


Counsel please include this information in your billing description.	>	AGMT-12-53460	Legistar #: 12-1387	P&C #: NA	
	>	Index Code: 301100	Project #: 96000	Charge To #: 96000	
	>	Project	First Amendment to West Valley Village, Unit 8B AGMT 12-53460 to extend		
	>	Description:	performance period to 11/13/14. AGMT 14-53918		

CONTRACT ROUTING SHEET

PROCESSING DEPARTMENT:

Department: Community Development Agency
 Division: Transportation
 Dept Contact: Teresa Russell
 Phone: x5367
 Authorized Signature: 

Andrew S. Gaber, P.E.
 Deputy Director, DRE
 Community Development Agency

CONTRACTOR:

Name: Taylor Morrison of California, LLC
 Address: 1180 Iron Point Road, Suite 100
 Folsom, California 95630
 Phone: (916) 355-8900

Date Submitted: 07/24/2014

Date Needed: 08/06/2014

Funding Sources: Developer Funds

CONTRACTING DEPT: CDA

Service Requested: Review & Approve

Contract Term: 1 Years

Contract/Amendment Amount: \$0.00

Compliance with Human Resources Requirements: Yes: No:

Compliance verified by: _____ Contract Notification Sent: _____ HR Response Received: _____

Ok Per: NA-Subdivision Imp. Agreement

COUNTY COUNSEL: (must approve all contracts and MOUs)

Approved: Conditional Disapproved: _____ Date: 8/5/14 By: Josh Beck
 Approved: _____ Disapproved: _____ Date: _____ By: _____

EL DORADO COUNTY COUNSEL
 2014 AUG 24 PM 1:00

Conditional approval: The bonding company has been downgraded to below capital standards however DOT states work is 95% complete w/ punch list remaining. Recommend no further extensions or reservation of maintenance security. DOT to have updated conditions certified ahead before accessing this to board. PLEASE CALL 5367 WHEN READY FOR PICK UP. ☺

Please forward to Transportation upon approval.

RISK MANAGEMENT: (All contracts and MOUs except boilerplate grant funding agreements)

Approved: _____ Disapproved: _____ Date: _____ By: _____
 Approved: _____ Disapproved: _____ Date: _____ By: _____

OTHER APPROVAL: (Specify department(s) participating or directly affected by this contract)

Approved: _____ Disapproved: _____ Date: _____ By: _____
 Approved: _____ Disapproved: _____ Date: _____ By: _____

ORIGINAL

FIRST AMENDMENT
TO AGREEMENT TO MAKE SUBDIVISION IMPROVEMENTS
FOR CLASS 1 SUBDIVISION
BETWEEN COUNTY AND OWNER

THIS FIRST AMENDMENT to that certain Agreement to Make Subdivision Improvements for Class 1 Subdivision Between County and Owner (hereinafter referred to as the "Agreement"), made and entered by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (hereinafter referred to as "County"), and **TAYLOR MORRISON OF CALIFORNIA, LLC**, a limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 8105 Irvine Center Drive, Suite 1450, Irvine, California 92618 and whose local office address is 81 Blue Ravine Road, Suite 2200, Folsom, California 95630 (hereinafter referred to as "Owner"); concerning **WEST VALLEY VILLAGE, UNIT 8B, TM 99-1359-8** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 13th day of November, 2012;

RECITALS

WHEREAS, County and Owner entered into that certain Subdivision Improvements Agreement on November 13, 2012, in connection with the Subdivision, copy of which Agreement is incorporated herein and made by reference a part hereof;

WHEREAS, Owner has not completed all of the improvements, but has made substantial progress, approximately 95% complete, and has requested an extension of time to complete the subdivision improvements subject to the terms and conditions contained herein, to November 13, 2014;

WHEREAS, County's notice recipients, County officer or employee with responsibility for administering this Agreement and local address of Owner have changed;

NOW, THEREFORE, the parties hereto, in consideration of the recitals, terms and conditions herein, do hereby agree to amend the terms of the Agreement as follows:

Section 3 is hereby amended to read as follows:

3. Complete the Subdivision improvements contemplated under this Agreement on or before November 13, 2014.

Section 27 is hereby amended to read as follows:

27. All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested.

Notices to County shall be in duplicate and addressed as follows:

County of El Dorado
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, California 95667

Attn.: Andrew S. Gaber, P.E.
Deputy Director,
Development/ROW/Environmental

County of El Dorado
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, California 95667

Attn.: Dave Spiegelberg
Senior Civil Engineer

or to such other location as County directs.

Notices to Owner shall be addressed as follows:

Taylor Morrison of California, LLC
81 Blue Ravine Road, Suite 220
Folsom, California 95630

Attn.: Kenneth Dar Ahrens
Division President

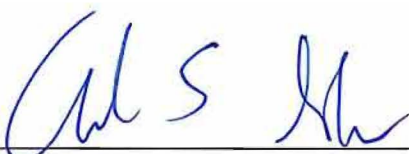
or to such other location as Owner directs.

Section 28 is hereby amended to read as follows:

28. The County officer or employee with responsibility for administering this Agreement is Andrew S. Gaber, Deputy Director, Development/ROW/Environmental, Community Development Agency or successor.

Except as herein amended, all other parts and sections of that certain Subdivision Improvements Agreement dated November 13, 2012, shall remain unchanged and in full force and effect.

Requesting Contract Administrator and Division Concurrence:

By: 

Andrew S. Gaber, P.E.
Deputy Director, DRE
Community Development Agency

Dated: August 7, 2014

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the dates indicated below.

-- COUNTY OF EL DORADO --

By: Steven M. Pedretti Dated: 8/8/14
Steven M. Pedretti, Director
Community Development Agency
"County"

-- TAYLOR MORRISON OF CALIFORNIA, LLC --

By: Kenneth Dar Ahrens Dated: 7/22/2014
Kenneth Dar Ahrens
Division President
"Owner"

Notary Acknowledgment Attached

OWNER

ACKNOWLEDGMENT

State of California

County of SACRAMENTO

On July 22, 2014 before me, Kathleen Lopez, Notary Public
(here insert name and title of the officer)

personally appeared

Kenneth Dar Ahrens

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

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

WITNESS my hand and official seal.

Signature Kathleen Lopez



(Seal)

**CERTIFICATE OF INCUMBENCY AND AUTHORITY
TAYLOR MORRISON OF CALIFORNIA, LLC**

I, the undersigned, hereby certify as follows:

1. I am the Assistant Secretary of Taylor Morrison of California, LLC, a California limited liability company (the "LLC").
2. Stephen J. Wethor is the Manager of the LLC ("Manager").
3. Pursuant to authority granted under the Operating Agreement of the LLC, the Manager has exercised his option to appoint officers of the LLC.
4. The following are the current 2014 Officers, Authorized Agents and Manager of the LLC as of the date set forth below:

K. Dar Ahrens	Vice President	S. Todd Merrill	Asst. Secretary
Grace Anderson	Authorized Agent- Finance	Robert T. Morandi	Vice President
J. Thomas Baine	Vice President	Rebecca Newell	Vice President
S. Michelle Bassett	Vice President	Jay Pawlek	Vice President
Aren A. Bazzocco	Vice President	Starre Raketich	Vice President
Jennifer Besmer	Vice President	Darrell C. Sherman	Vice President
Philip S. Bodem	Vice President	Darrell C. Sherman	Secretary
C. David Cone	Vice President	Darrell C. Sherman	General Counsel
C. David Cone	CFO	Mark G. Stover	Vice President
Caroline G. Estrada	Asst. Secretary	Pierrette C. Tierney	Vice President
Marta Flores	Vice President	Douglas Weed	Vice President
Marta Flores	Asst. Secretary	Stephen J. Wethor	President
James A. Isolda	Vice President	Stephen J. Wethor	Manager

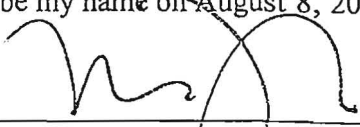
5. It is within the scope of authority of the Manager, President or any Vice President to execute documentation on behalf of the LLC, including without limitation, contracts, bonds, applications and agreements for utilities, security instruments, subdivision performance agreements, development agreements and permits, California Department of Real Estate Public Report applications and related documentation and amendments thereto, any and all documents to lease, convey or encumber real and personal property (including but not limited to any types of deeds and other recorded documents), as well as any and all documents required in connection with development, entitlement and construction.

6. It is within the scope of authority of an Authorized Agent to act on behalf of the LLC to serve in such capacity until his/her successor is duly appointed and qualified, or until his/her earlier resignation, removal from such appointment or death. As an Authorized Agent of the LLC, it is within such above-named Authorized Agents' scope to execute on behalf of the LLC documents related to and incidental to the sale of homes to homebuyers, including, but not limited to, preliminary and final escrow instructions, lender documentation (including FHA and VA certifications or anything else that the lender requires) and estimated HUD's, excluding,

however, purchase agreements, deeds and any other documentation requiring recordation not otherwise already identified above.

I FURTHER CERTIFY that the foregoing resolutions remain in full force and effect, have not been rescinded or modified and conform to the Articles of the LLC and the Operating Agreement of the LLC.

IN WITNESS WHEREOF, I hereunto subscribe my name on August 8, 2014.



Marta Flores
Assistant Secretary

ACKNOWLEDGMENT

State of California
County of Orange

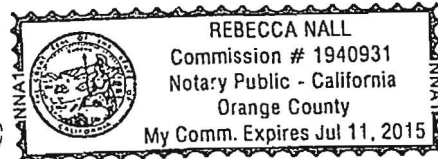
On August 8, 2014 before me, Rebecca Nall, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Rebecca Nall (Seal)



**CERTIFICATE OF INCUMBENCY AND AUTHORITY
TAYLOR MORRISON OF CALIFORNIA, LLC**

I, the undersigned, hereby certify as follows:

1. I am the Assistant Secretary of Taylor Morrison of California, LLC, a California limited liability company (the "LLC").
2. Stephen J. Wethor is the Manager of the LLC ("Manager").
3. Pursuant to authority granted under the Operating Agreement of the LLC, the Manager has exercised his option to appoint officers of the LLC.
4. The following are the current 2014 Officers, Authorized Agents and Manager of the LLC as of the date set forth below:

K. Dar Ahrens	Vice President	S. Todd Merrill	Asst. Secretary
Grace Anderson	Authorized Agent- Finance	Robert T. Morandi	Vice President
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Jennifer Besmer	Vice President	Darrell C. Sherman	Vice President
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C. David Cone	Vice President	Darrell C. Sherman	General Counsel
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Marta Flores	Vice President	Douglas Weed	Vice President
Marta Flores	Asst. Secretary	Stephen J. Wethor	President
James A. Isolda	Vice President	Stephen J. Wethor	Manager

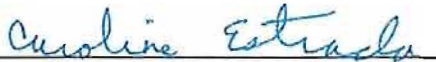
5. It is within the scope of authority of the Manager, President or any Vice President to execute documentation on behalf of the LLC, including without limitation, contracts, bonds, applications and agreements for utilities, security instruments, subdivision performance agreements, development agreements and permits, California Department of Real Estate Public Report applications and related documentation and amendments thereto, any and all documents to lease, convey or encumber real and personal property (including but not limited to any types of deeds and other recorded documents), as well as any and all documents required in connection with development, entitlement and construction.

6. It is within the scope of authority of an Authorized Agent to act on behalf of the LLC to serve in such capacity until his/her successor is duly appointed and qualified, or until his/her earlier resignation, removal from such appointment or death. As an Authorized Agent of the LLC, it is within such above-named Authorized Agents' scope to execute on behalf of the LLC documents related to and incidental to the sale of homes to homebuyers, including, but not limited to, preliminary and final escrow instructions, lender documentation (including FHA and VA certifications or anything else that the lender requires) and estimated HUD's, **excluding**,

however, purchase agreements, deeds and any other documentation requiring recordation not otherwise already identified above.

I FURTHER CERTIFY that the foregoing resolutions remain in full force and effect, have not been rescinded or modified and conform to the Articles of the LLC and the Operating Agreement of the LLC.

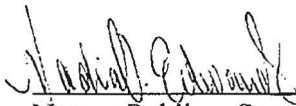
IN WITNESS WHEREOF, I hereunto subscribe my name on April 28, 2014.



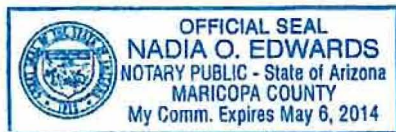
Caroline G. Estrada
Assistant Secretary

STATE OF ARIZONA
COUNTY OF MARICOPA

The foregoing instrument was acknowledged before me on April 28, 2014, by Caroline G. Estrada, Assistant Secretary of Taylor Morrison of California, LLC on behalf of said entity. She is personally known to me.



Notary Public – State of Arizona



**OPERATING AGREEMENT
OF
TAYLOR MORRISON OF CALIFORNIA, LLC**

The undersigned, being the sole member of TAYLOR MORRISON OF CALIFORNIA, LLC, a California limited liability company (the "Company"), organized pursuant to the Beverly-Killea Limited Liability Company Act, codified in the California Corporations Code, Section 17000 et seq. (as amended, the "Act"), hereby declares the following to be the Operating Agreement of the Company effective as of December 31, 2007.

1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

"Act" has the meaning specified in the introductory paragraph of this Agreement.

"Affiliate" means, with respect to any Person, a Person which, directly or indirectly, controls or is controlled by or is under common control with that Person or is controlled by a principal executive officer of that Person. As used in this definition, "control" means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting interests, by contract or otherwise.

"Agreement" means this Operating Agreement of Taylor Morrison of California, LLC, as the same may be hereafter amended, modified and/or restated from time to time.

"Articles of Organization" means the Articles of Organization of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of California on December 14, 2007 pursuant to the Act.

"Company" has the meaning specified in the introductory paragraph of this Agreement.

"Covered Person" has the meaning specified in Section 16 of this Agreement.

"Manager" means Michael Forsum or any other Person that succeeds him as a manager of the Company.

"Person" means any entity, corporation, company, association, joint venture, joint stock company, partnership, trust, limited liability company, limited liability partnership, real estate investment trust, organization, individual (including personal representatives, executors and heirs of a deceased individual), nation, state, government (including agencies, departments, bureaus, boards, divisions and instrumentalities thereof), trustee, receiver or liquidator.

"Shareholder" means Morrison Homes, Inc., a Delaware corporation, as the initial sole member of the Company and any Person hereinafter admitted to the Company as a member

pursuant to this Agreement but excluding any Person who has ceased to be a member of the Company for any reason.

“Share” has the meaning specified in Section 8 of this Agreement.

“Transfer” has the meaning specified in Section 8 of this Agreement.

2. Name. The name of the Company formed hereby is TAYLOR MORRISON OF CALIFORNIA, LLC.

3. Articles of Organization; Purpose. The Articles of Organization have heretofore been filed with the California Secretary of State by an authorized agent of the Company. The Company may engage in any lawful activity for which a limited liability company may be organized under the Act.

4. Registered Office and Agent; Principal Office. The Company’s registered office in California is 523 West 6th Street, Suite 544, Los Angeles, California 90014 and the name of the Company’s registered agent for service of process in California at such address is National Corporate Research, Ltd. The principal office of the Company shall be determined by the Manager. The identity of the Company’s registered office and agent, and the location of the Company’s principal office, may be changed at will by the Manager.

5. Characterization. It is intended that the Company shall be disregarded as an entity separate from the Shareholder for federal tax purposes.

6. Powers of the Company. Subject to the limitations set forth in this Agreement and the Articles of Organization, the Company shall possess and may exercise all of the powers and privileges granted to it by the Act, by any other law or by this Agreement, together with all powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the purposes of the Company set forth in the Articles of Organization and Section 3 above.

7. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Shareholder shall not be obligated for any such debt, obligation or liability of the Company by reason of being a member of the Company.

8. Shares. The membership interests in the Company shall be denominated in units referred to as “Shares.” The total number of Shares that the Company shall have authority to issue is Two Hundred (200) Shares. The Shareholder, as the sole member of the Company, has subscribed for one (1) such Share (the Shareholder may subscribe for additional authorized Shares). The rights and liabilities of the Shareholder shall be as provided in the Act, except as is otherwise expressly provided in this Agreement. The Shares shall be freely transferable by the Shareholder. Any transfer, sale or assignment (each a “Transfer”), of the Shares shall not be valid unless the Company has been given notice of such Transfer. All of the Shares shall be in registered form, and the Company shall maintain a register in which the name and address of the then current Shareholder shall be recorded. Ownership of Shares will be established by

inscription in the said register. Certificate(s) of these inscriptions (each a "Share Certificate"), will be signed by the Manager of the Company. The Company shall issue a new Share Certificate in place of any Share Certificate previously issued if the registered holder of the Share Certificate brings evidence to the Manager in form and substance satisfactory to the Manager, that a previously issued Share Certificate has been lost, destroyed or stolen.

9. Capital Contribution. Upon execution of this Agreement by the Shareholder, the Company shall issue one (1) Share to the Shareholder in consideration of the Shareholder's contribution in the amount of \$1. Pursuant to the terms and conditions of that certain Contribution Agreement, of even date herewith, by and between the Shareholder and the Company (the "Contribution Agreement"), a copy of which is attached hereto as Exhibit A, the Shareholder shall contribute to the Company the assets set forth in the Contribution Agreement in consideration of the issuance by the Company of one (1) additional Share to the Shareholder.

10. Profits and Losses. All profits and losses of the Company shall be allocated and charged one hundred percent (100%) to the Shareholder.

11. Distributions. Subject to the Act and other applicable law, the Shareholder shall cause the Company to distribute funds to the Shareholder at the Shareholder's discretion.

12. Management.

(a) Powers of Manager. The business, property and affairs of the Company shall be managed by the Manager. Subject to the provisions of Section 12(b) below, the Manager shall have full, complete and exclusive authority, power, and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, property and affairs. The Manager is authorized to endorse checks, drafts, and other evidence of indebtedness made payable to the order of the Company. Subject to the provisions of Section 12(b), the Manager may (i) sign checks, drafts, and other instruments obligating the Company to pay money, and (ii) sign contracts and agreements on behalf of the Company.

(b) Limitations on Powers of Manager. Notwithstanding any other provisions of this Agreement, the Manager shall not have authority hereunder to cause the Company to engage in the following transactions without first obtaining the affirmative vote or written consent of the Shareholder:

(i) Borrow money from any party, issue evidences of indebtedness in connection therewith, refinance, increase the amount of, modify, amend, or change the terms of, or extend the time for the payment of any indebtedness or obligation of the Company, and secure such indebtedness by mortgage, deed of trust, pledge, security interest, or other lien on Company assets;

(ii) Guaranty the payment of money or the performance of any contract or obligation of any Person;

(iii) Issue additional Shares, admit new Shareholders, or establish different classes of Shareholders;

(iv) Sell, exchange or other dispose of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;

(v) Covert the Company into, or merge the Company with, a corporation, limited liability company, limited partnership, or general partnership;

(vi) Do any act which would make it impossible to carry on the ordinary business of the Company; or

(vii) Enter into any transaction described in this Agreement as requiring the vote, consent, or approval of the Shareholder.

(c) Election of Manager. The Company shall initially have one (1) Manager. The number of Managers of the Company shall be fixed from time to time by the Shareholder, provided that in no instance shall there be less than one Manager and provided further that if the number of Managers is increased to more than one, the Articles of Organization shall be amended to delete the statement that the Company has only one Manager. Unless he resigns or is removed, the Manager shall hold office until a successor shall have been elected and qualified. The Manager shall be elected by the Shareholder and need not be a member of the Company, an individual, a resident of the State of California, or a citizen of the United States. Effective as of the date hereof, the Manager of the Company shall be Michael Forsum.

(d) Resignation and Removal of Manager. The Manager may resign at any time by giving written notice to the Shareholder without prejudice to the rights, if any, of the Company under any contract to which the Manager is a party. The Manager may be removed at any time, either with or without cause, by the Shareholder. Any vacancy occurring because of death, resignation, removal, disqualification or any other cause shall be filled by the Shareholder.

13. Officers.

(a) Appointment; Authority. The Manager may, from time to time as it deems advisable, appoint one or more Persons as officers of the Company and assign titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such Persons. Unless the Manager otherwise determines, the assignment of a title shall constitute the delegation to that Person of the authority and duties that are normally associated with that office. Any delegation pursuant to this Section may be revoked or modified at any time by the Manager.

(b) Resignation and Removal of Officers. Any officer may resign at any time by giving written notice to the Manager without prejudice to the rights, if any, of the Company under any contract to which such officer is a party. Any officer may be removed at any time, either with or without cause, by the Manager. A vacancy in any office occurring because of death, resignation, removal, disqualification or any other cause shall be filled by the Manager.

14. Reliance by Third Parties. Any Person dealing with the Company may rely on a certificate signed by the Shareholder, the Manager, or the Secretary of the Company as to (a) the identity of the Shareholder, the Manager, or the Secretary of the Company; (b) the Persons who are authorized to execute and deliver any instrument or document of the Company on behalf of the Company; or (c) any act or failure to act by the Company or as to any other matter whatsoever involving the Company.

15. Exculpation; Indemnification by the Company. To the maximum extent permitted by law, the Shareholder, the Manager, and the officers of the Company (each of the foregoing, a "Covered Person") shall not be liable to the Company or any other Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by any Covered Person in good faith on behalf of the Company in the conduct of the business or affairs of the Company. Further, to the maximum extent permitted by law, the Company shall defend, indemnify and hold harmless a Covered Person and, if the Covered Person so elects by notice to any such other Person, any of such Covered Person's Affiliates and members, and any of its or their respective shareholders, directors, managers, members, officers, employees, agents, attorneys or Affiliates, from and against any and all liabilities, losses, claims, judgments, fines, settlements and damages incurred by such Covered Person, or by any such other Person, arising out of any claim based upon any acts performed or omitted to be performed by such Covered Person, or by any such other Person on behalf of a Covered Person, in connection with the organization, management, business or property of the Company, including costs, expenses and attorneys' fees (which may be paid as incurred) expended in the settlement or defense of any such claims.

16. Admission of New Shareholder. If the Shareholder Transfers all of its Shares pursuant to Section 8, the transferee shall be admitted to the Company as the Shareholder upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Such admission shall be deemed effective upon the Transfer, and upon such admission, the transferor Shareholder shall cease to be a member of the Company.

17. Dissolution. The Company shall be dissolved and its affairs wound up in accordance with the Act upon the occurrence of any of the following events:

(a) Election of Shareholder. The written election of the Shareholder to dissolve the Company, made at any time and for any reason.

(b) Withdrawal or Dissolution of Shareholder. The withdrawal or dissolution of the Shareholder or the occurrence of any other event which terminates the continued membership of the Shareholder in the Company (other than an assignment of the Shares pursuant to Section 16 of this Agreement), unless the business of the Company is continued in a manner permitted by the Act.

(c) Judicial Dissolution. The entry of a decree of judicial dissolution under the Act.

18. Winding Up. If the Company is dissolved, the Manager shall wind up the affairs of the Company. Upon the winding up of the Company, subject to the provisions of the Act, the

Manager shall pay or make reasonable provision to pay any claims and obligations of the Company, including all costs and expenses of the liquidation and all contingent, conditional or unmatured claims or obligations that are known to the Manager but for which the identity of the claimant is unknown. If there are sufficient assets, such claims and obligations shall be paid in full and any such provision shall be made in full. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims and obligations of equal priority, ratably to the extent of assets available therefor. Any remaining assets shall be distributed to the Shareholder.

19. Amendment. This Agreement may be amended only in a writing signed by the Shareholder.

20. Severability. Every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

21. No Third-Party Rights. No Person other than the Shareholder, Manager and any Covered Person entitled to indemnification pursuant to Section 15 of this Agreement shall have any legal or equitable rights, remedies or claims under or in respect of this Agreement, and no Person other than the Shareholder, Manager and any Covered Person shall be a beneficiary of any provision of this Agreement.

22. Construction. In this Agreement, where the context so requires, all words used in the plural shall be deemed to have been used in the singular, and vice versa; the masculine shall include the feminine and neuter, and vice versa; and the present tense shall include the past and future tense, and vice versa.

23. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California, excluding any conflict of laws rule or principle that might refer the governance or construction of this Agreement to the law of another jurisdiction.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Shareholder has executed this Operating Agreement of Taylor Morrison of California, LLC, as of the date first written above.

SHAREHOLDER:

MORRISON HOMES, INC.,
a Delaware corporation

By: 
Marek Bakun, Vice President

ACCEPTANCE OF APPOINTMENT AS MANAGER

The undersigned does hereby accept his appointment as the Manager of Taylor Morrison of California, LLC, a California limited liability company, effective as of the date first written above.

By: _____
Michael Forsum

IN WITNESS WHEREOF, the Shareholder has executed this Operating Agreement of Taylor Morrison of California, LLC, as of the date first written above.

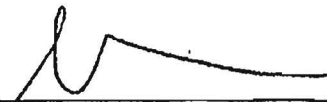
SHAREHOLDER:

MORRISON HOMES, INC.,
a Delaware corporation.

By: _____
Marek Bakun, Vice President

ACCEPTANCE OF APPOINTMENT AS MANAGER

The undersigned does hereby accept his appointment as the Manager of Taylor Morrison of California, LLC, a California limited liability company, effective as of the date first written above.

By:  _____
Michael Forsum

**AMENDMENT TO OPERATING AGREEMENT
OF
TAYLOR MORRISON OF CALIFORNIA, LLC**

This Amendment to Operating Agreement (this “**Amendment**”) of Taylor Morrison of California, LLC, a California limited liability company (the “**Company**”), is made by Taylor Morrison Services, Inc., a Delaware corporation (the “**Shareholder**”), the sole member of the Company, to be effective as of June 21, 2011.

RECITALS:

- A. The Company adopted its Operating Agreement on December 31, 2007 (the “**Operating Agreement**”).
- B. Pursuant to Section 19 of the Operating Agreement, the Operating Agreement may be amended by a writing signed by the Shareholder.
- C. The Shareholder desires to amend the Operating Agreement as hereinafter set forth.

NOW, THEREFORE, the Shareholder hereby agrees as follows:

- 1. Article 8 Opt-Out. The following is hereby added to the Operating Agreement as the last sentence of Section 8:

“The Shareholder hereby agrees that the Shares shall not be securities governed by Article 8 of the Uniform Commercial Code of the State of California (and the Uniform Commercial Code of any other applicable jurisdiction).”

- 2. Miscellaneous.

2.1 Except as herein modified and amended, all the terms and conditions of the Operating Agreement shall remain in full force and effect, and the execution of this Amendment shall in no event be deemed to constitute a waiver of any right or claim of any of the parties hereto under, or by virtue of, the Operating Agreement.

2.2 This Amendment and all disputes related hereto, whether in contract or tort, in law or in equity, or otherwise, shall be governed by the laws of the State of California without regard to principles of conflicts or choice of law which direct the application of the laws of a different state.

2.3 This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement. An executed email/PDF or faxed copy of this Amendment shall be deemed an original executed copy of this Amendment.

[signature page immediately follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first set forth above.

SHAREHOLDER:

TAYLOR MORRISON SERVICES, INC.,
a Delaware corporation

By:  _____

Name: Stephen J. Wethor

Title: Director

By: _____

Name: Sheryl D. Palmer

Title: Director

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first set forth above.

SHAREHOLDER:

TAYLOR MORRISON SERVICES, INC.,
a Delaware corporation

By: _____

Name: Stephen J. Wethor

Title: Director

By: Sheryl D. Palmer

Name: Sheryl D. Palmer

Title: Director