

Office of the City Engineer

Los Angeles, California

To The Honorable Council

Of the City of Los Angeles

Honorable Members:

SEP 22 2008

C. D. No. 4

SUBJECT:

Final Map of Tract No. 66317

RECOMMENDATIONS:

Approve the final map of Tract No. 66317 located at 5312 N. Denny Avenue lying easterly of Denny Avenue and southerly of Chandler Boulevard 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. 66317.
2. Unnumbered file for Tract No. 66317.
3. Subdivision Improvement Agreement and Contract with attached security documents.

DISCUSSION:

The tentative map of Tract No. 66317 was conditionally approved by the Advisory Agency on December 8, 2006 for a maximum 7-unit residential condominium project.

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

The conditions of approval for the tract map have been fulfilled including payment of the Recreation and Parks Fee of \$31,234.00. 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 December 8, 2009.

The subdivider and engineer for this subdivision are:

Subdivider

Chris Putrimas
13605 Fiji Way
Marina Del Rey, CA 90292

Report prepared by:

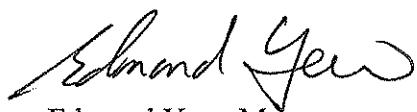
Land Development Group

Alan Lee
Civil Engineer
Phone (213)977-8932

Engineer

Harvey A. Goodman
834 17th Street
Santa Monica, CA 90403

Respectfully submitted,



Edmond Yew, Manager
Land Development Group
Bureau of Engineering

EY/AL/WS

APPROVED FOR THE
CITY ENGINEER BY
Dingle
BOND CONTROL

ACCEPTED
RISK MANAGEMENT
CITY ADMINISTRATIVE OFFICE

CAO 080026
1-30-08

City of Los Angeles
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 **BI-COASTAL CONSTRUCTION, 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. 66317

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

SIXTY FOUR THOUSAND AND NO/100 Dollars (\$64,000.00).

TWO: 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.

Continuation Sheet For:

SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

FOUR: 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.

FIVE: 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.

SIX: 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.

SEVEN: 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.

EIGHT: 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.

Continuation Sheet For:

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.

ELEVEN: 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.

TWELVE: 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.

Continuation Sheet For:

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 Jan. 21st, 20 08.

BI-COASTAL CONSTRUCTION, LLC

by Chris Retimus - Manager



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

District Design Office: **VALLEY**

Council District No.: **4**

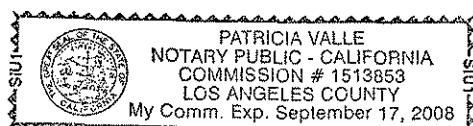
Date Issued: **11/08/2007**

Location: **5312 DENNY AVE**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles }
On JAN 22-2008 before me, PATRICIA VALLE NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer
personally appeared CHRISTOPHER PUTRIMAS
Name(s) of Signer(s)



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

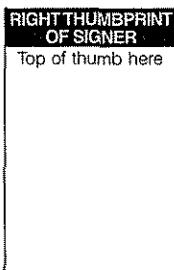
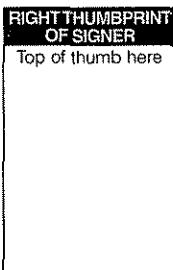
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



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

4365930
SURETY'S BOND NO.

VALLEY

Premium: \$1,600.00 / 2 Years

District/Division Design Office
Council District No. 4
Date Issued: 11/08/2007

CAO-RISK MGMT. NO.

SUBDIVISION IMPROVEMENT AND WARRANTY PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, **BI-COASTAL CONSTRUCTION, LLC**

as PRINCIPAL and SureTec Insurance Company a corporation
incorporated under the laws of the State of Texas 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 **SIXTY FOUR**
THOUSAND AND NO/100 Dollars (\$64,000.00). 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. 66317

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.

Continuation Sheet For:

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 January 17, 20 08.

Principal Signatories
BI-COASTAL CONSTRUCTION, LLC

by Chris Puttrimes - Manager
Chris Puttrimes

SURETY: SureTec Insurance Company

By: *David Noddle* (Attorney-in-Fact)
David Noddle
Surety's Address: 3023 5th Ave., Ste. 300, San Diego, Ca. 92103

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles }
on JAN 22 2008 before me, PATRICIA VALLE NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer
personally appeared CHRIS TOFTHER PUTRIMAS
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(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.

WITNESS my hand and official seal

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

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: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



ACKNOWLEDGMENT

State of California Los Angeles
County of _____

On 01-17-08 before me, Christopher John Rizzotti, Notary
(insert name and title of the officer)

David Noddle
personally appeared _____
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.

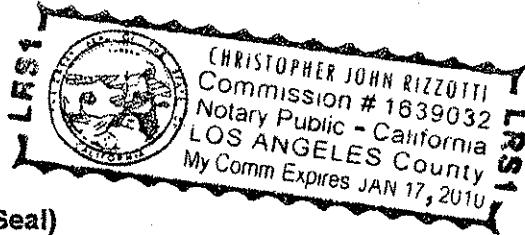
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Signature of Notary Public



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

4365930

SURETY'S BOND NO.

VALLEY

**"Premium Included In
Performance Bond"**

District/Division Design Office
Council District No. 4
Date Issued: 11/08/2007

CAO-RISK MANAGEMENT NO.

SUBDIVISION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, **BI-COASTAL CONSTRUCTION, LLC**

as PRINCIPAL and SureTec Insurance Company a corporation
incorporated under the laws of the State of Texas 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 **THIRTY TWO
THOUSAND AND NO/100 Dollars (\$32,000.00)** 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 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. 66317

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.

Continuation Sheet For:

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 duly executed by the above named PRINCIPAL and SURETY on January 17, 20 08.

Principal Signatories

BI-COASTAL CONSTRUCTION, LLC

Principal Signatories

by Chrs Palmer - Manager
CHP

SURETY: SureTec Insurance Company

By:

(Attorney-in-Fact)

David Noddle

Surety's Address: 3033 5th Ave., Ste. 300, San Diego, Ca. 92103

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On JAN 22 2008 before me, PATRICIA VALLE NOTARY PUBLIC,

Date

Here insert Name and Title of the Officer

personally appeared CHRISTOPHER PUTRIMAS

Name(s) of Signer(s)

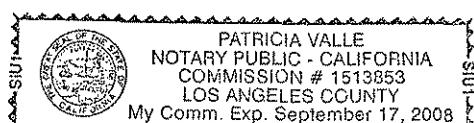
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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.

WITNESS my hand and official seal.

Signature

Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

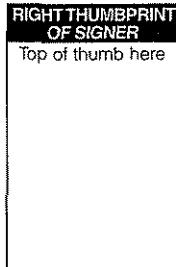
Signer(s) Other Than Named Above: _____

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: _____

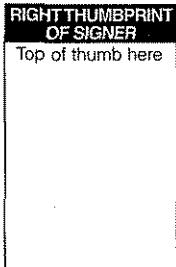
Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



ACKNOWLEDGMENT

State of California Los Angeles
County of _____

On _____ before me, Christopher John Rizzotti, Notary
(insert name and title of the officer)

personally appeared David Noddle

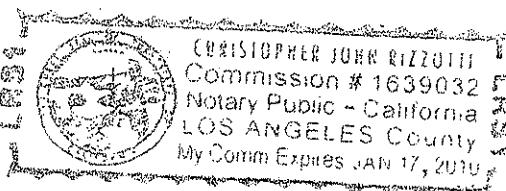
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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.

WITNESS my hand and official seal.

Signature _____

(Seal)



Signature of Notary Public

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

David Noddle

of Tarzana, CA its true and lawful Attorney(s)-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety, providing the bond penalty does not exceed

Five Million Dollars and no/100 (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. Said appointment shall continue in force until 10/31/08 and is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 20th day of June, A.D. 2005.

SURETEC INSURANCE COMPANY

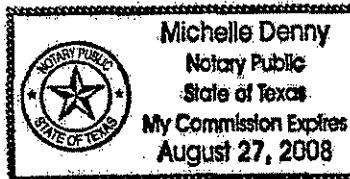
By:

B.J. King, President



State of Texas ss:
County of Harris

On this 20th day of June, A.D. 2005 before me personally came B.J. King, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



Michelle Denny

Michelle Denny, Notary Public
My commission expires August 27, 2008

I, M. Brent Beatty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 17th day of January, 2008, A.D.

M. Brent Beatty
M. Brent Beatty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.

Bi-Coastal Construction, LLC

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (the "Agreement") is entered into as of November 30th, 2005, by and between Chris Putrimas (sometimes referred to as "Putrimas" and sometimes referred to as the "Manager"), Dominico Siano ("Siano") and Ron Knoll ("Knoll") (collectively, the "Members") with reference to the following facts:

- A. Putrimas and Siano organized the Company on June 15, 2005.
- B. The Members desire to enter into this Agreement, to set forth the respective rights, powers and interests of the Members with respect to the Company and their respective Membership Interests therein, and to provide for the management of the business and operations of the Company.

ARTICLE I FORMATION

Section 1.1 Formation. The Members organized a limited liability company pursuant to the Act and authorized the preparation, execution and filing of Articles of Organization with the Secretary of State of the State of California on June 15, 2005. The parties desire to approve this limited liability operating agreement for the Company. This Agreement is therefore made and entered into as of the date set forth above, by and between the Members, for the purposes, among other things, of defining the rights and obligations of the Members with respect to each other and the Company. The Manager shall execute, acknowledge and/or verify such other documents and/or instruments as may be necessary and/or appropriate in order to continue the existence of the Company in accordance with the provisions of the Act. The Members agree to execute all documents and to undertake all other acts, as reasonably may be deemed necessary by the Manager, in order to comply with the requirements of the laws of the State of California (and all other applicable jurisdictions) for the formation, continuation and operation of a limited liability company in accordance with and subject to this Agreement.

Section 1.2 Names and Addresses. The name of the Company is "Bi-Coastal Construction, LLC," a California limited liability company. The principal office of the Company in the State of California shall be at 13605 Fiji Way, Marina del Rey, California 90292, or such other address as the Manager shall designate. The Company's resident agent for service of process on the Company is Chris Putrimas.

The Address of Putrimas is 13605 Fiji Way, Marina del Rey, California 90292. The address of Siano is 42 Glenwood Avenue, Unit B, Norwalk, Connecticut 06854. The address of Knoll is 111 N. Sepulveda Blvd., Suite 240, Manhattan Beach, California 90266.

Section 1.3 Fictitious Business Name Statement. The Manager shall, on the Company's behalf, sign and cause to be filed and published an appropriate fictitious name statement under the California Fictitious Business Name Law. Each of the Non-Manager Members appoint the Manager as its agent and attorney-in-fact to execute on its behalf any such fictitious business statement relating to the Company.

Section 1.4 Nature of Business. The nature of the business and the purpose to be conducted or promoted is to engage in any legal act or activity for which limited liability companies may be organized under the Act; provided, however, that unless otherwise approved by the Members holding 100% of the Company Percentages, the primary nature of the business and the primary purpose to be conducted or promoted is to purchase, finance, develop, build, lease and sell real property located at 5312 Denny Avenue, North Hollywood, California 91601 (the "Project").

Section 1.5 Term of Company. The Company commenced on the date of filing of the Articles and shall continue until the earliest to occur of the following (each a "Termination Event"):

- (a) The written agreement of the Members holding 65% of the Company Percentages;
- (b) The occurrence of events, acts or omissions resulting in dissolution as provided in this Agreement or by law; or
- (c) The sale of all or substantially all of the assets of the Company.

Section 1.6 Certain Definitions. As used herein, the following terms have the following meanings (all terms used in this Agreement that are not defined in this Section 1.6 shall have the meanings set forth elsewhere in this Agreement):

(a) "Act" shall mean the Beverly-Killea Limited Liability Company Act, California Corporations Code Section 17000 *et seq.*, as the same may be amended from time to time.

(b) "Adjusted Capital Account Deficit" shall mean, 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, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Section 1.704-2(g)(1) and 1.704 2(i)(5); and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704 1(b)(2)(ii)(d)(5), and 1.704 1(b)(2)(ii)(d)(6) of the Regulations.

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

(c) "Affiliate" shall mean, when used with reference to a specified Person, (a) any Person who directly or indirectly controls, is controlled by or is under common control with the specified Person, (b) any Person who is an officer, director, partner or trustee of, or serves in a similar capacity with respect to, any such Person, or for which any such Person is an officer, partner or trustee or serves in a similar capacity, and (c) any Person who, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of the specified Person, or of which the specified Person, directly or indirectly, is the owner of 10% or more of any class of equity securities.

(d) "Agreement" shall mean this Limited Liability Company Operating Agreement, as originally executed and as amended from time to time.

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

(f) Intentionally Omitted.

(g) "Bankruptcy" shall mean with respect to a Member, being the subject of an order for relief under Title 11 of the United States Code, or any successor statute or other statute in any foreign jurisdiction having like import or effect.

(h) "Capital Account" shall mean, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(i) to each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Net Income allocated pursuant to Section 5.2(b), any items in the nature of income or gain which are specially allocated pursuant to Section 5.5 or Section 5.6 of this Agreement, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(ii) to each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Net Loss allocated pursuant to Section 5.2(a), any items in the nature of expenses or losses which are specially allocated pursuant to Section 5.5 or Section 5.6 of this Agreement, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company;

(iii) in the event all or a portion of a Member's Membership Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Membership Interest; and

(iv) in determining the amount of any liability for purposes of this definition of Capital Account, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. Wherever the term "partner" appears in the Regulations Section 1.704 it shall refer to "member" where the context so requires. In the event the Manager determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or a Member), are computed in order to comply with such Regulations, the Manager may make such modification, provided that it will not have any effect on the amounts distributable to any person pursuant to Section 7.2 of this Agreement upon the dissolution of the Company. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a person related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

The Manager also shall (a) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Sections 1-704-1(b)(2)(iv)(q), and (b) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(i) "Capital Contributions" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company with respect to the interest in the Company held by such Member.

(j) "Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.

(k) "Company" shall mean the limited liability company, Bi-Coastal Construction, LLC, created pursuant to the Articles.

(l) "Company Minimum Gain" has the meaning set forth in Regulations Sections 1.704 2(d) and 1.704 2(d). For purposes of Regulations Section 1.704, Company shall mean partnership where the context of such regulations require.

(m) "Company Percentage" of each of the Members from the date hereof shall be as follows:

<u>Member</u>	<u>Company Percentage</u>
Putrimas	42.5%
Siano	27.5%
Knoll	30.0%

(n) "Depreciation" shall mean, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

(o) "Distributions" shall mean any cash or other property distributed to Members arising from their Membership Interests in the Company.

(p) "Fiscal Year" means (i) the period commencing on June 15, 2005 December 31, 2005 (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clause (ii) for which the Company is required to allocate Net Income, Net Loss, and other items of Company income, gain, loss or deduction pursuant to Article V hereof.

(q) "Gross Asset Value" means, with respect to any asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;

(ii) the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) the acquisition of an additional Membership Interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for a Membership Interest in the Company and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Manager reasonably determines that such

adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) the Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and

(iv) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subsection (iv) to the extent the Manager determines that an adjustment pursuant to subsection (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subsections (i) or (ii) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Loss.

(r) "Invested Capital" of a Member shall be determined in the following manner: An individual account reflecting each of the Member's Invested Capital shall be maintained. The account shall initially reflect the amount of cash Capital Contributions actually made by each Member pursuant to Section 3.1 and shall be increased by the amount of additional cash Capital Contributions actually made by each Member and approved by the Members in accordance with Section 2.2(e). Each Member's Invested Capital shall be decreased by any distributions made to such Member pursuant to Section 5.8(b)(ii), or pursuant to Section 7.2 below on the winding up of the Company, provided that in no event shall a Member's Invested Capital be reduced below zero. In this connection, any distribution of property to such Member under such sections in a form other than cash shall result in a reduction in such Member's Invested Capital in an amount equal to the Gross Asset Value of the property distributed to such Member net of any Company liabilities which are assumed by such Member or which are secured by the property distributed to such Member. In the event all or a portion of a Member's Membership Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to such Member's Invested Capital to the extent it relates to the transferred Membership Interest. The "Aggregate Invested Capital" shall mean the sum of the Invested Capital of each Member as of any given date.

(s) "Investor Percentage" of a Member shall mean the percentage derived by dividing the Invested Capital of such Member by the aggregate Invested Capital of the Company.

(t) Intentionally Omitted.

(u) "Laws" means all federal, state and local laws, initiatives, referenda, ordinances, rules, regulations, orders, judicial decisions, common law and other governmental and quasi-governmental requirements.

(v) “Liquidation” means, (i) in respect to the Company the earlier of the date upon which the Company is terminated under Section 708(b) of the Code or the date upon which the Company ceases to be going concern (even though it may continue in existence for the purpose of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and (ii) in respect to a Member wherein the Company is not in Liquidation, means the liquidation of the Member’s Membership Interest in the Company under Treasury Regulation Section 1.761-1(d).

(w) “Manager” shall mean Putrimas or any other person that succeeds Putrimas as the Manager of the Company.

(x) “Member(s)” means Putrimas, Siano, Knoll, and any other person admitted to the Company as a Member pursuant to this Agreement, collectively; the term “Member” means any one (1) of the Members.

(y) “Member Nonrecourse Debt” has the meaning set forth in Section 1.704 2(b)(4) of the Regulations.

(z) “Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704 2(i)(3) of the Regulations. For purposes of applying Regulation Section 1.704, Member shall mean partner where the context of such Regulations require.

(aa) “Member Nonrecourse Deductions” has the meaning set forth in Sections 1.704 2(i)(1) and 1.704 2(i)(2) of the Regulations.

(bb) “Membership Interest” shall mean a Member’s entire right, title and interest in and to the Company, including its share of Net Income, Net Loss, Capital Accounts and Distributions.

(cc) “Net Cash Flow” means the total cash receipts of the Company from the operations of the Company business, including the sale of Company assets (“Gross Income”), excluding any cash receipts from Capital Contributions or loans made to the Company less:

(i) The amount of Tax Distributions made by the Company pursuant to Section 5.8(a).

(ii) All operating expenses of the Company other than any expense not involving a cash expenditure (such as any amount charged for depreciation or amortization);

(iii) All principal and interest payments made out of Gross Income on account of any loans made to the Company or secured by Company Property;

(iv) Any sums expended out of Gross Income by the Company for capital expenditures;

(v) A cash reserve for working capital or other purposes, the amount of which shall be determined by the Manager in its reasonable discretion; and

(vi) Payments made to Mr. Build Construction Co. (the "Contractor") pursuant to the Construction Contract dated December ___, 2005 by and between the Company and the Contractor (the "Construction Contract").

(dd) Intentionally Omitted.

(ee) "Net Income" or "Net Loss" shall mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this Section shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.703 1(b)(2)(iv)(1), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this Section shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Company asset is adjusted pursuant to subsections 1.6(q)(ii) or (iii), the amount of such adjustment shall be taken into account as gain or loss from the disposition of the asset and shall be included in the calculation of Net Income and Net Loss;

(iv) gain or loss from any disposition of Company Property, other than incidental sales in the ordinary course of the Company's trade or business ("Property Disposition") with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value. Gain and loss from any disposition of Company Property shall be included in the calculation of Net Income or Net Loss;

(v) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of an Member's Membership Interest in the Company, the amount of such adjustment shall be treated as an item of gain from a disposition of property (if the adjustment increases the basis of the asset) and included in the calculation of Net Income or Net Loss, or loss (if

the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 5.5 or Section 5.6 of the Agreement shall not be taken into account in computing Net Income or Net Loss.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 5.5, and 5.6 hereof shall be determined by applying rules analogous to those set forth in this Section 1.6(ee)(i) through (vi) above.

(ff) "Nonrecourse Deductions" has the meaning set forth in Section 1.704 2(b)(1) of the Regulations.

(gg) "Nonrecourse Liability" has the meaning set forth in Section 1.704 2(b)(3) of the Regulations.

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

(ii) "Preferred Return" shall mean a sum equal to 8% per annum, determined on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days in the period for which the Preferred Return is being determined, cumulative (but not compounded) to the extent not distributed in any given Fiscal Year, of the average daily balance of Knoll's Invested Capital from time to time during the period to which the Preferred Return relates, commencing on the first date Knoll makes a cash Capital Contribution pursuant to Section 3.1.

(jj) "Regulations" shall mean the Income Tax regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding relations). For purposes of Regulations Section 1.704, (a) Company shall mean partnership and (b) Member shall mean partner, in both situations where the context of such Regulations require.

(kk) "Tax Matters Partner" (as defined in Code Section 6231) shall be the Manager.

ARTICLE II **MANAGEMENT AND CONTROL OF THE COMPANY**

Section 2.1 Management of the Company by Manager. Except as provided herein, the Manager shall have the full, exclusive and complete authority and discretion in the management and control of the business of the Company for the purposes stated herein and shall make all decisions affecting the business of the Company. Without limiting the generality of the

foregoing, the Manager shall have the following rights and powers which it may exercise at the cost, expense and risk of the Company without the consent and/or vote of the Members:

- (a) To incur unsecured trade debt on behalf of the Company in the ordinary course of the business of the Company;
- (b) To manage all aspects of the day to day business and operations of the Company;
- (c) Subject to the limitations in Section 2.2, to expend the capital and income of the Company, if any, in the furtherance of the Company's business as the Manager elects;
- (d) To employ such attorneys, accountants and other persons as the Manager deems necessary or advisable to carry out the purposes of the Company;
- (e) To purchase from or through others contracts of liability, casualty and other insurance which the Manager deems advisable, appropriate, convenient or beneficial to the Company;
- (f) To invest Company funds in government securities, certificates of deposit, banker's acceptances or similar investments;
- (g) To enter into such agreements and contracts, and to give such receipts, releases and discharges with respect to all of the foregoing and any matters incident thereto as the Manager deems advisable, appropriate or convenient;
- (h) To execute and deliver any and all other instruments and documents to carry out the purposes hereof.
- (i) To delegate all of any of its duties hereunder, and in furtherance of any such delegation, to appoint, employ or contract with any person any person or entity deemed in its discretion necessary or desirable for the transaction of the business of the Company, including affiliates of the Manager or other Members of the Company. Such persons or entities may, under the supervision of the Manager: (i) administer the day-to-day operations of the Company; (ii) serve as the Company's advisor and consultant in connection with policy decisions made by the Manager; (iii) act as consultants, accountants, correspondence, attorneys, brokers, escrow agents, or in any other capacity deemed by the Manager necessary or desirable; (iv) perform or assist in the performance of administrative or managerial functions necessary for the Management of the Company; and (v) perform such other acts or services for the Company as the Manager in its sole and absolute discretion may approve.

Section 2.2 Major Decisions. Notwithstanding any other provisions of this Agreement to the contrary, the Manager shall not have authority to do any of the following acts (in each case the taking of any of the following actions shall be hereinafter referred to as a "Major Decision") without first obtaining the affirmative vote or written consent of the Members owning not less than 65% of the Company Percentages:

- (a) Lend to any person or entity any funds, capital, assets, or credit of the Company other than ordinary trade payables;
- (b) Execute or deliver any assignment for the benefit of creditors or other act of bankruptcy or insolvency relating to the Company;
- (c) Incur any expense, liability or indebtedness on behalf of the Company, or pledge, hypothecate, encumber or mortgage any assets of the Company other than in the ordinary course of the Company's business;
- (d) Sell, convey or transfer, or determine the price or terms on which to sell convey or transfer, one or more units of real property included in the Project or all or substantially all of the assets of the Company;
- (e) Require or permit any Member to make any additional capital contributions to the Company other than as provided in Section 3.1;
- (g) Admission of any new Members to the Company;
- (h) Approve the initial design or make material changes to the design of the Project;
- (i) The release, settlement or compromise of any claim, debt, demand, suit or judgment in excess of \$25,000 in connection with the Project or the Company;
- (j) The making of any contractual arrangements on behalf of the Company with a party who is an Affiliate of a Member except for the arrangements expressly set forth herein;
- (k) The Amendment by the Company of its Articles or this Agreement;
- (l) The organization or formation of any subsidiary, joint venture, or affiliate by the Company; or
- (m) The acquisition by the Company of any assets, including, without limitation, any real property or any leasehold or any personal property other than in the ordinary course of business.

Section 2.3 Non-Manager 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 except as expressly required by the Act. Except as otherwise permitted by the Manager, 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. The Manager may, pursuant to the provisions of Section 2.1(i) above, delegate to one or more of the Members the authority to act on behalf of or bind the Company.

Section 2.4 Performance of Duties; Liability of Manager. The Manager of the Company shall not 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 the Manager of the Company, unless the loss or damage shall have been the result of fraud, deceit, intentional misconduct, knowing and intentional breach of this Agreement, or a knowing violation of law by the Manager.

Section 2.5 Good Faith Reliance. The performance of any act or the failure to perform any act by the Manager or its Affiliates, the effect of which may cause or result in loss or damage to the Company, if done in good faith pursuant to the advice of counsel or other experts, or if done in good faith to promote the best interests of the Company, will not subject the Manager or its Affiliates to any liability.

Section 2.6 Third Party Reliance. Any person not a party to this Agreement who shall deal with the Company shall be entitled to rely conclusively upon the power and authority of the Manager as set forth herein.

Section 2.7 Devotion of Time. The Manager is not obligated to devote all of its time or business efforts to the affairs of the Company. The Manager shall devote whatever time, effort, and skill as it deems appropriate for the operation of the Company. Provided that such business activities do not unreasonably restrict the Manager's (or its Affiliates) or the Members' ability to perform their services to the Company in furtherance of Section 1.4 of this Agreement, the Manager (or its Affiliates) and each of the Members may engage or invest in, independently or with others, any business activity of any kind or description, including, without limitation, those that might be the same as or similar to the business of the Company and that may be in direct or indirect competition with the Company. Neither the Manager nor the Members shall be required to present any investment opportunity or prospective economic advantage to the Company or the other Members even if the opportunity is of a character that, if presented to any of the Company or the other Members, could be taken by one or all of the Company or the other Members. The Manager and each of the other Members shall have the right to hold any such investment opportunity or prospective economic advantage for the Manager's or such other Member's own account or to recommend such opportunity to persons other than the Company or the other Members.

Section 2.8 Indemnity. The Company shall indemnify, and may purchase and maintain insurance on behalf of the Manager, the Members and/or other persons as follows:

(a) The Company shall indemnify and hold harmless to the fullest extent permitted by applicable law the Manager, Members, employees and agents of the Company, and the partners, shareholders, controlling persons, trustees, officers, directors and employees of any of the foregoing (herein referred to as "Indemnities") from and against any and all loss, claims, damages, liabilities joint and several, expenses, judgments, fines, settlements and other amounts arising from any and all claims (including reasonable legal expenses), demands, actions, suits or proceedings (civil, criminal, administrative or investigative) in which they may be involved, as a party or otherwise, by reason of their management of, or involvement in, the affairs of the Company, or rendering of advice or consultation with respect thereto, or which relate to the

Company, its properties, business or affairs; provided in all cases that in connection therewith the Indemnitee shall have met the standard of care described in Section 2.4 hereof;

(b) Expenses (including attorneys' fees) incurred in defending any proceeding under subsection (a) shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company as authorized hereunder;

(c) The indemnification provided by this Section 2.8 shall not be exclusive of any other rights to which any Member may be entitled under any agreement, or as a matter of law, or otherwise, both as to action in a Member's official capacity and to action in another capacity;

(d) The Manager shall have the power to purchase and maintain insurance on behalf of itself, the Company, the Members, employees or agents of the Company and any other Indemnitees at the expense of the Company, against any liability asserted against or incurred by them in any such capacity whether or not the Company would have the power to indemnify such persons against such liability under the provisions of this Agreement; and

(e) Except as otherwise agreed in writing by the Members, the indemnification provided in this Section 2.8 shall be satisfied solely from the assets of the Company.

Section 2.9 Reimbursement and Fees.

(a) **Compensation.** Except as otherwise provided in this Agreement, or unanimously approved by Members, none of the Manager or the Members (or their respective Affiliates and/or other representatives) shall be paid any compensation by the Company for rendering services to the Company.

(b) **Reimbursements.** The Company shall reimburse the Manager promptly for all costs, fees and expenses incurred by it in connection with conducting the business and affairs of the Company in carrying out the duties created under this Agreement. The preparation of the Company's annual income tax return and reports and financial statements shall be undertaken by the Manager, and the costs of preparing such tax return, reports and financial statements, and the costs of any audit, shall be borne by the Company.

(c) **Commission to Putrimas.** The Company shall pay to Putrimas a broker's commission on the closing of the sale of each unit of the Project, or the Project as a whole, provided, however, such commission shall not exceed the standard commission paid to real estate brokers in the specific market in which the project is located.

(d) **Development Fee.** The Company shall pay to Putrimas and Siano, in such percentages as they may agree, a development fee equal to \$20,000.00 (the "Development Fee"). The Development Fee shall be paid in equal monthly installments of \$5,000.00 each commencing on the first business day of the month following the date on which construction of

the Project commences, and on the first day of each calendar month thereafter until the entire Development Fee has been paid in full. The Development Fee shall constitute guaranteed payments within the meaning of Section 707(c) of the Code, shall be treated as expenses in calculating Net Income and Net Loss and shall not be treated as a distribution for purposes of competing Putrimas' or Siano's Capital Account (i.e., the amount of Putrimas' and Siano's Capital Accounts will not be effected by such guaranteed payments).

Section 2.10 Election, Resignation, Removal of Manager.

(a) **Number, Term, and Qualifications.** The Company shall have one Manager. Putrimas is hereby appointed the initial Manager. Unless he resigns, the Manager shall hold office until a successor shall have been elected and qualified. Upon the removal or resignation of the Manager, a new Manager shall be appointed by the unanimous approval of the Members. The Manager must be a Member, but is not required to be an individual, a resident of the State of California, or a citizen of the United States.

(b) **Resignation.** The Manager may resign upon delivery of written notice to the Members at any time. The resignation of the Manager shall not affect the Manager's rights as a Member, and shall not constitute a withdrawal of a Member. The resignation of the Manager shall not constitute an event causing dissolution of the Company.

(c) **Removal, Election.** The Manager may not be removed except by the unanimous vote of the Members at a meeting called expressly for that purpose; provided, however, that the Members holding 100% of the Company Percentages (excluding the Company Percentages held by the Manager) may remove the Manager upon a finding of fraud or gross negligence in carrying out its duties under this Agreement. Removal of the Manager upon such a finding shall occur at a meeting called expressly for that purpose. After removal, a new Manager may be elected by the Members holding a majority of the Company Percentage (excluding the Company Percentage held by the Manager).

Section 2.11 Appointment of Officers. The Manager of the Company may appoint officers of the Company at any time and from time to time as may be deemed necessary or appropriate by the Manager. The officers may include a president, one or more vice presidents, secretary, assistant secretary, treasurer and assistant treasurer. The officers shall serve at the pleasure of the Manager. Any officer may resign at any time upon notice to the Manager. Any individual may hold any number of offices. The Manager (or any of its members or Affiliates) may serve as officers of the Company. The officers shall exercise such powers and perform such duties as may be determined from time to time by the Manager. Putrimas is hereby appointed as President of the Company and Siano is hereby appointed as Vice President, Development of the Company.

ARTICLE III
MEMBERS CONTRIBUTIONS TO COMPANY

Section 3.1 Initial Capital Contributions. The Members have each made (or contemporaneously with the execution of this Agreement is making) in exchange for its Membership Interest an agreed upon cash capital contribution to the Company in the amount set forth next to its name on the signature page hereto as its "Initial Capital Contribution". In addition, not less than fourteen (14) days prior to the date that the Company's construction financing is scheduled to close, and provided that the Manager provides Knoll not less than two (2) weeks prior written notice of the date of such scheduled closing of the construction financing, Knoll will contribute to the Company in cash an additional amount of \$225,000.00, so that the aggregate capital contributions of Knoll equal \$300,000.00 (as set forth on the signature page hereto). In the event that a Member fails to fund any portion of its Total Contribution as set forth on the Signature Page hereto (a "Non-Contributing Member"), the other contributing Members (each a "Contributing Member") shall have the right, but not the obligation, to pay the unpaid portion of the Non-Contributing Member's Capital Contributions (the "Unpaid Contribution"). To the extent a Contributing Member contributes the Unpaid Contribution, the Company Percentage of the Non-Contributing Members shall be reduced, and the Company Percentage of the Member who makes up the Unpaid Contribution shall be increased by an amount equal to (a) 30% multiplied by (b) a fraction numerator of which is the amount of the Unpaid Contribution made up by such Contributing Member and the denominator of which is \$300,000. In the alternative, however, the Manager shall have the right, in its sole and absolute discretion, to acquire the Membership Interest of the Non-Contributing Member for a purchase price equal to the amount of the Capital Contributions actually made by such Non-Contributing Member. The Capital Account of each of the Members shall be credited with the amount of its initial capital contributions at the time such amounts are received by the Company.

Section 3.2 Additional Contributions. No member shall be required or permitted to contribute any additional capital to the Company except as approved by the Members under Section 2.2, and no Member shall have personal liability for any obligation of the Company except as expressly provided by law. In the event that the Manager determines that additional capital is required by the Company, and if such funds required by the Company cannot be borrowed from a thirty party lender as and when such funds are needed, then such funds may be loaned to the Company by the Members at the election of the Manager. Each Member shall be entitled to loan to the Company an amount equal to (x) the total amount of additional funds required by the Company, multiplied by (y) such Member's Company Percentage. Any amounts so advanced to the Company by a Member (a "Company Loan") shall bear interest at an annual rate of seven percent (7%), compounded annually, and shall be repaid to the Member making such Company Loan as and when the Company has funds available therefor after providing for the payment of the Company's expenses (including the service and repayment of other loans and/or finance obligations of the Company then due and payable) and after allowing for the maintenance of cash reserves adequate for working capital and for existing or anticipated obligations, but prior to any other distributions to the Members.

Section 3.3 Capital Contributions in General. Except as otherwise expressly provided in this Agreement, (a) no part of the contributions of any Member to the capital of the

Company may be withdrawn by such Member, (b) no Member shall be entitled to receive interest on such Member's contributions to the capital of the Company, (c) no Member shall have the right to demand or receive property other than cash in return for such Member's contribution to the Company, and (d) no Member shall be required or be entitled to contribute additional capital to the Company other than as permitted or required by this Article III.

ARTICLE IV **MEMBERS**

Section 4.1 Limited Liability. 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.

Section 4.2 Admission of Additional Members. Additional Members may be admitted to the Company only upon the approval of the Manager and the Members in accordance with Section 2.2.

Section 4.3 Withdrawals or Resignations. No Member may withdraw or resign from the Company without the prior written approval of all other Members. Upon withdrawal, a Member shall not be entitled to receive a return of its Capital Contribution.

Section 4.4 Members Are Not Agents. Pursuant to Section 2.1, the day-to-day management of the Company is vested in the Manager. No Member, acting solely in the capacity of a Member, is an agent of the Company, nor can any Member in such capacity bind, or execute any instrument on behalf of, the Company.

Section 4.5 Voting Rights. The Members shall have the voting, approval or consent rights provided in this Agreement, and provided in the Act.

ARTICLE V **ALLOCATION OF NET INCOME, NET LOSS, AND GAIN ON** **PROPERTY DISPOSITION;** **DISTRIBUTIONS**

Section 5.1 General Apportionment Provision. All allocations to the Members pursuant to Sections 5.2 through 5.6 shall be treated as having been made and charged to their respective Capital Accounts prior to the Distributions pursuant to Section 5.8.

Section 5.2 Allocation of Net Income and Net Loss. All Company Net Income and Net Loss for any Fiscal Year shall be allocated in the following order and priority:

(a) **Allocation of Net Loss.** Net Loss for any Fiscal Year shall be allocated in the following manner and order of priority:

(i) First, an amount equal to the aggregate prior allocation of Net Income pursuant to Section 5.2(b)(iii) to the extent not previously offset by an allocation

of Net Loss pursuant to this Section 5.2(a)(i), shall be allocated among the Members in the same percentages as Net Income was previously allocated under Section 5.2(b)(iii), with the most recent Fiscal Year's Net Income offset first;

(ii) Second, an amount equal to the aggregate prior allocation of Net Income pursuant to Section 5.2(b)(ii) to the extent not previously offset by an allocation of Net Loss pursuant to this Section 5.2(a)(ii) shall be allocated to Knoll.

(iii) Third, Net Loss shall be allocated among the Members in proportion to their Investor Percentages.

(iv) In no event, however, shall an allocation of Net Loss be made to any Member to the extent the allocation would result in such Member having an Adjusted Capital Account Deficit. Any excess Net Loss shall be allocated to the other Members, to the extent permitted above.

(b) **Allocation of Net Income.** Net Income for any Fiscal Year shall be allocated in the following manner and order of priority:

(i) First, to the extent any Net Loss has been previously allocated among the Members under Section 5.2(a)(iii) and has not been previously recouped under this Section 5.2(b)(i), Net Income shall be allocated among the Members in the same percentages as Net Loss was previously allocated under Section 5.2(a)(iii), with the most recent Fiscal Year's Net Loss recouped first.

(ii) Second, until Knoll has been allocated an aggregate amount of Net Income under this Section 5.2(b)(ii) (and not previously offset pursuant to Section 5.2(a)(ii)) equal to his Preferred Return, calculated to the last day of the then-current Fiscal Year, Net Income shall be allocated 100% to Knoll. Knoll shall not be allocated Net Income under this Section 5.2(b)(ii) after Knoll has been allocated an aggregate amount of Net Income under this Section 5.2(b)(ii) (and not previously offset under Section 5.2(a)(ii)) equal to Knoll's Preferred Return, calculated to the last day of the then-current Fiscal Year.

(iii) Thereafter, any additional Net Income not allocable under subsections 5.2(b)(i) and 5.2(b)(ii) above shall be allocated among the Members in proportion to their Company Percentages.

Section 5.3 Intentionally Omitted.

Section 5.4 Partial Year Allocations. In the event of a transfer or acquisition of a Membership Interest during the Company Fiscal Year, (i) items of Net Income or Net Loss (except for gain or loss on the sale of assets outside the ordinary course of business) allocable to a transferred Membership Interest shall be allocated among the transferor Member and the transferee Member in proportion to that portion of the number of calendar days of the Company year that each Member was deemed to have held the transferred Membership Interest, and (ii) gain or loss on the sale of assets outside the ordinary course of business allocable to a transferred

Membership Interest shall be allocated to holder of the transferred Membership Interest on the date of such sale.

Section 5.5 Special Allocations.

(a) **Minimum Gain Chargeback.** Except as otherwise provided in Section 1.704 2(f) of the Regulations, notwithstanding any other provision of this Article V, if there is a net decrease in Company Minimum Gain during any Company Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such person's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704 2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704 2(f)(6) and 1.704 2(j)(2) of the Regulations. This Section 5.5(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704 2(f) of the Regulations and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback.** Except as otherwise provided in Section 1.704 2(i)(4) of the Regulations, notwithstanding any other provision of this Article V, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company Fiscal Year, each person who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704 2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such person's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704 2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704 2(i)(4) and 1.704 2(j)(2) of the Regulations. This Section 5.5(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704 2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) **Qualified Income Offset.** In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), Regulations Section 1.704-1(b)(2)(ii)(d)(5), or Regulations Section 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such person as quickly as possible, provided that an allocation pursuant to this Section 5.5(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.4(c) were not in this Agreement.

(d) **Gross Income Allocation.** In the event any Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount such person is obligated to restore and (ii) the amount such person is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704 2(g)(1) and 1.704 2(i)(5), each such person shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.5(d) shall be made if and only to the extent that such person would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article V have been tentatively made as if this Section 5.5(d) and Section 5.5(c) hereof were not in the Agreement.

(e) **Nonrecourse Deductions.** Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their Company Percentages.

(f) **Member Nonrecourse Deductions.** Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) **Section 754 Adjustment.** To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of his Membership Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their Membership Interests in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(h) **Basis Increases.** In the event the adjusted tax basis of any Code Section 38 property that has been placed in service by the Company is increased pursuant to Code Section 50(c), such increase shall be specially allocated among the Members (as an item in the nature of income or gain) in the same proportions as the investment tax credit that is recaptured with respect to such property is shared among the Members.

(i) **Basis Reductions.** Any reduction in the adjusted tax basis (or cost) of Company Code Section 38 property pursuant to Code Section 50(c) shall be specially allocated among the Members (as an item in the nature of expenses or losses) in the same proportions as the basis (or cost) of such property is allocated pursuant to Regulations Section 1.46 3(f)(2)(i).

(j) **Allocations Relating to Taxable Issuance of Membership Interest.** Any income, gain, loss, or deduction realized as a direct or indirect result of the issuance of a Membership Interest by the Company to a Member (the "Issuance Items") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this agreement to each Member, shall be equal to the net

amount that would have been allocated to each such Member if the Issuance Items had not been realized.

Section 5.6 Curative Allocations. The allocations set forth in Sections 5.2(a)(iii), 5.5(a), 5.5(b), 5.5(c), 5.5(d), 5.5(e), 5.5 (f), and 5.5(g) hereof (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.6. Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member’s Capital Account balance is, to the extent possible, equal to the Capital Account balance such person would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Sections 5.2 (other than subsection 5.2(a)(iii)), 5.5(h), 5.5(i) and 5.5(j). In exercising its discretion under this Section 5.6, the Manager shall take into account future Regulatory Allocations under Sections 5.5(a) and 5.5(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.5(e) and 5.5(f).

Section 5.7 Tax Allocations. In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value. Such allocations shall be made in accordance with the traditional method as described in Treasury Regulation Section 1.704-3(b).

In the event the Gross Asset Value of any Company asset is adjusted pursuant to the definition of Gross Asset Value contained in Section 1.6(q), subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Allocations pursuant to this Section 5.7 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of Net Income, Net Loss, or other items, or distributions pursuant to any provisions of this Agreement.

Section 5.8 Distributions.

(a) **Tax Distributions.** The Company shall make, no later than March 30th of each Fiscal Year, a distribution to each Member of an amount equal to (i) the net amount of Company taxable income allocated to such Member for the preceding Fiscal Year of the Company, multiplied by (ii) the highest marginal state and federal tax rate applicable to any of the Members. The foregoing distribution is referred to as a “Tax Distribution.” Any Tax Distribution made to a Member shall be treated as an advance distribution to such Member first

pursuant to Section 5.8(b)(iii) and shall reduce the amount of distributions otherwise distributable to such Member pursuant to Section 5.8(b)(iii).

(b) Distributions of Net Cash Flow. All Net Cash Flow, whether from operations of the Company or from capital events (i.e. sales of Company assets or refinancing of the Company debt), if any, as determined by the Manager, shall be distributed not less frequently than once during each Fiscal Year, and more frequently in the discretion of the Manager among the Members, with no Member being given priority over another, in the following order:

(i) First, to Knoll until Knoll has received an aggregate amount of Distributions under this Section 5.8(b)(i) equal to his aggregate Preferred Return, calculated as of the last day of the month immediately preceding the Distribution. Knoll shall not receive any Distributions pursuant to this Section 5.8(b)(i) at any time if the aggregate amount of Distributions previously made to Knoll pursuant to this Section 5.8(b)(i) equal Knoll's Preferred Return calculated as of the last day of the month immediately preceding the date of the Distribution.

(ii) Second, to the Members in proportion to their Investor Percentages until each of the Members has received distributions which reduce its Invested Capital to zero. No Member shall receive any distribution pursuant to this Section 5.8(a) at any time in which such Member's Invested Capital is zero; and

(iii) Thereafter, to the Members in proportion to their Company Percentages.

Section 5.9 Intentionally Omitted.

Section 5.10 Obligations of Members to Report Allocations. The Members are aware of the income tax consequences of the allocations made by this Article V and hereby agree to be bound by the provisions of this Article V in reporting their shares of Company Net Income and Net Loss for income tax purposes.

Section 5.11 Tax Matters for the Company Handled by Manager and Tax Matters Partner. The Manager shall from time to time cause the Company to make such tax elections as they deem to be in the best interests of the Company and the Members. The Tax Matters Partner shall represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend the Company funds for professional services and costs associated therewith. The Tax Matters Partner shall oversee the Company tax affairs in the overall best interests of the Company. If for any reason the Tax Matters Partner can no longer serve in that capacity or ceases to be a Member, as the case may be, Members owning more than 50% of the Company Percentages may designate another Member to be Tax Matters Partner.

Section 5.12 Form of Distribution. A Member has no right to demand and receive any distribution from the Company in any form other than money.

Section 5.13 Return of Distributions. Except for distributions made in violation of the Act or this Agreement, no Member shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company. The amount of any distribution returned to the Company by a Member or paid by a Member for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to the Member.

ARTICLE VI
RESTRICTIONS ON TRANSFERS OF
MEMBERSHIP INTERESTS

Section 6.1 Restrictions on Transfers of Membership Interests.

(a) No Member may sell, assign, transfer, encumber or otherwise dispose of his/her Membership Interest, or any interest therein (collectively referred to as a "Transfer"), except in compliance with the terms and conditions contained in this Agreement, and any Transfer in violation of this Agreement shall be void. Moreover, notwithstanding anything in this Article VI, no Transfer otherwise permitted under this Article VI shall be permitted unless the transferee shall have complied with Section 6.3(a)-(e) hereof.

(b) No Member may Transfer, in whole or in part, his Membership Interest, or any interest therein, if the Transfer would, in the opinion of counsel to the Company, cause the termination of the Company for federal income tax purposes.

(c) No Member may Transfer its Membership Interest, or any interest therein, unless the proposed Transfer (i) may be effected without registration under the Securities Act of 1933, as amended, (ii) would not be in violation of any applicable state securities or "Blue Sky" laws (including investment suitability standards) and (iii) would not result in the Company being treated as an association taxable as a corporation for federal income tax purposes. The proposed assignor or transferor shall pay all reasonable legal fees for the provision of a legal opinion that provides that such proposed Transfer complies with the foregoing requirements.

(d) No Member may Transfer in whole or in part its Membership Interest, or any interest therein, to a minor or incompetent, unless by will or intestate succession.

Section 6.2 Right of First Refusal. If any of the Members (a "Transferor") desires to Transfer its Membership Interest in the Company, such Member shall give prior written notice of its election to make such Transfer to the other Members. Such written notice (a "Transfer Notice") shall set forth the sales price specified in dollars ("Transfer Price"), a detailed specification of the terms of the Transfer ("Transfer Terms"), and the name of the proposed transferee ("Transferee").

The non-transferring Members shall have the option to purchase the Transferor's Membership Interest at the Transfer Price and on the Transfer Terms set forth in the Transfer Notice. If more than one of the non-transferring Members elects to purchase, they shall purchase in proportion to their respective Company Percentages. The Transferor shall have no right to

transfer its Membership Interest in the Company to anyone other than the non-transferring Members unless the non-transferring Members determine to not purchase such Membership Interest.

If the non-transferring Members do not elect, within thirty (30) days after receipt of the Transfer Notice, to purchase the entire offered Membership Interest, or if the non-transferring Members having elected to purchase fail to timely close the purchase within sixty (60) days thereafter, then the Transferor shall have the right to complete the proposed Transfer within ninety (90) days after the date the Transfer Notice is delivered to the other Members, but only to the named Transferee, at the Transfer Price and on the Transfer Terms.

Section 6.3 Substituted or Additional Member. An outside purchaser or transferee or equity holder shall not be admitted as a substituted or additional Member except upon satisfaction of the following conditions:

(a) Delivery to the Manager of a certification in writing signed by the proposed transferee which certification shall contain such information which in the opinion of the Company's counsel provides sufficient and satisfactory evidence that the proposed Transfer will not result in a violation of any state or federal securities laws or regulations.

(b) The assignment instrument being in form and substance satisfactory to the Manager.

(c) The assignee or assignees or newly admitted Member named therein executing and acknowledging such other instrument or instruments that the Manager may deem necessary or desirable to effectuate such admission.

(d) The written acceptance and adoption by the assignee or assignees or newly admitted Members of all the terms and provisions of this Agreement, as the same may have been amended.

(e) Such assignee or newly admitted Member paying or obligating himself to pay all expenses connected with such admission, including, but not limited to, legal fees and costs incurred by the Company to effect such admission.

(f) Such assignee or newly admitted Member shall be reasonably acceptable to the Manager and the Members in accordance with Section 2.2.

Section 6.4 Permitted Transfers. Notwithstanding anything which may be expressed or implied by the foregoing restrictions of this Article VI, provided the transferee has complied with Section 6.3(d), any Member may assign any part or all of his respective Membership Interest to a trust or limited liability entity for the benefit of such Member and/or his heirs in each case the necessity of obtaining the consent of the other Members and without the necessity of offering said Membership Interest to the other Members as provided herein, provided, however, that the transferring Member must retain direct control of the transferee acquiring the Membership Interest.

Section 6.5 Allocations in the Event of Transfers. Upon the Transfer of a Membership Interest in accordance with the provisions of this Agreement, Net Income and Net Loss, attributable to the assigned Membership Interest for the entire tax year during which the Transfer occurred shall be allocated between the transferor and the transferee based on the pro rata portion of the tax year in which each was a member of the Company and, except for gain or loss on the sale of assets outside the ordinary course of business, shall not be allocated based on the results of Company activities during the period in which each was a holder of Membership Interest unless the Manager in its reasonable discretion determines that it is advisable to close the Company books and records as of the date of such Transfer. Gain or loss on a disposition of property outside the ordinary course of the Company's business shall be allocated to the transferor if the disposition occurred on a date prior to the transfer and to the transferee if the disposition occurred on the date of, or subsequent to, the date of the transfer. Upon a transfer of a Membership Interest, the Capital Account of the transferring Member attributable to the transferred Membership Interest shall be transferred to the transferee Member.

Section 6.6 Transfers in Violation. Any attempted Transfer in violation of this Article 6 shall be void.

Section 6.7 Admission of Substituted Members. In the event any Member Transfers such Member's Membership Interest to a transferee in accordance with Section 6.1, then such transferee shall be entitled to be admitted into the Company as a substituted Member as provided in Section 6.3 and this Agreement shall be amended in accordance with the Act to reflect such admission. An assignee of a Membership Interest who does not become a substituted Member shall have no right to require any information or account of the Company's transactions, to inspect the Company books, or to vote on any of the matters as to which a Member would be entitled to vote under this Agreement. An assignee shall only be entitled to share in such Net Income, Net Loss and Gain on a Property Disposition, to receive such Distributions, and to receive such allocations of income, gain, loss, deduction or credit or similar items to which the assignor was entitled, to the extent assigned.

Section 6.8 Partition. No Member shall have the right to partition any assets of the Company or any interest therein, nor shall a Member make application or proceeding for a partition thereto and, upon any breach of the provisions of this Section 6.8 by a Member, the other Members (in addition to all rights and remedies afforded by law or equity) shall be entitled to a decree or order restraining or enjoining such application, action or proceeding.

Section 6.9 Waiver of Withdrawal and Purchase Rights. Each Member hereby waives any and all rights such Member may have to withdraw and/or resign from the Company pursuant to the provisions of the Act and hereby waives any and all rights such Member may have to receive the fair value of such Member's Membership Interest in the Company upon such resignation and/or withdrawal pursuant to any provision of the Act.

Section 6.10 Buy-Sell. Notwithstanding any other provision of this Agreement, each Member agrees that the other Members, and their respective heirs, personal representatives, guardians, successors and assigns, shall have the right to acquire and/or the obligation to sell, as the case may be, all of such Member's Membership Interest under the terms and conditions

provided for herein. Each Member grants the other Members the right to acquire its entire Membership Interest on the terms and conditions set forth herein to eliminate the need and/or possibility of protracted and expensive litigation between the Members.

(a) If any Member (the "Offering Member") shall desire to purchase all, but not less than all, of another Member's (the "Offeree Member") Membership Interest, it shall give written notice thereof to said Offeree Member and to the Company. Such notice shall specify the terms and amount of consideration to be paid for such Membership Interest, the proposed closing date, and any other terms upon which such Offering Member intends to make such purchase. The Offeree Member shall have thirty (30) days after receipt of said notice within which to notify the Offering Member and the Company, in writing, of its election to (i) accept said offer on the terms and conditions stated, or (ii) acquire the entire Membership Interest of the Offering Member on the same terms and for the amount of consideration (adjusted on a proportionate basis to take into consideration the differences, if any, in the Company Percentage of the Offering Member and the Company Percentage of the Offeree Member) as set forth in the Offering Member's notice. The Offeree Member shall then have the obligation to either acquire the entire Membership Interest of the Offering Member or sell the Offeree Member's entire Membership Interest to the Offering Member. In the event that an Offering Member desires to purchase the Membership Interest of an Offeree Member, then the Membership Interests of each of the Offering Member and the Offeree Member shall not be subject to this Section 6.10 for a period of one hundred eighty (180) days after the date on which the Offering Member delivers its Offer to the Offeree Member; provided, however, if, the Offering Member elects to purchase the Membership Interest of an additional Member, then all of such Offering Member's Membership Interest, together with the right to acquire the Offeree Members Membership Interest, shall immediately be subject to this Section 6.10.

(b) The closing of any sale of a Membership Interest pursuant to this Section 6.10 (the "Closing") shall be held at the principal offices of Company, unless otherwise mutually agreed, on a mutually acceptable date not later than ninety (90) days after the date of the election set forth in this Section 6.10.

(c) Any Member transferring its Membership Interest pursuant to this Section 6.10 shall transfer such Membership Interest free and clear of any liens, encumbrances or interests of any third party against such Membership Interest (other than obligations of the Company) and shall execute or cause to be executed any and all documents required to fully transfer such Membership Interest to the acquiring Member, including, but not limited to, any documents necessary to transfer the Membership Interest of any other party who may claim an interest in such Membership Interest.

(d) As of the effective date of any transfer by a Member of its entire Membership Interest pursuant to this Section 6.10, such Member's rights and obligations under this Agreement hereunder shall terminate except as to rights and obligations accrued as of such date and except as to any indemnity obligations of such Member attributable to acts or event occurring prior to such date. Upon such effective date and except as limited by the preceding sentence, this Agreement shall terminate as to the transferring Member. In the event of a transfer of the entire Membership Interest by one Member to another Member, the Member to whom

such Membership Interest is transferred shall indemnify, defend and hold harmless the Member so transferring its Membership Interest from and against any and all claims, demands, losses, liabilities, expenses, actions, lawsuits, and other proceedings, judgments, awards, and costs and expenses (including but not limited to reasonable attorneys' fees) incurred in or arising directly or indirectly, in whole or in part, out of operation of the business of the Company from and after such effective date, excluding only those liabilities, if any, attributable to any period prior to the effective date of such transfer.

(e) The Members agree that the provisions of this Section 6.10 shall be enforceable by equitable remedies including the remedy of specific performance, it being the understanding of the parties that the equitable remedy of specific enforcement is a reasonable remedy and that the payment of the damages may not be an adequate remedy at law. To the extent required, any purchase or sale provided herein shall be conditioned upon compliance with all applicable federal and state laws.

(f) For purposes of this Section 6.10, any acquisition of a Member's Membership Interest shall be paid in cash to the selling Member; provided, however, that if the purchase price for such Membership Interest exceeds \$100,000, the purchasing Member may elect to pay the selling Member (i) a down payment equal to fifty percent (50%) of the purchase price and (ii) the balance of the purchase price, together with interest thereon at the rate of eight percent (8%) per annum, in four (4) equal annual installments of purchase price and interest commencing on the Closing of the sale of such Membership Interest and continuing thereafter on each anniversary of the Closing. Such obligation shall be evidenced by a promissory note executed by the purchasing Member, which Note shall be delivered to the selling Member concurrently with the down payment of the purchase price

Section 6.11 Transfer on Death of Member.

(a) Upon the death of any Member, the Company shall have the option (the "Call Option") to purchase the Membership Interest owned by such Member, in accordance with the following provisions:

(iv) The Call Option may be exercised by the Company at any time within ten (10) months after the death of such Member (the "Initial Call Option Period").

(v) The Call Option must be exercised by written notice of such exercise given by the Company to the legal successors, representatives, heirs or estate of such deceased Member (the "Estate").

(vi) If, for any reason, the Company is unable to exercise the Call Option, or does not elect to exercise the Call Option, the remaining Members shall be entitled to exercise the Call Option by giving written notice of such election, at any time within thirty (30) days after the expiration of the Initial Call Option Period. In the event that more than one (1) Member elects to exercise the Call Option, such Members shall purchase in accordance with their Company Percentages.

(vii) Upon timely exercise of the Call Option by either the Company or the remaining Members, the purchase price for the Membership Interest being purchased shall be paid by the purchaser to the Estate in the manner and within time described below.

(b) The purchase price for the Membership Interest to be purchased upon exercise of the Call Option shall be the fair value of such Membership Interest as of the date of the death of such Member as agreed upon by the purchaser and the Estate. If the parties cannot agree as to such fair value, the determination of the purchase price shall be made in accordance with the provisions of Section (d) below.

(c) The purchase price shall be paid by the purchaser on or before the later of (i) forty-five (45) days after exercise of the Call Option, or (ii) fifteen (15) days after final determination of the purchase price. The purchase price shall, at the election of the purchaser, be payable by one of the following:

(i) All cash; or

(ii) If the purchase price exceeds \$100,000, cash in an amount equal to fifty percent (50%) of the purchase price, plus delivery of a promissory note payable in two (2) equal consecutive annual installments of principal and interest, with interest being calculated at eight percent (8%) per annum, compounded annually, with payment commencing on the first anniversary of the closing of the sale of such Membership Interest.

(d) If the purchaser and the Estate are unable to agree upon the fair value of the Membership Interest within thirty days (30) after the Call Option is exercised, then within ten (10) days after the expiration of such thirty (30) day period the purchaser and the Estate, each at its cost and by giving notice to the other party shall appoint an independent appraiser (who shall never have been retained by the nominating party) with substantial experience in appraising businesses that develop, build, and provide affordable housing, to determine the fair value of Membership Interest. If either the purchaser or the Estate does not appoint a qualified broker within said ten (10) day period, a single broker appointed shall be the sole broker and shall set the fair value of the Membership Interest. If two brokers are appointed pursuant to this Section 6.11(d) and are unable to agree on the fair value within twenty (20) days after the second broker has been appointed, they shall attempt to select a third broker meeting with this qualification stated in this Section within five (5) days of the last day the two brokers are given to set the fair value. The purchaser and the Estate shall each bear one-half of the cost of appointing the third broker and of paying the third broker's fee. Within ten (10) days after the selection of a third broker, a majority of the brokers shall set the fair value of the Membership Interest. If a majority of the brokers are unable to set the fair value within the stipulated time period, the three determinations shall be added together and their total divided by three, the resulting quotient shall be the fair value of the Membership Interest. If, however, the low determination or high determination is more than ten percent (10%) lower or higher than the middle determination, such low determination or such high determination as the case may be, shall be disregarded, the two remaining determinations should be added together and their total divided by two; the

resulting quotient shall be the fair value of the Membership Interest. If the low determination and the high determination are disregarded as stated in this Section 6.11(d), the middle determination shall be the fair value for the Membership Interest.

ARTICLE VII **DISSOLUTION AND WINDING UP OF THE COMPANY**

Section 7.1 Events Causing Dissolution of the Company. The Company shall be dissolved upon the first to occur of the Termination Events set forth in Section 1.5. The admission of a new Member into, or the withdrawal of a Member from, the Company shall not dissolve the Company.

Section 7.2 Winding Up of the Company. Upon the Liquidation of the Company caused by any of the Termination Events specified in Section 1.5, the Members shall proceed to the winding up of the affairs of the Company. During the winding up process, Net Income, Net Loss and Distributions shall continue to be shared by the Members in accordance with this Agreement. The assets shall be liquidated as promptly as consistent with obtaining a fair value thereof, and the proceeds therefrom, to the extent available, shall be applied and distributed by the Company on or before the end of the taxable year of such Liquidation or, if later, within ninety (90) days after such Liquidation, in the following order: (a) first, to creditors including Members who are creditors, in the order of priority as provided by law; (b) second, to the setting up of any reserve which the Manager deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company (which shall be distributed as soon as practicable, as determined in the reasonable discretion of the Manager, to the Members in accordance with Section 5.8); and (c) thereafter, to the Members in accordance with Section 5.8. It is the intent of the Members that the allocations contained in this Agreement shall have substantial economic effect within the meaning of Regulation Section 1.704-1(b) and therefore it is anticipated that the amount distributable to each Member herein shall be an amount equal to such Member's Capital Account (after taking into account all Capital Account adjustments for the taxable year of such Liquidation), provided, however, in the event of any discrepancy between a Member's Capital Account and the amount distributable to such Member pursuant to Section 5.8, Section 5.8 shall control. To the extent that the credit balances in the Capital Accounts, after adjusting the Capital Accounts for all allocations of Net Income and Net Loss and all Regulatory Allocations and all distributions other than liquidating distributions under this Section 7.2 (the "Tentative Liquidation Capital Account") do not equal the amount to be distributed pursuant to Section 5.8(b) above, then notwithstanding any provision in this Agreement to the contrary, the Company shall allocate gross income or gross deductions for its last Fiscal Year to the extent necessary in order that the Tentative Liquidation Capital Accounts equal the distributions to be made to the Members pursuant to Subsection 5.8(b); and to the extent such gross income or gross deductions are not sufficient, shall allocate gross income or gross deductions for the next preceding Fiscal Year to the extent necessary in order that the Capital Accounts equal such distributions; and to the extent such gross income or gross deductions are not sufficient, shall allocate gross income or gross deductions for the second preceding Fiscal Year, and so forth, with respect to all Company taxable years for which an amended return can be timely filed, to the extent necessary to cause the Tentative Liquidation Capital Accounts to equal the amount of distributions under Subsection 5.8(b). Each Member

will look solely to the assets of the Company for all distributions with respect to the Company and its Capital Contributions thereto and its share of Net Income or Net Loss thereof and shall have no recourse therefore (upon dissolution or otherwise) against any other Member.

Section 7.3 Negative Capital Account Restoration. No Member shall have any obligation whatsoever upon the Liquidation of such Member's Membership Interest, the Liquidation of the Company or in any event, to contribute all or any portion of any negative balance standing in such Member's Capital Account to the Company, to any other Member or to any other person or entity.

Section 7.4 Distributions in Kind. Any non cash asset distributed to one or more Member shall first be valued at its fair market value to determine the gain or loss that would have resulted if such asset were sold for such value, such gain or loss shall then be allocated pursuant to Article V, 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 Manager 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.

Section 7.5 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely at the assets of the 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 Income (upon dissolution or otherwise) against the Manager or any other Member.

ARTICLE VIII BOOKS AND RECORDS

Section 8.1 Books of Account and Bank Accounts. The fiscal year and taxable year of the Company shall be the year ending December 31. The Manager shall maintain (or cause to be maintained) the Company books and records on a cash basis. The Manager shall make available during normal business hours at the principal office of the Company for inspection by all of the Members at their own expense, all of the following: (i) true and full information regarding the status of the business and financial condition of the Company, (ii) a current list of the name and last known business residence or mailing address of each Member, (iii) a copy of this Agreement, the Articles and all amendments thereto, together with executed copies of any written powers-of-attorney pursuant to which this Agreement, the Articles and all amendments thereto have been executed, (iv) the amount of cash and description and statement of the agreed value of any other property or services contributed by each Member to the capital of the Company and which each Member has agreed to contribute in the future, and (v) the date upon which each Member became a Member of the Company. The Company shall establish one or more bank accounts wherein all Company funds shall be invested unless otherwise directed by the Manager. All receipts, funds and income of the disbursements from such accounts may be made only upon the signature of the Manager or other person designated by the Manager.

Section 8.2 Tax Returns. Within ninety (90) days after the close of each fiscal year or as soon thereafter as possible (subject to extensions permitted under the Code), the Manager shall cause to be prepared and timely filed and distribute to each Member, at the expense of the Company, all required federal and state Company tax returns.

Section 8.3 Insurance. The Company shall obtain and maintain such insurance as determined by the Manager to be appropriate in light of the Company's business activities.

Section 8.4 Periodic Reports. Notwithstanding the provisions of Section 8.1 hereof, the Manager shall distribute to the Members, on a quarterly basis over each Fiscal Year, periodic financial reports as referenced in Subsections 8.1(i), (ii) and (iv).

ARTICLE IX **MISCELLANEOUS**

Section 9.1 Notices. Notwithstanding anything to the contrary in this Agreement, all notices, including, without limitation, any consents, approvals and elections, or other communications required or permitted hereunder shall be in writing, and shall be delivered or sent, as the case may be, by any of the following methods: (i) personal delivery, (ii) overnight commercial carrier, (iii) registered or certified mail, postage prepaid, return receipt requested, or (iv) telecopy. Any such or other communication shall be deemed received and effective upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if delivered by overnight commercial carrier, one (1) day following the receipt of such communication by such carrier from the sender, as shown on the sender's delivery invoice from such carrier; (c) if mailed, on the date of delivery as shown by the sender's registry or certification receipt; or (d) if given by telecopy, upon telephonic confirmation of receipt thereof obtained by the sender from the recipient of such telecopy. Any notice or other communication sent by telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing. Any reference herein to the date of receipt, delivery, or giving, or effective date, as the case may be, of any notice or communication shall refer to the date such communication becomes effective under the terms of this Section 9.1. Any such notice or other communication so delivered shall be addressed to the party to be served at the address for such party set forth on the signature page hereto. Such address may be changed by giving written notice to the other parties in the manner set forth in this Section 9.1. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of notice or other communication sent.

Section 9.2 Construction of Agreement. The Article and Section headings of this Agreement are used herein for reference purposes only and shall not govern, limit, or be used in construing this Agreement or any provision hereof. Time is of the essence of this Agreement. The provisions of this Agreement shall be construed and enforced in accordance with the Laws of the State of California. If any proceeding or arbitration is brought by any Member against any other Member that arises out of this Agreement, then the prevailing Member in such proceeding or arbitration shall be entitled to recover reasonable attorneys fees and costs. Subject to the restrictions set forth in Article VI, this Agreement shall inure to the benefit of and shall bind the parties hereto and their respective personal representatives, successors, and assigns. Any

agreement to pay any amount and any assumption of liabilities herein contained, express or implied, shall be only for the benefit of the Members and their respective successors and assigns, and such agreements and assumptions shall not inure to the benefit of the obligees of any indebtedness or any other party, whomsoever, deemed to be third-party beneficiaries of this Agreement. Every provision of this Agreement is intended to be severable. Each Member acknowledges that (i) each Member is of equal bargaining strength; and (ii) each Member has actively participated in the drafting, preparation and negotiation of this Agreement.

Section 9.3 Partnership Intended Solely for Tax Purpose. The Members have formed the Company as a California limited liability company under the Act, and do not intend to form a general or limited partnership under California or any other state law. The Members do not intend to be partners to one another or to any third party. The Members intend the Company to be classified and treated as a partnership solely for federal and state income taxation purposes. Each Member agrees to act consistently with the foregoing provisions of this Section 9.3 for all purposes, including, without limitation, for purposes of reporting the transactions contemplated herein to the Internal Revenue Service and any state and local taxing authorities.

Section 9.4 Representations and Warranties. Each Member hereby represents and warrants to the Company and each other Member as follows:

(a) **Compliance with Other Instruments.** The Member's authorization, execution, delivery, and performance of this Agreement do not conflict with any other agreement or arrangement to which such Member is a party or by which it is bound.

(b) **Purchase Entirely for Own Account.** The Member is acquiring its Membership Interest in the Company for the Member's own account for investment purposes only and not with a view to or for the resale, distribution, subdivision or fractionalization thereof and has no contract, understanding, undertaking, agreement or arrangement of any kind with any person to sell, transfer or pledge to any person its interest or any part thereof nor does such Member have any plans to enter into any such agreement.

(c) **Investment Experience.** By reason of its business or financial experience, the Member has the capacity to protect its own interest in connection with the transactions contemplated hereunder, is able to bear the risks of an investment in the Company, and at the present time could afford a complete loss of such investment. The Member is an "Accredited Investor" within the meaning of Regulation D under the Securities Act of 1933.

(d) **Disclosure of Information.** The Member is aware of the Company's business affairs and financial condition and has acquired or has had the opportunity to acquire sufficient information about the Company to reach an informed and knowledgeable decision to acquire an Membership Interest in the Company. The Member acknowledges that (i) any projections or other information received from the Company and/or any other Member are merely projections and for purposes of illustration only, and (ii) neither the Company or any other Member has made any representation as to the future performance of the Company or the return that the Member will receive on its investment.

(e) **Federal and State Securities Laws.** Assuming federal and state securities laws apply to the Membership Interests described herein, the Member acknowledges that the Membership Interests have not been registered under the Securities Act of 1933 or any state securities laws, inasmuch as they are being acquired in a transaction not involving a public offering, and, under such laws and subject to the transfer restrictions set forth in Article VI, may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements. In this connection, the Member represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act of 1933.

(f) **Risk Factors.** Each Member recognizes that the Company has only recently been organized and has no financial or operating history, and that an investment in the Company involve special risks. In particular, each Member hereby acknowledges that:

(i) **Economic Risks.** The Company will be subject to all the risks inherent in investing in real estate development projects, including financing, construction, contractors and tenants, which risks shall be increased to the extent the investment is leveraged. These risks may include, without limitation, general and local economic and social conditions, weather, labor conditions or material shortages, neighborhood values, the financial resources of contractors and tenants, vacancies, rent strikes, changes in tax, zoning, building, environmental and other applicable laws, federal and local rent control laws, real property tax rates, changes in interest rates and the availability of construction and mortgage funds which may render the construction and/or sale of properties difficult or unattractive. There can be no assurance of profitable operations for any real property or the repayment of any investment made by the Company. The cost of developing the Project may exceed the sale price received for such property and the Company may be required to dispose of units on disadvantageous terms.

(ii) **Non-Participation in Management.** Members will have no right or power to participate in the management of the Company. All aspects of management of the Company are entrusted to the Manager. No person should purchase any of the Membership Interests in the Company unless such person is willing to entrust all aspects of the management of the Company to the Manager and has evaluated the Manager's capabilities to perform such functions.

(iii) **Limited Diversification; Uncertainty of Projections.** The Company's sole business will be to invest, in the acquisition, development, operation, leasing, and sale of the Project. The Manager will possess the authority and discretion to materially change the Project from what is currently planned. All projections of the projected performance and the results of the Project provided to the Members are inherently uncertain and are based on assumptions which will change as the Project is completed. The actual performance and operating results of the Project could be different than any such projections. These differences may be both significant and adverse. There is no assurance that the Company will be profitable or that cash from operations will be available for distribution to investors.

(iv) **Significant Capital Risk.** The Members other than Putrimas and Siano will provide disproportionately greater capital to the Company in exchange for their Membership Interest than Putrimas and Siano. Therefore, the Members other than Putrimas and Siano will bear a disproportionately greater share of the risks of capital investment in the Company than will Putrimas and Siano. In addition, there is no assurance as to when or whether cash will be available for distribution to the investors. There also can be no assurance that on dissolution of the Company, it will have sufficient cash to return the investors' Capital Contributions.

(g) **No Public Market.** Each Member realizes that the Membership Interests cannot be readily sold as there will be no public market for them, that such Member may not be able to assign, sell or dispose of the Membership Interests being purchased and therefore, that such Member must not purchase any Membership Interests unless such Member has liquid assets sufficient to be assured that such purchase will cause such Member undue financial difficulties and that such Member can adequately provide for current needs and possible contingencies without anticipation of receiving any cash distributions on account of the Membership Interest.

(h) **Survival of Representations and Warranties.** All representations and warranties herein shall survive the execution and delivery of this Agreement, the formation of the Company and the dissolution and final liquidation of the Company.

Section 9.5 Entire Agreement. The entire agreement of the Members with respect to the Company and the relations with each other is contained and referred to herein. This Agreement supersedes in its entirety the Original Agreement.

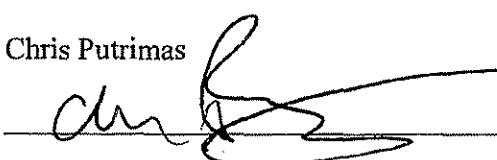
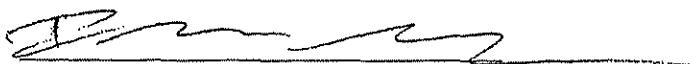
Section 9.6 Other. As used in this Agreement, the singular number shall include the plural number and vice versa, and each of the masculine, feminine and neuter genders shall include the other two genders.

Section 9.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

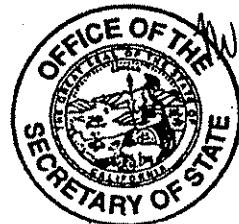
Section 9.8 Counsel to the Company; Acknowledgment and Waiver. Rosenfeld, Wolff & Klein, a Professional Corporation ("RWK") ("Company Counsel") is counsel to Putrimas and the Company and does not represent any Member other than Putrimas in connection with any matter related to the Company in the absence of a clear and explicit written agreement to such effect between the Member and Company Counsel, and in the absence of any such agreement Company Counsel shall owe no duties directly to any Member. Notwithstanding any adversity that may develop, in the event any dispute or controversy arises between any Member other than Putrimas and the Company, then each Member agrees that Company Counsel may represent the Company in any such dispute or controversy to the extent permitted by the California Rules of Professional Conduct (the "Rules"), and each Member hereby consents to such representation. Each Member further acknowledges that no Member other than Putrimas can rely on such legal counsel to have protected their interests, and this Agreement is not the

product of arms'-length negotiations where the various parties were represented by separate independent legal counsel. It is further acknowledged that each Member has been urged to consult with his, her and/or its separate legal counsel with regard to all such matters before executing and delivering this Agreement or any funds for this investment, and such Member has considered such urgings and acted knowingly, intentionally and deliberately in executing and delivering this Agreement. BY EXECUTING AND DELIVERING THIS AGREEMENT, OR BY ACCEPTING ANY INTEREST HEREIN (WHETHER UPON ISSUANCE BY THE COMPANY OR UPON TRANSFER OR ASSGINMENT BY ANY MEMBER), EACH SUCH PERSON ACKNOWLEDGES, ACQUIESCES AND EXPRESSLY AND SPECIFICALLY CONSENTS TO, AND WAIVES AND RELEASES ANY RIGHT, CLAIM, OR CAUSE OF ACTION GROWING OUT OF ANY AND ALL OF THE FOREGOING.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

<u>Member</u>	<u>Initial Capital Contribution</u>	<u>Total Capital Contributions</u>
Chris Putrimas 	\$132,456.82	\$132,456.82
Dominico Siano 	\$59,537.41	\$59,537.41
Ron Knoll 	\$75,000	\$300,000

State of California
Secretary of State



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

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



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

JUN 20 2005

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

BRUCE McPHERSON
Secretary of State



**State of California
Secretary of State**

File # **200517110008**

**LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION**

A \$70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUN 15 2005

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "LLC.")

1. NAME OF LIMITED LIABILITY COMPANY

Bi-Coastal Construction, LLC

PURPOSE (The following statement is required by statute and may not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and item 3 must be completed (leave item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

Chris Putrimas

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE
13605 Fiji Way, Marina del Rey, CA 90292

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

ONE MANAGER
 MORE THAN ONE MANAGER
 ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

Elizabeth Malloy Aaron
SIGNATURE OF ORGANIZER

June 15, 2005

DATE

Elizabeth Malloy Aaron

TYPE OR PRINT NAME OF ORGANIZER

RETURN TO (Enter the name and the address of the person or firm to whom a copy of the filed document should be returned)

8. NAME Michael S. Gould, Esq.
FIRM Rosenfeld, Wolff, Aronson & Klein
ADDRESS 1901 Avenue of the Stars, Suite 500
CITY/STATE/ZIP Los Angeles, CA 90067



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
RECINA M. FREER
ROBIN R. HUGHES
SABRINA KAY
FR. SPENCER T. KEZIOS
WILLIAM ROSCHEN
MICHAEL K. WOO
GABRIELLE WILLIAMS
COMMISSION EXECUTIVE ASSISTANT
(213) 978-1300

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

RECEIVED BY

EXECUTIVE OFFICES

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

CORDON 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

Decision Date: December 8, 2006

Appeal End Date: December 18, 2006

Chris Putrimas (A)(O)
13605 Fiji Way
Marina Del Rey, CA 90292

Harvey A. Goodman (R)
834 17th Street
Santa Monica, CA 90403

RE: Tentative Tract No.: 66317
Related Case: None
Council District: 4
Community Plan: North Hollywood –
Valley Village
Existing Zone: R3-1VL
ENV-2006-2188-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. 66317, composed of 1 lot located at 5312 N. Denny Avenue, for a maximum **7-unit residential condominium** as shown on map stamp-dated March 23, 2006 in the North Hollywood—Valley Village Community Plan. This unit density is based on the R3-1VL 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.



AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER



DEPARTMENT OF BUILDING AND SAFETY, GRADING DIVISION

1. That prior to issuance of a grading or building permit, or prior to recordation of the final map, the subdivider shall make suitable arrangements to assure compliance, satisfactory to the Department of Building and Safety, Grading Division, with all the requirements and conditions contained in Inter-Departmental Letter dated June 5, 2006, Log No. 53218, and attached to the case file for Tract No. 66317.

DEPARTMENT OF BUILDING AND SAFETY, ZONING DIVISION

2. 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.
 - a. Any proposed structures on the site have not been checked for Building or Zoning Code requirements. Plan check will be required before any construction, occupancy or change of use.

Note:

For questions pertaining to the above items, the applicant may contact John Pourhassan at (213) 482-6880.

DEPARTMENT OF TRANSPORTATION

3. That prior to the recordation of the final map, a suitable arrangement shall be made satisfactory to the Department of Transportation, binding the subdivider and all successors to the following:
 - a. A minimum of 20-foot reservoir space be provided between any security gate(s) and the property line.
 - b. Parking stalls shall be designed so that a vehicle is not required to back into or out of any public street or sidewalk.
 - c. A parking area and driveway plan be submitted to the Citywide Planning Coordination Section of the Department of Transportation for approval prior to submittal of building permit plans for plan check by the Department of Building and Safety. Transportation approvals are conducted at 201 N. Figueroa Street Suite 400, Station 3.

FIRE DEPARTMENT

4. 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.
- b. Access for Fire Department apparatus and personnel to and into all structures shall be required.
- c. No proposed development utilizing cluster, group, or condominium design of one or two family dwellings shall be more than 150 feet from the edge of the roadway of an improved street, access road, or designated fire lane.
- d. No building or portion of a building shall be constructed more than 300 feet from an approved fire hydrant. Distance shall be computed along path of travel. Exception: Dwelling unit travel distance shall be computed to front door of unit.

DEPARTMENT OF WATER AND POWER

5. 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

6. 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. New light required: One (1) on Denny Avenue.
 - b. Prior to final recordation for this project or issuance of the certificate of occupancy, the 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

7. 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

8. 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, 120 S. San Pedro Street, Room 600, Los Angeles, CA 90012, (213) 485-7969.

DEPARTMENT OF RECREATION AND PARKS

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

DEPARTMENT OF CITY PLANNING-SITE SPECIFIC CONDITIONS

10. 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 7 dwelling units.
- b. Provide a minimum of 2 covered off-street parking spaces per dwelling unit, plus $\frac{1}{4}$ guest parking spaces per dwelling unit. 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 off-street parking spaces, as required by the Advisory Agency, be submitted for review and approval by the Department of City Planning (200 N. 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. That a solar access report shall be submitted to the satisfaction of the Advisory Agency prior to obtaining a grading permit.
- f. 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.

11. That the subdivider shall record and execute a Covenant and Agreement to comply with the **North Hollywood Redevelopment Project Area (Ordinance 171,745 (ZI-1048))**, prior to the issuance of a demolition permit, building permit, or grading permit.

DEPARTMENT OF CITY PLANNING-ENVIRONMENTAL MITIGATION MEASURES

- 12. 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 **Nos. 13, 14, and C-4** 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.
- 13. 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 applicant shall install air filters capable of achieving a Minimum Efficiency Rating Value (MERV) of at least 8 or better in order to reduce the effects of diminished air quality on the occupants of the project.
 - MM-3 The project shall comply with the Uniform Building Code Chapter 18, Division 1 Section 1804.5 Liquefaction Potential and Soil Strength Loss which requires the preparation of a geotechnical report. The geotechnical report shall assess potential consequences of any liquefaction and soil strength loss, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration.

- MM-4 Building design considerations shall include, but are not limited to: ground stabilization, selection of appropriate foundation type and depths, selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures.
- MM-5 All multiple residential buildings shall have adequate ventilation as defined in Section 91.7102 of the Municipal Code or a gas-detection system installed in the basement or on the lowest floor level on grade, and within the underfloor space in buildings with raised foundations.
- MM-6 Prior to the issuance of any 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-7 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-8 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-9 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-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 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-14 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-15 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-16 Legibility of stencils and signs must be maintained.

MM-17 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-18 The storage area must be paved and sufficiently impervious to contain leaks and spills.

MM-19 The storage area must have a roof or awning to minimize collection of stormwater within the secondary containment area.

MM-20 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-21 The following recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the approval of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or guest room shall not be more than 150 feet in distance in horizontal travel from the edge of the roadway of an improved street or approved fire lane.

MM-22 The applicant shall pay school fees to the Los Angeles Unified School District to offset the impact of additional student enrollment at schools serving the project area.

MM-23 Per Section 17.12-A of the LA Municipal Code, the applicant shall pay the applicable Quimby fees for the construction of condominiums, or Recreation and Park fees for construction of apartment buildings.

MM-24 The applicant shall submit a parking and driveway plan that incorporates design features that reduce accidents, to the Bureau of Engineering and the Department of Transportation for approval.

MM-25 Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass, and other recyclable material.

14. **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 free-standing.
- Regardless of who posts the sign, 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.
- CM-11 The project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.
- CM-12 The project sponsor shall 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 shall 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. Uncovered dumpsters shall be placed under a roof or be covered with tarps or plastic sheeting.
- CM-17 Gravel approaches shall be used where truck traffic is frequent to reduce soil compaction and the tracking of sediment into streets shall be limited.
- 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-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. 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 off-street 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 prior to obtaining any permit. 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%.
- (l) 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 streets, 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 prior to recordation of the final map.

S-3. That the following improvements be either constructed prior to recordation of the final map 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 plantings 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:
 - a. Improve Denny Avenue being dedicated and adjoining the subdivision by the construction of the following:
 - (1) A concrete curb, a concrete gutter, and a 10-foot full-width concrete sidewalk with tree wells.
 - (2) Suitable surfacing to join the existing pavement and to complete a 20-foot half roadway.

- (3) Any necessary removal and reconstruction of existing improvements.
- (4) The necessary transition to join the existing improvements 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-2006-2188-MND on May 31, 2006. The Committee found that potential negative impact could occur from the project's implementation due to:

- need for landscaping.
- existing ambient air pollution levels.
- potential impacts related to liquefaction, methane, and asbestos.
- noise from the site.
- construction impacts.
- stormwater runoff.

design of the parking area and access driveway.
increasing demand on public services.

The Deputy Advisory Agency, certifies that Mitigated Negative Declaration No. ENV-2006-2188-MND 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 **Nos. 13, 14, and C-4** 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, and risk of upset are concerned. However, measures are required as part of this approval, which will mitigate the above mentioned impacts to a less than significant level. Furthermore, the project site, as well as the surrounding area, are presently developed with structures and do 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. **12**.

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. 66317, 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 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 North Hollywood—Valley Village Community Plan designates the subject property for Medium Residential land use with the corresponding zone of R3. The property contains approximately 0.155 net acre (6,752 net square feet)

and is presently zoned R3-1VL. The proposed development of 7 residential condominium units is allowable under the current adopted zone and the land use designation.

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).

- (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 development of this tract is an infill of an otherwise multiple-density residential neighborhood.

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

Condition No. 1 requires compliance with the requirements by the Department of Building and Safety, Grading Division prior to recordation of the final map, set forth in their letter dated June 5, 2006, Log No. 53218, and attached to the case file for Tract No. 66317.

- (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, and risk of upset are concerned.

However, measures are required as part of this approval which will mitigate the above mentioned impacts to a less than significant level.

Furthermore, the project site, as well as the surrounding area are presently developed with structures and do 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.

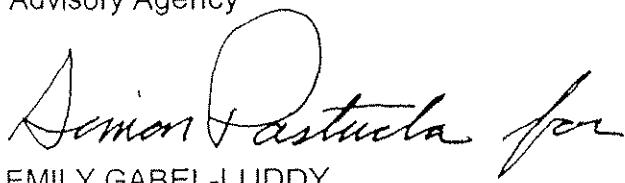
No such easements are known to exist. Needed public access for roads and utilities will be acquired by the City prior to recordation of the proposed tract.

(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)

- 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. 66317.

S. Gail Goldberg, AICP
Advisory Agency


EMILY GABEL-LUDDY
Deputy Advisory Agency

EGL:SP:JW:RA:ek

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., 4th Floor
Los Angeles, CA 90012
213.482.7077

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 <http://cityplanning.lacity.org/>.

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 filed no later than the 90th 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
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 6, 2006

To: Ms. S. Gail Goldberg, Director
Department of City Planning
Attention: Deputy Advisory Agency

From: *Edmond Yew*
Edmond Yew, Manager
Land Development Group
Bureau of Engineering

Subject: Tentative Tract Map No. 66317 - Transmittal of Map.

Transmitted is a print of tentative map of Tract Map No. 66317 lying easterly of Denny Avenue and northerly of Magnolia Boulevard in Council District No. 4.

This map has been filed for a 7-unit new residential condominium purposes. The subdivision layout is satisfactory as submitted.

There is an existing sewer available in Denny Avenue adjoining the subdivision. The construction of house connection sewers will be required to serve the tract. This tract will connect to the public sewer system and will not result in violation of the California Water Code. I therefore recommend that you make the necessary determination.

I recommend that the tentative map of Tract No. 66317 be approved, subject to the standard conditions issued by your department and the following special conditions:

That the following improvements be either constructed prior to recordation of the final map or that the construction be suitably guaranteed:

Improve Denny Avenue being dedicated and adjoining the subdivision by the construction of the following:

- (1) A concrete curb, a concrete gutter, and a 10-foot full-width concrete sidewalk with tree wells.
- (2) Suitable surfacing to join the existing pavement and to complete a 20-foot half roadway.
- (3) Any necessary removal and reconstruction of existing improvements.
- (4) The necessary transition to join the existing improvements all satisfactory to the City Engineer.

Ms. Goldberg

-2-

Any questions regarding this report should be directed to
Mr. Georgic Avanesian of the Land Development Section, located at
201 North Figueroa Street, Suite 200, or by calling (213) 977-6335.

EY/GA/gt

H:\ldg3\gtWP955

Enc.

cc: Valley Engineering District Office

Harvey Goodman

Fax: (310) 828-5062

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 6, 2006

To: Ms. S. Gail Goldberg, Director
Department of City Planning
Attn: David Weintraub (Community Planning)

From: Edmond Yew, Manager
Land Development Group
Bureau of Engineering

**Subject: Case No. CPC 2002-6052 (ZC/GPA): 1920 South Purdue Avenue
- Removal of (T) Tentative Classification**

Improvements required under City Planning Case No. CPC 2002-6052 (ZC/GPA) for removal of (T) Tentative Classification have been suitably guaranteed to the satisfaction of the City Engineer.

(T) Condition Numbers 2, 3, 4, 5, 7 and 9 are hereby cleared.

No dedication is required.

Any questions regarding this report may be directed to Quyen M. Phan of my staff at (213) 977-6955.

cc: Adam Mobudi
WLA District Office

DEPARTMENT OF
CITY PLANNING
200 N. SPRING STREET, ROOM 525
LOS ANGELES, CA 90012-4801

CITY PLANNING COMMISSION
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COMMISSION EXECUTIVE ASSISTANT
(213) 978-1300

CITY OF LOS ANGELES
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ANTONIO R. VILLARAIGOSA
MAYOR

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FAX: (213) 978-1275

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

Filing Notification and Distribution

MAY 02 2006

March 23, 2006

DATE OF FILING AND MAP STAMP DATE

TENTATIVE TRACT MAP NO: 66317

ADDRESS: **5312 N. Denny Avenue**

COMMUNITY: **North Hollywood-Vally Village**

DISTRIBUTION DATE: April 9, 2006

Hillside: Yes No

COUNCIL DISTRICT NO.: **4**

Neighborhood Planning (Check Office below)

Valley

West Los Angeles

Harbor

Metro E/S

Department of Public Works

Bureau of Engineering

Bureau of Sanitation

Department of Building and Safety

Grading

Zoning

Department of Transportation

Department of Water and Power

Underground Design

Real Estate

Water System

Fire Department (mark "Fire")

Community Plan Revision

Department of Recreation and Parks

Department of Telecommunications

Bureau or Street Lighting (No. P.S.)

Community Redevelopment Agency

See Counter Map) (No P.S.)

Animal Regulation (Hillside)

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)

Imaging Services

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

EMILY GABEL-LUDDY
Deputy Director of Planning

CP-6300 (5/23/00)



AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER



