

**AGREEMENT FOR PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS
("Property Name")**

This Agreement for Purchase and Sale and Joint Escrow Instructions (this "Agreement") is entered into as of ____, 2004 by and between _____, a _____ ("Seller"), and _____, a _____ ("Buyer"), who agree and, to the extent applicable, instruct _____ ("Escrow Holder"), as escrow holder, as follows:

1. Recitals. This Agreement is made with reference to the following facts and definitions:

1.1. Seller owns the real property located at _____, _____, _____, commonly known as _____, as more fully described on the attached Exhibit "A" (the "Real Property"). Along with the Real Property, Buyer intends to purchase and Seller intends to sell, in accordance with this Agreement, all improvements constructed in, on or under the Real Property including a _-unit residential apartment complex (collectively, the "Improvements") and all of Seller's personal property located on and used solely in connection with the Real Property or the Improvements (the "Personal Property").

1.2. All trade names, trademarks and logos owned by Seller and used in connection with the Real Property (the "Marks").

1.3. As part of the sale contemplated by this Agreement, and in consideration of the purchase price to be paid to Seller by Buyer, at Close of Escrow Seller will transfer to Buyer all of Seller's right, title, and interest in and to all development rights, licenses, permits, approvals, authorizations, privileges, entitlements, and other rights appurtenant to the Real Property, including without limitation any rights, if any, relating to any possible conversion of the Property to any alternative use including condominiums (collectively, the "Appurtenant Rights").

1.4. By this Agreement, Buyer and Seller intend to provide for the sale of the Real Property, the Improvements, the Personal Property, the Marks, and the Appurtenant Rights by Seller to Buyer. The Real Property, the Personal Property, the Improvements, and the Appurtenant Rights shall be collectively referred to in this Agreement as the "Property."

1.5. For purposes of this Agreement, "Effective Date" means the date of this Agreement set forth in the introductory paragraph of this Agreement.

2. Purchase and Sale. Subject to this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller.

3. Escrow.

3.1. Opening of Escrow. Within two (2) business days after the Effective Date, Seller shall immediately cause an escrow (the "Escrow") to be opened with Escrow Holder at its office located at _____ for the purpose of facilitating the consummation of this Agreement, by delivering to Escrow Holder a fully executed original (or executed counterparts) of this Agreement. Within two business days after the Effective Date, Buyer shall deliver the Initial Deposit (as defined in Section 4.1 below) to Escrow Holder. Escrow Holder shall, immediately upon

its receipt of the Initial Deposit and executed Agreement, execute and deliver to Buyer and Seller an executed counterpart of this Agreement with the executed Consent and Acceptance of Escrow Holder attached, which Consent and Acceptance of Escrow Holder shall specify the date of such receipt. This Agreement constitutes instructions to Escrow Holder. Buyer and Seller shall execute such additional mutual instructions as Escrow Holder may require, consistent with this Agreement. Any inconsistency between any such further mutual instructions and this Agreement must be resolved in a manner consistent with this Agreement and the provisions of this Agreement prevail unless Buyer and Seller waive such inconsistent provision in writing by specifically referring to the fact of such inconsistency and their intent to waive it.

3.2. Closing Date. Escrow Holder shall close the Escrow in accordance with Section 9 below (the “Close of Escrow”) at 8:00 a.m. Pacific Time on_____, or (b) such earlier date as the parties mutually agree in writing (the “Closing Date”). If the Close of Escrow does not occur on or before the Closing Date, then Buyer or Seller, if not in default under this Agreement, may at any time thereafter give written notice to Escrow Holder to cancel the Escrow whereupon the Escrow and the subject transaction become terminated and Escrow Holder shall distribute all monies and documents in Escrow Holder’s possession in accordance with this Agreement and all additional mutual instructions as the parties may provide. Such cancellation of Escrow does not prejudice or limit any legal or equitable rights of Buyer or Seller, except as may be limited by Section 13 below.

4. Purchase Price. The purchase price payable by Buyer for the Property (the “Purchase Price”) is _____Dollars (\$_____.00), payable as follows:

4.1. Deposits.

(1) Concurrently with Buyer’s delivery of an executed copy of this Agreement to Escrow Holder, Buyer shall deliver to Escrow Holder immediately available funds in the amount of _____Dollars (\$_____.00) (the “Initial Deposit”). Upon the satisfaction or Buyer’s waiver of the Buyer’s Conditions set forth in Sections 6.1, and 6.2 below, the Initial Deposit shall become non-refundable to Buyer, subject only to (i) the satisfaction of the Buyer’s Condition set forth in Section 6.3 below, (ii) Seller’s performance of its obligations under this Agreement, and (iii) such other provisions of this Agreement which expressly provide for a return of the Deposit to Buyer (e.g., in the event of a casualty or condemnation).

(2) On or before the expiration of the Due Diligence Period, provided that this Agreement has not been terminated by Buyer, Buyer shall deliver to Escrow Holder immediately available funds in the amount of _____Dollars (\$_____.00) (the “Additional Deposit”) and Buyer shall execute and deliver to Seller the Liquidated Damages Declaration in the form of attached Exhibit “B”. Immediately upon the delivery of the Additional Deposit to Escrow Holder, the Additional Deposit (together with the Initial Deposit pursuant to the preceding paragraph) shall be released to Seller, without any requirement of additional instruction from Seller or Buyer, and non-refundable to Buyer, subject only to (i) the satisfaction or Buyer’s waiver of the Buyer’s Condition set forth in Sections 5.4 below, (ii) Seller’s performance of its obligations under this Agreement, and (iii) such other provisions of this Agreement which expressly provide for a return of the Deposit to Buyer (e.g., in the event of a casualty or condemnation).

As used in this Agreement, the “Deposit” shall mean the Initial Deposit and the Additional Deposit, plus any interest accrued on the Initial Deposit and Additional Deposit while in the possession of Escrow Holder. Escrow Holder shall promptly deposit the Deposit into a federally-insured interest-bearing account. The Deposit is applicable towards the Purchase Price.

4.2. Balance. On or before the day prior to the Closing Date, Buyer shall deposit with Escrow Holder cash or other immediately available funds in the amount of the balance of the Purchase Price, plus the other sums required of Buyer under this Agreement to pay costs and prorations.

5. Due Diligence Deliveries By Seller. Buyer acknowledges having received from Seller the written due diligence deliveries described on attached Exhibit “C” (the “Due Diligence Deliveries”). In addition to the Due Diligence Deliveries, Seller will make available for Buyer’s inspection at the Property any and all leases affecting the Property and such other documents and information regarding the Property as may exist at the Property’s on-site management office. Except for Seller’s representation set forth in Section 15.6 below with respect to the Operating Statements and the Rent Roll, Seller makes no representation whatsoever regarding the accuracy or completeness of any materials delivered to Buyer pursuant to this Section.

6. Conditions Precedent. Buyer’s obligations under this Agreement are subject to the satisfaction, approval, or waiver of the following conditions precedent (collectively, “Buyer’s Conditions”) on or before the expiration of the applicable contingency period provided for below (collectively, the “Contingency Periods”). Unless Buyer accurately and timely notifies Seller and Escrow Holder in writing on or before the expiration of an applicable Contingency Period that the applicable Buyer’s Condition has not been satisfied, approved, or waived, then such Buyer’s Condition is deemed approved by Buyer. If, however, Buyer notifies Seller and Escrow Holder in writing on or before the expiration of an applicable Contingency Period that the applicable Buyer’s Condition has not been satisfied, approved, or waived, then at Buyer’s option this Agreement and the Escrow shall be terminated and neither Buyer nor Seller will have any further obligation to the other party under this Agreement (except to the extent of any indemnities under this Agreement with respect to events occurring before such termination, which indemnities shall survive any such termination). If Buyer has not terminated this Agreement pursuant to the preceding sentence notwithstanding a failure of a Buyer’s Condition, then Seller shall have the option to terminate this Agreement and the Escrow unless, before the expiration of the applicable Contingency Period, Buyer waives its prior disapproval of such Buyer’s Condition. In the event of such a termination by Seller, neither Buyer nor Seller will have any further obligation to the other party under this Agreement (except to the extent of any indemnities under this Agreement with respect to events occurring before such termination, which indemnities shall survive any such termination). If either party terminates Escrow in accordance with the preceding two sentences, Escrow Holder shall, without requiring any further instructions, immediately return the Deposit to Buyer.

6.1. Due Diligence Investigation. From the Effective Date until _____ (the “Due Diligence Period”), Buyer may investigate and research and must not have disapproved of the physical condition of the Property. The matters subject to Buyer’s approval under this Section 6.1 include legal due diligence, engineering studies, soils tests, and physical inspections. In order to facilitate Buyer’s investigation and analysis under this Section 6.1, Seller grants Buyer the right to enter the Property at any time during normal business hours after forty-eight hours prior written notice to Seller, to conduct such inspections, reviews, examinations, and tests on the Property as

Buyer deems necessary or desirable to investigate the physical condition of the Property, as well as access to relevant information relating to the Property within Seller's possession or control (but Seller makes no representation regarding the accuracy or completeness of such information). Buyer may not contact any resident or tenant of the Property without the prior written consent of Seller or without a representative of Seller being present. Buyer shall not perform any subsurface or destructive testing of any kind at the Property without first obtaining Seller's prior written consent. Such consent may be conditioned upon such conditions as Seller may reasonably impose, including without limitation Seller's approval of any third party contracted by Buyer to perform such testing, evidence that such third party contractor has, in Seller's determination adequate liability insurance coverage, and restrictions upon the locations, scheduling, and conduct of such testing.

6.2. Status of Title and Survey. Buyer acknowledges having received from Seller (a) a preliminary title report for the Property dated _____, 20__ issued by _____ ("Title Company") together with legible copies of all documents referenced therein (the "Title Report"), [and (b) a survey dated _____ prepared by _____ (the "Existing Survey")]. Buyer has ten (10) days after the Effective Date (the "Title Approval Date") to approve or object to any items disclosed by the Title Report [or the Existing Survey]. If Buyer disapproves of any of the exceptions to title shown in the Title Report [or the Existing Survey] ("Disapproved Title Exceptions") before the Title Approval Date and evidences its disapproval by giving written notice of its disapproval to Escrow Holder and Seller on or before the Title Approval Date, then (i) on or before five (5) business days after the Title Approval Date, Seller shall notify Buyer of those Disapproved Title Exceptions that Seller expects to be absent from the corresponding Title Policy (as defined below); and (ii) if there remain Disapproved Title Exceptions beyond those identified by Seller pursuant to clause (i), then Buyer may, by written notice to Seller given on or before eight (8) business days after the Title Approval Date, confirm or waive its prior disapproval of the remaining Disapproved Title Exceptions. If Buyer timely provides such written notice to Seller and such notice fails to unconditionally waive all remaining Disapproved Title Exceptions, then this Buyer's Condition shall be deemed to have failed. If Buyer fails to timely provide such written notice to Seller, then such remaining Disapproved Title Exceptions (other than those identified by Seller pursuant to clause (i) above) shall be deemed accepted by the Buyer and such remaining Disapproved Title Exceptions shall cease to be Disapproved Title Exceptions.

[APPLIES IF SURVEY EXISTS AND SELLER WILL BE UPDATING] If Buyer intends to obtain ALTA title insurance in connection with this Agreement, then Buyer may obtain at its sole cost and expense an updated ALTA/ACSM survey of the Property (the "Updated Survey"). The cost of the Updated Survey shall be paid by Buyer exclusively. Buyer shall give Seller written notice immediately upon Buyer's receipt of the Updated Survey. Buyer shall have until three (3) business days after its receipt of the Updated Survey to give Seller written notice of its disapproval of any title matter disclosed by the Updated Survey which is not disclosed by the Existing Survey. If Buyer timely gives such written notice, then such title matter shall become a Disapproved Title Exception. Unless within five (5) business days after Buyer's receipt of the Updated Survey Seller notifies Buyer in writing that it will cause the Title Company to issue an endorsement or other affirmative coverage as to such Disapproved Title Exception reasonably acceptable to Buyer, then this Buyer's Condition shall be deemed unsatisfied unless Buyer waives its disapproval within seven (7) business days after Buyer's receipt of the Updated Survey.

6.3. Owner's Policy. On or before the Close of Escrow, Title Company must be prepared to issue to Buyer an Owner's Policy of Title Insurance for the Property (the "Title Policy")

effective as of the Close of Escrow, collectively insuring Buyer in the amount of the Purchase Price that title to the Property is vested in Buyer on the Close of Escrow, subject to (a) standard pre-printed exceptions, (b) liens for taxes and assessments not yet delinquent, and (c) those exceptions to title described in the corresponding Title Report other than the Disapproved Title Exceptions. Buyer may require an ALTA policy without survey exceptions only if Buyer can timely provide Title Company with all information necessary in order for the ALTA policy to be issued on or before the Closing Date. Except as specifically provided in the following sentence, Seller shall not be in default under this Agreement and shall not be liable to Buyer for the failure to remove any item identified by Title Company as an exception to title. Seller shall only be in default under this Agreement with respect to title issues if Seller fails to cause the removal from the Title Policy of (i) a Monetary Encumbrance that Seller has indicated pursuant to clause (i) of Section 6.2 should be absent from the Title Policy, or (ii) a Voluntary Monetary Encumbrance that is created after the date of the Title Report and is not consented to in writing by Buyer. Unless Seller is in default under this Agreement pursuant to the preceding sentence (in which event Buyer shall be entitled to all legal and equitable remedies available to Buyer due to Seller's default), Buyer's sole remedy for Seller's failure to cause the elimination of an exception to title is termination of this Agreement and the return of the Deposit to Buyer. As used in this Section 6.3, (A) "Monetary Encumbrance" means a lien upon the Property, including without limitation mechanic's lien claims, that can be fully satisfied and removed as an exception to title (as determined by Title Company) by the payment of a liquidated amount of money, and (B) "Voluntary Monetary Encumbrance" means a Monetary Encumbrance which Seller knowingly creates through the volitional acts of executing and recording an instrument intended to affect title to the Property.

Any one or more of the foregoing Buyer's Conditions may be waived by Buyer on or before the first to occur of the termination of this Agreement and the Close of Escrow.

7. Buyer's Deliveries. Buyer shall deliver to Escrow Holder, on or before the day before the Closing Date, for disbursement, delivery and recordation, as provided in this Agreement, the following funds, instruments, and documents, the delivery of which is material to the consummation of the transaction contemplated by this Agreement:

7.1. Funds. Immediately available funds in the amount required of Buyer under this Agreement including sufficient funds to meet Buyer's obligations under Sections 4.2, 10, and 11.

7.2. Evidence of Authorization. Evidence in form and substance reasonably satisfactory to Title Company or Escrow Holder that Buyer is authorized to enter into and consummate the transactions contemplated by this Agreement.

7.3. Assignment and Assumption of Leases and Contracts. An Assignment and Assumption of Leases and Contracts in the form of the attached Exhibit "D" (the "Assignment of Leases") duly executed by Buyer.

7.4. Evidence of Insurance. Evidence of insurance pursuant to Section 21.2 below.

7.5. Memorandum. The Memorandum (as defined in Section 25 below) duly executed and acknowledged by Buyer.

7.6. Other Documents. Any documents reasonably required of Buyer by Title Company or Escrow Holder in order to consummate the subject transaction.

8. Seller's Deliveries. Seller shall deliver to Escrow Holder on or before the day before the Closing Date, for disbursement, delivery and recordation, as provided in this Agreement, the following instruments and documents, the delivery of which is material to the Close of Escrow:

8.1. Deed and Bill of Sale. A grant deed in form satisfactory to Title Company duly executed and acknowledged by Seller conveying all of Seller's interest in the Real Property to Buyer (the "Deed"), the Assignment of Leases duly executed by Seller, and a General Assignment and Bill of Sale in the form of the attached Exhibit "E" ("Bill of Sale") duly executed by Seller.

8.2. FIRPTA Affidavit. A FIRPTA affidavit duly executed and acknowledged by Seller certifying under penalty of perjury (a) Seller's United States taxpayer identification number and (b) that Seller is not a foreign person, in accordance with Section 1445 of the Internal Revenue Code of 1986, as amended (the Foreign Investment in Real Property Tax Act).

8.3. Memorandum. The Memorandum duly executed and acknowledged by Seller.

8.4. Evidence of Authorization. Evidence in form and substance reasonably satisfactory to Title Company or Escrow Holder that Seller is authorized to enter into and consummate the transactions contemplated by this Agreement.

8.5. Other Documents. All other documents reasonably required of Seller by Title Company or Escrow Holder in order to consummate the subject transaction.

9. Closing Escrow. On the Closing Date, provided Escrow Holder has received all the documents, instruments and funds required to be delivered by Buyer and Seller in accordance with Sections 7 and 8 above, and provided Title Company is prepared to issue the Title Policy upon the Close of Escrow and that all other conditions to the Close of Escrow have been satisfied (or waived by the party to this Agreement who benefits from such condition), Escrow Holder shall promptly perform all of the following:

9.1. Recording. Cause the Deed to be recorded with the real property records of the county in which the Property is located.

9.2. Buyer's Deliveries. Deliver to Seller all of the deliveries of Buyer made pursuant to Section 7 above.

9.3. Seller's Deliveries. Deliver to Buyer the Bill of Sale and all of the other deliveries of Seller made pursuant to Section 8 above.

9.4. Costs and Prorations. Pay the costs and apply the prorations in accordance with Sections 10 and 11 below.

9.5. Issuance of Owner's Policy. Cause the Title Policy to be issued and delivered to Buyer.

9.6. Disbursement of Purchase Price. Disburse to Seller, by 11:00 a.m. Pacific Time on the day upon which Close of Escrow occurs, or in accordance with Seller's instructions (after making appropriate adjustments for costs and prorations as provided in this Agreement), all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price.

10. Costs. Seller shall pay (a) one half of Escrow Holder's fee, (b) documentary transfer and stamp taxes payable in connection with the recordation of the Deed, (c) the portion of the cost of the Title Policy which would be charged for basic rather than an extended coverage title insurance policy, and (d) Escrow Holder's customary charges to a seller for document drafting, recording and miscellaneous charges. Buyer shall pay (i) one half of Escrow Holder's fee, (ii) Escrow Holder's customary charges to a buyer for document drafting, recording and miscellaneous charges, (iii) the difference between the cost of the extended coverage Title Policy (if issued) and basic coverage policies, and the cost of any endorsements to the Title Policy requested by Buyer, and (iv) all costs associated with Buyer's financing of the Purchase Price, including any fees for any loan, appraisal, title policy, etc.

11. Prorations. The following shall be prorated between Buyer and Seller as of 12:01 a.m. Pacific Time on the day upon which Close of Escrow occurs, on the basis of the actual number of days during the month in which the Close of Escrow occurs: general and special county and city real property taxes and special assessments ("Taxes"), utility charges, and rents. Delinquent rent shall not be prorated by Escrow Holder unless collected prior to Close of Escrow. Proration of Taxes shall be based on the most recent official tax bills or notice of valuation available to the general public for the fiscal year in which the Close of Escrow occurs. Buyer shall be credited, as of the Close of Escrow, with the amount of all refundable security deposits, prepaid rent, and similar refundable payments from tenants of the Property. In addition to the foregoing apportionments, Seller shall receive all other income accrued (including without limitation delinquent rent collected after Close of Escrow), and shall pay all other expenses accrued or incurred in connection with the ownership or operation of the Property before the Close of Escrow, and Buyer shall receive all other income accruing, and shall pay all other expenses accrued or incurred in connection with the ownership or operation of the Property on or after the Close of Escrow. Buyer and Seller shall use their best efforts to complete all income and expense reconciliation to be performed outside of Escrow within sixty (60) days after Close of Escrow. There shall be no adjustment or proration for items of income or expense which are not prorated at Close of Escrow and for which no written claim is made by Buyer or Seller to the other within sixty (60) days after Close of Escrow. Escrow Holder shall not be concerned with any prorations that are to be made after the Close of Escrow pursuant to this Agreement.

12. Failure of Escrow to Close. If Escrow fails to close by reason of Buyer's timely disapproval of a Buyer's Condition in accordance with Section 6 above, then Buyer is entitled to the immediate return of the Deposit upon delivery of written notice by Buyer to Escrow Holder and the delivery to Seller of documents and materials required pursuant to this paragraph. If the Close of Escrow fails to occur by reason of a material default by Seller under this Agreement, then Buyer, as its sole remedy hereunder, may (a) terminate this Agreement and obtain the immediate return of the Deposit by written notice to Seller and Escrow Holder, or (b) seek specific performance from Seller. As a condition precedent to Buyer's exercising any right it may have to bring an action for specific performance, Buyer must commence such an action within one hundred twenty (120) days after the occurrence of such default. Buyer agrees that its failure to timely commence such an action for specific performance within such one hundred twenty (120) day period shall be deemed a waiver by

it of its right to commence such an action. If this Agreement or Escrow is terminated for any reason, Buyer shall return to Seller, within two business days after the termination of Escrow, all documents and materials provided by Seller or its agents to Buyer or its agents in connection with this Agreement or the Property and all copies thereof. If this Agreement or Escrow is terminated for any reason other than a material default by Seller under this Agreement, then Buyer shall, as a condition to the return of the Deposit, deliver to Seller at no cost to Seller copies of all reports, surveys, and materials derived from Buyer's investigation of the Property, including without limitation engineering studies, soils tests, environmental surveys and testing, physical inspections, ALTA or other surveys, and the Conversion Documents (as defined in Section 24 below).

13. LIQUIDATED DAMAGES. THE PARTIES HAVE DISCUSSED AND NEGOTIATED IN GOOD FAITH UPON THE QUESTION OF THE DAMAGES THAT WOULD BE SUFFERED BY SELLER IN THE EVENT THE CLOSE OF ESCROW DOES NOT OCCUR BECAUSE BUYER BREACHES THIS AGREEMENT AND HAVE ENDEAVORED TO REASONABLY ESTIMATE SUCH DAMAGES AND THEY AGREE THAT (I) SUCH DAMAGES ARE AND WILL BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, (II) LIQUIDATED DAMAGES IN THE AMOUNT OF THE DEPOSIT (AS IT MAY BE INCREASED FROM TIME TO TIME) ARE AND WILL BE REASONABLE, (III) IN THE EVENT OF SUCH BREACH, SELLER IS ENTITLED TO THE DEPOSIT AS SUCH LIQUIDATED DAMAGES, AND (IV) IN CONSIDERATION OF THE PAYMENT OF SUCH LIQUIDATED DAMAGES, SELLER SHALL BE DEEMED TO HAVE WAIVED ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY ON ACCOUNT OF THE FAILURE OF THE CLOSE OF ESCROW TO OCCUR, EXCEPT FOR: (A) CLAIMS FOR THE RETURN OF DOCUMENTS IN CONNECTION WITH THIS AGREEMENT; (B) ACTIONS TO EXPUNGE A LIS PENDENS OR OTHER CLOUDS ON TITLE CAUSED BY BUYER; (C) BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, AND (D) ATTORNEYS' FEES AND COSTS INCURRED BY SELLER INCIDENT TO CLAUSES (A) THROUGH (C) ABOVE.

SELLER'S INITIALS

BUYER'S INITIALS

14. Possession. Seller shall deliver possession of the Property to Buyer on the Close of Escrow, subject to the rights of tenants.

15. Seller's Representations and Warranties. Seller represents and warrants that the following are complete and accurate as of the Effective Date, and will be complete and accurate as of the Close of Escrow, and will not survive the Close of Escrow.

15.1. Legal Power, Right and Authority. Seller is duly organized, validly existing, and qualified to conduct its business and, upon obtaining Seller's Consent pursuant to Section 26 below, shall have the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement and will have taken all requisite action in connection with entering into this Agreement and the consummation of the transactions contemplated by this Agreement. The individual executing this Agreement on behalf of Seller will have the legal power, right, and actual authority to bind Seller to the terms and conditions of this Agreement.

15.2. FIRPTA. Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the Foreign Investment in Real Property Tax Act).

15.3. Violation of Laws. Seller has no actual knowledge that any notice of violation of any federal, state, county or municipal or other governmental agency law, ordinance, regulation, order, rule or requirement relating to the Property, or any portion of the Property, have been issued or entered or received by Seller.

15.4. Litigation and Mold Claims. Seller has no actual knowledge of any action, suit, claim, legal proceeding or any other proceeding affecting the Property or any portion of the Property, at law or in equity, before any court or governmental agency, domestic or foreign, which would, if decided or resolved adversely to Seller, have a material adverse affect on the Property. To the best of Seller's knowledge, except as disclosed to Buyer in writing or contained in the materials delivered to Buyer in connection with its due diligence investigation, it has not received any written complaint or claim from any tenant at the Property regarding any injury or damage attributable to the presence of mold in any unit at the Property.

15.5. Hazardous Materials. During the time in which Seller has owned the Property, to the best of Seller's actual knowledge without duty to investigate, Seller has not used, generated, manufactured, produced, stored or disposed of on, under or about the Property or transported to or from the Property any hazardous materials in violation of applicable laws, including without limitation, flammable materials, explosives, asbestos, radioactive materials, hazardous waste, toxic substance, or related injurious materials. Buyer acknowledges that there exist at the Property reasonable amounts of materials that may be considered hazardous materials commonly found in properties similar to the Property and used in the ordinary course of business or ordinary household use. Seller has received no written notice of any proceeding or inquiry pending before or by any governmental authority with respect to the presence of such hazardous materials on the Property or their migration from or to other property.

15.6. Rent Roll and Operating Statement. The operating statements ("Operating Statements") and rent roll ("Rent Roll") included in the Due Diligence Deliveries are, to the best of Seller's actual knowledge, true and accurate in all material respects.

As used in this Section 15, "Seller's actual knowledge" means the current, actual knowledge of _____, and shall not include constructive knowledge or knowledge that Seller could have obtained through investigation or inquiry. No broker, agent, or party other than Seller is authorized to make any representation or warranty for or on behalf of Seller.

16. Buyer's Representations and Warranties. The accuracy and completeness of the following constitute a condition to the Close of Escrow and Buyer represents and warrants that the following representations and warranties are complete and accurate as of the Effective Date and shall be complete and accurate as of the Close of Escrow:

16.1. Legal Power, Right and Authority. Buyer is duly organized, validly existing, and qualified to conduct its business and has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. All requisite action (corporate, partnership, trust or otherwise) has been taken by Buyer in connection with

entering into this Agreement and the consummation of the transactions contemplated by this Agreement. The individual executing this Agreement on behalf of Buyer has the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement. This Agreement and all documents required by this Agreement to be executed by Buyer are valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

16.2. Financial Resources. Buyer has the financial resources to timely consummate the purchase and sale transaction contemplated by this Agreement.

16.3. Compliance With Law. Buyer, and all beneficial owners of Buyer, are in compliance with all laws, statutes, rules and regulations of any federal, state or local governmental authority in the United States of America applicable to such Persons (as hereinafter defined), including, without limitation, the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"). For purposes of this Section, "Person" shall mean any corporation, partnership, limited liability company, joint venture, individual, trust, real estate investment trust, banking association, federal or state savings and loan institution and any other legal entity, whether or not a party hereto.

16.4. Blocked Persons. Neither Buyer nor any of the beneficial owners of Buyer:

(1) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable orders (such lists are collectively referred to as the "Lists");

(2) has been indicted or arrested for money laundering or for predicate crimes to money laundering, convicted or pled nolo contendere to charges involving money laundering or predicate crimes to money laundering;

(3) has been determined by competent authority to be subject to the prohibitions contained in the Orders;

(4) is owned or controlled by, nor acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders;

(5) shall transfer or permit the transfer of any interest in Buyer or such parties to any Person who is, or whose beneficial owners are, listed on the Lists; or

(6) shall assign this Agreement or any interest herein, to any Person who is listed on the Lists or who is engaged in illegal activities.

If Buyer or any Buyer Related Party (as hereinafter defined) become listed on the Lists or are indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering (each, a "Triggering Event"), Buyer shall immediately notify Seller, but in no event later than five (5) business days after the occurrence of the Triggering Event, and Buyer

shall have ten (10) business days from the occurrence of the Triggering Event to remove such party from any interest in Buyer. In the event of a Triggering Event, Seller may terminate this Agreement upon written notice to Buyer, whereupon the Deposit, subject to compliance with applicable governmental regulations, shall be retained by Seller, and neither party shall have any further obligation hereunder except to the extent of any indemnities under this Agreement with respect to events occurring before such termination, which indemnities shall survive any such termination.

17. Condemnation. If, before the Close of Escrow, a material portion of the Property is taken by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), then (a) Seller, if Seller has actual knowledge thereof, shall notify Buyer of such fact, and (b) Buyer shall have the option to terminate this Agreement upon written notice to Escrow Holder and Seller given no later than 10 days after Seller's notice. If this Agreement is so terminated, then (i) each of Buyer and Seller shall pay one half of all costs associated with the cancellation of the Escrow pursuant to this Section, (ii) neither Buyer nor Seller shall have any further rights or obligations under this Agreement (except to the extent of any indemnities under this Agreement with respect to events occurring before such termination, which indemnities shall survive any such termination), and (iii) Escrow Holder shall, without requiring any further instruction from Seller, immediately return to Buyer the Deposit and all interest accrued thereon. If Buyer does not terminate this Agreement, then (A) neither Buyer nor Seller shall have the right to terminate this Agreement by reason of such taking, (B) Buyer and Seller shall proceed to the close of escrow in accordance with this Agreement, without modification of the terms of this Agreement, except that (1) the Property will not include the property so taken, (2) the Purchase Price will be reduced by the amount of any awards for such taking awarded to Seller as of the Closing Date, and (3) Seller shall assign and turn over to Buyer, and Buyer shall be entitled to receive and retain, all awards for such taking not yet awarded as of the Close of Escrow.

18. Destruction. If the Property is damaged by fire or other casualty on or before the Closing Date, Seller immediately shall notify Buyer of such damage. If the damage is less than \$1,000,000.00 and does not eliminate access to the Property, Buyer and Seller shall proceed to the Close of Escrow in accordance with the terms of this Agreement, without modification of the terms of this Agreement, in which event Buyer shall be entitled to an assignment of the proceeds of all insurance relating to such fire or other casualty (except for proceeds payable for lost rental income during the period prior to Close of Escrow or reimbursement for expenses incurred by Seller in connection with such fire or other casualty, which shall be allocated to Seller) together with the payment by Seller of the applicable deductible under the insurance policy. If the damage exceeds \$1,000,000.00 or eliminates access to the Property, Buyer may either (a) terminate this Agreement and receive the return of the Deposit (minus one-half of any escrow or title cancellation fees), in which case neither party will have any additional rights or obligations under this Agreement, or (b) elect to proceed to the Close of Escrow in accordance with this Agreement, without modification of the terms of this Agreement, in which event Buyer is entitled to an assignment of the proceeds of all insurance relating to such fire or other casualty (except for proceeds payable for lost rental income during the period prior to Close of Escrow or reimbursement for expenses incurred by Seller in connection with such fire or other casualty, which shall be allocated to Seller) together with the payment by Seller of the applicable deductible under the insurance policy.

19. Brokers. Other than _____ (the "Broker"), each party to this Agreement represents that no real estate or business broker, agent, finder, or other person is responsible for bringing about or negotiating this Agreement and that such party has not dealt with any other real

estate broker, agent, finder, or person relative to this Agreement in any manner. Each party to this Agreement shall defend, indemnify, and hold harmless the other party to this Agreement against all liabilities, damages, losses, costs, expenses, attorneys' fees and claims arising from (a) any breach of such representation by such indemnifying party set forth in the preceding sentence, and (b) any claims that may be made against such indemnified party by any real estate broker, agent, finder, or other person alleging to have acted on behalf of or to have dealt with such indemnifying party. Buyer and Seller agree that _____ shall be solely responsible for the payment of all commissions or other compensation to Broker. Seller's obligations under this Agreement are conditioned on the Broker having signed and returned to Seller the Broker's Acknowledgement attached to this Agreement.

20. NO RELIANCE - AS-IS. BUYER ACKNOWLEDGES THAT IT IS PURCHASING THE PROPERTY IN RELIANCE SOLELY ON: (I) BUYER'S INSPECTION OF THE REAL PROPERTY, THE PERSONAL PROPERTY AND THE IMPROVEMENTS; (II) BUYER'S INDEPENDENT VERIFICATION OF THE TRUTH OF ANY DOCUMENTS MADE AVAILABLE TO BUYER; (III) THE OPINIONS AND ADVICE CONCERNING THE PROPERTY OF CONSULTANTS AND ATTORNEYS ENGAGED BY BUYER, AND (IV) SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 15 OF THIS AGREEMENT. BUYER ACKNOWLEDGES THAT BEFORE THE EXPIRATION OF THE DUE DILIGENCE PERIOD BUYER WILL HAVE PERFORMED ALL OF ITS DUE DILIGENCE INVESTIGATIONS OF AND WITH RESPECT TO THE PROPERTY AS BUYER DEEMS APPROPRIATE, INCLUDING FEASIBILITY STUDIES, ENGINEERING STUDIES, SOILS TESTS, ENVIRONMENTAL SURVEYS AND TESTING, PHYSICAL INSPECTIONS, ALTA OR OTHER SURVEYS, AND MARKET ANALYSES AS WELL AS BUYER'S EVALUATION OF THE CONDITION AND STATUS OF THE PERSONAL PROPERTY AND IMPROVEMENTS AND THE OPERATION AND FUTURE PROSPECTS OF THE PROPERTY. ON THE CLOSE OF ESCROW, BUYER ACCEPTS THE PROPERTY AND ALL MATTERS RELATING TO THE PROPERTY IN THEIR "AS IS" CONDITION OR STATUS AS OF THE CLOSING DATE, INCLUDING SUCH MATTERS AS: SOILS AND GEOLOGICAL CONDITION, TOPOGRAPHY, AREA AND CONFIGURATION OF THE REAL PROPERTY; THE AGE AND CONDITION OF THE IMPROVEMENTS AND PERSONAL PROPERTY; THE EXISTENCE OF ANY HAZARDOUS OR TOXIC SUBSTANCES OR MATERIALS, THE PRESENCE OF MOLD, CONSTRUCTION DEFECTS OR OTHER MATTERS WHICH WOULD OR COULD NECESSITATE ABATEMENT OR REMEDIATION ACTION BY THE PROPERTY'S OWNER; ANY PHYSICAL OR MECHANICAL DEFECTS IN THE IMPROVEMENTS OR PERSONAL PROPERTY; ANY EASEMENT, LICENSE OR ENCROACHMENT WHICH IS NOT A MATTER OF PUBLIC RECORD, WHETHER OR NOT VISIBLE UPON INSPECTION OF THE PROPERTY, THE ZONING AND OTHER LAND USE REGULATIONS APPLICABLE TO THE PROPERTY; THE SUITABILITY OF THE PROPERTY FOR CONVERSION TO CONDOMINIUMS; AND ANY OTHER MATTER RELATING TO THE PROPERTY INCLUDING, BUT NOT LIMITED TO, VALUE, TITLE, INCOME, FEASIBILITY, COST, MARKETING AND INVESTMENT RETURN. BUYER ACKNOWLEDGES AND AGREES THAT SELLER IS NOT MAKING ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER WITH RESPECT TO THE PROPERTY, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 15 OF THIS AGREEMENT. IN PARTICULAR BUT NOT BY WAY OF LIMITATION, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, RELATING TO COMPLIANCE OF THE IMPROVEMENTS WITH CURRENT BUILDING CODES, INCLUDING WITHOUT LIMITATION THOSE RELATING TO UPDATED OR REVISED STANDARDS FOR PLUMBING, ELECTRICAL, STRUCTURAL, ENVIRONMENTAL, OR SEISMIC MATTERS. BUYER WARRANTS AND REPRESENTS THAT IT HAS NOT RELIED ON AND WILL NOT RELY ON, EITHER DIRECTLY OR INDIRECTLY, ANY WARRANTY OR REPRESENTATION OF SELLER NOT EXPLICITLY SET FORTH IN THIS AGREEMENT.

AT THE CLOSE OF ESCROW, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS, AND BUYER SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S PARTNERS, MEMBERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S PARTNERS, MEMBERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY, EXCEPT AS EXPRESSLY SET FORTH OTHERWISE IN THIS AGREEMENT. IN CONNECTION WITH SUCH RELEASE, BUYER EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 (AND ANY SIMILAR STATE LAW IN THE STATE OF _____), WHICH PROVIDES THAT:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS 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.”

SELLER'S INITIALS

BUYER'S INITIALS

21. Indemnity.

21.1. In consideration of Seller's permission to Buyer and its agents to perform investigations and testing on and about the Property, Buyer shall defend, indemnify and hold harmless Seller, Seller's partners, members, officers, employees, agents, contractors, successors, assigns, and affiliates (collectively, the "Indemnitees"), and the Property from all claims, costs, liens, actions and judgments (including Seller's attorneys' fees and defense costs) resulting from Buyer's investigation of the Property, its attempts to obtain any regulatory approvals in connection with the Property, or otherwise caused by Buyer or any of its employees, agents or independent contractors. Unless and until the Close of Escrow occurs, Buyer shall maintain all the information it obtains in connection with the Property in strict confidence and may not reveal any of such information to any party other than those parties to which it may otherwise be required to disclose in accordance with applicable law. Buyer shall, at Buyer's sole cost, promptly repair any damage resulting from its activities on the Property and restore the Property to its condition before Buyer or any of its agents first entered the Property.

21.2. Buyer shall further defend, indemnify and hold harmless the Indemnitees from all claims, costs, liens, actions and judgments (including Seller's attorney's fees and defense costs) resulting from Buyer's use, operation, or ownership of the Property after Close of Escrow, and/or Buyer's conversion of the Property to any other use other than its current use as a residential rental apartment project, including without limitation the marketing or sales of interests in the Property as a condominium project, common interest development (as defined by Civil Code Section 1351), cooperative, or timeshare project, including without limitation claims made at any time by buyers of interests in such condominium, common interest development, cooperative, or

timeshare project or any association administering or managing such a project. On or before Close of Escrow, and as a condition to Seller's obligations under this Agreement, Buyer shall deliver to Seller evidence of insurance coverage in the types and amounts described on attached Exhibit "F", naming Seller and Seller's property manager as additional insureds. Buyer shall continuously maintain such insurance in place for at least ten (10) years after Close of Escrow. Seller's obligations under this Agreement are conditioned upon Seller's reasonable determination that Buyer meets the minimal financial strength requirements set forth on attached Exhibit "G".

22. Like-Kind Exchange. Buyer shall cooperate with Seller in effecting a tax deferred exchange of the Property under Section 1031 of the Internal Revenue Code so long as no unreimbursed additional costs or liabilities are incurred by Buyer. Likewise, Seller shall cooperate with Buyer in effecting a tax deferred exchange of the Property under Section 1031 of the Internal Revenue Code so long as no unreimbursed additional costs or liabilities are incurred by Seller.

23. Operation of Property and New Leases and Service Agreements. At all times during the term of the Escrow, Seller shall operate and maintain the Property in conformity with Seller's current practices at the Property. Seller shall have no liability after Close of Escrow for the breach of a covenant under this Paragraph of which Buyer had knowledge as of Close of Escrow. Additionally:

(a) From and after the time that Buyer waives the Buyer's Condition set forth in Sections 6.1 and 6.2 above and until the earlier to occur of the termination of this Agreement or Close of Escrow, Seller shall not, without the prior consent of Buyer, enter into any new service agreements with respect to the Property which are not terminable upon 30 days notice (or less); and

(b) On or before Close of Escrow, Seller shall, at its expense, cause each unit at the Property that has become vacant before the date which is 3 days prior to Close of Escrow to be placed in a condition ready to be leased in accordance with Seller's current practice. As an alternative to Seller's obligation to place such units in such rent-ready condition, Seller may, at Seller's election, cause Buyer to be credited at Close of Escrow with the amount of \$250.00 for each unit which is not so made rent-ready. Nothing in this Section obligates Seller to place units in rent-ready condition or provide such credit to Buyer with respect to units that are vacated by residents within 3 days prior to Close of Escrow.

24. Conversion. To the extent that Buyer, at any time prior to Close of Escrow, prepares or processes plans, drawings, or other written materials intended to (a) enable the sale or marketing of residential units at the Property as condominiums (as defined in Civil Code 783), cooperatives, timeshares, (b) to convert the Property to a Common Interest Development or Condominium Project (as defined in Civil Code 1351), or (c) any other use other than that of residential rental apartments (any of the foregoing, "Alternative Use Documents"), then Buyer shall provide Seller with original copies of all such Alternative Use Documents (including drafts). Buyer shall not make any submission or application to any public agency without Seller's prior written approval of such submission or application, which Seller shall not unreasonably withhold. Buyer shall not, without Seller's consent, which may be withheld in its sole discretion, contact or give any notice to any resident or Tenant at the Property concerning any proposed alternative use of the Property. All such submissions and applications shall be made in the name of Seller. Buyer shall fully comply with all rules and regulations regarding the Alternative Use Documents and the process of converting to condominiums. Notwithstanding anything to the contrary in this Agreement, Seller

shall not be obligated to allow the imposition of any lien, easement, dedication, or other encumbrance on the Property before Close of Escrow. To the extent Buyer develops Alternative Use Documents (a) this Agreement shall constitute Buyer's assignment to Seller of all rights to such Alternative Use Documents and all rights under all contracts and work orders with design professionals relating to the Alternative Use Documents, and (b) Buyer shall, as a condition to Seller's obligations under this Agreement, within two (2) business days after Seller's request, deliver to Seller the written consent of such design professionals to such assignment, without reservation of rights to the Alternative Use Documents on the part of such design professionals. The assignment described in the foregoing sentence shall become ineffective and of no force or effect immediately upon the Close of Escrow. If Close of Escrow fails to occur, all Alternative Use Documents, together with all plans and drawings related thereto, shall belong to Seller, and Buyer shall, immediately upon the cancellation of Escrow, deliver originals of those items to Seller.

25. Post-Closing Covenant. Buyer acknowledges that part of the consideration to be received by Seller under this Agreement includes Buyer's agreement pursuant to this Section 25. Upon the occurrence of any Transfer (as defined below) within 24 months after Close of Escrow, Buyer shall pay to Seller all consideration, of whatever nature, payable by the transferee to Buyer or, if Buyer assigns his rights under this Agreement to an entity pursuant to Section 35 below, the entity that is the grantee under the Deed (Buyer or such assignee, as the case may be, "Grantee") pursuant to any Transfer, which exceeds the amount of Purchase Price (and all costs actually paid by Buyer in connection with the purchase of the Property, including without limitation, brokers' commissions (not to exceed one and one-half percent (1.5%) of the Purchase Price), costs paid by Buyer pursuant to Section 10 of this Agreement, legal fees and similar out-of-pocket costs) plus (i) an amount equal to all capital improvements actually made to the Property during Grantee's ownership, (ii) the excess, if any, of Operating Expenses (as defined below) incurred during Grantee's ownership of the Property, over Operating Revenue (as defined below) received by Grantee during its ownership of the Property, (iii) actual brokerage commissions paid to unaffiliated third parties by Grantee in connection with such Transfer, not to exceed one and one-half percent (1.5%) of the Transfer consideration, and (iv) reasonable transactional and other closing costs actually paid by Buyer in connection with any Transfer. For purposes of this Section 25, (a) "Operating Expenses" means all costs and expenses chargeable as an expense of operations under generally accepted accounting principles, including without limitation market rate management fees, utilities, costs incurred in connection with maintenance and leasing of the Property, and interest expense incurred in third party financing secured by the Property, and (b) "Operating Revenue" means all revenue from operations under generally accepted accounting principles, including without limitation rentals and all other income arising from or attributable to the Property. This post-closing covenant shall survive the closing. On or before Close of Escrow, Grantee and Seller shall execute a recordable Memorandum of Agreement in the form of attached Exhibit "H" (the "Memorandum"). For purposes of this Section 25, "Transfer" means: (A) any assignment, disposition, sale, or transfer of fee title to all or any portion of the Property or the execution of any agreement for the assignment, disposition, sale, or transfer of fee title to all or any portion of the Property, (B) any lease of all or substantially all of the Property, except in the ordinary course of business of the Property as a multi-family residential apartment project, or (C) any assignment, disposition, sale, transfer, acquisition, or issuance of equitable interests (whether stock, partnership or otherwise) in Grantee to or by any person, entity, or group of related persons or affiliated entities, whether in a single transaction or in a series of related or unrelated transactions, which results in such person, entity, or group holding (or assigning, transferring, disposing of, or selling) fifty percent (50%) or more of the aggregate issued and outstanding equitable interests in Grantee.

Notwithstanding anything else to the contrary set forth in this Section 25, a Transfer shall exclude, and this provision shall not apply to, (i) any sale or transfer of any individual condominium units (or timeshare interest therein) within the Property (up to a maximum of five (5) individual residential units to any particular buyer or group of affiliated buyers), (ii) any transfers or conveyances resulting from the granting, transfer, pledging or hypothecation of any equitable or ownership interest in the entity holding fee title to the Property if such transfer, pledging or hypothecation is made for financing purposes, as security for repayment of any financial obligations, in connection with the procurement or contribution of equity or capital for the project, or otherwise related to any mezzanine type of financing structure or other financing or capital structure, or (iii) the granting, pledging, encumbrance or hypothecation of the Property as security in connection with any financing or similar transaction.

26. Partnership Approval. Notwithstanding anything to the contrary in this Agreement, Seller has no obligations under this Agreement unless and until the general partner of Seller obtains written approval from a majority of Seller's limited partners to enter into this Agreement and the transactions contemplated by this Agreement ("Seller's Consent"). Seller's general partner shall seek such approval immediately after Buyer waives or satisfies its conditions under Sections 6.1 and 6.2 above. If Seller's Consent is not obtained within thirty (30) days after the expiration of the Due Diligence Period, Buyer may terminate this Agreement by written notice delivered to Seller before Seller's Consent is given, in which case Buyer will be entitled to the return of the Deposit.

27. Lead Warning Statement. Every Buyer 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 from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. Buyer acknowledges that it has been given an ample opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards during the Due Diligence Period.

28. Further Assurances. Each party to this Agreement shall execute and deliver all instruments and documents and take all actions as may be reasonably required or appropriate to carry out the purposes of this Agreement.

29. Counterparts and Exhibits. This Agreement may be executed in counterparts, each of which is deemed an original and all of which together constitute one document. All exhibits attached to and referenced in this Agreement are incorporated into this Agreement.

30. Time of Essence. Time and strict and punctual performance are of the essence with respect to each provision of this Agreement.

31. Attorney's Fees. The prevailing party in any litigation, arbitration, mediation, bankruptcy, insolvency or other proceeding ("Proceeding") relating to the enforcement or interpretation of this Agreement may recover from the unsuccessful party all costs, expenses, and

actual attorney's fees (including expert witness and other consultants' fees and costs) relating to or arising out of (a) the Proceeding (whether or not the Proceeding proceeds to judgment), and (b) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the Proceeding. All such judgments and awards shall contain a specific provision for the recovery of all such subsequently incurred costs, expenses, and actual attorney's fees.

32. Governing Law, Venue and Jurisdiction. This Agreement is governed by and construed in accordance with the laws of the State of _____, irrespective of _____'s choice-of-law principles. Notwithstanding the location of the Property, all actions and proceedings arising in connection with this Agreement must be tried and litigated exclusively in the State and Federal courts located in the County of _____, State of _____, which courts have personal jurisdiction and venue over each of the parties to this Agreement for the purpose of adjudicating all matters arising out of or related to this Agreement. Each party authorizes and accepts service of process sufficient for personal jurisdiction in any action against it as contemplated by this paragraph by registered or certified mail, return receipt requested, postage prepaid, to its address for the giving of notices set forth in this Agreement.

33. Modification. This Agreement may be modified only by a contract in writing executed by the party to this Agreement against whom enforcement of the modification is sought.

34. Prior Understandings. This Agreement and all documents specifically referred to and executed in connection with this Agreement: (a) contain the entire and final agreement of the parties to this Agreement with respect to the subject matter of this Agreement, and (b) supersede all negotiations, stipulations, understandings, agreements, representations and warranties, if any, with respect to such subject matter, which precede or accompany the execution of this Agreement.

35. Interpretation. Whenever the context so requires in this Agreement, all words used in the singular may include the plural (and vice versa) and the word "person" includes a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity. The terms "includes" and "including" do not imply any limitation. No remedy or election under this Agreement is exclusive, but rather, to the extent permitted by applicable law, each such remedy and election is cumulative with all other remedies at law or in equity. The paragraph and section headings in this Agreement: (a) are included only for convenience, (b) do not in any manner modify or limit any of the provisions of this Agreement, and (c) may not be used in the interpretation of this Agreement. Each provision of this Agreement is valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement (or the application of such provision to any person or circumstance) is or becomes invalid or unenforceable, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, are not affected by such invalidity or unenforceability. For purposes of this Agreement, the term "day" means any calendar day and the term "business day" means any calendar day other than a Saturday, Sunday or any other day designated as a holiday under California Government Code Sections 6700-6701. Any act permitted or required to be performed under this Agreement upon a particular day which is not a business day may be performed on the next business day with the same effect as if it had been performed upon the day appointed.

36. Successors-in-Interest and Assigns. Except as provided in the following sentence, Buyer may not assign its rights under this Agreement to any person or entity, without the prior

written consent of Seller which consent may be withheld in Seller's sole and absolute discretion. The Buyer identified in the introductory paragraph of this Agreement ("Original Buyer") may assign its rights under this Agreement only to a limited partnership, general partnership, or limited liability company with respect to which (a) Original Buyer is managing general partner (in the case of a limited or general partnership), or managing member (in the case of a limited liability company), and (b) Original Buyer is also the holder of at least twenty-five (25%) of the outstanding equitable interests of such assignee. Such right to assign shall be conditioned upon Original Buyer providing Seller with notice of such assignment at least fourteen (14) days prior to the Close of Escrow, accompanied by evidence reasonably acceptable to Seller that such assignee is a permitted assignee pursuant to this paragraph. Such assignee shall expressly assume all obligations of Buyer under this Agreement. No assignment by Original Buyer of any rights or obligations under this Agreement relieves Original Buyer of any obligations under this Agreement unless Seller expressly agrees, in its sole discretion, to such release in writing. Subject to the foregoing, this Agreement shall be binding on and inure to the benefit of the successors-in-interest and assigns of each party to this Agreement.

37. Notices. Each notice and other communication required or permitted to be given under this Agreement ("Notice") must be in writing. Notice is duly given to another party upon: (a) hand delivery to the other party, (b) receipt by the other party when sent by facsimile to the address and number for such party set forth below (provided, however, that the Notice is not effective unless a duplicate copy of the facsimile Notice is promptly given by one of the other methods permitted under this paragraph), (c) three business days after the Notice has been deposited with the United States postal service as first class certified mail, return receipt requested, postage prepaid, and addressed to the party as set forth below, or (d) the next business day after the Notice has been deposited with a reputable overnight delivery service, postage prepaid, addressed to the party as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery-service-provider.

If to Seller, to: _____

If to Buyer, to: _____

Attention: _____

Telephone: _____

Telecopy: _____

Email: _____

Each party shall make a reasonable, good faith effort to ensure that it will accept or receive Notices to it that are given in accordance with this paragraph. A party may change its address for purposes of this paragraph by giving the other party(ies) written notice of a new address in the manner set forth above.

38. Waiver. Any waiver of a default or provision under this Agreement must be in writing. No such waiver constitutes a waiver of any other default or provision concerning the same or any other provision of this Agreement. No delay or omission by a party in the exercise of any of its rights or remedies constitutes a waiver of (or otherwise impairs) such right or remedy. A consent to or approval of an act does not waive or render unnecessary the consent to or approval of any other or subsequent act.

39. Drafting Ambiguities. Each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that ambiguities are to be resolved against the drafting party or in favor of the party receiving a particular benefit under an agreement may not be employed in the interpretation of this Agreement or any amendment to this Agreement.

40. Third Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies on any person or entity other than the parties to this Agreement and their respective successors-in-interest and permitted assignees.

Dated: _____

_____, a _____

By: _____

Its: _____

Dated: _____

_____, a _____

By: _____

Its: _____

CONSENT AND ACCEPTANCE OF ESCROW HOLDER:

The undersigned acknowledges having received an executed original of this Agreement (or counterparts thereof) and the Deposit on _____, 20__

The undersigned hereby consents to and accepts the instructions set forth in the above Agreement for Purchase and Sale and Joint Escrow Instructions.

_____ Title Insurance Company

By: _____

Its: _____

BROKER'S ACKNOWLEDGMENT

The undersigned Broker acknowledges and agrees that it is not entitled to any commission or other compensation in connection with the Agreement to which this Acknowledgment is attached or the Property unless and until the sale transaction contemplated by the Agreement is consummated, and that _____ under this Agreement is solely responsible to pay all fees and compensation payable to Broker in connection with this sales transaction. Capitalized terms used in this Acknowledgment have the definitions set forth in the Agreement.

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT B

LIQUIDATED DAMAGES REAFFIRMATION

In connection with Buyer's delivery of the Additional Deposit and Extension Deposit, by its initials below, each of Buyer and Seller hereby reaffirms that the Additional Deposit or Extension Deposit, as the case may be, together with the Initial Deposit, shall constitute liquidated damages pursuant to Section 13 of the Agreement dated _____, 2004 between Buyer and Seller. That Section reads as follows:

LIQUIDATED DAMAGES. THE PARTIES HAVE DISCUSSED AND NEGOTIATED IN GOOD FAITH UPON THE QUESTION OF THE DAMAGES THAT WOULD BE SUFFERED BY SELLER IN THE EVENT THE CLOSE OF ESCROW DOES NOT OCCUR BECAUSE BUYER BREACHES THIS AGREEMENT AND HAVE ENDEAVORED TO REASONABLY ESTIMATE SUCH DAMAGES AND THEY AGREE THAT (I) SUCH DAMAGES ARE AND WILL BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, (II) LIQUIDATED DAMAGES IN THE AGGREGATE AMOUNT OF THE INITIAL DEPOSIT AND THE SUPPLEMENTAL DEPOSIT (AS IT MAY BE INCREASED FROM TIME TO TIME) ARE AND WILL BE REASONABLE, (III) IN THE EVENT OF SUCH BREACH, SELLER IS ENTITLED TO THE AGGREGATE AMOUNT OF THE INITIAL DEPOSIT AND THE SUPPLEMENTAL DEPOSIT AS SUCH LIQUIDATED DAMAGES, AND (IV) IN CONSIDERATION OF THE PAYMENT OF SUCH LIQUIDATED DAMAGES, SELLER SHALL BE DEEMED TO HAVE WAIVED ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY ON ACCOUNT OF THE FAILURE OF THE CLOSE OF ESCROW TO OCCUR, EXCEPT FOR: (A) CLAIMS FOR THE RETURN OF DOCUMENTS IN CONNECTION WITH THIS AGREEMENT; (B) ACTIONS TO EXPUNGE A LIS PENDENS OR OTHER CLOUDS ON TITLE CAUSED BY BUYER; (C) BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, AND (D) ATTORNEYS' FEES AND COSTS INCURRED BY SELLER INCIDENT TO CLAUSES (A) THROUGH (C) ABOVE.

SELLER'S INITIALS

BUYER'S INITIALS

EXHIBIT C
DUE DILIGENCE DELIVERIES

EXHIBIT D

ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS (this “Assignment”), is made as of _____, by _____, a _____ (“Assignor”), in favor of _____ (“Buyer”), in accordance with the Agreement of Purchase and Sale and Joint Escrow Instructions dated as of __, 2004, by and between Assignor and Buyer.

FOR GOOD AND VALUABLE CONSIDERATION, Assignor grants, conveys, assigns, and sets over to Buyer, absolutely and not as security, all of Assignor’s right, title, and interest in, to and under the leases (the “Leases”), whether written or oral, affecting the use, enjoyment or occupancy of any portion of the real property located in _____ County, _____, described on the attached Exhibit “A” (the “Property”), whether now existing or hereafter arising, including all cash or securities now or later deposited under any of the Leases to secure performance by other parties of their obligations thereunder, and all guarantees of any Leases or other rental arrangements. Assignor hereby grants, conveys and assigns to Buyer all right, title, and interest in, to and under, to extent assignable, the contracts set forth on the attached Exhibit “B” (the “Contracts”).

Assignor shall indemnify, defend and hold harmless Buyer from and against any and all claims, losses, costs, damages, and obligations arising out of or in any way connected with any of the Leases or Contracts if the basis therefor occurred on or before the date possession of the Property is delivered to Buyer. Buyer hereby assumes from and after the date of delivery of possession of the Property to Buyer, the obligations of Assignor under the Leases and Contracts and Buyer shall indemnify, defend and hold harmless Assignor from and against any and all claims, losses, costs, damages, and obligations arising under the Leases and Contracts after the date of such assumption.

This Assignment and Assumption may be executed in counterparts, each of which is deemed an original, and all of which together constitute one document.

[SIGNATURES ON FOLLOWING PAGE]

ASSIGNOR:

_____, a _____

By: _____

Its: _____

BUYER:

_____, a _____

By: _____

Its: _____

EXHIBIT E

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale is made as of _____, by _____
_____, a _____ (“Seller”), in favor of _____, a _____ (“Buyer”) in
accordance with the Agreement of Purchase and Sale and Joint Escrow Instructions dated as of
_____, 2004 between Seller and Buyer (the “Agreement”).

FOR GOOD AND VALUABLE CONSIDERATION, Seller grants, conveys, assigns (to the extent assignable or transferable), and sets over to Buyer, absolutely and not as security, all of Seller’s right, title and interest in and to all personal property and other rights and property associated with or appurtenant to the real property described on the attached Exhibit “A” (the “Real Property”), including, without limitation, all of Seller’s present and future right, title, and interest in, under, and to the following: all of the personal property described on the attached Exhibit “B”; all licenses, permits and approvals with respect to the Real Property, including without limitation those issued by governmental authorities; all contractors’, subcontractors’, manufacturers’ and suppliers’ warranties and guarantees, respecting any labor, material or equipment used in or as part of the Real Property; all existing plans, site plans, drawings, architectural drawings, plans and specifications, working drawings, “as built” drawings, reports, surveys, and documents relating to subdivision map and planned commercial development approvals, with respect to the Property, in Seller’s possession or control; any trade names, trademarks and logos with respect to the Real Property; and all other portions of the Property (as defined in the Agreement) not conveyed by Seller to Buyer pursuant to the deed executed by Seller in favor of Buyer as of the date of this Agreement. Such Assignment is made expressly subject to the waivers and limitation upon representations and warranties of Seller set forth in the Agreement.

_____, a _____

By: _____

Its: _____

EXHIBIT F

INSURANCE REQUIREMENTS

GENERAL INSURANCE REQUIREMENTS: All Insurance described in this Exhibit shall be carried in force by Buyer continuously for a period of ten (10) years after Close of Escrow at Buyer's sole expense with insurance carriers licensed and approved to do business, having a rating of not less than A VIII by the most current Best's Key Rating Guide. In no event will such insurance be terminated before the expiration of such ten (10) year period.

EVIDENCE OF INSURANCE: As evidence of specified insurance coverage, Buyer shall deliver to Seller certificates of insurance issued by Buyer's insurance carrier showing all such policies in force described in this Article, but seller has the right to require Buyer to submit to Seller certified copies of all such policies. Such evidence shall be delivered to seller's address. Each policy and certificate shall provide that such policy shall not be subject to material alteration to the detriment of the Seller or cancellation without thirty (30) days written notice to be delivered to Seller by registered mail. In the cancellation section of the Certificate of Insurance the Buyer shall delete the words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the Company, its agents or representatives." Should any policy be canceled and Buyer fails immediately to procure other insurance as specified, Seller reserves the right, but shall have no obligation, to procure such insurance at the sole cost of the Buyer.

DAMAGES: Nothing contained in these insurance requirements is to be construed as limiting the type, quality or quantity of insurance Buyer should maintain or the extent of the Buyer's responsibility or liability for payment of damages resulting from its operations. The carrying of the insurance as specified herein shall not be construed to be a limitation of liability on the part of the Buyer, nor shall it relieve Buyer from any liability.

GENERAL LIABILITY INSURANCE: Buyer shall maintain a Project Specific or Project Specific Wrap-up Commercial General Liability Insurance Policy on an occurrence basis, with reasonably acceptable deductibles not to exceed \$50,000 per occurrence, covering Operations, Products and Completed Operations, Independent Subcontractors, Contractual Liability, Broad Form Property Damage including Products and Completed Operations, Severability of Interests and Cross Liability clauses, Personal Injury and Advertising Injury. Such insurance must be kept in force for the period of work and an extension for products and completed operations for the period of time allowed by the applicable law for claims or suits to be brought with limits not less than: \$5,000,000 General Aggregate, \$5,000,000 Products and Completed Operations Aggregate, \$5,000,000 Each Occurrence Limit, \$1,000,000 Personal & Advertising Injury Limit. The limits specific in this paragraph may be provided by any combination of primary and excess insurance policies.

Seller shall be included as a Named Insured under all primary and excess liability insurance policies.

WAIVER OF SUBROGATION: All insurance policies required herein shall contain a provision under which the insurance carrier waives its right of subrogation with respect to Seller and its agents.

If Seller fails to enforce any of these insurance requirements, such failure shall not constitute a waiver of such requirements.

EXHIBIT G
FINANCIAL STANDARDS

EXHIBIT H

RECORDING REQUESTED BY)
_____))
_____))
AND WHEN RECORDED MAIL TO:)
_____))
_____))
_____))
_____))

(Space above for Recorder’s Use)

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is made and given as of _____, 2004, by _____, a _____ (“Grantee”), in favor of _____, a _____ (“Grantor”), in accordance with the Agreement of Purchase and Sale and Joint Escrow Instructions dated as of _____, 2004, between Grantor, as seller, and Grantee, as buyer (the “Agreement”).

1. Grantee and Grantor hereby agree that, as a material portion of the consideration to be received from Grantee in connection with its purchase of the real property described on attached Exhibit A (the “Property”), Grantee has agreed to this post-closing covenant described in this Memorandum, as more particularly set forth in the Agreement.

2. Upon the occurrence of any Transfer (as defined below) within 24 months after the recordation of the Grant Deed from Grantor to Grantee, Grantee shall pay to Grantor all consideration, of whatever nature, payable by the transferee (or receivable by Grantee) pursuant to any Transfer, which exceeds the amount of Purchase Price (and all costs actually paid by Buyer in connection with the purchase of the Property, including without limitation, brokers’ commissions (not to exceed one and one-half percent (1.5%) of the Purchase Price), costs paid by Buyer pursuant to Section 10 of the Agreement, legal fees and similar out-of-pocket costs) plus (i) an amount equal to all capital improvements actually made to the Property during Grantee’s ownership, (ii) the excess, if any, of Operating Expenses (as defined below) incurred during Grantee’s ownership of the Property, over Operating Revenue (as defined below) received by Grantee during its ownership of the Property, (iii) actual brokerage commissions paid to unaffiliated third parties by Grantee in connection with such Transfer, not to exceed one and one-half percent (1.5%) of the Transfer consideration, and (iv) reasonable transactional and other closing costs actually paid by Buyer in connection with any Transfer. For purposes of this Memorandum, (a) “Operating Expenses” means all costs and expenses chargeable as an expense of operations under generally accepted accounting principles, including without limitation market rate management fees, utilities, costs incurred in connection with maintenance and leasing of the Property, and interest expense incurred in third party financing secured by the Property, and (b) “Operating Revenue” means all revenue from operations under generally accepted accounting principles, including without limitation rentals and all other income arising from or attributable to the Property.

3. For purposes of this Memorandum, "Transfer" means: (a) any assignment, disposition, sale, or transfer of fee title to all or any portion of the Property or the execution of any agreement for the assignment, disposition, sale, or transfer of fee title to all or any portion of the Property, (b) any lease of all or substantially all of the Property, except in the ordinary course of business of the Property as a multi-family residential project, or (c) any assignment, disposition, sale, transfer, acquisition, or issuance of equitable interests (whether stock, partnership or otherwise) in Grantee to or by any person, entity, or group of related persons or affiliated entities, whether in a single transaction or in a series of related or unrelated transactions, which results in such person, entity, or group holding (or assigning, transferring, disposing of, or selling) fifty percent (50%) or more of the aggregate issued and outstanding equitable interests in Grantee.

GRANTEE:

By: _____

Its: _____

GRANTOR:

_____, a _____

By: _____

Its: _____

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____,
Date Name, Title Of Officer
personally appeared _____,
Name(s) Of Signer(s)

“ 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.

Notary Public

State of California)
)
County of _____)

On _____ before me, _____,
Date Name, Title Of Officer
personally appeared _____,
Name(s) Of Signer(s)

“ 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.

Notary Public