

CONFIDENTIAL

February 15, 2008

John McDonald
Imperial Partners, LLC
5933 W. Century Boulevard
Suite 614
Los Angeles, CA 90045

Thomas Cody
Gerding Edlen Development
1120 NW Couch St.
Suite 600
Portland, OR 97209

Re: Inglewood Promenade; Inglewood, California

Dear John and Tom:

This letter outlines the basic business terms pursuant to which the National Electrical Benefit Fund (“NEBF”) would be interested in providing pre-development financing and joint venture equity for the development of the project known as Inglewood Promenade, in Inglewood, California (as more fully described below, the “Project”). This letter is intended to be non-binding in nature, and replaces any prior letter of interest previously prepared by NEBF or any affiliate thereof in connection with the Project.

The Project:

A two-phase, mixed-use project located on a to-be-assembled site totaling approximately 59.248 acres bordered by Century Boulevard, Prairie Avenue, 104th Street and Yukon Avenue in Inglewood, California (the “Land”). The first phase of the Project (“Phase One”) will consist of approximately 600,000 square feet of retail space, including big box uses, a “lifestyle center,” a movie theater, a restaurant and other retail outparcels, an improved site for hotel development, and adequate surface parking consistent with the foregoing uses. This letter pertains exclusively to the development of Phase One, except as provided in the next paragraph.

Subject to NEBF’s performance of the provisions contained herein with respect to Phase One, NEBF shall have an exclusive right of first refusal with respect to providing debt and/or equity financing for the development of the second phase of the Project (“Phase Two”). Phase Two is expected

ON F. WALTERS
TRUSTEE

R. BORDEN, JR.
TRUSTEE

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to consist of a "Fly Away" offsite terminal serving Los Angeles International Airport, which terminal will be leased and operated on a long-term basis by Los Angeles World Airports ("LAWA"), two office buildings containing a total of 900,000 square feet, which will also be substantially pre-leased by LAWA, plus adequate structured parking consistent with the foregoing. NEBF expects to provide equity capital for Phase Two at substantially similar terms to Phase One, however the specific terms of such financing will be proposed at a later date in separate correspondence and NEBF shall have the exclusive right, but not the obligation, to provide such financing.

Master Developer: Imperial Partners, LLC ("IP" or "Master Developer"), an entity substantially controlled by John McDonald. IP shall be the Master Developer of the Project responsible for all entitlement work; all government, political and community relations; minority outreach programs; oversight of third party leasing and third party property management; and obtaining a variety of subsidies for the Project, including but not limited to: (i) the contribution of all or a portion of the Land from the City of Inglewood pursuant to the terms of the DDA; and (ii) New Market Tax Credits ("NMTC"), grants and preferred loans and Tax Increment Financing (collectively, the "Subsidies"). IP will be responsible for negotiation and execution of an acceptable DDA (defined below) and affecting the conveyance of the Land and Subsidies, as further discussed below. IP will assist GED (defined below) with its areas of responsibility when necessary.

The net benefit of NMTC to the Project shall in no event be less than \$30,000,000. All parties agree that without the contribution of the Land and the Subsidies as referenced in the immediately foregoing paragraph, the Project would not be economically viable.

Developer: Gerding Edlen Development ("GED" or "Developer"). GED will be the Developer of the Project responsible for the day-to-day management of the site development and vertical construction of the project, its design, and for the Project Budget (defined below). GED shall make commercially reasonable efforts to ensure the overall development matches the original intent of the IP proposal to the City. GED shall be responsible for constructing the Project in accordance with the Project Budget and schedule and for the project management of each Phase. GED will assist IP with its areas of responsibility when necessary.

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GED will provide a completion and cost-overflow guaranty in favor of NEBF, as required under the terms of the Project JV (defined below). GED will also provide a completion guaranty to a third-party construction lender as required under the terms of the Construction Loan (defined below) required to finance Phase One of the Project.

**Disposition and
Development
Agreement:**

IP will be responsible for the negotiation and execution of a Disposition and Development Agreement (the "DDA") with the City of Inglewood or a related redevelopment agency (the "City"). IP will also be responsible for all work leading up to the execution of the DDA, including the work of all required third-party consultants, and will bear the cost of such work. The DDA shall include, among other provisions:

- (i) the City's agreement to transfer to the Development JV and/or the Project JV that portion of the Land required to construct Phase One, such that the total cost to the Project JV to acquire the Land for Phase One does not render the Project financially unviable;
- (ii) the City's agreement to transfer to the Development JV and/or the Project JV that portion of the Land required to construct Phase Two, at such later date acceptable to the DJV, such that the total cost to the Project JV to acquire the Land for Phase Two does not render the Project financially unviable; and
- (iii) all land use entitlements necessary for the construction of each Phase of the Project as contemplated in this letter.

The DDA and all rights conferred thereby, including but not limited to the Subsidies and any portion of the Land contributed by the City, must be assignable to the Development JV (defined below) and/or the Project JV (defined below), as necessary or appropriate given the ultimate transaction and ownership structure agreed upon among the DJV Members, the tax implications of Proposition 13, and any other salient factors.

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It is acknowledged that IP may finance a portion of the costs associated with the pre-development of the Project prior to execution of the DDA with third-party debt secured by approximately 65,000 square feet of the Land. IP may enter into a lease with RiteAid or a similar retail pad tenant to construct, on a build-to-suit basis, improvements for such tenant on a portion of the Phase One Land (the "RiteAid Lease"). NEBF and GED shall have the right to review and approve, among other items, the design, site plan, parking and other lease terms of the RiteAid Lease and any other leases for space at the Project prior to their execution. No leases executed by IP shall contain provisions (e.g. co-tenancy, exclusivity, go-dark provisions, etc.) which will restrict the Development JV's or the Project JV's ability to enter into any other leases for any other portion of the Project, or in any way impede the ability to design and/or construct either Phase of the Project in accordance with a marketable site plan or as contemplated in this letter.

**The Development
Joint Venture:**

Immediately after execution of an acceptable DDA, NEBF, IP and GED (each a "DJV Member" and together, the "DJV Members") will form a single purpose entity for the purpose of developing the Project (the "Development JV"). NEBF shall own a 34% ownership interest in the Development JV, IP shall own a 33% interest and GED shall own the remaining 33%. The Development JV will be governed by a limited liability company agreement (the "DJV LLC Agreement") which will specify financial terms as well as the rights and responsibilities of the DJV Members for executing entitlement, planning, design, financing, construction, leasing and other functions necessary to successfully develop the Project (the "Development Functions"). NEBF will have no responsibility under the DJV LLC Agreement for any Development Functions, which shall be the responsibility of IP and GED as further described in the "Master Developer" and "Developer" sections of this letter, above, however NEBF shall have the right to vote to decide the resolution of any DJV decision in dispute by IP and GED and will have such other approval rights as reasonably required by NEBF with respect to Development Functions and other material decisions or actions by the Development JV.

The Development JV will be solely responsible for all pre-development work to occur after execution of the DDA and prior to the commencement

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of construction of the Project. The total cost for such pre-development activities is expected to be approximately \$12,000,000, inclusive of reasonable, actual overhead expenses of GED and IP in connection with pre-development, and shall be set forth in a written budget to such effect, which budget must be acceptable to each of the parties hereto (the "Pre-development Budget"). The Pre-development Budget shall include approximately \$6,000,000 in costs expended by IP prior to execution of the DDA, which shall be deemed capital contributions of IP to the Development JV. Upon the execution of the DJV LLC Agreement, and subject to the Phase One Additional Conditions to Closing and Pre-Development Funding set forth below, NEBF and GED shall each contribute approximately \$1,000,000 in equity to the Development JV in order to reimburse IP for up to \$2,000,000 in previously expended costs, thereby reducing IP's deemed capital contribution to the Development JV to no more than \$4,000,000. NEBF and GED will then contribute additional equity on a 50/50 basis to fund pre-development up to a total maximum pre-development equity contribution of approximately \$4,000,000 each. Additional equity required from the Development JV for purposes of capitalizing the Project JV (defined below), if any, will be contributed by the DJV Members according to their respective percentage interests. For the avoidance of doubt, the equity to be contributed or "deemed" contributed to the Development JV is intended to correspond pro rata with the DJV Members' percentage interests as set forth above.

All cash flow distributed by the Development JV to the DJV Members shall be distributed on a pro rata basis in accordance with the respective percentage interests of the DJV Members. After NEBF achieves a 20% internal rate of return on its equity investment in the Development JV, cash will be distributed 1% to NEBF, 66% to IP and 33% to GED.

To the extent a DJV Member does not make any capital contribution required under the DJV LLC Agreement (the "Non-Contributing Member"), the other DJV Members may do so and the Non-Contributing Member shall be subject to "dilution" pursuant to a "dilution formula" to be set forth in the DJV LLC Agreement.

The Development Fee and Property Management Oversight Fee to be paid by the Project JV for the Development Functions shall be paid to IP and GED as provided herein. The DJV LLC Agreement will provide that revenue generated by the Development JV shall be structured so as not to

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result in “unrelated business taxable income” to NEBF.

**Third Party
Service Providers:**

It is acknowledged that IP has entered into contracts and/or discussions with certain third party service providers, including leasing agents, architecture and engineering firms, property managers, general contractors and other third party service providers (e.g. environmental, traffic). In addition, IP has retained Newmark Realty Capital to assist in the arrangement of equity and debt capital for the Project, for which it will be compensated in an amount acceptable to the Development JV. The Development JV and GED in its role as Developer of the Project shall make commercially reasonable efforts to continue to work with the general contractor, architectural, engineering, leasing and other third party professional services firms engaged by Master Developer prior to execution of this letter, provided, however, that the Development JV and GED in its role as Developer of the Project shall have the right to select alternate third party professional service firms to perform these functions, if the same is determined to be reasonably necessary for the most profitable and secure development and construction of the Project. The parties agree to explore the feasibility of contracting with minority-owned local insurance agents, which must satisfy the insurance requirements of NEBF, and a minority-owned general contractor for the construction of retail pads in connection with the Project, subject in all cases to the union labor requirements contained herein and the requirement that any such contracts contain commercially viable business terms and are executed with service providers reasonably acceptable to the Development JV and NEBF.

Escrow Loan:

NEBF will consider making a loan of approximately Five Million Dollars (\$5,000,000) (the “Escrow Loan”) to the Development JV for the purpose of providing a fully-refundable escrow deposit required by the City. The terms of the Escrow Loan are to be determined and shall be mutually acceptable to NEBF and the Development JV. Nothing contained herein shall be construed as a commitment by NEBF to make the Escrow Loan.

The Project JV:

After the delivery of an acceptable, executed DDA and at such time as the DJV Members determine is appropriate to construct the Project improvements on a timely basis, the Development JV and NEBF will form a Delaware limited liability company (the “Project JV”), for purposes of

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owning and constructing the Project. The Development JV and NEBF will be the only entities owning limited liability company interests in the Project JV (each, a "Member" and together, the "Members") and the Development JV shall be the "Managing Member" thereof. During the term of the investment, the direct and indirect transfer of interests in the Project JV owned by the Development JV will be restricted in a manner reasonably satisfactory to NEBF. The Project JV will be governed by a limited liability company agreement based on NEBF's standard form therefor and reflect the business terms contained in this letter and such other terms as may be agreed upon by the Members (the "Project JV LLC Agreement").

**Project JV
Capitalization:**

Upon submission and approval of a project budget acceptable to NEBF outlining all construction and development costs for Phase One of the Project (the "Phase One Project Budget"), NEBF and the Development JV will agree to capitalize the Phase One Project Budget with a combination of the portion of the Land contributed by the City, the Subsidies, third-party construction financing (as described below), and equity, or any combination of the foregoing. In no event shall the equity required to finance Phase One exceed 30% of the Phase One Project Budget. NEBF will contribute up to 90% of the equity required to capitalize the Phase One Project Budget ("NEBF's Phase One Equity Capital"), with the Development JV contributing the remaining 10% of such equity (i.e. up to a 90/10 split of equity). The Members' ownership interests in the Project JV shall reflect the agreed upon split of equity among the Members (i.e. 90% NEBF, 10% Managing Member).

To the extent either NEBF or the Development JV does not make any capital contribution required under the Company LLC Agreement (the "Non-Contributing Member"), the other member may do so and the Non-Contributing Member shall be subject to "dilution" pursuant to a 3:1 "dilution formula" to be set forth in the Company LLC Agreement.

**Construction
Financing:**

The Project JV will secure third party construction financing of no less than 70% of the total Phase One Project costs (the "Construction Loan"). The terms and conditions of the Construction Loan documents must be satisfactory to NEBF. GED will provide the completion and cost overrun guaranty, and GED and IP will provide the non-recourse exception guaranty, required under the Construction Loan. NEBF will consider

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providing a partial repayment guaranty to the construction lender of up to 25% of the maximum principal balance of the loan, plus fees and expenses associated with enforcement and collection of such guaranty. The Development JV would reimburse NEBF for its pro rata share of any payments made by NEBF thereunder.

Guaranty

Commitment Fee:

To the extent NEBF provides a repayment guaranty in connection with the Construction Loan, NEBF will receive a commitment fee equal to 2.0% per annum on the amount guaranteed by NEBF (the "Guaranty Commitment Fee"). The Guaranty Commitment Fee will be calculated monthly and accrued and shall be paid upon a refinance and repayment in full of the Construction Loan and, if not repaid in full at that time, pursuant to the distributions outlined below from cash flow and capital events proceeds distributions, until repaid in full.

Distributions:

Operating cash flow of the Project JV (after payment of approved operating expenses (including the Property Management Oversight Fee), debt service and capital reserves), and net sales or refinancing proceeds shall be distributed to NEBF and the Development JV as follows:

First, to NEBF to the extent any unpaid Guaranty Commitment Fee remains outstanding;

Second, in the event NEBF or the Development JV has made a capital contribution (the "Contributing Member") on behalf of the other Member who has failed to meet a capital call, to such Contributing Member in the amount of such contribution plus a return on such amount at the per annum rate of 16%;

Third, to NEBF and the Development JV on a pro rata basis in accordance with their respective percentage interests (as such percentages may be adjusted for dilution) until NEBF achieves an 8% internal rate of return;

Fourth, 70% to NEBF and 30% to the Development JV (as such percentages may be adjusted for dilution) until NEBF achieves a 15% internal rate of return; and

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Thereafter, 47% to NEBF and 53% to the Development JV (as such percentages may be adjusted for dilution).

Management:

The Development JV shall be responsible for the day-to-day operations of the Project JV. NEBF shall have approval rights with respect to decisions relating to the development, refinancing, operating budgets, affiliate transactions, environmental matters, leases, litigation, and other matters. The Development JV shall serve as the “tax matters member” and the “accounting member” and shall comply with the requirements of the tax matters member as set forth in the Project JV LLC Agreement including conducting annual audits and preparing tax returns for the Project JV.

Development Fee:

The Phase One Project Budget will provide for a development fee equal to 5.0% of the Phase One Project Budget, excluding land costs (the “Development Fee”). The Development Fee will be paid 80% to GED (or an affiliate thereof approved by NEBF) and 20% to IP (or an affiliate thereof approved by NEBF), and no portion of the Development Fee or any other such fees shall be paid to NEBF. The Development Fee shall be earned, and payable, on the following schedule: (i) 80% in equal monthly installments upon commencement of construction and through substantial completion, provided no default exists under the Project JV LLC Agreement or the Guaranties, as defined below; and (ii) the remaining 20% upon Stabilization of each Phase of the Project.

“Stabilization” means, with respect to each Phase, the Project’s achievement, within 12 months of the completion of such Phase, of three (3) consecutive calendar months of occupancy of at least ninety-three percent (93%) of the total rentable square footage of each such Phase pursuant to approved leases, with tenants who are paying rent and not in default of any payment obligations thereunder.

**Property
Management
Oversight Fee:**

The Phase One Project Budget will provide for an annual property management oversight fee equal to 1.0% of adjusted gross income from the Project (the “Property Management Oversight Fee”). The Property Management Oversight Fee will be paid on a monthly basis, 25% to GED (or an affiliate thereof approved by NEBF) and 75% to IP (or an affiliate

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thereof approved by NEBF), and shall be an approved operating expense of the Project JV.

**Guaranteed
Maximum Price
Contract; Bonds:**

Construction of the Project must be undertaken utilizing completed construction drawing-stage plans and specifications and a guaranteed maximum price contract (a "GMP Contract") with a general contractor acceptable to NEBF. Such GMP Contract will contain a binding arbitration provision and will otherwise be acceptable to NEBF. The general contractor shall provide a 100% payment and performance bond (the "GC Bond"), and all major subcontractors shall provide evidence of bonding capacity acceptable to NEBF. In lieu of the GC Bond, NEBF will consider accepting an acceptable Subguard policy with respect to completion of all Phase One construction.

**Developer
Assurance:**

(i) The Developer or an affiliated entity acceptable to NEBF ("Completion Guarantor") will provide a guaranty of completion and cost overruns in favor of NEBF; and (ii) the Developer and Master Developer (or affiliated entities of each, or either, in each case acceptable to NEBF) will provide a guaranty of fraudulent acts in favor of NEBF and the Project JV (collectively, the "Guaranties"), each of which will be on NEBF's standard form.

Buy-Sell:

At any time after the earlier of (i) two (2) years after Stabilization (as defined below); or (ii) the sixth (6th) anniversary of the date the Project JV LLC Agreement is executed, either NEBF or the Development JV may establish a selling price for the sale of the Project (the "Requesting Party"), whereupon the other Member (the "Responding Party") shall be obligated to either purchase the Project from the Project JV at such price or not to purchase the Project. If the Responding Party elects not to purchase the Project, the Requesting Party must purchase the Project at such price. If the Requesting Party fails to purchase the Project, the Responding Party may purchase the Project at a discounted price. In lieu of purchasing the Project, the purchasing Member may purchase the interests of the other Member.

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The foregoing Buy-Sell provision shall pertain to NEBF's investment in Phase One. To the extent NEBF invests in Phase Two, a separate Buy-Sell with respect to Phase Two shall be established and tied to the timing of NEBF's investment in Phase Two.

**Phase One
Pre-Leasing
Condition:**

NEBF's investment is expressly conditioned upon execution of leasing agreements approved by NEBF at pro forma rents between the Project JV and tenants comprising: (i) 100% of the Theater Space, and (ii) 60% of the remaining Phase One space at the Project and which satisfy any pre-leasing conditions required by the City of Inglewood pursuant to the DDA or any construction lender (the "Phase One Pre-Leasing Condition").

The Managing Member acknowledges that the Phase One Pre-Leasing Condition is intended to proceed substantially simultaneously with NEBF's counsel's preparation of the Project JV LLC Agreement, and NEBF's counsel's activities in this regard shall not be construed as evidence of the waiver or satisfactory completion of the Phase One Pre-Leasing Condition.

UBTI:

Each of the DJV Agreement and Project JV LLC Agreement will provide that revenue generated at the Project by the Development JV and Project JV, respectively, shall be structured so as not to result in "unrelated business taxable income" to NEBF.

**Exclusive
Negotiating
Agreement:**

The Master Developer has entered into an Amended and Restated Exclusive Negotiating Agreement with the City, dated as of September 12, 2006, which has been extended by written approval from the City until March 12, 2008 (as amended, the "ENA"). The ENA grants to the Master Developer the exclusive right to negotiate the DDA with the City. The Master Developer acknowledges and agrees that it is and shall remain in compliance with the terms and requirements of the ENA and, contemporaneous with the execution of the DJV LLC Agreement (or as soon thereafter as is practicable), shall transfer all rights thereunder and under the DDA to the Development JV (and once established, to the Project JV, if necessary or appropriate to effectuate the terms of this letter). NEBF's review and approval of the ENA and DDA and the assignment of

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the ENA and DDA to the Project JV or the Company JV, as appropriate, shall be conditions precedent to NEBF's acquisition of a membership interest in the Development JV.

Union Labor

All contractors and subcontractors at any tier performing any construction, repair, refurbishment or restoration, including, without limitation, tenant improvements, build-out, alterations, additions, improvements, renovations, repairs, remodeling, painting and installations of fixtures, mechanical, electrical, plumbing, data, security, telecommunication, low voltage or elevator equipment or systems or other equipment, or with respect to any other construction work in, on, or to the Project (including any such work performed by any person who contracts to provide services to any portion of the Project, such as cable, DSL, communications, telecommunications or similar services) shall: (i) be bound by and signatory to a collective bargaining agreement with a labor organization (a) whose jurisdiction covers the type of work to be performed on the Project, and (b) who is an Approved Building Trades Department Contractor or Subcontractor (as defined below); and (ii) observe area standards for wages and other terms and conditions of employment, including fringe benefits. For purposes hereof, an "Approved Building Trades Department Contractor or Subcontractor" is a contractor or subcontractor who is currently affiliated with the Building and Construction Trades Department of the AFL-CIO (the "BCTD") or, if no such BCTD-affiliated contractor or subcontractor is available for a particular trade (e.g., carpentry work), a contractor or subcontractor which is affiliated with a national trade union which was formerly affiliated with the BCTD and which recognizes (and will recognize and respect, for its work on the Project), the jurisdictional limitations established by the local BCTD. All non-residential leases in the Project will include such requirement as set forth on Exhibit "A" hereto.

Execution of DJV LLC Agreement and Phase One Additional Conditions to Closing and Pre-Development Funding:

The closing for NEBF's acquisition of a membership interest in the Development JV, shall, in addition to the negotiation and execution of a satisfactory DJV LLC Agreement and any other conditions expressly set forth in this letter, be further subject to the following conditions precedent:

- (i) receipt of a satisfactory appraisal/feasibility study from NEBF's appraisal consultant;

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- (ii) receipt of a satisfactory MAI appraisal estimating the market value of the Project land and its probable acquisition cost;
- (iii) NEBF's satisfaction as to any ERISA-related matters presented by the proposed NEBF investment;
- (iv) NEBF's approval of all title and survey matters and receipt of a satisfactory owner's pro forma policy of title insurance, including endorsements;
- (v) NEBF's receipt of a satisfactory Phase One environmental site assessment from its environmental consultant for the entirety of the Project;
- (vi) NEBF's approval of any existing leases and the proposed form(s) of all leases;
- (vii) a satisfactory review of the credit of IP, GED and their applicable affiliates and principals;
- (viii) receipt of satisfactory UCC, judgment and tax lien search results for the Development JV, Guarantor and their applicable affiliates and principals;
- (ix) NEBF's approval of the formation documents of the Development JV and Guarantor;
- (x) receipt of satisfactory opinions of counsel;
- (xi) NEBF's approval (together with the approval of NEBF's third-party consultants) of all cash flow projections and budgets;
- (xii) NEBF's receipt, review and approval of an executed DDA between IP and the City and assignable to the Development JV, together with receipt of a satisfactory estoppel certificate with respect thereto, including the City's approval of the ownership structure and control rights of the members of the Development JV and Project JV under the DJV LLC Agreement and Project JV LLC Agreements, respectively;
- (xiii) evidence of satisfaction of all vesting, zoning, entitlement, and similar requirements for the entirety of the Project;
- (xiv) NEBF's review and approval of a non-binding written indication from a qualified CDE regarding the amount, terms and conditions under which it would provide the NMTC for Phase One;
- (xv) NEBF's review and approval of the selection of the professionals to be engaged by the Development JV (including but not limited to the general contractor, architects, interior designers and other consultants) and the review and approval of any agreements to be assigned to the Development JV; and
- (xvi) such other conditions precedent as shall be customary for investments of the type contemplated or which are otherwise reasonably required by NEBF, including the approval of NEBF's fiduciary trustees.

Execution of Project JV LLC Agreement and Phase One Construction Funding Conditions

The closing for NEBF's acquisition of a membership interest in the Project JV and funding of NEBF's Phase One Equity Capital to the Project JV, shall, in addition to the negotiation

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and execution of a satisfactory Project JV LLC Agreement and any other conditions expressly set forth in this letter, be further subject to the following conditions precedent (the "Phase One Funding Conditions"):

- (i) Satisfaction of the Phase One Pre-Leasing Condition;
- (ii) NEBF's approval of, as they relate to Phase One, a construction schedule, final construction drawing-stage plans and specifications, interior and exterior design, the GMP Contract with a general contractor acceptable to NEBF which specifies a price consistent with the Phase One Project Budget, a GC Bond and subcontracts, if deemed necessary by NEBF;
- (iii) a building permit for Phase One;
- (iv) NEBF's receipt, review and approval of a third-party engineering and cost review commissioned by NEBF which addresses the adequacy and feasibility of the Phase One hard cost budget, the GMP Contract, 100% complete plans and specifications, and any other construction-related documentation;
- (v) closing of the Construction Loan for Phase One;
- (vi) NEBF's approval of the property management agreement (parking, office and retail, as applicable) and marketing agreement;
- (vii) NEBF's approval of the parking revenue structure, if any;
- (viii) receipt of satisfactory updated UCC, judgment and tax lien search results for the Managing Member and Guarantor and their applicable affiliates and principals;
- (ix) NEBF's approval of all title and survey matters and receipt of a satisfactory owner's pro forma policy of title insurance, including requested endorsements; and
- (x) such other conditions precedent as shall be customary for investments of the type contemplated or which are otherwise reasonably required by NEBF, including the approval of NEBF's fiduciary trustees.

[signature page follows]

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Non-Binding Letter

While this letter is not a commitment on the part of NEBF to make any loans to or equity investment in the Development JV or the Project JV, we hope that this letter can serve as the basis for the same. The terms outlined above are not intended to be contractually binding, and neither party will be bound until a comprehensive agreement acceptable to both parties is executed. Any commitment would require legally binding and definitive documentation to be executed by duly authorized representatives of NEBF and the Development JV and/or the Project JV, as applicable. NEBF shall have the right to have a wholly-owned subsidiary hold title to its interest in the Development JV and/or the Project JV.

Please signify your interest in further pursuing a transaction on the general terms as outlined above by approving and executing this letter, together with the Partner/Borrower Credit Questionnaire for each signatory attached hereto as Exhibit "B", and returning them to me no later than 5:00 p.m. (EST) on February 20, 2008. By so doing you agree not to seek or accept a commitment for equity from an alternate source for thirty (30) business days while we endeavor in good faith to reach agreement on definitive terms.


Sincerely,



Ryan Whitaker
Equity Investment Officer

Approved and Accepted:

IMPERIAL PARTNERS, LLC,
a Nevada limited liability company

By: 
Name: John McDonald
Title: Managing Partner
Date: 2/17/08

GERDING EDLEN DEVELOPMENT
an Oregon limited liability company

By: _____
Name: Thomas Cody
Title: Principal
Date: _____



EXHIBIT "A"

Union Labor Provision for Non-Residential Tenant Leases

Tenant covenants and agrees that all contractors and subcontractors at any tier performing any construction, repair, refurbishment or restoration, including, without limitation, tenant improvements, build-out, alterations, additions, improvements, renovations, repairs, remodeling, painting and installations of fixtures, mechanical, electrical, plumbing, data, security, telecommunication, low voltage or elevator equipment or systems or other equipment, or with respect to any other construction work in, on, or to the Premises (including any such work performed by any person who contracts to provide services to any portion of the Premises, such as cable, DSL, communications, telecommunications or similar services) shall: (i) be bound by and signatory to a collective bargaining agreement with a labor organization (a) whose jurisdiction covers the type of work to be performed on the Premises, and (b) who is an "Approved Building Trades Department Contractor or Subcontractor;" and (ii) observe area standards for wages and other terms and conditions of employment, including fringe benefits. For purposes hereof, an "Approved Building Trades Department Contractor or Subcontractor" is a contractor or subcontractor who is currently affiliated with the Building and Construction Trades Department of the AFL-CIO (the "BCTD") or, if no such BCTD-affiliated contractor or subcontractor is available for a particular trade (e.g., carpentry work), a contractor or subcontractor which is affiliated with a national trade union which was formerly affiliated with the BCTD and which recognizes (and will recognize and respect, for its work on the Premises), the jurisdictional limitations established by the local BCTD.