

## LOAN PURCHASE AGREEMENT

THIS LOAN PURCHASE AGREEMENT (this "Agreement") is made as of the 2nd day of July, 2007, by and among WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (the "Lender"), PRINCIPAL LIFE INSURANCE COMPANY, an Iowa corporation, for its Principal US Property Separate Account ("Purchaser") and HENDERSON LOFTS DEVCO LLC, an Arizona limited liability company ("Borrower").

### RECITALS:

A. Pursuant to that certain Loan Agreement (the "Loan Agreement") dated as of July 2, 2007, by and between Borrower and the Lender, the Lender has agreed to make an acquisition loan (the "Loan") to Borrower in the aggregate maximum principal amount up to Thirteen Million One Hundred Thousand and No/100 Dollars (\$13, 100,000.00) (as such amount may be increased as agreed by the Lender, the Borrower and the Purchaser, the "Principal Amount") as evidenced and secured by the documents listed on Exhibit A attached hereto (collectively, the "Loan Documents").

B. Pursuant to the Loan Documents, the proceeds of the Loan shall be used by Borrower to acquire certain real estate located in Henderson, Nevada sufficient for a future development of three story Class A apartment buildings containing at least 324 garden-style apartment units and to finance certain other costs and expenses in connection therewith as more particularly described in the Loan Documents.

NOW, THEREFORE, with reference to the foregoing recitals, all of which are incorporated herein by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Defined Terms. Capitalized terms used but not defined in this Agreement shall, unless otherwise indicated, have the respective meanings set forth in the Loan Agreement.

2. Purchaser's Obligation to Purchase the Loan.

2.1 Put Right.

(a) Unless on or before the Trigger Event Date (as hereinafter defined), all of the Obligations (as hereinafter defined), including, without limitation, all obligations of Borrower to Lender or any affiliate of Lender under any interest rate swap transaction or other interest rate hedging transaction entered into between Borrower and Lender or any affiliate of Lender ("Swap Transaction") have been paid and satisfied in full, then, within thirty (30) days after receipt of written demand from the Lender after the occurrence of a Trigger Event Date, Purchaser shall purchase the Loan Rights (as hereinafter defined) from the Lender for an amount equal to the aggregate amount of all outstanding principal, accrued and unpaid interest, fees, costs and other amounts due and payable to the Lender pursuant to the Loan Documents as of the date of Loan Transfer (as hereinafter defined), including, without limitation, amounts owing by Borrower in connection with any Swap Transaction, amounts owing to the Lender for reimbursement of advances made by Lender pursuant to the Loan Documents (such as, for example, and without limitation, advances for real property taxes, insurance premiums and security and repair costs that may be paid by the Lender), and other amounts owing to the Lender

under the Loan Documents whether pursuant to the exercise of the rights and remedies of the Lender or otherwise (collectively, the "Purchase Price"). The reference in Recital Paragraph A above to "Principal Amount" is not intended to limit the amount of the Purchase Price payable hereunder. After the occurrence of a Trigger Event Date of which the Lender has actual knowledge, the Lender shall make no additional advances under the Loan Documents to the Borrower, unless such advances are made to protect and preserve Lender's collateral for the Loan. Notwithstanding the foregoing, Lender shall not hereafter make any Borrower-requested advance or draw of the Loan to Borrower if the outstanding principal balance of the Loan exceeds the Principal Amount, or if such advance would cause the outstanding principal balance of the Loan to exceed the Principal Amount, without Purchaser's prior written consent. If Purchaser fails to purchase the Loan Rights (and pay the Purchase Price in full) within such thirty (30) day period, interest shall accrue and be payable on the Purchase Price at the same rate as is then payable on amounts outstanding under the Loan Documents. Simultaneously with receipt by the Lender of the Purchase Price from Purchaser, and as a condition to Purchaser's obligation to pay the Purchase Price, the Lender, pursuant to documents reasonably acceptable to Purchaser and the Lender (including the original Note endorsed to the order of the Purchaser) (the "Transfer Documents"), shall transfer, grant, sell, convey and assign to Purchaser (the "Loan Transfer") all of the Loan Rights (as hereinafter defined), without recourse, representation or warranty of any kind or nature whatsoever, except for the representations and warranties set forth in Section 4.1 below.

For the purposes of this Agreement, (i) the term "Trigger Event Date" shall mean the earliest of (A) the Maturity Date (as defined in the Note and as such date may be extended by agreement of the Lender, the Borrower and the Purchaser), (B) the date on which (i) a monetary default or (ii) other Default (as such term may be defined in the Loan Agreement, the Note or any other Loan Document) shall have occurred and any applicable grace or cure period shall have expired without the curing thereof; (C) the date on which an Event of Bankruptcy (as hereinafter defined) occurs; (D) the date on which the Purchaser shall fail to perform any obligation (other than its obligation to purchase the Loan set forth in Section 2.1(a)) to be performed by it under this Agreement following thirty (30) days prior written notice by the Lender to the Purchaser and the failure by the Purchaser to cure such failure with such thirty (30) day period; (E) the failure by the Purchaser to comply with any of the financial covenants set forth in Section 9.1 (a), (b) or (d) of the Credit Agreement; and (F) the date on which any representation made by the Purchaser in this Agreement shall prove to have been incorrect in any material respect as of the date made; (ii) the term "Event of Bankruptcy" shall mean Borrower's or Purchaser's making an assignment for the benefit of creditors, or a receiver, custodian or trustee being appointed for Borrower or Purchaser, or Borrower's or Purchaser's being the subject of a bankruptcy, reorganization or insolvency or similar type proceeding (voluntarily or involuntarily), and in the case of an involuntary proceeding, such proceeding not being dismissed within sixty (60) days from the date of commencement thereof; (iii) the term "Obligations" shall mean all of Borrower's (A) obligations to pay all principal, interest, attorneys' fees, expenses

and other sums due or to become due pursuant to (1) the Loan Agreement, the Note or any other Loan Document and (2) any extensions, renewals or modifications of the Loan Agreement, the Note or any other Loan Document, together with all expenses of, for and incidental to collection, including reasonable attorneys' fees, and (B) obligations of performance of all terms and conditions in the Loan Documents; and (iv) the term "Credit Agreement" shall mean that certain Credit Agreement dated as of October 18, 2004, among the Purchaser, Wachovia Bank, National

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Association, as Administrative Agent and the financial institutions party thereto from time to time, as in effect on the date of this Agreement, but giving effect to (A) any waivers, amendments and restatements thereto and thereof with respect to which the Lender has given its consent and (B) any replacement credit agreement entered into by the Purchaser to which the Lender is a party (it being understood that any references to sections of such Credit Agreement contained in this Agreement shall automatically be deemed to be references to corresponding sections in any such replacement credit agreement entered into by the Purchaser to which the Lender is a party).

(b) Purchaser's obligation to purchase the Loan Rights if the Obligations have not been paid and performed in full on or prior to the Trigger Event Date shall be unconditional and shall not be affected by any matter whatsoever (subject to compliance by the Lender with the terms of Section 2.1 (a), Section 2.4 and Section 4.1 of this Agreement).

Without

limiting the foregoing, it is expressly acknowledged by Purchaser to the Lender that Purchaser has fully and completely investigated and reviewed all matters pertaining to the Loan, Borrower and any other matter(s) Purchaser deems relevant, and that Purchaser's obligation to purchase the Loan Rights as herein required shall not be limited, modified or otherwise affected in any manner (except that the date of such purchase obligation may be affected as set forth in this Agreement) by (a) the insolvency, bankruptcy, dissolution, liquidation, termination, receivership, reorganization, merger, consolidation, change of form, structure or ownership, sale of all assets, or lack of corporate, partnership or other power of Borrower; (b) noncompliance of the Borrower with any laws, rules, orders regulations, codes or ordinances of any governmental body having jurisdiction, or with any contractual obligation owing to any person; (c) the environmental contamination or environmental condition of the Property or the Project; (d) the status of legal title to the Property or the Project; (e) the pendency or potential of any litigation involving Borrower; (f) the sufficiency of the Loan Documents; (g) any defenses or claim Borrower may assert regarding the validity of the Loan Documents; or (h) the status or priority of any lien or security interest of the Lender in any property or assets of Borrower. Purchaser further acknowledges that (1) its obligation to purchase the Loan Rights shall not be limited, modified or otherwise affected in any manner by the taking, or failing to take, by the Lender of any enforcement action in the event of any Default under the Loan Documents and (2) the Lender shall have no obligation to take (or refrain from taking) any enforcement action against Borrower which may be taken pursuant to the terms of the Loan Documents or applicable law. Purchaser acknowledges that so long as the Lender makes the representations and warranties provided in

Section 4.1 below, Purchaser shall bear the risk of all contingencies and circumstances, and none of the same shall affect Purchaser's obligation to purchase the Loan Rights pursuant to Section 2.1(a) above, and the Lender is entering into this Agreement in reliance on Purchaser's unconditional obligation (subject to compliance by the Lender with the terms of Section 2.1(a) and Section 4.1 of this Agreement) to purchase the Loan Rights as herein set forth. The Lender shall assign to the Purchaser all of its right to any on-going enforcement action upon consummation of the transfer of the Loan Rights hereunder and shall cooperate with the Purchaser's reasonable efforts to effectuate such assignment to the Purchaser.

(c) Borrower hereby acknowledges and agrees that nothing in this Agreement shall: (i) limit, restrict, impair, modify or amend any of the terms, covenants and conditions to Borrower's obligations under any Loan Document; or (ii) release, discharge or relieve Borrower from performing or satisfying any of the terms, covenants and conditions of any Loan Document.

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(d) Borrower hereby acknowledges and agrees that from and after the Trigger Event Date, the Lender's commitment to make further advances under the Loan shall terminate and the failure of the Lender to take, or the taking by the Lender of, any enforcement action under the Loan Documents as provided in Section 2.1 (b) shall not: (i) release, discharge or waive any breach of or Default under the Loan Documents; (ii) limit, restrict or impair rights or remedies of the Lender under the Loan Documents; or (iii) affect the enforceability of the Loan Documents.

2.2 Loan Rights. For purposes of this Agreement, the term "Loan Rights" shall mean all of the right, title and interest in, to and under the Loan and Loan Documents and, to the extent pertaining thereto, to the following: (i) all amounts funded by or payable to the Lender pursuant to the Loan Documents, including all escrows or reserves held by the Lender, and all obligations then owed the Lender in connection with the Loan and Loan Documents; (ii) the Loan Documents (and any other documents or instruments now or hereafter evidencing or securing the Loan); (iii) all claims (including claims as defined in Bankruptcy Code § 101(5)), suits, cause of action and other rights of the Lender, whether known or unknown, against Borrower or any guarantor or other obligor of the Loan (each an "Obligor") or any of their respective affiliates, agents, representatives, contractors or advisors (or any other person or entity) that in any way is based upon, arises out of or is related to any of the foregoing, including, to the extent permitted to be assigned under applicable law, all claims (including contract claims, tort claims, malpractice claims and claims under law governing the purchase and sale of, or indentures for, securities), suits, causes of action, and any other right of the Lender against any attorney, accountant, financial advisor or other person or entity arising under or in connection with the Loan and Loan Documents; (iv) all guarantees and all Collateral (hereinafter defined) of any kind for or in respect of the Loan or the Loan Documents; (v) all cash, securities or other property and all setoffs and replacements, received, applied or affected by the Lender under the Loan or the Loan Documents, in all cases received by the Lender after the date of the Loan Transfer (and pertaining to the Loan), including all distributions obtained by or through

redemption, or a plan of reorganization, restructuring or liquidation of Borrower or any Obligor with respect to the Loan Documents, and all cash, securities, interest, dividends and other property that may be exchanged for, or distributed or collected with respect to, any of the foregoing; (vi) all of the rights of the Lender under any property liability and title insurance policies relating to the Property, the Project, the Loan and the Loan Documents (to the extent transferable and assignable and pertaining to acts, events, projects or circumstances after the date of the Loan Transfer); (vii) all insurance and condemnation proceeds and any rights to any insurance and condemnation proceeds received by the Lender pursuant to the Loan Documents to the extent not applied to any sums outstanding under the Loan Documents prior to the date of the Loan Transfer and to the extent received after the date of the Loan Transfer, and (viii) all products and proceeds of the foregoing. For purposes of this Agreement, the term "Collateral" shall mean any property, whether real or personal, tangible or intangible, of any kind and wherever located. whether now owned or hereafter acquired or created, in or over which a lien, encumbrance or security interest has been, or is purported to have been, granted to or for the benefit of the Lender pursuant to the Loan Documents, if any.

2.3 Certain Agreements and Waivers by Purchaser.

(a) Purchaser hereby agrees that neither the rights and remedies of the Lender nor Purchaser's obligations under the terms of this Agreement shall be released, diminished,

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impaired, reduced or affected by anyone or more of the following events, actions, facts, or circumstances, and the liability of Purchaser under this Agreement shall be absolute and unconditional irrespective of:

(i) any limitation of liability or recourse in any other Loan Document or arising under any law;

(ii) any and all applicable statutes of limitations, all of which Purchaser hereby waives to the fullest extent permitted by law as a defense to any action or proceeding that may be brought by the Lender against Purchaser,

(iii) any claim or defense that this Agreement was made without consideration or is not supported by adequate consideration;

(iv) the taking or accepting of any other security or agreement for, or right of recourse with respect to, any or all of Borrower's obligations under the Loan Documents;

(v) any deterioration, waste, failure to protect or preserve, impairment, or loss of, or any failure to create or perfect any lien or security interest with respect to any Collateral, including any impairment of Purchaser's recourse against any person or Collateral;

(vi) any neglect, lack of diligence, delay, omission, failure, or refusal of the Lender to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the obligations under the Loan Documents, or to exercise (or in exercising) any other right or power with respect to any security therefor, or to take or prosecute (or in taking or prosecuting) any action in connection with any Loan Document, or any failure to sell or otherwise dispose of in a commercially reasonable manner any Collateral;

(vii) any failure of the Lender to notify Purchaser of, and Purchaser shall be responsible for obtaining for itself, information regarding Borrower, including any changes in the business or financial condition of Borrower, and Purchaser acknowledges and agrees that the Lender shall have no duty to notify Purchaser of any information which any of them may have concerning Borrower;

(viii) the making of advances by the Lender to protect their interest in the Collateral, if any, to preserve the value of such Collateral, if any, or to facilitate performance of any term or covenant contained in any or the Loan Documents;

(ix) the existence of any claim, counterclaim, set-off or other right that Purchaser may at any time have against Borrower, the Lender, or any other person, whether or not arising In connection with this Agreement, the Loan Agreement or any other Loan Document;

(x) the unenforceability of all or any part of the Borrower's Obligations under the Loan Documents against Borrower, whether because such obligations exceed the amount permitted by law or violate any usury law, or because the act of creating such obligations, or any part thereof, is ultra vires, or because the officers or persons creating such obligations acted outside the scope of their authority, or because of a lack of validity or enforceability of or defect or deficiency in any of the Loan Documents, or because Borrower has any valid defense, claim or offset with respect thereto, or because Borrower's obligation ceases to exist by operation of law, or because of any other reason or circumstance, it being agreed that Purchaser shall remain liable on this Agreement regardless of whether Borrower may be found

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not liable for such obligations, or any part thereof, for any reason (and regardless of any joinder of Borrower or any other party in any action to obtain payment or performance of any or all of the Borrower's obligations under the Loan Documents);

(xi) any order, ruling or plan of reorganization emanating from proceedings under Title II of the United States Code with respect to Borrower or any other person, including any extension, reduction, composition, or other alteration of Borrower's obligations under the Loan Documents, whether or not consented to by the Lender; or

(xii) any other condition, event, omission, action or inaction that would, in the absence of this Section 2.3 result in the release or discharge of Purchaser from the performance or observance of any obligation, covenant or agreement contained in this Agreement or :my other agreement.

(b) Purchaser waives all other suretyship defenses Purchaser would otherwise have under the applicable laws of any jurisdiction.

(c) No provision or waiver in this Agreement shall be construed as limiting the generality of any other provision or waiver contained in this Agreement. All of the waivers contained herein are irrevocable and unconditional and are intentionally and freely made by Purchaser.

#### 2.4 Agreements of Lender.

(a) Lender agrees to provide Purchaser from time to time on Purchaser's request an estoppel certificate setting forth the outstanding principal balance of the Loan, stating whether to Lender's knowledge there are any Defaults by Borrower under the Loan Documents, and if there are any such Defaults or events that Lender has notified Borrower could become Defaults if left uncured during the allowed cure period, describing such Defaults or events that Lender has notified Borrower could become Defaults if left uncured during the allowed cure period.

(b) Lender shall notify Purchaser of any protective advances made by Lender pursuant to the Loan Documents.

3. Borrower Estoppel. Borrower agrees that in the event Purchaser acquires the Loan Rights pursuant to this Agreement, Purchaser will not be subject to (i) any act, omission or breach of warranty or representation of the Lender, including, without limitation, failure by the Lender to take any action under the Loan Documents, failure of the Lender to make any advance under any of the Loan Documents, or to perform any of its obligations under the Loan Documents; (ii) any claim, cause of action, offset, defense or counterclaim which Borrower might be entitled to assert against the Lender or to Borrower's obligations under the Loan Documents (and Borrower hereby waives any such claims, causes of action, offsets, defenses or counterclaims); or (iii) any amendment or modification of the Loan Documents not consented to by Purchaser. Additionally, in such event, Purchaser shall not be liable for any fees, deposits or other funds paid by Borrower to the Lender which have not been conveyed to Purchaser, and neither the Lender nor Purchaser shall be required to make any advance of proceeds after Purchaser's acquisition of the Loan Rights.

#### 4. Representations

4.1 Limited Representations of Lender. At the closing of the Loan Transfer, the Lender shall certify to Purchaser the amount of outstanding principal, accrued and unpaid interest and other charges payable to the Lender pursuant to the Loan Documents, including, without limitation, amounts owing to Lender or any affiliate of Lender in connection with any Swap Transaction, and the Lender shall represent and warrant to Purchaser that: (i) the Lender is the sole, legal and beneficial owner of all Loan Rights, free and clear of any lien, encumbrance or security interest; (ii) the Loan Rights are not subject to any other currently effective agreement for the sale, transfer or assignment of such Loan Rights, in whole or in part; (iii) Lender has full power and authority to transfer all of the Loan Rights to Purchaser pursuant to the Transfer Documents; (iv) the execution and delivery of the Transfer Documents by the Lender have been duly and validly authorized, and the Transfer Documents have been executed and delivered by the Lender; (v) Lender has provided to Purchaser all original (or copies if no originals exist) Loan Documents in its possession or control and all schedules and exhibits to such Loan Documents, including all written waivers, supplements, forbearances and amendments thereto; (vi) except for consents and waivers which have been given by the Lender generally pursuant to and in accordance with the Loan Documents or the administration of the Loan, and which do not materially impair the realization of remedies under the Loan Documents (it being understood that this provision is not intended to constitute a representation or warranty by Lender as to the existence, availability or enforcement of any such remedies), Lender has not consented to any modification, release or waiver of any term or provision of the Loan Documents, including, without limitation, any term or provision with respect to the amount or time of any payment of principal or the rate or time of any payment of interest, which has not been consented to in writing by Purchaser; (vii) other than as consented to by Purchaser in writing, Lender has not released any Collateral; and (viii) the Loan Rights transferred to Purchaser by the Lender constitute one hundred percent (100%) of the Loan Rights with respect to the Loan.

4.2 Purchaser Limited Representations. (a) Purchaser hereby represents and warrants to the Lender that: (i) Purchaser has the full power and authority to execute, deliver and perform its obligations under this Agreement, (ii) the execution, delivery and performance of its obligations under this Agreement have been duly and validly authorized by all necessary action and this Agreement has been duly executed and delivered by the Purchaser, (iii) Purchaser has conducted its own due diligence with respect to the Borrower and the Project and its decision to enter into this Agreement and has made its own credit evaluation and has not relied in any respect on the Lender in making its decision to enter into this Agreement, and (iv) this Agreement is the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the effect, if any, of bankruptcy, insolvency, reorganization, arrangement or other similar laws relating to or affecting the rights of creditors generally and the limitations, if any, imposed by general principles of equity and public policy.

(b) At the closing of the Loan Transfer, Purchaser shall represent and warrant to the Lender that: (i) Purchaser has full power and authority to purchase the Loan Rights from the Lender pursuant to the Transfer Documents; (ii) the execution and delivery of the Transfer Documents by Purchaser have been duly and validly authorized, and the Transfer Documents have been duly executed and delivered by Purchaser, and (iii) Purchaser has conducted its own due diligence with respect to the acquisition of the Loan Rights and has made its own credit evaluation without any reliance on the Lender whatsoever.



5. Limitation of Liability .

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5.1 Notwithstanding any contrary provisions of this Agreement, the Lender expressly acknowledges that (a) Purchaser assumes no liability for Borrower's failure to perform under this Agreement; and (b) in no event shall Purchaser be liable for any obligations under the Loan Documents, but this clause (b) shall not limit Purchaser's obligations under this Agreement nor relieve Purchaser of any obligations under any subsequent agreement(s) that Purchaser may enter into with the Lender.

5.2 Notwithstanding any contrary provision of this Agreement, Purchaser expressly acknowledges that (a) the Lender assumes no liability for Borrower's failure to perform under this Agreement; and (b) the Lender assumes no liability for Borrower's failure to perform under the Loan Documents, and in no event shall the Lender be liable for any of Borrower's obligations under the Loan Documents, but this clause (b) shall not limit Lender's obligations under the Loan Documents (prior to any Trigger Event Date) or this Agreement.

5.3 The Lender expressly acknowledges that the obligations of Principal Life Insurance Company ("Principal Life") under this Agreement are not its general obligations, but are expressly limited to the assets of its Principal U.S. Property Separate Account ("PUSPSA").

Principal Life shall be liable under this Agreement, solely in its capacity as investment manager and owner of the assets of its PUSPSA, whose address is 801 Grand Avenue, Des Moines, Iowa 50392. The Lender shall have recourse against Principal Life to the extent and only to the extent of all of the PUSPSA Business and the PUSPSA Properties (as such terms are hereinafter defined), including all rents, issues, profits and proceeds thereof, to satisfy the liabilities and obligations of Principal Life under the this agreement; provided, however, that, if, in connection with any rehabilitation, liquidation or insolvency of any person or entity (the "Debtor"), the Insurance Regulatory Authorities or other governmental authority having jurisdiction includes any of the PUSPSA Properties in the estate of the Debtor, Lender, to the extent permitted by applicable law, may make and recover on a claim against the Debtor's estate in accordance with applicable law. Subject to the foregoing, Lender shall have no recourse against any business (including sales and administration of insurance and group annuity products) or assets (including general accounts and any other separate accounts) of Principal Life or any direct or indirect subsidiary of Principal Life other than the PUSPSA Business and the PUSPSA Properties.

6. Borrower Deliveries. Borrower agrees to provide Purchaser with copies of all materials submitted to Lender whether in connection with Loan advances or otherwise at the same time such materials are submitted to Lender.

7. Purchaser Deliveries. Purchaser agrees to deliver to Lender the financial statements and reports required to be delivered pursuant to Sections 8.1, 8.2 and 8.4 of the Credit Agreement.

8. Cure Rights. Lender agrees to notify Purchaser of the occurrence of any Default under the Loan Documents and to allow Purchaser thirty (30) days to cure such Default after the expiration of any cure period provided the Borrower in the Loan Documents before exercising its remedies under the Loan Documents. Purchaser shall not be obligated to cure any such Default. Notwithstanding anything in this Agreement to the contrary, no Trigger Event Date resulting from a Default under the Loan Documents shall be deemed to have occurred until the expiration

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of such thirty (30) day cure period and the failure of the Purchaser to effect a cure of the subject Default.

9. Nevada Provisions. Pursuant to Nevada Revised Statute 40.495, Purchaser hereby unconditionally and irrevocably waives the provisions of Nevada Revised Statute 40.430, and acknowledges that Lender may institute a separate action against Purchaser for the enforcement of Purchaser's obligations under this Agreement, irrespective of whether Lender has exercised any power of sale or other foreclosure remedies against the property subject to the Security Instrument.

10. Cumulative Remedies. Subject to Section 5, the rights and remedies of the Lender under this Agreement are cumulative and are not in lieu of, but are in addition to, any other rights or remedies which the Lender may have under the Loan Agreement and/or the other Loan Documents, at law or otherwise. The Lender has no duty to Purchaser, Borrower, any other Obligor or any other person to exercise Lender's rights hereunder.

11. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, it shall not affect or impair the validity, legality and enforceability of any other provisions of this Agreement.

12. Amendment. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing signed by Borrower, Lender and Purchaser.

13. Successors and Assigns. This Agreement shall be binding upon the Lender,

Borrower and Purchaser and their respective successors and assigns, and shall inure to the benefit of the Lender, Borrower and Purchaser and their respective successors and assigns.

14. Termination.

14.1 Upon payment of either (a) all principal, interest, fees, costs, expenses and other amounts owing to the Lender under the Loan Documents and the termination of Lender's commitment to advance any other amounts under the Loan Documents or (b) the entire Purchase Price and Lender's satisfaction of its obligations under Section 2.1 (a) and 4.1, this Agreement (except for the representations contained in Section 4, above) shall automatically terminate and be of no further force or effect, subject to the provisions of Section 14.2 below. Lender hereby agrees, upon termination of this Agreement, to execute a release of this Agreement and all further documents, if any, necessary or required in order to evidence the termination of this Agreement.

14.2 Notwithstanding any term or provision of this Agreement, in the event by reason of any applicable federal or state bankruptcy, insolvency receivership or similar proceeding, or for any other reason, the Lender is required to relinquish or return any payment previously received in connection with the Loan (whether from the proceeds of Collateral or otherwise), in whole or in part, which had previously been applied to or retained for application against the Loan or the obligations of Borrower or any Obligor pertaining to the Loan, Purchaser's obligations under this Agreement shall be reinstated and be in full force and effect with respect to any such relinquished or returned payment.

15. CHOICE OF LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK..

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16. Jurisdiction. Borrower, the Lender and Purchaser each agrees that it may be served, by regular or certified mail at its address set forth below in this Agreement, with any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Agreement; and Borrower, the Lender and Purchaser each hereby consents that any action or proceeding against it related to this Agreement may be commenced and maintained in any court within the Borough of Manhattan, State of New York by service of process upon it, and Borrower, the Lender and Purchaser each agrees that the courts located in the Borough of Manhattan, State of New York shall have jurisdiction with respect to the person of Borrower, Lender and Purchaser, respectively, in any such suit. Borrower, the Lender and Purchaser agree not to assert any defense to any action or proceeding initiated by any other party in any court located in the Borough of Manhattan, State of New York related to this Agreement based upon improper venue or inconvenient forum.

17. Notices. Each notice, request., demand and other communication hereunder will be in writing and will be deemed to have been duly given (i) when delivered by hand (so long as the delivering party shall have received a receipt of delivery executed by the party to whom such notice was delivered), or (ii) three (3) business days after being deposited in United States certified or registered mail, postage prepaid, return receipt requested, or (iii) when sent by telecopier (with receipt confirmed), provided a copy is also sent by United States mail, or (iv) one (1) business day after delivery to a recognized overnight courier service, in each case addressed to the parties as follows (or to such other address as a party may designate by notice to the others):

If to Borrower:

Henderson Lofts Devco LLC  
c/o Vested Housing Group, LLC  
3649 N. 51st Place  
Phoenix, AZ 85018  
Attn: Andrew S. Miller  
Telephone: 602-224-5400

Facsimile: 602-224-5404

With a copy to:

Kutak Rock, LLP  
8601 N. Scottsdale Road, Suite 300  
Scottsdale, AZ 85253  
Attn: Brian J. Jordan, Esq.  
Telephone: 480-429-4844  
Facsimile: 480-429-500 I

If to Lender:

Wachovia Bank, National Association  
NC 0663  
301 South Tryon Street, 9th Floor  
Charlotte, NC 28288  
Attn: Karla M. Brewer  
Telephone: 704-383-5625

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Facsimile: 704-383-4973

If to Purchaser:

Principal Life Insurance Company  
c/o Principal Real Estate Investors, LLC  
801 Grand Avenue  
Des Moines, Iowa 50392  
Attn: Jeffrey A. Frey  
Telephone: 515-362-2430  
Facsimile: 866-850-4022

With a copy to:

Principal Life Insurance Company  
c/o Law Department  
711 High Street  
Des Moines, Iowa 50392  
Attn: Thomas R. Pospisil, Esq.  
Telephone: 515-247-0667  
Facsimile: 866-496-6527

With a copy to:

Buchalter Nemer, a Professional Corporation  
333 Market Street, 25th Floor  
San Francisco, CA 94105-213 0  
Attn: Sharon Morrissey, Esq.  
Telephone: 415-227-3502  
Facsimile: 415-227-3526

18. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, When so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

19. Attorneys' Fees and Costs of Collection. If there is a prevailing party in any lawsuit, reference or arbitration arising out of or relating to this Agreement, such prevailing party shall be entitled to recover from the non-prevailing party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees in the action, reference or arbitration, in addition to costs and expenses otherwise allowed by law.

20. Waiver of Trial By Jury. BORROWER, THE LENDER AND PURCHASER EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATED HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ENTERING INTO

THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER, THE LENDER AND PURCHASER, AND BORROWER, THE LENDER AND PURCHASER HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER, THE LENDER AND PURCHASER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. BORROWER, THE LENDER AND PURCHASER EACH FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

21. Final Agreements. THIS WRITTEN AGREEMENT, AND THE LOAN DOCUMENTS (AND ALL EXHIBITS THERETO) REPRESENT THE FINAL AGREEMENTS AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

In Witness Whereof, the undersigned have executed and delivered this Agreement as of the date first set forth above:.

BORROWER:

HENDERSON LOFTS DEVCO LLC, an Arizona  
limited liability company

By: Vested Housing Group, LLC, an Arizona  
limited liability company, its sole manager

By:\_\_\_\_(signed as  
below)\_\_\_\_\_

ame: Andrew S. Miller  
Title: Sole Member

N

LENDER:

WACHOVIA BANK, NATIONAL  
ASSOCIATION

By: \_\_\_\_\_  
Name: Karla M. Brewer  
Title: Vice President

PURCHASER:

PRINCIPAL LIFE INSURANCE COMPANY, an  
Iowa corporation. for its Principal US Property  
Separate Account

By: PRINCIPAL REAL ESTATE  
INVESTORS, LLC, a Delaware limited  
liability company, its authorized signatory

By: \_\_\_\_\_ --  
Name:  
Title:

By. \_\_\_\_\_  
Name:  
Title:

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In Witness Whereof, the undersigned have executed and delivered this Agreement as of  
the date first set forth above.

BORROWER:

HENDERSON LOFTS DEVCO LLC, an Arizona  
limited liability company

By: Vested Housing Group, LLC, an Arizona  
limited liability company, its sole member

By: \_\_\_\_\_  
Name: Andrew S. Miller  
Title: Sole Member. and Manager

LENDER:

WACHOVIA BANK, NATIONAL  
ASSOCIATION

By: \_\_\_\_\_ (signed as below)

Name: Karla M. Brewer

Title: Vice President

PURCHASER:

PRINCIPAL LIFE INSURANCE COMPANY, an  
Iowa corporation. for its Principal US Property  
Separate Account

By: PRINCIPAL REAL ESTATE  
INVESTORS, LLC, a Delaware limited  
liability company, its authorized signatory

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

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In Witness Whereof, the undersigned have executed and delivered this Agreement as of  
the date first set forth above.

BORROWER:

HENDERSON LOFTS DEVCO LLC, an Arizona  
limited liability company

By: Vested Housing Group, LLC, an Arizona  
limited liability company, its sole member

By: \_\_\_\_\_

Name: Andrew S. Miller

Title: Sole Member and Manager

LENDER:

WACHOVIA BANK, NATIONAL  
ASSOCIATION

By: \_\_\_\_\_

Name: Karla M. Brewer

Title: Vice President



PURCHASER:

PRINCIPAL LIFE INSURANCE COMPANY, an  
Iowa corporation, for its Principal US Property  
Separate Account

By: PRINCIPAL REAL ESTATE  
INVESTORS. LLC, a Delaware limited  
liability company, its authorized signatory

By: \_\_\_\_\_ (signed \_\_\_\_\_ as \_\_\_\_\_ below)  
Name: Jeffrey A. Frey

Title: Investment Officer-Capital  
Markets

By: \_\_\_\_\_ (signed  
as below) \_\_\_\_\_

Name: C. Kent  
Jurgeson

Title: Director-Closing

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Exhibit "A"

Loan Documents

1. Loan Agreement, dated July 2, 2001, executed by Borrower and Lender.
  2. Promissory Note, dated July 2, 2007, executed by Borrower, in the aggregate principal amount of \$13, 100,000.00.
  3. Deed of Trust, Assignment of Rents and Leases, Security Agreement and Financing Statement, dated July 2, 2007, executed by Borrower and Lender.
  4. Indemnification Agreement, dated July 2, 2007, executed by Vested Housing Group, LLC in favor of Lender.
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