



Value Pacific Advisors, LLC

3857 BIRCH STREET

SUITE 335

NEWPORT BEACH, CA 92660

(949) 872-4185 • FAX (949) 706-2591 • rm.hall@cox.net

Murrieta
FILE
LOI's

Commercial Real Estate – Value Added Consulting

March 12, 2008

To: G Companies/Cameo Homes, Inc. Newport Beach, Ca. 92660
Mr. James Gianulias, Chairman; Mr. David Gianulias, President
Mr. Ron LeGault, Vice-Chairman; Mr. Ted Konopsis, Consultant

From : R. Michael Hall – Buyer Representative/Broker
Value Pacific Advisors, LLC. Newport Beach, Ca.

Re: Letter Of Intent to Purchase : Cameo Murrieta Apartment Portfolio –(3) Complexes
Vista Pointe - 144 Units, Silverado - 492 Units, Grand Isle Sr. - 453 Units

Gentlemen,

The enclosed LOI to Purchase is respectfully submitted on behalf of The Amerland Group, LLC and/or Assignee, of San Diego, Ca.

The Amerland Group has specialized in the acquisition and rehabilitation of Affordable Housing Facilities and Low Income Tax Credits (LIHTC) and currently owns over 3,000 units in San Diego, Los Angeles and the Inland Empire. Currently the Group is rehabilitating the Alexandria Hotel, and recently completed The Rossalyn/Sant Fe Lofts in downtown Los Angeles with their investment partners. The Partners are also seeking to acquire & develop market rate/mix rate residential income projects.

The two Managing Partners, Ruben Islas, President/Chief Executive Officer and Jules Arthur, Chief Operating Officer have worked closely with PNC/ARCS on several Affordable Housing/LIHTC projects, are very familiar with their processes and requirements and have an excellent relationship with them. The Partners plan to restructure the existing debt, if PNC wishes to remain in the deal, or bring fresh debt to the portfolio along with an increased private equity infusion. The Partners feel very confident they understand these deals and know what it will take to get them done quickly.

I have enclosed herewith some brief information on the Amerland Group and will have formal Biographical, References and Portfolio presentation for your perusal shortly.

As the Representative/ Broker of the Buyer, it is my hope you will find this offer acceptable and I look forward to working with you on this transaction.

Best Regards,

R. Michael Hall
Value Pacific Advisors, LLC
Rm.hall@cox.net

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LETTER OF INTENT

G Companies/Cameo Homes Inc.
C/O R. Michael Hall
Value Pacific Advisors LLC
3857 Birch St. Ste. 335
Newport Beach, Ca. 92660

March 11, 2008

Re: Cameo Murrieta Portfolio

Dear Mike:

The following are the terms and conditions we propose for purchase of the Properties:

Buyer: The Amerland Group, LLC and/or Assignee

Price: Vista Pointe – 144 units
Murrieta, CA
\$20,000,000 all cash to Seller at Closing

Silverado – 492 units
Murrieta, CA
\$65,000,000 all cash to Seller at Closing

Grand Isle – 453 units
Murrieta, CA
\$55,000,000 all cash to Seller at Closing

Deposits: There shall be \$100,000, per property, initial refundable deposit made at the time a valid purchase agreement is executed and escrow opened. The deposit is to be increased to \$200,000, per property, immediately following the 60-day inspection period outlined below. After the 60-day inspection period is approved for each property, subject to third party approvals outlined below, the entire \$200,000 deposit, totaling \$600,000 for all three properties, shall be considered Liquidated Damages and is non-refundable but applicable to the purchase price.

The parties agree that the Buyer's obligation to make each deposit and/or releases shall be contingent upon the fact the escrow has not been terminated by either party.

2878 CAHINO

DEL RIO SOUTH

SUITE 240

SAN DIEGO

CALIFORNIA

92108

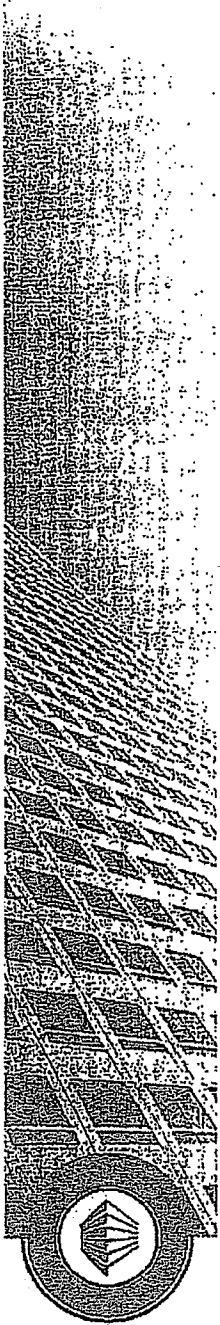
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Contingencies: Buyer shall have sixty (60) days, from the execution of a purchase agreement, to inspect the physical condition of the properties. Buyer to verify the condition of the properties during the due diligence period. Subject to verification of existing conditions and remedy, Buyer will purchase the properties in "as is" condition. Buyer to inspect all books and records associated with the properties.

Financing: Financing is not a contingency of this transaction.

Closing: Buyer shall close 30 days after completion of the 60 Due Diligence Period. 2008. Buyer shall have 1 option to extend Closing for 30 days. For said extension Buyer shall make a payment to Seller of \$100,000. Said funds shall be released to the Seller but will be applicable to the Purchase Price.

Seller's Cooperation: Seller shall cooperate with Buyer in connection with the processing by Buyer of the necessary approvals and permits for completing the development of the Properties.

Commission: The buyer to be represented by Value Pacific Advisors, LLC. (R. Michael Hall). Commission to be paid per a separate commission agreement between Buyer and Broker at the close of escrow.

Title & Escrow: Title and escrow to be Stewart Title. Escrow to be opened four days after this or an amended Letter of Intent is fully executed by both parties.

Expiration: Seller shall have until 5:00 p.m. March 21st, 2008 for review and acceptance of this offer.

BUYER:

SELLER:

Julius Adams 3/11/2008
Buyer Date

Seller Date

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Marcus & Millichap

PURCHASE AGREEMENT

THIS DOCUMENT IS MORE THAN A RECEIPT FOR MONEY. IT IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

Griffin Investments LLC and/or assignee shall be hereafter referred to as "Buyer".

Murrieta 144 Apartments shall be hereafter referred to as "Seller".

Buyer shall deliver to Escrow Holder as defined in Paragraph 3 or to Marcus & Millichap Real Estate Investment Brokerage Company ("Agent"), as agent for Seller Buyer Seller and Buyer the sum of eight hundred thousand dollars (\$ 800,000) in the form of a check. This sum is a deposit ("Deposit") to be applied to the purchase price of that certain real property (referred to as the "Property") located in the City of Murrieta, County of Riverside, State of California, and more particularly described as follows:

144 unit apartment complex located at 40680 Walsh Center Drive, Murrieta, CA.

TERMS AND CONDITIONS

Seller agrees to sell the Property, and Buyer agrees to purchase the Property, on the following terms and conditions:

1) **PURCHASE PRICE:** The purchase price for the Property is twenty eight million dollars (\$ 28,000,000). Buyer's Deposit, pending Seller's execution of this Purchase Agreement (the "Agreement"), shall be:

(A) delivered directly to the Escrow Company indicated in Paragraph 3 of this Agreement, by check or wire, upon mutual execution of this Agreement.

(B) delivered to Agent and Agent shall within n/a (n/a) calendar days deposit Buyer's deposit check into a Marcus & Millichap Trust Account;

If option (A) is selected, Agent shall deliver and deposit same in escrow as provided in Paragraph 3 below. The balance of the purchase price shall be payable at close of escrow pursuant to the terms stated below.

2) **DOWN PAYMENT:** A) Buyer shall make a cash down payment of n/a - all cash dollars (\$ n/a) or B) n/a.

3) **ESCROW:** Within five (5) calendar days after the Effective Date (as defined in a separate paragraph below) agent shall open escrow with Fidelity Title (the "Escrow Holder") by the simultaneous deposit of a copy of this Agreement and Buyer's Deposit with the Escrow Holder.

Within ten (10) calendar days from Effective Date (as defined in paragraph 36 below) Seller and Buyer agree to prepare and execute such escrow instructions as may be necessary and appropriate to close the transaction. Should said instructions fail to be executed as required, Escrow Holder shall and is hereby directed to close escrow pursuant to the terms and conditions of this Agreement. Close of escrow (or the "Closing Date" which shall mean the date on which the deed transferring title is recorded) shall occur within forty five (45) calendar days of the Effective Date of this Agreement (as defined in a separate paragraph below). Escrow fee shall be paid by one half by Seller and one half by Buyer. All other closing costs shall be paid in accordance with the custom in the county in which the Property is located.

4) **PRORATIONS:** Real property taxes, premiums on insurance acceptable to Buyer, interest on any debt being assumed or taken subject to by Buyer, and any other expenses of the Property shall be prorated as of the Closing Date. Security deposits, advance rentals, and the amount of any future lease credits shall be credited to Buyer. The amount of any bond or assessment which is a lien and not customarily paid with real property taxes shall be (select one "X") x paid by seller or assumed by buyer. Delinquent or unpaid rents and C.A.M. reconciliations shall be handled outside of escrow and neither Agent or escrow shall be responsible for same.

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: laundry and other income to be prorated over time held.

- 5) **TITLE:** Seller has procured and caused to be delivered to Buyer a preliminary title report issued by Fidelity Title (the "Title Company") on the Property.

As a condition precedent to Buyer's obligation to Close, (a) 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 expressly approved by Buyer in that certain Title Notice Letter dated December 4, 2007 (the "Title Letter"), attached hereto as Exhibit A and incorporated herein by this reference; and (b) the Title Company shall commit to issue an owner's title policy to Buyer (or to such other person or entity as Buyer may specify) subject only to the exceptions expressly approved by Buyer in the Title Letter. 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:** Seller agrees to pay any prepayment penalties due on the existing loan(s).

Seller's Initials _____

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.

8) **INSPECTION CONTINGENCIES:**

- 8.1) **NO INSPECTION CONTINGENCY - "AS IS":** This Agreement is not subject to any inspection contingencies. Buyer warrants that Buyer is knowledgeable in real estate matters and has made all investigations and inspections which Buyer deems necessary and appropriate with regard to its purchase of the Property. Buyer acknowledges and agrees that Buyer is not relying upon any representation or warranties made by Seller or Agent in electing to waive inspection contingencies.

9) **DEPOSIT INCREASE:** Intentionally deleted.

- 10) **DEPOSIT TRANSFER:** Within five (5) calendar days after the Effective Date, a grant deed duly executed by Seller, sufficient to convey title to Buyer, shall be delivered to escrow by Seller. Upon receipt of Buyer's Deposit, Escrow Holder to release immediately from escrow and deliver to Seller Buyer's entire Deposit. Buyer acknowledges and agrees that, in the event Buyer defaults on this Agreement, Buyer's Deposit is non-refundable and is forfeited to Seller. If the Property is made unmarketable by Seller, or acts of God, or Seller should default on this Agreement, the Deposit shall be returned to Buyer and deed shall be returned to Seller. If Seller defaults on this Agreement after Seller has received the Deposit, Seller understands and agrees that Buyer's Deposit must be returned to Buyer immediately.

Buyer's Initials AR

Seller's Initials _____

11) **ESTOPPEL CERTIFICATE CONTINGENCY (Leased Properties):**

11.1) **ESTOPPEL CERTIFICATES NOT APPLICABLE**

- 12) **SERVICE AND TENANT CONTRACTS/OTHER MATERIAL CHANGES:** After Buyer has removed all contingencies, Seller shall not, without the prior written consent of Buyer which may not be unreasonably withheld, 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.

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 JK Seller's Initials _____

- 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 JK 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:**

20.1) The _____ in this transaction is a licensed real estate agent acting as a principal, and is associated with _____ a licensed real estate broker.

20.2) The _____ in this transaction is a licensed real estate agent acting as a principal, and is associated with _____, a licensed real estate broker.

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) **DUAL AGENCY:** Seller and Buyer understand that Agent represents both Seller and Buyer in the sale of the subject Property, and acknowledge that they have authorized and consented to such dual representation.

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 or as otherwise required by law, 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 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

- 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) **WATER HEATER DISCLOSURE:** Seller certifies that it has complied with the water heater earthquake protection requirements set forth in California Health and Safety Code section 19211.

Buyer is advised that Agent has no expertise in this area and is, therefore, incapable of conducting any level of inspection of the Property for the possible non-standard and/or unsafe water heater bracing, anchoring, or strapping to resist movement due to earthquakes. Buyer understands that Agent has not made any investigation, determination, warranty or representation with respect to the possible unfit water heater bracing, anchoring, or strapping or other standards, 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.

- 30) **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 Seller's Initials

Buyer's Agent's Initials Seller's Agent's Initials

- 31) **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.
- 32) **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.
- 33) **TIME:** Time is of the essence of this Agreement.

- 34) **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.
- 35) **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. Seller represents that Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code and withholding of any portion of the purchase price is not required under Sections 18662 or 18668 of the California Revenue and Taxation Code.
- 36) **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.
- 37) **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 December 19, 2007, 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.
- 38) **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.
- 39) **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 40) **OTHER TERMS AND CONDITIONS:**
1. Buyer has the option to extend the closing date by an additional thirty (30) calendar days. In the event Buyer elects to extend the closing date, Buyer to deposit an additional One Hundred Thousand Dollars (\$100,000) in escrow. Said funds shall be non-refundable and shall be immediately released to the Seller with the Escrow Holder requiring no additional signatures from Seller or Buyer. In addition, said funds shall be applicable towards the purchase price.
 2. Seller to terminate all service contracts, upon Buyer's request
 3. All vacant units are to be in rent-ready condition.
 4. Seller shall provide to Buyer monthly operating and vacancy reports to Buyer during and after the Due Diligence period.
 5. Offer to include all existing office and maintenance equipment on the property.

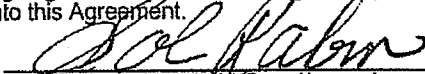
THE PARTIES ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS WITH REGARD TO THE LEGAL EFFECT AND VALIDITY OF THIS PURCHASE AGREEMENT. THE PARTIES AGREE THAT THIS AGREEMENT CAN BE SIGNED IN COUNTERPART WITH THE SAME LEGAL FORCE AND EFFECT AS IF NOT SIGNED IN COUNTERPART.

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

In the event Buyer and Seller should not reach an agreement as stated herein, Buyer will be responsible to Marcus & Millichap for a commission in the amount of six percent (6%) of purchase price stated herein should Buyer broker, buy, lease or come into possession of any of the properties referenced in this Agreement within twelve (12) months of the date of this Agreement. Should Buyer become the manager or connected with any of the businesses listed or should Buyer go into business independently at any of the locations listed herein, within said time, then said acts shall be equivalent to and constitute a purchase for the purpose of this Agreement. To all of the foregoing Buyer agrees regardless of whether Marcus & Millichap has an active listing. Buyer agrees that Buyer has had no previous information concerning the places on this list.

This offer is made by Buyer to Seller on this 17th day of December 2007. 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:  ADDRESS: On file
Griffin Investments LLC and/or assignee

DATE: _____ TELEPHONE: _____

BUYER: _____ ADDRESS: On file

DATE: _____ TELEPHONE: _____

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.

In the event Marcus & Millichap procured a Buyer through an Open Listing of Seller and does not have a Representation Agreement with the Seller, Seller hereby agrees to pay Marcus & Millichap a commission pursuant to a separate agreement between Seller and Marcus & Millichap in consideration of Marcus & Millichap's procurement of a ready, willing and able buyer. Seller agrees to pay Marcus & Millichap a commission if the Buyer listed in this Agreement, regardless of whether this particular Agreement is completed, if Buyer comes into ownership and/or possession within twelve (12) months of the date of this Agreement.

Buyer's Initials  Seller's Initials _____
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Exhibit B
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Where Seller has agreed to pay a commission, Seller acknowledges and agrees that payment of said commission is not contingent upon the closing of the transaction contemplated by this Agreement, and that, in the event completion of the sale is prevented by default of Seller, then Seller shall immediately be obligated to pay to Agent the entire commission. Seller agrees that in the event completion of the sale is prevented by default of Buyer, then Seller shall be obligated to pay to Agent an amount equal to one half of any damages or other monetary compensation (including liquidated damages) collected from Buyer by suit or otherwise as a consequence of Buyer's default, if and when such damages or other monetary compensation are collected; provided, however, that the total amount paid to Agent by Seller shall not in any case exceed the brokerage commission hereinabove set forth. Seller acknowledges and agrees that the existence of any direct claim which Agent may have against Buyer in the event of Buyer's default shall not alter or in any way limit the obligations of Seller to Agent as set forth herein. The provisions of this paragraph may not be amended or modified without the written consent of Agent.

SUBJECT TO ATTACHED COUNTER-OFFER

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SELLER: _____ ADDRESS: On file
Murrieta 144 Apartments

DATE: _____ TELEPHONE: _____

SELLER: _____ ADDRESS: 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: 3281 E. Guasti Rd, Suite 800
Alex Mogharebi Ontario, CA 91761

DATE: _____ TELEPHONE: 909-605-1800

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.