

LEASED PROPERTY PRORATIONS: Rents actually collected (prior to closing) will be prorated as of the Closing Date and rent collected thereafter applied first to rental payments then owed the Buyer and their remainder paid to the Seller. All free rent due any tenant at the close of escrow for rental periods after the closing shall be a credit against the Purchase Price. Other income and expenses shall be prorated as follows: as customary in the State of CA.

- 5) **TITLE:** Within Three (3) calendar days after the Effective Date of this Agreement, Seller shall procure and cause to be delivered to Buyer a preliminary title report issued by 1st American Title (the "Title Company") on the Property. Within Ten (10) calendar days following receipt thereof, Buyer shall either approve in writing the exceptions contained in said title report or specify in writing any exceptions to which Buyer reasonably objects. If Buyer objects to any exceptions, Seller shall, within five (5) calendar days after receipt of Buyer's objections, deliver to Buyer written notice that either (i) Seller will, at Seller's expense, attempt to remove the exception(s) to which Buyer has objected before the Closing Date or (ii) Seller is unwilling or unable to eliminate said exception(s). If Seller fails to so notify Buyer or is unwilling or unable to remove any such exception by the Closing Date, Buyer may elect to terminate this Agreement and receive back the entire Deposit, in which event Buyer and Seller shall have no further obligations under this Agreement; or, alternatively, Buyer may elect to purchase the Property subject to such exception(s).

Seller shall convey by grant deed to Buyer (or to such other person or entity as Buyer may specify) marketable fee title subject only to the exceptions approved by Buyer in accordance with this Agreement. Title shall be insured by a standard California Land Title Association owner's policy of title insurance issued by the Title Company in the amount of the purchase price with premium paid by Seller.

6) **FINANCING CONTINGENCIES:**

- 6.1) **NO FINANCING CONTINGENCY — ALL CASH:**

7) **PEST CONTROL CONTINGENCIES:**

- 7.1) **NO PEST CONTROL CONTINGENCY - "AS IS":** Buyer has conducted Buyer's own investigation with regard to possible infestation and/or infection by wood-destroying pests or organisms and agrees to purchase the Property in its present condition. Buyer acknowledges that Buyer is not relying upon any representations or warranties made by Seller or Agent regarding the presence or absence of such infestation or infection.

INSPECTION CONTINGENCIES:

- 8.1) **BOOKS AND RECORDS:** Seller agrees to provide Buyer with items A-K listed below within Three (3) calendar days following the Effective Date:

- a. All rental agreements, leases, service contracts, insurance policies, latest tax bill(s) and other written agreements, written code violations or other notices which affect the Property.
- b. The operating statements of the Property for the available calendar months immediately preceding the Effective Date hereof.
- c. N/A
- d. All notes and security instruments affecting the Property.
- e. A complete and current rent roll, including a schedule of all tenant deposits and fees.
- f. A written inventory of all items of Personal Property to be conveyed to Buyer and included as part of the purchase price at close of escrow.
- g. A report paid for by Seller by NHD, a professional provider, containing the Natural Hazard Disclosures (as defined below) concerning the Property. "Natural Hazard Disclosures" shall mean whether the Property is located within: (1) Special Flood Hazard Area; (2) Dam Failure Inundation Area; (3) Earthquake Fault Zone; (4) Seismic Hazard Zone; (5) High Fire Severity Area; and/or (6) Wildland Fire Area. Seller represents and warrants that, unless otherwise noted by Seller to Buyer in writing, Seller is unaware of any inaccuracies in the Natural Hazard Disclosures.
- h. Any and all documents, of any type or nature, that in any way reference the existence of mold or mold-related problems with the Property.
- i. Any and all documents, of any type or nature, that in any way reference the existence of lead-based paint or lead-based paint problems with the Property.
- j. Any and all documents, of any type or nature, that in any way reference the existence of litigation affecting the property.
- k. The following items, if readily available to Seller: _____.

Buyer shall acknowledge receipt of these items in writing. Buyer shall have Ten (10) business days following effective date to review and approve in writing each of these items. If Buyer fails to approve these items within the specified time, this Agreement shall be rendered null and void, Buyer's entire deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.

- 8.2) **PHYSICAL INSPECTION:** Buyer shall have Ten (10) business days from acceptance to inspect the physical condition of the Property, including, but not limited to the soil conditions and the presence or absence of lead-based paint and other hazardous materials on or about the Property, and to notify the Seller in writing that Buyer approves same. If Buyer fails to approve the physical condition of the Property within the specified time, this Agreement shall be null and void, Buyer's entire deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.
- 8.3) **STATE AND LOCAL LAWS:** Buyer shall have Ten (10) business days from acceptance to investigate State and local laws to determine whether the Property must be brought into compliance with minimum energy conservation or safety standards or similar retrofit requirements as a condition of sale or transfer and the cost thereof, and to notify Seller that Buyer approves same. If approved by Buyer, Buyer shall comply with and pay for these requirements. If Buyer fails to approve these requirements, if any, within the specified time, this Agreement shall be rendered null and void, Buyer's entire Deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.
- 9) **DEPOSIT INCREASE:** N/A
- 10) **DEPOSIT TRANSFER:** Buyer's Deposit shall remain in trust, if held by Agent, or in escrow if previously deposited in escrow, until removal of the inspection contingencies set forth in paragraph(s) 5, 8.1, 8.2, 8.3 hereof. Upon removal of said contingencies, Buyer's Deposit shall be delivered to escrow by Agent (if same has been held in trust by Agent); a grant deed duly executed by Seller, sufficient to convey title to Buyer, shall be delivered to escrow by Seller; and Buyer and Seller shall execute escrow instructions directing the Escrow Holder to release immediately from escrow and deliver to Seller Buyer's entire Deposit (including increases, if any). Seller shall hold Buyer's Deposit subject to the remaining terms and conditions of this Agreement. If the Property is made unmarketable by Seller, or acts of God, the Deposit shall be returned to Buyer and deed shall be returned to Seller.
- 11) **ESTOPPEL CERTIFICATE CONTINGENCY (Leased Properties):**
- 12) **SERVICE AND TENANT CONTRACTS/OTHER MATERIAL CHANGES:** Seller shall not enter into any new service or tenant contracts that cannot be canceled with 30 days notice and without penalty. Seller shall not make any material changes to the property, do any act, or enter into any agreements of any kind that materially changes the value of the property or the rights of the buyer as they relate to the property.
- 13) **PERSONAL PROPERTY:** Title to any personal property to be conveyed to Buyer in connection with the sale of the Property shall be conveyed to Buyer by Bill of Sale on the Closing Date free and clear of all encumbrances (except those approved by Buyer as provided above). The price of these items shall be included in the Purchase Price for the Property, and Buyer agrees to accept all such personal property in "as is" condition.
- 14) **CONDITION OF PROPERTY:** It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use. "Property Condition" means each and every matter of concern or relevance to Buyer relating to the Property, including without limitation the financial, legal, title, physical, geological and environmental condition and sufficiency of the Property and all improvements and equipment thereon; applicable governmental laws, regulations, and zoning; building codes, and the extent to which the Property complies therewith; the fitness of the Property for Buyer's contemplated use; the presence of hazardous materials; title matters; and contracts to be assumed by Buyer.

Upon Buyer's satisfaction or waiver of the contingencies in Paragraph 21, Buyer agrees, and represents and warrants that upon Closing Buyer will purchase the Property "as is" and solely on reliance on its own investigation of the Property. Seller had no obligation to repair, correct or compensate Buyer for any Property Condition, and upon closing, Buyer shall be deemed to have waived any and all objections to the Property Condition, whether or not known to Buyer. Upon Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way growing out of or connected with Property Condition. BUYER EXPRESSLY WAIVES ANY OF ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Buyer's Initials JM Seller's Initials _____

Buyer's Initials JM Seller's Initials _____
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15) **RISK OF LOSS:** Risk of loss to the Property shall be borne by Seller until title has been conveyed to Buyer. In the event that the improvements on the Property are destroyed or materially damaged between the Effective Date of this Agreement and the date title is conveyed to Buyer, Buyer shall have the option of demanding and receiving back the entire Deposit and being released from all obligations hereunder, or alternatively, taking such improvements as Seller can deliver. Upon Buyer's physical inspection and approval of the Property, Seller shall maintain the Property through close of escrow in the same condition and repair as approved, reasonable wear and tear excepted.

16) **POSSESSION:** Possession of the Property shall be delivered to Buyer on Closing Date.

17) **LIQUIDATED DAMAGES:** By placing their initials immediately below, Buyer and Seller agree that it would be impracticable or extremely difficult to fix actual damages in the event of a default by Buyer, that the amount of Buyer's Deposit hereunder (as same may be increased by the terms hereof) is the parties' reasonable estimate of Seller's damages in the event of Buyer's default, and that upon Buyer's default in its purchase obligations under this agreement, not caused by any breach by Seller, Seller shall be released from its obligations to sell the Property and shall retain Buyer's Deposit (as same may be increased by the terms hereof) as liquidated damages, which shall be Seller's sole and exclusive remedy in law or at equity for Buyer's default.

Buyer's Initials DM Seller's Initials _____

18) **SELLER EXCHANGE:** Buyer agrees to cooperate should Seller elect to sell the Property as part of a like-kind exchange under IRC Section 1031. Seller's contemplated exchange shall not impose upon Buyer any additional liability or financial obligation, and Seller agrees to hold Buyer harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Seller's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

19) **BUYER EXCHANGE:** Seller agrees to cooperate should Buyer elect to purchase the Property as part of a like-kind exchange under IRC Section 1031. Buyer's contemplated exchange shall not impose upon Seller any additional liability or financial obligation, and Buyer agrees to hold Seller harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Buyer's ability to dispose of its exchange property or effectuate an exchange. In the event any exchange contemplated by Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

20) **DISCLOSURE OF REAL ESTATE LICENSURE:**

21) **AUTHORIZATION:** Buyer and Seller authorize Agent to disseminate sales information regarding this transaction, including the purchase price of the Property.

22) **AGENCY DISCLOSURE:**

22.1) **EXCLUSIVE LISTING:** Marcus & Millichap Real Estate Investment Brokerage Company is the exclusive listing broker of the property that is the subject of this transaction. Under California law, Marcus & Millichap represents the Seller as the Seller's agent. Marcus & Millichap also has procured the Buyer in this transaction. Marcus & Millichap is not the agent of the Buyer; however, Marcus & Millichap does have the following affirmative legal obligations to the Buyer:

- a. Diligent exercise of reasonable skill and care in the performance of its duties.
- b. A duty of honest and fair dealing and good faith.
- c. A duty to disclose all facts known to it materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Buyer.

23) **OTHER BROKERS:** Buyer and Seller agree that, in the event any broker other than Agent or a broker affiliated with Agent is involved in the disposition of the Property, Agent shall have no liability to Buyer or Seller for the acts or omissions of such other broker, who shall not be deemed to be a subagent of Agent.

24) **LIMITATION OF LIABILITY:** Except for Agent's gross negligence or willful misconduct, Agent's liability for any breach or negligence in its performance of this Agreement shall be limited to the greater of \$50,000 or the amount of compensation actually received by Agent in any transaction hereunder.

- 25) **SCOPE OF AGENT'S AUTHORITY AND RESPONSIBILITY:** Agent shall have no authority to bind either Buyer or Seller to any modification or amendment of this Agreement. Agent shall not be responsible for performing any due diligence or other investigation of the Property on behalf of either Buyer or Seller, or for providing either party with professional advice with respect to any legal, tax, engineering, construction or hazardous materials issues. Except for maintaining the confidentiality of any information regarding Buyer or Seller's financial condition and any future negotiations regarding the terms of this Purchase Agreement, Buyer and Seller agree that their relationship with Agent is at arm's length and is neither confidential nor fiduciary in nature.
- 26) **BROKER DISCLAIMER:** Buyer and Seller acknowledge that, except as otherwise expressly stated herein, Agent has not made any investigation, determination, warranty or representation with respect to any of the following: (a) the financial condition or business prospects of any tenant, or such tenant's intent to continue or renew its tenancy in the Property; (b) the legality of the present or any possible future use of the Property under any federal, state or local law; (c) pending or possible future action by any governmental entity or agency which may affect the Property; (d) the physical condition of the Property, including but not limited to, soil conditions, the structural integrity of the improvements, and the presence or absence of fungi or wood-destroying organisms; (e) the accuracy or completeness of income and expense information and projections, of square footage figures, and of the texts of leases, options, and other agreements affecting the Property; (f) the possibility that lease, options or other documents exist which affect or encumber the Property and which have not been provided or disclosed by Seller; or (g) the presence or location of any hazardous materials on or about the Property, including, but not limited to, asbestos, PCB's, or toxic, hazardous or contaminated substances, and underground storage tanks.

Buyer agrees that investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore. Buyer further agrees to reaffirm its acknowledgment of this disclaimer at close of escrow and to confirm that it has relied upon no representations of Agent in connection with its acquisition of the Property.

Buyer's Initials DM Seller's Initials _____

- 27) **LEAD-BASED PAINT HAZARDS:** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. **(SELLER TO INITIAL ONE BELOW):**
 - 1. Seller warrants that the Property was constructed after 1978. Seller's Initials _____
 - 2. Seller is not sure when the Property was constructed and/or has reason to believe that lead-based paint hazards may be present. Seller's Initials _____

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SELLER'S DISCLOSURE

(a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

- Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
- Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the Seller (check one below):

- Seller has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

SELLER'S INITIALS _____

BUYER'S ACKNOWLEDGMENT

- (c) Buyer has received copies of all information listed above.
- (d) Buyer has received the pamphlet "Protect Your Family from Lead in Your Home".
- (e) Buyer has (check one below):

- Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

BUYER'S INITIALS DM

28) **MOLD/ALLERGEN ADVISORY AND DISCLOSURE:** Buyer is advised of the possible presence within properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or allergens (e.g. dust, pet dander, insect material, etc.). These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possible health consequences. Agent strongly recommends that Buyer contact the State Department of Health Services for further information on this topic.

Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to inspect and test for the presence of harmful mold, fungi, and botanical allergens and substances as part of Buyer's physical condition inspection of the Property, and Buyer is further advised to obtain from such qualified professionals information regarding the level of health-related risk involved, if any, and the advisability and feasibility of eradication and abatement, if any.

Buyer is expressly cautioned that Agent has no expertise in this area and is, therefore, incapable of conducting any level of inspection of the Property for the possible presence of mold and botanical allergens. Buyer acknowledges that Agent has not made any investigation, determination, warranty or representation with respect to the possible presence of mold or other botanical allergens, and Buyer agrees that the investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore.

29) **ARBITRATION OF DISPUTES:** If a controversy arises with respect to the subject matter of this Purchase Agreement or the transaction contemplated herein (including but not limited to the parties' rights to the Deposit or the payment of commissions as provided herein), Buyer, Seller and Agent agree that such controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Notice: By initialing in the space below you are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in court or jury trial. By initialing in the space below you are giving up your judicial rights to discovery and appeal, unless such rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provision to neutral arbitration.

Buyer's Initials PM Seller's Initials _____

30) **SUCCESSORS & ASSIGNS:** This Agreement and any addenda hereto shall be binding upon and inure to the benefit of the heirs, successors, agents, representatives and assigns of the parties hereto.

31) **ATTORNEYS' FEES:** In any litigation, arbitration or other legal proceeding which may arise between any of the parties hereto, including Agent, the prevailing party shall be entitled to recover its costs, including costs of arbitration, and reasonable attorneys' fees in addition to any other relief to which such party may be entitled.

32) **TIME:** Time is of the essence of this Agreement.

33) **NOTICES:** All notices required or permitted hereunder shall be given to the parties in writing (with a copy to Agent) at their respective addresses as set forth below. Should the date upon which any act required to be performed by this Agreement fall on a Saturday, Sunday or holiday, the time for performance shall be extended to the next business day.

34) **FOREIGN INVESTOR DISCLOSURE:** Seller and Buyer agree to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to carry out the provisions of this Foreign Investment in Real Property Tax Act and regulations promulgated thereunder.

35) **ADDENDA:** Any addendum attached hereto and either signed or initialed by the parties shall be deemed a part hereof. This Agreement, including addenda, if any, expresses the entire agreement of the parties and supersedes any and all previous agreements between the parties with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge its terms, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. Any future modification of this Agreement will be effective only if it is in writing and signed by the party to be charged.

- 36) **ACCEPTANCE AND EFFECTIVE DATE:** Buyer's signature hereon constitutes an offer to Seller to purchase the Property on the terms and conditions set forth herein. Unless acceptance hereof is made by Seller's execution of this Agreement and delivery of a fully executed copy to Buyer, either in person or at the address shown below, or by facsimile or e-mail with a legitimate confirmation of receipt, on or before May 5, 20 05, this offer shall be null and void, the Deposit shall be returned to Buyer, and neither Seller nor Buyer shall have any further rights or obligations hereunder. Delivery shall be effective upon personal delivery to Buyer or Buyer's agent or, if by mail, on the next business day following the date of postmark. The "Effective Date" of this Agreement shall be the later of (a) the date on which Seller executes this Agreement, or (b) the date of or written acceptance (by either Buyer or Seller) of the final counter-offer submitted by the other party. Buyer and Seller both acknowledge and agree that a facsimile copy of this Agreement with a party's signature is as legally valid and binding as the original Agreement with an original signature. If Buyer is not an individual but a legal entity, Buyer's representative represents that he/she is authorized on behalf of the legal entity to sign this Agreement.
- 37) **OTHER BUYERS:** Buyer understands that Agent represents other buyers who may have an interest in similar, or the same property that Buyer is considering purchasing. Buyer understands, consents and agrees that Agent, at all times before, during and after his representation of Buyer, may also represent other prospective buyers in the purchase of any property offered for sale. Buyer understands, consents and agrees that, regardless of the particular agency relationship between Buyer and Agent, Agent's representation of other buyers does not constitute a breach of any duty to Buyer.
- 38) **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 39) **OTHER TERMS AND CONDITIONS:**
 - 1.) The Buyer intends to secure financing on this property yet this is not a contingency to this escrow. Seller agrees to cooperate with Buyer in securing financing.
 - 2.) Addendum / is incorporated herewithin

THE PARTIES ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS WITH REGARD TO THE LEGAL EFFECT AND VALIDITY OF THIS PURCHASE AGREEMENT. THE PARTIES AGREE THAT THIS AGREEMENT CAN BE SIGNED IN COUNTERPART WITH THE SAME LEGAL FORCE AND EFFECT AS IF NOT SIGNED IN COUNTERPART.

The undersigned Buyer hereby offers and agrees to purchase the above-described Property for the price and upon the terms and conditions herein stated.

offer is made by Buyer to Seller on this 2nd day of May, 20 06. The undersigned Buyer hereby acknowledges receipt of an executed copy of this Agreement, including the Agency Disclosure contained in Paragraph 22, above.

All individuals signing below on behalf of a legal entity hereby represent that they are authorized by, and on behalf of, said entity to enter into this Agreement.

BUYER: *Del McConville* ADDRESS: On File
Del McConville and/or assignees

DATE: May 9th, 2006 TELEPHONE: (650)-520-4634

SELLER'S ACCEPTANCE AND AGREEMENT TO PAY COMMISSION

The undersigned Seller accepts the foregoing offer and agrees to sell the Property to Buyer for the price and on the terms and conditions stated herein. Seller acknowledges receipt of an executed copy of this Agreement and authorizes Agent to deliver an executed copy to Buyer.

Seller reaffirms its agreement to pay to Agent a real estate brokerage commission pursuant to the terms of that certain Representation Agreement between Agent and Seller, which shall remain in full force and effect. Said commission is payable in full on the Closing Date and shall be paid in cash through escrow. Escrow Holder is directed to make such payment to Agent from Seller's proceeds of sale. The provisions of this paragraph may not be amended or modified without the written consent of Agent.

SELLER: _____ ADDRESS: _____
Seller of Record On file

DATE: _____ TELEPHONE: _____

Agent accepts and agrees to the foregoing. Agent represents and warrants that Agent is unaware of any incorrect or incomplete information contained in any Natural Hazard Disclosures.

AGENT: **MARCUS & MILLICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY**

BY: _____ ADDRESS: _____
Matthew Ziegler 16830 Ventura Blvd., #100
Encino, CA 91436

DATE: _____ TELEPHONE: _____
818.907-0600 x255

NO REPRESENTATION IS MADE BY AGENT AS TO THE LEGAL OR TAX EFFECT OR VALIDITY OF ANY PROVISION OF THIS PURCHASE AGREEMENT. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, FINANCIAL OR TAX ADVICE, CONSULT YOUR ATTORNEY, ACCOUNTANT OR TAX ADVISOR.

Escrow Holder acknowledges receipt of a copy of this Agreement (if checked _____ a deposit amount of _____ dollars (\$ _____)), Counter Offer numbers _____ and _____ and agrees to act as Escrow Holder subject to Paragraph 3 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

The date of communication of Acceptance of the Agreement between Buyer and Seller is _____, 20_____.

ESCROW HOLDER: _____ ESCROW #: _____
BY: _____ DATE: _____
ADDRESS: _____ EMAIL: _____
PHONE: _____ FAX: _____
ESCROW HOLDER IS LICENSED BY: _____ LICENSE #: _____

NO REPRESENTATION IS MADE BY AGENT AS TO THE LEGAL OR TAX EFFECT OR VALIDITY OF ANY PROVISION OF THIS PURCHASE AGREEMENT. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, FINANCIAL OR TAX ADVICE, CONSULT YOUR ATTORNEY, ACCOUNTANT OR TAX ADVISOR.

NCR (No Carbon Required)

ADDENDUM NO. ONE

To Agreement dated 09May06 between Del McConville & or Assignees
and Seller of Record, concerning property located at 401 Oasis Drive, Ridgecrest, CA - A 300 Unit Apartment Building

The parties agree as follows:

1. Buyer to cooperate with 1031 sale by seller at no cost to buyer
2. Seller to receive \$69,833.33 per unit sold towards purchase price of \$20,950,000. Any excess proceeds over \$69,833.33 shall be credited to Superior Housing Development.
3. Three percent (3%) of sales contract to be credited to buyer for non-recurring closing costs to be paid from monies credited back by seller and not from seller's per unit price of \$69,833.33 gross described in (# 2) of this addendum.
4. Seller's portion of transfer tax shall be capped at \$23,045.00. Buyer shall pay any transfer tax in excess of \$23,045.00.
5. Commission payable by seller shall be \$628,500, paid only on close of escrow.
6. Marcus & Millichap form contract paragraph twenty one (21) to be deleted.

This Addendum, upon its execution by both parties, is made a part of the above Agreement.

If checked this Addendum is of no force or effect unless executed by all parties and delivered prior to

(date) _____ (time) _____ a.m. p.m., to _____
(Name of Party)

Seller/Lessor _____

Date _____

Seller/Lessor _____

Date _____

Buyer/Lessee Del McConville

Date May 9th, 2006

Buyer/Lessee and/or assignees

Date _____

Rev. by _____
Date _____

CAUTION: The copyright laws of the United States forbid the unauthorized reproduction of this form by any means including scanning or computerized formats.

Marcus & Millichap

COUNTER OFFER (Seller)

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

The undersigned Seller, 1402 Alta Vista Partners LLC, makes the following Counter Offer to the counter offer executed by Del McConville and/or Assignee as buyer on May 2nd, 2006, relating to that certain real property (the "Property") located at 401 Oasis Drive., Ridgecrest, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property to Buyer on the terms and conditions set forth in the aforementioned Purchase Agreement (including addenda, if any) with the following exceptions, additions and modifications:

1. Deposit to be \$450,000, to be released to seller per paragraph 10 of purchase agreement.
2. Buyer to have 10 calendar days from the effective date to approve all contingencies, including, but not limited to Preliminary Title report, Books & Records, Physical Inspection, State & Local Laws.
3. Paragraph 14 to read as follows:

CONDITION OF PROPERTY: It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use. "Property Condition" means each and every matter of concern or relevance to Buyer relating to the Property, including without limitation the financial, legal, title, physical, geological and environmental condition and sufficiency of the Property and all improvements and equipment thereon; applicable governmental laws, regulations, and zoning; building codes, and the extent to which the Property complies therewith; the fitness of the Property for Buyer's contemplated use; the presence of hazardous materials; title matters; and contracts to be assumed by Buyer.

Upon Buyer's satisfaction or waiver of the contingencies in Paragraph 5, 8.1, 8.2, 8.3, Buyer agrees, and represents and warrants that upon Closing Buyer will purchase the Property "as is" and solely on reliance on its own investigation of the Property. Seller had no obligation to repair, correct or compensate Buyer for any Property Condition, and upon closing, Buyer shall be deemed to have waived any and all objections to the Property Condition, whether or not known to Buyer. Upon Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way growing out of or connected with Property Condition. BUYER EXPRESSLY WAIVES ANY OF ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

4. Down Payment to be \$20,950,000 ALL CASH to seller. Buyer intends on securing financing on property, however this is not a contingency. Seller agrees to cooperate with Buyer in securing financing.
5. Escrow and Title to be with Chicago Title
6. Seller to operate building in normal fashion until buyer removes all contingencies and releases deposit. Upon such time, seller will not rent units without buyers approval.
7. Commission to be 3% of purchase price paid as follows: 1.5% to Marcus & Millichap (Jeff Louks, Matt Ziegler, Dan Withers and 1.5% Logan Piette
8. Per paragraph 3 of Buyers Addendum shall be change to clarify and read as follows:

"Buyer intends to sell individual PUDS during escrow to other individual entities to be named in escrow. Three percent (3%) of the individual sales contracts for each individual PUD shall be credited to individual buyers for each PUD for non-recurring closing costs to be paid from monies credited back by seller and not from seller's per unit price of \$69,833.33 gross described in (#2) of this addendum

The foregoing terms and conditions supersede and replace any inconsistent provisions in the referenced Purchase Agreement. All other terms and conditions of said Purchase Agreement (including all terms and conditions related to Agent's commission) shall remain in full force and effect. The Purchase Agreement (including any previous Counter Offers or Amendments) and this Counter Offer, taken together, shall constitute the entire agreement of the parties.

If this Counter Offer is not accepted in writing by Buyer and an executed copy personally delivered to Seller, or Jeff Louk/Matt Ziegler/Dan Withers, Seller's authorized agent, on or before May 11th, 20 06, this Counter Offer shall be null and void, Buyer's entire deposit shall be returned, and neither Seller nor Buyer shall have any further rights or obligations hereunder. The date on which Buyer accepts this Counter Offer in writing shall be the "effective date" of the Purchase Agreement between Seller and Buyer. Seller hereby acknowledges receipt of an executed copy of this Counter Offer.

SELLER: _____ ADDRESS: _____
1402 Alta Vista
Partners LLC

DATE: _____

Seller RESIGN _____

DATE: _____

Buyer accepts and agrees to the terms and conditions set forth in this Counter Offer and agrees to purchase the Property on the terms and conditions in the aforementioned Purchase Agreement as modified by the provisions of this Counter Offer. Buyer hereby acknowledges receipt of an executed copy of this Counter Offer.

BUYER: _____ ADDRESS: _____
Del McConville and/or
Assignee

DATE: _____

AGENT: MARCUS & MILLICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY

BY: Jeff Louks ADDRESS: 16830 Ventura Blvd., #100
Encino, CA 91436

DATE: _____

BY: Matt Ziegler ADDRESS: 16830 Ventura Blvd., #100
Encino, CA 91436

DATE: _____

BY: Dan Withers ADDRESS: 16830 Ventura Blvd., #100
Encino, CA 91436

DATE: _____

NO REPRESENTATION IS MADE BY AGENT AS TO THE LEGAL EFFECT OR VALIDITY OF ANY PROVISION OF THIS COUNTER OFFER. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, FINANCIAL OR TAX ADVICE, CONSULT YOUR ATTORNEY, ACCOUNTANT OR TAX ADVISOR.

MAY-03-2005 20:42

Marcus & Millichap

COUNTER OFFER (Seller)

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

The undersigned Seller, 1402 Alca Vista Partners LLC, makes the following Counter Offer to the counter offer executed by Dei McConville and/or Assignees as buyer on MAY 2nd, 2005, relating to that certain real property (the "Property") located at 481 Oasis Drive., Ridgecrest, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property to Buyer on the terms and conditions set forth in the aforementioned Purchase Agreement (including addenda, if any) with the following exceptions, additions and modifications:

1. Deposit to be \$450,000, to be released to seller per paragraph 10 of purchase agreement.
2. Buyer to have 10 calendar days from the effective date to approve all contingencies, including, but not limited to Preliminary Title report, Books & Records, Physical Inspection, State & Local Laws.
3. Paragraph 14 to read as follows:

CONDITION OF PROPERTY: It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use. "Property Condition" means each and every matter of concern or relevance to Buyer relating to the Property, including without limitation the financial, legal, title, physical, geological and environmental condition and sufficiency of the Property and all improvements and equipment thereon; applicable governmental laws, regulations, and zoning; building codes, and the extent to which the Property complies therewith; the fitness of the Property for Buyer's contemplated use; the presence of hazardous materials; title matters; and contracts to be assumed by Buyer.

Upon Buyer's satisfaction or waiver of the contingencies in Paragraph 5, 6.2, 6.2, 6.3, Buyer agrees. and represents and warrants that upon Closing Buyer will purchase the Property "as is" and solely in reliance on its own investigation of the Property. Seller had no obligation to repair, correct or compensate Buyer for any Property Condition, and upon closing, Buyer shall be deemed to have waived any and all objections to the Property Condition, whether or not known to Buyer. Upon Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way growing out of or connected with Property Condition. BUYER EXPRESSLY WAIVES ANY OF ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE SECTION 1642, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

4. Down Payment to be \$20,950,000 ALL CASH to seller. Buyer intends on securing financing on property, however this is not a contingency. Seller agrees to cooperate with Buyer in securing financing.
5. Escrow and Title to be with Chicago Title
6. Seller to operate building in normal fashion until buyer removes all contingencies and releases deposit. Upon such time, seller will not rent units without buyers approval.
7. Commission to be 3% of purchase price paid as follows: 1.5% to Marcus & Millichap (Jeff Louks, Matt Ziegler, Dan Withers and 1.8% Logan Platte
8. Per paragraph 3 of Buyers Addendum shall be change to clarify and read as follows:

"Buyer intends to sell individual PUDS during escrow to other individual entities to be named in escrow. Three percent (3%) of the individual sales contracts for each individual PUD shall be credited to individual buyers for each PUD for non-recurring closing costs to be paid from monies credited back by seller and not from seller's per unit price of \$69,633.33 gross described in (32) of this addendum

Jm

e

P.04

MAY-05-2006 20:43

The foregoing terms and conditions supersede and replace any inconsistent provisions in the referenced Purchase Agreement. All other terms and conditions of said Purchase Agreement (including all terms and conditions related to Agent's commission) shall remain in full force and effect. The Purchase Agreement (including any previous Counter Offers or Amendments) and this Counter Offer, taken together, shall constitute the entire agreement of the parties.

If this Counter Offer is not accepted in writing by Buyer and an executed copy personally delivered to Seller, or Jeff Louk/Marc Ziegler/Dan Withers Seller's authorized agent, on or before May 11th, 2006, this Counter Offer shall be null and void, Buyer's entire deposit shall be returned, and neither Seller nor Buyer shall have any further rights or obligations hereunder. The date on which Buyer accepts this Counter Offer in writing shall be the "effective date" of the Purchase Agreement between Seller and Buyer. Seller hereby acknowledges receipt of an executed copy of this Counter Offer.

SELLER:

1402 Alta Vista Partners LLC

ADDRESS:

DATE:

Seller RESIGN

DATE:

Buyer accepts and agrees to the terms and conditions set forth in this Counter Offer and agrees to purchase the Property on the terms and conditions in the aforementioned Purchase Agreement as modified by the provisions of this Counter Offer. Buyer hereby acknowledges receipt of an executed copy of this Counter Offer.

BUYER:

Del McConville and/or Assignee

ADDRESS:

3218 Bunker Ave

Hayward, CA 94545

DATE:

AGENT: MARCUS & MILICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY

BY:

Jeff Louks

ADDRESS:

16830 Ventura Blvd., #100 Encino, CA 91436

DATE:

BY:

Marc Ziegler

ADDRESS:

16830 Ventura Blvd., #200 Encino, CA 91436

DATE:

BY:

Dan Withers

ADDRESS:

16830 Ventura Blvd., #100 Encino, CA 91436

DATE:

NO REPRESENTATION IS MADE BY AGENT AS TO THE LEGAL EFFECT OR VALIDITY OF ANY PROVISION OF THIS COUNTER OFFER. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, FINANCIAL OR TAX ADVICE, CONSULT YOUR ATTORNEY, ACCOUNTANT OR TAX ADVISOR.

Marcus & Millichap

COUNTER OFFER (Seller)

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

The undersigned Seller, 1402 Alta Vista Partners LLC, makes the following Counter Offer to the counter offer executed by Del McConville and/or Assignee as buyer on May 2nd, 20 06, relating to that certain real property (the "Property") located at 401 Oasis Drive., Ridgecrest, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property to Buyer on the terms and conditions set forth in the aforementioned Purchase Agreement (including addenda, if any) with the following exceptions, additions and modifications:

1. Deposit to be \$450,000, to be released to seller per paragraph 10 of purchase agreement.
2. Buyer to have 10 calendar days from the effective date to approve all contingencies, including, but not limited to Preliminary Title report, Books & Records, Physical Inspection, State & Local Laws.
3. Paragraph 14 to read as follows:

CONDITION OF PROPERTY: It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use. "Property Condition" means each and every matter of concern or relevance to Buyer relating to the Property, including without limitation the financial, legal, title, physical, geological and environmental condition and sufficiency of the Property and all improvements and equipment thereon; applicable governmental laws, regulations, and zoning; building codes, and the extent to which the Property complies therewith; the fitness of the Property for Buyer's contemplated use; the presence of hazardous materials; title matters; and contracts to be assumed by Buyer.

Upon Buyer's satisfaction or waiver of the contingencies in Paragraph 5, 8.1, 8.2, 8.3, Buyer agrees, and represents and warrants that upon Closing Buyer will purchase the Property "as is" and solely on reliance on its own investigation of the Property. Seller had no obligation to repair, correct or compensate Buyer for any Property Condition, and upon closing, Buyer shall be deemed to have waived any and all objections to the Property Condition, whether or not known to Buyer. Upon Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way growing out of or connected with Property Condition. BUYER EXPRESSLY WAIVES ANY OF ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

4. Down Payment to be \$20,950,000 ALL CASH to seller. Buyer intends on securing financing on property, however this is not a contingency. Seller agrees to cooperate with Buyer in securing financing.
5. Escrow and Title to be with Chicago Title
6. Seller to operate building in normal fashion until buyer removes all contingencies and releases deposit. Upon such time, seller will not rent units without buyers approval.
7. Commission to be 3% of purchase price paid as follows: 1.5% to Marcus & Millichap (Jeff Louks, Matt Ziegler, Dan Withers and 1.5% Logan Piette
8. Per paragraph 3 of Buyers Addendum shall be change to clarify and read as follows:

"Buyer intends to sell individual PUDS during escrow to other individual entities to be named in escrow. Three percent (3%) of the individual sales contracts for each individual PUD shall be credited to individual buyers for each PUD for non-recurring closing costs to be paid from monies credited back by seller and not from seller's per unit price of \$69,833.33 gross described in (#2) of this addendum

The foregoing terms and conditions supersede and replace any inconsistent provisions in the referenced Purchase Agreement. All other terms and conditions of said Purchase Agreement (including all terms and conditions related to Agent's commission) shall remain in full force and effect. The Purchase Agreement (including any previous Counter Offers or Amendments) and this Counter Offer, taken together, shall constitute the entire agreement of the parties.

If this Counter Offer is not accepted in writing by Buyer and an executed copy personally delivered to Seller, or Jeff Louk/Matt Ziegler/Dan Withers, Seller's authorized agent, on or before May 11th, 2006, this Counter Offer shall be null and void, Buyer's entire deposit shall be returned, and neither Seller nor Buyer shall have any further rights or obligations hereunder. The date on which Buyer accepts this Counter Offer in writing shall be the "effective date" of the Purchase Agreement between Seller and Buyer. Seller hereby acknowledges receipt of an executed copy of this Counter Offer.

SELLER: 1402 Alta Vista Partners LLC ADDRESS: _____

DATE: _____

Seller RESIGN _____
DATE: _____

Buyer accepts and agrees to the terms and conditions set forth in this Counter Offer and agrees to purchase the Property on the terms and conditions in the aforementioned Purchase Agreement as modified by the provisions of this Counter Offer. Buyer hereby acknowledges receipt of an executed copy of this Counter Offer.

BUYER: Del McConville and/or Assignee ADDRESS: 3318 Baumburg Ave Hayward, CA 94545

DATE: _____

AGENT: MARCUS & MILLICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY

BY: Jeff Louks ADDRESS: 16830 Ventura Blvd., #100 Encino, CA 91436

DATE: _____

BY: Matt Ziegler ADDRESS: 16830 Ventura Blvd., #100 Encino, CA 91436

DATE: _____

BY: Dan Withers ADDRESS: 16830 Ventura Blvd., #100 Encino, CA 91436

DATE: _____

NO REPRESENTATION IS MADE BY AGENT AS TO THE LEGAL EFFECT OR VALIDITY OF ANY PROVISION OF THIS COUNTER OFFER. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, FINANCIAL OR TAX ADVICE, CONSULT YOUR ATTORNEY, ACCOUNTANT OR TAX ADVISOR.

Marcus & Millichap

CONTINGENCY REMOVAL

BUYER: Del McConville and/or Assignee

SELLER: 1402 Alta Vista Partners LLC

DATE: 05/19/06

SUBJECT: Purchase Agreement dated May 2nd 2006 for the purchase of 401 Oasis Drive, Ridgecrest, CA by Del McConville and/or Assignee

We hereby approve and remove as contingencies to the sale the following inspections:

- 5 - Preliminary Title Report
- 8.1 - Books and Records
- 8.2 - Physical Inspection
- 8.3 - State and Local Laws

Buyer agrees to deliver nonrefundable deposit amount of \$450,000 to Chicago Title on or before May 25th, 2006. Buyer and Seller agree to sign escrow instructions on or before May 29th, 2006. Upon execution of escrow instructions by both buyer and seller and grant deed by seller, \$450,000 deposit to be released to seller.

THERE ARE NO FURTHER CONTINGENCIES TO THIS TRANSACTION

Buyer acknowledges that no representative of Marcus & Millichap has made any investigation, determination, warranty or representation with respect to the subject matter of any of the contingencies removed herein, including, but not limited to any of the following: the buyer's approval of the financial condition of any tenant; the legality of the present or possible future use of the property; pending or possible future actions by any governmental entity; the physical condition of the property, including but not limited to soil conditions; the accuracy or completeness of income and expense information and projections, of square footage figures, and of the texts of leases, options, and other agreements affecting the property; the possibility that leases, options, or other documents exist which affect or encumber the property; or the presence or location of any hazardous materials on or about the property, including, but not limited to, asbestos, PCB's, other toxic, hazardous or contaminated substances, and underground storage tanks. Buyer agrees that investigation and analysis of the foregoing matters has been the sole responsibility of buyer and its independent advisors and consultants. Buyer shall hold Marcus & Millichap harmless from any and all claims, demands or causes of action which may arise in connection therewith.

BUYER: *Del McConville* ^{Assignee} DATE: 5/19/06
Del McConville and/or assignee

Seller hereby acknowledges receipt and review of this document on 11/21 20 06

SELLER: *X* 1402 Alta Vista Partners LLC

Oasis 401 CR- McConville

Buyer's Initials *JM* Seller's Initials *Xc*
CA - Copyright Marcus & Millichap 1993

L.E. ESCROW

7677 Oakport Drive, Suite 600, Oakland, CA 94621
(510) 686-2182

SELLERS ESTIMATED CLOSING STATEMENT

Seller: 1402 Alta Vista Partners LLC

Escrow No: 00002279-001 LR

Close Date:

Proration Date:

Date Prepared: 08/11/2006

Property: 401 Oasis Drive
Ridgecrest, CA

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration		20,950,000.00
PAYOFFS:		
Payoff to First Regional Bank	11,689,621.99	
11,689,621.99 Principal Balance		
PRORATIONS AND ADJUSTMENTS:		
County Taxes From 07/01/06 To 08/14/06	19,486.49	
Based on the Semi - Annual amount of \$81,571.36		
Deposit 6/7/6	450,000.00	
Deposit 7/25/6	600,000.00	
Deposit 8/7/6	600,000.00	
Extension penalty From 07/21/06 To 08/14/06		115,000.00
Based on the Daily amount of \$5,000.00		
Security deposits (rental)	143,109.67	
See Attached for Breakdown	88,401.13	
COMMISSIONS:		
Commission	628,500.00	
\$314,250.00 to Marcus & Millichap		
\$314,250.00 to Logan Pierre		
TITLE CHARGES		
Escrow Fee to L.E. Escrow	3,000.00	
Document Preparation to L.E. Escrow	300.00	
ESCROW CHARGES:		
Owners Policy to Chicago Title Company C	16,482.68	
Courier Services to Estimated	150.00	
RECORDING FEES:		
County Transfer Tax to Chicago Title Company C	23,045.00	
Sub Totals	14,262,096.96	21,065,000.00
Proceeds Due Seller	6,802,903.04	
Totals	\$21,065,000.00	\$21,065,000.00

1402 Alta Vista Partners LLC

X
Jeffrey Greene

AUG. 11. 2006 11:12AM

HILTOP FINANCIAL

NO. 975 P. 2/2

L.E. ESCROW

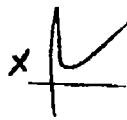
7677 Oakport Drive, Suite 600, Oakland, CA 94621
(510) 686-2182

SELLERS ESTIMATED CLOSING STATEMENT

Additional Prorations/Rent Schedule

Escrow No: 00002279-001 LR

Description	Debit	Credit
Rent Based on the Monthly amount of \$156,002.00	88,401.13	
Total as shown on Settlement Statement	88,401.13	0.00

x 



SELLER'S ESCROW INSTRUCTIONS

Date: June 1, 2006

Escrow No.: 00002279-001-LR

To: L.E. Escrow
7677 Oakport Drive Suite 600, Oakland, CA 94621
Phone No.: (510) 686-2182 Fax No.: (510) 613-8010

Property Address: 401 Oasis Drive, Ridgecrest, CA (300 Units)

CHICAGO TITLE COMPANY IS LICENSED BY THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE TO ACT AS AN UNDERWRITTEN TITLE COMPANY.

I/We hand you herewith a Deed vesting title in Del McConville, An Unmarried Man and/or assignees together with
Escrow Estimated Settlement Statement
Grant Deeds (300)

which you are authorized to deliver and/or record when you have received for my account:
Balance of Sale Proceeds per Escrow Estimated Settlement Statement

and when you can issue a standard coverage or joint protection CLTA Owner's policy of title insurance naming Del McConville, An Unmarried Man as insureds with a liability of \$20,950,000.00 covering the property described in the Preliminary Report issued by Chicago Title Company, and commonly known as: 401 Oasis Drive, Ridgecrest, CA

Close of escrow is estimated to be on or before July 21, 2006.

The policy of Title Insurance will contain only the following "subject to" items, PLUS those items that will reflect the documents being recorded through escrow.

SAID POLICY TO SHOW TITLE VESTED IN GRANTEE OF ABOVE DEED, SUBJECT TO:

- 1. Printed exceptions and conditions and stipulations in said policy.
2. All 2nd half Paid; General and Special Taxes for fiscal year 2006/2007
3. Assessments and/or bonds not delinquent
4. Exceptions as shown in the preliminary report referenced above less payoff to First Regional Bank Estimated to be \$11,800,000.00

Seller's Disclosure

The undersigned Seller(s) hereby certifies that all liens, judgments, deeds of trust, taxes, and other obligations have been disclosed to Chicago Title Company, and that NO additional items or obligations exist against me/us, except those disclosed on the preliminary report referenced above, which has been acknowledged by my/our initial(s) or signature(s).

The undersigned hereby certifies that NO construction, alteration, addition to, or repair of a building or structure is in process or has recently been completed.

Therefore, the undersigned agrees to hold harmless and indemnify Chicago Title Company and it's underwriter against all loss, damage, attorney's fees and other costs and charges which Chicago Title Company or it's underwriter may sustain in consequences of having issued such policy or policies of Title Insurance, and not having taken exception to an item which should have been disclosed but for whatever reason, was not.

Tax Prorations

A. You are hereby authorized and instructed to base your tax prorations upon the current available tax figures as shown on your preliminary report referenced above.

FIRPTA

Transferor/Seller and Transeree/Buyer agree than any calculation, deduction, act or action, such as the withholding of funds and/or the payment of taxes, in compliance with FIRPTA, or any other Internal Revenue Service Code or Regulation, shall be the responsibility of the parties, to be performed outside of this escrow.

Upon consummation of this escrow you are authorized to disburse in accordance with the attached Estimated Closing Statement.

Disbursement of Funds:

The undersigned hereby instructs L.E. Escrow and Chicago Title Company to disburse their proceeds as follows:

- Hold check for pick up at your L.E. Escrow office in/at
Authorize check to be picked up by: Name:
Call when check is ready for pickup, phone #, contact
Mail check to: Name: Address: Escrow No. Title company Address
Transfer proceeds to:
"Wire" direct to our account - see attached sheet for further instructions (a \$25.00 wiring fee will be collected in this escrow)
Other - see attached sheet for further instructions

Seller's proceeds will be disbursed in the form of one check payable to the order of ALL Sellers unless Escrow Holder is provided with written instructions from all Sellers to do otherwise. Such checks require the personal endorsement of all payees to be negotiable.

Any conflict between Escrow Instructions and the Purchase Agreement the Purchase Agreement shall prevail.

Initials Initials Initials Initials

GENERAL PROVISIONS

TO: L.E. Escrow

THE PARTIES TO THIS ESCROW FURTHER INSTRUCT YOU AND AGREE:

1. Unless otherwise expressly set forth in the escrow instructions, you are generally instructed as set forth below. In addition, the parties shall be bound to L.E. Escrow and Chicago Title Company by the agreements set forth below.

2. The term "close of escrow" means the date on which documents are recorded. You are authorized to record any instruments delivered in escrow necessary to allow you to cause to be issued title insurance called for in these instructions. No examination or insurance as to the amount or payment of personal property taxes is required of you unless specified in these instructions.

3. The escrow instructions given you do not modify any agreement of the parties to the transaction which is the subject of this escrow unless the parties shall otherwise agree. You, as escrow holder, shall have no responsibility with respect to any agreement between the parties, unless you agree to accept such agreement as escrow instructions, and are not responsible for determining if the instructions given to you conform to any agreement between the parties or bringing any discrepancy to the attention of the parties to this escrow. If any agreement between the parties conflicts with instructions given to you, you are to comply with your instructions. You shall have no responsibility for determining whether any party shall have performed any agreement or satisfied any condition to close of escrow except as expressly set forth in the escrow instructions given to you.

4. Each party shall cooperate with you in carrying out the instructions given to you. Each party shall deposit with you any additional funds, instruments, documents, instructions, authorizations and other items that are reasonably necessary to enable you to comply with demands made on you by third parties, to secure the policy of title insurance called for herein and to otherwise carry out the terms of the instructions given to you and to close escrow.

5. You are authorized and entitled to assume that documents that you receive as escrow holder are genuine and are in fact signed by the person purporting to have executed them and you are authorized and entitled to act upon or use such documents until and unless you have actual knowledge of fact or circumstances that reasonably cause you to believe that they are not genuine.

6. You are not to be concerned with the question of usury in any loan transaction included in your escrow instructions or whether any transaction included in your escrow instructions otherwise complies with applicable laws. The undersigned acknowledge that you cannot and will not provide the parties with legal or tax advice and that the undersigned have been advised to obtain independent legal counsel for advice with respect to the transaction and any instruction given to you.

7. Any proration provided in the escrow instructions shall be based on the latest tax bill, rental statement, beneficiary statement, homeowner's association statement or insurance premium statement provided to you, shall be based on 30 day months and shall be as of close of escrow unless otherwise provided herein without regard to any reassessments, subsequent or supplemental bills or statements. Neither party hereto shall look to you for reimbursement if there is a reassessment, subsequent or supplemental bill but shall look solely to the other party should adjustment be necessary.

8. You shall pay all bills submitted to you prior to close of escrow and approve for payment by the party who is to be charged in escrow. You shall have no responsibility for bills not submitted and approved for payment prior to close of escrow. Assigned Estimated Settlement Statement shall be deemed as approval to pay all bills and demands.

9. In the absence of specific instructions to the contrary, you are authorized to utilize wire service, overnight delivery, courier or other expedited delivery service using your personnel or others selected by you to expedite delivery of funds and documents and to charge the estimated cost thereof accordingly. The parties acknowledge that your charges for delivery will include a reasonable charge for your personnel and vehicles and an estimate of the actual charges by others inasmuch as the actual charges by others may not be known or received by you until after close of escrow. No refund will be made if the estimate exceeds the actual charge made by others.

10. You are instructed to deliver and record all documents and disburse all funds in accordance with instructions given to you when you can comply with your instructions and cause title insurance to be issued as called for therein. You shall not be responsible for any delay in close of escrow if funds received by you are not available for immediate withdrawal. Documents, funds and statements shall be mailed to the addresses shown in your instructions unless you are otherwise instructed. Funds may be disbursed by your check unless you are otherwise instructed. You may, at your option, require concurrent instructions from all parties prior to release of any funds in this escrow.

11. If escrow is not in a condition to close by the time set forth in the instructions given to you, you shall nonetheless close escrow when the conditions to close escrow are otherwise satisfied unless you are given a written demand to cancel escrow from a party to this escrow after the time escrow is to close unless you are otherwise expressly instructed. If a written demand to cancel escrow is received by you from a party to this escrow, you are instructed to mail a copy by certified mail to each other party to this escrow within 3 working days after receipt of such written demand. Unless written objection to the demand is received by you from a party to this escrow within 15 days of such mailing, you are to cancel this escrow. If there is no written activity by a party to this escrow within any 6 month period after the time for closing set forth in your instructions, you may, at your option, cancel this escrow without instruction or demand.

12. Escrow instructions may be accepted by you in multiple counterparts which shall be construed together as one document. You are instructed to accept signed documents transmitted to you by electronic means as originals. However, the parties acknowledge that documents to be recorded must bear original signatures as documents bearing facsimile signatures will not be accepted by the county recorder.

13. All instructions, amendments to instructions and demands given to you must be in writing signed by the party giving the instruction or amendment or making the demand and delivered to the office which is handling this escrow. You may ignore any verbal instruction or demand.

x [Signature]
Initials Initials Initials Initials

Escrow No.: 00002279-001-LR

27. In the event that any party to this escrow receives funds or is credited with funds that they are not entitled to, for whatever reason, they agree, upon written demand, to return said funds to the proper party entitled or to the escrow for disbursement. In the event that suit is brought to enforce the return of said funds, the parties agree to reimburse the prevailing party their reasonable attorney fees.

THE UNDERSIGNED HAVE READ AND APPROVE OF THE FOREGOING GENERAL ESCROW INSTRUCTIONS AND AGREEMENTS.

SELLER:

1402 Alpha Vista Partners LLC

X _____
Jeffrey Greene

TRANSFEROR'S (SELLER'S) AFFIDAVIT
Pursuant to the
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)
Amended by the **DEFICIT REDUCTION ACT of 1984 (DRA)**

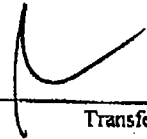
ESCROW NO.: 00002279-001-LR
PROPERTY ADDRESS: 401 Oasis Drive, Ridgecrest, CA

I/We the undersigned transferor/seller of real property subject of the above escrow do hereby state and swear under penalty of perjury that:

1. My/Our tax identification number is set forth below;
2. I/We am/are not (a) foreign person(s) as defined in the Internal Revenue Code as set forth in FIRPTA as amended;
3. We are not a United States Real Property Holding Corporation as defined in the Internal Revenue Code.

I/We acknowledge that this statement will be forwarded to the Transferee/Buyer of the real property involved in this transaction.

Signed and subscribed under Penalty of Perjury this _____

X 

Transferor/Seller

Tax Identification Number

Transferor/Seller

Tax Identification Number

firpta

GENERAL PROVISIONS

TO: L.E. Escrow

THE PARTIES TO THIS ESCROW FURTHER INSTRUCT YOU AND AGREE:

1. Unless otherwise expressly set forth in the escrow instructions, you are generally instructed as set forth below. In addition, the parties shall be bound to L.E. Escrow by the agreements set forth below.
2. The term "close of escrow" means the date on which documents are recorded. You are authorized to record any instruments delivered in escrow necessary to allow you to cause to be issued title insurance called for in these instructions. No examination or insurance as to the amount or payment of personal property taxes is required of you unless specified in these instructions.
3. The escrow instructions given you do not modify any agreement of the parties to the transaction which is the subject of this escrow unless the parties shall otherwise agree. You, as escrow holder, shall have no responsibility with respect to any agreement between the parties, unless you agree to accept such agreement as escrow instructions, and are not responsible for determining if the instructions given to you conform to any agreement between the parties or bringing any discrepancy to the attention of the parties to this escrow. If any agreement between the parties conflicts with instructions given to you, you are to comply with your instructions. You shall have no responsibility for determining whether any party shall have performed any agreement or satisfied any condition to close of escrow except as expressly set forth in the escrow instructions given to you.
4. Each party shall cooperate with you in carrying out the instructions given to you. Each party shall deposit with you any additional funds, instruments, documents, instructions, authorizations and other items that are reasonably necessary to enable you to comply with demands made on you by third parties, to secure the policy of title insurance called for herein and to otherwise carry out the terms of the instructions given to you and to close escrow.
5. You are authorized and entitled to assume that documents that you receive as escrow holder are genuine and are in fact signed by the person purporting to have executed them and you are authorized and entitled to act upon or use such documents until and unless you have actual knowledge of fact or circumstances that reasonably cause you to believe that they are not genuine.
6. You are not to be concerned with the question of usury in any loan transaction included in your escrow instructions or whether any transaction included in your escrow instructions otherwise complies with applicable laws. The undersigned acknowledge that you cannot and will not provide the parties with legal or tax advice and that the undersigned have been advised to obtain independent legal counsel for advice with respect to the transaction and any instruction given to you.
7. Any proration provided in the escrow instructions shall be based on the latest tax bill, rental statement, beneficiary statement, homeowner's association statement or insurance premium statement provided to you, shall be based on 30 day months and shall be as of close of escrow unless otherwise provided herein without regard to any reassessments, subsequent or supplemental bills or statements. Neither party hereto shall look to you for reimbursement if there is a reassessment, subsequent or supplemental bill but shall look solely to the other party should adjustment be necessary.
8. You shall pay all bills submitted to you prior to close of escrow and approve for payment by the party who is to be charged in escrow. You shall have no responsibility for bills not submitted and approved for payment prior to close of escrow. Assigned Estimated Settlement Statement shall be deemed as approval to pay all bills and demands.
9. In the absence of specific instructions to the contrary, you are authorized to utilize wire service, overnight delivery, courier or other expedited delivery service using your personnel or others selected by you to expedite delivery of funds and documents and to charge the estimated cost thereof accordingly. The parties acknowledge that your charges for delivery will include a reasonable charge for your personnel and vehicles and an estimate of the actual charges by others inasmuch as the actual charges by others may not be known or received by you until after close of escrow. No refund will be made if the estimate exceeds the actual charge made by others.
10. You are instructed to deliver and record all documents and disburse all funds in accordance with instructions given to you when you can comply with your instructions and cause title insurance to be issued as called for therein. You shall not be responsible for any delay in close of escrow if funds received by you are not available for immediate withdrawal. Documents, funds and statements shall be mailed to the addresses shown in your instructions unless you are otherwise instructed. Funds may be disbursed by your check unless you are otherwise instructed. You may, at your option, require concurrent instructions from all parties prior to release of any funds in this escrow.
11. If escrow is not in a condition to close by the time set forth in the instructions given to you, you shall nonetheless close escrow when the conditions to close escrow are otherwise satisfied unless you are given a written demand to cancel escrow from a party to this escrow after the time escrow is to close unless you are otherwise expressly instructed. If a written demand to cancel escrow is received by you from a party to this escrow, you are instructed to mail a copy by certified mail to each other party to this escrow within 3 working days after receipt of such written demand. Unless written objection to the demand is received by you from a party to this escrow within 15 days of such mailing, you are to cancel this escrow. If there is no written activity by a party to this escrow within any 6 month period after the time for closing set forth in your instructions, you may, at your option, cancel this escrow without instruction or demand.
12. Escrow instructions may be accepted by you in multiple counterparts which shall be construed together as one document. You are instructed to accept signed documents transmitted to you by electronic means as originals. However, the parties acknowledge that documents to be recorded must bear original signatures as documents bearing facsimile signatures will not be accepted by the county recorder.
13. All instructions, amendments to instructions and demands given to you must be in writing signed by the party giving the instruction or amendment or making the demand and delivered to this office which is handling this escrow. You may ignore any verbal instruction or demand.
14. You are authorized to order demands for, and to pay at the close of escrow any encumbrances of record necessary to place title in the condition called for without further authorization. You are further authorized to pay from funds on deposit any fees necessary to obtain any demand and/or report as may be required in this escrow and, on close of escrow

or cancellation, to charge the parties as appropriate. If you pay a demand to reconvey a line of credit secured by a deed of trust, you are instructed to request that the lender issuing said demand to cancel the line of credit. The undersigned acknowledge that interest on any new financing may begin to accrue on the date loan funds are disbursed by the lender and you are not to be responsible for the accrual of interest if close of escrow is delayed thereafter.

15. On close of escrow you are instructed to charge our respective accounts the costs attributable to each including, but not limited to, costs as provided for in your instructions or as set forth in our respective estimated statements attached hereto and made a part hereof. If the statement is marked "estimate", you are authorized to make adjustments based on the actual closing date. If the Buyer does not provide you with a "Preliminary Change of Ownership Notice" prior to close of escrow, you are authorized to charge the Buyer's account with the additional charge imposed by the County Recorder when documents are submitted for recording without such a Notice. If escrow is cancelled, any fees or charges due you, including cancellation fees and expenditures incurred by you shall be paid from funds on deposit in this escrow unless otherwise agreed or determined by a court of competent jurisdiction. After cancellation, upon payment of your fees and charges, you are instructed to return documents and funds to the party depositing them with you, or as ordered by said court, and to void any executed instruments. You are instructed to return all documents and funds received from a lender upon demand from the lender.

16. If, for any reason, funds shall be retained or remain in escrow after the closing date, you may deduct therefrom a charge of \$25.00 per month for your services as custodian of such funds unless otherwise specified in your instructions.

17. If your instructions provide for funds to be held in an interest-bearing account, the undersigned acknowledge and agree that such an account will not be opened until a reasonable time after good funds are received by you and unless you are provided with the name and tax identification number of the party who is to be credited with the interest earned while funds are held on deposit. All other funds deposited with you may be deposited by you in your general escrow account in a state or national bank. The undersigned acknowledge that the bank in which you deposit funds held in escrow for the parties may, in exchange for maintaining such funds on deposit, provide you with bank services, credits or other benefits of value to you. The undersigned agree that you are not obligated to account to the undersigned for the value of any services, credits or other benefits of value received by you from such bank. The undersigned acknowledge and agree that all funds deposited with you will not earn interest unless otherwise specified.

18. You are authorized to dispose of any and all documents, instructions, correspondence and other material held by you on the expiration of 6 years from close of escrow or cancellation without further notice or liability.

19. You are authorized to execute on behalf of the parties form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward the assignment and policy to the insurance agent requesting the insurer consent to the assignment and attach a loss payable endorsement and to forward such policy to the lenders and parties entitled thereto.

20. You are authorized to disclose to any broker or attorney for the parties and to any lender any instructions, statements, demands, or notices of cancellation received by you. If any check received by you is not paid on presentation, you are authorized to notify all parties and their agents of the fact of such non-payment and the reason given for nonpayment.

21. If you should receive or become aware of conflicting demands or claims with respect to this escrow or with respect to the rights or obligations of the parties hereto or with respect to any of the funds or documents deposited herein, whether or not such demands or claims shall be meritorious, you have the right, at your option, to decline to act further in this escrow until such conflict shall be resolved to your satisfaction by mutual instructions or court order. You shall have the absolute right, at your option, to commence an action in interpleader requiring the parties to the conflict to litigate their dispute between themselves and you are authorized to deposit into court all funds and documents held by you and make claim for any unpaid fees and charges. If such an action is commenced, the parties agree to pay your cancellation charges and your costs, expenses and reasonable attorneys fees incurred by you in the interpleader action. Upon commencement of an interpleader action, you shall be discharged from all obligation to perform any duties otherwise imposed upon you by these instructions.

22. Any party giving you an instruction shall defend, indemnify and hold you harmless against all claims, demands, costs, and expenses incurred by you, including reasonable attorneys fees, arising from any action taken by you in compliance with such instruction.

23. **LIMITATION OF LIABILITY:** If you make an error in determining prorations, lender demands or the amount of funds required from any party to this escrow, such error shall not relieve any party from any liability such party would have had if such error had not been made. If you advance your own funds to facilitate close of escrow, you shall be entitled to recover the amount of such advance from the party benefiting from such advance on demand together with interest thereon at 10% per annum from the date of advance together with costs and reasonable attorneys fees incurred by you in collection of the sums due.

24. Any party who is a transferor acknowledges its responsibility for withholding under Internal Revenue Code §1445 if the transaction involves the disposition of real property by a foreign person and you shall have no responsibility with respect thereto. The undersigned further acknowledges that Revenue & Taxation Code §18662 may require a transferee to withhold 3-1/3% of the sales price of real property where funds are to be delivered to a transferor with a non-California street address or, if the transferor is a corporation, it has no permanent place of business in California. If you assist in compliance, you may charge additional fees for such assistance.

25. No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

26. In the event that this escrow is canceled, any fees or charges due L.E. Escrow including cancellation fees and any expenditures incurred or authorized shall be paid from funds on deposit unless otherwise specifically agreed to or determined by a court of competent jurisdiction. Upon payment thereof, return documents and monies to the respective parties depositing same, or as ordered by the court, and void any executed instruments.

27. In the event that any party to this escrow receives funds or is credited with funds that they are not entitled to, for whatever reason, they agree, upon written demand, to return said funds to the proper party entitled or to the escrow for disbursement. In the event that suit is brought to enforce the return of said funds, the parties agree to reimburse the prevailing party their reasonable attorney fees.

THE UNDERSIGNED HAVE READ AND APPROVE OF THE FOREGOING GENERAL ESCROW INSTRUCTIONS AND AGREEMENTS.

SELLER:

1402 And Vista Farmers LLC

X _____
Jeffrey Greene

**Notice Regarding
California Franchise Tax Board
Withholding Requirements
for Buyers in Real Estate Transactions**

Escrow No.: 00002279-001-LR
Property Address: 401 Oasis Drive, Ridgcrest, CA

In accordance with Section 18662 of the California Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3 and 1/3 percent of the sales price, in the case of a disposition of a California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the seller; OR,
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to a penalty equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500.00) for failure to withhold.

However, notwithstanding any other provisions included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00); OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a corporation with a permanent place of business in California; OR
3. The seller, who is an individual, executes a written certificate under the penalty of perjury, of any of the following:
 - A. That the California real property being conveyed is the seller's principal residence (within the meaning of Section 121 of the Internal Revenue Code).
 - B. That the California real property being conveyed is or will be exchanged for property of like kind (within the meaning of Section 1031 of the Internal Revenue Code), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code.
 - C. That the California real property has been compulsorily or involuntarily converted (within the meaning of Section 1033 of the Internal Revenue Code) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.
 - D. That the California real property transaction will result in a loss for California income tax purposes.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions, which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities.



Page 1 of 2
Cantcreq

Escrow No.: 00002279-001-LR
Property Address: 401 Oasis Drive, Ridgecrest, CA

It is the sole responsibility of the Taxpayer (Exchangor) to instruct the Escrow/Closing Agent as to whether the Escrow/Closing Agent is to withhold any required amounts pursuant to the above statutes. The Qualified Intermediary is merely facilitating the Taxpayer's (Exchangor's) 1031 exchange and does not assume any responsibility for said withholding requirements unless the transactions has closed and the Qualified Intermediary is in receipt of said funds.

The California Revenue and Taxation Code permits a maximum charge or fee of \$45.00 to the party that provides "assistance" to the Taxpayer (Exchangor) with regard to the California Franchise Tax Board withholding.

For additional information regarding the withholding requirements discussed herein, please contact:

California Franchise Tax Board
Withholding Services and Compliance Section
Post Office Box 651
Sacramento, CA 95812-0651
Telephone: (916) 845-4900
Toll Free: (888) 792-4900
Facsimile: (916) 845-9512

or you can view the withholding information booklets and forms on our Web site or visit the California Franchise Tax Board's Web site.

PURCHASER'S ACKNOWLEDGEMENT: The undersigned purchaser acknowledges receipt of a copy of this Notice of California Income Tax Withholding.

TAX I.D./SOC. SEC.#: _____

TAX I.D./SOC. SEC.#: _____

SELLERS' ACKNOWLEDGEMENT: The undersigned seller acknowledges receipt of copy of this Notice of California Income Tax Withholding.

X TAX I.D./SOC. SEC.#: _____

1402 Alta Vista Partners LLC

Jeffrey Greene

TAX I.D./SOC. SEC.#: _____

Dated: _____

Marcus & Millichap

Real Estate Investment Brokerage Company

16830 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 907-0525

May 26, 2006

Mr. Del McConville
C/O Logan Piette
VIA FACSIMILE (510) 887-1692 & E-MAIL

RE: 300 Units, Ridgecrest CA

Dear Mr. McConville,

As you are aware regarding the above referenced purchase agreement, you were to place sufficient funds in the amount of \$450,000 into Chicago Title Company to satisfy your deposit obligation by Thursday May 25th, 2006. You deposited fifty thousand dollars (\$50,000) in the form of three cashiers' checks and one company check in the amount of four hundred thousand dollars (\$400,000). After contacting your bank to verify that your funds were good, your bank informed us that there is not sufficient funds in your account to clear your check.

The seller feels this is a breach of our contract and is no longer obligated to sell to you and can cancel this agreement and move on to other buyers. Because there may be some ambiguity relating to the fact that you placed a check into escrow by the contract date (even though it wasn't good at the time escrow received the check) the seller would still honor your purchase contract if you wire sufficient funds into escrow today, May 26, 2006.

Rather than getting into a debate over technicalities of bank checks that are or are not cashable and subsequently a probable breach in our contract, all this can be resolved by simply wiring your four hundred thousand dollars (\$400,000) into escrow immediately.

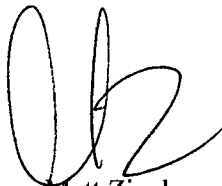
If you do not have sufficient funds to wire into escrow today, please let us know so we can move on to another buyer.

Please contact us with your intentions immediately.

Sincerely,



Jeffrey Louks
Vice President of Investments



Matt Ziegler
Sr. Investment Associate



Daniel Withers
Investment Associate

CC: Jeffrey Greene

Marcus & Millichap

Real Estate Investment Brokerage Company

Jeffrey J. Louks

Vice President of Investments

Jeff Louks	(818) 907-0600	x 217	Fax (818) 907-0525
Assistant Brett Sanson	(818) 907-0600	x 288	
Assistant Jeremy Cramer	(818) 907-0600	x 264	
Assistant Nick Simpson	(818) 907-0600	x 232	

To Logan Piette Fax (515) 887-1692

From JEFF / MATT / Dan Number of Pages to Follow 1

Date 5/26/06

Subject Ridgecrest

Comments

Marcus & Millichap
16830 Ventura Blvd., #100
Encino, CA 91436
Jlouks@Marcusmillichap.com

TRANSMISSION VERIFICATION REPORT

TIME : 05/26/2006 11:01
NAME : LOUKS
FAX : 8189070525
TEL : 8189070600
SER.# : BROA5J202355

DATE, TIME 05/26 11:01
FAX NO./NAME 15108871692
DURATION 00:00:22
PAGE(S) 02
RESULT OK
MODE STANDARD
ECM

Marcus & Millichap
Real Estate Investment Brokerage Company

Jeffrey J. Louks

Vice President of Investments

Jeff Louks (818) 907-0600 x 217 Fax (818) 907-0525
Assistant Brett Sanson (818) 907-0600 x 288
Assistant Jeremy Cramer (818) 907-0600 x 264
Assistant Nick Simpson (818) 907-0600 x 232

To Logan Piette Fax (515) 887-1692

From JEFF / MATT / DAN Number of Pages to Follow 1

Date 5/26/06

Subject Ridgescroft

Comments

TRANSMISSION VERIFICATION REPORT

TIME : 05/26/2006 11:03
NAME : LOUKS
FAX : 8189070525
TEL : 8189070600
SER. # : BROA5J202355

DATE, TIME 05/26 11:02
FAX NO./NAME 13236561300
DURATION 00:00:26
PAGE(S) 02
RESULT OK
MODE STANDARD
ECM

Marcus & Millichap

Real Estate Investment Brokerage Company

Jeffrey J. Louks

Vice President of Investments

Jeff Louks	(818) 907-0600	x 217	Fax (818) 907-0525
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Assistant Nick Simpson	(818) 907-0600	x 232	

To JEFF

Fax (323) 656-1300

From JEFF

Number of Pages to Follow |

Date 5/26/06

Subject Ridgecrest

Comments

Jeffrey J. Louks

Vice President of Investments

Jeff Louks	(818) 907-0600	x 217	Fax (818) 907-0525
Assistant Brett Sanson	(818) 907-0600	x 288	
Assistant Jeremy Cramer	(818) 907-0600	x 264	
Assistant Nick Simpson	(818) 907-0600	x 232	

To JEFF

Fax (323) 656-1300

From JEFF

Number of Pages to Follow |

Date 5/20/06

Subject Ridgecrest

Comments

Marcus & Millichap
16830 Ventura Blvd., #100
Encino, CA 91436
Jlouks@Marcusmillichap.com

Withers, Daniel

From: Withers, Daniel
Sent: Thursday, July 27, 2006 2:42 PM
To: lee robertson
Cc: Louks, Jeffrey; jeff@jeffgreene.com; Withers, Daniel
Subject: RE: Follow Up

Lee,

Did you close any deals to payoff the First Regional loan? If so, How many? Where is the money going through? If Chicago Title, How much is Chicago Title currently holding? Per the purchase agreement, there shouldn't have been any disbursements until the \$20,950,000 is received in full. The seller has not agreed to any partial sales or partial prorations.

I know you are working hard on all these loans, but we need to get an explanation ASAP!

Thanks,

Dan Withers & Jeff Louks

-----Original Message-----

From: lee robertson [mailto:leclosing@hotmail.com]
Sent: Thursday, July 27, 2006 2:06 PM
To: Withers, Daniel
Subject: RE: Follow Up

Knee deep over here-what's up?

> Subject: Follow Up
> Date: Thu, 27 Jul 2006 13:49:11 -0700
> From: DWithers@marcusmillichap.com
> To: lrobertson@hilltoplending.com
>
> Hey Lee,
> When you get a moment could you please call us? Jeff and I wanted to talk with you with regards to the payoff of the First Regional loan. Thanks a bunch!
> Sincerely
> DAN WITHERS
> Investment Associate
> Marcus & Millichap
> 16830 Ventura Blvd.
> Suite #100
> Encino, CA 91436
> Office (818) 907-0600 ext.140
> Fax (818) 907-0525
> Cell (310) 365-5054
> dwithers@marcusmillichap.com
> This message (including any attachments) is confidential and may be privileged. If you have received it by mistake please notify the sender by return e-mail and delete this message from your system. Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Please note that e-mails are susceptible to change. Marcus & Millichap (including its group of companies) shall not be liable for the improper or incomplete transmission of the information contained in this communication nor for any delay in its receipt or damage to your system. Marcus & Millichap (or its group of companies) does not guarantee that the integrity of this communication has been maintained nor that this communication is free of viruses,

07/21/2006 13:09
Jul 21 06 12:57p

81890705
Emerald Park House Corp

LOUKS

510-367-1692

PAGE 02/02

p.1

JUL 20 2006 0:59

HP LASERJET FAX

p. 1

Friday, July 21, 2006 3:03 AM

Emerald Park House Corp 510-367-1692

p.01

Marcus & Millichap

Real Estate Investment Brokerage Company


16890 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 507-0525

July 20, 2006


RE: Extension Agreement (401 Oasis Drive)
Ridgecrest, CA 300 Units
Escrow#00002279-001 LR

Seller will hereby grant extension from July 21, 2006 to August 4, 2006 only under the following terms:

- 1) Buyer to deposit (cashiers check or wire) an additional \$600,000 non-refundable deposit into escrow by July 24, 2006 by 5:00pm. Deposit to be immediately released outside of escrow to seller. \$600,000 to be applied to the purchase price.
- 2) The purchase price of the subject property will be increased \$5,000 for each additional calendar day after July 21st, 2006. Calendar day begins on July 22nd, 2006. Buyer is only responsible to pay \$5,000.00 for each additional calendar day beyond July 21st, 2006.
- 3) If Buyer does not close this escrow by August 4th, 2006; buyer to deposit (cashiers check or wire) an additional \$600,000 non-refundable deposit into escrow by August 7th, 2006 by 5:00pm and additional \$600,000 each additional Monday thereafter; *ALL OF THESE DEPOSITS SHALL BE IMMEDIATELY RELEASED OUTSIDE OF ESCROW TO SELLER*



Agreed by Jeff Grocne
(Seller)

 7-21-06

Agreed by Del McConville
(Buyer)

CC: L.E. Escrow

Marcus & Millichap

Real Estate Investment Brokerage Company

16830 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 907-0525

July 19, 2006

Mr. Del McConville
C/O Logan Piette
VIA E-MAIL

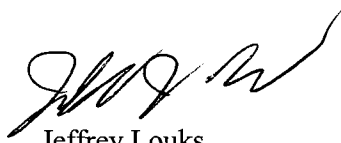
**RE: 300 Units, Ridgecrest ~ LA MIRAGE
Escrow # 00002279-001 LR**

Dear Mr. McConville,

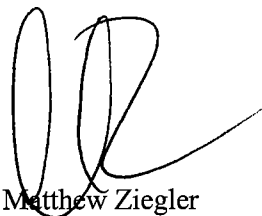
We have spoken with the seller and he has instructed us to inform you that if the above escrow is not closed on the agreed upon date of July 21, 2006, the seller intends to cancel this escrow and begin negotiations with back-up buyers.

Please contact us with your intentions immediately.

Sincerely,



Jeffrey Louks
Vice President of Investments



Matthew Ziegler
Sr. Investment Associate



Daniel Withers
Investment Associate

Cc: Jeffrey Greene

Marcus & Millichap

Real Estate Investment Brokerage Company

16830 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 907-0525

July 27, 2006

David Lenny
VIA Fax (816) 430-9769

RE: 300 Units, Ridgecrest ~ LA MIRAGE

Dear David,

I represent Jeff Greene in the sale of a 300 unit apartment complex located in Ridgecrest. We sold the complex for \$20,950,000. Jeff agreed to execute 300 separate grant deeds because buyer was going to sell units to individual owners, however, the intention was to close all 300 units simultaneously and do a 1031 exchange! We just found out today that the escrow has been closing some of the units (Approximately 80 units) without the seller's permission. Mr. Greene is extremely concerned that by selling a partial amount of units could jeopardize his 1031 exchange and throw him into a "dealer" status.

Could you review contract and counter offers and advise!

Sincerely,



Jeffrey Louks

Vice President of Investments

Cc: Jeffrey Greene

TRANSMISSION VERIFICATION REPORT

TIME : 07/27/2006 18:29
NAME : LOUKS
FAX : 8189070525
TEL : 8189070600
SER.# : BRDA5J202355

DATE, TIME 07/27 18:19
FAX NO./NAME 18664309769
DURATION 00:09:23
PAGE(S) 23
RESULT OK
MODE STANDARD
ECM

Marcus & Millichap

Real Estate Investment Brokerage Company

Jeffrey J. Louks

Vice President of Investments

Jeff Louks (818) 907-0600 x 217 Fax (818) 907-0525
Assistant Brett Sanson (818) 907-0600 x 288
Assistant Jeremy Cramer (818) 907-0600 x 264
Assistant Nick Simpson (818) 907-0600 x 232

To DAVID Lenny Fax (916) 430-9769

From Jeff Louks Number of Pages to Follow 22

Date 7/27/06

Subject Edgocret / JEFF BROOME

Marcus & Millichap

Real Estate Investment Brokerage Company

16830 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 907-0525

July 27, 2006

Lee Robertson
VIA Fax & E-MAIL

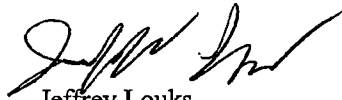
RE: 300 Units, Ridgecrest ~ LA MIRAGE

Dear Ms. Robertson,

As we thought you were aware, the above referenced escrow is for a price of \$20,950,000 ALL CASH for a 300-Units apartment building. The seller intends to do a 1031 exchange from the sale of this property. It was critical to close all 300 units simultaneously so as to not jeopardize the seller's exchange. We were shocked to find out today that you have been closing a partial number of units without the seller's permission. Hopefully, this will not jeopardize the seller's 1031 exchange by classifying him as a dealer.

The seller has instructed me to instruct you to not close anymore units without his written authorization. Furthermore, you or Chicago Title are not to disperse any funds to anyone until seller can investigate tax implication regarding this unauthorized closings.

Sincerely,



Jeffrey Louks
Vice President of Investments

Cc: Jeffrey Greene
Ginny Isaacks (Chicago Title)

August 1, 2006

Lee Robertson
L.E. Escrow
Via Email

Re: Escrow # 00002279-001 LR

Dear Ms. Robertson,

Please consider this my written authorization for you to close the above referenced escrow when you have the appropriate money from the Buyer at the agreed purchase price of \$20,950,000 plus miscellaneous closing costs.

Sincerely,



Jeffrey Greene

CC: Ginny Isaacks (Chicago Title)

August 11, 2006

Lee Robertson
L.E. Escrow
Via Fax/Email

RE: ESCROW # 00002279-001 LR

Dear Lee,

I understand that we are ready to close escrow. As of the closing date of this escrow, I do not want to be on title on any of the 300 units. Our purchase agreement states that I am selling all 300 units and we can not have a closed escrow if I am still on title on any units, as you can understand the liability is too great. You have my permission to amend any of the outstanding grant deeds to vest to the buyer's corporation. The new vesting that was provided to me is **La Mirage HA, a California corporation.**

Again, as long as I am no longer on title on any of the units as of the closing date and the buyer has satisfied their obligation per the purchase agreement, you can move forward and close the escrow.

Sincerely,



Jeffrey Greene
1402 Alta Vista Partners LLC

August 11, 2006

Lee Robertson
L.E. Escrow
Via Fax/Email

RE: ESCROW # 00002279-001 LR

Dear Lee,

I understand that we are ready to close escrow. As of the closing date of this escrow, I do not want to be on title on any of the 300 units. Our purchase agreement states that I am selling all 300 units and we can not have a closed escrow if I am still on title on any units, as you can understand the liability is too great. You have my permission to amend any of the outstanding grant deeds to vest to the buyer's corporation. The new vesting that was provided to me is **La Mirage HA, a California corporation.**

Again, as long as I am no longer on title on any of the units as of the closing date and the buyer has satisfied their obligation per the purchase agreement, you can move forward and close the escrow.

Sincerely,



Jeffrey Greene
1402 Alta Vista Partners LLC

Marcus & Millichap

Real Estate Investment Brokerage Company

16830 Ventura Blvd.
Suite 100
Encino, CA 91436
Tel: 818 907-0600
Fax: 818 907-0525

August 25, 2006

Lee Robertson
VIA E-MAIL

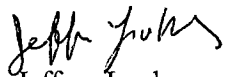
**RE: 300 Units, Ridgecrest ~ LA MIRAGE
Escrow # 00002279-001 LR**

Dear Lee,

As you are aware, there was 25 days of penalties that were added to this escrow. For each day the seller was to receive \$5,000 to be added to the purchase price. At the close of escrow he only received 24 days instead of the 25 days. The seller of the above referenced property has instructed us to inform you that if he doesn't receive the \$5000 that is owed to him for the additional penalty day, that he is going to notify the Department of Real Estate and for negligence and hold escrow responsible for this significant escrow.

Please contact us with your intentions immediately.

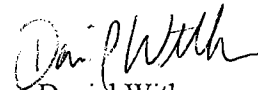
Sincerely,



Jeffrey Louks
Vice President of Investments



Matthew Ziegler
Sr. Investment Associate



Daniel Withers
Investment Associate

Cc: Jeffrey Greene

L.E. ESCROW

7677 Oakport Drive, Suite 600, Oakland, CA 94621
(510) 686-2182

BUYERS/BORROWERS ESTIMATED CLOSING STATEMENT

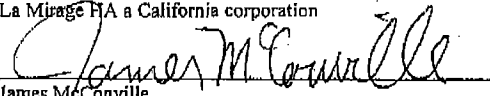
Buyer/Borrower: La Mirage HA a California corporation

Escrow No: 00002279-001 LR

Property: 401 Oasis Drive
Ridgecrest, CA

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration	\$20,950,000.00	
PRORATIONS AND ADJUSTMENTS:		
County Taxes From 07/01/06 To 08/14/06 Based on the Semi - Annual amount of \$81,571.36		19,486.49
Deposit 6/7/06		450,000.00
Deposit 7/25/06		600,000.00
Deposit 8/7/06		600,000.00
Extension penalty From 07/21/06 To 08/14/06 Based on the Daily amount of \$5,000.00	115,000.00	
Security deposits (rental)		143,109.67
Title Insurance		16,482.68
See Attached for Breakdown		88,401.13
TITLE CHARGES		
Escrow Fee to L.E. Escrow	3,000.00	
ESCROW CHARGES:		
Disbursement to Chicago Title Company C	200.00	
Wire Transfer to Chicago Title Company C	25.00	
Sub Totals	21,068,225.00	1,917,479.97
Balance Due From Buyer/Borrower		19,150,745.03
Totals	\$21,068,225.00	\$21,068,225.00

La Mirage HA a California corporation


James McConville

L.E. ESCROW

7677 Oakport Drive, Suite 600, Oakland, CA 94621
Phone: (510) 686-2182

BUYERS/BORROWERS ESTIMATED CLOSING STATEMENT

Additional Prorations/Rent Schedule

Escrow No: 00002279-001 LR

Description	Debit	Credit
Rent Based on the Monthly amount of \$156,002.00		88,401.13
08/14/2006 to 09/01/2006		
Total as shown on Settlement Statement	\$0.00	\$88,401.13

L.E. ESCROW

7677 Oakport Drive, Suite 600, Oakland, CA 94621
(510) 686-2182

SELLERS ESTIMATED CLOSING STATEMENT

Seller: 1402 Alta Vista Partners LLC

Escrow No: 00002279-001 LR

Close Date:

Proration Date:

Date Prepared: 08/11/2006

Property: 401 Oasis Drive
Ridgecrest, CA

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration		20,950,000.00
PAYOFFS:		
Payoff to First Regional Bank		
11,689,621.99 Principal Balance	11,689,621.99	
PRORATIONS AND ADJUSTMENTS:		
County Taxes		
From 07/01/06 To 08/14/06		
Based on the Semi - Annual amount of \$81,571.36	19,486.49	
Deposit 6/7/06		
Deposit 7/25/06	450,000.00	
Deposit 8/7/06	600,000.00	
Extension penalty	600,000.00	
From 07/21/06 To 08/14/06		
Based on the Daily amount of \$5,000.00		115,000.00
Security deposits (rental)		
See Attached for Breakdown	143,109.67	
COMMISSIONS:	88,401.13	
Commission		
\$314,250.00 to Marcus & Millichap	628,500.00	
\$314,250.00 to Logan Piette		
TITLE CHARGES		
Escrow Fee to L.E. Escrow		
Document Preparation to L.E. Escrow	3,000.00	
ESCROW CHARGES:	300.00	
Owners Policy to Chicago Title Company C		
Courier Services to Estimated	16,482.68	
RECORDING FEES:	150.00	
County Transfer Tax to Chicago Title Company C	23,045.00	
Sub Totals		
Proceeds Due Seller	14,262,096.96	21,065,000.00
Totals	6,802,903.04	
	\$21,065,000.00	\$21,065,000.00

1402 Alta Vista Partners LLC

X 
Jeffrey Greene