

RESPONSIBLE CONTRACTOR AND SDV/BE REPORT

FOR THE QUARTER ENDING:

PROJECT NAME:

TOTAL NUMBER OF CONTRACTS:

TOTAL DOLLAR AMOUNT OF CONTRACTS:

RESPONSIBLE CONTRACTOR AND SDV/BE STATUS

	NUMBER OF CONTRACTS*	DOLLAR AMOUNT*	PERCENT OF PROJECT
1. DISABLED OWNED		\$	%
2. RESPONSIBLE CONTRACTOR		\$	%
3. OTHER		\$	%
4. DO NOT KNOW/DID NOT RESPOND		\$	%
TOTALS		\$	%

* Includes contracts let project to date and in an amount over \$50,000.

EXHIBIT "E"

SCHEDULE OF DUE DILIGENCE EXPENSES

(See attached)

EXHIBIT E
SCHEDULE OF DUE DILIGENCE EXPENSES

	TOTAL BUDGET	63 AC. BUDGET	160 AC. BUDGET
NUMBER OF UNITS	550	390	160
EXPENSE			
A. Legal (JV Agrmt)	12,800	6,400	6,400
C. Legal (Land Use/CEQA)	7,000	3,500	3,500
D. Planning and Engineering	55,000	27,500	27,500
E. Public Workshop -160 Acs	15,000	2,000	13,000
F. Planning Consultant/Public Workshop	15,000	7,500	7,500
G. Biology	7,070	3,113	3,957
H. Cultural Resources	5,000	2,500	2,500
I. Soils/Geology-Field Investig & Rpt	27,600	8,560	19,040
K. CFD Analysis	5,500	2,750	2,750
L. Cost Estimates	12,000	6,000	6,000
M. Market Research	3,500	1,750	1,750
N. Traffic Studies	15,200	15,200	0
O. EIR, Initial Investigation	3,040	3,040	0
P. Utilities Consultants	1,500	750	750
Q. Contingency	5,000	2,500	2,500
TOTAL DUE DILIGENCE	190,210	93,063	97,147

EXHIBIT "F"

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attention:

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (this "Memorandum") is made effective as of the ____ day of _____, 200__, by and between _____, a _____ ("Cameo"), and _____, a _____ ("L/S Partners"), with reference to the following facts:

A. Cameo and L/S Partners have entered into that certain Limited Liability Company Agreement of South Banning Properties, LLC (the "**Project LLC**"), dated July __, 2005 (the "**Agreement**"), providing for, among other things, the terms upon which the Project LLC shall own the real property more particularly described on Schedule 1 attached hereto (the "**Property**").

B. Cameo and L/S Partners now desire to restate such Agreement and to set forth a memorandum of record thereof.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, it is hereby agreed as follows:

1. **Agreement.** Cameo and L/S Partners have heretofore agreed, and do hereby agree, that the Project LLC shall own, manage, sell and otherwise use the Property upon the terms and subject to the conditions contained in the Agreement, all of which terms and conditions are hereby incorporated herein by this reference as though fully set forth herein.

2. **Purpose.** This Memorandum is prepared solely for the purpose of recordation, and it in no way modifies the provisions of the Agreement.

[SIGNATURES CONTINUED ON NEXT PAGE]

CAMEO:

L/S PARTNERS:

**ATTACH STATE OF CALIFORNIA NOTARIES AND
SCHEDULE 1 CONTAINING LEGAL DESCRIPTIONS**

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "Agreement") is made and entered into as of the 28th day of July, 2005 (the "Effective Date"), by and between 213 BANNING LLC, a California limited liability company ("Transferor"), and SOUTH BANNING PROPERTIES LLC, a Delaware limited liability company ("Project Venture"). Transferor and Project Venture are each sometimes referred to herein individually as a "Party," and collectively as the "Parties."

1. Transfer of Real Property. Transferor is the fee owner of that certain real property (the "Land") located in the County of Riverside, State of California, as more particularly described on Exhibit "A" attached hereto. Transferor and Laing/Sequoia Partners LLC, a Delaware limited liability company ("L/S Partners"), are all of the members of Project Venture, and as such, have entered into that certain Limited Liability Company Agreement of South Banning Properties LLC, a Delaware limited liability company, dated as of July 28, 2005 (the "LLC Agreement"). Transferor hereby agrees to transfer, and Project Venture hereby agrees to accept, upon the terms and conditions set forth in this Agreement, all of the following: the Land; all rights, privileges and easements appurtenant to the Land (collectively, the "Appurtenances"); all improvements and fixtures located upon the Land (collectively, the "Improvements"); all of Transferor's right, title and interest in and to all assignable warranties, guarantees, utility contracts, contract rights, permits and other intangible rights relating to the Land, the Appurtenances and/or the Improvements (collectively, the "Intangible Property"); and all tangible personal property located on or in, or used in the ownership, use, occupancy or operation of the Land, the Appurtenances and/or Improvements (the "Tangible Personal Property"). The obligations of Transferor under this Agreement and the LLC Agreement are guaranteed by Cameo Homes, a California corporation ("Guarantor"), pursuant to the terms of that certain Guaranty dated as of even date herewith, executed by Guarantor in favor of L/S Partners and Project Venture (the "Guaranty"). The Land, the Appurtenances, and the Improvements are sometimes referred to herein collectively as the "Real Property." The Real Property, the Intangible Property and the Tangible Personal Property are sometimes referred to herein collectively as the "Property".

2. Capital Contribution Credit. Transferor and Project Venture have agreed that the Property has a fair market value of Two Million One Hundred Eighteen Thousand Five Hundred Dollars (\$2,118,500) (the "Capital Contribution Credit"). Without limiting the generality of the foregoing or of any other provision of this Agreement, upon the occurrence of the Closing and the performance by Transferor of all of its obligations under this Agreement in connection therewith, Transferor shall be deemed to have made a capital contribution to Project Venture in an amount equal to the Capital Contribution Credit. For purposes of this Agreement, the term "Closing" means the recordation of the Deed (as hereinafter defined) conveying fee simple title to the Property to Project Venture in the Official Records of Riverside County, California (the "Official Records") occurring following satisfaction (or waiver in writing by Project Venture) of all of the conditions to Closing as set forth in Section 5(b) hereof.

3. Title to the Property. At the Closing, Transferor shall convey to Project Venture marketable and insurable fee simple title to the Property by duly executed and acknowledged grant deed in the form of Exhibit "B" attached hereto (the "Deed"). Evidence of delivery of

marketable and insurable fee simple title shall be the issuance by First American Title Insurance Company (the "Title Company") to Project Venture of an ALTA Extended Coverage Owner's Policy of Title Insurance (1970 Form B, rev. 10/17/70), in the amount of Four Million Two Hundred Thousand Dollars (\$4,200,000) (the "Title Insurance Amount"), insuring fee simple title to the Property in Project Venture, subject only to the Permitted Exceptions (as hereinafter defined) (the "Title Policy"). The Title Policy shall provide full coverage against mechanics' and materialmen's liens and shall contain such special endorsements as Project Venture may reasonably require (the "Endorsements"). Project Venture has approved each of the title exceptions listed in Exhibit "C" attached hereto (collectively, the "Pre-Approved Exceptions"). Transferor covenants to cause to be released and reconveyed from the Property, and to remove as exceptions to title prior to the Closing the following (the "Pre-Disapproved Exceptions"): any and all mortgages, deeds of trust, or other monetary encumbrances, assessments and/or indebtedness, with the sole exception of the then current installment of non-delinquent real property taxes and assessments payable as a part of the real property tax bill for the period after the Closing Date. The "Permitted Exceptions" shall include the following title exceptions: (a) the Pre-Approved Exceptions, (b) any title exceptions approved by Project Venture, in its sole discretion, during the Interim Period (as hereinafter defined), and (c) the then current installment of non-delinquent real property taxes and assessments payable as a part of the real property tax bill for the period after the Closing Date.

4. Transferor's Deliveries. Within ten (10) days after the Effective Date, Transferor shall make available to Project Venture for inspection and duplication if appropriate all materials in Transferor's possession, including but not limited to (i) copies of the most recent property tax bills and assessments for the Property; (ii) a copy of any and all leases, service contracts, easements, licenses, development approvals and/or other agreements related to the Property; (iii) any and all existing surveys of the Property; (iv) any and all soils reports, reports pertaining to hazardous materials or other environmental conditions or other reports relating to the physical condition of the Property; (v) any and all architectural or engineering documents relating to the Property; and (vi) any and all other correspondence, reports, studies, permits, approvals, or documents relating to the Property (collectively, the "Documents"). In addition, Transferor shall promptly deliver to Project Venture such other information relating to the Property that is specifically requested by Project Venture of Transferor during the term of this Agreement to the extent such information is in the possession or control of Transferor.

5. The Closing.

(a) The Closing Date. The Closing shall occur on the date which is the earlier of (i) the date which is seven (7) days after the date upon which all requisite governmental approvals have been obtained to the specific plan for the development of the "63 Acre Property" (as defined in the LLC Agreement), or (ii) October 1, 2006 (the "Closing Date").

(b) Project Venture's Conditions to Closing. Project Venture's obligation to accept the Property is subject to and conditioned upon the satisfaction of each of the following conditions (unless otherwise waived in writing by Project Venture) on or before the Closing Date which conditions are for the sole benefit of Project Venture:

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(i) The Title Company shall have given Project Venture its unconditional and irrevocable commitment to issue the Title Policy to Project Venture.

(ii) Each and all of the representations and warranties made by Transferor in this Agreement shall be true and correct as of the Effective Date and the Closing Date.

(iii) Transferor shall have fully performed all of the covenants which Transferor, pursuant to the terms of this Agreement, has agreed to perform on or prior to the Closing Date, and Transferor shall not be in material breach or default under this Agreement.

If the conditions to Project Venture's obligation to consummate the transaction contemplated in this Agreement are not timely satisfied (or waived by Project Venture in writing), then, upon Project Venture's request, this Agreement shall terminate. The conditions set forth in this Section 5(b) are for the sole benefit of Project Venture.

(c) Closing Statement. The Parties shall mutually agree, in their reasonable discretion, on a closing statement (the "Closing Statement") at least five (5) business days prior to the Closing Date. The Closing Statement shall set forth in reasonable detail the portion of the fees, costs, expenses and prorations related to the Closing payable by each Party, all as determined in accordance with the terms of this Agreement.

(d) Deliveries at Closing.

(i) At least one (1) business day prior to the Closing Date, Transferor shall deliver to Title Company an original of the Deed executed and acknowledged by Transferor, as grantor.

(ii) On the Closing Date, Transferor shall deliver the following documents to Project Venture:

(A) An original of the bill of sale of all Tangible Personal Property and assignment of all Intangible Property, in the form attached hereto as Exhibit "D" (the "Bill of Sale and Intangible Assignment"), executed by Transferor, as assignor;

(B) The originals of all Documents pertaining to the Property and all files pertaining to the Property;

(C) An affidavit directed to Project Venture giving Transferor's taxpayer identification number and confirming that Transferor is not a "foreign person," which affidavit shall be, in form and substance, sufficient to relieve Project Venture of any withholding obligation under §1445 of the Internal Revenue Code ("Transferor's Foreign Person Affidavit"), together with a duly executed California Franchise Tax Board Form 593-W, which affidavit shall be, in form and substance, sufficient to relieve Project Venture of any withholding obligation under any applicable laws of the State of California (the "Cal FIRPTA"); and

(D) Any other instruments or agreements necessary to consummate the transaction contemplated hereby.

(iii) At least one (1) business day prior to the Closing Date, Transferor and Project Venture shall each deliver to Title Company funds sufficient to pay such Party's share of any taxes, fees, costs and expenses related to the Closing, all as more particularly set forth in the Closing Statement.

(e) Recordation of Deed; Issuance of Title Policy. Upon receipt of written instructions from Project Venture that all conditions to the Closing have been satisfied, Title Company shall:

- (i) Cause the Deed to be recorded in the Official Records;
- (ii) Pay from Project Venture's funds, Project Venture's share of fees, costs and expenses incurred in connection with the Closing, as shown on the Closing Statement;
- (iii) Pay from Transferor's funds, all fees, costs and expenses incurred by Transferor in connection with the Closing, if any, as shown on the Closing Statement;
- (iv) Remit to Project Venture and Transferor any funds delivered by such Party in excess of such Party's share of any closing costs;
- (v) Deliver an original Title Policy to Project Venture; and
- (vi) Deliver an original recorded Deed (or if unavailable, a conformed copy of the Deed) to Project Venture.

6. Costs and Prorations.

(a) Costs. Costs of the Closing shall be allocated as follows:

- (i) Project Venture shall pay the costs of recording the Deed.
- (ii) Project Venture shall pay all documentary transfer taxes imposed in connection with recording the Deed.
- (iii) Project Venture shall pay the premium for the Title Policy and the cost of any Endorsements that it may request.

(b) Customary Apportionment. All other costs, if any, shall be apportioned in the customary manner for real estate transactions in Riverside County, California.

(c) Prorations. All items of income and expense (including, without limitation, taxes), other than interest on any deed of trust or other lien to be paid off at or prior to the Closing, premiums on any policy of insurance which shall not continue after the Closing, or other expenses which shall not continue after the Closing, shall be prorated between Project Venture and Transferor as of the Closing in the customary manner for real estate transactions in Riverside County, California. On the Closing Date, each Party shall pay directly to the other Party any amount owed in connection with the prorations provided in this subsection (c).

(d) Post-Closing Adjustments. Any statements from governmental agencies for real property taxes, bonds and assessments relating to the Property for periods prior to the Closing that are delivered to Project Venture after the Closing shall be paid by Transferor within ten (10) days from written notice from Project Venture. If any such statements from governmental agencies for real property taxes, bonds or assessments for periods prior to the Closing indicate an overpayment of any taxes or assessments relating to the Property for periods prior to the Closing, such overage shall be paid to Transferor by Project Venture within ten (10) days after Project Venture's receipt of any refund or notice of reassessment.

(e) Project Venture's Instructions. In the event that Title Company or any other person receives instructions from one or more parties in connection with the acquisition of the Property by Project Venture pursuant to this Agreement, Title Company and such other persons are hereby instructed to rely on the instructions provided by L/S Partners as the sole and exclusive instructions of Project Venture hereunder, and prior to taking any instruction from any other party on behalf of Project Venture, Title Company and/or such other persons are instructed to confirm such instructions with L/S Partners.

7. Operation of the Property Prior to Closing.

(a) Transferor's Obligations. During the period from the Effective Date to the Closing Date (the "Interim Period"), Transferor shall maintain the Property in the same condition as of the Effective Date and shall take such actions to protect the Property as a commercially reasonable property owner would take with respect to similar property in the area in which the Property is located. Transferor shall not enter into, modify or terminate any lease, agreement, contract, easement, covenant, condition or restriction relating to the Property or otherwise encumber the Property during the Interim Period without the prior written consent of Project Venture, which consent may be withheld in its sole discretion. Transferor shall not take any action which would adversely affect the zoning, entitlements, tentative or final tract maps affecting the Property or the processing by Project Venture of any plans or necessary approvals for the contemplated development of the Property. Transferor shall promptly deliver to Project Venture any written notices, inquiries or other documents received by Transferor relating to the Property and shall promptly notify Project Venture of any verbal notices, inquiries or other communications regarding the Property.

(b) Project Venture's Entitlement Work. During the Interim Period, Project Venture shall have the exclusive right, at its sole cost and expense, to contact and meet with any governmental or quasi-governmental agencies, to attend and make presentations at city and county council meetings, to solicit support in the surrounding neighborhood and to prepare, process and seek all final and non-appealable zoning changes, permits, licenses, variances, entitlements, subdivision maps and other approvals in order for Project Venture to develop the Property in a manner consistent with the Business Plan (as defined in the LLC Agreement) (collectively, the "Project Approvals"), including, without limitation, obtaining a specific plan, a general plan amendment, a zone change, a parcel map, a tentative map, a site plan, backbone engineering plans, one or more services agreement, any requisite environmental clearances, any requisite Army Corps of Engineers permits and any and all other agreements, permits and/or approvals required by any applicable governmental or quasi-governmental agency, which Project Approvals shall be subject to such conditions and contain such terms as are acceptable to Project

Venture in its sole discretion. In addition, during the Interim Period, Project Venture shall have the exclusive right, at its sole cost and expense, to petition for and form one or more community facility districts in connection with the development of the Project and related off-site improvements (collectively, the "CFD's"), which CFD's shall be in such amounts, subject to such conditions and contain such terms as are acceptable to Project Venture in its sole discretion. Transferor shall cooperate with and do all acts as may be reasonably required or requested by Project Venture, with regard to the processing of the Project Approvals and CFD's, including, without limitation, executing, acknowledging and delivering any documents required in connection therewith. Transferor shall not take any action which would adversely affect Project Venture's ability to obtain the Project Approvals or form any CFD's.

(c) Investigations. Project Venture may conduct such feasibility studies, inspections, environmental audits (including, without limitation, invasive testing), soils and geological studies, engineering studies, topographic and other surveys and other investigations of the Property (collectively, the "Investigations") as Project Venture deems appropriate. Transferor shall permit Project Venture, its engineers, contractors, consultants, employees and agents, to enter onto the Property and conduct, at Project Venture's expense, such Investigations. Project Venture and all other parties entering the Real Property pursuant to the license granted to Project Venture hereunder shall maintain (or Project Venture shall maintain on behalf of such parties) reasonably adequate commercial general liability insurance policies to cover the activities of such parties on the Real Property. In the event the Closing fails to occur for any reason other than the default of Transferor, Project Venture shall repair any damage to the Property caused by the Investigations in order to restore the Property to substantially the same condition which it was in prior to the conduct of such Investigations. Project Venture agrees to indemnify and hold harmless Transferor from any actual damages, liabilities, losses, costs or expenses (including, without limitation, reasonable attorneys' fees) which result from any damage to persons or property caused directly by Project Venture's Investigations, and such indemnity obligation shall survive the termination of this Agreement.

8. Transferor's Representations, Warranties and Covenants. Transferor represents, warrants and covenants as follows and such representations, warranties and covenants shall survive the Closing:

(a) There are no suits, actions or proceedings at law or in equity pending or, to its actual knowledge, threatened against Transferor or Guarantor that could have a material adverse impact upon their ability to perform their obligations in this Agreement, the LLC Agreement, the Guaranty or any other instruments or documents executed in connection herewith, as applicable.

(b) The execution and delivery of this Agreement, the LLC Agreement and all documents executed pursuant to this Agreement have been authorized by all requisite action and are in accordance with the governing documents of Transferor and constitute the duly authorized, valid and binding obligation of Transferor, enforceable in accordance with their terms. No consent, authorization, permit or approval is required for the due, prompt and complete delivery and performance by Transferor of this Agreement, the LLC Agreement and all instruments and documents executed in connection herewith.

(c) To the actual knowledge of Transferor, neither Transferor nor Guarantor is in breach or default (nor would be in breach or default but for the requirements of notice or the passage of time or both) under any agreement, contract, indenture, covenant, note, deed of trust, mortgage, security agreement or other instrument or document which would have a material, adverse impact upon the Property, the financial strength of Transferor or Guarantor or Transferor's and Guarantor's ability to perform their respective obligations contained in this Agreement, the LLC Agreement, the Guaranty or any instruments and documents executed in connection herewith.

(d) To Transferor's actual knowledge, no violation of any applicable law, ordinance, order, rule or regulation exists with respect to the Property.

(e) Other than the Pre-Approved Exceptions and such other matters as may have been caused by or consented to in writing by Project Venture, Transferor knows of no lien, encumbrance, restriction, defect, security interest, adverse claim or right, or other matter or condition of title to the Property or any of the assets to be acquired by Project Venture.

(f) There is no litigation pending or, to Transferor's actual knowledge, threatened in writing against Transferor arising out of the ownership or operation of the Property or that might detrimentally affect the development, value or use of the Property as contemplated by Project Venture or the ability of Transferor to perform its obligations under this Agreement. Transferor shall notify Project Venture promptly of any such proceedings or litigation of which Transferor becomes aware.

(g) There are no outstanding written or oral contracts made by Transferor for any improvements to the Property which have not been fully paid for, except to the extent the same may have been caused or consented to in writing by Project Venture. There are no outstanding mechanic's or materialman's liens affecting the Property, except to the extent the same may have been caused or consented to in writing by Project Venture.

(h) There are no existing or, to the best of Transferor's knowledge, proposed easements, covenants, restrictions, agreements or other documents which affect title to the Property and which are not disclosed by the preliminary title report provided by Title Company to Project Venture prior to the Effective Date, except to the extent the same may have been caused or consented to in writing by Project Venture. There are no existing or, to the best of Transferor's knowledge, proposed leases or occupancy agreements affecting the Property.

Each of the representations and warranties of Transferor contained in this Section 8: (i) is true in all material respects as of the date hereof, and (ii) shall be deemed remade by Transferor, and shall be true in all material respects, as of the date of Closing (provided, however, that the representation contained in Section 8(f) above shall not be deemed remade as of the Closing).

9. Casualty and Condemnation.

(a) Casualty. If any portion of the Property is damaged or destroyed by fire or other casualty at any time, Transferor shall pay to Project Venture on the Closing Date any and all insurance proceeds previously received by Transferor as a result of such loss, damage or other casualty, and from and after the Closing Date, Project Venture shall have the right to receive

(and on the Closing Date, Transferor shall assign to Project Venture its right to receive) any and all insurance proceeds payable as a result of such loss, damage or other casualty. Transferor shall not submit, process, settle or adjust any and all claims for insurance proceeds without obtaining the prior consent of Project Venture, as determined in its sole discretion. Transferor's obligations in this subsection (a) shall survive the Closing.

(b) Condemnation. In the event a governmental entity commences eminent domain proceedings to take any part of the Property during the Interim Period, Project Venture shall have the right to either (i) terminate this Agreement, or (ii) proceed with the Closing as scheduled notwithstanding such proceeding. If Project Venture elects to proceed with the Closing, Transferor shall obtain Project Venture's consent, as determined in its sole discretion, in connection with the prosecution, settlement and administration of such proceedings. Transferor shall pay to Project Venture on the Closing Date any and all proceeds from any eminent domain proceedings previously received by Transferor, and from and after the Closing Date, Project Venture shall have the right to receive (and on the Closing Date, Transferor shall assign to Project Venture its right to receive) any and all proceeds payable in connection with any eminent domain proceedings. Transferor's obligations in this subsection (a) shall survive the Closing.

10. Possession. Possession of the Property shall be delivered to Project Venture as of Closing free of any and all other tenancies and/or occupancy rights.

11. Intentionally deleted.

12. Miscellaneous.

(a) Assignment; Successors and Assigns. Project Venture may assign its rights under this Agreement, in whole or in part, to one or more wholly-owned subsidiaries. Except as provided in this subsection (a), neither this Agreement nor the rights of either Party hereunder may be assigned by either Party. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors, heirs, administrators and permitted assigns.

(b) Entire Agreement. This Agreement and the LLC Agreement embody the entire agreement between the Parties relative to the subject matter hereof, and there are no oral or parol agreements existing between Transferor and Project Venture relative to the subject matter hereof which are not expressly set forth herein and covered thereby.

(c) Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

(d) Notices. All notices required or permitted by this Agreement shall be in writing and may be delivered in person to either party or may be sent by registered or certified mail, with postage prepaid, return receipt requested, or delivered by Express Mail of the U.S. Postal Service or Federal Express or any other courier service guaranteeing overnight delivery, charges prepaid, or may be transmitted by facsimile and addressed:

In the case of L/S Partners:

c/o IHP Capital Partners
19800 MacArthur Boulevard, Suite 700

Irvine, California 92612
Attention: Douglas C. Neff
Telephone: (949) 655-7003
Facsimile: (949) 851-8284

With a copy to:

IHP Capital Partners
19800 MacArthur Boulevard, Suite 700
Irvine, California 92612
Attention: General Counsel
Telephone: (949) 655-7009
Facsimile: (949) 655-9038

In the case of Cameo:

213 Banning LLC
1105 Quail Street
Newport Beach, California 92658
Attention: Vic Mahony
Telephone: (949) 955-3832
Facsimile: (949) 250-8574

With a copy to:

Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP
East Tower, Suite 1300
2603 Main Street
Irvine, California 92614
Attention: Robert C. Ihrke, Esq.
Telephone: (949) 851-7265
Facsimile: (949) 851-1554

or such other address as shall, from time to time, be supplied in writing by any party to the others. If any notice or other document is sent by registered or certified mail, postage prepaid, with return receipt requested, addressed as above provided, the same shall be deemed served or delivered within forty eight (48) hours after deposit in the United States mail. Notices delivered by overnight service shall be deemed to have been given twenty four (24) hours after delivery of the same, charges prepaid, to the U.S. postal service or private courier. If any notice is sent by facsimile transmission the same shall be deemed served or delivered within twenty four (24) hours after confirmation of the transmission thereof. Any notice or other document sent or delivered in any other manner shall be effective only if and when received. Rejection or other refusal to accept delivery, or the inability to deliver because of a changed address of which no notice was given, shall be deemed to constitute receipt of notice or other communication sent.

(e) Brokers. Transferor and Project Venture each represents to the other that it has employed no broker or finder in connection with the transaction contemplated hereby and agrees to indemnify the other and its successors hereunder against, and hold such indemnified party and its successors hereunder harmless from, any and all actions, suits, claims, demands, debts, losses, liabilities or expenses (including without limitation reasonable attorneys' fees and costs of investigation and defense) arising from or in connection with any brokerage or finder's fees, charges or commissions which are (or are claimed to be) payable in connection with the transaction contemplated hereby by reason of the actions (or alleged actions) of such

indemnifying party. The provisions of this Section 12(e) shall survive the Closing or termination of this Agreement.

(f) California Law. This Agreement shall be construed under and in accordance with the laws of the State of California. The parties further agree that venue shall be proper in the Superior Court or federal district court for Orange County, California, in the event of any litigation between the parties with respect to this Agreement. In connection thereto, the parties hereby waive any claim of proper venue in any other jurisdiction and any objection to venue as described herein, and personally and unconditionally submit to the jurisdiction of the Superior Court or federal district court for Orange County, California.

(g) Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereto, and the remainder of the provisions of this Agreement shall continue in full force and effect without impairment.

(h) Waiver. The waiver by either party of a breach of any provision of this Agreement shall not be deemed a waiver of any subsequent breach whether of the same or another provision of this Agreement.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(j) Third-Party Beneficiaries. L/S Partners shall be deemed a third-party beneficiary of this Agreement. Except as provided in this subsection (j), the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to, any person or entity not a party to this Agreement.

(k) Amendments in Writing. The provisions of this Agreement may not be amended or altered except by a written instrument duly executed by each of the Parties.

(l) Interpretation. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender and the neuter, and vice versa. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof. As used herein, the term "Person" shall mean and refer to any individual, corporation, partnership, limited liability company, limited partnership, limited liability partnership, trust, governmental entity, or quasi-governmental entity.

(m) Attorneys' Fees. If legal action is commenced to enforce or to declare the effect of any provision of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party reasonable attorneys' fees and other litigation costs. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing Party, the prevailing Party in any lawsuit on this Agreement shall be entitled to its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any

judgment on this Agreement. This provision shall survive Closing or termination of this Agreement.

(n) Further Acts. Each of the Parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the Parties and carry out the terms of this Agreement.

(o) Time for Performance. Wherever the time for performance of any obligation hereunder or if, pursuant to this Agreement, a party must act by a particular time, or an act is effective only if done by a particular time, and the last date for the performance of such obligation or the doing or effectiveness of such act falls upon a day other than a business day, the time for the performance of such obligation or the doing or effectiveness of such act shall be extended to the next succeeding business day. If the Closing Date shall fall on a business day that does not immediately follow a business day, the Closing Date shall be postponed to the next succeeding business day that immediately follows a business day. As used herein, the term "business day" shall mean any day which is not a Saturday, Sunday, national or state holiday, or day on which the Official Records is closed or otherwise not accepting documents for recording. Time is expressly made of the essence of this Agreement.

(p) Exclusivity. Until the Closing or the date that this Agreement is terminated, Transferor shall not enter into any contract, or enter into or continue any negotiations, to sell or transfer the Property to any person or entity other than Project Venture.

(q) Related Party Contract. As indicated above, Transferor and L/S Partners are all of the members of Project Venture. L/S Partners, acting alone, shall have the sole right on behalf of Project Venture, to send any appropriate notice of default or termination, to make any election, to institute legal proceedings and/or to take such other action as may be necessary or appropriate to enforce the rights and remedies and protect the interests of Project Venture pursuant to this Agreement, whether or not L/S Partners is then the managing member or manager of Project Venture. Transferor, in its capacity as member of Project Venture, has authorized, and hereby authorizes, L/S Partners to take all or any actions described in this subsection (q).

(r) Joint and Several Liability. In the event that Transferor is comprised of more than one person or entity, the obligations of each and every person or entity comprising Transferor under this Agreement shall be joint and several.

(s) Exculpation and Waiver. Transferor acknowledges that the State of California Public Employees Retirement System (the "System") is a limited partner in a member of L/S Partners. Notwithstanding any other term or provision of this Agreement, System's liability under the LLC Agreement is solely that of a limited partner in a member of L/S Partners and no personal or direct liability shall at any time be asserted or enforceable against System, its Board, any member thereof, or any employee or agent of System on account of or arising out of any obligations arising out of or related to this Agreement and/or the LLC Agreement. Transferor hereby waives any claim against the members of L/S Partners and the partners of its members including the System, irrespective of the compliance or noncompliance now or in the

future with any requirements relating to the limitation of liability of members or limited partners under the LLC Agreement.

(t) Waiver of Trial by Jury. EACH OF TRANSFEROR AND PROJECT VENTURE WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT OR THE CONDUCT OF THE RELATIONSHIP BETWEEN TRANSFEROR AND PROJECT VENTURE. BOTH TRANSFEROR AND PROJECT VENTURE HAVE OBTAINED THE ADVICE OF THEIR RESPECTIVE LEGAL COUNSEL BEFORE SIGNING THIS AGREEMENT AND ACKNOWLEDGE THAT THEY VOLUNTARILY AGREED TO THIS WAIVER OF THEIR RIGHT TO A TRIAL BY JURY WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND LEGAL CONSEQUENCE.

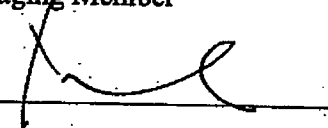
IN WITNESS WHEREOF, the Parties hereto have set their hands on the day and year
first above written.

PROJECT VENTURE:

SOUTH BANNING PROPERTIES, LLC, a
Delaware limited liability company

By: Laing/Sequoia Partners LLC, a
Delaware limited liability company, its
Managing Member

By: WL Land LLC, a Delaware
limited liability company, its
Managing Member

By:  _____

By: _____

TRANSFEROR:

213 BANNING LLC, a California limited
liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties hereto have set their hands on the day and year
first above written.

PROJECT VENTURE:

SOUTH BANNING PROPERTIES, LLC, a
Delaware limited liability company

By: Laing/Sequoia Partners LLC, a
Delaware limited liability company, its
Managing Member

By: WL Land LLC, a Delaware
limited liability company, its
Managing Member

By _____

By _____

TRANSFEROR:

213 BANNING LLC, a California limited
liability company

By Cameo Homes, a California corporation

Name: _____

Title: Manager

By [Signature]

Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Riverside, State of California, described as follows:

TENTATIVE TRACT MAP 33384 BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

LOT 9 OF ALMCOOT TRACT, AS SHOWN BY MAP ON FILE IN BOOK 18 PAGE 3 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 537-190-006

EXHIBIT A-1

First American Title

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LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Riverside, State of California, described as follows:

TENTATIVE TRACT MAP 33383 BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCELS 1 THROUGH 8, INCLUSIVE AND LETTERED LOTS A THROUGH S, INCLUSIVE, OF PARCEL MAP 28972, RECORDED IN BOOK 204 PAGES 31 AND 32 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 537-200-031, 537-200-032, 537-200-033, 537-200-034, 537-200-035, 537-200-036, 537-200-037, 537-200-038

EXHIBIT A-2

First American Title

Exhibit

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EXHIBIT "B"

DEED

RECORDING REQUESTED BY
CHICAGO TITLE COMPANY
AND WHEN RECORDED MAIL TO

Escrow No.
Order No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$

☐ unincorporated area ☐ City of

☒ computed on the full value of the interest or property conveyed, or is

☐ computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

hereby GRANT(S) to

the following described real property in the
County of

, State of California:

Dated

STATE OF
COUNTY OF

On _____) SS.
before me,

a Notary Public in and for said County and State, personally appeared

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

WITNESS my hand and official seal.

Signature of Notary

Date My Commission Expires

FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

City, State & Zip

GD2 --01/30/971a

Exhibit
Page

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EXHIBIT "C"

PRE-APPROVED EXCEPTIONS

Order Number: NHRV-1787442 (03)
Page Number: 1

Update 1



PERMITTED EXCEPTIONS

First American Title Company

3625 Fourteenth Street
Riverside, CA 92501

Kim Berry
Cameo Homes
1105 Quail Street
Newport Beach, CA 92660-2705
Phone: (949) 955-3832
Fax:

Customer Reference: TTM 33383
Order Number: NHRV-1787442 (03)
Title Officer: Melissa Williams
Phone: (951) 787-1700
Fax No.: (866) 207-2029
E-Mail: mwmwilliams@firstam.com
Buyer:
Property:

Banning, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

First American Title

Exhibit _____
Page _____ *N* *798*