



January 21, 2010

City of Oakland  
Community and Economic Development Agency  
Redevelopment Division  
250 Frank H. Ogawa Plaza  
Suite 5313  
Oakland, CA 94612

To Whom It May Concern:

This letter is to confirm interest by Walgreen Co. in pursuing the development of a Walgreens retail pharmacy as part of the Foothill Seminary Commons development located at the intersection of Foothill and Seminary in Oakland, CA. Aventine Development Corporation is the developer selected by Walgreen Co. to pursue the subject development. Provided that property control is obtained by Aventine, due diligence is completed in a satisfactory manner and the necessary development parameters are achieved, Walgreen Co. intends to seek real estate committee approval of the subject site for development by Aventine.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd G. Frank", with a horizontal line extending to the right.

Todd G. Frank  
Senior Real Estate Manager

# *Sunfield*

*Sustainable Development*



## SEMINARY POINT

**Cole, Doug**

---

**From:** Sid Afshar [ssafshar@sbcglobal.net]  
**Sent:** Tuesday, September 13, 2011 11:41 AM  
**To:** Vollmann, Peterson  
**Cc:** Cole, Doug  
**Subject:** FW: Foothill & Semi (1 of 3)  
**Attachments:** 110912 progress set -1.pdf

Pete,  
I know we are submitting this plan. I am just forwarding it to you to see what we did and we did it on time.  
Sid

--- On Tue, 9/13/11, Sid Afshar <sidafshar@sunfielddevelopment.com> wrote:

From: Sid Afshar <sidafshar@sunfielddevelopment.com>  
Subject: FW: Foothill & Semi (1 of 3)  
To: "Sid Afshar" <ssafshar@sbcglobal.net>  
Date: Tuesday, September 13, 2011, 11:21 AM

Siavash Afshar Founder,CEO.



Sunfield Development, LLC  
562 14th street

Oakland, CA. 94612

Office: 510-452-5555

Fax : 510-452-1651  
Cell : 510-734-7805  
www.sunfielddevelopment.com

9/13/2011

**From:** Charmi Patel [mailto:cpatel@ipd-oak.com]  
**Sent:** Tuesday, September 13, 2011 10:14 AM  
**To:** 'Sid Afshar'  
**Cc:** 'Raju N. Nandwana'; 'Phil Choi'  
**Subject:** Foothill & Semi (1 of 3)

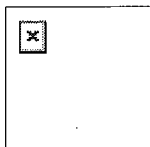
Sid,

Hope all is well with you.

Please find attached progress package for Foothill & Seminary for your use.

Due to size limit package is divided in 3 e-mails/files

**Charmi Deepak, LEED AP, Asso. AIA**



Intermediate Designer  
cpatel@ipd-oak.com

**IPD**

**Architecture / Engineering / Consulting**

International Parking Design, Inc.

1201 Marina Village Parkway, Suite 100, Alameda, CA 94501

T: 510.473.0300x119

F: 510.473.0310

www.ipd-global.com

9/13/2011

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2011 SEP 14 PM 4:33



September 13, 2011

To: City of Oakland – CEDA, Redevelopment Agency

Attn: Doug Cole

Project: Seminary Point (Foothill & Seminary), Oakland

Subject: Submittal for ENA Item 2.1.a (ii) – Developer's Financial Documentation

Attached please find the balance sheets and income/loss statements prepared in accordance with generally accepted accounting principles for the Developer. This document is intended to satisfy the intent of item 2.1.a (ii) in the Exclusive Negotiating Agreement (ENA) regarding the Project Team.

Date	Description	# of Pages
September 13, 2011	Sunfield Development LLC, 2010 Balance Sheet	1
September 13, 2011	Sunfield Development LLC, 2010 Profit & Loss Statement	1
September 13, 2011	Sunfield Development LLC, 2011 YTD Balance Sheet	2
September 13, 2011	Sunfield Development LLC, 2011 YTD Profit & Loss Statement	1

**Sunfield Development LLC**  
**Balance Sheet**  
**As of December 31, 2010**

	Dec 31, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10010 · Bank of America 66495	778.97
10020 · Bank of America CD 10111	84,058.81
10030 · Bank of the West 537	208,374.12
10040 · Bank of the West 772	1,895,730.00
<b>Total Checking/Savings</b>	2,188,941.90
<b>Other Current Assets</b>	
13000 · Intercompany Accounts	
13100 · Bundle LLC	-219,206.67
13200 · Brilliant Managment LLC	10,559.50
<b>Total 13000 · Intercompany Accounts</b>	-208,647.17
<b>Total Other Current Assets</b>	-208,647.17
<b>Total Current Assets</b>	1,980,294.73
<b>Other Assets</b>	
18000 · Development in Process	
18100 · Angola/Africa	
18110 · Translation Services	270.00
<b>Total 18100 · Angola/Africa</b>	270.00
18200 · Fox Block	
18210 · Architecture & Engineering	10,000.00
18220 · Permit & Fees	25,032.00
18235 · Capitalized Interest	750.00
<b>Total 18200 · Fox Block</b>	35,782.00
18400 · Seminary Point	
18410 · Architect & Engineering	1,500.00
18420 · Permits & Fees	25,000.00
18435 · Capitalized Interest	750.00
<b>Total 18400 · Seminary Point</b>	27,250.00
18600 · Eastmont Center	
18635 · Capitalized Interest	500.00
<b>Total 18600 · Eastmont Center</b>	500.00
<b>Total 18000 · Development in Process</b>	63,802.00
<b>Total Other Assets</b>	63,802.00
<b>TOTAL ASSETS</b>	<b>2,044,096.73</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Long Term Liabilities</b>	
28100 · Wyder Loan Payable	
28110 · Fox Block Loan	75,500.00
28120 · Seminary Point Loan	75,500.00
28130 · Eastmont Loan	25,500.00
<b>Total 28100 · Wyder Loan Payable</b>	176,500.00
<b>Total Long Term Liabilities</b>	176,500.00
<b>Total Liabilities</b>	176,500.00
<b>Equity</b>	
Net Income	1,867,596.73
<b>Total Equity</b>	1,867,596.73
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,044,096.73</b>

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09/13/11

Cash Basis

**Sunfield Development LLC**  
**Profit & Loss**  
**January through December 2010**

	<u>Jan - Dec 10</u>
<b>Ordinary Income/Expense</b>	
Income	
42500 · Sale of the Farm	1,895,000.00
<b>Total Income</b>	<u>1,895,000.00</u>
<b>Gross Profit</b>	1,895,000.00
Expense	
60200 · Automobile Expense	65.00
60400 · Bank Service Charges	23.41
63500 · Janitorial Expense	140.00
64300 · Meals and Entertainment	6.17
64700 · Miscellaneous Expense	0.00
64900 · Office Supplies	109.10
66000 · Payroll Expenses	4,900.00
66700 · Professional Fees	18,982.50
67100 · Rent Expense	3,000.00
68100 · Telephone Expense	615.18
<b>Total Expense</b>	<u>27,841.36</u>
<b>Net Ordinary Income</b>	1,867,158.64
<b>Other Income/Expense</b>	
Other Income	
70200 · Interest Income	438.09
<b>Total Other Income</b>	<u>438.09</u>
<b>Net Other Income</b>	<u>438.09</u>
<b>Net Income</b>	<u><u>1,867,596.73</u></u>

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Cash Basis

**Sunfield Development LLC**  
**Balance Sheet**  
**As of September 13, 2011**

	Sep 13, 11
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10010 • Bank of America 66495	1,610.22
10020 • Bank of America CD 10111	67,058.81
10030 • Bank of the West 537	208,374.12
10040 • Bank of the West 772	1,895,730.00
Total Checking/Savings	2,172,773.15
Other Current Assets	
13000 • Intercompany Accounts	
13100 • Bundle LLC	-219,206.67
13200 • Brilliant Managment LLC	10,744.95
13000 • Intercompany Accounts - Other	-78,938.08
Total 13000 • Intercompany Accounts	-287,399.80
Total Other Current Assets	-287,399.80
Total Current Assets	1,885,373.35
Fixed Assets	
15000 • Furniture and Equipment	728.04
Total Fixed Assets	728.04
Other Assets	
18000 • Development in Process	
18100 • Angola/Africa	
18110 • Translation Services	270.00
Total 18100 • Angola/Africa	270.00
18200 • Fox Block	
18210 • Architecture & Engineering	10,000.00
18220 • Permit & Fees	25,032.00
18235 • Capitalized Interest	3,500.00
Total 18200 • Fox Block	38,532.00
18400 • Seminary Point	
18410 • Architect & Engineering	1,500.00
18420 • Permits & Fees	41,234.84
18435 • Capitalized Interest	3,000.00
Total 18400 • Seminary Point	45,734.84
18600 • Eastmont Center	
18635 • Capitalized Interest	750.00
Total 18600 • Eastmont Center	750.00
Total 18000 • Development in Process	85,286.84
Total Other Assets	85,286.84
<b>TOTAL ASSETS</b>	<b>1,971,388.23</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 • Accounts Payable	
20100 • Business Card Payment	-10,139.78
20200 • BankCard Payment	-10,283.56
Total 20000 • Accounts Payable	-20,423.34
Total Accounts Payable	-20,423.34



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09/13/11

Cash Basis

# Sunfield Development LLC

## Balance Sheet

As of September 13, 2011

	Sep 13, 11
Other Current Liabilities	
28200 · Company's Vehicle	
28210 · Loan Payments	-14,668.30
28220 · Car Insuranc	-439.63
Total 28200 · Company's Vehicle	-15,107.93
Total Other Current Liabilities	-15,107.93
Total Current Liabilities	-35,531.27
Long Term Liabilities	
28100 · Wyder Loan Payable	
28110 · Fox Block Loan	75,750.00
28120 · Seminary Point Loan	75,750.00
28130 · Eastmont Loan	25,750.00
Total 28100 · Wyder Loan Payable	177,250.00
29000 · Property Tax	
29100 · Lake Shastina	-237.20
29200 · California Pine	-75.00
29000 · Property Tax - Other	-318.00
Total 29000 · Property Tax	-630.20
Total Long Term Liabilities	176,619.80
Total Liabilities	141,088.53
Equity	
30300 · Member 1 Draws	-2,290.00
32000 · Retained Earnings	1,867,596.73
Net Income	-35,007.03
Total Equity	1,830,299.70
TOTAL LIABILITIES & EQUITY	1,971,388.23

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09/13/11  
Cash Basis

**Sunfield Development LLC**  
**Profit & Loss**  
**January 1 through September 13, 2011**

	<u>Jan 1 - Sep 13, 11</u>
<b>Ordinary Income/Expense</b>	
Expense	
68800 Garbage Removal	109.03
60200 Automobile Expense	161.00
60400 Bank Service Charges	35.00
61400 Charitable Contributions	500.00
63300 Insurance Expense	
63320 Health Insurance	15.00
63300 Insurance Expense - Other	5.00
<b>Total 63300 Insurance Expense</b>	<u>20.00</u>
63500 Janitorial Expense	280.00
64700 Miscellaneous Expense	300.00
64900 Office Supplies	1,999.88
65100 Parking fee	2,162.50
66000 Payroll Expenses	8,229.00
66500 Postage and Delivery	4.00
66600 Printing and Reproduction	25.38
66700 Professional Fees	51,730.51
67100 Rent Expense	8,160.00
67200 Repairs and Maintenance	2,364.50
67800 Small Tools and Equipment	-150.69
68000 Taxes - Property	3,539.81
68100 Telephone Expense	3,244.14
68400 Travel Expense	4.40
68600 Utilities	2,288.57
<b>Total Expense</b>	<u>85,007.03</u>
<b>Net Ordinary Income</b>	<u>-85,007.03</u>
<b>Other Income/Expense</b>	
Other Income	
70200 Interest Income	50,000.00
<b>Total Other Income</b>	<u>50,000.00</u>
<b>Net Other Income</b>	<u>50,000.00</u>
<b>Net Income</b>	<u><u>-35,007.03</u></u>

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September 13, 2011

To: City of Oakland – CEDA, Redevelopment Agency

Attn: Doug Cole

Project: Seminary Point (Foothill & Seminary), Oakland

Subject: Submittal for ENA Item 2.1.a (iii) – Developer's LLC Documents

Attached please find the documents related to the Developer's LLC, Sunfield Development, LLC, a limited liability company recorded in the State of California. These documents are intended to satisfy the intent of item 2.1.a (iii) in the Exclusive Negotiating Agreement (ENA) regarding the status and members of the Developer's legal entity.

Date	Description	# of Pages
July 22, 2009	State of California Secretary of State, Statement of Information (Limited Liability Company), Sunfield Development, LLC	1
August 7, 2009	State of California Secretary of State, Statement of Information (Limited Liability Company), Sunfield Development, LLC	1
June 30, 2009	State of California Secretary of State, Limited Liability Company Articles of Organization, Sunfield Development, LLC	2
August 12, 2009	Operating Agreement of Sunfield Development, LLC, A California Limited Liability Company	22



# State of California Secretary of State

**L**

## STATEMENT OF INFORMATION (Limited Liability Company)

Filing Fee \$20.00. If amendment, see instructions.

**IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

1. LIMITED LIABILITY COMPANY NAME (Please do not alter if name is preprinted.)

Sunfield Development, LLC

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

**JUL 22 2009**

This Space For Filing Use Only

### DUE DATE:

### FILE NUMBER AND STATE OR PLACE OF ORGANIZATION

2. SECRETARY OF STATE FILE NUMBER

200918310106

3. STATE OR PLACE OF ORGANIZATION

California

### COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

CITY AND STATE

ZIP CODE

114 Camino Pablo

Orinda, CA

94563

5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)

CITY

STATE

ZIP CODE

114 Camino Pablo

Orinda

CA

94563

### NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY

6. NAME

ADDRESS

CITY AND STATE

ZIP CODE

Siavash Afshar

114 Camino Pablo

Orinda, CA

94563

### NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER (Attach additional pages, if necessary.)

7. NAME

ADDRESS

CITY AND STATE

ZIP CODE

Siavash Afshar

114 Camino Pablo

Orinda, CA

94563

8. NAME

ADDRESS

CITY AND STATE

ZIP CODE

9. NAME

ADDRESS

CITY AND STATE

ZIP CODE

### AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. 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 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS

Siavash Afshar

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

CITY

STATE

ZIP CODE

114 Camino Pablo

Orinda

CA

94563

### TYPE OF BUSINESS

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

Property Development

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

Kent E. Seton

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

Authorized Rep

TITLE

7/21/2009

DATE



# State of California Secretary of State

## STATEMENT OF INFORMATION (Limited Liability Company)

Filing Fee \$20.00. If amendment, see instructions.

**IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

1. LIMITED LIABILITY COMPANY NAME (Please do not alter if name is preprinted.)

Sunfield Development, LLC

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

AUG 07 2009

This Space For Filing Use Only

**DUE DATE:**

**FILE NUMBER AND STATE OR PLACE OF ORGANIZATION**

2. SECRETARY OF STATE FILE NUMBER

200918310106

3. STATE OR PLACE OF ORGANIZATION

California

**COMPLETE ADDRESSES FOR THE FOLLOWING** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

CITY AND STATE

ZIP CODE

114 Camino Pablo

Orinda, CA

94563

5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)

CITY

STATE

ZIP CODE

114 Camino Pablo

Orinda

CA

94563

**NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY**

6. NAME

ADDRESS

CITY AND STATE

ZIP CODE

Siavash Afshar

114 Camino Pablo

Orinda, CA

94563

**NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER** (Attach additional pages, if necessary.)

7. NAME

ADDRESS

CITY AND STATE

ZIP CODE

Trans Atlantic Business Corp. Inc. 114 Camino Pablo

Orinda, CA

94563

8. NAME

ADDRESS

CITY AND STATE

ZIP CODE

9. NAME

ADDRESS

CITY AND STATE

ZIP CODE

**AGENT FOR SERVICE OF PROCESS** (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. 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 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS

Siavash Afshar

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

CITY

STATE

ZIP CODE

114 Camino Pablo

Orinda

CA

94563

**TYPE OF BUSINESS**

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

Property Development

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

Kent E. Seton

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

Authorized Rep

TITLE

8/06/2009

DATE



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

LLC-1

File #

200918310106

**LIMITED LIABILITY COMPANY**  
**ARTICLES OF ORGANIZATION**

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

**JUN 30 2009**

A \$70.00 filing fee must accompany this form.

**IMPORTANT - Read instructions before completing this form.**

This Space For Filing Use Only

**ENTITY NAME** (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

Sunfield Development, LLC

**PURPOSE** (The following statement is required by statute and should 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

Siavash Afshar

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE

114 Camino Pablo

Orinda, CA

94563

**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.

June 29, 2009

DATE

SIGNATURE OF ORGANIZER

Kent E. Seton

TYPE OR PRINT NAME OF ORGANIZER



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



I, DEBRA BOWEN, 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

JUL 10 2009

DEBRA BOWEN  
Secretary of State

**OPERATING AGREEMENT  
OF  
SUNFIELD DEVELOPMENT, LLC  
A CALIFORNIA LIMITED LIABILITY COMPANY**

This Operating Agreement ("Agreement") is entered into and adopted by the members of this limited liability company ("Company") whose signatures appear below at the end of this instrument and/or who become signatories hereto (hereinafter referred to individually as "Member" and/or collectively as "Members") as of August 12, 2009.

**RECITALS**

The parties enter into this Agreement with reference to the following facts:

- A. In or around June 2009, Siavash Afshar (hereinafter sometimes also referred to as "Founder") conceived of a business idea which is described in these Recitals, this Agreement, and in that certain offering memorandum which is more fully mentioned below (collectively, these documents are sometimes referred to as the "Underlying Documents"). In order to bring this idea to fruition, the Founder has taken certain actions including causing to be filed with the Secretary of State of California the Articles of Organization of this limited liability company ("LLC" or "Company"), which established its existence on June 30, 2009.
- B. The Company intends on raising equity financing in an amount ranging from five hundred thousand dollars (\$500,000.00 USD) to fifteen million dollars (\$15,000,000.00 USD) for the purpose of conducting real estate acquisition, entitlement, pre-development and development of residential, retail, commercial and office space and to maximize land value for such projects through sustainable planning. ("Business"). Upon receipt of said monies, the Company will cause said monies to be deposited into account(s) of the Company to further the purposes as described in the Underlying Documents.
- C. The Company intends to conduct the Business, relating to different properties located throughout California and Ohio. It is currently anticipated that the Company will focus its Business (although not exclusively) on two (2) identified projects, namely, Sunfield Creekside, Sunfield San Stino and distressed income producing real estate in Dayton, Ohio and surrounding cities (hereinafter collectively the "Projects"). In furtherance of the Projects, it is anticipated that the Company may be forming wholly owned subsidiary companies, for the purpose of performing the development, construction and management necessary for each of such Projects. As a result of its Business, Company (or those entities formed and controlled by it) to contract with various third parties such as contractors, consultants, engineers, architects, real estate agents, gardeners, stagers, and various subcontractors (including but not limited to painters, electricians, carpenters, tile specialists, and plumbers) in order to assist with the development and construction of the Projects. The Company shall be free to hire,



contract with, or utilize the services of such parties whether or not any Member or Manager possesses an ownership, economic, or other interest in, or affiliation with, such agents or parties.

- D. The goal of the Company operations will be to generate revenue from the sale, rental, or management of the Projects. The Company believes that the Projects may increase in value over time, and the goal of Company operations may include obtaining or acquiring land, subdividing the land, securing entitlements, constructing infrastructure and ultimately constructing certain income producing assets such as multi-family and mixed use projects such as apartment buildings, office, commercial and retail space on the Projects. However, nothing contained herein or in the Underlying Documents shall be construed as limited Company's right to sell any land acquired at any point in time, *e.g.* subsequent to pre-development but prior to construction. Notwithstanding the intentions of Company as described herein, nothing provided for herein or in any of the other Underlying Documents should be construed as guaranteeing Company's success in carrying out its Business, as there are numerous risks associated with such Business, which are further described in the Underlying Documents.
- E. From time to time, the Company may find it necessary or desirable to partner with other businesses, companies, corporate entities, or individuals to further the goals of the LLC. As part of such efforts, the Company may pool or combine its resources, enter into contractual agreements, and/or share assets, employees, officers, or agents with such third parties. It is anticipated that some or all of such third parties may be owned, operated, or managed by certain Members or Manager(s) of this LLC, and that such third parties may include limited liability companies or other entities involved in the same or similar business as this Company. Although it is possible that such third parties may be competitors of this Company, the business arrangements made with such third parties shall not constitute any conflict of interest or breach of fiduciary duty. The Manager(s) shall have sole discretion and authority with respect to the decision(s) to enter into such partnerships, if any, including but not limited to decisions related to the terms and conditions under which such partnerships are formed.
- F. It is the intention of the Founder to have a structure of management and operations which is entirely vested in the "hands" of the Founder, via his designated and owned, operated and controlled entity, through which he will provide management services, Trans Atlantic Business Corp. Inc. Additionally, it is understood and agreed by the non-managing owners that a material term of this Agreement is that all decisions concerning the affairs of the LLC shall be managed by the managing owner (also, now sometimes referred to as the "Manager") as provided for herein and/or as provided for by a separate management agreement between the LLC and the Manager provided it conforms to the basic terms herein. Due to the fact that the Manager is also managing the operations of the LLC, the Manager is being "compensated" in the form of a management or development fee.

- G. The parties hereto desire and intend to adopt this Agreement for the purpose of providing the governing terms and conditions, rules, and procedures for the ownership and operation of the LLC;

In consideration of the mutual covenants, representations, and warranties contained herein, the parties enter into this Operating Agreement on the following terms and conditions:

### **1. RECITALS**

The above Recitals are incorporated herein by this reference and made a part of this Agreement.

### **2. POWERS AND PURPOSES**

It is the purpose of this LLC to own, manage, and operate the Business as provided in the Underlying Documents. This LLC shall possess all the powers necessary for it to accomplish its purposes as provided in Section 17003 of the California Corporations Code ("Code"), except as otherwise provided herein.

### **3. MEMBERSHIP**

This LLC is authorized to issue to its Members membership interests ("Units") in the LLC. For the purposes of this Agreement, the terms "membership interests" shall have the meaning as set forth in Section 17001(z) of the Code. This LLC is authorized to issue three thousand three hundred thirty-three (3,333) total Units. One thousand five hundred (1,500) of such Units shall be Class A Units and one thousand eight hundred thirty-three (1,833) of such Units shall be Class B Units.

- a. This LLC shall have two (2) classes of Units in the form of Class A Units and Class B Units, as set forth hereinabove. Each class of Units shall have such rights, powers, preferences, and limitations as are set forth in this Agreement.
  - i. Class A Units shall be offered for ten thousand dollars (\$10,000.00) per Unit to potential investors under said certain offering, dated August 12, 2009, 2009 (hereinafter referred to as the "Memorandum" or "Offering"), which is, again, hereby incorporated by this reference and made a part of this Agreement. Class A Members' ownership percentage of the Company will be based upon the total proceeds from the issuance of Class A Units. The aggregate proceeds from the issuance of Class A Units will not total more than fifteen million dollars (\$15,000,000.00). Class A Members will not have any voting rights except as otherwise provided for herein or pursuant to applicable law. Upon the sale of the maximum number of Units from the

Offering, Class A Members will hold a forty-five percent (45%) ownership interest in the Company.

- ii. All one thousand eight hundred thirty-three Class B Units shall be owned by Trans Atlantic Business Corp. Inc. (also now referred to as the "Class B Member." Class B Member shall hold a fifty-five (55%) ownership interest in the Company.
- b. Membership interests may also be expressed in terms of a percentage (such as thirty-five percent (35%)). This percentage, as and when used herein, shall be referred to as a "Percentage Interest." It is hereby understood and agreed to by all Members of this LLC that the Percentage Interest of Members may change as a result of accepting additional Members to the membership of this LLC.
- c. Voting Rights. "Voting Rights" means the right to vote on matters affecting this LLC which require a vote of the Members. Each Member's Voting Rights shall be directly proportional to that Member's Percentage Interest. The Voting Rights of the Members are as follows:
  - i. Class B. In addition to the right to vote on any other matters affecting this LLC, Class B Member(s) shall have the right to vote on the election and nomination of Manager(s) of this LLC.
    - 1. The Manager(s) of this LLC shall solely control, operate, and govern the business and affairs of this LLC.
  - ii. Class A. Class A Members shall have no voting rights, except for: the right to vote on the amendment of the Articles of Organization of this LLC; the amendment of this Agreement; or whether to cause the dissolution of this LLC.
    - 1. Specifically, Class A Members shall not have the right to determine the manner, method, or timing of any purchase, acquisition, pre-development, development or sale of any of the intended Projects. These determinations rest squarely and solely in the hands of the Manager(s).
- d. No Member of this LLC shall be entitled to charge the LLC an unreasonable interest rate in any form for, or with respect to, funds and/or property loaned to the LLC. As such, the maximum amount that may be charged, if any, is the prime rate in effect on such date less two percent (2%).

#### 4. DISTRIBUTIONS

For the purpose of this Agreement, the term "distribution" shall have the meaning as set forth in Section 17001(j) of the Code.

It is anticipated that this LLC may derive revenue from the Projects and their development, sale, lease and/or rental. For purposes of this Agreement "Cash Flow" shall mean those revenues and proceeds received by the Company from: the sale of any Project; the rental of any Project after deducting therefrom the operating costs, reserves, debt payments and any other costs directly associated with such rental proceeds; insurance proceeds from the loss of any Project; interest income; and any other income directly resulting from the development of real estate. The Manager(s) shall retain full authority and discretion over the management, use, and distribution of funds that the LLC derives as Cash Flow. All distributions will be made only as provided for herein, and the manner in which this LLC shall make distributions is subject to the following terms and conditions:

- a. Provided that the Manager(s) anticipates and believes in good faith that the making of any distribution would not result in the LLC being unable to pay its debts as they become due in the normal course of business, this LLC shall distribute to its Members such remaining portion of the "Net Proceeds" (as defined below) to each Member on an annual basis after a full financial audit including the Cash Flow and Net Proceeds of the Company.
  - i. Net Proceeds. "Net Proceeds" shall be defined, computed and determined on an accrual basis in accordance with generally accepted accounting principles applied on a consistent basis from fiscal period to fiscal period. For purposes of this Agreement, the term "Net Proceeds" shall mean gross revenues and/or receipts derived from Cash Flow and proceeds from the sale or disposition of capital or other assets, whether due to liquidation, dissolution or otherwise, proceeds from any settlement of any claim and/or from any legal action or proceeding and proceeds from insurance and/or from any other involuntary conversion of capital or other assets after deducting therefrom all expenses incurred and/or paid in ownership, maintenance and/or other operation thereof, including, but not limited to, any current salaries or other compensation in any form otherwise paid or to be paid the Manager, key employees or other personnel.
  - ii. Annual. For purposes of this Agreement, "Annual" shall mean that distributions are calculated annually by an audit of an independent CPA firm, based on December 31 of the year following the Offering Date on a simple basis (as opposed to a compound basis).
- b. Calculation and Allocation of Distributions. Annual distributions from Net Proceeds will be distributed as follows:

- i. Net Proceeds shall first be distributed directly to Class A Members up and until the Class A Members each receive a seven percent (7%) per annum return on their initial capital contribution (the "Class A Preferred Return"). *For example, the annual distribution from Net Proceeds will first be distributed until all Class A Members receive the equivalent of seven thousand dollars (\$7,000) on a one-hundred thousand dollar (\$100,000) investment.*
- ii. Upon the Class A Members receiving the aforementioned Preferred Return, annual distributions from Net Proceeds in excess of the Preferred Return (the "Excess Net Proceeds") shall be distributed as follows:
  - 1. Forty-five percent (45%) of the Excess Net Proceeds to Class A Members payable to each Class A Member pro rata in accordance with his, her or its respective ownership interest of Class A Units; and
  - 2. Fifty-five percent (55%) of the Excess Net Proceeds to Class B Members payable to each Class B Member pro rata in accordance with his, her or its respective ownership interest of Class B Units.
- iii. The Class A Members' shall be entitled to the Preferred Return for each year. As such, in the event that distributions of Net Proceeds are not made in any one (1) or more years, the Preferred Return for such years shall accumulate and be payable to the Class A Members at the time of the next distribution of Net Proceeds; such accumulation shall be calculated on a simple (not a compound) basis. *For example, if funds do not exist to make a distribution from Net Proceeds until the third year, Class A Members shall be entitled to the Preferred Return for the first three years; as such, the annual distribution from Net Proceeds in the third year will first be distributed until all Class A Members receive the equivalent of twenty-one thousand dollars (\$21,000) on a one-hundred thousand dollar (\$100,000) investment.*
- c. Other than as set forth herein, no Member shall be given priority or preference with respect to any distribution.
- c. No Member may be required to accept a distribution of any asset in kind in lieu of a proportionate distribution of money being made to the other Members. If proceeds consist of property other than cash, and, if such non-cash proceeds are later reduced to cash, such cash may be distributed among the Members as herein provided. A Member has no right to demand distributions of non-cash proceeds of the LLC.

- d. This LLC shall, on a semiannual or annual basis, account to each Member in writing in reasonable detail of each Member's right to a distribution and said accounting shall include a remittance in the amount shown due thereon.
- e. If there is a distribution during liquidation of this LLC, then distributions shall be made in accordance with the terms of this section.

## **5. ALLOCATION OF LOSSES**

Losses shall be allocated among the Members according to each one's Percentage Interest. For purposes of this Agreement, the allocations for this section shall be determined by computing all of the outstanding Units held by Members, and dividing it by the total number of Members' Units. For example, if one hundred (100) Units are issued and outstanding and a Member holds 10 Units, ten percent (10%) of the losses shall be allocated to that Member.

## **6. NON-LIABILITY OF MEMBER OR MANAGER; INDEMNIFICATION**

### **a. Non-Liability**

Except as otherwise provided by law or by agreement, no Member or Manager, as defined in this Agreement, shall be personally liable for any judgment of a court, or in any other manner, for any debt, obligation, or liability of this Company, whether that liability arises in contract, tort, or otherwise, solely by reason of being a Member or Manager.

### **b. Indemnification**

This LLC shall indemnify and hold harmless each and every Member and the Manager for any and all causes of action, claims, losses, debts, or obligations (hereinafter "Claims") taken against them by any third party which Claims arise out of ownership, management, and/or operation of the LLC except for Claims arising out of any conduct taken by a Member in contravention of this Agreement or taken by the Manager which constitutes willful or gross misconduct in managing this LLC.

### **c. Liquidated Damages**

The parties hereto agree that because certain damages are unforeseeable, if any Member shall bring any action against this LLC or the Manager or other Member, whether for tort or a breach of contract-type of claim, the Member's sole remedy, at law or equity, shall be limited to the total amount of that Member's Capital Contribution except that the Member may seek injunctive relief against the LLC or Manager or other Members from taking conduct which is not in the best interests of the LLC.

## **7. ORGANIZATIONAL EXPENSES**

Any organizational expenses paid out of the personal funds of the Manager(s) or Founder shall be reimbursed provided that the Manager(s) or Founder provides written evidence of said expenditures and maintain copies thereof in the written records of this LLC. For purposes of this Agreement, organizational expenses shall include, but are not limited to, any and all expenses incurred by the Founder, Manager(s) or the Company in the organization of the Company such as attorney fees, accountant fees, state and/or federal filing fees and costs relating to the filing of organizational documents, and similar costs. The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by the LLC's tax advisor.

## **8. MANAGEMENT**

- a. The Manager(s) of this LLC shall be Trans Atlantic Business Corp. Inc. Subject to applicable law, the power and authority of the Manager(s), acting alone, shall include, but not be limited to the authority to, on the Company's behalf:
  - i. Purchase, lease or otherwise acquire from, or sell, lease or otherwise dispose of, to any person any real property;
  - ii. Borrow money for the Company from banks or other lending institutions and on terms as the Manager(s) deems appropriate, and in connection with this power, to hypothecate, encumber or grant security interests in the Company's assets to secure repayment of the borrowed sums. No debt may be contracted nor liability incurred by or on behalf of the Company except by the Manager(s) or, to the extent permitted under the Limited Liability Act, by agents or employees of the Company expressly authorized to contract such debt or incur liability by the Managers;
  - iii. Sign, endorse, execute, acknowledge, receive, and deliver checks, withdrawal receipts, deposit instruments, and bills as may be necessary or proper in the daily operations of the business of the LLC;
  - iv. Contract with third parties owned, operated or otherwise related to Managers for the purpose of assisting with the operations of the LLC.
  - v. Pay or authorize the payment of any reasonable expenses incurred by the LLC in the operation of its business; and
  - vi. Contract with third parties, including but not limited to third parties for the purpose of acquiring land, securing entitlements, constructing infrastructure and ultimately constructing certain income producing

assets such as multi-family and mixed use residential and commercial projects.

b. Disclosures

The following representations have been disclosed to all prospective and actual investors to this LLC. By executing this Agreement and/or submitting a subscription agreement to this LLC, each investor (i.e. Class A Member) understands and acknowledges that they have been informed of the same and agree that no such action shall exist against Class B Members, any Manager or the Company for any of the below activities.

- i. Competing Activities. The Manager(s) of this LLC (and/or the Manager(s) employees) are business owners and investors. Notwithstanding any other provisions in this Agreement, the Manager(s) have already and may continue to engage or invest in any business activity of any type or description, including without limitation, those that might be the same as, or similar to, this LLC's business. Any such activity may be engaged in independently or with others, and may include without limitation, the conduct of the same business as that of the LLC for the account of any one or all of such persons. Neither the LLC nor any Member shall have any right in or to such other ventures or activities, or to the income or proceeds derived therefrom. Further, the Manager(s)' previous or future engagement in such competing activities shall not be a violation of this Agreement or any duty or obligation required hereunder or owed under any law.

c. Vacancies, Removal and Resignation of Manager(s)

- i. Vacancies, if any, of the Managers' positions shall be filled by an affirmative vote of a majority in interest of the Class B Members ("Majority of Class B Members"). The term "Majority of Class B Members" shall mean more than fifty percent (50%) of the interest of Class B Members of the LLC.
- ii. A Manager may be removed, by the vote of a Majority of Class B Members at a meeting called expressly for that purpose. Any removal shall be without prejudice to the rights, if any, of the Manager(s) under contract of employment.
- iii. A Manager(s) may be, but is not required to be, a Member of the LLC. Any Manager(s) may resign at any time upon thirty (30) days written notice to the LLC, without prejudice to rights, if any, of the LLC under any contract to which the Manager(s) is a party. Notwithstanding the foregoing, in the event that a Manager(s) tenders his, her or its



resignation notice to the Company, he, she or it shall make a good faith effort to help the Company locate a competent successor to be elected as Manager prior to his, her or its departure. Each Manager(s) shall hold office until his, her or its successors have been elected and qualified.

- d. Compensation of Manager(s). As a material inducement into entering into this Agreement, and to incentivize the Manager(s) for its ongoing efforts to operate, run, manage, and oversee the Business of the LLC, the Manager(s) shall be entitled to compensation for its efforts. It is the intention of the LLC to pay the Manager(s) reasonable compensation comparable to that compensation received by individuals holding similar positions in similar organizations.

- i. The Manager(s) shall also be entitled to certain percentages of distributions (as described above) as provided for herein as Class B Members in the event that the Manager(s) is a Class B Member of the LLC.

- e. Management Agreement. It is understood and agreed that the basic terms and conditions of management are stated herein, but, there may be a desire by the Company to establish a stand-alone agreement entered into by the Manager(s) and their representatives in a customary but longer format. However, the failure to prepare and/or execute such an agreement shall not impair or invalidate any of the stated provisions herein.

## **9. COMPENSATION OF MEMBERS**

Members shall not be paid as Members of the LLC for performing any duties associated with such membership. Members may be paid, however, for any services rendered in any other capacity for the LLC, whether as Manager(s), officers, employees, independent contractors, or otherwise.

## **10. MEMBERS' MEETINGS**

- a. Calling of Meetings. Meetings of Class B Members are not required to be called except on such matters which this Agreement or applicable law expressly requires. Meetings of Class A Members shall be called by the Manager(s) only for those matters expressly required to be called by applicable provisions of law.
- b. Location of Meetings. Meetings may be held at any place within the State of California as it is called by the Manager(s). If no place is stated or fixed, the meeting shall take place at the principal executive office of the LLC.
- c. Persons Authorized To Call A Meeting. Subject to applicable law, a meeting of Members may be called by the Managers on any such matters for which a meeting

of Members is required to be called by the express provisions of this Agreement except that if the Members desire to call a meeting with the express purpose of removing the Managers, said meeting may be called by Members whose ownership of Units represent greater than thirty-five (35%) of the ownership of this LLC. Any such meeting called by the Members must be noticed without exception.

- d. Notice. The LLC shall not provide for regular Members' meetings. However, if a meeting is called, written notice of the meeting shall be given not less than ten (10) days or more than sixty (60) days before the date of the meeting. Notice shall be given to each Member entitled to vote at the meeting. Notice shall state the place, date, and hour of the meeting and the general nature of the business to be transacted. No other business may be transacted unless otherwise provided herein or by applicable law. Notification may be made either personally, by mail or other means of written communication addressed to the Member at the address of the Member appearing on the books of the LLC or which has been given to the LLC by the Member for the purpose of the notice, or if no address appears or is given, at the place where the principal executive office of the LLC is located. Notice shall be deemed to be given at the time when delivered personally or deposited in the mail or other means of written communication, either personally, in writing, or by telephone, facsimile machine or other form of electronic communication to the Member calling the meeting, to meet at a mutually acceptable time and place.
- e. Adjournment. When a Members' meeting is adjourned to another time and place, unless the Articles or this Agreement otherwise require, and, except as provided by applicable law, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjournment, the LLC may transact any business that may have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.
- f. Validity of Action Taken. The actions taken at any meeting of Members, however called and noticed, and whenever held, have the same validity as if taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice or consents to the holding of the meeting or approves the minutes of the meeting unless a special meeting has been called to remove a Manager, all Members must be present for removal to be valid. All waivers, consents, and approvals shall be filed with LLC records or a part of minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of the meeting, except when the person, objects, at or prior to the meeting to the transaction of any business because the meeting is not lawfully convened or called.

- g. Participation Through Communications Equipment. Members may participate in a meeting through the use of conference telephones or similar communications equipment, as long as all Members participating in the meeting can hear one another.
- h. Validity of Proposals Approved. Any action approved at a meeting, other than by a unanimous approval of those entitled to vote, shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any waiver of notice at that meeting.
- i. Quorum. A majority in interest of the Members represented in person or by proxy shall constitute a quorum at a meeting of the Members. The Members present at a duly called or held meeting which a quorum is present may continue to transact business until adjournment, notwithstanding the loss of a quorum, if any action is taken after the loss of a quorum, other than adjournment, is approved by the requisite percentage of interests of Members specified in this Agreement, the Articles or by law.
- j. Action Taken By Written Consent Without Meeting. Any action that may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be so taken, is signed and delivered to the LLC within sixty (60) days of the record date for that action by Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted.
- k. Proxies. The use of proxies may be utilized as is governed by applicable state law.
- l. Record Date. In order that the LLC may determine the Members of record entitled to notices of any meeting or to vote, or entitled to receive any distribution or to exercise any rights with respect to any other lawful action, a Manager may fix, in advance, a record date, that is not more than sixty (60) days and not less than ten (10) days prior to the date of the meeting, distribution or lawful action. If no record date is fixed, it shall be fixed in accordance by law.

## 11. MEMBERSHIP CERTIFICATES

- a. The Manager(s), may in their sole discretion, cause this LLC to issue certificates representing or certifying Units in this LLC. Each certificate shall show the name of the LLC and the name of the Member, and shall state that the person named is a Member of the LLC and is entitled to all the rights granted Members of the LLC under the Articles, this Agreement, and provisions of law. Each membership certificate shall be consecutively numbered and signed by each of the current Manager(s) of this LLC. The certificates shall include any additional information

considered appropriate for inclusion by the Manager(s) on membership certificates.

- b. In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating or summarizing any transfer restrictions that apply to memberships in this LLC under the Articles, this Agreement, or provisions of law and the address where a Member may obtain a copy of these restrictions upon request from this LLC.
- c. The records book of this LLC shall contain a list of the names and addresses of all persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of Membership certificates by Members or the LLC.

## **12. TAX CLASSIFICATION OF LLC**

The Members of this LLC intend that this LLC be classified as a partnership for federal and, if applicable, state income tax purposes. It is understood that the Managers may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

## **13. TAX YEAR**

The tax year of this LLC shall end on the last day of the calendar year.

## **14. TAX MATTERS PARTNER**

If required under Internal Revenue Code provisions or regulations, the Manager(s) shall designate himself or an authorized representative of LLC as a "tax matters partner" in accordance with Internal Revenue Code Section 6231(a)(7) and corresponding regulations, who will fulfill this role by being the spokesperson for the LLC in dealings with the IRS as required under the Internal Revenue Code and Regulations, and who will report to the Members on the progress and outcome of these dealings.

## **15. ANNUAL INCOME TAX RETURNS AND REPORTS**

Within sixty (60) days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each Member of the LLC, together with any additional information and forms necessary for each Member to complete his or her individual state and federal income tax returns. This additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065—Partner's Share of Income, Credits, Deductions) or equivalent income tax reporting form, as well as an audited financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.

## **16. BANK ACCOUNTS**

The Manager(s) shall designate one or more FDIC insured banks or other institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. The Managers shall be authorized to deposit and withdraw funds of the accounts, and to direct the investment of funds from, into, and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any Members of the LLC.

## **17. TITLE TO ASSETS**

All personal and real property of this LLC shall be held in the name of the LLC, not in the names of individual Members.

## **18. WITHDRAWAL OF MEMBERS**

- a. A Member may withdraw from this LLC by giving written notice to the Manager(s) at least sixty (60) days before the date the withdrawal is to be effective. In the event of such withdrawal, the LLC may elect to pay the departing Member the "fair value" (defined below) of his or her Units less any amounts owed by the Member to the LLC. The departing Member and the Managers shall agree as to the schedule of payments to be made by the LLC to the departing Member, who shall receive payment for his or her Units within a reasonable period of time after departure from the LLC.
- b. Fair Value. For the purposes of this Agreement, the term "fair value" shall mean the amount achieved by calculation of an appraisal conducted by an independent appraiser who is qualified in such matters and possesses experience and knowledge in the business of the LLC.
- c. In the event that the LLC does not exercise its right to purchase the departing Member's Units, the departing Member will solely possess a proportionate economic interest in the LLC and that withdrawn Member shall have no other rights granted to Members under this Agreement, including but not limited to voting rights. For the purposes of this Agreement, a holder of an economic interest shall solely be entitled to distributions as such distributions are made by the LLC. If the holder was not previously a Member of this LLC, then the economic interest shall be that amount as agreed to in writing by the LLC and the holder of said economic interest.

## **19. BUY-OUT IN THE EVENT OF A DISPUTE OF THE MEMBER**

In the event of dispute such that a buy-out of a Class A Member's Units is desired, then Class B Member(s) shall have the right to buy out the Class A Member's Units at the "fair value" (as defined herein) of such Units. In the event of a dispute between the Class

B Members, if more than one (1) Class B Member exists, the Class B Member holding a greater ownership interest shall have the option to either buy out the other Class B Members, or to have his, her or its interest bought out by the other Class B Members according to their pro rata ownership of Class B Units.

## 20. RESTRICTIONS ON THE TRANSFERS OF UNITS

- a. The sale of Units in the LLC to the Members has not been qualified or registered under the securities laws of California or any state, or registered under the Securities Act of 1933, as amended, in reliance upon exemptions from the registration provisions of those laws. No attempt has been made to qualify the Offering and sale of Units to Members under any state law, also in reliance upon an exemption from the requirement that a permit for issuance of securities be procured. Notwithstanding any other provision of this Agreement, Units may not be transferred or encumbered unless registered or qualified under applicable state and federal securities law or unless, in the opinion of legal counsel, satisfactory to the LLC, such qualifications or registration is not required. Any Member who desires to transfer any Units shall be responsible for all legal fees and operating costs incurred in connection with obtaining said opinion.
- b. On the occurrence of any of the following events ("Triggering Events") with respect to a Member, the LLC shall have the right of first refusal and the option to purchase all or any portion of the Units in the LLC of such Member at the fair value and on the terms provided in this section of this Agreement:
  - i. the bankruptcy, death, or incapacity of any Member;
  - ii. any proposed sale of Units to any person or entity; or
  - iii. except for the events stated in this section, the occurrence of any other event that is, or that would cause, a transfer in contravention of this Agreement or law.

Each Member, and/or the representative, shall promptly give notice of the occurrence of a Triggering Event to the LLC when a Member becomes aware of such event. "Notice" shall consist of written or verbal communication to all Members that identifies the particular Triggering Event, the Member(s) involved, and the date that such event occurred.

- c. Notwithstanding any other provisions of this Agreement:
  - i. If, in connection with the divorce or dissolution of the marriage of a Member, any court issues a decree or order that transfers, confirms, or awards Units, or any portion thereof, to that Member's spouse (an "Award"), then, notwithstanding that such transfer would constitute an impermissible transfer under this Agreement, that Member shall have the right to purchase from the

Member's former spouse the Units, or portion thereof, that was so transferred, and such former spouse shall sell the Units or portion thereof to that Member at the fair value of said Units as defined hereinabove. If the Member has failed to consummate the purchase within one hundred eighty (180) days after the Award (the "Expiration Date"), the LLC shall have the option to purchase from the former spouse the Units or portion thereof pursuant to this section of this Agreement; provided that the option period shall commence on the later of (1) the day following the Expiration Date, or (2) the date of actual notice of the Award.

- ii. If, by reason of the death of a spouse of a Member, any Units are transferred to a transferee other than (1) that Member or (2) a trust created for the benefit of that Member (or for the benefit of that Member and any combination between or among the Member and the Member's issue) in which the Member is the sole trustee and the Member, as trustee or individually possesses all of the Voting Rights included in those Units, then the Member shall have the right to purchase Units or a portion thereof from the estate or other successor of his or her deceased spouse or transferee of such deceased spouse, and the estate, successor, or transferee shall sell the Units or portion thereof at the fair value. If the Member has failed to consummate the purchase within one hundred eighty (180) days after the date of death (i.e., the Expiration Date), the LLC shall have the option to purchase from the estate or other successor of the deceased spouse the Units or portion thereof pursuant to this Section of this Agreement; provided that the option period shall commence on the later of (1) the day following the Expiration Date, or (2) the date of actual notice of the death.
- iii. On the receipt of Notice by the other Members and/or Managers as contemplated by this Section, and on receipt of actual notice of any Triggering Event (the date of such receipt is hereinafter referred to as the "Option Date"), the Managers upon receipt of such notice shall promptly give notice of the occurrence of such a Triggering Event to each Member, and the LLC shall have the option to purchase the Units in the LLC to which the option relates, at the fair value (as defined herein) and on the terms provided here. The transferee of the Units in the LLC that is not purchased shall hold such Units in the LLC subject to all of the provisions of this Agreement.
- iv. Except as expressly permitted in this Agreement, a prospective transferee (other than an existing Member) of Units may be admitted as a Member with respect to such Units (hereinafter a "Substituted Member") only on the following conditions: (1) upon the written consent of the Class B Members, and (2) on such prospective transferee's executing a counterpart or letter of adherence of this Agreement as a party hereto. Any prospective transferee of Units shall be deemed an assignee, and, therefore, the owner of only an economic interest until such prospective transferee has been admitted as a

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

## **21. DISSOLUTION OF THE LLC**

The following events shall trigger dissolution of the LLC:

- a. Agreement to Dissolve. The agreement of a majority in interest of the Members to dissolve the LLC shall cause dissolution of this LLC.
- b. Entry of Decree. The entry of decree of dissolution of the LLC under California law shall cause a dissolution of this LLC

If the LLC is to dissolve according to any of the above provisions, the Manager(s) shall wind up the affairs of the LLC, distribute the proceeds according to the provisions herein, and take other actions appropriate to complete dissolution of the LLC in accordance with applicable provisions of California law and the provisions of this Agreement regarding liquidation proceeds.

## **22. OFFICERS**

The Manager(s) may designate, in their sole and unfettered discretion, one or more officers, such as a President, Vice President, Secretary, and Treasurer. Persons who fill these positions need not be Members of the LLC. Such positions may be compensated or non-compensated according to the nature and extent of the services rendered for the LLC as a part of the duties of each office. Ministerial services only as a part of any officer position will normally not be compensated, such as the performance of officer duties specified in this Agreement, but any officer may be reimbursed by the LLC for out-of-pocket expenses paid by the officer in carrying out the duties of his or her office.

## **23. RECORDS**

The LLC shall keep at its principal business address a copy of all proceedings of Membership meetings, as well as books and records of account of the LLC's financial and business transactions. Copies of the LLC's Articles, and any amendments thereto, a signed copy of this Agreement including any letters of adherence, and any amendments thereto, and the LLC's tax returns for federal, state, and local authorities, if any, for the seven (7) most recent tax years shall be maintained at the principal business address. A statement also shall be kept at this address containing any of the following information that is applicable to this LLC:

- a. The amount of cash or a description and value of property contributed or agreed to be contributed as capital to the LLC by each Member; and
- b. A statement or schedule, if appropriate, showing the rights of Members to receive distributions representing a return of part or all of Members' Capital Contributions.



If one or more of the above items is included or listed in this Agreement, it will be sufficient to keep a copy of this agreement at the principal business address of the LLC without having to prepare and keep a separate record of such item or items at this address.

Any Member may inspect any and all records maintained by the LLC upon reasonable notice to the LLC. Copying of the LLC's records by Members is allowed, but copying costs shall be paid for by the requesting Member.

#### **24. ALL NECESSARY ACTS**

The Manager(s), and any person the Managers authorize or appoint as an officer, or otherwise, in their sole discretion, are authorized to perform all acts necessary to perfect the organization of this LLC and to carry out its business operations expeditiously and efficiently.

#### **25. MEDIATION ARBITRATION OF DISPUTES AMONG MEMBERS**

In any dispute over the provisions of this Agreement and in other disputes among the Members and/or Manager(s), if the Members and/or Manager(s) cannot resolve the dispute to their mutual satisfaction, the matter shall be submitted to mediation. The terms and procedure for mediation shall be arranged by the parties to the dispute.

If good faith mediation of a dispute proves impossible or if an agreed-upon mediation outcome cannot be obtained by the Members and/or Managers who are parties to the dispute, the dispute shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any party may commence arbitration of the dispute by sending a written request for arbitration to all other parties to the dispute. The request shall state the nature of the dispute to be resolved by arbitration, and, if all parties to the dispute agree to arbitration, arbitration shall be commenced as soon as practical after such parties receive a copy of the written request.

All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs, and other expenses of arbitration. All arbitration decisions shall be final, binding, and conclusive on all the parties to arbitration, and legal judgment may be entered based upon such decision in accordance with applicable law in any court having jurisdiction to do so.

Notwithstanding the above, no party shall be prevented from obtaining injunctive or other equitable relief from a court of competent jurisdiction pending the resolution of a dispute through mediation or arbitration.

#### **26. ENTIRE AGREEMENT**

This Agreement represents the entire agreement among the Members of this LLC, and it shall not be amended, modified, or replaced except by a written instrument executed by all the parties to this agreement who are current Members of this LLC as well as any and all additional parties who became Members of this LLC after the adoption of this agreement. This agreement replaces and supersedes all prior written and oral agreements among any and all Members of this LLC. Notwithstanding the foregoing, in the event that there exists in the Underlying Documents a contradiction between a provision herein and a provision in the Offering, then the terms herein shall govern.

## **27. SEVERABILITY**

If any provision of this agreement is determined by a court or arbitrator to be invalid, unenforceable or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.

## **28. AMENDMENT OF ARTICLES/AGREEMENT**

This agreement or the Articles of Organization may be amended only by the vote a majority of the Members of the LLC. Any amendment of this Agreement must be in writing.

## **29. STATEMENTS**

The Manager(s) shall cause this LLC to file with the California Secretary of State, California Franchise Tax Board, the IRS, or other appropriate governmental agency all statements or instructions that it is required to file on an annual basis or other basis in conformity with the law.

## **30. PREEMPTION OF LAW**

In the event that any provision of this Agreement is found to be inconsistent with or is in contravention of any federal, state, or local law, then such federal, state, or local law shall preempt such provision of this Agreement.

## **31. JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the state of California. The parties hereby consent to the jurisdiction of the courts of the State of California and the federal courts located in California in any action on a claim arising out of, or in connection with this Agreement.

## **32. INFORMED CONSENT**

Each Member hereby acknowledges that Seton & Associates is counsel to the Company. Each Class A Member and Class B Member have been represented by separate counsel of its choosing and had not sought or relied upon the advice of Seton & Associates in

connection with this Agreement or the Underlying Documents, or any of the transaction contemplated herein. Seton & Associates was not responsible and/or obligated to provide any legal advice to any party or represent the interests of any party in connection with this Agreement other than to the Company. Each Member also acknowledges and understands that he or she has the right, and has had the opportunity, to consult independent legal counsel in connection with this Agreement.

### **33. NOTICES**

If any notice is required or permitted hereunder, except, in an emergency, the same shall be in writing and may be given by personal delivery at any location or may be mailed, telegraphed, telecopied or delivered by courier or other messenger service to the respective addresses and/or fax numbers hereafter set forth (or to such other respective addresses and/or fax numbers as either party may hereafter designate by written notice hereunder), or electronic email, and the date of giving such notice shall be deemed to be delivered effective the date of such personal delivery or the date of such telegraphing or of such delivery by courier or other messenger service (if delivery is confirmed) or telecopying (if receipt is confirmed electronically) or, if mailed, the date two days after mailing, to the following addresses (or as set forth on the :

**Company:**

**Sunfield Development, LLC**

114 Camino Pablo  
Orinda, CA 94563

**Class A Members:**

To that address set forth on the Signatory form executed by each Class A Member.

**Class B Member(s):**

Trans Atlantic Corp. Inc.  
114 Camino Pablo  
Orinda, CA 94563

IN WITNESS WHEREOF, the Members of this LLC execute this Agreement as of the day first written above.

**CLASS B MEMBER(S):**

TRANS ATLANTIC CORP. INC.

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

Signature: \_\_\_\_\_

By: Siavash Afshar, Authorized Representative

Title: Class B Member/Manager

**CLASS A MEMBERS:**

Each Class A Member shall execute a Signatory in the same or similar form as that attached hereto as Exhibit A.

**Consent of Spouses**

The undersigned, if any, are spouses of above-signed Class B Member of Sunfield Development, LLC. This spouse has read the Agreement and expressly agrees to be bound by its terms in any matter in which they have a financial interest, including restrictions on the transfer of membership and the terms under which memberships in the LLC may be sold or otherwise transferred.

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

Signature: \_\_\_\_\_

Spouse of \_\_\_\_\_  
Print Name Above

**EXHIBIT A**  
**SIGNATORY TO OPERATING AGREEMENT**  
**OF SUNFIELD DEVELOPMENT, LLC ("LLC")**

The undersigned, \_\_\_\_\_ ("Signatory"), hereby agrees to be bound as a member by the terms, conditions, benefits, rights and/or obligations of the Operating Agreement of Sunfield Development, LLC ("Agreement"), which is incorporated herein by this reference. By signing below, Signatory warrants and represents that he, she or it has read, reviewed and fully understood the Agreement, and agrees to be bound by the terms and conditions thereof. In exchange for a certain capital contribution further described below, Signatory shall receive that certain number of Class A Units of Sunfield Development, LLC as further set forth below. Signatory shall be entitled solely to those rights provided to Class A Members in the Agreement in proportion to Signatory's membership interest in the LLC.

**SIGNATORY:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Capital Contribution: \_\_\_\_\_

Total Units Issued to Signatory: \_\_\_\_\_

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

**Consent of Spouses**

The undersigned, if any, are spouses of above-signed Signatory (and Member) of Sunfield Development, LLC. This spouse has read the Agreement and expressly agrees to be bound by its terms in any matter in which they have a financial interest, including restrictions on the transfer of membership and the terms under which memberships in the LLC may be sold or otherwise transferred.

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

Signature: \_\_\_\_\_

Spouse of \_\_\_\_\_  
Print Name Above

**ACCEPTED AND APPROVED:**

Sunfield Development, LLC

By: \_\_\_\_\_

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

Sid Afshar, Authorized Representative