any of the events specified in Section 9.1, the Managers who have not wrongfully dissolved the Company or, if none, 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.

### 9.3 WINDING UP

Upon the occurrence of any event specified in Section 9.1, the Company shall continue solely for the purpose of winding up ifs affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Managers who have not wrongfully dissolved the Company or, If none, 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 there from, to the extent

sufficient therefore, to be applied and distributed as provided in Section 9.5. 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 Managers or Members winding up the affairs of the Company shall be entitled to reasonable compensation for such services.

### 9.4 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 6, 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 Managers or 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 the Manager or liquidating trustee and approved by the Members

### 9.5 ORDER OF PAYMENT OF LIABILITIES UPON DISSOLUTION.

- 9.5.1 After determining that all known debts and liabilities of the Company in the process of winding-up, 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, 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.
- 9.5.2 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:

- 9.5.2.1 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.
- **9.5.2.2** The amount of the debt or liability has been deposited as provided in Section 2008 of the Corporations Code.
- **9.5.3** This Section 9.5.2 shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

### 9.6 COMPLIANCE WITH REGULATIONS

All payments to the Members upon the winding and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1 (b)(2)(ii)(d).

### 9.7 <u>LIMITATIONS ON PAYMENTS MADE IN DISSOLUTION</u>

Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely at the assets of Company for the return of his or her positive Capital Account balance and shall have no recourse for his or her Capital Contribution and/or share of Net Profits (upon dissolution or otherwise) against the Managers or any other Member except as provided in Article 6.

### 9.8 CERTIFICATE OF CANCELLATION

The Managers or 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.

### 9.9 NO ACTION FOR DISSOLUTION

Except as expressly permitted in this Agreement, a Member shall not take any voluntary action that directly causes a Dissolution Event. The Members acknowledge that irreparable damage would be done to the goodwill and reputation of the Company if any Member should bring an action in court to dissolve the Company under circumstances where dissolution is not required by Section 9.1. This Agreement has been drawn carefully to provide fair treatment of all parties and equitable payment in liquidation of the Economic Interests. Accordingly, except where the Managers have failed to liquidate the Company as required by this Article 10, each Member hereby waives and renounces his or her right to initiate legal action to seek the appointment of a receiver or trustee to liquidate the Company or to seek a decree of judicial dissolution of the Company on the ground that (a) it is not reasonably practicable to carry on the business of the Company in conformity with the Articles or this Agreement, or (b) dissolution is reasonably necessary for the protection of the rights or interests of the complaining Member. Damages for breach of this Article 9 shall be monetary damages only (and not specificperformance), and the damages may be offset against distributions by the Company to which such Member would otherwise be entitled.

### 10 INDEMNIFICATION AND INSURANCE

### 10.1 INDEMNIFICATION OF AGENTS

The Company shall 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 or she is or was a Member, Manager, officer, employee or other agent of the Company or that, being or having been such a Member, Manager, officer, employee or agent, he or she is or was serving at the request of the Company as a manager, director, officer, 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 Managers shall be authorized, on behalf of the Company, 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 Managers deem appropriate in their business judgment.

### 10.2 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 10.1 or under applicable law.

### 11 INVESTMENT REPRESENTATIONS

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

### 11.1 PREEXISTING RELATIONSHIP OR EXPERIENCE

(i) He or she has a preexisting personal or business relationship with the Company or one or more of its officers, Managers or control persons or (ii) by reason of his or her business or financial experience, or by reason of the business or financial experience of his or her 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 or she is capable of evaluating the risks and merits of an investment in the Membership Interest and of protecting his or her own interests in connection with this investment.

### 11.2 NO ADVERTISING

He or she 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.

### 11.3 INVESTMENT INTENT

He or she is acquiring the Membership Interest for investment purposes for his or her 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.

### 11.4 PURPOSE OF ENTITY

If the Member is a corporation, partnership, limited liability company, trust, or other entity, it was not organized for the specific purpose of acquiring the Membership Interest.

### 11.5 RESIDENCY

He or she is a resident of the state of California.

### 11.6 ECONOMIC RISK

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

### 11.7 NO REGISTRATION OF MEMBERSHIP INTEREST

He or she 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 of 1968, as amended, or any other applicable blue sky laws in reliance, in part, on his or her representations, warranties, and agreements herein.

### 11.8 MEMBERSHIP INTEREST IN RESTRICTED SECURITY

He or she 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. In this connection, he or she understands the resale limitations imposed by the Securities Act and is familiar with SEC Rule 144, as presently in effect, and the conditions which must be met in order for that Rule to be available for resale of "restricted securities," including the requirement that the securities must be held for at least two years after purchase thereof from the Company prior to resale (three years in the absence of publicly available information about the Company) and the condition that there be available to the public current information about the Company under certain circumstances. He or she understands that the Company has not made such information available to the public and has no present plans to do so.

### 11.9 NO OBLIGATION TO REGISTER

He or she represents, warrants, and agrees that the Company and the Managers are under no obligation to register or qualify the Membership Interest under the Securities Act or under any state securities law, or to assist him or her in complying with any exemption from registration and qualification.

### 11.10 NO DISPOSITION IN VIOLATION OF LAW

Without limiting the representations set forth above, and without limiting Article 7 of this Agreement, he or she will not make any disposition of all or any part of the Membership Interest which will result in the violation by him or her or by the Company of the Securities Act, the California Corporate Securities Law of 1968, or any other applicable securities laws. Without limiting the foregoing, he or she agrees not to make any disposition of all or any part of the Membership interest unless and until:

- 11.10.1 There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement and any applicable requirements of state securities laws; or
- 11.10.2 (i) He or she has notified the Company of the proposed disposition and has furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (ii) if reasonably requested by the Managers, he or she has furnished the Company with a written opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of any securities under the Securities Act or the consent of or a permit from appropriate authorities under any applicable state securities law.
- 11.10.3 In the case of any disposition of all or any part of the Membership Interest pursuant to SEC Rule 144, In addition to the matters set forth in Section 11.11 B, he or she shall promptly forward to the Company a copy of any Form 144 filed with the SEC with respect to such disposition and a letter from the executing broker satisfactory to the Company evidencing compliance with SEC Rule 144. If SEC Rule 144 is amended or if the SEC'S

interpretations thereof in effect at the time of any such disposition have changed from Its present interpretations thereof, he or she shall provide the Company with such additional documents as the Managers may reasonably require.

### 11.11 LEGENDS

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

11.11.1"THE SECURITIES REPRESENTED BY THIS AGREEMENT 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 LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH OUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBIECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH HEREIN."

11.11.2Any legend required by applicable state securities laws.

### 11.12 INVESTMENT RISK

He or she acknowledges that the Membership Interest is a speculative investment which involves a substantial degree of risk of loss by him or her of his or her entire investment in the Company, that he or she understands and takes full cognizance of the risk factors related to the purchase of the Membership Interest, and that the Company is newly organized and has no financial or operating history.

### 11.13 INVESTMENT EXPERIENCE

He or she is an experienced investor in unregistered and restricted securities of limited liability companies or limited partnerships.

### 11.14 RESTRICTIONS ON TRANSFERABILITY

He or she acknowledges that there are substantial restrictions on the transferability of the Membership Interest pursuant to this Agreement, that there is no public market for the Membership Interest none is expected to develop, and that, accordingly, it may not be possible for him or her to liquidate his or her investment in the Company.

### 11.15 INFORMATION REVIEWED

He or she has received and reviewed all information he or she considers necessary or appropriate for deciding whether to purchase the Membership interest. He or she has had an opportunity to ask questions and receive answers from the Company and its officers, Managers and employees regarding the terms and conditions of purchase of the Membership Interest and regarding the business, financial affairs, and other aspects of the Company and has further had the opportunity to obtain all information (to the extent the Company possesses or can acquire such information without unreasonable effort or expense) which he or she deems necessary to evaluate the investment and to verify the accuracy of information otherwise provided to him or her.

### 11.16 NO REPRESENTATIONS BY COMPANY

Neither any Manager, any agent or employee of the Company or of any Manager, or any other Person has at any time expressly or implicitly represented, guaranteed, or warranted to him or her that he or she may freely transfer the Membership Interest, that a percentage of profit and/or amount or type of consideration win be realized as a result of an investment in the Membership Interest, that past performance or experience on the part of the Managers or their Affiliates or any other person in any way indicates the predictable results of the ownership of the Membership Interest or of the overall Company business, that any cash distributions from Company operations or otherwise will be made to the Members by any specific date or will be made at all, or that any specific tax benefits will accrue as a result of an investment in the Company.

### 11.17 CONSULTATION WITH ATTORNEY

He or she has been advised to consult with his or her own attorney regarding all legal matters commencing an investment in the Company and the tax consequences of participating in the Company, and has clone so, to the extent he or she considers necessary.

### 11.18 TAX CONSEQUENCES

He or she acknowledges that the tax consequences to his or her of investing in the Company will depend on his or her particular circumstances, and neither the Company, the Managers, the Members, nor the partners, shareholders, members, managers, agents, officers, directors, employees, Affiliates, or consultants of any of them will be responsible or liable for the tax consequences to him or her of an investment in the Company. He or she will look solely to, and rely upon, his or her own advisers with respect to the tax consequences of this investment.

### 11.19 NO ASSURANCE OF TAX BENEFITS

He or she acknowledges that there can be no assurance that the Code or the Regulations will not be amended or interpreted in the future in such a manner so as to deprive the Company and the Members of some or all of the tax benefits they might now receive, nor that some of the deductions claimed by the Company or the allocations of items of income, gain, loss, deduction, or credit among the Members may not be challenged by the Internal Revenue Service.

### 11.20 INDEMNITY

He or she shall indemnify and hold harmless the Company, each and every Manager, each and every other Member, and any officers, directors, shareholders, managers, members, employees, partners, agents, attorneys, registered representatives, and control persons of any such entity who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of or arising from any misrepresentation or misstatement of facts or omission to represent or state facts made by him or her including, without limitation, the information in this Agreement, against losses, liabilities, and expenses of the Company, each and every Manager, each and every other Member, and any officers, directors, shareholders, managers, members, employees, partners, attorneys, accountants, agents, registered representatives, and control persons of any such Person (including attorneys' fees, judgments, fines, and amounts paid in settlement, payable as incurred) incurred by such Person in connection with such action, suit, proceeding, or the like.

### 12 CONFIDENTIALITY

### 12.1 NO DISCLOSURE OF CONFIDENTIAL

Each Member hereby covenants with the Company and each other Member that the will not use or disclose in any manner any Confidential Information.

### 12.1.1 "CONFIDENTIAL INFORMATION"

means all trade secrets, "know-how," customer lists, pricing policies, operational methods, programs, and other business information of the Company created, developed, produced, or otherwise arising before the date of the transfer.

### 12.2 INJUNCTIVE RELIEF FOR BREACH OF AGREEMENT

Each Member hereby stipulates that a breach of the provisions of this Agreement will result in irreparable damage and injury to the Company for which no money damages could adequately compensate it. If the Member breaches the provisions of this Agreement, in addition to all other remedies to which the Company may be entitled, and notwithstanding the provisions of, the Company shall be entitled to an injunction to enforce the provisions of this Agreement, to be issued by any court of competent jurisdiction, to enjoin and restrain the Member and each and every Person concerned or acting in concert with the Member from the continuance of such breach. Each Member expressly waives any claim or defense that an adequate remedy at law might exist for any such breach.

### 12.3 SEVERABILITY TO MAINTAIN EFFECTIVENESS

If the provisions contained herein shall be deemed to exceed the time or geographic limits or any other limitation imposed by applicable law in any jurisdiction, then such provision shall be deemed reformed in such jurisdiction to the maximum extent permitted by applicable law.

### 13 INDEMNIFICATION AND ARBITRATION

The following terms and conditions shall apply to the Company regarding Indemnification and Arbitration:

### 13.1 INDEMNIFICATION

The Company shall have the power to indemnify any Person who was or is a party, or who is threatened to be made a party, to any Proceeding by reason of the fact that such Person was or is a Member, Manager, officer, employee, or other agent of the Company, or was or is serving at the request of the Company as a director, officer, employee, or other Agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by such Person in connection with such proceeding, if such Person acted in good faith and in a manner that such Person reasonably believed to be in the best interests of the Company, and, in the case of a criminal proceeding, such Person had no reasonable cause to believe that the Person's conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner that such Person reasonably believed to be in the best interests of the Company, or that the Person had reasonable cause to believe that the Person's conduct was unlawful.

To the extent that an agent of the Company has been successful on the merits in defense of any Proceeding, or in defense of any claim, issue, or matter in any such Proceeding, the agent shall be indemnified against expenses actually and reasonably incurred in connection with the Proceeding. In all other cases, indemnification shall be provided by the Company only if authorized in the specific case by a Majority of Members.

"Agent," as used in this Section 13.1, shall include a trustee or other fiduciary of a plan, trust, or other entity or arrangement described in Corporation Code Section 207(f)

"Proceeding," as used in this Section 13.1, means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

Expenses of each Person indemnified under this Agreement actually and reasonably incurred in connection with the defense or settlement of a proceeding may be paid by the Company in advance of the final disposition of such proceeding, as authorized by the Managers who are not seeking indemnification or, if there are none, by a Majority of the Members, upon receipt of an undertaking by such Person to repay such

amount unless it shall ultimately be determined that such Person is entitled to be indemnified by the Company. "Expenses," as used in this Section 13.1, includes, without limitation, attorney fees and expenses of establishing a right to indemnification, if any, under this Section 13.1.

### 13.2 ARBITRATION

Any action to enforce or interpret this Agreement, or to resolve disputes with respect to this Agreement as between the Company and a Member, or between or among the Members, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive dispute resolution process in the State of California, but arbitration shall be a nonexclusive process elsewhere. Any party may commence arbitration by sending a written demand for arbitration to the other parties. Such demand shall set forth the nature of the matter to be resolved by arbitration. The Manager shall select the place of arbitration. The substantive law of the State of California shall be applied by the arbitrator to the resolution of the dispute. The parties shall share equally all initial costs of arbitration. The prevailing party shall be entitled to reimbursement of attorney fees, costs, and expenses incurred in connection with the arbitration. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered upon any such decision in accordance with applicable law in any court having jurisdiction thereof. The arbitrator (if permitted under applicable law) or such court may issue a writ of execution to enforce the arbitrator's decision.

### 14 MISCELLANEOUS

### 14.1 COUNSEL TO THE COMPANY

Counsel to the Company may also be counsel to any Manager or any Affiliate of a Manager. The Managers may execute on behalf of the Company and the Members any consent to the representation of the Company that counsel may request pursuant to the California Rules of Professional Conduct or similar rules in any other jurisdiction ("Rules").

### 14.2 COMPLETE AGREEMENT

This Agreement and the Articles constitute the complete and exclusive statement of agreement among the Members and Managers with

respect to the subject matter herein and therein and replace and supersede all prior written and oral agreements or statements by and among the Members and Managers or any of them. No representation, statement, condition or warranty not contained in this Agreement or the Articles will be binding on the Members or Managers or have any force or effect whatsoever. To the extent that any provision of the Articles conflict with any provision of this Agreement, the Articles shall control.

### 14.3 COUNTERPART EXECUTIONS

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

### 14.4 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.

### 14.5 PARTIES IN INTEREST

Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and Managers and their respective successors and assigns nor shall anything in this Agreement relieve or discharge the obligation or Qualify of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement.

### 14.6 PRONOUNS: STATUTORY REFERENCES

All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require. Any reference to the Code, the Regulations, the Act, Corporations Code or other statutes or laws will include all amendments, modifications, or replacements of the specific Sections and provisions commenced.

### 14.7 **HEADINGS**

All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

### 14.8 INTERPRETATION

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 or her counsel.

### 14.9 REFERENCES TO THIS AGREEMENT

Numbered or lettered articles, Sections and subsections herein contained refer to articles, Sections and subsections of this Agreement unless otherwise expressly stated.

### 14.10 JURISDICTION

Each Member hereby consents to the exclusive jurisdiction of the state and federal courts sitting in California in any action on a claim arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement, provided such claim is not required to be arbitrated pursuant to Section 13.2. Each Member further agrees that personal jurisdiction over him or her may be effected by service of process by registered or certified mail addressed as provided in Section 2.5 of this Agreement, and that when so made shall be as if served upon him or her personally within the State of California.

### 14.11 EXHIBITS

All Exhibits attached to this Agreement are incorporated and shall be treated as if set forth herein.

### 14.12 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.

### 14.13 NUMBER AND GENDER

Whenever used in this Agreement, the singular shall include the plural and the plural shall include the singular, and the neuter gender shall include the male and female as well as a trust, firm, company, or corporation, all as the context and meaning of this Agreement may require.

### 14.14 FURTHER ASSURANCES

The parties to this Agreement shall promptly execute and deliver any and all additional documents, instruments, notices, and other assurances, and shall do any and all other acts and things, reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the intent of the parties.

### 14.15 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 on of their own respective businesses or activities.

### 14.16 **AGENT**

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

### 14.17 <u>AUTHORITY TO CONTRACT</u>

Each Member represents and warrants to the other Members that the Member has the capacity and authority to enter into this Agreement.

### 14.18 TITLES AND HEADINGS

The Article, Section, and subsection 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.

### 14.19 AMENDMENT

This Agreement may be altered, amended, or repealed only by a writing signed by all of the Members.

### 14.20 TIME OF THE ESSENCE

Time is of the essence of every provision of this Agreement that specifies a time for performance.

### 14.21 NO THIRD PARTY BENEFICIARY INTENDED

This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

### 14.22 ADDITIONAL DOCUMENTS AND ACTS

Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

### 14.23 NOTICES

Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing (which may include facsimile) and will be deemed to have been given and received when delivered to the address specified by the Party to receive the notice. Such notices will be given to a Member or Manager at the address specified in Exhibit B hereto. Any party may, at any time by giving five (5) days' prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

### 14.24 AMENDMENTS

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

### 14.25 RELIANCE ON AUTHORITY OF PERSON SIGNING AGREEMENT

If a Member is not a natural person, neither the Company nor any Member will (a) be required to determine the authority of the individual signing this Agreement to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual or (b) be responsible for the application or distribution of proceeds paid or credited to individuals signing this Agreement on behalf of such entity.

# 14.26 NO INTEREST IN COMPANY PROPERTY: WAIVER OF ACTION FOR PARTITION

No Member or Economic interest Owner has any interest in specific property of the Company. Without limiting the foregoing, each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that he or she may have to maintain any action for partition with respect to the property of the Company.

### 14.27 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.

### 14.28 ATTORNEY FEES

In the event that any dispute between the Company and the Members or among the Members should result in litigation or arbitration, 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.

### 14.29 REMEDIES CUMULATIVE

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

### 14.30 SPECIAL POWER OF ATTORNEY

14.30.1 Attorney in Fact. Each Member grants the Managers a special power of attorney irrevocably making, constituting, and appointing

the Managers as the Member's attorney in fact, with all power and authority to act in the Member's name and on the Member's behalf to execute, acknowledge and deliver and swear to in the execution, acknowledgment, delivery and filing of the following documents:

- **14.30.1.1** Promissory notes to be delivered pursuant to Section 3.1;
- **14.30.1.2** Security agreements to be delivered pursuant to Section 3.1;
- 14.30.1.3 Assignments of certificates of membership interest or other documents of transfer to be delivered pursuant to Section 3.5 or in connection with the purchase of a Membership Interest pursuant to Section 3.1, Section 7.7 or Article 9;
- 14.30.1.4 Any other instrument or document that may be reasonably required by the Managers in connection with any of the foregoing or to reflect any reduction in the Member's Capital Account or Percentage Interest pursuant to Section 3.1; and
- **14.30.1.5** Any consent to the representation of the Company by counsel selected by the Managers as described in Section 14.1.

### 14.30.2 IRREVOCABLE POWER

The special power granted in Section 14.30: (i) is irrevocable, (ii) is coupled with an interest and (iii) shall survive a Members death, incapacity or dissolution.

### 14.30.3 SIGNATURES

The Managers may exercise the special power of attorney granted in Section 14.30 by a facsimile signature of any Manager or one of their officers or by signature of any Manager or one of their officers.

ما عدا درسال

IN WITNESS WHEREOF, all of the Members of ALCOTT PROPERTIES, LLC., a California limited liability company, have executed this Agreement, effective as of the date set forth below.

Manager:

DATED: 3/2

Members:

FRED NAYSSAN as Trustee of THE NAYSSAN FAMILY TRUST

**DEPARTMENT OF** CITY PLANNING

200 N. SPRING STREET, ROOM 525 LOS ANGELES, CA 90012-4801

CITY PLANNING COMMISSION

JANE ELLISON USHER ANDRES F. IRLANDO

DIEGO CARDOSO REGINA M. FREER ROBIN R. HUGHES SABRINA KAY FR. SPENCER T. KEZIOS

MICHAEL K. WOO GABRIELE WILLIAMS COMMISSION EXECUTIVE AS (213) 978-1300

OF LOS ANGELE

LAND DEVELOPMENT GROUPORDON B. HAMILTON

06 OCT 30 PM 3: 09

DIRECTOR (213) 978-1271 DEPUTY DIRECTOR

**EXECUTIVE OFFICES** 

S. GAIL GOLDBERG, AICP

(213) 978-1272 ROBERT H. SUTTON DEPUTY DIRECTOR (213) 978-1274

FAX: (213) 978-1275

INFORMATION (213) 978-1270 www.lacity.org/PLN

Filing Notification and Distribution

ANTONIO R. VILLARAIGOSA MAYOR

October 18, 2006

DATE OF FILING AND MAP STAMP DATE

**ADDRESS: 1600 Westgate Avenue** 

REVISED **TENTATIVE TRACT NO. 67016** 

**DISTRIBUTION DATE: October 25, 2006** 

Hillside: ()Yes (X)No

**COMMUNITY: West Los Angeles** 

- (X) **COUNCIL DISTRICT NO.: 11**
- (X ) Neighborhood Planning (Check Office below)
  - () Valley
  - (X)West Los Angeles
  - () Harbor
  - () Metro E/S

Department of Public Works

- (X) Bureau of Engineering
- () Bureau of Sanitation

Department of Building and Safety

- (X) Grading
- (X) Zoning
- (X) Department of Transportation

Department of Water and Power

- () Underground Design(no distribution,per S.Bullum)
- () Real Estate
- () Water System
- (X) Fire Department (mark "Fire")

- ( ) Community Plan Revision
- (X) Department of Recreation and Parks
- (X) Department of Telecommunications
- ()Bureau or Street Lighting (No. P.S.)
- ( ) Community Redevelopment Agency
  - (See Counter Map) (No P.S.)
- () Animal Regulation (Hillside)
- (X) Housing Department
- () Board of Education (No P.S.)
- () Los Angeles County Health Department (No P.S.)
- () City of Beverly Hills

(See Counter Map) (No P.S.)

- ( ) Dan O'Connell (if in Mulholland Scenic Corridor)
- (X) Imaging Services
- (X) GIS
- () Street Tree Services (Haul Route)

The above tract has been filed with the Advisory Agency.

The Advisory Agency will await your report and recommendation regarding the above matter for 39 days. If we have not received a written report from you after 40 days from the date of filing, we will assume that you have no report to make.

S. Gail Goldberg Advisory Agency

Deputy Advisory Agency

-6300 (5/23/00)

# DEPARTMENT OF CITY PLANNING REQUEST FOR REVISED TENTATIVE TRACT MAP

NOTE: APPLICATION WILL NOT BE ACCEPTED IF IT DOES NOT FULLY CONFORM WITH ALL WRITTEN CONDITION OF A TRACT APPROVAL

TYPE OR PRINT NEATLY AND PROVIDE COMPLETE INFORMATION. IF QUESTION IS NOT APPLICABLE, SO STATE. INFORMATION MAY BE CONTINUED ON ADDITIONAL SHEET, IF NECESSARY.

### SUBMIT THE FOLLOWING:

TRACT NO. 670 16

- 1. Twenty Eight (28) copies of this application.
- 2. Twenty Eight copies (28) of tentative tract conditions of approval and subsequent modifications, zone change or appeal conditions, if any.
- 3. Twenty Eight (26) copies of the proposed revised tract map (folded to  $8\frac{1}{2}$ " x 11"). Attach a copy of this application to each revised map.
- 4. Filing Fee.

### THIS FORM MUST BE PRESENTED IN PERSON

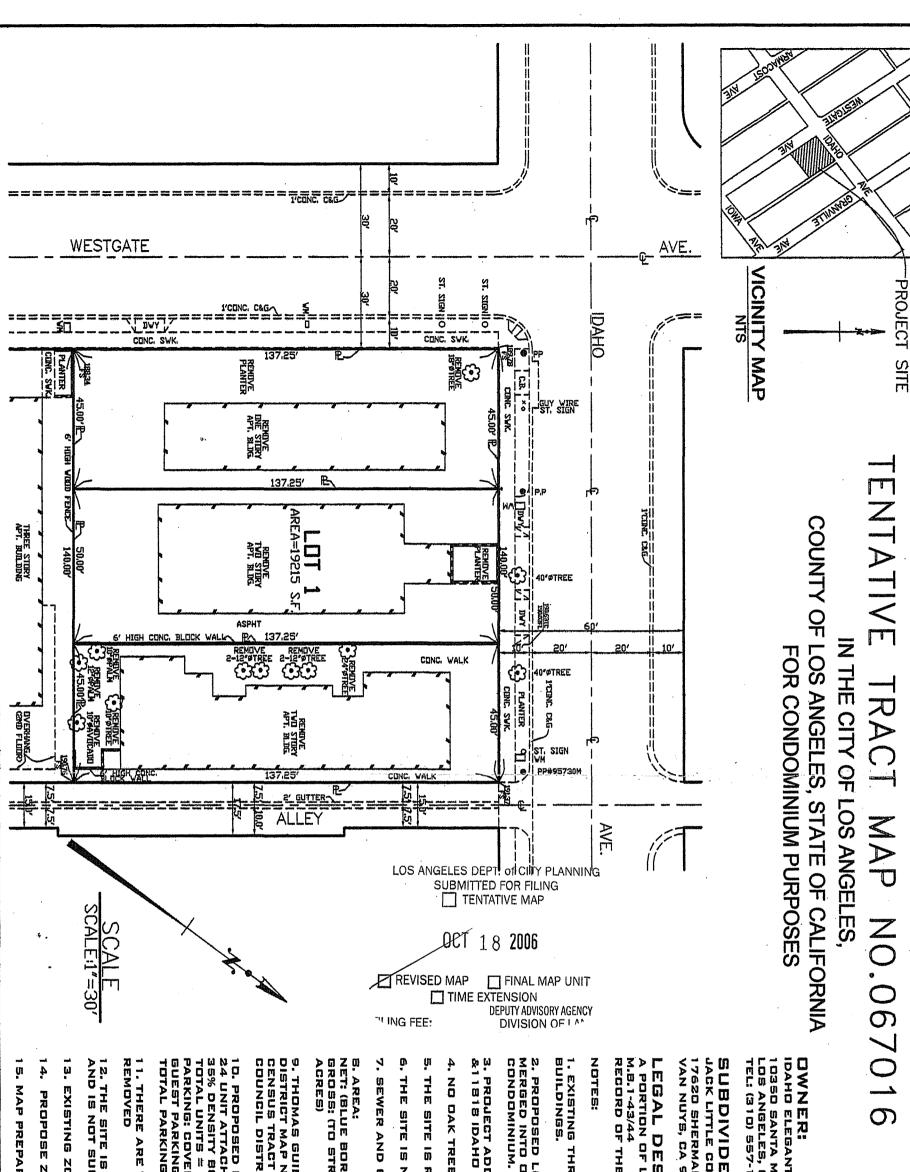
council district no. \_\_//\_

1.	Street address of property:	
	If tract is a unit or part of another tract, indicate related tract number:	
3.	Existing zone is	
4.	Community/District Plan Area: <u>WEST LA</u> . Land use designation per adopted and/or proposed Community Plan:	
5.	Tract Approval Date: Not get Existing Tract Map Date:	
6.	Type of environmental clearance (must conform to revised tentative tract map request) and reference number:	
7.	Have any appeals been filed on this tract? YES NO. If YES, state appellant's name and date appeal was acted on by City Planning Commission and/or City Council	
8.	Will revised tentative tract map request affect <u>any</u> covenants and agreements already recorded? YES NO If YES, please note on a separate sheet which conditions are affected, <u>and</u> attach the corresponding recorded covenant document number.	

## STATEMENT OF REVISED TENTATIVE THACT MAP REQUEST

Revised Tract Map Will Change:
( ) Size or shape of original tract map ( ) Number, shape, or size of any lots.  of parking spaces ( ) Landscaping ( ) Open Space ( ) Number of Trees. ( ) Solar access
*Give details of all changes on a supplemental sheet.
This is a request for (check one): Add supplemental sheets if necessary
1. (V) The revised tentative tract map is being submitted to satisfy a condition(s) of the tract approval. Give Condition No(s).  Number and explain in detail how the revised tract map satisfies each of these conditions(s)  The tentative tract Map has not been in hearing yet. We are changing the number of condomnine From 24 Units to 32 Units of the B Additional Requested will be as a port of 35% Bonus density of that 6 units of the 35 Bonus density set aside for a Low INCOME Households. (Earning 50% To 85% AMT)
2. ( ) The revised tract map is the applicant's request for a change of the approved tract map and do not affect the conditions required by the tract map approval. Explain in detail what changes are proposed and why these changes should be approved

	•
3. ( ) This revised tract may hearing and Advisory information on the hear	p is submitted prior to the required public Agency determination, and will not affect ring notice.
CURRENT OWNER	CURRENT ENGINEER/SURVEYOR
Name <u>FRED NAYSSAN</u>	Name OHS & ASSOR
Address 18350 SANTA MONICA B	1. # 190 Address A75 CENTENNIAL WY # 20
City <u>LA</u> Zip <u>90025</u> Telephone: (31°) 557-1704	City <u>TUSTIN</u> Zip <u>92780</u>
Telephone: (3)*) 33 7-17 0 1	Telephone. (1/14) 663- 6567
I certify that the statements knowledge.	on this form are true to the best of my
Signature:	
( ) Owner or Su	bdivider ( ) Owner's/Subdivider's representative
FC	OR OFFICE USE ONLY
Filing Fee	Date Received
	Ву
	Department of City Planning  Division of Land Section
Fee Paid	Division of Land Section
Receipt No.	Assigned To:
Ву	
Date	



OWNER:
IDAHO ELEGANT APARTMENT, LLC
10350 SANTA MONICA BLVD. # 191
LOS ANGELES, CA 90025
TEL: (310) 557-1704 MONICA BLVD. # 190 CA 90025

# ER/ENGINEER:

O AN WAY #217 91406

SCRIPTION

LOT 1, BLOCK 9, PACIFIC FARMS TRACT E LOS ANGELES COUNTY

THREE LOTS CONSIST OF THREE APARTMENT

COT: THE EXISTING THREE LOTS WILL ONE LOT FOR TWENTY FOUR (24) UNITS

3. PROJECT ADDRESS: 1600 WESTGATE AVE. & 11816 &11818 IDAHO AVE., LOS ANGELES, CA 90025.

NO DAK TRE ES ON THE SITE.

THE SITE IS RELATIVELY FLAT.

NOT IN THE FLOOD ZONE AREA.

SEWER AND OTHER PUBLIC UTILITIES ARE AVAILABLE.

RDER): 19215 S.F. (0.441 AGRES) REET CENTER LINE): 29686 S.F. (0.681

IIDE: PAGE 631-J6 NO. 126 B149 T NO. 2675.01 RICT NO. 11

10. PROPOSED DEVELOPMENT DATA:
24 UNIT ATTACHED CONDOMINIUMS
35% DENSITY BONUS = 8 UNITS
TOTAL UNITS = 32
PARKING: COVERED PARKING SPACE FOR 32-UNITS =64
GUEST PARKING=16 GUEST PARKING=16: TOTAL PARKING SPACES=80

TEN TREES ON THE LOT, WHICH WILL BE

12. THE SITE IS NOT IN GEOLOGICALLY HAZARDOUS AREA AND IS NOT SUBJECT TO FLOOD HAZARD.

**EXISTING ZONING: R3-1** 

PROPOSE ZONING: R3-1

RED ON 10-4-2006

