State of California
Fair Political Practices Commission
P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814
Technical Assistance (916) 322-5662 •• Administration 322-5660 •• Executive/Legal 322-5901 •• Enforcement 322-6441 •• Statements of Economic Interest 322-6444

April 15, 1985

Mike Flick
Mayor, City of Vista
City Hall
600 Eucalyptus Avenue
P.O. Box 1988
Vista, CA 92083

Re: Our File No. A-85-084

Dear Mayor Flick:

This letter is sent to confirm my advice to you at our meeting on April 3, 1985. You asked several questions, none of which involved specific decisions presently pending before the City Council.

First, you asked questions concerning the development of real property located in Vista which is owned by yourself and a partner on an equal basis. You and your partner had proposed a mobilehome park/condominium development for the property; you disqualified yourself from the City Council decision on the project. The City Council did not approve the project. You and your partner are also involved in a few other development partnerships, none of which involve property in Vista. You are considering dissolving the general partnership and divesting yourself of any interest in the Vista property. You asked what your obligations would be under the Political Reform Act with respect to any future Council decisions affecting the Vista property or your partner.

As I explained to you, the Political Reform Act prohibits a public official from making or participating in a governmental decision when it is reasonably foreseeable that the decision will have a material financial effect on:

(a) Any business entity in which the public official has a direct or indirect investment worth one thousand dollars ($1,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth one thousand dollars ($1,000) or more.

(c) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars ($250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made.

Gov. Code Section 87103.[1]

Accordingly, so long as you hold an interest in the Vista real property, you may not participate in any Council decisions which could materially affect the fair market value or the income producing potential of the property. In addition, you may not participate in any decisions which will materially affect the partnership or your general partner.[2]

If you divest yourself of any interest in the real property and your investment in the general partnership, the person you sell your interests to will be considered a source of income to you for a period of 12 months. Section 87103(c). As a result, you may not participate in any Council decisions which would

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[1] The Political Reform Act is contained in Government Code Sections 81000-91015. All statutory references are to the Government Code.

[2] I have enclosed a copy of the Nord Opinion, 8 FPPC Opinions 6 (No. 83-004, Oct. 4, 1983), which deals with partnerships.

materially affect that source of income during the 12-month period. This would probably include decisions on any new proposal for the development of the property.

You also asked me a series of questions concerning a consulting business which you are considering starting. You intend to consult for developers and others in the business of land acquisition and development in the San Diego area. Some of your potential clients may do business in Vista. You also told me that, since a developer may form several limited partnerships or small corporations to do business, you may not even know in a particular instance whether the applicant for a development is connected to one of your clients.

If you do consulting for a developer or development company, your client will be considered a source of income to you, and, under the rules described above, you may not participate in any Council decisions which could materially affect your client. This is true even if the Council decision relates to a client's project on which you did not consult. Of course, the statute only applies if you know or have reason to know that your client is involved in the project.

I know you are very concerned about the effect of the Act's requirements on your service as a public official and on your private business. We would be happy to provide you with any additional information which you may require.

Sincerely,

Diane Maura Fishburn

Diane Maura Fishburn
Staff Counsel
Legal Division

DMF:plh
Enclosure

News Release 91-14
April 25, 1991

For Further Information
Jay Greenwood (916) 322-5901

COMMISSION FINES INITIATIVE COMMITTEE

The Fair Political Practices Commission today imposed a $10,000 fine against the campaign committee California Physicians for a Logical AIDS Response (CPLAR) and its treasurer, Brett Barbre. The fine resulted from CPLAR's failure to file campaign disclosure statements in connection with its support of Proposition 102 (The AIDS reporting initiative) on the November 1988 statewide ballot.

The fine was recommended by an administrative law judge who heard the enforcement case brought by the Fair Political Practices Commission. CPLAR and treasurer Barbre were represented by Congressman William E. Dannemeyer at the administrative hearing.

The judge concluded that CPLAR and Barbre violated the Political Reform Act by failing to file any campaign disclosure statements prior to the November 1988 election. When the statements were filed a year later in November 1989, it was disclosed that CPLAR had raised over $160,000 in campaign contributions.

The judge's decision noted that CPLAR's violations of the Political Reform Act were "serious" and "prevented the voters from being fully informed."

A copy of the decision is attached.

R. MICHAEL FLICK
P.O. BOX 1810
~~1830 ALTA VISTA DRIVE~~
VISTA, CALIFORNIA 92083
714-724-9503

JUL 29 8 22 AM '85

7-24-85

Dear Mr. Fishbein

Thank you for your letter dated July 19, 1985. Reading it and the attachments raised another question in my mind that I would like your opinion on regarding business interests and sources of income.

I have enclosed a copy of an agreement of limited partnership for you to review. I have claimed the General Partnership as a source of income which manages the limited partnership as well having an interest in the profits of the limited partnership. I did not list the investors of the limited partnership as a source of income. Is this correct on my part or will an amendment to my disclosure statement be in order.

Thanks for your help.

Mike Flick

F P P C
JUL 29 8 22 AM '85

E L D O R A D O M A N O R

Limited Partnership Agreement

THIS LIMITED PARTNERSHIP AGREEMENT is made and entered into this first day of October, 1977, by and between MANOR PROPERTIES, LTD., a general partnership composed of Ralph A. Baxter and R. Michael Flick as general partners, sometimes hereinafter referred to as "General Partner," and those parties whose names appear on Schedule A hereto and who are identified thereon as Limited Partners and who are sometimes hereinafter collectively referred to as "Limited Partners."

ARTICLE I. NATURE OF PARTNERSHIP.

Section 1.01. Formation of Limited Partnership. The undersigned General Partner and Limited Partners hereby form a limited partnership, hereinafter sometimes referred to as "The Partnership," pursuant to the provisions of Chapter 2, Title 2, of the Corporations Code of the State of California, known as the Uniform Limited Partnership Act of California.

Section 1.02. Name of Partnership. The name of the partnership shall be El Dorado Manor.

Section 1.03. Purpose of Partnership. The principal purpose of this limited partnership shall be to acquire, maintain and develop, for resale, certain parcels of real property having an aggregate total area of approximately 10.86 acres situate in the City of Vista, County of San Diego, State of California, the exact legal description of which is hereto, marked "Schedule B," and is, by this reference, incorporated herein.

Section 1.04. Principal Place of Business. The principal office and place of business of this partnership shall be at 1025 East Vista Way, Vista, California 92083.

Section 1.05. Term. The Partnership shall commence upon the recordation of a certificate of limited partnership in the manner required by the Uniform Limited Partnership Act and shall continue until terminated as herein provided.

ARTICLE II. MEMBERS OF PARTNERSHIP.

Section 2.01. General Partner. The General Partner is Manor Properties, Ltd., a general partnership composed of R. Michael Flick and Ralph A. Baxter. The addresses of said General Partner, Manor Properties Limited, and of its members are as follows:

Manor Properties, Ltd.	1025 East Vista Way Vista, California 92083
R. Michael Flick	1630 Alta Vista Drive Vista, California 92083
Ralph A. Baxter	27 Hidden Valley Road Rolling Hills Estates California 90274

Section 2.02. Original Limited Partners. The name and place of residence of each original Limited Partner is set forth on Schedule A, which is attached hereto and which is, by this reference, incorporated herein.

Section 2.03. Admission of Additional Limited Partners. Subject to any other provision of this agreement, after the formation of The Partnership, a person may be admitted as an additional Limited Partner only with the written consent of the General Partner.

ARTICLE III. FINANCIAL.

Section 3.01. Initial Capital Contribution of General Partner. The General Partner, as such, shall contribute only services and not money or other property to the capital of this Partnership. The General Partner, Manor Properties, Ltd., and its partner members, R. Michael Flick and Ralph A. Baxter, may also be Limited Partners, to the extent that they or any of them purchase limited partnership units of interest, in which event, they shall also be named as Limited Partners in Schedule A and shall be treated as Limited Partners as to such purchased partnership units of interest.

Section 3.02. Initial Contributions for Investment Units. The total initial capitalization of this Partnership shall be eighty-five thousand dollars ($85,000). Each Limited Partner shall contribute eighty-five hundred dollars ($8500) for each partnership investment unit purchased, said payment due on the date of formation. Any contribution not made when due shall, at the discretion of the General Partner, bear interest thereafter at the rate of ten (10) percent per annum, and allocation of income thereto during the fiscal year of delinquency shall be made at the reasonable discretion of the General Partner. The total contributions and percentages of interest of each partner are set forth on Schedule A attached hereto and incorporated herein by this reference.

Section 3.03. Withdrawal and Return of Capital. No partner may withdraw any portion of the capital of The Partnership, and no partner (General or Limited) shall be entitled to the return of his contribution to the capital of The Partnership, except on dissolution of The Partnership.

Section 3.04. Demand for Payment. Written demand will be made on each of the Limited Partners by the General Partner for each Limited Partner's capital contribution on the date of formation of this Partnership. The Limited Partner's contribution shall be immediately due and payable and shall be in default within ten (10) days of the date of the mailing of said demand.

ARTICLE IV. ADDITIONAL CONTRIBUTIONS.

Section 4.01. Assessments. In addition to the contributions for each investment unit, each limited partner shall contribute an amount annually to The Partnership which, in the aggregate, shall total an amount sufficient to cover carrying costs of The Partnership as hereinafter defined. Carrying costs shall be the amount by which taxes, insurance premium charges, monthly operating expenses and principal and interest installment payments on the obligation owing by The Partnership evidencing the unpaid balance of the purchase price of the real property described on Schedule B hereto exceed net rental income, if any, received from said real property. For the purposes of this section, net rental income shall mean the gross rentals, reduced by operation and maintenance expenses of the property and administrative expenses of The Partnership. The amount of such annual carrying costs shall be determined annually by the General Partner and shall be paid by the Limited Partners, in proportion to the number of investment units held by each, within thirty (30) days following written request therefor made by the General Partner. It is estimated that said carrying costs will approximate $2,500 per investment unit annually.

Section 4.02. Failure by Limited Partner to Pay Annual Assessment. In the event that any Limited Partner shall fail to pay, within 30 days following receipt by him of written request from the General Partner, his annual assessment to cover his proportionate share of carrying costs, then, and in that event, the General Partner shall have the irrevocable right and option to purchase the partnership interest of such Limited Partner for a cash sum equal to said Limited Partner's initial investment plus the aggregate total of the annual contributions made by such Limited Partner on account of assessments for carrying costs. The General Partner must exercise said option to purchase said interest of said defaulting Limited Partner, in writing, within fifteen (15) days following the failure of such Limited Partner to pay any such annual

assessment within said 30-day period. In the event that the General Partner shall fail to exercise any such option to purchase the partnership interest of a defaulting Limited Partner, then, and in that event, the other Limited Partners shall have a similar option to purchase the partnership interest of said defaulting Limited Partner, to be exercised by them on a pro rata basis, with each Limited Partner having the right to purchase that share of the defaulting Limited Partner's interest that his interest in the capital of the partnership bears to the aggregate total of the interests of all of the Limited Partners in the capital of The Partnership. If neither the General Parnter nor the Limited Partners elect to exercise the foregoing options granted to them, to purchase the partnership interest of a defaulting Limited Partner, then, and in that event, the delinquent carrying cost assessment of such defaulting Limited Partner shall bear interest at the rate of ten (10) percent per annum from the date of assessment until the same has been paid.

Section 4.03. Contributions to the Capital of The Partnership for Other Partnership Purposes. If, in the opinion of the General Partner, additional funds are required from time to time for Partnership purposes other than those described in Section 4.01, the General Partner shall request, in writing, that the Limited Partners contribute, on a pro rata basis, such additional funds. Each Limited Partner shall then have the right, but not the duty or obligation, to contribute a pro rata share of such additional funds. No Limited Partner shall incur any personal liability by reason of his failure to contribute such additional funds; but, if such additional funds are not contributed on a pro rata share basis by all of the Limited Partners, then the capital interests of the Limited Partners shall be adjusted so as to change their percentage interests in the capital of The Partnership in order that the same shall coincide with their percentage interests in the aggregate total of all of the contributions made by the General Partner and Limited Partners to the capital of the limited partnership. Such additional contributions must be made by the Limited Partners within thirty (30) days following receipt by them of written request for the same, and the failure of any one or more of the Limited Partners to make such requested contribution shall result in the immediate and automatic adjustment of the interests of the General Partner and of the various Limited Partners in the capital of The Partnership.

ARTICLE V. BOOKS AND RECORDS.

Section 5.01. Maintenance of Books, Records, Reports and Accounts. At all times, the General Partner shall maintain or cause to be maintained true and proper books, records, reports and accounts, in which shall be entered fully and accurately all transactions of The Partnership.

Section 5.02. Location of Books, Records, Reports and Accounts. All books, records, reports and accounts, together with this agreement and the certificate of limited partnership and any amendments thereto, shall, at all times, be kept and maintained at the principal place of business of this Partnership.

Section 5.03. Inspection of Books, Records, Reports and Accounts. All books, records, reports and accounts shall be open to inspection by any partner or his duly authorized representatives on reasonable notice at any reasonable time during business hours for any purpose reasonably relating to his respective interest as a partner, and said partner or representative shall have the further right to make copies or excerpts therefrom.

Section 5.04. Method of Accounting. The Partnership books shall be kept on a cash basis.

Section 5.05. Fiscal Year. The fiscal year of The Partnership shall be the calendar year.

Section 5.06. Banking and Books of Account. All funds of The Partnership shall be deposited, with the General Partner as the sole signatory, into such bank account or accounts as the General Partner shall determine. The General Partner shall keep true and accurate books

and records of The Partnership at the principal office of The Partnership, and all accounting practices shall be standard and acceptable for the purposes of federal income tax reporting. An individual capital account shall be maintained for each partner, to which his contribution to capital and his share of net income shall be credited and to which distributions and his share of net losses shall be debited. Interest earned on limited partnership funds shall inure to the benefit of the limited partnership, but Limited Partners, as such, shall not receive interest on funds contributed by them.

Section 5.07. Annual Accountings. The General Partner shall cause a yearly accounting to be made within three (3) months following the close of each partnership year, at which time the partnership books shall be closed and appropriate statements prepared. Such annual accountings shall be prepared and mailed to all Limited Partners in accordance with the California Corporations Code. Such accountings and statements shall be conclusive and binding on the partners, except for errors discovered and protested in writing within thirty (30) days after the date such accounting and statements are rendered.

ARTICLE VI. RIGHTS, POWERS, DUTIES AND RESTRICTIONS OF PARTNER.

Section 6.01. General Partner--Exclusive Right to Manage. The General Partner shall have full and exclusive charge and control of the management, conduct and the operation of The Partnership in all respects and in all matters. Without limiting the generality of the foregoing, and subject to the rights of the Limited Partners set forth in this article, the General Partner shall have the authority and the right, on behalf of the limited partnership,

(a) To acquire, lease, develop, improve, maintain, hold and dispose of real or personal property, interest therein or appurtenances thereto (adopting any depreciation schedule deemed appropriate);

(b) To own, in partnership as a general or limited partner, joint venture, tenant-in-common or otherwise, its real and personal property and to develop, by itself or in partnership or joint venture with a third party, any of its real or personal property;

(c) To borrow money and, if security is required therefor, to mortgage or subject any real or personal property to any other security device, to obtain replacements of any mortgage or other security device, and to prepay, in whole or in part, finance, increase, modify, consolidate or extend any mortgage or other security device; all of the foregoing at such terms and in such amounts as deemed, in the General Partner's absolute discretion, to be in the best interest of The Partnership;

(d) To place record title to, or to use, limited partnership assets in the name or names of a nominee or nominees, trustee or trustees, for any purpose convenient or beneficial to the limited partnership;

(e) To acquire and enter into any contract of insurance which the General Partner deems necessary and proper for the protection of the limited partnership and the General Partner, for the conservation of its assets or for any purpose convenient or beneficial to the limited partnership;

(f) To execute, acknowledge and deliver any and all instruments to effectuate business of the limited partnership, including annual reports;

(g) To open accounts and deposit funds in the name of the limited partnership in banks or savings and loan associations and to make iterim investments in such debt securities as would not bring the limited partnership within the Investment Company Act of 1940;

(h) To make such elections under the tax laws of the United States, the State of California and other relevant jurisdictions as to the treatment of items of limited partnership income, gain, loss, deduction and credit and as to all other relevant matters, as it believes necessary or desirable;

(i) To select, as its accounting year, a calendar year or such fiscal year as approved by the Internal Revenue Service;

(j) To determine the appropriate accounting method or methods for tax and financial accounting purposes to be used by the limited partnership;

(k) To determine the value of the properties received by the limited partnership as a capital contribution;

(l) To borrow funds from an affiliate of the General Partner and to give such affiliate of the General Partner an equity interest in the profits upon resale of the real property, upon such terms and conditions that the General Partner, in its sole discretion, feels are just and equitable to all parties concerned;

(m) To possess, enjoy and exercise, as additional rights and powers, all of the rights and powers of general partners as more particularly provided by the Act, except to the extent any of such rights may be limited or restricted by express provisions of this agreement;

(n) To employ, from time to time, persons, firms or corporations, including the General Partner or an affiliate of the General Partner, for the operation and management of the properties of the limited partnership, including, without limitation, rental agents, accountants and attorneys, on such terms and for such compensation as the General Partner shall determine;

(o) To admit additional Limited Partners to the limited partnership upon such terms and conditions as, within the sole discretion of the General Partner, are fair, just and equitable.

Section 6.02. Loans. The limited partnership may, from time to time, borrow or lend such amounts from or to such persons on such security, and payable on such terms as the General Partner shall determine. Nothing contained herein shall preclude the limited partnership from borrowing from or lending to one or more of the partners, special or general, or from any affiliate of the general partner. All such loans shall be segregated in the loans-payable or notes receivable accounts.

Section 6.03. General Partner--Devotion of Time to Partnership. The General Partner shall devote such time to this partnership as shall be necessary to conduct this partnership in an efficient manner.

Section 6.04. Restrictions on General Partner. Except as otherwise expressly provided in this agreement, a General Partner shall have all the rights and powers of a partner in a partnership without limited partners and shall be subject to all the restrictions imposed on a general partner by the Uniform Limited Partnership Act of the State of California or imposed on a partner in a partnership without limited partners.

Section 6.05. Nonparticipation in Management by Limited Partners. Limited Partners shall contribute no services and shall take no part in or interfere in any manner with the management, conduct or authority to act for or bind The Partnership.

Section 6.06. Limited Liability of Limited Partners. No Limited Partner shall be personally liable for any of the debts of the limited partnership or for any of the losses thereof beyond the amount of his capital contribution.

Section 6.07. Representations of Limited Partners. Each Limited Partner, by executing this agreement, represents

(a) That the units being purchased are for investment and not with a view toward distribution and without current intention of resale;

(b) That he is the beneficial owner of all of the units standing in his name; and

(c) That he has received the "El Dorado Manor, Private Offer" and that he meets or exceeds all of the standards for suitability of investment more specifically set forth therein.

Section 6.08. General and Limited Partners Engaging in Other Business. Except as otherwise provided in this agreement, the General Partner and the Limited Partners may acquire any interest in other business ventures of every nature and description, independently or with others, including but not limited to the ownership, financing, leasing, operation, maanagement, syndication, brokerage and development of real property; and neither this Partnership nor the other partners hereof shall have any right by virtue of this agreement in and to such independent ventures or to the income or profits derived therefrom.

Section 6.09. Power of Attorney and General Partner. The Limited Partners, jointly and severally, hereby irrevocably constitute and appoint the General Partner their true and lawful attorney in their name, place and stead, to make, execute and record certificate(s) of limited partnership, any other instrument required from The Partnership by the laws of the State of California, and any amendments thereto. This power of attorney shall survive any assignment by a Limited Partner of all or a portion of his limited partnership interest, and any assignee of a Limited Partner hereby constitutes and appoints the General Partner his attorney-in-fact in the same manner and for the same purpose as his assignor.

ARTICLE VII. DISTRIBUTIONS.

Section 7.01. Profits and Losses. The terms "net operating profits" and "net operating losses" shall mean the net profits and net losses of the limited partnership as determined at the close of each Partnership year for federal tax purposes and reported on informational returns, which shall be prepared on the cash basis of accounting.

Section 7.02. Allocation of Profits, Losses and Credits. Except as provided in Sections 7.03 and 7.04, the limited partnership's net operating profits, losses and credits shall be allocated in the following respective interests:

General Partner	*Percentage*
MANOR PROPERTIES, LTD.	35.0
Limited Partners	
WILFRED T. ROSE and PATRICIA L. ROSE	6.5
T. DAMON I. WARD and MARION T. WARD	6.5
JAMES P. BOLAN and BARBARA A. BOLAN	6.5
WAYNE A. WINZENRIED and MARJORIE M. WINZENRIED	6.5
EUGENE R. BLACK and ERIS B. BLACK	6.5
JERVIS LEE WOLFE and RUTH J. WOLFE, husband and wife as joint tenants	6.5
JOE C. GREEN and RUBY R. GREEN	6.5
RALPH A. BAXTER and MARJORIE J. BAXTER	6.5
JOHN H. CULLEN and L. ESTHER CULLEN	6.5
HOWARD O. MYLI	6.5

Section 7.03. Income Tax Deductions. The income tax deductions for all of the interest and taxes paid during the period of construction of improvements on the property and for any points payable in connection with the securing of any construction financing or permanent loan shall be allocated to the Limited Partners as a special allocation under § 704(b) of the Internal Revenue Code and § 17857 of the California Revenue and Taxation Code because the Limited Partners have contributed the funds to pay such expenses.

Section 7.04. Special Allocation. Notwithstanding anything herein contained, if any partner of this limited partnership is required to recognize ordinary income by virtue of § 83(a) of the Internal Revenue Code because of the receipt of profits or capital interest in this limited partnership, the corresponding deduction permitted under § 83(h) of said code shall be allocated to such partner as a special allocation under § 704(b) of the Internal Revenue Code and § 17857 of the California Revenue and Taxation Code.

Section 7.05. Net Income or Loss Determined Annually. The net income or net loss of the limited partnership is to be determined as soon as possible after the close of each calendar year on the same basis as that used in the preparation of the tax returns of the limited partnership for federal income tax purposes.

Section 7.06. Distributions. After all expenses of the limited partnership have been paid or otherwise provided for, including reasonable reserves for working capital and contingencies, the General Partner may distribute the cash available for distribution to the partners within thirty (30) days following the end of each calendar year. All distributions shall be made concurrently to all partners in the ratio set forth in Section 7.02. The amount so distributed shall be debited to the capital accounts of the partners.

ARTICLE VIII. TRANSFER OF INTEREST.

Section 8.01. Sale of Limited Partnership Interest. No Limited Partner has the right to sell or otherwise transfer or encumber his partnership interest or any part thereof, except upon the following terms and conditions and under the following circumstances:

(1) The interest of a Limited Partner may be transferred

(a) To the General Partner. No Limited Partner shall transfer his Partnership interest to any person other than the General Partner without first giving the General Partner thirty (30) days' notice in writing of his intention to transfer the same and of the proposed cash sales price thereof. The General Partner shall have thirty (30) days following receipt of said notice from a Limited Partner within which to purchase said Limited Partner's interest in The Partnership for the cash price thus offered by the Limited Partner. In the event that the General Partner fails, during said 30-day period, to exercise said option, then the Limited Partner may sell and transfer his interest in the limited partnership to one of the other Limited Partners for the same cash price as offered to the General Partner. No Limited Partner shall, however, sell and transfer his interest in the limited partnership to another Limited Partner for a cash price less than the cash price offered to the General Partner without first again offering the same to the General Partner at said lower cash price and affording the General Party 30 days within which to accept the same after receipt of written notice thereof. In the event that the General Partner shall fail to exercise said first refusal option, then the Limited Partners shall have the same first refusal option, which may be exercised by them on a pro rata basis in the same percentages as the percentage interest of each of the Limited Partners bears to the aggregate total of the percentage interests of all of the Limited Partners in the capital of the limited partnership. The Limited Partners must exercise said option within thirty (30) days following their receipt from the General Partner of notice that the General Partner has not exercised its option to purchase said Limited Partner's interest and that the same can, therefore,

be purchased by the remaining Limited Partners for the same offered cash price, provided that they or some of them exercise their right to purchase the same within 30 days following receipt of such written notice.

(b) In the event that neither the General Partner nor the Limited Partners, nor any of them, exercise said first refusal options to purchase the interest of a selling Limited Partner, then to any third person at the same cash sales price for which such Limited Partner offered the same for sale to the General and other Limited Partners.

(2) No purchaser, transferee or assignee of the interest of the Limited Partner in the limited partnership shall become a substituted Limited Partner unless he shall elect to become such a substituted Limited Partner and shall deliver a written notice of such election to the General Partner and shall execute and acknowledge such instruments as the General Partner may deem necessary or advisable to effect the admission of such purchaser or transferee as a substitute Limited Partner, including, without limitation, the written acceptance and adoption by such purchaser or transferee of the provisions of this limited partnership agreement.

(3) No Limited Partner shall, at any time or under any circumstances, have the right to sell, assign or hypothecate or transfer less than his entire interest in the limited partnership.

(4) A Limited Partner may also transfer his interest in the limited partnership by testamentary disposition or intestate succession or by gift to such Limited Partner's spouse or issue or to a trust created for the benefit of such spouse or issue.

(5) In the event that any person shall become a substituted Limited Partner of this Partnership, the partners shall immediate execute and record an amendment to the certificate of limited partnership, in accordance with the terms and provisions of § 15525 of the California Corporations Code.

Section 8.02. Death, Incapacity or Legal Disability of Limited Partner. In the event of the death, incompetency or other legal disability of a Limited Partner, his executor, administrator, guardian, conservator or his heir-at-law or the beneficiary of his will (provided that such heir-at-law or beneficiary of the deceased Limited Partner's will is his spouse or issue or the trustee of a trust created for the benefit of his spouse or issue) may succeed to the interest of such Limited Partner, in which event such person or persons succeeding to the interest of such Limited Partner shall assume all of the obligations of the said Limited Partner. Such person(s) shall not, however, become a substitute Limited Partner unless and until he or they shall have complied with the terms and provisions of Section 8.01, above.

Section 8.03. Payment of a Transfer Fee. Upon any transfer of a Partnership interest, the transferor or transferee shall pay a transfer fee to the limited partnership which is sufficient to cover all reasonable expenses connected with such sale, transfer or assignment and the admission of such person as a substituted Limited Partner, including, without limitation, the cost of printing and filing for record the amendment to this agreement and the certificate of limited partnership.

ARTICLE IX. DISSOLUTION OF LIMITED PARTNERSHIP.

Section 9.01. Events Affecting Dissolution.

(1) The limited partnership shall be dissolved:

(a) If not before, then as of the twentieth annual anniversary of the effective date of this agreement, or upon the dissolution of the general partnership, Manor Properties, Ltd., whether caused by the death of one or both of its partners, R. Michael Flick and Ralph A. Baxter, or otherwise, whichever date shall first occur;

(b) By written decision of the General Partner.

(2) The death of a Limited Partner shall not dissolve or terminate the limited partnership.

ARTICLE X. COMPENSATION AND REIMBURSEMENT OF GENERAL PARTNER AND AFFILIATES.

Section 10.01. Initial Services. The General Partner shall receive a fee from the limited partnership of $5,000 for the initial extraordinary management services required in the creation of this limited partnership.

Section 10.02. Base Monthly Compensation. As compensation for its services in conducting the partnership business, the General Partner shall be entitled to the sum of $200 per month, which entitlement shall be deemed to have commenced at the date of opening of escrow for the purchase of the real property described on Schedule B hereto and shall continue thereafter until the date of dissolution of the limited partnership. Said $200 base monthly compensation is intended to reimburse the General Partner for office rent, telephone, utilities and answering service expenses furnished by it to The Partnership.

Section 10.03. Promotion and Implementation of Partnership. In further consideration of its efforts in the promotion and implementation of this limited partnership, the General Partner shall receive a thirty-five (35) percent capital interest in the partnership.

Section 10.04. Costs and Expenses. The General Partner shall be entitled to reimbursement of any and all costs and expenses incurred by it in connection with the management of the business and affairs of the limited partnership and the property and assets thereof.

Section 10.05. Determination of Net Profit. Any and all of the compensation for services rendered and all reimbursement for expenses incurred by the General Partner, paid pursuant to the terms of this article, shall be deducted by The Partnership as ordinary and necessary expenses of The Partnership before determination of the net profit of The Partnership.

Section 10.06. Broker's Commissions. Nothing contained herein shall prohibit the General Partner or an affiliate of the General Partner, licensed to act in the capacity of a real estate broker or salesman under and by virtue of the laws of the State of California, from acting as a real estate broker or salesman for the purpose of listing, selling or purchasing real property belonging to the limited partnership. In any such event, such General Partner or its affiliate shall be entitled to the customary broker's commissions for such services. In no event, however, shall the total commission paid for the sale of any particular parcel of real property exceed the amount which is customary and usual to be paid for such services in the area of said real property.

Section 10.07. General Partner or Affiliate as Contractor. Nothing contained herein shall prohibit the General Partner or an affiliate of the General Partner, licensed to act as a general building or engineering contractor in the State of California, from contracting with The Partnership to develop or construct improvements on the partnership real property. If the general partner or its affilaite does act as such general building or engineering contractor, it shall be entitled to a reasonable fee and profit for its services, not to exceed, however, the amount customarily paid for such services in the area.

ARTICLE XI. DISTRIBUTION ON DISSOLUTION.

Section 11.01. On dissolution of the limited partnership for any reason whatsoever, it shall thereafter engage in no further business other than that necessary to wind up its affairs and distribute its assets. The partners shall continue to divide the profits and losses during the winding up and dissolution period in the same ratio as profits and losses were divided prior to dissolution. The proceeds from the liquidation of The Partnership assets shall be distributed, upon dissolution, in the following order:

(a) Toward the payment of the expenses of liquidation and the debts of The Partnership other than debts owing to the partners.

(b) To the payment of debts owing to the partners for loans and advances made to or for the benefit of The Partnership.

(c) To the General and Limited Partners according to their respective percentage interests in the capital of The Partnership.

ARTICLE XII. CREATION OF JOINT VENTURES WITH OTHER ENTITIES OR INDIVIDUALS.

Section 12.01. The Partnership may enter into joint ventures with other limited and/or general partnerships, corporations, sole proprietorships and/or individuals. The percentage of ownership in the joint venture and the profits and losses thereof will be determined based on the amount of capital and/or financial support contributed by the respective joint venturers.

ARTICLE XIII. MISCELLANEOUS CLAUSES AND REPRESENTATIONS.

Section 13.01. Executing and Recording Certificate of Limited Partnership. The parties agree to execute, acknowledge and cause to be filed and recorded, as indicated, the following:

(a) A certificate of limited partnership, as required by the California Corporations Code, shall be recorded in the office of the county recorder of San Diego County and in the county recorder's office of any other county in which the limited partnership owns real property. (At the option of the General Partner, this agreement, rather than a certificate of limited partnership, shall be filed with the recorder.)

(b) A fictitious business name statement, as required by the California Business and Professions Code, and, thereafter, an affidavit or declaration showing the publication of such statement, shall be filed with the clerk of San Diego County.

(c) Any amendment to the certificate of limited partnership shall be recorded in the office of the county recorder of any county in which the limited partnership owns real property, as required by §§ 15524, 15525 and 15525.5 of the California Corporations Code.

(d) The cancellation of the certificate of limited partnership shall be recorded in the office of the county recorder of any county in which the certificate (or amendment to the certificate) of limited partnership shall have been recorded, as required by §§ 15524 and 15525 of the California Corporations Code.

Section 13.02. Notices. All notices provided for in this agreement shall be directed to the parties at the addresses set forth on Schedule A hereto or at such other places as the limited partnership shall be so notified, in writing, by the partners; and to the limited partnership, at its principal office, by registered or certified mail.

Section 13.03. Governing Laws. All questions with respect to the construction of this agreement and the rights and liabilities of the parties hereto shall be governed by the laws of the State of California.

Section 13.04. Binding on Heirs and Successors. Subject to the restrictions against assignment as herein contained, this agreement shall inure to the benefit of and shall be binding upon the assigns, successors in interest, personal representatives, estates, heirs and legatees of each of the parties hereto.

Section 13.05. Counterparts. This agreement may be executed in several counterparts and, when so executed, shall constitute an agreement which shall be binding on all the parties hereto, notwithstanding that all of the parties are not signatory to the original of the same counterpart.

Section 13.06. Entire Agreement. This agreement contains the entire understanding among the partners and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations between and among the partners relating to the subject matter of this agreement which are not fully expressed herein.

Section 13.07. Amendments. This agreement may be amended at any time or from time to time for any purpose by the written consent of the General Partner and of all the Limited Partners.

IN WITNESS WHEREOF, this agreement of limited partnership has been executed all in the day and year first above written.

MANOR PROPERTIES, LTD.,
a general partnership composed of
R. Michael Flick and Ralph A. Baxter,

by R. Michael Flick
R. Michael Flick

by Ralph A. Baxter
Ralph A. Baxter

General Partner

Limited Partners:

Wilfred T. Rose		Patricia L. Rose
T. Damon I. Ward		Marion T. Ward
James P. Bolan		Barbara A. Bolan
Wayne A. Winzenried		Marjorie M. Winzenried
Eugene R. Black		Eris R. Black
Jervis Lee Wolfe	and	Ruth J. Wolfe (husband and wife as joint tenants)
Joe C. Green		Ruby R. Green
Ralph A. Baxter		Marjorie J. Baxter
John H. Cullen		L. Esther Cullen
Howard O. Myli		

SCHEDULE A

Names and addresses of General and Limited Partners of El Dorado Manor, a limited partnership, and their respective contributions and percentage interests in the capital of the limited partnership

Name and Address	Contributions	Units	Percentage
General Partner:			
MANOR PROPERTIES, LTD., a general partnership composed of R. Michael Flick and Ralph A. Baxter 1025 East Vista Way Vista, California 92083	services	0	35.0
Limited Partners:			
WILFRED T. ROSE and PATRICIA L. ROSE 1642 Alta Vista Drive Vista, California 92083	$8,500	1	6.5
T. DAMON I. WARD and MARION T. WARD 2189 Kinross Court Westlake Village, California 91361	8,500	1	6.5
JAMES P. BOLAN and BARBARA A. BOLAN 1922 Marlowe Street Thousand Oaks, California 91360	8,500	1	6.5
WAYNE A. WINZENRIED and MARJORIE M. WINZENRIED 5746 West 75th Street Los Angeles, California 90045	8,500	1	6.5
EUGENE R. BLACK and ERIS B. BLACK 2708 Pebble Drive Corona Del Mar, California 92625	8,500	1	6.5
JERVIS LEE WOLFE and RUTH J. WOLFE, husband and wife as joint tenants 926 East Dalton Avenue Glendora, California 91740	8,500	1	6.5
JOE C. GREEN and RUBY R. GREEN 2245 Highgate Road Westlake Village, California 91361	8,500	1	6.5
RALPH A. BAXTER and MARJORIE J. BAXTER 27 Hidden Valley Road Rolling Hills Estates, California 90274	8,500	1	6.5
JOHN H. CULLEN and L. ESTHER CULLEN 5629 Datewood Lane Anaheim, California 92807	8,500	1	6.5
HOWARD O. MYLI 10602 Grove Oak Drive Santa Ana, California 92705	8,500	1	6.5