

Marcus & Millichap

COUNTER OFFER (Seller)

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

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

SELLER: _____ ADDRESS: _____
1402 Alta Vista
Partners LLC

DATE: _____

Seller RESIGN _____

DATE: _____

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

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

DATE: _____

AGENT: MARCUS & MILLICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY

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

DATE: _____

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

DATE: _____

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

DATE: _____

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