UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number: 001-33749

RETAIL OPPORTUNITY INVESTMENTS CORP.
(Exact name of registrant as specified in its charter)

Delaware	**26-0500600**
(*State or other jurisdiction of incorporation or organization*)	(*I.R.S. Employer Identification No.*)
3 Manhattanville Road	**10577**
Purchase, New York	(*Zip code*)
(Address of principal executive offices)	

Registrant's telephone number, including area code:
(914) 272-8080
Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, $0.0001 par value per share	**The NASDAQ Stock Market LLC**
Warrants, exercisable for Common Stock at an exercise price of $12.00 per share	**The NASDAQ Stock Market LLC**
Units, each consisting of one share of Common Stock and one Warrant	**The NASDAQ Stock Market LLC**

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company
[ ]	[X]		[ ]

Indicate by check mark whether the registrant is a Shell Company (as defined in rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of the common equity held by non-affiliates of the registrant as of June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter, was $395,738,732 (based on the closing sale price of $9.65 per share of the registrant's common stock on that date as reported on the NASDAQ Global Market).

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 41,799,433 shares of common stock, par value $0.0001 per share, outstanding as of February 23, 2011.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the registrant's 2011 Annual Meeting, to be filed within 120 days after the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

RETAIL OPPORTUNITY INVESTMENTS CORP.

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Statements Regarding Forward-Looking Information

When used in this discussion and elsewhere in this Annual Report on Form 10-K, the words "believes," "anticipates," "projects," "should," "estimates," "expects," and similar expressions are intended to identify forward-looking statements with the meaning of that term in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and in Section 21F of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Actual results may differ materially due to uncertainties including:

- our ability to identify and acquire retail real estate and real estate-related debt investments that meet our investment standards and the time period required for us to acquire our initial portfolio of our target assets;
- the level of rental revenue and net interest income we achieve from our target assets;
- the market value of our assets and the supply of, and demand for, retail real estate and real estate-related debt investments in which we invest;
- the conditions in the local markets in which we will operate, as well as changes in national economic and market conditions;
- consumer spending and confidence trends;
- our ability to enter into new leases or to renew leases with existing tenants at the properties we acquire at favorable rates;
- our ability to anticipate changes in consumer buying practices and the space needs of tenants;
- the competitive landscape impacting the properties we acquire and their tenants;
- our relationships with our tenants and their financial condition;
- our use of debt as part of our financing strategy and our ability to make payments or to comply with any covenants under any borrowings or other debt facilities we obtain;
- the level of our operating expenses, including amounts we are required to pay to our management team and to engage third party property managers;
- changes in interest rates that could impact the market price of our common stock and the cost of our borrowings; and
- legislative and regulatory changes (including changes to laws governing the taxation of real estate investment trusts ("REITs")).

Forward-looking statements are based on estimates as of the date of this report. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this report.

The risks included here are not exhaustive. Other sections of this report may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

PART I

In this Annual Report on Form 10-K, unless the context requires otherwise, all references to "the Company," "our company," "we," "our," and "us" means Retail Opportunity Investments Corp. and one or more of our subsidiaries, including our operating partnership.

Item 1. Business

The Company

Retail Opportunity Investments Corp. is a fully integrated and self-managed real estate investment trust, or REIT, primarily focused on investing in, acquiring, owning, leasing, repositioning and managing a diverse portfolio of well located necessity-based community and neighborhood shopping centers, anchored by national or regional supermarkets and drugstores. We target properties strategically situated in densely populated, middle and upper income markets in the eastern and western regions of the United States. In addition, we supplement our direct purchases of retail properties with first mortgages or second mortgages, mezzanine loans, bridge or other loans and debt investments related to retail properties, which are referred to collectively as "real estate-related debt investments," in each case provided that th e underlying real estate meets our criteria for direct investment. Our primary focus with respect to real estate-related debt investments is to capitalize on the opportunity to acquire control positions that will enable us to obtain the asset should a default occur. We refer to these properties and investments as our target assets.

We were incorporated in Delaware in July 2007 and initially formed as special purpose acquisition company. We commenced our current business operations in October 2009 following the approval by our stockholders and warrantholders of a series of proposals contemplated by the Framework Agreement, dated August 7, 2009, between us and NRDC Capital Management, LLC (the "Framework Agreement") that allowed us to continue our business as a corporation that will elect to qualify as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2010. We currently operate in a traditional umbrella partnership real estate investment trust ("UpREIT") format pursuant to which Retail Opportunity Investments GP, LLC, our wholly-owned subsidiary, serves as the general partner of, and we conduct subs tantially all of our business through, our operating partnership subsidiary, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership (our "operating partnership"), and its subsidiaries. At our 2011 annual meeting of stockholders, our stockholders will be asked to approve a series of proposals that will allow us to convert into a Maryland corporation.

Investment Strategy

We believe that the current market environment presents a significant and growing opportunity to acquire, reposition and manage necessity-based community and neighborhood shopping centers to profitable returns, offering us the potential to achieve attractive risk adjusted returns for our stockholders over time primarily through dividends and secondarily through capital appreciation. To identify attractive opportunities within our target assets, we rely on the expertise and experience of our management team. We utilize our management team's extensive contacts in the U.S. real estate market to source investment opportunities, in particular through access to both distressed and more conventional sellers such as banks, institutions, REITs, property funds, other companies and private investors.

In implementing our investment strategy, we utilize our management team's expertise in identifying undervalued real estate and real estate-related debt investments with a focus on the retail sector. We believe that the key factors to determining current value and future growth potential include the ability to identify the fundamental qualities of an individual asset, understand the inherent strengths and weaknesses of a market, utilize local market knowledge to identify sub-market drivers and trends, and understand how to mitigate appropriate risks prior to the acquisition of an asset. We seek to target assets where our management team believes there is an opportunity to lease-up vacant space, renew or release expiring leases and take advantage of economies of scale achieved in the management and leasing of properti es acquired and developed within our target markets, and redesign and reposition properties that maximize rental revenues and property potential. We believe that our management team's acquisition process and operational expertise provides us with the capability to identify and properly underwrite investment opportunities.

We also believe that in the current market, we will continue to have opportunities to acquire properties from sellers not able to refinance maturing debt as well as to acquire properties arising out of foreclosure sales or owned by lenders following foreclosures. In addition, we may find opportunities to acquire properties with deferred capital expenditures, design flaws or other perceived risks, such as tenancy issues or near-term lease expirations.

Further, we may find opportunities in incomplete projects held by undercapitalized and/or defaulting developers or partially leased complexes with inexperienced management unable to achieve market occupancy.

With respect to real estate-related debt investments, our primary focus is opportunities to acquire control positions that will enable us to obtain the asset should a default occur, provided that the underlying real estate meets our criteria for direct investment.

Our aim is to seek to provide a diversification of asset classes, tenant exposures, lease terms and locations as our portfolio expands. In order to capitalize on the changing sets of investment opportunities that may be present in the various points of an economic cycle, we may expand or refocus our investment strategy by emphasizing investments in different parts of the capital structure and different areas of the real estate sector. Our investment strategy may be amended from time to time, if approved by our board of directors. We are not required to seek stockholder approval when amending our investment strategy.

Our Operating Strategy

Enhancing rental and capital growth of real estate assets through active asset management

We focus on the condition of our retail properties and their relative attractiveness to tenants. We believe that the value of our grocery-anchored real estate assets that we invest in should be positioned to withstand market downturns, and well placed to benefit from upwards valuations when cycles recover.

Our intention is to improve income profiles and add value to our real estate portfolio through our management team's proven asset management techniques, which include:

- Understanding tenants' needs, and restructure leases, for example, remove tenant break clauses to extend lease terms;
- Seeking opportunities to increase the likelihood of tenants remaining in occupancy when lease expirations occur by enhancing the experience of occupying a particular property wherever possible, for instance by improving parking and facilities;
- Making cost effective cosmetic and functional improvements; and
- Monitoring expenses and prudently carrying out capital expenditures.

Repositioning and Management of Real Estate Assets

We follow an approach of renovating, re-merchandising and re-tenanting real estate assets to their highest operating efficiency:

- *Renovation.* Renovate assets from unappealing strip malls to visually and functionally attractive retail centers that draw stable tenants and loyal consumers;
- *Re-merchandising.* Position the property to meet the needs of consumers, while creating a complementary offering of tenant merchandise;
- *Re-tenanting.* Utilize existing relationships with tenants to sign leases that optimize stable income patterns, high occupancy, tenant flexibility and opportunities for rent growth; and
- *Property and Risk Management.* Employ internal controls to achieve predictable revenues, monitor expenses and prudently carry out capital expenditures, ensuring short-term cash flows and long-term value.

Dispositions

There were no real estate dispositions during 2010.

Our Financing Strategy

On December 1, 2010, we entered into a credit agreement with Bank of America, N.A., as administrative agent, and L/C issuer, KeyBank National Association, as the syndication agent, PNC Bank, National Association and U.S. Bank National Association, as co-documentation agents, and the other lenders party thereto with respect to our $175 million unsecured revolving credit facility (our "Credit Facility"). During the year ended December 31, 2010, we assumed five mortgage loans totalling $42.4 million in connection with three separate real estate acquisitions. As of December 31, 2010, we had cash and cash equivalents of approximately $84.7 million and our Credit Facility had $175 million of available borrowings, which we can use to finance acquisition opportunities and other general corporate purposes. We intend, when appropriate, to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of our target assets and the diversification of our portfolio. We intend to finance future acquisitions through a combination of cash, borrowings under our Credit Facility, traditional secured mortgage financing, and equity and debt offerings. In addition, in connection with the acquisition of certain of our properties, we assumed the existing debt on such properties. We may assume all or a portion of the existing debt in connection with properties we acquire in the future.

Business Segments

We operate in two business segments: (1) the shopping centers segment and (2) the real estate finance segment. Financial information concerning our business segments is presented in Note 1 to the accompanying notes to consolidated financial statements.

Regulation

The following discussion describes certain material U.S. federal laws and regulations that may affect our operations and those of our tenants. However, the discussion does not address state laws and regulations, except as otherwise indicated. These state laws and regulations, like the U.S. federal laws and regulations, could affect our operations and those of our tenants.

Generally, real estate properties are subject to various laws, ordinances and regulations. Changes in any of these laws or regulations, such as the Comprehensive Environmental Response and Compensation Liability Act, increase the potential liability for environmental conditions or circumstances existing or created by tenants or others on the properties. In addition, laws affecting development, construction, operation, upkeep, safety and taxation requirements may result in significant unanticipated expenditures, loss of real estate property sites or other impairments, which would adversely affect our cash flows from operating activities.

Under the Americans with Disabilities Act of 1990 (the "Americans with Disabilities Act") all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. A number of additional U.S. federal, state and local laws also exist that may require modifications to properties, or restrict certain further renovations thereof, with respect to access thereto by disabled persons. Noncompliance with the Americans with Disabilities Act could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature and in substantial capital expenditures. To the extent our properties are not in compliance, we may incur additional costs to comply with the Americans with Disabi lities Act.

Property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state.

Environmental Matters

Pursuant to U.S. federal, state and local environmental laws and regulations, a current or previous owner or operator of real property may be required to investigate, remove and/or remediate a release of hazardous substances or other regulated materials at or emanating from such property. Further, under certain circumstances, such owners or operators of real property may be held liable for property damage, personal injury and/or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The failure to

properly remediate the property may also adversely affect the owner's ability to lease, sell or rent the property or to borrow funds using the property as collateral.

In connection with the ownership, operation and management of our current properties and any properties that we may acquire and/or manage in the future, we could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, we conduct an environmental assessment of each property prior to acquisition and manage our properties in accordance with environmental laws while we own or operate them. All of our leases contain a comprehensive environmental provision that requires tenants to conduct all activities in compliance with environmental laws and to indemnify the owner for any harm caused by the failure to do so. In addition, we have engaged qual ified, reputable and adequately insured environmental consulting firms to perform environmental site assessments of our properties and are not aware of any environmental issues that are expected to have materially impacted the operations of any property.

Competition

We believe that competition for the acquisition, operation and development of retail properties is highly fragmented. We compete with numerous owners, operators and developers for acquisitions and development of retail properties, including institutional investors, other REITs and other owner-operators of community and neighborhood shopping centers, some of which own or may in the future own properties similar to ours in the same markets in which our properties are located. We also face significant competition in leasing available space to prospective tenants at our operating and development properties. Recent economic conditions have caused a greater than normal amount of space to be available for lease generally and in the markets in which our properties are located. The actual competition fo r tenants varies depending upon the characteristics of each local market (including current economic conditions) in which we own and manage property. We believe that the principal competitive factors in attracting tenants in our market areas are location, demographics, price, the presence of anchor stores and the appearance of properties.

Many of our competitors are substantially larger and have considerably greater financial, marketing and other resources than we do. Other companies may raise significant amounts of capital, and may have investment objectives that overlap with ours, which may create additional competition for opportunities to acquire assets. In the future, competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Further, as a result of their greater resources, such entities may have more flexibility than we do in their ability to offer rental concessions to attract tenants. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose potential tenants and we may be pressured to reduce our rental rates below those we currently charge in order to retain tenants when our tenants' leases expire.

Employees

As of December 31, 2010, we had 14 employees, including four executive officers, two of whom are also members of our board of directors. Our Executive Chairman is affiliated with other entities, including NRDC Real Estate Advisors, LLC and National Realty & Development Corp. Our Executive Chairman has entered into an employment agreement with us under which he has agreed that, during the period that he remains the Executive Chairman, he will not, nor will he permit any company under his control, to acquire or make any controlling equity investment in any retail property that is at least 70% occupied and otherwise fits our investment criteria, unless he first presents the opportunity to us for purchase. This commitment is not intended to extend to acquisitions or controlling investments in non-U.S. pro perties or national, regional or local retailers.

Available Information

We file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports with the Securities and Exchange Commission (the "SEC"). You may obtain copies of these documents by visiting the SEC's Public Reference Room at 100 F Street N.E., Washington, D.C. 20549, or by calling the SEC at 1-800-SEC-0330. The SEC also maintains a Website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our website is www.roireit.net. Our reports on Forms 10-K, 10-Q and 8-K, and all amendments to those reports are

available free of charge on our Website as soon as reasonably practicable after the reports and amendments are electronically filed with or furnished to the SEC. The contents of our website are not incorporated by reference herein.

Item 1A. Risk Factors

Risks Related to Our Business and Operations

There are risks relating to investments in real estate.

Real property investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including: changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for real estate in an area), the quality and philosophy of management, competition from other available space, the ability of the owner to provide adequate maintenance and insurance and to control variable operating costs. Shopping centers, in particular, may be affected by changing perceptions of retailers or shoppers regarding the safety, convenience and attractiveness of the shopping center, increasing consumer purchases through online retail websites and catalogs, the ongoing co nsolidation in the retail sector and by the overall climate for the retail industry generally. Real estate values are also affected by such factors as government regulations, interest rate levels, the availability of financing and potential liability under, and changes in, environmental, zoning, tax and other laws. A significant portion of our income is derived from rental income from real property. Our income and cash flow would be adversely affected if a significant number of our tenants were unable to meet their obligations, or if we were unable to lease on economically favorable terms a significant amount of space in our properties. In the event of default by a tenant, we may experience delays in enforcing, and incur substantial costs to enforce, our rights as a landlord. In addition, certain significant expenditures associated with each equity investment (such as mortgage payments, real estate taxes and maintenance costs) are generally not reduced w hen circumstances cause a reduction in income from the investment.

We operate in a highly competitive market and competition may limit our ability to acquire desirable assets and to attract and retain tenants.

We operate in a highly competitive market. Our profitability depends, in large part, on our ability to acquire our target assets at favorable prices and on trends impacting the retail industry in general, national, regional and local economic conditions, financial condition and operating results of current and prospective tenants and customers, availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation and population trends. Many of our competitors are substantially larger and have considerably greater financial, marketing and other resources than we do. Other companies may raise significant amounts of capital, and may have investment objectives that overlap with ours. In addition, the properties that we acquire may face competition from si milar properties in the same market. This competition may create additional competition for opportunities to acquire assets and to attract and retain tenants.

We may change any of our strategies, policies or procedures without stockholder consent, which could adversely affect our business.

We may change any of our strategies, policies or procedures with respect to acquisitions, asset allocation, growth, operations, indebtedness, financing strategy and distributions, including those related to maintaining our REIT qualification, at any time without the consent of our stockholders, which could result in making acquisitions that are different from, and possibly riskier than, the types of acquisitions described in this Annual Report on Form 10-K. A change in our strategy may increase our exposure to real estate market fluctuations, financing risk, default risk and interest rate risk. Furthermore, a change in our asset allocation could result in us making acquisitions in asset categories different from those described in this Annual Report on Form 10-K. These changes could adversely af fect our financial condition, results of operations, the market price of our common stock or warrants and our ability to make distributions to the stockholders.

Our executive officers and directors are subject to potential conflicts of interest.

Our executive officers and directors face conflicts of interest. Except for Messrs. Tanz, Roche and Schoebel, none of our executive officers or directors are required to commit his full time to our affairs and,

accordingly, they may have conflicts of interest in allocating management time among various business activities. In addition, except for Messrs. Tanz, Roche and Schoebel, each of our executive officers and directors is engaged in several other business endeavors and they are not obligated to contribute any specific number of hours per week to our affairs. In the course of their other business activities, our executive officers and directors may become aware of investment and business opportunities that may be appropriate for presentation to us as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

As a result of multiple business affiliations, our executive officers and directors may have legal obligations relating to presenting opportunities to acquire one or more properties, portfolios or real estate-related debt investments to other entities. In addition, conflicts of interest may arise when our board of directors evaluates a particular opportunity. Subject to the limitations described in the employment agreements applicable to Messrs. Tanz, Roche, Schoebel and Baker, our executive officers and directors may present such opportunities to the other entities to which they owe a pre-existing fiduciary duty before presenting such opportunities to us.

We have limited operating history and may not be able to successfully operate our business or generate sufficient revenue to make or sustain distributions to our stockholders.

On October 20, 2009, we commenced operations upon consummation of the transactions contemplated by the Framework Agreement with NRDC Capital Management, LLC, which, among other things, sets forth the steps to be taken by us to continue our business as a corporation that will elect to qualify as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2010 (the "Framework Transactions"). We cannot assure you that we will be able to operate our business successfully or implement our policies and strategies as described in this Annual Report on Form 10-K. Our ability to provide attractive risk adjusted returns to our stockholders over time is dependent on our ability both to generate sufficient cash flow to pay an attractive dividend and to achieve capital appreciation, and we cannot assure you we will do either. There can be no assurance that we will be able to generate sufficient revenue from operations to pay our operating expenses and make distributions to stockholders.

Capital markets and economic conditions can materially affect our financial condition and results of operations and the value of our assets.

There are many factors that can affect the value of our assets, including the state of the capital markets and economy. The recent economic downturn negatively affected consumer spending and retail sales, which has adversely impacted the performance and value of retail properties in most regions in the United States. In addition, loans backed by real estate were increasingly difficult to obtain and that difficulty, together with a tightening of lending policies, resulted in a significant contraction in the amount of debt available to fund retail properties. Although we have recently seen a gradual improvement in the credit markets, any reduction in available financing may adversely affect our ability to achieve our financial objectives. Concern about the stability of the markets generally may l imit our ability and the ability of our tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs which may materially affect our financial condition and results of operations and the value of our securities. Although we will factor in these conditions in acquiring our target assets, our long term success depends in part on improving economic conditions and the eventual return of a stable and dependable financing market for retail real estate. If market conditions do not eventually improve, our financial condition and results of operations and the value of our assets will be adversely affected.

Bankruptcy or insolvency of tenants may decrease our revenues and available cash.

In the case of many retail properties, the bankruptcy or insolvency of a major tenant could cause us to suffer lower revenues and operational difficulties, and could allow other tenants to exercise so-called "kick-out" clauses in their leases and terminate their lease or reduce their rents prior to the normal expiration of their lease terms. As a result, the bankruptcy or insolvency of a major tenant could result in a lower level of net income and funds available for the payment of indebtedness or for distribution to stockholders.

Inflation or deflation may adversely affect our financial condition and results of operations.

Increased inflation could have a pronounced negative impact on our mortgages and interest rates and general and administrative expenses, as these costs could increase at a rate higher than our rents. Inflation could also have an adverse effect on consumer spending which could impact our tenants' sales and, in turn, our percentage rents, where applicable. Conversely, deflation could lead to downward pressure on rents and other sources of income.

Compliance or failure to comply with the Americans with Disabilities Act or other safety regulations and requirements could result in substantial costs.

The Americans with Disabilities Act generally requires that a public building be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If, under the Americans with Disabilities Act, we are required to make substantial alterations and capital expenditures in one or more of our properties, including the removal of access barriers, it could adversely affect our financial condition and results of operations, as well as the amount of cash available for distribution to stockholders.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether compliance with the requirements will require significant unanticipated expenditures that will affect our cash flow and results of operations.

We expect to acquire additional properties and this may create risks.

We expect to acquire additional properties consistent with our investment strategies. We may not, however, succeed in consummating desired acquisitions on time or within budget. In addition, we may face competition in pursuing acquisition opportunities that could increase our costs. When we do pursue a project or acquisition, we may not succeed in leasing newly acquired properties at rents sufficient to cover our costs of acquisition or in operating the businesses we acquired. Difficulties in integrating acquisitions may prove costly or time-consuming and could result in poorer than anticipated performance. We may also abandon acquisition opportunities that we have begun pursuing and consequently fail to recover expenses already incurred. Furthermore, acquisitions of new p roperties will expose us to the liabilities of those properties, without any recourse or with only limited recourse, some of which we may not be aware of at the time of acquisition, such as liabilities for clean-up of undisclosed environmental contamination, claims by persons in respect of events transpiring or conditions existing before we acquired the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

Factors affecting the general retail environment could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our shopping centers, and in turn, adversely affect us.

We expect our properties and our real estate-related debt investments to be focused on the retail real estate market. This means that we will be subject to factors that affect the retail environment generally, including the level of consumer spending and consumer confidence, the threat of terrorism and increasing competition from online retail websites and catalog companies. These factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our shopping centers, and in turn, adversely affect us.

Our growth depends on external sources of capital, which may not be available in the future.

In order to maintain our qualification as a REIT, we are required under Internal Revenue Code of 1986, as amended (the "Code"), to annually distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. After we invest our cash on hand, we expect to depend primarily on our Credit Facility and other external financing to fund the growth of our business (including debt and equity financings). Our access to debt or equity financing depends on the willingness of third parties to lend or make equity investments and on conditions in the capital markets generally. As a result of current economic conditions, we may be limited in our ability to obtain additional financing or to refinance existing debt maturities on favorable terms o r at all and there can be no assurances as to when financing conditions will improve.

We do not have a formal policy limiting the amount of debt we may incur and our board of directors may change our leverage policy without stockholder consent, which could result in a different risk profile.

Although we are not required to maintain any particular leverage ratio, we intend, when appropriate, to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of our target assets and the diversification of our portfolio. The amount of leverage we will deploy for particular investments in our target assets will depend upon our management team's assessment of a variety of factors, which may include the anticipated liquidity and price volatility of the target assets in our investment portfolio, the potential for losses, the availability and cost of financing the assets, our opinion of the creditworthiness of our financing counterparties, the health of the U.S. economy and commercial mortgage markets, our outlook for the level, slope and volatility of interest rates, the credi t quality of our target assets and the collateral underlying our target assets. Our second amended and restated certificate of incorporation, as amended (our "certificate of incorporation"), does not limit the amount of indebtedness we can incur. Our board of directors may change our leverage policies at any time without the consent of our stockholders, which could result in an investment portfolio with a different risk profile.

Your investment return may be reduced if we are required to register as an investment company under the 1940 Act; if we are required to register under the 1940 Act, we will not be able to continue our business.

We conduct our operations so that neither we, nor our operating partnership nor any of our other subsidiaries, are required to register as investment companies under the 1940 Act. Section 3(a)(1)(A) of the 1940 Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the 1940 Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, which we refer to as the "40% test ." Excluded from the term "investment securities," among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. Accordingly, under Section 3(a)(1) of the 1940 Act, in relevant part, a company is not deemed to be an "investment company" if: (i) it neither is, nor holds itself out as being, engaged primarily, nor proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or (ii) it neither is engaged nor proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and does not own or propose to acquire "investment securities" having a value exceeding 40% of the value of its total assets on an unconsolidated basis. We believe that we and our oper ating partnership (which is initially wholly-owned by us) will not meet either of the above definitions of investment company as we invest primarily in real property. We expect that a majority of our subsidiaries will be wholly- or majority-owned by us and will have at least 60% of their assets in real property. As these subsidiaries would be investing either solely or primarily in real property, they themselves would be outside of the definition of "investment company" under Section 3(a)(1) of the 1940 Act. As we are organized as a holding company that conducts its businesses primarily through our operating partnership, which in turn is a holding company conducting its business through its wholly- or majority-owned subsidiaries, both we and our operating partnership conduct our operations so that we and our operating partnership comply with the 40% test. We also do not believe that we will be considered to be an investment company under Section 3(a)(1)(A) of the 1940 Act because we will not engage primarily or hold ourselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we will be primarily engaged in the non-investment company businesses of our subsidiaries. We will monitor our holdings to ensure continuing and ongoing compliance with this test.

In the event that the value of investment securities held by the subsidiaries of our operating partnership were to exceed 40%, we expect our subsidiaries to be able to rely on the exclusion from the definition of "investment company" provided by Section 3(c)(5)(C) of the 1940 Act. Section 3(c)(5)(C), as interpreted by the staff of the SEC, requires each of our subsidiaries relying on this exception to invest at least 55% of its portfolio in "mortgage and other liens on and interests in real estate," which we refer to as qualifying assets and at least 80% of its assets in qualifying assets and other real estate-related assets. The remaining 20% of the portfolio can consist of miscellaneous assets. What we buy and sell is therefore limited to these criteria. How we determine to classify our asse ts for purposes of the 1940 Act will be based in large measure upon no-action letters issued by the SEC staff and

other SEC interpretive guidance. No assurance can be given that the SEC staff will concur with our classification of our assets. Future revisions to the 1940 Act or further guidance from the SEC or its staff may cause us to lose our exclusion from registration or force us to re-evaluate our portfolio and our investment strategy. Such changes may prevent us from operating our business successfully.

To ensure that neither we, nor our operating partnership nor subsidiaries are required to register as an investment company, each entity may be unable to sell assets they would otherwise want to sell and may need to sell assets they would otherwise wish to retain. In addition, we, our operating partnership or our other subsidiaries may be required to acquire additional assets that we might not otherwise acquire or forego opportunities to acquire interests in companies that we would otherwise want to acquire. Although we, our operating partnership and our other subsidiaries intend to monitor our portfolio periodically and prior to each acquisition and disposition, any of these entities may not be able to maintain an exclusion from registration as an investment company. If we, our operating partnership or o ur other subsidiaries are required to register as an investment company but fail to do so, the unregistered entity would be prohibited from engaging in our business, and criminal and civil actions could be brought against such entity. In addition, the contracts of such entity would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the entity and liquidate its business.

Increasing vacancy rates for retail property assets resulting from recent disruptions in the financial markets and deteriorating economic conditions could adversely affect the value of the retail property assets we acquire.

We depend upon tenants for a majority of our revenue from real property investments. Recent disruptions in the financial markets have resulted in a trend toward increasing vacancy rates for certain classes of commercial property, including retail properties, due to increased tenant delinquencies and/or defaults under leases, generally lower demand for rentable space, as well as potential oversupply of rentable space. Business failures and downsizings have led to reduced consumer demand for retail products and services, which in turn has led to retail business failures or downsizings and reducing demand for retail space. Reduced demand for retail space could require us to increase concessions, tenant improvement expenditures or reduce rental rates to maintain occupancies beyond those anticipated at the tim e we acquire the property. The continuation of disruptions in the financial markets and deteriorating economic conditions could impact certain of the retail properties we may acquire and such properties could experience higher levels of vacancy than anticipated at the time of our acquisition of such properties. The value of our retail property investments could decrease below the amounts we paid for such properties. Revenues from properties could decrease due to lower occupancy rates, reduced rental rates and potential increases in uncollectible rent. We incur expenses, such as for maintenance costs, insurance costs and property taxes, even though a property is vacant. The longer the period of significant vacancies for a property, the greater the potential negative impact on our revenues and results of operations.

Real estate investments' value and income fluctuate due to conditions in the general economy and the real estate business, which may affect our ability to service our debt and expenses.

The value of real estate fluctuates depending on conditions in the general and local economy and the real estate business. These conditions may also limit our revenues and available cash. The rents we receive and the occupancy levels at our properties may decline as a result of adverse changes in conditions in the general economy and the real estate business. If rental revenues and/or occupancy levels decline, we generally would expect to have less cash available to pay indebtedness and for distribution to our stockholders. In addition, some of our major expenses, including mortgage payments, real estate taxes and maintenance costs, generally do not decline when the related rents decline.

The lack of liquidity of our assets may adversely affect our business, including our ability to value and sell our assets.

Real estate investments are relatively difficult to buy and sell quickly. In addition, the illiquidity of our investments in commercial mortgage loans and other real estate-related debt investments may make it difficult for us to sell such investments if the need or desire arises. Many of the securities we purchase will not be registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or their disposition except in a transaction that is exempt from the registration requirements of, or otherwise in accordance with, those laws. In addition, certain real estate-related debt investments, including mortgage loans, are also particularly illiquid investments due to their short life, their potential unsuitability for securitization and the greater difficulty of recovery

in the event of a borrower's default. As a result, we expect many of our investments will be illiquid and if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect our results of operations and financial condition.

We depend on leasing space to tenants on economically favorable terms and collecting rent from tenants, some of whom may not be able to pay.

Our financial results depend significantly on leasing space in our properties to tenants on economically favorable terms. In addition, as a substantial majority of our income comes from renting of real property, our income, funds available to pay indebtedness and funds available for distribution to our stockholders will decrease if a significant number of our tenants cannot pay their rent or if we are not able to maintain occupancy levels on favorable terms. If a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and may incur substantial legal costs.

Some of our properties depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of or a store closure by one or more of these tenants.

Regional malls are typically anchored by department stores and other large, nationally recognized tenants. The value of some of the retail properties we acquire could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations or cease their operations. Department store and larger store, also referred to as "big box," consolidations typically result in the closure of existing stores or duplicate or geographically overlapping store locations. We will not control the disposition of those department stores or larger stores nor will we control the vacant space that is not re-leased in those stores. Other tenants may be entitled to modify the terms of their existing leases in the event of such closures. The mod ification could be unfavorable to us as the lessor and could decrease rents or expense recovery charges. Additionally, major tenant closures may result in decreased customer traffic which could lead to decreased sales at other stores. If the sales of stores operating in our properties were to decline significantly due to closing of anchors, economic conditions or other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

Loss of revenues from major tenants could reduce distributions to stockholders.

We derive significant revenues from anchor tenants such as Safeway, Inc., Haggen and Rite Aid. These tenants are our three largest tenants and accounted for 10.4%, 3.8% and 3.8%, respectively, of our annualized base rent on a *pro-rata* basis for the year ended December 31, 2010. Distributions to stockholders could be adversely affected by the loss of revenues in the event a major tenant becomes bankrupt or insolvent, experiences a downturn in its business, materially defaults on its leases, does not renew its leases as they expire, or renews at lower rental rates.

Our Common Area Maintenance ("CAM") contributions may not allow us to recover the majority of our operating expenses from tenants, which may reduce operating cash flow from our properties.

CAM costs typically include allocable energy costs, repairs, maintenance and capital improvements to common areas, janitorial services, administrative, property and liability insurance costs and security costs. We may acquire properties with leases with variable CAM provisions that adjust to reflect inflationary increases or leases with a fixed CAM payment methodology which fixes our tenants' CAM contributions. With respect to both variable and fixed payment methodologies, the amount of CAM charges we bill to our tenants may not allow us to recover or pass on all these operating expenses to tenants, which may reduce operating cash flow from our properties.

We may incur costs to comply with environmental laws.

Our operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment, including air and water quality, hazardous or toxic substances and health and safety. Under some environmental laws, a current or previous owner or operator of real estate may be required to

investigate and clean up hazardous or toxic substances released at a property. The owner or operator may also be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may impair our ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality including those that can require the abatement or removal of asbestos-containing materials in the event of damage, demolition, renovation or remodelling and also govern emissions of and exposure to asbestos fibers in the air. The maintenance and removal of l ead paint and certain electrical equipment containing polychlorinated biphenyls ("PCBs") and underground storage tanks are also regulated by federal and state laws. We are also subject to risks associated with human exposure to chemical or biological contaminants such as molds, pollens, viruses and bacteria which, above certain levels, can be alleged to be connected to allergic or other health effects and symptoms in susceptible individuals. We could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or tanks or related claims arising out of environmental contamination or human exposure to contamination at or from our properties. Identification of compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, discovery of additional sites, human exposure to the contamination or changes in cleanup or compliance requirements could resu lt in significant costs to us.

Our investments in mezzanine loans and B-notes may be subject to losses. The B-notes in which we may invest may be subject to additional risks relating to the privately negotiated structure and terms of the transaction, which may result in losses to us.

We may acquire mezzanine loans, which are loans made to property owners that are secured by pledges of the borrower's ownership interests, in whole or in part, in entities that directly or indirectly own the real property. The key distinction from mortgage loans is that the most senior portion of the loan with the least credit risk is owned by the senior lender. In the event a borrower defaults on a loan and lacks sufficient assets to satisfy our loan, we may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, we may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. In addition, mezzanine loans are by their nature structurally subordinated to more senior property level financings. If a borrower defaults on our mezzanine loan or on debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the property level debt and other senior debt is paid in full. Similar to our mezzanine loan strategy, we may acquire subordinate interests referred to as B-notes. B-notes are commercial real estate loans secured by a first mortgage on a single large commercial property or group of related properties and subordinated to a senior interest, referred to as an A-note. As a result, if a borrower defaults, there may not be sufficient funds remaining for B-notes owners after payment to the A-note owners. B-notes reflect similar credit risks to comparably rated commercial mortgage-backed securities. However, since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. For example, the rights of holders of B-notes to control the proc ess following a borrower default may be limited in certain investments. We cannot predict the terms of each B-note investment. Significant losses related to our mezzanine loans and B-notes would result in operating losses for us and may limit our ability to make distributions to our stockholders.

We may invest in loans to owners of net leased properties and these investments may generate losses.

We may invest in commercial mortgage loans to owners of net leased real estate assets. A net lease requires the tenant to pay, in addition to the fixed rent, some or all of the property expenses that normally would be paid by the property owner. The value of our investments and the income from our investments in loans to owners of net leased properties, if any, will depend upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, the borrower would have difficulty making its required loan payments to us. In addition, under many net leases the owner of the property retains certain obligations with respect to the property, including among other things, the responsibili ty for maintenance and repair of the property, to provide adequate parking, maintenance of common areas and compliance with other affirmative covenants in the lease. If the borrower were to fail to meet these obligations, the applicable tenant could abate rent or terminate the applicable lease, which may result in a loss of capital invested in, and anticipated profits from, the property to the borrower and the borrower would have difficulty

making its required loan payments to us. In addition, the borrower may find it difficult to lease property to new tenants that may have been suited to the particular needs of a former tenant.

We may be subject to "lender liability" claims, which may subject us to significant liability, should a claim of this type arise.

In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. We cannot assure prospective investors that such claims will not arise or that we will not be subject to significant liability if a claim of this type did arise.

A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could impair our assets and harm our operations.

We believe the risks associated with our business will be more severe during periods of economic slowdown or recession if these periods are accompanied by declining real estate values. Because we have only recently acquired assets, we are not burdened by the losses experienced by certain of our competitors as a result of the recent economic downturn and declines in real estate values. Although we will take current economic conditions into account in acquiring our target assets, our long term success depends in part on improving economic conditions and the eventual return of a stable and dependable financing market for retail real estate. If the current challenging economic conditions persist or worsen, our financial condition and results of operations and the value of our common stock will be adversely af fected.

Loss of our key personnel could harm our operations and adversely affect the value of our common stock.

We are dependent on the efforts of our key personnel of our senior management team. While we believe that we could find replacements for these key personnel, the loss of their services could harm our operations and adversely affect the value of our common stock.

Under their employment agreements, certain members of our senior management team will have certain rights to terminate their employment and receive severance in connection with a change in control of our company.

We have entered into employment agreements with each of Messrs. Tanz, Roche and Schoebel, which provide that, upon termination of his employment (i) by the applicable officer within 12 months following the occurrence of a change in control (as defined in the employment agreement), (ii) by us without cause (as defined in the employment agreement), (iii) by the applicable officer for good reason (as defined in the employment agreement), (iv) by non-renewal of the applicable officer's employment agreement or (v) by reason of the applicable officer's death or disability (as defined in the employment agreement), such executive officers would be entitled to certain termination or severance payments made by us (which may include a lump sum payment equal to defined percentages of annual salary and prior years' average bonuses, paid in accordance with the terms and conditions of the respective agreement). In addition, the vesting of all his outstanding unvested equity-based incentives and awards will accelerate. These provisions make it costly to terminate their employment and could delay or prevent a transaction or a change in control of our company that might involve a premium paid for shares of our common stock or otherwise be in the best interests of our stockholders.

Joint investments could be adversely affected by our lack of sole decision-making authority or reliance on a joint venture partner's financial condition.

We own certain of our investment properties through joint ventures with third parties and may also enter into similar arrangements in the future. Investments in joint ventures involve risks that are not otherwise present with properties which we own entirely. In these investments, we do not have exclusive control or sole decision-making authority over the development, financing, leasing, management and other aspects of these investments. As a result, the joint venture partner might have economic or business interests or goals that are inconsistent with our goals or interests, take action contrary to our interests or otherwise impede our objectives. These investments involve risks and uncertainties, including the risk of the joint venture partner failing to provide capital and fulfill its

obligations, which may result in certain liabilities to us for guarantees and other commitments, the risk of conflicts arising between us and our partners and the difficulty of managing and resolving such conflicts, and the difficulty of managing or otherwise monitoring such business arrangements. The joint venture partner also might become insolvent or bankrupt, which may result in significant losses to us. Further, although we may own a controlling interest in a joint venture and may have authority over major decisions such as the sale or refinancing of investment properties, we may have fiduciary duties to the joint venture partners or the joint venture itself that may cause, or require, us to take or refrain from taking actions that we would otherwise take if we owned the investment properties outright.

Uninsured losses or a loss in excess of insured limits could adversely affect our financial condition.

We carry comprehensive general liability, fire, extended coverage, loss of rent insurance, and environmental liability where applicable on our properties, with policy specifications and insured limits customarily carried for similar properties. However, with respect to those properties where the leases do not provide for abatement of rent under any circumstances, we generally do not maintain loss of rent insurance. In addition, there are certain types of losses, such as losses resulting from wars, terrorism or acts of God that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, we could lose capital invested in a property, as well as the anticipated future revenues from a property, while remainin g obligated for any mortgage indebtedness or other financial obligations related to the property. Any loss of these types would adversely affect our financial condition.

Our revenues and cash flow could be adversely affected by poor market conditions where our properties are geographically concentrated.

Our performance depends on the economic conditions in markets in which our properties are concentrated. During the year ended December 31, 2010, our properties in California, Washington and Oregon accounted for 60.9%, 25.7% and 13.3%, respectively, of our consolidated net operating income. Our revenues and cash available for distribution to stock and unit holders could be adversely affected by this geographic concentration if market conditions, such as an oversupply of space or a reduction in demand for real estate in an area, deteriorate in California, Washington and Oregon relative to other geographic areas.

Risks Related to Financing

Our unsecured revolving credit facility contains restrictive covenants relating to our operations, which could limit our ability to respond to changing market conditions and our ability to pay distributions on our common stock.

Our unsecured revolving credit facility imposes restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. For example, we are subject to a maximum consolidated leverage ratio (defined as consolidated funded indebtedness to consolidated total asset value) of 55% (provided that, upon our request, the consolidated leverage ratio may be increased once to 60% for a maximum of two consecutive fiscal quarters), which could have the effect of reducing our ability to incur additional debt and consequently reduce our ability to pay distributions on our common stock. The unsecured revolving credit facility also contains limitations on our ability to pay distributions. In addition, the revolving credit facility contains customary restrictive covenants requiring u s to maintain a minimum consolidated tangible net worth, a minimum consolidated fixed charge coverage ratio, a maximum consolidated unencumbered leverage ratio and a maximum consolidated unsecured indebtedness. These or other limitations may adversely affect our flexibility and our ability to achieve our operating plans and could result in us being limited in the amount of dividends we would be permitted to pay on our common stock.

Certain of our debt instruments contain covenants that could adversely affect our financial condition and our acquisitions and development activities.

Our mortgage financing contains customary covenants and provisions that limit our ability to pre-pay such mortgages before their scheduled maturity date or to transfer the underlying property without lender consent. In addition, because a mortgage is secured by a lien on the underlying real property, mortgage defaults subject us to the risk of losing the property through foreclosure. In addition, our Credit Facility contains customary restrictions and requirements on our method of operations. Any other unsecured credit facilities, unsecured debt securities and other

loans that we may obtain in the future may contain customary restrictions, requirements and other limitations on our ability to incur indebtedness, including covenants that limit our ability to incur debt based upon the level of our ratio of total debt to total assets, our ratio of secured debt to total assets, our ratio of net operating income to our interest expense, and fixed charges, and that require us to maintain a certain level of unencumbered assets to unsecured debt. In addition, failure to comply with these covenants could cause a default under the applicable debt instrument, and we may then be required to repay such debt with capital from other sources. Under those circumstances, other sources of capital may not be available to us, or be available only on unattractive terms. Additionally, our ability to satisfy prospective lenders' insurance requirements may be adversely affected if lenders generally insist upon greater insurance coverage agains t certain risks than is available to us in the marketplace or on commercially reasonable terms.

Our access to financing may be limited and thus our ability to potentially enhance our returns may be adversely affected.

We intend, when appropriate, to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of our target assets and the diversification of our portfolio. To the extent market conditions improve and markets stabilize over time, we expect to increase our borrowing levels. As of December 31, 2010, our outstanding mortgage indebtedness was approximately $42 million, and we may incur significant additional debt to finance future acquisition and development activities. We have a $175 million unsecured revolving Credit Facility with Bank of America, N.A., as administrative agent and letter of credit issuer, KeyBank National Association, as syndication agent, PNC Bank, National Association and U.S. Bank National Association, as co-documentation agents, and the oth er lenders party thereto. To date, we have no outstanding borrowings under our Credit Facility The amount available to be borrowed may be increased by up to an additional $75 million to $250 million under certain conditions set forth in our Credit Facility, including the consent of the lenders for the additional commitments.

Our access to private sources of financing will depend upon a number of factors, over which we have little or no control, including:

- general market conditions;
- the market's view of the quality of our assets;
- the market's perception of our growth potential;
- our eligibility to participate in and access capital from programs established by the U.S. government;
- our current and potential future earnings and cash distributions; and
- the market price of the shares of our common stock.

Although we have recently seen a gradual improvement in the credit markets, any reduction in available financing may adversely affect our ability to achieve our financial objectives. Concern about the stability of the markets generally could adversely affect one or more private lenders and could cause one or more private lenders to be unwilling or unable to provide us with financing or to increase the costs of that financing. In addition, if regulatory capital requirements imposed on our private lenders change, they may be required to limit, or increase the cost of, financing they provide to us. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price.

During times when interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, we have and may continue to purchase certain properties for cash. Consequently, depending on market conditions at the relevant time, we may have to rely more heavily on additional equity issuances, which may be dilutive to our stockholders, or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities, cash distributions to our stockholders and other purposes. We cannot assure you that we will have access to such equity or debt capital on favorable terms (including, without limitation, cost and term) at the desired times, or at all, which

may cause us to curtail our asset acquisition activities and/or dispose of assets, which could negatively affect our results of operations.

Interest rate fluctuations could reduce the income on our investments and increase our financing costs.

Changes in interest rates will affect our operating results as such changes will affect the interest we receive on our floating rate interest bearing investments and the financing cost of our debt, as well as our interest rate swaps that we utilize for hedging purposes. There can be no guarantee that the financial condition of the counterparties with respect to our interest rate swaps will enable them to fulfill their obligations under these agreements. Changes in interest rates may also, in the case of our real estate-related debt investments, affect borrower default rates, which may result in losses for us.

Financing arrangements that we may use to finance our assets may require us to provide additional collateral or pay down debt.

We intend, when appropriate, to use traditional forms of financing, including secured credit facilities. In the event we utilize such financing arrangements, they would involve the risk that the market value of our assets which are secured may decline in value, in which case the lender may, in connection with a refinancing of the credit facility, require us to provide additional collateral, provide additional equity, or to repay all or a portion of the funds advanced. We may not have the funds available to repay our debt or provide additional equity at that time, which would likely result in defaults unless we are able to raise the funds from alternative sources, which we may not be able to achieve on favorable terms or at all. Providing additional collateral or equity would reduce our liquidity and limit our ability to leverage our assets. If we cannot meet these requirements, the lender could accelerate our indebtedness, increase the interest rate on advanced funds and terminate our ability to borrow funds from them, which could materially and adversely affect our financial condition and ability to implement our business plan. The providers of credit facilities may also require us to maintain a certain amount of cash or set aside assets sufficient to maintain a specified liquidity position. As a result, we may not be able to leverage our assets as fully as we would choose, which could reduce our return on assets. There can be no assurance that we will be able to utilize such arrangements on favorable terms, or at all.

Risks Related to Our Organization and Structure

We depend on dividends and distributions from our direct and indirect subsidiaries. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to us.

Substantially all of our assets are held through our operating partnership that holds substantially all of its properties and assets through subsidiaries. Our operating partnership's cash flow is dependent on cash distributions to it by its subsidiaries, and in turn, substantially all of our cash flow is dependent on cash distributions to us by our operating partnership. The creditors of our direct and indirect subsidiaries are entitled to payment of that subsidiary's obligations to them, when due and payable, before distributions may be made by that subsidiary to its equity holders. Thus, our operating partnership's ability to make distributions to us and therefore our ability to make distributions to our stockholders will depend on its subsidiaries' ability first to satisfy their obligations to creditor s and then to make distributions to our operating partnership.

In addition, our participation in any distribution of the assets of any of our direct or indirect subsidiaries upon the liquidation, reorganization or insolvency, is only after the claims of the creditors, including trade creditors, are satisfied.

The authorized but unissued shares of preferred stock and the ownership limitations contained in our certificate of incorporation may prevent a change in control.

Our certificate of incorporation authorizes us to issue authorized but unissued shares of preferred stock. In addition, our board of directors, without stockholder approval, has the authority to issue and classify or reclassify any preferred stock and set the terms of the classified or reclassified shares. As a result, our board of directors may establish a series of shares of preferred stock that could delay or prevent a transaction or a change in control that

might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders.

In addition, our certificate of incorporation contains restrictions limiting the ownership and transfer of shares of our common stock and other outstanding shares of capital stock. The relevant sections of our certificate of incorporation provide that, subject to certain exceptions, ownership of shares of our common stock by any person is limited to 9.8% by value or by number of shares, whichever is more restrictive, of our outstanding shares of common stock (the common share ownership limit), and no more than 9.8% by value or number of shares, whichever is more restrictive, of our outstanding capital stock (the aggregate share ownership limit). The common share ownership limit and the aggregate share ownership limit are collectively referred to herein as the "ownership limits." These provisions will rest rict the ability of persons to purchase shares in excess of the relevant ownership limits. Our board of directors has established exemptions from this ownership limit which permit certain institutional investors to hold additional shares of our common stock. Our board of directors may in the future, in its sole discretion, establish additional exemptions from this ownership limit.

Our failure to qualify as a REIT would subject us to U.S. federal income tax and potentially increased state and local taxes, which would reduce the amount of cash available for distribution to our stockholders.

We intend to operate in a manner that will enable us to qualify as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2010. We have not requested and do not intend to request a ruling from the IRS that we will qualify as a REIT. The U.S. federal income tax laws governing REITs are complex. The complexity of these provisions and of the applicable U.S. Treasury Department regulations that have been promulgated under the Code ("Treasury Regulations") is greater in the case of a REIT that holds assets through a partnership, and judicial and administrative interpretations of the U.S. federal income tax laws governing REIT qualification are limited. To qualify as a REIT, we must meet, on an ongoing basis, various tests regarding the nature of our assets a nd our income, the ownership of or outstanding shares, and the amount of our distributions. Moreover, new legislation, court decisions or administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for us to qualify as a REIT. Thus, while we believe that we have operated and intend to continue to operate so that we will qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we have qualified or will continue to so qualify for any particular year.

If we fail to qualify as a REIT in any taxable year, and do not qualify for certain statutory relief provisions, we would be required to pay U.S. federal income tax on our taxable income, and distributions to our stockholders would not be deductible by us in determining our taxable income. In such a case, we might need to borrow money or sell assets in order to pay our taxes. Our payment of income tax would decrease the amount of our income available for distribution to our stockholders. Furthermore, if we fail to maintain our qualification as a REIT, we no longer would be required to distribute substantially all of our net taxable income to our stockholders. In addition, unless we were eligible for certain statutory relief provisions, we could not re-elect to qualify as a REIT until the fifth calendar year following the year in which we failed to qualify.

The stock transfer restrictions in our certificate of incorporation may not be effective as to all stockholders, which could adversely affect our ability to qualify as a REIT.

Under Delaware law, a transfer restriction on a security of a corporation is not binding on the holder thereof unless the holder voted in favor of the restriction. The transfer restrictions are not effective against any stockholder that did not affirmatively approve the transfer restrictions or any transferee of such stockholder. Accordingly, despite certain transfer restrictions in our certificate of incorporation, a transfer of shares of our stock could result in our stock being beneficially owned by less than 100 persons and loss of our REIT qualification. We intend to monitor the beneficial owners of our stock to ensure that our stock is at all times beneficially owned by more than 100 persons, but no assurance can be given that we will be successful in this regard.

Failure to make required distributions would subject us to tax, which would reduce the cash available for distribution to our stockholders.

In order to qualify as a REIT, we must distribute to our stockholders each calendar year at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our taxable income, we are subject to U.S. federal corporate income tax on our undistributed income. In addition, we will incur a 4% non-deductible excise tax on the amount, if any, by which our distributions in any calendar year are less than a minimum amount specified under U.S. federal income tax laws. We intend to distribute our net income to our stockholders in a manner intended to satisfy the REIT 90% distribution requirement and to avoid the 4% non-deductible excise tax.

Our taxable income may exceed our net income as determined by the U.S. generally accepted accounting principles ("GAAP") because, for example, realized capital losses will be deducted in determining our GAAP net income, but may not be deductible in computing our taxable income. In addition, we may invest in assets that generate taxable income in excess of economic income or in advance of the corresponding cash flow from the assets. For example, we may be required to accrue interest income on mortgage loans or other types of debt securities or interests in debt securities before we receive any payments of interest or principal on such assets. Similarly, some of the debt securities that we acquire may have been issued with original issue discount. We will be required to report such original issue discount based on a constant yield method. As a result of the foregoing, we may generate less cash flow than taxable income in a particular year. To the extent that we generate such non-cash taxable income in a taxable year, we may incur corporate income tax and the 4% non-deductible excise tax on that income if we do not distribute such income to stockholders in that year. In that event, we may be required to use cash reserves, incur debt or liquidate assets at rates or times that we regard as unfavorable or make a taxable distribution of our shares in order to satisfy the REIT 90% distribution requirement and to avoid U.S. federal corporate income tax and the 4% non-deductible excise tax in that year.

To maintain our REIT qualification, we may be forced to borrow funds during unfavorable market conditions.

In order to qualify as a REIT and avoid the payment of income and excise taxes, we may need to borrow funds on a short-term basis, or possibly on a long-term basis, to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, a difference in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes, the effect of non-deductible capital expenditures, the creation of reserves or required debt amortization payments.

Even if we qualify as a REIT, we may be required to pay certain taxes.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure and state or local income, franchise, property and transfer taxes, including mortgage recording taxes. In addition, we hold some of our assets through taxable REIT subsidiary ("TRS") corporations. Any TRSs or other taxable corporations in which we own an interest will be subject to U.S. federal, state and local corporate taxes. Payment of these taxes generally would reduce our cash flow and the amount available to distribute to our stockholders.

Dividends payable by REITs generally do not qualify for the reduced tax rates on dividend income from regular corporations, which could adversely affect the value of our shares or warrants.

The maximum U.S. federal income tax rate for certain qualified dividends payable to domestic stockholders that are individuals, trusts and estates is 15% (through 2012). Dividends payable by REITs, however, are generally not eligible for the reduced rates and therefore may be subject to a 35% maximum U.S. federal income tax rate on ordinary income. Although the reduced U.S. federal income tax rate applicable to dividend income from regular corporate dividends does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adve rsely affect the value of the shares of REITs, including our shares.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our shares of common stock or warrants.

At any time, the U.S. federal income tax laws or regulations governing REITs or the administrative interpretations of those laws or regulations may be changed, possibly with retroactive effect. We cannot predict if or when any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective or whether any such law, regulation or interpretation may take effect retroactively. We and our stockholders or warrantholders could be adversely affected by any such change in, or any new, U.S. federal income tax law, regulation or administrative interpretation.

The failure of a mezzanine loan to qualify as a real estate asset would adversely affect our ability to qualify as a REIT.

We may acquire mezzanine loans, which are loans secured by equity interests in a partnership or limited liability company that directly or indirectly owns real property. In Revenue Procedure 2003-65, the IRS provided a safe harbor pursuant to which a mezzanine loan, if it meets each of the requirements contained in the Revenue Procedure, will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% gross income test. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We may acquire mezzanine loans that do not meet all of the requirements for reliance on this safe harbor. & #160;In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and the interest generated by such a loan as qualifying income for purposes of the REIT income tests, and if such a challenge were sustained, we could fail to qualify as a REIT.

There may be uncertainties relating to the estimate of our accumulated non-REIT tax earnings and profits, which could result in our failing to qualify as a REIT.

In order to qualify as a REIT for our taxable year ended December 31, 2010, we were required to distribute to our stockholders prior to the end of such calendar year all of our accumulated non-REIT tax earnings and profits ("E&P") incurred by us prior to such calendar year. We believe that the distributions we made in 2010 were in sufficient amounts to enable us to satisfy this requirement, as well as our minimum REIT distribution requirements in respect of out 2010 taxable income. However, the IRS could successfully assert that our pre-2010 taxable income should be increased, which would increase our E&P. Thus, we might fail to satisfy the requirement that we distribute all of our E&P by the close of our first taxable year as a REIT. Although there are procedures available to cure a failure to distribute all of our E&P, we cannot now determine whether we will be able to take advantage of these procedures (which could result in us failing to qualify as a REIT) nor can we estimate the economic impact that any such steps would cause us to incur.

We could have potential deferred tax liabilities, which could delay or impede future sales of certain of our properties.

Under the Treasury Regulations, if, during the ten-year period beginning on the first day of the first taxable year for which we qualify as a REIT, which we believe to be January 1, 2010, we recognize gain on the disposition of any property that we held as of that date, then, to the extent of the excess of (i) the fair market value of such property as of that date over (ii) our adjusted income tax basis in such property as of that date, we will be required to pay a corporate level U.S. federal income tax on this gain at the highest regular corporate tax rate. Depending on the timing of our investments and the amount of any appreciation of such investments prior to January 1, 2010, there can be no assurance that a disposition triggering such gain will not occur and, if applicable, these Treasury Regulations could limit, delay o r impede sale of our property acquired prior to January 1, 2010.

We cannot assure you of our ability to pay distributions in the future.

We intend to pay quarterly distributions and to make distributions to our stockholders in an amount such that we distribute all or substantially all of our REIT taxable income in each year, subject to certain adjustments. Our ability to pay distributions may be adversely affected by a number of factors, including the risk factors

described in this Annual Report on Form 10-K. All distributions will be made, subject to Delaware law, at the discretion of our board of directors and will depend on our earnings, our financial condition, any debt covenants, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to pay distributions to our stockholders:

- the profitability of the assets acquired;
- our ability to make profitable acquisitions;
- margin calls or other expenses that reduce our cash flow;
- defaults in our asset portfolio or decreases in the value of our portfolio; and
- the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

We cannot assure you that we will achieve results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future. In addition, some of our distributions may include a return in capital.

Your ability to exercise your warrants may be limited by the ownership limits contained in the terms of the Warrant Agreement and our certificate of incorporation.

Your ability to exercise your warrants may be limited by the ownership limits contained in the terms of the Warrant Agreement, dated as of October 17, 2009, as amended, between us and Continental Stock Transfer and Trust Company (the "Warrant Agreement"), and our certificate of incorporation. On May 24, 2010, The Bank of New York Mellon was appointed as the Company's new transfer agent, registrar and dividend disbursing agent. In particular, to assist us in qualifying as a REIT, ownership of shares of our common stock by any person is limited under the certificate of incorporation, with certain exceptions, to 9.8% by value or by number of shares, whichever is more restrictive, of our outstanding shares of common stock and no more than 9.8% by value or by number of shares, whichever is more restrictive, of our outsta nding capital stock. Moreover, the terms of the warrants limit a holder's ability to exercise warrants to ensure that such holder's Beneficial Ownership or Constructive Ownership, each as defined in our certificate of incorporation, does not exceed the restrictions contained in our certificate of incorporation limiting the ownership of shares of our common stock. In addition, our certificate of incorporation contains various other restrictions limiting the ownership and transfer of our common stock. As a result, you may not be able to exercise your warrants if such exercise would cause you to own shares of our common stock in excess of these ownership limits.

You will not be able to exercise your warrants if an effective registration statement is not in place when you desire to do so.

No warrant will be exercisable and we will not be obligated to issue shares of common stock unless, at the time a holder seeks to exercise such warrant, a prospectus relating to the common stock issuable upon exercise of the warrant is current. Under the terms of the Warrant Agreement, we are required to use our best efforts to meet these conditions and to maintain a current prospectus relating to the shares of common stock issuable upon exercise of the warrants until the expiration of the warrants. However, there can be no assurance that we will be able to do so, and if we do not maintain a current prospectus related to the shares of common stock issuable upon exercise of the warrants, holders will be unable to exercise their warrants. Additionally, we will have no obligation to settle the warrants for c ash or "net cash settle" any warrant exercise. Accordingly, if the prospectus relating to the common stock issuable upon the exercise of the warrants is not current, the warrants may have no value, the market for the warrants may be limited and the warrants may expire worthless.

Our warrants may be exercised in the future, which would increase the number of shares eligible for future resale in the public market and dilute the ownership of our existing stockholders.

Outstanding warrants to purchase an aggregate of 49,400,000 shares of our common stock are currently exercisable at an exercise price of $12.00 per share. The warrant exercise price may be lowered under certain circumstances, including, among others, in our sole discretion at any time prior to the expiration date of the warrants for a period of not less than 20 business days; provided, however, that any such reduction shall be identical in percentage terms among all of the warrants. These warrants likely will be exercised if the market price of the shares of our common stock equals or exceeds the warrant exercise price. Therefore, as long as warrants remain outstanding, there will be a drag on any increase in the price of our common stock in excess of the warrant exercise price. To the extent s uch warrants are exercised, additional shares of our common stock will be issued, which would dilute the ownership of our existing stockholders. Further, if these warrants are exercised at any time in the future at a price lower than the book value per share of our common stock, existing stockholders could suffer substantial dilution of their investment, which dilution could increase in the event the warrant exercise price is lowered. Additionally, if we were to lower the exercise price in the near future, the likelihood of this dilution could be accelerated.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We maintain our executive office at 3 Manhattanville Road, Purchase, New York 10577. The cost for this space is included in the $7,500 per month fee we have agreed to pay NRDC Real Estate Advisors, LLC under the Transitional Shared Facilities and Services Agreement, pursuant to which NRDC Real Estate Advisors, LLC provides us with access to, among other things, their information technology and office space.

The following table provides information regarding our properties as of December 31, 2010.

Property	Year Completed/ Renovated	Year Acquired	Gross Leasable Sq. Feet	Number of Tenants	% Leased	Principal Tenant
Paramount Plaza	1966/2010	2009	95,062	14	100.0%	Fresh & Easy, Rite Aid and T.J. Maxx
Santa Ana Downtown Plaza, CA	1987/2010	2010	100,305	24	97.6%	Food 4 Less and FAMSA Furniture
Meridian Valley Plaza, WA	1978/1982	2010	51,597	14	95.8%	QFC (Kroger) Grocery Store
Grand Mart Plaza, CA[1]	1980/2006	2010	125,708	19	54.7%	Grand Mart Supermarket
The Market at Lake Stevens, WA	2000	2010	74,130	9	100.0%	Haggen Food & Pharmacy
Norwood Shopping Center, CA	1993	2010	88,851	15	100.0%	Viva Supermarket, Rite Aid and Citi Trends
Pleasant Hill Marketplace, CA	1980	2010	69,786	3	100.0%	Office Depot and Basset Furniture
Vancouver Market Center, WA	1996	2010	118,385	18	94.7%	Albertsons and Portland Habitat for Humanity
Happy Valley Town Center, OR	2007	2010	132,896	32	91.9%	New Season Market
Oregon City Point, OR	2007	2010	35,305	16	85.0%	Safeway Supermarket
Cascade Summit, OR	2000	2010	95,508	28	95.6%	Safeway Supermarket
Heritage Market Center, WA	2000	2010	107,468	19	88.1%	Safeway Supermarket
Claremont Center, CA	1982/2007	2010	91,520	7	65.2%	Superking Supermarket
Shops At Sycamore Creek, CA	2008	2010	74,198	9	79.4%	Safeway Supermarket
Gateway Village, CA	2003/2005	2010	96,959	27	93.0%	Henry's Marketplace
Division Crossing, OR	1992	2010	98,321	15	98.5%	Safeway Supermarket; Rite Aid
Halsey, CA	1992	2010	99,438	16	89.6%	Safeway Supermarket

(1) Our operating partnership is a managing member of, and has a 99.97% membership interest in, the owner of this property, ROIC Phillips Ranch, LLC.

For the year ended December 31, 2010, no single tenant comprised more than 10.4% of the total annual base rent of our properties. The following table sets forth a summary schedule of our ten largest tenants by percent of total annual base rent as of December 31, 2010.

Tenant	Number of Stores	% of Total Annual Base Rent
Safeway	6	10.4%
Haggen	1	3.8%
Rite Aid	3	3.8%
New Seasons Market	1	2.5%
Henry's Market Place	1	2.3%
Office Depot	1	2.2%
QFC-Kroger	2	2.0%
Fresh & Easy	1	2.0%
Buy Buy Baby	1	1.9%
Viva Market	1	1.6%
	18	**32.5%**

The following table sets forth a summary schedule of the annual lease expirations for leases in place at December 31, 2010, assuming that no tenants exercise renewal or cancellation options.

Year of Expiration	Number of Leases Expiring	Square Footage	Minimum Base Rentals	Base Rent%
2011	41	103,004	$ 1,924,045	8.8%
2012	40	131,353	2,096,281	9.5%
2013	54	132,362	2,869,472	13.0%
2014	43	101,944	2,171,922	9.8%
2015	39	150,832	2,023,682	9.2%
Thereafter	68	770,228	10,913,228	49.7%
Total	**285**	**1,389,723**	**$ 21,998,629**	**100.0%**

Item 3. Legal Proceedings

There is no litigation currently pending or, to our knowledge, threatened against us or any of our officers or directors in their capacity as such.

Item 4. (Removed and Reserved)

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the NASDAQ Global Market ("NASDAQ") under the symbol "ROIC." Prior to November 3, 2009, our common stock traded on the NYSE Amex under the symbol "NAQ." The following table sets forth, for the period indicated, the high and low sales price for our common stock as reported by the NASDAQ and the NYSE Amex, as applicable, and the per share dividends declared:

Period	High	Low	Dividends Declared
2009			
First Quarter	$ 9.64	$ 9.15	$ —
Second Quarter	$ 9.72	$ 9.52	$ —
Third Quarter	$ 11.04	$ 9.68	$ —
Fourth Quarter	$ 10.76	$ 10.01	$ —
2010			
First Quarter	$ 10.50	$ 9.95	$ —
Second Quarter	$ 10.64	$ 9.34	$ 0.06
Third Quarter	$ 10.18	$ 9.35	$ 0.06
Fourth Quarter	$ 10.17	$ 9.53	$ 0.06

On February 23, 2011, the closing price of our common stock as reported by the NASDAQ was $10.65.

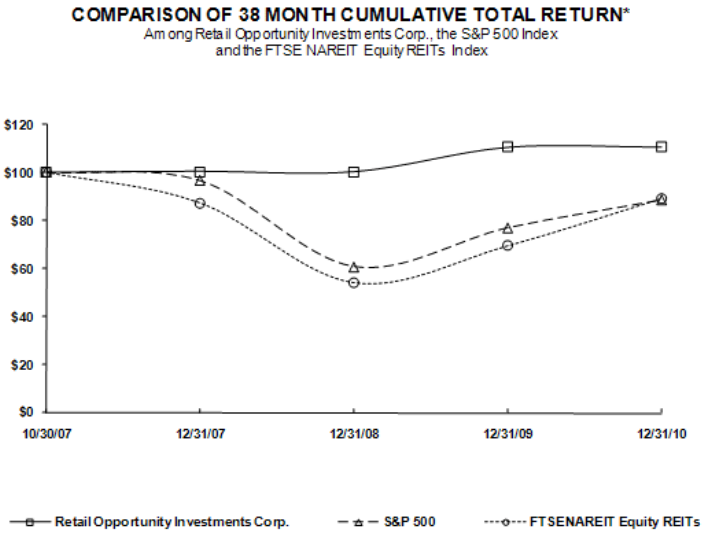
We intend to make regular quarterly distributions to holders of our common stock. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay U.S. federal income tax at regular corporate rates to the extent that it annually distributes less than 100% of its net taxable income. We intend to pay regular quarterly dividends to stockholders in an amount not less than our net taxable income, if and to the extent authorized by our board of directors. Before we pay any dividend, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service on debt. If our cash available for distri bution is less than its net taxable income, we could be required to sell assets or borrow funds to make cash distributions or we may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

As of December 31, 2010, 100% of the outstanding interests in our operating partnership were owned by us.

Holders

As of February 23, 2011, we had 10 registered holders. Such information was obtained through our registrar and transfer agent.

Stockholder Return Performance



The above graph compares the cumulative total return on our common stock with that of the Standard and Poor's 500 Stock Index ("S&P 500") and the National Association of Real Estate Investment Trusts Equity Index ("FTSE NAREIT Equity REITs") from October 23, 2007 (the date that our common stock began to trade publicly) through December 31, 2010. The stock price performance graph assumes that an investor invested $100 in each of us and the indices, and the reinvestment of any dividends. The comparisons in the graph are provided in accordance with the SEC disclosure requirements and are not intended to forecast or be indicative of the future performance of our shares of common stock. The Company commenced its operations as a REIT on October 20, 2009. Prior to October 20, 2009, the Company ope rated as a special purpose acquisition company in pursuit of an initial business combination.

	Period Ending				
Index	**10/30/07**	**12/31/07**	**12/31/08**	**12/31/09**	**12/31/10**
Retail Opportunity Investments Corp.	100.00	100.44	100.22	110.51	110.59
S&P 500	100.00	96.67	60.90	77.02	88.62
FTSE NAREIT Equity REITs	100.00	87.33	54.38	69.60	89.05

Except to the extent that we specifically incorporate this information by reference, the foregoing Stockholder Return Performance information shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act or under the Exchange Act. This information shall not otherwise be deemed filed under such Acts.

Securities Authorized For Issuance Under Equity Compensation Plans

During 2009, we adopted the 2009 Equity Incentive Plan (the "2009 Plan"). (For a description of the 2009 Plan, see Note 8 to the consolidated financial statements in this Annual Report on Form 10-K.)

The following table presents certain information about our equity compensation plans as of December 31, 2010:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column of this table)
Equity compensation plans approved by stockholders	235,000	$ 10.25	3,480,000
Equity compensation plans not approved by stockholders	—	—	—
Total	**235,000**	**$ 10.25**	**3,480,000**

Unregistered Sales of Equity Securities and Use of Proceeds

None of our securities sold by us within the past three years were not registered under the Securities Act.

On October 23, 2007, we consummated a private placement of 8,000,000 warrants with NRDC Capital Management, LLC, an entity owned and controlled by certain of our executive officers and directors, and our initial public offering of 41,400,000 units, including 5,400,000 units pursuant to the underwriters' over-allotment option. We received net proceeds of approximately $384 million and also received $8 million of proceeds from the private placement sale of 8,000,000 insider warrants to NRDC Capital Management, LLC. Banc of America Securities, LLC served as the sole bookrunning manager for our initial public offering. The securities sold in the initial public offering were registered under the Securities Act on a registration statement on Form S-1 (No. 333-144871). The SEC declared the registratio n statement effective on October 17, 2007.

Upon the closing of the initial public offering and private placement, $406.5 million including $14.5 million of the underwriters' discounts and commissions was held in the trust account established in connection with our initial public offering (the "Trust Account") and invested in U.S. "government securities" within the meaning of Section 2(a)(16) of the 1940 Act having a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the 1940 Act until the earlier of (i) the consummation of our initial "business combination" and (ii) our liquidation. On October 20, 2009, we consummated the Framework Transactions, which constituted our initial business combination. Stockholders representing an aggregate of 5,325 shares of common stock that we issue d in our initial public offering elected to exercise conversion rights, while holders representing an aggregate of 41,394,675 shares we issued in our initial public offering did not exercise conversion rights, resulting in such shares remaining outstanding upon completion of the Framework Transactions. As a result, we had approximately $405 million released to us (after payment of deferred underwriting fees) from the Trust Account established in connection with our initial public offering to invest in our target assets and to pay expenses arising out of the Framework Transactions.

As of December 31, 2010, we have applied approximately $5.6 million of the net proceeds of the initial public offering and the private placement toward consummating a "business combination," including the Framework Transactions and paid approximately $305.7 million to acquire our properties and mortgage notes receivable. For more information see Item 2, "Properties" in this Annual Report on Form 10-K.

No portion of the proceeds of the initial public offering was paid to directors, officers or holders of 10% or more of any class of our equity securities or their affiliates.

Item 6. Selected Financial Data

The following selected financial and operating information should be read in conjunction with Item 7, "Management Discussion and Analysis of Financial Conditions and Results of Operations" and our financial statements, including the notes, included elsewhere herein.

	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Statement of Income Data:			
Total Revenues	$ 16,328,969	$ 45,736	$ —
Operating expenses	21,642,506	11,385,270	1,566,294
Operating loss	(5,313,537)	(11,339,534)	(1,566,294)
Gain on bargain purchase	2,216,824	—	—
Interest income	1,108,507	1,705,421	5,563,075
Other income	1,873,398	—	—
(Loss) Income before provision for income taxes	(400,921)	(9,364,113)	3,996,781
(Benefit) Provision for income taxes	—	(268,343)	1,358,906
Net (loss) income attributable to Retail Opportunity Investments Corp.	$ (400,921)	$ (9,365,770)	$ 2,637,875
Weighted average shares outstanding Basic and diluted:	41,582,401	49,734,703	51,750,000
(Loss) earnings per share Basic and diluted:	$ (0.01)	$ (0.19)	$ 0.05
Dividends per common share:	$ 0.18	$ —	$ —
Balance Sheet Data:			
Net real estate investments, net	$ 337,755,295	$ 16,544,905	$ —
Investments held in trust	$ —	$ —	$ 396,804,576
Investments held in trust from underwriter	$ —	$ —	$ 14,490,000
Cash and cash equivalents	$ 84,736,410	$ 383,240,287	$ 4,222
Total assets	$ 464,192,502	$ 403,873,513	$ 412,387,958
Total liabilities	$ 73,668,932	$ 5,678,738	$ 15,723,332
Total equity	$ 390,523,570	$ 398,194,775	$ 279,074,571

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Retail Opportunity Investments Corp. Consolidated Financial Statements and Notes thereto appearing elsewhere in this Annual Report on Form 10-K. The company makes statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this Annual Report on Form 10-K entitled "Statements Regarding Forward-Looking Information." Certain risk factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see the section in this Annual Report on Form 10-K entitled "Risk Fa ctors."

Overview

Retail Opportunity Investments Corp. is a fully integrated and self-managed REIT, primarily focused on investing in, acquiring, owning, leasing, repositioning and managing a diverse portfolio of well located necessity-based community and neighborhood shopping centers, anchored by national or regional supermarkets and drugstores. We target properties strategically situated in densely populated, middle and upper income markets in the eastern and western regions of the United States. In addition, we supplement our direct purchases of retail properties with first mortgages or second mortgages, mezzanine loans, bridge or other loans and debt investments related to retail properties, which are referred to collectively as "real estate-related debt investments," in each case provided that the underlying real estate meets ou r criteria for direct investment. Our primary focus with respect to real estate-related

debt investments is to capitalize on the opportunity to acquire control positions that will enable us to obtain the asset should a default occur. We refer to these properties and investments as our target assets.

We believe that the current market environment presents a significant and growing opportunity to acquire, reposition and manage necessity-based community and neighborhood shopping centers to profitable returns, offering us the potential to achieve attractive risk adjusted returns for our stockholders over time primarily through dividends and secondarily through capital appreciation. To identify attractive opportunities within our target assets, we rely on the expertise and experience of our management team. We utilize our management team's extensive contacts in the U.S. real estate market to source investment opportunities, in particular through access to both distressed and more conventional sellers such as banks, institutions, REITs, property funds, other companies and private investors.

In implementing our investment strategy, we utilize our management team's expertise in identifying undervalued real estate and real estate-related debt investments with a focus on the retail sector. We believe that the key factors to determining current value and future growth potential include the ability to identify the fundamental qualities of an individual asset, understand the inherent strengths and weaknesses of a market, utilize local market knowledge to identify sub-market drivers and trends, and understand how to mitigate appropriate risks prior to the acquisition of an asset. We seek to target assets where our management team believes there is an opportunity to lease-up vacant space, renew or release expiring leases and take advantage of economies of scale achieved in the management and leasing of properti es acquired and developed within our target markets, and redesign and reposition properties that maximize rental revenues and property potential. We believe that our management team's acquisition process and operational expertise provides us with the capability to identify and properly underwrite investment opportunities.

We also believe that in the current market, we will continue to have opportunities to acquire properties from sellers not able to refinance maturing debt as well as acquire properties arising out of foreclosure sales or owned by lenders following foreclosures. In addition, we may find opportunities to acquire properties with deferred capital expenditures, design flaws or other perceived risks, such as tenancy issues or near-term lease expirations. Further, we may find opportunities in incomplete projects held by undercapitalized and/or defaulting developers or partially leased complexes with inexperienced management unable to achieve market occupancy.

With respect to real estate-related debt investments, our primary focus is opportunities to acquire control positions that will enable us to obtain the asset should a default occur, provided that the underlying real estate meets our criteria for direct investment.

Our aim is to seek to provide a diversification of asset classes, tenant exposures, lease terms and locations as our portfolio expands. In order to capitalize on the changing sets of investment opportunities that may be present in the various points of an economic cycle, we may expand or refocus our investment strategy by emphasizing investments in different parts of the capital structure and different areas of the real estate sector. Our investment strategy may be amended from time to time, if approved by our board of directors. We are not required to seek stockholder approval when amending our investment strategy.

As of December 31, 2010, our portfolio consisted of 17 wholly-owned retail properties totalling approximately 1.6 million square feet of gross leasable area, which were approximately 89.1% leased. In addition, we owned a 49% ownership interest in the Crossroads Shopping Center, a 464,822 square foot shopping center situated on approximately 40 acres of land, which is currently 90% leased. We also owned a 95% interest in a development property. We owned a 50% interest in a B-note of an existing promissory note secured by Riverside Plaza, a 407,952 square foot shopping center, and three mortgage notes secured by three shopping centers totalling 433,017 square feet and a line of credit facility loan secured by an office building.

Report on Operating Results

Funds from operations ("FFO"), is a widely-recognized non-GAAP financial measure for REIT's that the Company believes when considered with financial statements determined in accordance with GAAP, provides additional and useful means to assess our financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs, most of which present FFO along with net income as calculated in accordance with GAAP.

The Company computes FFO in accordance with the "White Paper" on FFO published by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income attributable to common stockholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring and sales of depreciable property, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

In accordance with the Financial Accounting Standards Board ("FASB") guidance relating to business combinations, which, among other things, requires any acquirer of a business (investment property) to expense all acquisition costs related to the acquisition, the amount of which will vary based on each specific acquisition and the volume of acquisitions. Accordingly, during the year ended December 31, 2010 the costs of completed acquisitions will reduce our FFO. For the year ended December 31, 2010, the Company expensed $2.6 million relating to real estate acquisitions.

The Company considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure.

However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and

- should not be considered an alternative to net income as an indication of our performance.

FFO as defined by us may not be comparable to similarly titled items reported by other REITs due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to stockholders in accordance with GAAP to FFO for the year ended December 31, 2010. FFO for the years ended December 31, 2009 and 2008 are not provided, since there was minimal operational income and expenditures in 2009 and no real estate assets were owned by the Company in 2008.

	For the year ended December 31, 2010
Net Loss for period	$ (400,921)
Plus: Real property depreciation	2,347,536
Amortization of tenant improvements and allowances	710,574
Amortization of deferred leasing costs	3,046,274
Funds from operations	**$ 5,703,463**
Net Cash Provided by (Used in):	
Operating Activities	**$ 2,305,270**
Investing Activities	**$ (290,775,946)**
Financing Activities	**$ (10,033,740)**

Results of Operations

The Company's entire activity prior to the consummation of the Framework Transactions was limited to organizational activities, activities relating to its initial public offering and, after the initial public offering, activities relating to identifying and evaluating prospective acquisition targets. During that period, the Company neither engaged in any operations nor generated any revenues, other than interest income earned on the proceeds of the initial public offering. Prior to the consummation of the Framework Transactions, the majority of its operating income is derived from interest earned from the Trust Account previously held.

At December 31, 2010, the Company had equity interests in 19 properties, of which 17 are consolidated in the accompanying financial statements and two are accounted for under the equity method of accounting. The Company believes, because of the location of the properties in densely populated areas, the nature of its investment provides for relatively stable revenue flows even during difficult economic times. The Company has a strong capital

structure with manageable debt as of year ended December 31, 2010. The Company expects to continue to explore acquisition opportunities that might present themselves during this economic downturn consistent with its business strategy.

Results of Operations for the year ended December 31, 2010 compared to the year ended December 31, 2009

During the year ended December 31, 2010, the Company incurred a net loss of approximately $400,921 compared to a net loss of approximately $9.4 million incurred during the year ended December 31, 2009. On October 20, 2009, as a result of the approval of the Framework Transactions, the Company commenced its business plan of acquiring and managing retail properties. Since commencing this business plan, the Company has acquired an equity interest in 19 properties, of which all but one property was purchased during 2010. During the year ended December 31, 2010, the Company generated operating income from properties of approximately $4.6 million from these properties. During the year ended December 31, 2009, there was minimal operating income activity. In addition, dur ing the year ended December 31, 2010, the Company generated interest income of $1.1 million from several mortgage notes receivables acquired during 2010. During the year ended December 31, 2010, the Company received $3.1 million of federal and state tax refunds relating to prior years, of which approximately $1.9 million was recorded to other income. During the year ended December 31, 2010, the Company recognized a bargain purchase gain of $2.2 million in recording the fair value of one of its properties when evaluating the purchase price allocation. General and administrative expenses decreased to approximately $8.4 million for the year ended December 31, 2010, from approximately $11.3 million during the same period a year ago, mostly due to costs related to the Framework Transactions of $5.6 million incurred in 2009, which decrease was partially offset by higher payroll costs incurred in 2010 upon hiring key personnel following the consummation of the Framewo rk Transactions. During the year ended December 31, 2010, the Company incurred acquisition transaction costs of approximately $2.6 million in connection with its pursuit and acquisition of real estate properties. During the year ended December 31, 2010, interest income recognized was $597,000 lower than the corresponding period in 2009 due to lower cash balances in 2010 resulting from the utilization of cash to purchase properties and mortgage notes.

Results of Operations for the year ended December 31, 2009 compared to the year ended December 31, 2008

Net loss of $9.4 million and net income of $2.6 million reported for the years ended December 31, 2009 and December 31, 2008 respectively, consisted primarily of interest income of $1.7 million and $5.6 million, respectively. Interest income decreased for the year ended December 31, 2009 due to declining interest rates beginning in late 2008. We incurred general and administrative expenses of $11.3 million and $1.6 million, respectively. For the year ended December 31, 2009, general and administrative expenses increased due to the active pursuit of an initial business combination and transaction costs associated with the Framework Transactions. Included in general and administrative expenses are $5.6 million of costs related to the Framework Transactions, $1.3 million in payroll and related exp enses, $1.2 million in costs related to abandoned deals incurred during the pursuit of an initial business combination, $1.2 million for general legal, advisory and accounting fees and $0.5 million in state income taxes. Approximately $0.2 million of costs related to the acquisition of properties was incurred. Other expenses included the issuance of restricted stock to newly appointed board members and board fees totalling $0.6 million.

Critical Accounting Policies

Critical accounting policies are those that are both important to the presentation of the Company's financial condition and results of operations and require management's most difficult, complex or subjective judgments. Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the consolidated financial statements. This summary should be read in conjunction with the more complete discussion of our accounting policies included in Note 1 to our consolidated financial statements.

Revenue Recognition

The Company records base rents on a straight-line basis over the term of each lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is included in tenant and other receivables on the accompanying consolidated balance sheets. Most leases contain provisions that require tenants to reimburse a *pro-rata* share of real estate taxes and certain common area expenses. Adjustments are also made throughout the year to tenant and other receivables and the related cost recovery income based upon our best

estimate of the final amounts to be billed and collected. In addition, the Company also provides an allowance for future credit losses in connection with the deferred straight-line rent receivable.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established based on a quarterly analysis of the risk of loss on specific accounts. The analysis places particular emphasis on past-due accounts and considers information such as the nature and age of the receivables, the payment history of the tenants or other debtors, the financial condition of the tenants and any guarantors and management's assessment of their ability to meet their lease obligations, the basis for any disputes and the status of related negotiations, among other things. Management's estimates of the required allowance is subject to revision as these factors change and is sensitive to the effects of economic and market conditions on tenants, particularly those at retail properties. Estimates are used to establish reimbursements from tenants for comm on area maintenance, real estate tax and insurance costs. The Company analyzes the balance of its estimated accounts receivable for real estate taxes, common area maintenance and insurance for each of its properties by comparing actual recoveries versus actual expenses and any actual write-offs. Based on its analysis, the Company may record an additional amount in our allowance for doubtful accounts related to these items. In addition, the Company also provides an allowance for future credit losses in connection with the deferred straight-line rent receivable.

Real Estate

Land, buildings, property improvements, furniture/fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Upon the acquisition of real estate properties, the fair value of the real estate purchased is allocated to the acquired tangible assets (consisting of land, buildings and improvements), and acquired intangible assets and liabilities (consisting of above-market and below-market leases and acquired in-place leases). The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, which value is then allocated to land, buildings and improvements based on management's determination of the relative fair values of these assets. In valuing an acquired property's intangibles, factors considered by management include an estimate of carrying costs during the expected lease-up periods, and estimates of lost rental revenue during the expected lease-up periods based on it s evaluation of current market demand. Management also estimates costs to execute similar leases, including leasing commissions, tenant improvements, legal and other related costs.

The value of in-place leases is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates, over (ii) the estimated fair value of the property as if vacant. Above-market and below-market lease values are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be received and management's estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of acquisition. Such valuations include a consideration of the non-cancellable terms of the respective leases as well as any applicable renewal periods. The fair values associated with below-market rental renewal options are determined based on the Company's experience and the relevant facts and circumstances that existed at the time of the acquisitions. The value of the above-market and below-market leases associated with the original lease term is amortized to rental income, over the terms of the respective leases. The value of below-market rental lease renewal options is deferred until such time as the renewal option is exercised and subsequently amortized over the corresponding renewal period. The value of in-place leases are amortized to expense, and the above-market and below-market lease values are amortized to rental income, over the remaining non-cancellable terms of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recognized in operations at that time. The Company will record a bargain purchase gain if it determines that the purchase price for the acquired assets was less than the fair value. The Company will record a liability in situations where any part of the cash consideration is deferred. The amounts payable in the future are discounted to their present value. The liability is subsequently re-measured to fair value with changes in fair value recognized in the consolidated statements of operations. If, up to one year from the acquisition date, information regarding fair value of assets acquired and liabilities assumed is received and estimates are refined, appropriate property adjustments are made to the purchase price allocation on a retrospective basis.

The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on its net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	35-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Asset Impairment

On a continuous basis, management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in our plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of our rental properties is impaired at December 31, 2010.

REIT Qualification Requirements

The Company intends to elect and qualify to be taxed as a REIT under the Code, commencing with its taxable year ended December 31, 2010. The Company believes that it has been organized and has operated in a manner that will allow it to qualify for taxation as a REIT under the Code commencing with its taxable year ended December 31, 2010.

The Company is subject to a number of operational and organizational requirements to qualify and then maintain qualification as a REIT. If the Company does not qualify as a REIT, its income would become subject to U.S. federal, state and local income taxes at regular corporate rates that would be substantial and the Company cannot re-elect to qualify as a REIT for four taxable years following the year that it failed to qualify as a REIT. The resulting adverse effects on the Company’s results of operations, liquidity and amounts distributable to stockholders would be material.

Liquidity and Capital Resources

Liquidity is a measure of the Company's ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain its assets and operations make distributions to its stockholders and meet other general business needs. During the year ended December 31, 2010, the Company's primary sources of cash generally consist of the funds released from its Trust Account upon consummation of the Framework Transactions that occurred during year ended December 31, 2009, cash generated from its operating results and interest it receives on its cash investments. The Company will use its current cash to purchase its target assets make distributions to its stockholders and fund its operations. The Company expects to fund long-term liquidity requirements for property acquisitions, development, and capital improvements through a combination of unsecured and secured debt financing, assumption of existing mortgage debt on acquired properties and equity financing.

As of December 31, 2010, the Company had cash and cash equivalents of approximately $84.7 million, compared to approximately $383.2 million at December 31, 2009. As of December 31, 2010, there were no borrowings outstanding on the Credit Facility, which provides for borrowings of up to $175 million and contains an accordion feature that allows the Company the ability to increase the facility amount up to $250 million subject to commitments and other conditions. Pursuant to the Credit Facility, the Company is subject to various affirmative and negative covenants, including limitations on liens, investments, indebtedness, fundamental organizational changes, dispositions, changes in the nature of business, transactio ns with affiliates, burdensome agreements, use of proceeds and stock repurchases. The Company is also required to comply with the following financial covenants:

(i) minimum consolidated tangible net worth equal to the sum of $310 million plus 80% of the net proceeds of future equity sales and issuances by the Company, (ii) minimum consolidated fixed charge coverage ratio of 1.75 to 1.00, (iii) maximum consolidated leverage ratio of 55% (which amount may be increased once to 60% for a maximum of two consecutive quarters), (iv) maximum quarterly distributions as determined pursuant to the credit agreement, (v) maximum consolidated unencumbered leverage ratio of 55%, (vi) maximum consolidated secured indebtedness ratio of 35% and (vii) maximum consolidated unsecured indebtedness as of the last day of any fiscal quarter, of the Mortgageability Amount (as defined in the credit agreement). During the year ended December 31, 2010, the Company assumed five mortgage loans in connection with three separate real estate acquisitions. The assumptions of these loans were deemed to be cost beneficial when compared to the defeasance fe es that would have been incurred to prepay the loans on behalf of the seller of each property. As of December 31, 2010, the Company has determined that it has adequate working capital to meet its debt obligations and operating expenses for the next twelve months.

While the Company generally intends to hold its target assets as long term investments, certain of its investments may be sold in order to manage the Company's interest rate risk and liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of its investments, if any, cannot be predicted with any certainty.

Potential future sources of capital include proceeds from the sale of real estate or real estate-related debt investments, proceeds from unsecured or secured financings from banks or other lenders and undistributed funds from operations. In addition, the Company anticipates raising additional capital from future equity financings and if the value of its common stock exceeds the exercise price of its warrants through the sale of common stock to the holders of its warrants from time to time.

Cash Flows

The Company expects to meet its short-term liquidity requirements primarily from the cash on hand of approximately $84.7 million. The Company believes the cash on hand will be sufficient to fund its short-term liquidity requirements for 2011 and to meet its dividend requirements necessary to qualify and maintain its qualification as a REIT. In 2010, net cash flow provided by operations amounted to $2.3 million, compared to net cash flow used in operations of $6.1 million in 2009 and $5.2 million in 2008. During 2010, the Company generated operating income of approximately $4.6 million from its ownership interest in the 19 properties in its portfolio. In 2009, the Company generated approximately $7,700 from the one property owned. The Company did not own or have any ownership interest in any property during 2008. In 2010, the Company commenced payment of dividends on its common stock in the amount of $7.5 million.

Net Cash Flows from:

Operating Activities

Net cash flows provided by operating activities amounted to $2.3 million in 2010, compared to net cash flow used in operations of $6.2 million in 2009 and $5.2 million in 2008. The changes in operating cash flows were primarily the result of:

Increase in cash flows provided by operating activities from 2009 to 2010:

During 2010, the Company generated operating income of approximately $4.6 million from its equity interest in the 19 properties in its portfolio. The Company also earned $1.1 million of interest on mortgage notes receivables. In addition, the Company filed amended federal and state tax returns for prior years which resulted in a refund of approximately $3.1 million which was received in 2010. In October 2009, the Company commenced operations and acquired one property in December 2009. As a result, net operating income was immaterial during 2009. Prior to October 2009, the only source of revenue was interest income on investments held in the Trust Account. In addition, in 2009 the Company incurred various costs associated with the pursuit of an initial business combina tion.

Increase in cash flows used in operating activities from 2008 to 2009:

The increase in costs during 2009 was associated with the pursuit of an initial business combination and transaction cost associated with the Framework Transactions.

Investing Activities

Net cash flows used in investing activities were $290.8 million in 2010, compared to net cash flow provided by investing activities of $393.6 million in 2009 and $5.0 million in 2008. The changes in investing cash flows were primarily the result of:

Increase in cash flows used in investing activities from 2009 to 2010:

During 2010, the Company acquired 19 properties for approximately $210.7 million and six mortgage notes for approximately $66.9 million. During 2010, one mortgage note receivable in the amount of $9.2 million was paid in full. In addition, the Company invested approximately $16.7 million in two equity joint ventures. As of December 31, 2010 the Company had deposited $1.5 million for two additional properties that closed subsequent to December 31, 2010. During 2009, the Company only commenced operations in the fourth quarter after the Framework Transactions were approved in October 2009.

Increase in cash flows provided by investing activities from 2008 to 2009:

During 2009, investments of approximately $411.6 million previously held as restricted in the Trust Account were released to the Company and were available for investing activities. This increase was partially offset by the acquisition of a property for approximately $18.0 million in cash in December 2009.

Financing Activities

Net cash flows used in financing activities amounted to $10.0 million in 2010, $4.3 million in 2009 and $48,900 in 2008. The change in net cash used by financing activities was primarily attributable to:

Increase in cash flows used in financing activities from 2009 to 2010:

During 2010, the Company paid dividends on its common stock in the amount of $7.5 million. In addition, during 2010, the Company incurred approximately $2.4 million in financing costs associated with obtaining the Credit Facility and assuming five mortgages notes.

Decrease in cash flows provided by financing activities from 2008 to 2009:

During 2009, fees of $4.2 million were paid to underwriters relating to the Company's initial public offering in 2007. These fees were to be paid upon consummation of the Framework Transactions, which occurred in 2009.

Contractual Obligations

The following table presents the principal amount of the Company's long-term debt maturing each year, including amortization of principal based on debt outstanding at December 31, 2010:

	2011	2012	2013	2014	2015	Thereafter	Total
Contractual obligations:							
Long-term debt principal payments (1)	$ 12,102,986	$ 7,346,051	$ 438,264	$ 13,535,984	$ 202,169	$ 6,788,772	$ 40,414,226
Earn-out obligations to the sellers of properties	—	—	4,916,580	—	—	—	4,916,580
Operating lease obligations	200,000	200,000	200,000	200,000	$ 200,000	10,800,000	11,800,000
Total	$ 12,302,986	$ 7,546,051	$ 5,354,844	$ 13,735,984	$ 402,169	$ 17,588,772	$ 56,930,806

(1) Does not include Mortgage premium of $2.0 million.

As of December 31, 2010, the Company did not have any capital lease obligations, operating lease obligations or purchase obligations. Upon consummation of the Framework Transactions, the Company entered into a Transitional Shared Facilities and Services Agreement with NRDC Real Estate Advisors, LLC, pursuant to which NRDC Real Estate Advisors, LLC provides the Company with access to, among other things, their information technology and office space. The Company pays NRDC Real Estate Advisors, LLC a monthly fee of $7,500 pursuant to the Transitional Shared Facilities and Services Agreement.

In May 2010, the Company entered into a Shared Facilities and Service Agreement, effective January 1, 2010, with an officer of the Company. Pursuant to the Shared Facilities and Service Agreement, the Company is provided the use of office space and other resources for a monthly fee of $1,938.

Off-Balance Sheet Arrangements

The Company's investment in the Wilsonville OTS LLC development project and its investment in Crossroads Shopping Center are off-balance sheet investments in real estate property. These investments are unconsolidated joint ventures and are accounted for under the equity method of accounting as the Company has the ability to exercise significant influence, but not control the operating and financial decisions of these investments. The Company's off-balance sheet arrangements are more fully discussed in Note 2, "Real Estate Investments," in the accompanying consolidated financial statements.

Real Estate Taxes

The Company's leases generally require the tenants to be responsible for a *pro rata* portion of the real estate taxes.

Inflation

The Company's long-term leases contain provisions to mitigate the adverse impact of inflation on its operating results. Such provisions include clauses entitling the Company to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants' gross sales which generally increase as prices rise. In addition, many of the Company's non-anchor leases are for terms of less than ten years, which permits the Company to seek increases in rents upon renewal at then-current market rates if rents provided in the expiring leases are below then-existing market rates. Most of the Company's leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operat ing expenses resulting from inflation.

Leverage Policies

The Company intends, when appropriate, to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of its target assets and the diversification of its portfolio. As of December 31, 2010, there were no borrowings outstanding on the Credit Facility, which provides for borrowings of up to $175 million and contains an accordion feature that allows the Company the ability to increase the facility amount up to $250 million subject to commitments and other conditions. The Company intends to continue to use traditional forms of financing, including mortgage financing and credit facilities. In connection with the acquisition of properties, the Company may assume all or a portion of the existing debt on such properties. In addition, the Company may acqu ire retail property indirectly through joint ventures with institutional investors as a means of increasing the funds available for the acquisition of properties.

The Company may borrow on a non-recourse basis or at the corporate level or operating partnership level. Non-recourse indebtedness means the indebtedness of the borrower or its subsidiaries is secured only by specific assets without recourse to other assets of the borrower or any of its subsidiaries. Even with non-recourse indebtedness, however, a borrower or its subsidiaries will likely be required to guarantee against certain breaches of representations and warranties such as those relating to the absence of fraud, misappropriation, misapplication of funds, environmental conditions and material misrepresentations. Because non-recourse financing generally restricts the lender's claim on the assets of the borrower, the lender generally may only proceed against the asset securing the debt. This protects the Company's other assets.

The Company plans to evaluate each investment opportunity and determine the appropriate leverage on a case-by-case basis and also on a Company-wide basis. The Company may seek to refinance indebtedness, such as when a decline in interest rates makes it beneficial to prepay an existing mortgage, when an existing mortgage matures or if an attractive investment becomes available and the proceeds from the refinancing can be used to purchase the investment. In the future, the Company may also seek to raise further equity capital or issue debt securities in order to fund its future investments.

Dividends

The Company intends to make regular quarterly distributions to holders of its common stock. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay U.S. federal income tax at regular corporate rates to the extent that it annually distributes less than 100% of its net taxable income. The Company intends to pay regular quarterly dividends to its stockholders in an amount not less than its net taxable income, if and to the extent authorized by its board of directors. If the Company's cash available for distribution is less than its net taxable income, the Company could be required to sell assets or borrow funds to make cash distributions or the Co mpany may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

Recently Issued Accounting Pronouncements

See Note 1 to the accompanying consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2010, the Company had no variable rate debt outstanding. As of December 31, 2010, the Company used fixed-rate debt and two forward starting interest rate swaps to manage its interest rate risk. See the discussion under Note 11 of the accompanying consolidated financial statements for certain quantitative details related to the interest rate swaps.

The Company entered into two forward starting interest rate swaps in order to economically hedge against the risk of rising interest rates that would affect the Company's interest expense related to its future anticipated debt issuances as part of its overall borrowing program. The sensitivity analysis table presented below shows the estimated instantaneous parallel shift in the yield curve up and down by 50 and 100 basis points, respectively, on the clean market value of its interest rate derivatives as of December 31, 2010, exclusive of non-performance risk.

Swap Notional	Less 100 basis points	Less 50 basis points	December 31, 2010 Value	Increase 50 basis points	Increase 100 basis points
$25M	$ (2,850,580)	$ (1,627,996)	$ (485,066)	$ 586,697	$ 1,603,556
$50M	$ (3,694,140)	$ (1,870,686)	$ (194,002)	$ 1,376,511	$ 2,883,507

See Note 9 of the accompanying consolidated financial statements for a discussion on how the Company values derivative financial instruments. The Company calculates the value of its interest rate swaps based upon the present value of the future cash flows expected to be paid and received on each leg of the swap. The cash flows on the fixed leg of the swap are agreed to at inception and the cash flows on the floating leg of a swap change over time as interest rates change. To estimate the floating cash flows at each valuation date, the Company utilizes a forward curve which is constructed using LIBOR fixings, Eurodollar futures, and swap rates, which are observable in the market. Both the fixed and floating legs' cash flows are discounted at market discount factors. For purposes of ad justing its derivative valuations, the Company incorporates the nonperformance risk for both itself and its counterparties to these contracts based upon management's estimates of credit spreads, credit default swap spreads (if available) or Moody's KMV ratings in order to derive a curve that considers the term structure of credit.

As a corporation that will elect to qualify as a REIT for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2010, the Company's future income, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Market risk refers to the risk of loss from

adverse changes in market prices and interest rates. The Company will be exposed to interest rate changes primarily as a result of long-term debt used to acquire properties and make real estate-related debt investments. The Company's interest rate risk management objectives will be to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, the Company expects to borrow primarily at fixed rates or variable rates with the lowest margins available and, in some cases, with the ability to convert variable rates to fixed rates. In addition, the Company uses derivative financial instruments to manage interest rate risk. The Company will not use derivatives for trading or speculative purposes and will only enter into contracts with major financial institutions based on their credit rating and other factors. Currently, the Company uses two interest rate swaps to manage its interest rate risk. See Note 11 of the accompanying consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

The information required by Item 8 of Part II is incorporated by reference to Item 15 of Part IV commencing on page F-1 to this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On March 29, 2010, the Company dismissed McGladrey & Pullen, LLP ("McGladrey & Pullen") as its independent registered public accounting firm. The decision to change accounting firms was recommended by the audit committee of the Company's board of directors and approved by its board of directors.

During each of the fiscal years ended December 31, 2008 and December 31, 2009 and the subsequent period from January 1, 2010 through the Company's notice to McGladrey & Pullen of its dismissal on March 29, 2010: (i) there were no disagreements between the Company and McGladrey & Pullen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedure, which disagreement, if not resolved to the satisfaction of McGladrey & Pullen, would have caused McGladrey & Pullen to make reference to the matter in their report; and (ii) there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

McGladrey & Pullen's reports on the Company's financial statements for 2008 and 2009 did not contain an adverse opinion or a disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles, except that the report of the December 31, 2008 financial statements included an explanatory paragraph about the Company's ability to continue as a going concern due to the Company's mandatory liquidation by October 23, 2009 if a business combination had not been consummated.

The Company provided McGladrey & Pullen with a copy of the above disclosures and requested that McGladrey & Pullen furnish the Company with a letter addressed to the SEC stating whether it agrees with such statements made by the Company. A copy of that letter, dated March 30, 2010, was filed as Exhibit 16.1 to its current report on Form 8-K filed with the SEC on April 1, 2010.

On March 31, 2010, the Company engaged Ernst & Young LLP ("Ernst & Young") to serve as its independent registered public accountants. The decision to engage Ernst & Young was recommended by the audit committee of the Company's board of directors and approved by its board of directors. During the Company's two most recent fiscal years and the subsequent interim period through March 31, 2010, neither the Company nor anyone on the Company's behalf consulted with Ernst & Young with respect to (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on its consolidated financial statements, and neither a written report was provided to the Company nor oral advice was provided that Ernst & Young concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (b) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K), or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Company has investments in certain unconsolidated entities. As the Company does not control these entities, the Company's disclosure controls and procedures with respect to such entities are necessarily substantially more limited than those the Company maintains with respect to its consolidated subsidiaries.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2010 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company concluded that its internal control over financial reporting was effective as of December 31, 2010.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of internal control over financial reporting as of December 31, 2010, has been audited by Ernst & Young, LLP, an independent registered public accounting firm, as stated in its report which appears on page F-2 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There was no change in the Company’s internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during its most recent quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this Item is hereby incorporated by reference to the material appearing in the Proxy Statement for the Company's 2011 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

Item 11. Executive Compensation

Information required by this Item is hereby incorporated by reference to the material appearing in the Proxy Statement for the Company's 2011 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item is hereby incorporated by reference to the material appearing in the Proxy Statement for the Company's 2011 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item is hereby incorporated by reference to the material appearing in the Proxy Statement for the Company's 2011 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

Item 14. Principal Accounting Fees and Services

Information required by this Item is hereby incorporated by reference to the material appearing in the Proxy Statement for the Company's 2011 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) and (2) Financial Statements and Schedules

Reference is made to the "Index to Consolidated Financial Statements and Financial Statement Schedules" on page F-1 of this Annual Report on Form 10-K and the consolidated financial statements included herein, beginning on page F-2.

(a)(3) Exhibits

3.1	Second Amended & Restated Certificate of Incorporation[1]
3.2	Second Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation[2]
3.3	Third Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation[2]
3.4	Fourth Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation[2]
3.5	Amended and Restated Bylaws[2]
4.1	Specimen Unit Certificate[2]
4.2	Specimen Common Stock Certificate[2]
4.3	Specimen Warrant Certificate[2]
4.4	Form of Warrant Agreement, between Continental Stock Transfer & Trust Company and NRDC Acquisition Corp.[3]
4.5	Supplement and Amendment to Warrant Agreement, by and between NRDC Acquisition Corp. and Continental Stock Transfer & Trust Company, dated October 20, 2009[2]
10.1	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and NRDC Capital Management, LLC[3]
10.2	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and William L. Mack[4]
10.3	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Robert C. Baker[4]
10.4	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Richard A. Baker[4]
10.5	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Lee S. Neibart[3]
10.6	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Michael J. Indiveri[3]
10.7	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Edward H. Meyer[3]
10.8	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Laura Pomerantz[3]
10.9	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Vincent Tese[3]

10.10	Letter Agreement among NRDC Acquisition Corp., Banc of America Securities LLC and Ronald W. Tysoe[3]
10.11	Promissory Note issued by NRDC Acquisition Corp. to NRDC Capital Management, LLC[5]
10.12	Form of Registration Rights Agreement, between NRDC Acquisition Corp. and NRDC Capital Management, LLC[3]
10.13	Private Placement Warrant Purchase Agreement, between NRDC Acquisition Corp. and NRDC Capital Management, LLC[4]
10.14	Letter Agreement between NRDC Acquisition Corp. and Apollo Real Estate Advisors[4]
10.15	Framework Agreement, by and between NRDC Acquisition Corp. and NRDC Capital Management, LLC[6]
10.16	Letter Agreement between NRDC Acquisition Corp. and Banc of America Securities LLC[7]
10.17	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and NRDC Capital Management, LLC[8]
10.18	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and William L. Mack[8]
10.19	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Robert C. Baker[8]
10.20	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Richard A. Baker[8]
10.21	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Lee S. Neibart[8]
10.22	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Michael J. Indiveri[8]
10.23	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Edward H. Meyer[8]
10.24	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Laura Pomerantz[8]
10.25	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Vincent Tese[8]
10.26	Letter Agreement, dated August 10, 2009, among NRDC Acquisition Corp., Banc of America Securities LLC and Ronald W. Tysoe[8]
10.27	Letter Agreement between NRDC Acquisition Corp. and Ladenburg Thalmann & Co. Inc. [9]
10.28	Letter Agreement between NRDC Acquisition Corp. and Maxim Group LLC[10]
10.29	Letter Agreement between NRDC Acquisition Corp. and Gunnallen Financial, Inc. [11]
10.30	Amendment to Framework Agreement, by and between NRDC Acquisition Corp. and NRDC Capital Management, LLC[11]
10.31	Amendment to Placement Warrant Purchase Agreement, by and between NRDC Acquisition Corp. and NRDC Capital Management, LLC, dated as of October 20, 2009[2]

10.32	Transitional Shared Facilities and Services Agreement, by and between NRDC Acquisition Corp. and NRDC Real Estate Advisors, LLC, dated as of October 20, 2009[2]
10.33	Employment Agreement, by and between NRDC Acquisition Corp. and Stuart Tanz, dated as of October 20, 2009[2]
10.34	Employment Agreement, by and between NRDC Acquisition Corp. and John Roche, dated as of October 20, 2009[2]
10.35	Employment Agreement, by and between NRDC Acquisition Corp. and Richard A. Baker, dated as of October 20, 2009[2]
10.36	Restricted Stock Award Agreement, by and between Retail Opportunity Investments Corp. and Stuart Tanz, dated as of October 20, 2009[2]
10.37	Restricted Stock Award Agreement, by and between Retail Opportunity Investments Corp. and John Roche, dated as of October 20, 2009[2]
10.38	Restricted Stock Award Agreement, by and between Retail Opportunity Investments Corp. and Richard A. Baker, dated as of October 20, 2009[2]
10.39	Option Award Agreement, by and between Retail Opportunity Investments Corp. and Stuart Tanz, dated as of October 20, 2009[2]
10.40	Option Award Agreement, by and between Retail Opportunity Investments Corp. and John Roche, dated as of October 20, 2009[2]
10.41	Option Award Agreement, by and between Retail Opportunity Investments Corp. and Richard A. Baker, dated as of October 20, 2009[2]
10.42	Corporate Opportunity Agreement, by and between NRDC Acquisition Corp. and Robert C. Baker, dated as of October 20, 2009[2]
10.43	Corporate Opportunity Agreement, by and between NRDC Acquisition Corp. and William L. Mack, dated as of October 20, 2009[2]
10.44	Termination of Co-Investment Agreement, by and between NRDC Acquisition Corp. and NRDC Capital Management, LLC, dated as of October 20, 2009[2]
10.45	2009 Equity Incentive Plan[2]
10.46	Form of Restricted Stock Award Agreement under 2009 Equity Incentive Plan[2]
10.47	Form of Option Award Agreement under 2009 Equity Incentive Plan[2]
10.48	Agreement of Purchase and Sale and Joint Escrow Instructions, by and between Retail Opportunity Investments Corp. and PPSC, LLC and 15717 Downey Ave LLC, dated as of November 25, 2009[12]
10.49	Purchase and Sale Agreement and Receipt for Earnest Money, between PBS Associates, LLC and Retail Opportunity Investments Corp., dated December 15, 2009[12]
10.50	Purchase and Sale Agreement and Receipt for Earnest Money, between Meridian Valley Properties, LLC and Retail Opportunity Investments Corp., dated December 24, 2009[12]
10.51	Agreement of Purchase and Sale and Escrow Instructions, by and between Regency Centers, L.P. and Retail Opportunity Investments Corp., dated as of December 30, 2009[12]
10.52	Employment Agreement, by and between Retail Opportunity Investment Corp. and Richard K. Schoebel, dated as of December 9, 2009[12]

10.53	Restricted Stock Award Agreement, by and between Retail Opportunity Investments Corp. and Richard K. Schoebel, dated as of December 9, 2009[12]
10.54	Option Award Agreement, by and between Retail Opportunity Investments Corp. and Richard K. Schoebel, dated as of December 9, 2009[12]
10.55	Common Stock Award, by Retail Opportunity Investments Corp. to Melvin S. Adess, dated as of December 11, 2009 and effective as of October 20, 2009[12]
10.56	Common Stock Award, by Retail Opportunity Investments Corp. to Charles J. Persico, dated as of December 11, 2009 and effective as of October 20, 2009[12]
10.57	Purchase and Sale Agreement, dated February 2, 2010, among ROIC Phillips Ranch, LLC, CMP Phillips Associates, LLC, MCC Realty III, LLC and First American Title Insurance Company[13]
10.58	Purchase and Sale Agreement, dated February 14, 2010, by and between Corniche Development, Inc. and Retail Opportunity Investments Corp.[14]
10.59	Purchase and Sale Agreement, dated as of March 21, 2010, by and between Norwood Properties, LLC and Retail Opportunity Investments Corp.[14]
10.60	Purchase and Sale Agreement, dated as of March 21, 2010, by and between Watt Elkhorn Associates, L.P. and Retail Opportunity Investments Corp.[14]
10.61	Agreement for Sale and Purchase of Property, dated March 25, 2010, between SPI P Hill Associates, L.P., by and through Todd Robinette in his capacity as court appointed receiver in case number CIV MSC 09-01627, in the Superior Court of California, County of Contra Costa, and Retail Opportunity Investments Corp.[14]
10.62	Purchase and Sale Agreement, dated May 11, 2010, by and between J-T Properties Ltd. and Retail Opportunity Investments Corp. [15]
10.63	Purchase and Sale Agreement, dated June 15, 2010, by and between 162nd & Fourth Plain, LLC and Retail Opportunity Investments Corp.[15]
10.64	Purchase and Sale Agreement, dated June 15, 2010, by and between Gramor Acme LLC and Retail Opportunity Investments Corp.[15]
10.65	Purchase and Sale Agreement, dated June 15, 2010, by and between Cascade Summit Retail LLC and Retail Opportunity Investments Corp.[15]
10.66	Purchase and Sale Agreement, dated June 15, 2010, by and between OC Point, LLC and Retail Opportunity Investments Corp.[15]
10.67	Operating Agreement of Wilsonville OTS LLC, dated as of July 14, 2010, between Gramor Wilsonville OTS LLC and ROIC Oregon, LLC[16]
10.68	Purchase and Sale Agreement, dated as of July 21, 2010, by and between O'Hearn/Hillcrest Properties, LLC and Retail Opportunity Investments Corp.[16]
10.69	Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of September 16, 2010, by and among Grand Gateway I, LLC, Grand Gateway II, LLC, Grand Gateway III, LLC, and Retail Opportunity Investments Corp.[16]
10.70	Conveyance in Lieu of Foreclosure Agreement, dated as of September 20, 2010, by and between DKVCMT, LLC, DLVCMT, LLC, Donald P. Knapp, Dale K. Lenington and ROIC Claremont Center, LLC[16]

10.71	Purchase and Sale Agreement, dated as of September 27, 2010, between Retail Opportunity Investments Corp. and Shops at Sycamore Creek, LLC[17]
10.72	Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, by and between Retail Opportunity Investments Corp. and Pinole Vista LLC, dated as of October 13, 2010
10.73	Purchase and Sale Agreement, dated November 18, 2010, by and between Mission Center, LLC and Retail Opportunity Investments Corp.
10.74	Purchase and Sale Agreement, dated as of November 29, 2010, by and between PDC Community Centers L.L.C. and Retail Opportunity Investments Corp.
10.75	Agreement for the Sale and Purchase of Partnership Interests, by and among TCA Holdings, LLC, Sher GP, Inc., Mel Ronick IRA, Merrill Lynch IRA FBO Eugene Clahan, and Jacqueline Kudler, Trustee of the Joel J. Kudler Marital Trust u/a dated 11/11/88, Doris Blum, The Blum Family Trust, The Joseph Blum Irrevocable Trust, The Blum 1986 Grandchildren's Trust I, The Ari Blum Trust, The Morgan Blum Trust, Thomas Bomar Trust B under the Harris Trust u/a dated 7/22/88, Rawson, Blum & Company, The Rawson Living Trust, Argus Group, Ltd., Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88, Merritt and Pamela Sher Living Trust, Ronald Sher, Sylvia Sher, Sydney Sher Marital Trust, Terranomics Investment Partnership, Terranomics, and Terranomics Crossroads Associates, and Retail Opportunity Investments Partnership, LP, dated as of No vember 30, 2010
10.76	Credit Agreement, dated as of December 1, 2010, among Retail Opportunity Investments Partnership, LP, as the Borrower, Retail Opportunity Investments Corp., as the Parent Guarantor, certain subsidiaries of the Parent Guarantor identified therein, as the Subsidiary Guarantors, Bank of America, N.A., as Administrative Agent and L/C Issuer, KeyBank National Association, as the Syndication Agent, PNC Bank, National Association and U.S. Bank National Association, as Co-Documentation Agents, and the other lenders party thereto[18]
14.1	Code of Business Conduct and Ethics[19]
16.1	Letter from McGladrey & Pullen, LLP[20]
21.1	List of Subsidiaries of Retail Opportunity Investments Corp.
23.1	Consent of Ernst &Young LLP
23.2	Consent of McGladrey & Pullen, LLP
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
32.1	Certifications pursuant to Section 1350

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(1) Incorporated by reference to our registration statement on Form S-1/A filed on September 7, 2007 (File No. 333-144871).
(2) Incorporated by reference to our current report on Form 8-K filed on October 26, 2009.
(3) Incorporated by reference to our registration statement on Form S-1/A filed on September 27, 2007 (File No. 333-144871).
(4) Incorporated by reference to our registration statement on Form S-1/A filed on October 10, 2007 (File No. 333-144871).
(5) Incorporated by reference to our registration statement on Form S-1 filed on July 26, 2007 (File No. 333-144871).
(6) Incorporated by reference to our current report on Form 8-K filed on August 10, 2009.
(7) Incorporated by reference to our current report on Form 8-K filed on August 12, 2009.
(8) Incorporated by reference to our current report on Form 8-K filed on August 14, 2009.
(9) Incorporated by reference to our current report on Form 8-K filed on August 21, 2009.
(10) Incorporated by reference to our current report on Form 8-K filed on August 31, 2009.

(11) Incorporated by reference to our current report on Form 8-K filed on September 16, 2009.
(12) Incorporated by reference to our annual report on Form 10-K for the fiscal year ended December 31, 2009, filed on March 12, 2010.
(13) Incorporated by reference to our current report on Form 8-K filed on February 9, 2010.
(14) Incorporated by reference to our quarterly report on Form 10-Q for the quarterly period ended March 31, 2010, filed on May 6, 2010.
(15) Incorporated by reference to our quarterly report on Form 10-Q for the quarterly period ended June 30, 2010, filed on August 5, 2010.
(16) Incorporated by reference to our quarterly report on Form 10-Q for the quarterly period ended September 30, 2010, filed on November 4, 2010.
(17) Incorporated by reference to our current report on Form 8-K filed on October 1, 2010.
(18) Incorporated by reference to our current report on Form 8-K filed on December 6, 2010.
(19) Incorporated by reference to our annual report on Form 10-K for the fiscal year ended December 31, 2009, filed on March 12, 2010.
(20) Incorporated by reference to our current report on Form 8-K filed on April 1, 2010.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RETAIL OPPORTUNITY INVESTMENTS CORP.

Registrant

Date: February 25, 2011

/s/ Stuart A. Tanz
Stuart A. Tanz
President and Chief Executive Officer
(*Principal Executive Officer*)

Date: February 25, 2011

/s/ John B. Roche
John B. Roche
Chief Financial Officer
(*Principal Financial and Accounting Officer*)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 25, 2011

/s/ Richard A. Baker
Richard A. Baker
Executive Chairman of the Board

Date: February 25, 2011

/s/ Stuart A. Tanz
Stuart A. Tanz
President, Chief Executive Officer and Director

Date: February 25, 2011

/s/ Melvin S. Adess
Melvin S. Adess
Director

Date: February 25, 2011

/s/ Mark Burton
Mark Burton
Director

Date: February 25, 2011

/s/ Michael J. Indiveri
Michael J. Indiveri
Director

Date: February 25, 2011

/s/ Edward H. Meyer
Edward H. Meyer
Director

Date: February 25, 2011

/s/ Lee S. Neibart
Lee S. Neibart
Director

Date: February 25, 2011

/s/ Charles J. Persico
Charles J. Persico
Director

Date: February 25, 2011

/s/ Laura H. Pomerantz
Laura H. Pomerantz
Director

Retail Opportunity Investments Corp.

Index To Financial Statements and Financial Statement Schedules

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Retail Opportunity Investments Corp.

We have audited Retail Opportunity Investments Corp.'s (the "Company") internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Item 9A. Controls and Procedures - Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Retail Opportunity Investments Corp. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Retail Opportunity Investments Corp. as of December 31, 2010, and the related consolidated statements of operations, equity, and cash flows for the year ended December 31, 2010 of the Company and our report dated February 25, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York

February 25, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Retail Opportunity Investments Corp.

We have audited the accompanying consolidated balance sheet of Retail Opportunity Investments Corp. (the "Company") as of December 31, 2010, and the related consolidated statement of operations, equity, and cash flows for the year ended December 31, 2010. Our audit also included the financial statement schedules listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Retail Opportunity Investments Corp. at December 31, 2010, and the consolidated results of their operations and their cash flows for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Retail Opportunity Investments Corps.' internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York

February 25, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders

Retail Opportunity Investments Corp.

We have audited the accompanying consolidated balance sheets of Retail Opportunity Investments Corp. and Subsidiaries as of December 31, 2009, and the related consolidated statements of income, stockholders' equity, and cash flows for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Retail Opportunity Investments Corp. and Subsidiaries as of December 31, 2009 the results of their operations and their cash flows for the years ended December 31, 2009 and 2008, in conformity with U.S. generally accepted accounting principles.

/s/ McGladrey & Pullen, LLP

McGLADREY & PULLEN, LLP

New York, New York

March 11, 2010

RETAIL OPPORTUNITY INVESTMENTS CORP.

CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009
ASSETS		
Real Estate Investments:		
Land	$ 85,473,305	$ 6,346,871
Building and improvements	187,259,539	10,218,422
	272,732,844	16,565,293
Less: accumulated depreciation	3,078,160	20,388
	269,654,684	16,544,905
Mortgage notes receivable	57,778,044	—
Investment in and advances to unconsolidated joint ventures	16,779,355	—
Real Estate Investments, net	344,212,083	16,544,905
Cash and cash equivalents	84,736,410	383,240,827
Restricted cash	2,838,261	—
Tenant and other receivables	2,055,881	—
Deposits	1,500,000	—
Acquired lease intangible asset, net of accumulated amortization	17,672,608	1,820,151
Income taxes receivable	—	1,236,375
Prepaid expenses	798,655	147,634
Deferred charges, net of accumulated amortization	9,576,904	870,769
Other	801,700	12,852
Total assets	**$ 464,192,502**	**$ 403,873,513**
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage notes payable	$ 42,417,100	$ —
Acquired lease intangibles liability, net of accumulated amortization	20,996,167	1,121,187
Accounts payable and accrued expenses	4,889,350	4,434,586
Due to related party	—	5,556
Tenants' security deposits	859,537	22,946
Other liabilities	4,506,778	94,463
Total liabilities	**73,668,932**	**5,678,738**
Commitments and Contingencies	—	—
Equity:		
Preferred stock, $.0001 par value 50,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $.0001 par value 500,000,000 shares authorized; and 41,638,100 and 41,569,675 shares issued and outstanding at December 31, 2010 and 2009	4,164	4,156
Additional paid-in-capital	403,915,775	403,184,312
Accumulated deficit	(12,880,840)	(4,993,693)
Accumulated other comprehensive loss	(517,918)	—
Total Retail Opportunity Investments Corp. stockholders' equity	390,521,181	398,194,775
Noncontrolling interests	2,389	—
Total equity	**390,523,570**	**398,194,775**
Total liabilities and equity	**$ 464,192,502**	**$ 403,873,513**

The accompanying notes to consolidated financial statements
are an integral part of these statements

RETAIL OPPORTUNITY INVESTMENTS CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Revenues			
Base rents	$ 12,381,427	$ 45,736	$ —
Recoveries from tenants	2,878,582	—	—
Mortgage interest	1,068,960	—	—
Total revenues	**16,328,969**	**45,736**	**—**
Operating expenses			
Property operating	2,847,702	9,149	—
Property taxes	1,697,200	—	—
Depreciation and amortization	6,080,571	28,864	—
General & Administrative Expenses	8,381,358	11,145,476	1,566,294
Acquisition transaction costs	2,635,675	201,781	—
Total operating expenses	**21,642,506**	**11,385,270**	1,566,294
Operating loss	**(5,313,537)**	**(11,339,534)**	**(1,566,294)**
Non-operating income (expenses)			
Interest expense and other finance expenses	(324,126)	—	—
Gain on bargain purchase	2,216,824	—	—
Equity in earnings from unconsolidated joint ventures	38,013	—	—
Interest Income	1,108,507	1,705,421	5,563,075
Other income	1,873,398	—	—
(Loss) income before provision for income taxes	(400,921)	(9,634,113)	3,996,781
Benefit (Provision) for Income Taxes	—	268,343	(1,358,906)
Net income (loss) attributable to Retail Opportunity Investments Corp.	**$ (400,921)**	**$ (9,365,770)**	**$ 2,637,875**
Weighted average shares outstanding Basic and diluted:	41,582,401	49,734,703	51,750,000
Basic income (loss) per share	**$ (0.01)**	**$ (0.19)**	**$ 0.05**
Diluted income (loss) per share	**$ (0.01)**	**$ (0.19)**	**$ 0.05**
Dividends per common share	**$ 0.18**	**$ —**	**$ —**

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RETAIL OPPORTUNITY INVESTMENTS CORP.

CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock						
	Shares	Amount	Additional paid-in capital	Retained earnings (Accumulated deficit)	Accumulated other comprehensive loss	Noncontrolling interests	Equity
Balance at December 31, 2007	51,750,000	$ 5,175	$ 274,677,214	$ 1,734,202	—	—	$ 276,416,591
Adjustment to expenses incurred in initial public offering	—	—	20,105	—	—	—	20,105
Net income	—	—	—	2,637,875			2,637,875
Balance at December 31, 2008	51,750,000	5,175	274,697,319	4,372,077	—	—	**$ 279,074,571**
Reduction of deferred underwriting fee	—	—	10,267,778	—	—	—	10,267,778
Shares of 5,325 exercised during conversion	(5,325)	(1)	(52,172)	—	—	—	(52,173)
Shares of 12,414,674 unexercised previously subject to possible conversion	—	—	117,590,055	—	—	—	117,590,055
Cancellation of shares issued to Founders on July 13, 2007	(10,225,000)	(1,023)	1,023	—	—	—	—
Issuance of common shares to directors	50,000	5	512,495	—	—	—	512,495
Compensation expense related to restricted stock grants	—	—	138,400	—	—	—	138,400
Compensation expense related to options granted	—	—	29,414	—	—	—	29,414
Net loss	—	—	—	(9,365,770)			(9,365,770)
Balance at December 31, 2009	41,569,675	4,156	403,184,312	(4,993,693)	—	—	**398,194,775**
Shares issued under the 2009 Plan	73,667	9	—	—	—	—	9
Repurchase of common stock	(5,242)	(1)	(50,904)	—	—	—	(50,905)
Compensation expense related to options granted	—	—	160,453	—	—	—	160,453
Compensation expense related to restricted stock grants	—	—	769,675	—	—	—	769,675
Registration expenditures	—	—	(147,761)	—	—	—	(147,761)
Cash dividends ($.18 per share)	—	—	—	(7,486,226)	—	—	(7,486,226)
Contributions	—	—	—	—	—	2,389	2,389
Comprehensive loss							
Net Loss Attributable to Retail Opportunity Investments Corp.	—	—	—	(400,921)	—	—	(400,921)
Unrealized loss on swap derivative	—	—	—	—	(517,918)	—	(517,918)
Total other comprehensive loss							(918,839)
Balance at December 31, 2010	41,638,100	$ 4,164	$ 403,915,775	$ (12,880,840)	$ (517,918)	$ 2,389	$ 390,523,570

The accompanying notes to consolidated financial statements
are an integral part of these statements

RETAIL OPPORTUNITY INVESTMENTS CORP

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
	2010	**2009**	**2008**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) Income	$ (400,921)	$ (9,365,770)	$ 2,637,875
Adjustments to reconcile (loss) income to cash provided by(used in) operating activities:			
Depreciation and amortization	6,080,571	28,864	—
Amortization of deferred financing costs	(220,293)	—	—
Gain on bargain purchase	(2,216,824)	—	—
Straight-line rent adjustment	(1,147,139)	—	—
Amortization of above- and below-market rent	(922,941)	(2,827)	—
Amortization relating to stock based compensation	930,128	680,314	—
Provisions for tenant credit losses	542,312	—	—
Equity earned in earnings from unconsolidated joint ventures	(38,013)	—	—
Net income earned in acquisition	—	(29,641)	—
Change in operating assets and liabilities			
Mortgage escrows	(267,443)	—	—
Tenant and other receivables	(1,451,054)	—	—
Prepaid expenses	(651,021)	(100,380)	80,876
Interest on investments held in trust	—	(352,407)	(6,522,954)
Income taxes receivable	1,236,375	(870,222)	(366,153)
Deferred tax asset	—	675,753	(542,684)
Due to related party	(5,556)	5,556	—
Deferred interest payable	—	(960,648)	960,648
Accounts payable and accrued expenses	(135,389)	4,161,902	(123,587)
Other asset and liabilities, net	972,478	(3,777)	—
Net cash provided by (used) in operating activities	2,305,270	(6,133,283)	(5,187,568)
CASH FLOWS FROM INVESTING ACTIVITIES			
Withdrawal of funds from investments placed in trust	—	411,646,984	5,042,115
Investments in real estate	(210,720,303)	(18,002,923)	—
Investments in mortgage notes	(66,948,044)	—	—
Proceeds from the repayment of mortgage notes	9,170,000	—	—
Investments in unconsolidated joint ventures	(16,741,343)	—	—
Improvements to properties and deferred charges	(1,465,438)	—	—
Deposits on real estate acquisitions	(1,500,000)	—	—
Construction escrows and other	(2,570,818)	—	—
Net cash (used in) provided by investing activities	(290,775,946)	393,644,061	5,042,115
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for shares redeemed during conversion	—	(52,173)	—
Payments of offering costs	—	(4,222,000)	(48,895)
Increase in deferred financing and other costs	(2,367,615)	—	—
Principal repayments on mortgages	(131,393)	—	—
Noncontrolling interests:			
Contributions from consolidated joint venture minority interests, net	2,389	—	—
Dividends paid to common stockholders	(7,486,226)	—	—
Common shares issued under the 2009 Plan	9	—	—
Repurchase shares of common stock	(50,905)	—	—
Net cash used in financing activities	(10,033,741)	(4,274,173)	(48,895)
Net (decrease) increase in cash and cash equivalents	(298,504,417)	383,236,605	(194,348)
Cash and cash equivalents at beginning of period	383,240,827	4,222	198,570
Cash and cash equivalents at end of period	$ 84,736,410	$ 383,240,827	$ 4,222

The accompanying notes to consolidated financial statements
are an integral part of these statements

1. **Organization, Basis of Presentation and Summary of Significant Accounting Policies**

Business

Retail Opportunity Investments Corp. (the "Company"), formerly known as NRDC Acquisition Corp., was incorporated in Delaware on July 10, 2007 for the purpose of acquiring through a merger, capital stock exchange, stock purchase, asset acquisition or other similar business combination with one or more assets or control of one or more operating businesses (the "Business Combination"). On August 7, 2009, the Company entered into the Framework Agreement (the "Framework Agreement") with NRDC Capital Management, LLC (the "Sponsor") which, among other things, sets forth the steps to be taken by the Company to continue the business as a corporation that will elect to qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2010. 60;On October 20, 2009, the Company's stockholders and warrantholders approved each of the proposals presented at the special meetings of stockholders and warrantholders, respectively, in connection with the transactions contemplated by the Framework Agreement (the "Framework Transactions"), including to provide that the consummation of substantially all of the Framework Transactions also constitutes a Business Combination under the Company's second amended and restated certificate of incorporation, as amended (the "certificate of incorporation"). Following the consummation of the Framework Transactions, the Company has been primarily focused on investing in, acquiring, owning, leasing, repositioning and managing a diverse portfolio of well located community and neighborhood shopping centers, anchored by national or regional supermarkets and drugstores.

The Company is organized in a traditional umbrella partnership real estate investment trust ("UpREIT") format pursuant to which Retail Opportunity Investments GP, LLC, its wholly-owned subsidiary, serves as the general partner of, and the Company conducts substantially all of its business through, its wholly-owned operating partnership subsidiary, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership (the "operating partnership"), and its subsidiaries.

Principles of Consolidation

The accompanying consolidated financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States ("GAAP"). The consolidated financial statements include the accounts and those of its subsidiaries, which are wholly-owned or controlled by the Company. Entities which the Company does not control through its voting interest and entities which are variable interest entities ("VIEs"), but where it is not the primary beneficiary, are accounted for under the equity method. All significant intercompany balances and transactions have been eliminated.

In June 2009, the Financial Accounting Standards Board ("FASB") amended the guidance for determining whether an entity is a VIE and requires the performance of a qualitative rather than a quantitative analysis to determine the primary beneficiary of a VIE. Under this guidance, an entity would be required to consolidate a VIE if it has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. Adoption of this guidance on January 1, 2010 did not have a material impact on the Company's consolidated financial statements.

A non-controlling interest in a consolidated subsidiary is defined as the portion of the equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent. Non-controlling interests are required to be presented as a separate component of equity in the consolidated balance sheet and modifies the presentation of net income by requiring earnings and other comprehensive income to be attributed to controlling and non-controlling interests.

The Company assesses the accounting treatment for each joint venture. This assessment includes a review of each joint venture or limited liability company agreement to determine which party has what rights and whether those rights are protective or participating. For all VIEs, the Company reviews such agreements in order to determine which party has the power to direct the activities that most significantly impact the entity's economic performance. In situations where the Company or its partner approves, among other things, the annual budget, receives a detailed monthly reporting package from the Company, meets on a quarterly basis to review the results of the joint venture, reviews and approves the joint venture's tax return before filing, and approves all leases that cover more than a nominal amount of space relative to the total rentable space at each property, the Company does not consolidate the joint venture as it considers these to be substantive participation rights that result in shared power of the activities that most significantly impact the performance of the joint venture. The Company's joint venture agreements also contain certain protective rights such as the requirement of partner approval to sell, finance or refinance the property and the payment of capital expenditures and operating expenditures outside of the approved budget or operating plan. As of December 31, 2010 the Company did not have any VIEs.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the purchase price allocations, depreciable lives, revenue recognition and the collectability of tenant receivables, other receivables, notes receivables and the valuation of options and warrants. Actual results could differ from these estimates.

Federal Income Taxes

Commencing with the Company's taxable year ended December 31, 2010, the Company intends to elect to qualify as a REIT under Sections 856-860 of the Internal Revenue Code (the "Code"). Under those sections, a REIT that, among other things, distributes at least 90% of REIT taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed.

Although it may qualify as a REIT for U.S. federal income tax purposes, the Company is subject to state income or franchise taxes in certain states in which some of its properties are located. In addition, taxable income from non-REIT activities managed through the Company's taxable REIT subsidiary ("TRS") is fully subject to U.S. federal, state and local income taxes.

The Company follows the FASB guidance that defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The FASB also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company records interest and penalties relating to unrecognized tax benefits, if any, as interest expense. As of December 31, 2010, the tax years 2007 through and including 2009 remain open to examination by the Internal Revenue Service ("IRS") and state taxing authorities. Subsequent to the year ended December 31, 2009, the IRS requested an examination of the Company’s 2009 federal tax return. The exami nation is ongoing as of the date of this report.

Real Estate Investments

All costs related to the improvement or replacement of real estate properties are capitalized. Additions, renovations and improvements that enhance and/or extend the useful life of a property are also capitalized. Expenditures for ordinary maintenance, repairs and improvements that do not materially prolong the normal useful life of an asset are charged to operations as incurred. The Company expenses transaction costs associated with business combinations in the period incurred. During the years ended December 31, 2010 and 2009, the capitalized costs related to the improvements or replacement of real estate properties were $1.5 million and $0, respectively.

Upon the acquisition of real estate properties, the fair value of the real estate purchased is allocated to the acquired tangible assets (consisting of land, buildings and improvements), and acquired intangible assets and liabilities (consisting of above-market and below-market leases and acquired in-place leases). Acquired lease intangible assets include above market leases and acquired in-place leases in the accompanying consolidated balance sheet. The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, which value is then allocated to land, buildings and improvements based on management's determination of the relative fair values of these assets. In valuing an acquired property's intangibles, factors considered by management include an e stimate of carrying costs during the expected lease-up periods, and estimates of lost rental revenue during the expected lease-up periods based on its evaluation of current market demand. Management also estimates costs to execute similar leases, including leasing commissions, tenant improvements, legal and other related costs. Leasing commissions, legal and other related costs ("lease origination costs") are classified as deferred charges in the accompanying consolidated balance sheet.

The value of in-place leases is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates, over (ii) the estimated fair value of the property as if vacant. Above-market and below-market lease values are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be received and management's estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of acquisition. Such valuations include a consideration of the non-cancellable terms of the respective leases as well as any applicable renewal periods. The fair values associated with below-market rental renewal options are determined based on the Company's experience and the relevant facts and circumstances that existed at the time of the acquisitions. The value of the above-market and below-market leases associated with the original lease term is amortized to rental income, over the terms of the respective leases. The value of below-market rental lease renewal options is deferred until such time as the renewal option is exercised and subsequently amortized over the corresponding renewal period. The value of in-place leases are amortized to expense, and the above-market and below-market lease values are amortized to rental income, over the remaining non-cancellable terms of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recognized in operations at that time. The Company may record a bargain purchase gain if it determines that the purchase price for t he acquired assets was less than the fair value. The Company will record a liability in situations where any part of the cash consideration is deferred. The amounts payable in the future are discounted to their present value. The liability is subsequently re-measured to fair value with changes in fair value recognized in the consolidated statements of operations. If, up to one year from the acquisition date, information regarding fair value of assets acquired and liabilities assumed is received and estimates are refined, appropriate property adjustments are made to the purchase price allocation on a retrospective basis.

In conjunction with the Company's pursuit and acquisition of real estate investments, the Company expensed acquisition transaction costs during the years ended December 31, 2010 and 2009 of $2.6 million and $201,781, respectively. No acquisition transaction costs were incurred during the year ended December 31, 2008.

Regarding the Company's 2010 property acquisitions (see Note 2), the fair values of in-place leases and other intangibles have been allocated to intangible assets and liability accounts. Such allocations are preliminary and may be adjusted as final information becomes available.

Asset Impairment

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to aggregate future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value. Management does not believe that the value of any of its real estate investments is impaired at December 31, 2010.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in banks and money market depository accounts with U.S. financial institutions with original maturities of less than ninety days. These balances in the United States may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits.

Restricted Cash

The terms of several of the Company's mortgage loans payable require the Company to deposit certain replacement and other reserves with its lenders. Such "restricted cash" is generally available only for property-level requirements for which the reserves have been established and is not available to fund other property-level or Company-level obligations. Restricted cash also includes $2.0 million held by a bank in an interest bearing account to secure a contingent letter of credit obligation.

Revenue Recognition

Management has determined that all of the Company's leases with its various tenants are operating leases. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms.

Termination fees (included in rental revenue) are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their lease prior to the contractual expiration date. The Company recognizes termination fees in accordance with Securities and Exchange Commission Staff Accounting Bulletin 104, "Revenue Recognition," when the following conditions are met: (a) the termination agreement is executed; (b) the termination fee is determinable; (c) all landlord services pursuant to the terminated lease have been rendered, and (d) collectivity of the termination fee is assured. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under generally accept ed accounting principles have been met.

The Company must make estimates as to the collectability of its accounts receivable related to base rent, straight-line rent, expense reimbursements and other revenues. Management analyzes accounts receivable and the allowance for bad debts by considering tenant creditworthiness, current economic trends, and changes in tenants' payment patterns when evaluating the adequacy of the allowance for doubtful accounts receivable. The Company also provides an allowance for future credit losses of the deferred straight-line rents receivable. The provision for doubtful accounts was $542,300 at December 31, 2010. The provision for doubtful accounts was $0 for the year ended December 31, 2009.

Depreciation and Amortization

The Company uses the straight-line method for depreciation and amortization. Buildings are depreciated over the estimated useful lives which the Company estimates to be 35-40 years. Property improvements are depreciated over the estimated useful lives that range from 10 to 20 years. Furniture and fixtures are depreciated over the estimated useful lives that range from 3 to 10 years. Tenant improvements are amortized over the shorter of the life of the related leases or their useful life.

Deferred Charges

Deferred charges consist principally of leasing commissions and acquired lease origination costs (which are amortized ratably over the life of the tenant leases) and financing fees (which are amortized over the term of the related debt obligation). Deferred charges in the accompanying consolidated balance sheets

are shown at cost, net of accumulated amortization of $861,000 and $2,147 as of December 31, 2010 and 2009, respectively.

The unamortized balances of deferred charges will be charged to future operations as follows:

	Lease origination costs	Financing costs	Total
2011	$ 1,142,918	$ 1,232,086	$ 2,375,004
2012	1,016,612	1,104,255	2,120,867
2013	853,128	51,349	904,477
2014	690,825	43,896	734,721
2015	598,055	13,765	611,820
Thereafter	2,810,751	19,264	2,830,015
	$ 7,112,289	$ 2,464,615	$ 9,576,904

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and tenant receivables. The Company places its cash and cash equivalents in excess of insured amounts with high quality financial institutions. The Company performs ongoing credit evaluations of its tenants and requires tenants to provide security deposits.

Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue shares of common stock were exercised or converted into shares of common stock and then shared in the earnings of the Company.

As of December 31, 2010 and 2009 the effect of the 41,400,000 warrants to purchase the Company's common stock (the "Public Warrants") issued in connection with the Company's initial public offering (the "Public Offering"), the 8,000,000 warrants (the "Private Placement Warrants") purchased by the Sponsor simultaneously with the consummation of the Public Offering, and the restricted stock and options granted in 2009 were not included in the calculation of diluted EPS since the effect would be anti-dilutive. In 2008 the effect of the 41,400,000 Public Warrants and the 8,000,000 Private Placement Warrants were not considered in diluted EPS since such warrants were contingently exercisable.

Stock-Based Compensation

The Company has a stock-based employee compensation plan, which is more fully described in Note 7.

The Company accounts for its stock-based compensation plans based on the FASB guidance which requires that compensation expense be recognized based on the fair value of the stock awards less estimated forfeitures. It is the Company's policy to grant options with an exercise price equal to the quoted closing market price of stock on the grant date. Awards of stock options and restricted stock are expensed as compensation on a current basis over the vesting period.

Derivatives

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the

hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge.

Segment Reporting

The Company has two reportable segments: the shopping centers segment and real estate finance segment. The accounting policies for both segments are the same as those described in the summary of significant accounting policies. The Company evaluates property performance primarily based on net operating income before depreciation, amortization and certain nonrecurring item. The ultimate decision is determined by the Company's chief executive officer in conjunction with its board of directors. The following table sets forth certain segment information for the Company for the year ended December 31, 2010. The Company commenced its current business operations in October 2009 following the approval by its stockhold ers and warrantholders of the Framework Transactions, and acquired its first property in 2009. Therefore, the Company did not report segment information prior to 2010.

	Shopping Centers	Real Estate Finance	Other	Total
Revenues	$ 15,260,009	$ 1,068,960	$ —	$ 16,328,969
Property operating expenses and real estate taxes	4,544,903	—	—	4,544,903
Acquisition transaction costs	2,038,997	213,948	382,730	2,635,675
Other expenses	—	—	8,381,358	8,381,358
Income before depreciation and amortization	8,676,109	855,012	(8,764,088)	767,033
Depreciation and amortization	(6,080,571)	—	—	(6,080,571)
Unrealized gain on acquisition of property	2,216,824	—	—	2,216,824
Equity in earnings from unconsolidated joint ventures	38,013	—	—	38,013
Interest and other finance expense	(251,209)	—	(72,916)	(324,125)
Interest income	—	—	1,108,507	1,108,507
Other income	—	—	1,873,398	1,873,398
Net loss attributable to Retail Opportunity Investments Corp.	$ 4,599,166	$ 855,012	$ (5,855,099)	$ (400,921)
Real estate at cost	$ 272,732,844	$ —	$ —	$ 272,732,844
Expenditures for real estate and improvements	$ 210,720,303	$ 57,778,044	$ —	$ 268,498,347
Total assets	$ 302,206,311	$ 60,094,405	$ 101,891,786	$ 464,192,502

Accounting Standards Updates

Effective January 1, 2010 the Company adopted the accounting guidance related to noncontrolling interests in the consolidated financial statements, which clarifies that a noncontrolling interest in a subsidiary (minority interests or certain limited partners' interest, in the case of the Company), subject to the classification and measurement of redeemable securities, is an ownership interest in a consolidated entity which should be reported as equity in the parent company's consolidated statements. The guidance requires a reconciliation of the beginning and ending balances of equity attributable to noncontrolling interests and disclosure, on the face of the consolidated statement of operations, of those amounts of consolidated statement of operations attributable to the noncontrolling interests, eliminating the past prac tice of reporting these amounts as an adjustment in arriving at the consolidated statement of operations. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

Effective January 1, 2010 the Company adopted the FASB guidance which requires additional information regarding transfers of financial assets, including securitization transactions, and where companies have continuing exposure to the risks related to transferred financial assets. The guidance eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional disclosures. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

Effective January 1, 2010 the Company adopted the FASB guidance which modifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The guidance clarifies that the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. The guidance requires an ongoing reassessment of whether a company is the primary beneficiary of a VIE. The guidance also requires additional disclosures about a company's involvement in VIEs and any significant changes in risk exposure due to that involvement. The ado ption of this guidance did not have a material effect on the Company's consolidated financial statements.

Supplemental consolidated statements of cash flow information

	For the Year Ended December 31,		
	2010	2009	2008
Supplemental disclosure of cash activities:			
Cash paid for Federal and New York state income taxes	$ —	$ —	$ 4,345,144
Interest paid	379,074	—	—
Supplemental disclosure of non-cash activities:			
Assumption of mortgage loans payables – acquisitions	40,545,619	—	—
Purchase accounting allocations:			
Intangible lease liabilities	22,404,932	1,125,871	—
Earnout obligation	3,266,600	—	—
Net valuation increase in assumed mortgage loan payable[1]	2,002,874	—	—
Other non-cash investing and financing activities:			
Reduction of deferred underwriting fee	—	(10,267,778)	—
Accrued interest rate swap liabilities	517,918	—	—
Accrued real estate improvement costs	290,364	—	—
Accrued financing costs and other	152,028	—	—
Capitalization of deferred financing costs	(2,519,643)	—	—

(1) The net valuation increase in the assumed mortgage loan payables resulted from adjusting the contract rate of interest for the Cascade Summit Loan (7.25% per annum), the Heritage Market Loan (7.1% per annum), and the Gateway Village Loans (5.58% to 6.1%) to a market rate of interest ranging (3.62% and 4.76% per annum).

2. **Real Estate Investments**

The following real estate investment transactions have occurred during the year ended December 31, 2010.

Property Acquisitions

On January 26, 2010, the Company acquired a shopping center located in Santa Ana, California (the "Santa Ana Property"), for a purchase price of approximately $17.3 million. The Santa Ana Property is a shopping center of approximately 100,306 square feet. The Santa Ana Property has two anchor tenants, including Food 4 Less and FAMSA Furniture Store. The acquisition of the property was funded from available cash.

On February 1, 2010, the Company acquired a shopping center located in Kent, Washington (the "Meridian Valley Property"), for an aggregate purchase price of approximately $7.1 million. The Meridian Valley Property is a fully leased shopping center of approximately 51,566 square feet, anchored by a QFC (Kroger) Grocery store. The acquisition of the property was funded from available cash.

On February 2, 2010, the Company purchased a 99.97% membership interest in ROIC Phillips Ranch, LLC, (the "Phillips Ranch, LLC") which owns and manages the Grand Mart Plaza Shopping Center formerly known as the Phillips Ranch Shopping Center (the "Grand Mart Plaza Property"), a neighborhood center located in Pomona, California, for an aggregate purchase price of approximately $7.4 million. The Grand Mart Plaza Property is approximately 125,554 square feet. The investment in the Phillips Ranch, LLC was funded from available cash.

Pursuant to the Phillips Ranch, LLC agreement the seller is entitled to receive an earn-out payment based on future cash flows of the property. At December 31, 2010, the Company recorded a liability of $3.4 million related to the earn-out obligation which is reflected in other liabilities of the accompanying consolidated balance sheets. The Company also recorded a bargain purchase gain of $2.2 million to reflect the fair value of the property as determined by a third party consultant at the time of purchase.

As the managing member of the Phillips Ranch, LLC, a subsidiary of the Company has the authority to oversee the day-to-day operations of the Phillips Ranch, LLC. The Phillips Ranch, LLC has hired an affiliate (the "Phillips Ranch Manager") of the third party member of the Phillips Ranch, LLC which holds a 0.03% membership interest in the Phillips Ranch, LLC to assist in managing and operating the Grand Mart Plaza Property as specified in that certain Management Services Agreement dated February 2, 2010 between Phillips Ranch, LLC and the Phillips Ranch Manager. The Company receives a management fee based on 4% of collected revenue. The Phillips Ranch Manager is to receive a monthly asset management fee of $8,000. Effective July 1, 2010, the Management Services Agreement dated February 2, 2 010, was amended to terminate the compensation of the Phillips Ranch Manager of one-third of actual management fees received by the Company.

On March 11, 2010, the Company acquired a shopping center located in Lake Stevens, Snohomish County, Washington (the "Lake Stevens Property"), for an aggregate purchase price of approximately $16.2 million. The Lake Stevens Property is a shopping center of approximately 74,130 square feet and anchored by Haggen Food & Pharmacy. The acquisition of the property was funded from available cash.

On April 5, 2010, the Company acquired a shopping center located in Sacramento, California (the "Norwood Property"), for an aggregate purchase price of $13.5 million. The Norwood Property is approximately 90,000 square feet and is anchored by Viva Supermarket, Rite Aid and Citi Trends. The acquisition of the property was funded from available cash.

On April 8, 2010, the Company acquired a shopping center located in Pleasant Hill, California (the "Pleasant Hill Marketplace Property"), for an aggregate purchase price of $13.7 million. The Pleasant Hill Marketplace Property is approximately 71,000 square feet and is anchored by Office Depot and Basset Furniture, and shadow anchored by Best Buy. The acquisition of the property was funded from available cash.

On June 17, 2010, the Company acquired a shopping center located in Vancouver, Washington (the "Vancouver Market Center Property"), for an aggregate purchase price of $11.2 million. The Vancouver Market Center Property is approximately 118,500 square feet and is anchored by Albertsons and Portland Habitat for Humanity, and shadow anchored by Taco Bell, Subway, Carl's Jr and Blockbuster. The acquisition of the property was funded from available cash.

On July 14, 2010, the Company acquired a shopping center located in Happy Valley, Oregon (the "Happy Valley Town Center Property"), for an aggregate purchase price of $39.4 million. The Happy Valley Town Center Property is approximately 135,422 square feet and is anchored by New Season Market Inc. The acquisition of the property was funded from available cash.

On July 14, 2010, the Company acquired a shopping center located in Oregon City, Oregon (the "Oregon City Point Property"), for an aggregate purchase price of $11.6 million. The Oregon City Point Property is approximately 35,305 square feet and consists of 19 shop tenants. The acquisition of the property was funded from available cash.

On August 20, 2010, the Company acquired a shopping center located in West Linn, Oregon (the "Cascade Summit Town Square Property"), for an aggregate purchase price of $17.1 million. The Cascade Summit Town Square Property is approximately 94,924 square feet and is anchored by Safeway Inc. The acquisition was funded in part from available cash of $9.9 million and the assumption of an existing mortgage of $7.2 million (the "Cascade Summit Loan").

On September 23, 2010, the Company acquired a shopping center located in Vancouver, Washington (the "Heritage Market Center Property"), for an aggregate purchase price of $20.0 million. The Heritage Market Center Property is approximately 107,471 square feet and is anchored by Safeway Inc. The

acquisition was funded in part from available cash of $8.4 million and the assumption of an existing mortgage of $11.6 million (the "Heritage Market Loan").

On May 18, 2010, the Company acquired a mortgage note from a financial institution for an aggregate purchase price of $7.3 million. The note matured in July 2009 and the borrowers were in default. The note was secured by a shopping center located in Claremont, California (the "Claremont Center Property"). On September 20, 2010, the Company entered into a conveyance in lieu of foreclosure agreement (the "Conveyance Agreement") with the borrower to acquire the Claremont Center Property. Pursuant to the Conveyance Agreement, a subsidiary of the Company, as the holder of the note, agreed not to bring any action against the borrowers or the guarantors, subject to certain exceptions, and the borrowers agreed to transfer the Claremont Center Property to a subsidiary of the Company. 0;The conveyance was completed on September 23, 2010. The Claremont Center Property is a neighborhood shopping center of approximately 91,000 square feet.

On September 30, 2010, the Company acquired a shopping center located in Corona, California (the "Sycamore Creek Property"), for an aggregate purchase price of approximately $17.3 million. The Sycamore Creek Property is approximately 74,198 square feet and is anchored by Safeway Inc. (Vons). The acquisition of the property was funded from available cash.

On December 16, 2010, the Company acquired a shopping center located in Chino Hills, California (the "Gateway Village Property"), for an aggregate purchase price of $34.0 million. The Gateway Village Property is approximately 96,959 square feet and is anchored by Henry's Marketplace (Smart & Final). The acquisition was funded in part from available cash of $12.2 million and the assumption of three existing mortgages totalling $21.8 million (the "Gateway Village Loans").

On December 22, 2010, the Company acquired a shopping center located Portland, Oregon (the "Division Property") for an aggregate purchase price of approximately $11.0 million. The Division Property is a grocery-anchored neighborhood shopping center of approximately 98,321 square feet that is anchored by Safeway. The acquisition of the property was funded from available cash.

On December 22, 2010, the Company acquired a shopping center located Gresham, Oregon (the "Halsey Property") for an aggregate purchase price of approximately $7.0 million. The Halsey Property is a grocery-anchored neighborhood shopping center of approximately 99,438 square feet that is anchored by Safeway. The acquisition of the property was funded from available cash.

Mortgage Notes Receivable

On June 28, 2010, the Company through a 50/50 joint venture with Winthrop Realty Trust acquired from John Hancock Life Insurance Company a newly created B participation interest, represented by a B-note of an existing promissory note secured by Riverside Plaza Shopping Center ("Riverside Plaza"). The Company's equity investment is $7.8 million. Riverside Plaza is located in Riverside, California and is approximately 407,952 square feet and approximately 99% occupied. The Participation Agreement also includes a buy-out provision of the A participation of the promissory note upon monetary or maturity default. The A participation has an original principal balance of $54.4 million. If the Company declines to purchase the A participation, the only rights retained by the B partic ipation will be for residual proceeds above the A participation. The acquisition of the B-note was funded from available cash.

On July 9, 2010, the Company acquired a first mortgage note for an aggregate purchase price of $9.2 million. The note matured in May 2010 and was secured by a shopping center located in Downey, California known as Gallatin Plaza. The acquisition of the mortgage note was funded from available cash. On August 20, 2010, the borrower paid to the Company the principal balance and unpaid interest in the amount of $9.4 million in full satisfaction of the note.

On December 16, 2010, the Company acquired four loans (the "CA Loans") for an aggregate purchase price of $50.0 million, which represents approximately a 14% discount to the aggregate outstanding principal amount owed under the CA Loans. The CA Loans are currently in default and provide for a default interest rate of 5.0% over the regular interest rate of LIBOR +350 basis points to +450 basis points. The Loans are cross-collateralized and are secured by:

(i) Desert Springs Marketplace, a shopping center located in Palm Desert, CA. Desert Springs Marketplace is a grocery-anchored neighborhood shopping center of approximately 105,157 square feet.

(ii) Mills Shopping Center, a shopping center located in Rancho Cordova, CA. Mills Shopping Center is a grocery-anchored neighborhood shopping center of approximately 252,912 square feet.

(iii) Nimbus Winery Shopping Center, a shopping center located in Rancho Cordova, CA. Nimbus Winery Shopping Center is a grocery-anchored neighborhood shopping center of approximately 74,998 square feet.

(iv) One of the CA Loans is also secured by a second mortgage on an office building in Kirkland, WA.

Unconsolidated Joint Ventures

On July 13, 2010, the Company, through a wholly-owned subsidiary, entered into an Operating Agreement (the "Operating Agreement") of Wilsonville OTS LLC ("Joint Venture") with Gramor Wilsonville OTS LLC ("Gramor"), with respect to the purchase of a 5.8 acre parcel of land known as Wilsonville Old Town Square ("Wilsonville Old Town Square") in Wilsonville, Oregon and the development of a 50,613 square feet shopping center on such land. The Company expects that Wilsonville Old Town Square will be anchored by a 145,000 square foot Fred Meyer (The Kroger Co.) which is to be developed. The Fred Meyer pad will not be owned by the joint venture. Pursuant to the Operating Agreement, the Company and Gramor have each agreed to make capital contributions, on a 95%/5% basis, in connection with the acquisition and dev elopment of Wilsonville Old Town Square. During the year ended December 31, 2010, the Company funded $4.5 million from available cash. The Joint Venture plans on funding the remaining development costs with a construction loan that it has obtained with a third party bank. The members will receive a 9% preferred return on their respective capital contributions and, following a return of the members' capital contributions, all distributions thereafter will be made on a 50%/50% basis to the members. Pursuant to the Operating Agreement the members appointed Gramor as the managing member to oversee the day-to day operations of the Joint Venture.

On December 23, 2010, the Company, through a wholly-owned subsidiary, acquired a 49% equity interest in the Crossroads Shopping Center ("Crossroads"), a grocery-anchored shopping center located in Bellevue, Washington, for a net investment of approximately $12.3 million. Crossroads is a 435,900 square foot shopping center situated on approximately 40 acres of land, which is currently 90% leased. In addition, the Company will receive a preferred return of 8% of the purchase price for two years after the closing date. The Company will receive 49% of any cash flows after debt service and preferred returns. The Company will also have the option to purchase the remaining 51% interest in Crossroads during a specified period in the future for either cash or units of the Company's operating partne rship priced at a 10% premium to common stock at the date of acquisition, subject to certain exceptions. As of December 31, 2010, Crossroads was encumbered by two loans (i) a $53 million first mortgage with American International Group, Inc. with an interest rate of 6.5% and (ii) a $10 million second mortgage ($9 million is currently drawn-down) with an interest rate of 6.0%, both of which mature on September 1, 2015. Subsequent to year end the Company paid off the $9 million second mortgage. The day-to-day management of Crossroads will be undertaken by the Company's partner in the venture. Major decisions must be approved by the unanimous vote of the Company and the other general partner in the joint venture.

The Company accounts for its investment in the Joint Ventures under the equity method of accounting since it exercises significant influence over, but does not control the Joint Ventures. The other members in the Joint Ventures have substantial participation rights in the financial decisions and operations of the Joint Ventures. The Company has evaluated its investments in the Joint Ventures and has concluded that the Joint Ventures are not a VIE.

3. **Mortgage Notes Payables and Bank Lines of Credit**

At December 31, 2010, mortgage notes payable are due in installments over various periods through year ended December 31, 2016 at effective rates of interest ranging from 5.58 % to 7.25% and are collateralized by real estate investments having a net carrying value of approximately $73.2 million.

The following reflects mortgage loan activity for the year ended December 31, 2010:

On August 20, 2010, the Company assumed an existing mortgage loan with an outstanding principal balance of approximately $7.2 million as part of the acquisition of the Cascade Summit Town Square Property. At date of acquisition, the Company determined the fair market value to be $7.7 million. The Cascade Summit Loan bears interest at a rate of 7.25% per annum and has a maturity date of July 2012.

On September 23, 2010, the Company assumed an existing mortgage loan with an outstanding principal balance of approximately $11.6 million as part of acquisition of the Heritage Market Center Property. At date of acquisition, the Company determined the fair market value to be $12.1 million. The Heritage Market Loan bears interest at a rate of 7.1% per annum and has a maturity date of December 2011.

On December 1, 2010, the Company assumed three existing mortgage loans with an outstanding principal balance of approximately $21.8 million as part of its acquisition of Gateway Village. At date of acquisition, the Company determined the fair market value to be $23.0 million. The Gateway Village Loans bear interest at a blended rate of 5.8% per annum and are scheduled to mature between 2014 and 2016.

Combined aggregate principal maturities of mortgage notes payable during the next five years and thereafter are as follows:

	Principal Repayments	Scheduled Amortization	Mortgage Premium	Total
2011	$ 11,270,461	$ 832,525	$ 965,954	$ 13,068,940
2012	6,732,230	613,821	449,247	7,795,298
2013	—	438,264	323,837	762,101
2014	13,256,024	279,960	136,720	13,672,704
2015	—	202,169	84,512	286,681
Thereafter	6,682,820	105,952	42,604	6,831,376
	$ 37,941,535	$ 2,472,691	$ 2,002,874	$ 42,417,100

On December 1, 2010, the Company entered into a credit agreement with Bank of America, N.A., as administrative agent, and Letter of Credit issuer, KeyBank National Association, as the syndication agent, PNC Bank, National Association and U.S. Bank National Association, as co-documentation agents, and the other lenders party thereto, with respect to an unsecured revolving credit facility ("facility"). The facility provides for borrowings of up to $175 million and contains an accordion feature, which allows the Company the ability to increase the facility amount up to an aggregate of $250 million subject to commitments and other conditions. The facility has an initial maturity date of December 1, 2012 with an option that allows the Company t o extend the facility for one year upon satisfaction of certain conditions. Interest on outstanding amounts is at a rate equal to an applicable rate based on the consolidated leverage ratio of the Company and its subsidiaries, plus, as applicable, (i) a LIBOR rate determined by reference to the cost of funds for Dollar deposits for the relevant period (the "Eurodollar Rate"), or (ii) a base rate determined by reference to the highest of (a) the federal funds rate plus one-half of 1%, (b) the rate of interest announced by Bank of America, N.A. as its "prime rate," and (c) the Eurodollar Rate plus 1.00% (the "Base Rate") The Company is obligated to pay (i) an unused facility fee of (a) 0.50% if the total outstanding principal amount is less than 50% of the aggregate commitments or (b) 0.40% if the total outstanding principal amount is greater than or equal to 50% of the aggregate commitments, and (ii) a fronting fee with respect to each letter of credit issued under the Credit Agreement.

4. **Acquired Lease Intangibles**

For the years ended December 31, 2010, 2009 and 2008, the net amortization of acquired lease intangible assets and acquired lease intangible liabilities was $923,000, $2,827 and $0 respectively, which amounts are included in base rents in the accompanying consolidated statements of operations.

The scheduled amortization of acquired lease intangible assets as of December 31, 2010 is as follows:

Year ending December 31:	
2011	$ 3,603,671
2012	2,722,943
2013	2,134,061
2014	1,709,328
2015	1,385,456
Thereafter	6,117,149
	$ 17,672,608

The scheduled amortization of acquired lease intangible liabilities as of December 31, 2010 is as follows:

Year ending December 31:	
2011	$ 1,594,563
2012	1,556,015
2013	1,476,755
2014	1,243,982
2015	1,025,198
Thereafter	14,099,654
	$ 20,996,167

5. **Tenant Leases**

Space in the shopping centers and other retail properties is leased to various tenants under operating leases that usually grant tenants renewal options and generally provide for additional rents based on certain operating expenses as well as tenants' sales volume.

Minimum future rentals to be received under non-cancellable leases for shopping centers as of December 31, 2010 are summarized as follows:

2011	$ 21,373,831
2012	21,805,751
2013	21,589,856
2014	22,744,827
2015	21,928,426
Thereafter	482,716,180
	$ 592,158,881

6. **Preferred Stock**

The Company is authorized to issue 50,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the board of directors. As of December 31, 2010 and 2009, there were no shares of preferred stock outstanding.

7. **Common Stock and Warrants**

On October 23, 2007, the Company sold 41,400,000 units ("Units") in the Public Offering at a price of $10 per Unit, including 5,400,000 Units sold by the underwriters in their exercise of the full amount of their over-allotment option. Each Unit consists of one share of the Company's common stock and one warrant.

Simultaneously with the consummation of the Public Offering, the Sponsor purchased 8,000,000 Private Placement Warrants at a purchase price of $1.00 per warrant. The Private Placement Warrants were identical to the Public Warrants except that the Private Placement Warrants are exercisable on a cashless basis as long as they are still held by the Sponsor or its permitted transferees. In addition, the Private Placement and Public Warrants have different prices at which the Company's common stock must trade before the Company is able to redeem such warrants. The purchase price of the Private Placement Warrants approximated the fair value of such warrants at the purchase date.

The Company has the right to redeem all of the warrants it issued in the Public Offering and the Private Placement Warrants, at a price of $0.01 per warrant upon 30 days' notice while the warrants are exercisable, only in the event that the last sale price of the common stock is at least a specified price. The terms of the warrants are as follows:

- The exercise price of the warrants is $12.00.
- The expiration date of the warrants is October 23, 2014.
- The price at which the Company's common stock must trade before the Company is able to redeem the warrants it issued in the Public Offering is $18.75.
- The price at which the Company's common stock must trade before the Company is able to redeem the Private Placement Warrants is (x) $22.00, as long as they are held by the Sponsor or its members, members of its members' immediate families or their controlled affiliates, or (y) $18.75.
- To provide that a warrantholder's ability to exercise warrants is limited to ensure that such holder's "Beneficial Ownership" or "Constructive Ownership," each as defined in the Company's certificate of incorporation, does not exceed the restrictions contained in the certificate of incorporation limiting the ownership of shares of the Company's common stock.

The Company has reserved 53,400,000 shares for the exercise of the Public Warrants and the Private Placement Warrants, and issuance of shares under the Company's 2009 Equity Incentive Plan (the "2009 Plan").

Warrant Repurchase

In May 2010, the Company's board of directors authorized a warrant repurchase program to repurchase up to a maximum of $40 million of the Company's warrants. To date, the Company has not repurchased warrants under such program.

8. **Stock Compensation and Other Benefit Plans**

The Company follows the FASB guidance related to stock compensation which establishes financial accounting and reporting standards for stock-based employee compensation plans, including all arrangements by which employees receive shares of stock or other equity instruments of the employer, or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. The guidance also defines a fair value-based method of accounting for an employee stock option or similar equity instrument.

During 2009, the Company adopted the 2009 Plan. The 2009 Plan provides for grants of restricted common stock and stock option awards up to an aggregate of 7.5% of the issued and outstanding shares of the Company's common stock at the time of the award, subject to a ceiling of 4,000,000 shares.

Restricted Stock

During the year ended December 31,2010, the Company did not award any shares of restricted stock. As of December 31, 2010, there remained a total of $1.5 million of unrecognized restricted stock compensation related to outstanding non-vested restricted stock grants awarded under the 2009 Plan. Restricted stock compensation is expected to be expensed over a remaining weighted average period of

2.0 years. For the years ended December 31, 2010, 2009 and 2008, amounts charged to compensation expense totaled $769,700, $138,400 and $0, respectively.

A summary of the status of the Company's non-vested restricted stock awards as of December 31, 2010, and changes during the year ended December 31, 2010 are presented below:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2009	235,000	$ 10.27
Granted	—	—
Vested	(73,667)	10.27
Forfeited	—	—
Non-vested at December 31, 2010	161,333	$ 10.27

Stock Options

A summary of options activity as of December 31, 2010, and changes during the year then ended is presented:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2009	235,000	$ 10.25
Granted	—	—
Exercised	—	—
Expired	—	—
Outstanding at December 31, 2010	235,000	$ 10.25
Exercisable at December 31, 2010	73,667	$ 10.25

For the years ended December 31, 2010, 2009 and 2008, amounts charged to compensation expense totaled $160,500, $29,414 and $0, respectively. The total unearned compensation at December 31, 2010 was $335,100. The shares vest over an average period of 2.5 years.

9. **Fair Value of Financial Instruments**

The Company follows the FASB guidance that defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements; accordingly, the standard does not require any new fair value measurements of reported balances.

The guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. I n instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Derivative Financial Instruments

Currently, the Company uses two interest rate swaps to manage its interest rate risk. The valuation of this instrument is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivative, including the period to maturity, and uses observable market-based inputs, including interest rate curves, and implied volatilities. The fair value of the interest rate swaps is determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an e xpectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with the guidance the Company incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contract for the effect of non-performance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of December 31, 2010 the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative position and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuation in its entirety is classified in Level 2 of the fair value hierarchy.

The table below presents the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2010, aggregated by the level in the fair value hierarchy within which those measurements fall.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2010

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Assets				
Derivative financial instruments	$ —	$ —	$ —	$ —
Liabilities				
Derivative financial instruments	$ —	$ (517,918)	$ —	$ (517,918)

The following disclosures of estimated fair value were determined by management, using available market information and appropriate valuation methodologies as discussed in Note 2. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts realizable upon disposition of the financial instruments. The use of different market assumptions or estimation methodologies may have a material effect on the estimated fair value amounts.

The carrying values of cash and cash equivalents, restricted cash, tenant and other receivables, deposits, prepaid expenses, other assets and accounts payable and accrued expenses are reasonable estimates of their fair values because of the short-term nature of these instruments. Mortgage notes receivable are based

on the actual disbursements incurred for these recent acquisitions. Mortgage notes payable were recorded at their fair value at the time the mortgages were assumed which occurred during the year ended December 31, 2010.

Disclosure about fair value of financial instruments is based on pertinent information available to us as of December 31, 2010. Although the Company is not aware of any factors that would significantly affect the reasonable fair value amount, such amount have not been comprehensively re-valued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

10. **Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following:

	December 31, 2010	December 31, 2009
Framework Transactions costs	$ —	$ 2,440,060
Professional fees	868,889	896,928
Payroll and related costs	2,138,935	521,598
Costs related to the acquisition of properties and mortgage notes	606,654	328,485
Debt financing costs	222,916	—
Property operating	224,478	—
Landlord costs	289,862	—
Other	537,616	247,515
	$ 4,889,350	$ 4,434,586

11. **Derivative and Hedging Activities**

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In June 2010, the Company entered into a $25 million forward starting interest rate swap with Wells Fargo Bank, N.A. The forward starting swap is being used to hedge the anticipated variable cash flows associated with the Company's variable-rate debt that is planned to be issued in 2011. The swap has a maturity date of April 15, 2021. The effective portion of changes in the fair value of the derivative that is designated as a cash flow hedge is being recorded in accumulated other comprehensive income and will be subsequently reclassified into earnings during the period in which the hedged forecasted transaction affects earnings. Ineffectiveness, if any, related to the Company's changes in estimates about the debt issuance related to the forward starting swap would be recognized directly in earnings. During the year ended December 31, 2010, the Company realized no ineffectiveness as a result of the hedging relationship.

In December 2010, the Company entered into a $50 million forward starting interest rate swap with PNC Bank. The forward starting swap is being used to hedge the anticipated variable cash flows associated with the Company's variable-rate debt that is planned to be issued between July 1, 2011 and December 31, 2013. The swap has a maturity date of July 1, 2018. The effective portion of changes in the fair value of the derivative that is designated as a cash flow hedge is being recorded in accumulated other comprehensive income and will be subsequently reclassified into earnings during the period in which the hedged forecasted transaction affects earnings. Ineffectiveness, if any, related to the Company's changes in estimates about the debt issuance related to the forward starting sw ap would be recognized directly in earnings. During the year ended December 31, 2010, the Company realized no ineffectiveness as a result of the hedging relationship.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest expense is recognized on the hedged debt. During the next twelve months, the Company estimates that $1.2 million will be reclassified as an increase to interest expense.

As of December 31, 2010, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of instruments	Notional
Interest rate swap	2	$ 75,000,000

As of December 31, 2009, the Company had no outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Balance Sheet as of December 31, 2010:

Derivatives designed as hedging instruments	Balance sheet location	Fair Value(liability)
Interest rate products	Other liabilities	$ (517,918)

Derivatives in Cash Flow Hedging Relationships

The table below details the location in the financial statements of the gain or loss recognized on interest rate derivatives designated as cash flow hedges for the year ended December 31, 2010. The Company had no derivatives outstanding as of December 31, 2009 and 2008.

	Year Ended December 31, 2010
Amount of loss recognized in accumulated other comprehensive income as interest rate derivatives (effective portion)	$ (517,918)
Amount of loss reclassified from accumulated other comprehensive income into income as interest expense (effective portion)	$ —
Amount of gain recognized in income on derivative as gain on derivative instruments (ineffective portion and amount excluded from effectiveness testing)	$ —

12. **Income Taxes**

There is no provision for income taxes for the year ended December 31, 2010 because the Company intends to elect to qualify as a REIT for U.S. federal income tax purposes. The components of the provision for income taxes for the years ended December 31, 2009 and 2008 are as follows:

	For the year ended December 31, 2009	For the year ended December 31, 2008
Current:		
Federal	$ (944,096)	$ 1,901,590
State	—	—
Deferred:		
Federal	675,753	(542,684)
State	—	—
Total provision for income taxes	$ (268,343)	$ 1,358,906

The components of the deferred tax asset are as follows:

	December 31, 2009	December 31, 2008
Assets deferred for income tax purposes	$ 1,120,109	$ 407,664
Deferred interest income	—	381,377
Valuation allowance	(1,120,109)	(113,288)
Deferred Tax asset	—	$ 675,753

For the year ended December 31, 2008, the Company recorded a valuation allowance against the state deferred tax asset since it was not able determine realizability for tax purposes and therefore was not able to conclude that the deferred tax asset is more likely than not recoverable. However, at December 31, 2009, the Company recorded a full valuation allowance against the deferred tax asset as a result of the Company's intention to elect to qualify as a REIT for U.S. federal income tax purposes.

The Company's effective tax rate differs from the effective tax rate of 34.0% for the year ended December 31, 2008 principally due to the following:

	For the year ended December 31, 2009	For the year ended December 31, 2008
Federal statutory rate	34.0%	34.0%
Permanent differences	-19.8%	-
State taxes	-1.0%	-2.3%
Valuation allowance	-10.5%	2.3%
Effective tax rate	2.7%	34.0%

During the year ended December 31, 2010, the Company filed amended federal and state tax returns for prior years resulting in a total refund of $3.1 million of which approximately $1.8 million was included in other income in the accompanying consolidated statements of operations.

13. **Commitments and Contingencies**

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that ultimately may result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

14. **Related Party Transactions**

The Company has entered into a Transitional Shared Facilities and Services Agreement with NRDC Real Estate Advisors, LLC, an entity wholly owned by four of the Company's current and former directors. Pursuant to the Transitional Shared Facilities and Services Agreement, NRDC Real Estate Advisors, LLC provides the Company with access to, among other things, their information technology and office space. For the years ended December 31, 2010, 2009, and 2008 the Company incurred $90,000, $62,661 and $90,000, respectively, of expenses relating to the agreement which is included in general and administrative expenses in the accompanying consolidated statements of operations.

In May 2010, the Company entered into a Shared Facilities and Service Agreement effective January 1, 2010 with an officer of the Company. Pursuant to the Shared Facilities and Service Agreement, the Company is provided the use of office space and other resources for a monthly fee of $1,938. For the year ended December 31, 2010, the Company incurred $23,000 of expenses relating to this agreement which is included in general and administrative expenses in the accompanying consolidated statements of operations. For the years ended December 31, 2009 and 2008, the Company did not incur expenses relating to this agreement.

15. **Quarterly Results of Operations (Unaudited)**

The unaudited quarterly results of operations for the years ended December 31, 2010 and 2009 are as follows (in thousands, except per share data):

	Year Ended December 31, 2010 Quarter Ended				Year Ended December 31, 2009 Quarter Ended			
	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31
Revenues	$ 1,369	$ 2,912	$ 5,076	$ 6,971	$ —	$ —	$ —	$ 46
Interest Income	$ 414	$ 288	$ 234	$ 173	$ 74	$ 83	$ 64	$ 1,484
Net loss (income) Attributable to Retail Opportunity Investments Corp	$ (1,641)	$ (1,090)	$ (103)	$ 2,433	$ (220)	$ (739)	$ (2,337)	$ (6,070)
Basic and diluted (loss) income per share	$ (0.04)	$ (0.03)	$ (0.00)	$ 0.06	$ (0.00)	$ (0.01)	$ (0.05)	$ (0.14)

16. **Pro Forma Financial Information (unaudited)**

During the period January 1, 2010 through December 31, 2010, the Company acquired 16 shopping centers aggregating approximately 1.5 million square foot of gross leasable area for total cost of approximately $255.3 million. The following table summarizes, on an unaudited pro forma basis, the combined results of operations of the Company for 2010, as if all of these acquisitions and sales were completed as of January 1, 2010. This unaudited pro forma information does not purport to represent what the actual results of operations of the Company would have been had all the above occurred as of January 1, 2010, nor does it purport to predict the results of operations for future periods.

	2010
Revenues.	$ 30,624,672
Net income attributable to Retail Opportunity Investments Corp.	$ 1,820,979
Per common share	$ 0.04
Weighted average number of common shares outstanding	41,582,401

17. **Subsequent Events**

In determining subsequent events, the Company reviewed all activity from January 1, 2011 to the date the financial statements are issued and discloses the following items:

On January 3, 2011, the Company acquired a shopping center located in Oceanside, California (the "Market Del Rio Property"), for a purchase price of approximately $35.7 million. The Market Del Rio Property is a shopping center of approximately 177,136 square feet. The Market Del Rio Property is anchored by Stater Brothers Market and Walgreens. The acquisition of the property was funded from available cash.

On January 6, 2011, the Company acquired a shopping center located in Pinole, California (the "Pinole Vista Property"), for a purchase price of approximately $20.8 million. The Pinole Vista Property is a shopping center of approximately 165,025 square feet. The Pinole Vista Property is anchored by Kmart and Dollar Tree, and shadow anchored by Lucky (SavMart). The acquisition of the property was funded from available cash.

On January 6, 2011, the Company provided a mortgage loan to its joint venture that owns the Crossroads shopping center for approximately $9.0 million. The Company will receive 8% interest on the loan. The proceeds from the loan were used by the joint venture to pay off an existing second mortgage on the property.

On February 17, 2011, the Company obtained ownership of three grocery-anchored neighborhood shopping centers, Desert Springs Marketplace, Mills Shopping Center and Nimbus Winery Shopping Center, located in Palm Desert, CA, Rancho Cordova, CA and Rancho Cordova, CA, respectively (collectively, the "Lakha Properties"), from unaffiliated third parties of the Company, Lakha Properties-Sacramento, LLC, Lakha Properties-Sacramento II, LLC and Lakha Properties-Palm Desert, LLC. The Company obtained ownership of the Lakha Properties pursuant to a Conveyance in Lieu of Foreclosure Agreement, dated as of January 28, 2011. The Lakha Properties consist of an aggregate of approximately 433,067 square feet and are currently collectively 82.2% leased. The aggregate balance of the CA Loans on the Company's consolidated balance sheet at December 31, 2010 was $50.0 million. The consideration for the title to the Lakha Properties

included the release and termination of the CA Loans and additional payments of approximately $2.5 million of costs. In addition, the borrowers and guarantor under the CA Loans agreed to the release, without any further obligations, of certain alleged liabilities of the Company and the Company's President and Chief Executive Officer.

On February 22, 2011, the Company's board of directors declared a cash dividend on its common stock of $.08 per share, payable on March 31, 2011 to holders of record on March 15, 2011.

RETAIL OPPORTUNITY INVESTMENTS CORP.
SCHEDULE III-REAL ESTATE AND
ACCUMULATED DEPRECIATION
December 31, 2010

		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Amount at Which Carried at Close of Period				
Description and Location	Encumbrances	Land	Building & Improvements	Land	Building & Improvements	Land	Building & Improvements	Total (a)	Accumulated Depreciation [b][1]	Date of Acquisition
Paramount Plaza, CA	$ -	$ 6,346,871	$ 10,218,422	$ -	$ 56,003	$ 6,346,871	$ 10,274,425	$ 16,621,296	$ 337,397	12/22/2009
Santa Ana Downtown Plaza, CA	-	7,895,272	9,707,154	-	183,286	7,895,272	9,890,440	17,785,712	296,421	1/26/2010
Meridian Valley Plaza, WA	-	1,880,637	4,787,726	-	7,063	1,880,637	4,794,789	6,675,426	171,178	2/1/2010
Grand Mart Plaza, CA	-	4,530,336	6,855,256	-	351,002	4,530,336	7,206,258	11,736,594	376,220	2/2/2010
The Market at Lake Stevens, WA	-	3,086,933	12,397,178	-	-	3,086,933	12,397,178	15,484,111	305,300	3/11/2010
Norwood Shopping Center, CA	-	3,031,309	11,481,158	-	53,081	3,031,309	11,534,239	14,565,548	251,273	4/5/2010
Pleasant Hill Marketplace, CA	-	6,359,471	6,922,347	-	5,000	6,359,471	6,927,347	13,286,818	147,036	4/8/2010
Vancouver Market Center, WA	-	4,080,212	6,868,841	-	43,314	4,080,212	6,912,155	10,992,367	134,331	6/17/2010
Happy Valley Town Center, OR	-	11,678,257	27,011,054	-	-	11,678,257	27,011,054	38,689,311	146,239	7/14/2010
Oregon City Point, OR	-	1,792,230	9,011,207	-	167,998	1,792,230	9,179,205	10,971,435	466,667	7/14/2010
Cascade Summit, OR	7,500,147	8,852,543	7,730,116	-	1,828	8,852,543	7,731,944	16,584,487	153,900	8/20/2010
Heritage Market Center, WA	11,930,875	6,594,766	17,384,101	-	15,132	6,594,766	17,399,233	23,993,999	133,443	9/23/2010
Claremont Center, CA	-	5,975,391	1,004,856	-	13,649	5,975,391	1,018,505	6,993,896	13,317	9/23/2010
Shops At Sycamore Creek, CA	-	3,747,011	11,578,487	-	5,372	3,747,011	11,583,858	15,330,869	101,133	9/30/2010
Gateway Village, CA	22,986,078	5,916,530	27,298,339	-	-	5,916,530	27,298,339	33,214,869	32,528	12/16/2010
Division Crossing, OR	-	3,705,536	8,327,097	-	-	3,705,536	8,327,097	12,032,633	5,864	12/22/2010
Halsey Crossing, CA	-	-[2]	7,773,472	-	-	-	7,773,472	7,773,472	5,913	12/22/2010
Total	$ 42,417,100	$ 85,473,305	$ 186,356,811	$ -	$ 902,728	$ 85,473,305	$ 187,259,539	$ 272,732,844	$ 3,078,160	

(a) RECONCILIATION OF REAL ESTATE – OWNED SUBJECT TO OPERATING LEASES

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Balance at beginning of year	$ 16,565,293	$ —	$ —
Property improvements during the year	902,728	—	—
Properties acquired during the year	255,264,823	16,565,293	—
Balance at end of year	**$ 272,732,844**	**$ 16,565,293**	**$ —**

(b) RECONCILIATION OF ACCUMULATED DEPRECIATION

Balance at beginning of year	$ 20,388	—	—
Depreciation expenses	3,060,389	20,388	—
Property assets fully depreciated and written off	(2,617)	—	—
Balance at end of year	**$ 3,078,160**	**$ 20,388**	**$ —**

(1) Depreciation and investments in building and improvements reflected in the consolidated statement of operations is calculated over the estimated useful life of the assets as follows:

Building: 35-40 years

Property Improvements: 10-20 years

(2) Property is subject to a ground lease.

RETAIL OPPORTUNITY INVESTMENTS CORP

SCHEDULE IV – MORTGAGE LOANS ON REAL ESTATE
December 31, 2010

Description and Location	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount of Mortgages	Carrying Amount of Mortgage (a)(b)	Principal Amount of Loans Subject to Delinquent Principal or Interest
Mortgage Loans (shopping centers):							
Desert Springs Marketplace, Palm Desert, CA	LIBOR + 3.50%	Apr 2010 (delinquent)	Interest only payments are due monthly. Principal is due at maturity.	N/A	$ 31,758,722	(e)	(c)
Mills Shopping Center, Rancho Cordova, CA	LIBOR + 4.50%	Apr 2010 (delinquent)	Interest only payments are due monthly. Principal is due at maturity.	N/A	16,596,646	(e)	(c)
Nimbus Winery Shopping Center, Rancho Cordova, CA	LIBOR + 4.50%	Apr 2010 (delinquent)	Interest only payments are due monthly. Principal is due at maturity.	N/A	8,478,463	(e)	(c)
Second Mortgage Loans (Office):							
Individually < 3%	LIBOR + 4.50%	Apr 2010 (delinquent)			1,062,002	(e)	(c)
Total Portfolio					57,895,833	49,978,044	
B Note (shopping center):							
Riverside, CA	12.0%	Dec 2012	Interest only payments are due monthly. Principal is due at maturity.	N/A	7,800,000	7,800,000	
Total					$ 65,695,833	$ 57,778,044	

RETAIL OPPORTUNITY INVESTMENTS CORP.
SCHEDULE IV – MORTGAGE LOANS ON REAL ESTATE – CONTINUED
DECEMBER 31, 2010

(a) RECONCILIATION OF MORTGAGE LOANS ON REAL ESTATE

	For the Year Ended December 31,2010
Balance at beginning of period:	$ —
Mortgage loans acquired during the current period	66,948,044
Mortgage loans paid off during the current period	(9,170,000)
Balance at end of period:	$ 57,778,044

(b) The aggregate costs basis for Federal income tax purposes is equal to the carrying amount of the loans.

(c) These loans are currently in default and provide for a default interest rate of 5.0% over the regular interest rate. On February 17, 2011, the Company obtained ownership of three grocery-anchored neighborhood shopping centers, Desert Springs Marketplace, Mills Shopping Center and Nimbus Winery Shopping Center, located in Palm Desert, CA, Rancho Cordova, CA and Rancho Cordova, CA, respectively (collectively, the "Lakha Properties"), from unaffiliated third parties of the Company, Lakha Properties-Sacramento, LLC, Lakha Properties-Sacramento II, LLC and Lakha Properties-Palm Desert, LLC. The Company obtained ownership of the Lakha Properties pursuant to a Conveyance in Lieu of Foreclosure Agreement, dated as of January 28, 2011. The consideration for the title to the Lakha Properties included the release and termination of these loans and additional payments of approximately $2.5 million of costs. See Note 17 to the consolidated financial statements in this Annual Report on Form 10-K for more information.

(d) We did not have any mortgage loans outstanding prior to 2010.

(e) Values have not been established for each loan since they were purchased as a portfolio of assets.

EXHIBIT 10.72

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS

This Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions ("**Agreement**") is made and entered into as of the 13th day of October, 2010 by and between Pinole Vista LLC, a California limited liability company ("**Seller**"), and Retail Opportunity Investments Corp., a Delaware corporation, or its permitted assigns ("**Buyer**").

Recitals

A. Seller is the owner of the Property described in Section 1 below.

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, all on the terms and conditions contained herein.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. On the terms and conditions contained in this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following described property (collectively, the "**Property**"):

1.1 Real Property. That certain land (the "**Land**") comprising approximately 15.3 acres of land and comprising a portion of Pinole Vista Shopping Center (the "**Shopping Center**") consisting of approximately 165,025 rentable square feet of buildings commonly referred to by its street address as 1500 Fitzgerald Drive, Pinole, California and more particularly described in Exhibit A attached hereto, together with any improvements, alterations and struct ures located on the Land (the "**Improvements**");

1.2 Leases. All of Seller's interest as lessor in all leases covering the Land and Improvements, together with any and all amendments, modifications or supplements thereto, identified on the Tenant Rent Roll attached hereto as Exhibit B (the "**Leases**");

1.3 Easements and Appurtenances. All rights, privileges, easements and appurtenances to the Land and the Improvements, if any, including, without limitation, all of Seller's right, title and interest, if any, in and to all mineral and water rights and all easements, rights-of-way and other appurtenances used or connected with the beneficial use or enjoyment of the Land and the Improvements (the Land, the Improvements, all such easements and appurtenances and Seller's interest as lessor under the Leases are sometimes collectively hereinafter referred to as the "**Real Property");**

1.4 Personal Property. Any and all fixtures, furniture, furnishings, equipment and any and all other personal property and rights in or to personal property, if any, owned by Seller and located on or about the Land or used in connection with the Improvements (collectively, the "**Personal Property**");

1.5 Trade Names. All non-exclusive trademarks and trade names (if any) used or useful in connection with the Real Property, but only to the extent that the same are not trademarks or trade names of Seller or any of Seller's affiliated companies (collectively, the "**Trade Names**"), together with Seller's interest (if any) in and to any service contracts, guarantees, licenses, approvals, certificates, permits and warranties relating to the Property, to the extent assignable (collectively, the "**Intangible Property< /font>"). (The Real Property, the Personal Property, the Trade Names and the Intangible Property are sometimes collectively hereinafter referred to as the "Property"). The parties acknowledge and agree that Seller may continue to develop, own and operate portions of the Shopping Center not located on the Land, and shall also have the right to utilize all such non-exclusive trademarks and trade names, if any, used by or useful to Seller in connection with the operation of that portion of the Shopping Center not transferred to Buyer.**

2. Purchase Price. The purchase price for the Property (the "**Purchase Price**") shall be $21,750,000.00. The Purchase Price shall be payable by Buyer as follows:

2.1 Deposit. Within two business days following the execution of this Agreement, Buyer shall deposit into the Escrow for disbursement in accordance with the terms and provisions set forth herein, cash or a certified or bank cashier's check or wire-transferred funds in the amount of $250,000.00 (the "**Deposit**"). Upon the expiration of the Review Period (as defined below), Buyer shall deposit into the Escrow cash or a certified or bank cashier's check or wire-transferred funds in the additional amount of $750,000.00, which amount shall be added to and shall become a part of the Deposit for a total Deposi t amount of $1,000,000.00. If Escrow Holder does not receive such additional Deposit on or before such date, then Escrow Holder shall immediately return the initial Deposit to Buyer, less any applicable cancellation fees, and this Agreement shall automatically be terminated. The total Deposit shall become non-refundable as Seller's Liquidated Damages in the event the Buyer defaults. The Deposit shall be held by Escrow Holder (as defined below) in an interest bearing account, with any interest accruing thereon to be added to, and to become a part of, the Deposit. At the close of the Escrow, the Deposit shall be applied and credited toward payment of the Purchase Price.

2.2 Balance of Purchase Price. Prior to the close of the Escrow, Buyer shall deliver or cause to be delivered to Escrow Holder a certified or bank cashier's check or wire-transferred funds in the amount of the balance of the Purchase Price, calculated by deducting from the Purchase Price the sum of (a) the Deposit, (b) the amount, if any, by which credits to Buyer exceed debits to Buyer by reason of the prorations set forth in Section 9.4 of this Agreement, and (c) the amount of the then outstanding principal balance plus accrued, unpaid interest thereon on the existing lo an payable to Continental Wingate Capital Corporation with a current outstanding loan balance of approximately $10,677,392, bearing an interest rate of 7.1% per annum with a current monthly principal and interest payment of $80,643.84, maturing November 1, 2011 (hereafter the "Existing Loan"), assumed by Buyer. Buyer shall also pay any and all costs and fees associated with the assumption of the Existing Loan including, but not limited to, transfer fees, lender's fees and lender's attorney's fees, but not Seller's attorney fees or other third-party or internal fees incurred in connection with the assumption of the Existing Loan. In connection with Buyer's assumption of the Existing Loan Buyer shall succeed to the ownership of all cash reserves held by Continental Wingate Capital Corporation in connection with the Existing Loan as of the date of Closing (in the approximate current amount of $661,413.25 and subject to monthly additions of approxim ately $29,123.27 through the date of

Closing), provided that all tenant improvement obligations and leasing commission obligations incurred prior to Closing shall be paid from such reserves as permitted by the terms and conditions thereof, whether due and payable before or after Closing. Buyer also acknowledges that there is currently a separate letter of credit in the face amount of $125,000.00 that will need to be replaced by Buyer with either a new letter of credit or an equivalent cash deposit.

2.3 Transfer of Reserves. In addition to the Purchase Price above, Buyer shall remit to Seller at the close of escrow an additional amount equal to all cash reserve funds held by Continental Wingate Capital Corporation in connection with the Existing Loan as of the Date of Closing to which Buyer succeeds in accordance with Section 2.2 above (less any tenant improvement obligations and leasing commission obligations incurred prior to Closing that are paid from such reserves after Closing).

3. Escrow

3.1 Opening of Escrow. Within two business days after the date of this Agreement, Buyer and Seller shall open an escrow (the "**Escrow**") for the purchase and sale of the Property with First American Title Company, Sacramento, California, Attn: Ms. Molly Baier ("**Escrow Holder**") by depositing with Escrow Holder a fully executed copy of this Agreement together with the initial $250,000.00 Deposit referenced above. The terms and conditions set forth in this Agreement shall constitute both an agreement between Seller and Buyer and escrow instructions fo r Escrow Holder. If Escrow Holder requires separate or additional escrow instructions ("**Additional Instructions**"), Seller and Buyer shall execute and deliver them to Escrow Holder promptly after any such request from Escrow Holder. If there is any conflict or inconsistency between this Agreement and the Additional Instructions, this Agreement shall prevail. The Additional Instructions shall not modify or amend the provisions of this Agreement unless Buyer and Seller specifically so agree in writing.

3.2 Preliminary Title Report. Seller, at its expense and within five days after the date of this Agreement, shall cause to be delivered to Buyer a current preliminary title report covering the Land issued by First American Title Insurance Company ("**Title Company**"), together with legible copies of all documents reflected as exceptions to title to the Land (collectively, the "**Preliminary Title Report**").

3.3 Survey. As soon as possible after the execution of this Agreement, Seller shall cause to be delivered to Buyer and to Title Company a copy of the existing survey of the Real Property, if any. If Buyer elects to obtain an ALTA extended coverage policy of title insurance, Buyer shall notify Seller of such election not more than twenty one days after execution of this Agreement, and Buyer shall obtain an updated survey of the Real Property (the "**Survey**") as soon as possible after the execution of this Agreement, a copy of which shall be promptly delivered to Seller and Title Company. The Survey shall be sufficie nt to enable Title Company to update the Preliminary Title Report to: (i) delete the standard survey exception, (ii) add any new title exceptions which are revealed by said Survey and an inspection of the Real Property, and (iii) enable Title Company at the Closing to issue an ALTA extended owner's policy of title insurance (with mechanic's lien coverage), and such Survey shall be certified to Seller, Buyer and Title Company. The Survey shall be at Buyer's sole cost and expense. For purposes of the property description to be included in the Grant Deed (defined below), the legal

description prepared by the surveyor shall control any conflicts or inconsistencies with the legal description attached to this Agreement, and the surveyor's legal description shall be incorporated in this Agreement upon their completion and approval by Buyer and Seller.

3.4 Buyer's Review of Title. As soon as possible after receipt of the Preliminary Title Report Buyer shall confer with the Title Company and attempt to resolve title matters which Buyer might otherwise disapprove. Within ten (10) days after the delivery of the Preliminary Title Report Buyer shall notify Seller in writing of any title exceptions identified in the Preliminary Title Report which Buyer disapproves. Any exception not disapproved in writing within said ten (10) day period shall be deemed approved by Buyer, and shall constitute a "**Permitted Exception**" hereunder. Buyer and Seller agree t hat (i) all nondelinquent property taxes and assessments, (ii) the rights of the tenants under the Leases, (iii) if Buyer assumes the Existing Loan, the existing first lien in favor of Continental Wingate Capital Corporation granted in connection with the Existing Loan, and (iv) all matters created by or on behalf of Buyer, including, without limitation, any documents or instruments to be recorded as part of any additional financing for the acquisition of the Property by Buyer, shall constitute "**Permitted Exceptions**." Buyer shall have a similar right of approval with respect to any supplement to the Preliminary Title Report. No less than three (3) business days before the end of the Review Period (defined below), or following receipt of any supplement to the Preliminary Title Report, if later, Seller shall notify Buyer in writing of any disapproved title exceptions which Seller is unable or unwilling to cause t o be removed or insured against prior to or at Closing and, with respect to such exceptions, Buyer then shall elect, by giving written notice to Seller and Escrow Company within two (2) business days thereafter, (x) to terminate this Agreement, or (y) to waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Buyer's failure to give such notice shall be deemed an election to waive the disapproval of any such exception. If Buyer elects to terminate this Agreement in accordance with clause (x) above, the Deposit, plus all interest accrued thereon, shall be immediately refunded to Buyer; provided, however, that Buyer and Seller each shall be responsible for one-half of any title or escrow cancellation fees (**"Cancellation Fees"**).

3.5 Title Policy. At the Close of Escrow (as defined below), Seller shall cause Title Company to issue a standard CLTA owner's policy of title insurance on the standard form issued in the State of California (the "**Title Policy**") in the amount of the Purchase Price insuring Buyer that, as of the date of Close of Escrow, Buyer is vested with fee simple title to the Property subject only to installments of real property taxes not delinquent and to the Permitted Exceptions. In the event Buyer elects to obtain an ALTA extended coverage owner's policy of title insurance, Seller shall pay that portion of the Title Policy premium equal to the premium applicable to a standard CLTA policy and Buyer shall pay the amount by which the Title Policy premium exceeds the premium applicable to a standard CLTA policy.

3.6 Deliveries by Seller to Buyer. As a courtesy and without representation or warranty, Seller shall, as soon as is reasonably possible but in no event later than five business days after the date of the parties' mutual execution of this Agreement, deliver to Buyer, both physically and in electronic form to such e-mail addresses as Buyer shall request, copies of the following if and to the extent in Seller's possession:

3.6.1 A current Tenant Rent Roll for the Property;

3.6.2 Copies of all Leases set forth on the Tenant Rent Roll, including all amendments thereto and Tenant financial statements within Seller's possession;

3.6.3 Copies of all service contracts for the Property;

3.6.4 Copies of the operating statements, sales reports and CAM details of the Property for the last three full years and the current year-to-date;

3.6.5 Copies of all plans (including, but not limited to, "as built" plans), specifications, surveys, engineering studies, geologic studies, environmental reports, governmental permits and certificates of occupancy pertaining to the Property;

3.6.6 Copies of all contracts, transferable business licenses, governmental permits, applications, authorizations, approvals and other entitlements, transferable warranties and transferable utility contracts, relating to the Property, provided that Seller shall retain that portion of any such contracts, transferable business licenses, governmental permits, applications, authorizations, approvals and other entitlements, transferable warranties and transferable utility contracts relating to the portion of the Shopping Center not transferred to Buyer;

3.6.7 Copies of the loan documents for the Existing Loan, and related deed of trust and security instruments;

3.6.8 Copies of physical and environmental inspections recently conducted on the Property, if any within five (5) days following receipt by Seller, subject to receipt of any required approvals for such disclosure;

3.6.9 Copies of all third party reports material to the future operation of the Property in Seller's possession;

3.6.10 Copies of all CC&Rs pertaining to the Property;

3.6.11 Copies of property tax bills for the current year-to-date;

3.6.12 A listing of tenant bad-debt write-offs for the last year and current year-to-date;

3.6.13 A list of accounts receivables as of the current date;

3.6.14 A list of security deposits;

3.6.15 A list of the premises address for each tenant;

3.6.16 Evidence of utility availability and capacity;

3.6.17 Explanation of how tenants are billed for utility costs including water and trash removal;

3.6.18 Sales histories received by Seller for all tenants of the Property for the preceding three years;

3.6.19 Copies of petitions, motions, and similar litigation documents relating to existing tenants of the Property and a disclosure of any pending or contemplated litigation against any existing tenant of the Property; and

3.6.20 Listing of all capital expenditures of $3,000 or more for the last three (3) years.

3.7 Buyer's Review of Property. On or before the fourteenth (14) day after the date of mutual execution of this Agreement and Buyer's receipt of all due diligence material from Seller (the "**Review Period**"), Buyer shall have the right to inspect the Property, review and verify the information provided by Seller pursuant to Section 3.6. During the Review Period, and with reasonable advance notice to Seller, Buyer, its agents and representatives shall be entitled to enter onto the Property during reasonable business hours (subject to the ri ghts of tenants in possession) to perform inspections and tests of the Property and the structural and mechanical systems within any Improvements; provided, however, that in no event shall (i) such inspections or tests disrupt or disturb the on-going operation of the Property or the rights of the tenants at the Property, or (ii) cause any damage to the Property. In no event shall Buyer or its agents or representatives drill or bore on or through the surface of the Property without Seller's prior written consent, which consent may be given or withheld in Seller's sole and absolute discretion. After making such tests and inspections, Buyer agrees to promptly restore the Property to its condition prior to such tests and inspections and agrees to keep the Property free from all liens (which obligations shall survive the Closing or any termination of t his Agreement). Prior to Buyer entering the Property to conduct the inspections and tests described above, Buyer shall obtain and maintain, and shall cause each of its contractors and agents to maintain (and shall deliver to Seller evidence thereof), at Buyer's sole cost and expense, general liability insurance, from an insurer reasonably acceptable to Seller, in the amount of One Million Dollars ($1,000,000) combined single limit for personal injury and property damage per occurrence, such policies to name Seller as an additional insured party, which insurance shall provide coverage against any claim for personal liability or property damage caused by Buyer or its agents, employees or contractors in connection with such inspections and tests. Buyer agrees to promptly deliver to Seller copies of all reports, studies and results of tests and investigations obtained or conducted by Buyer with respect to the Property. Unless Buyer subsequently purchases the Property, Buyer shall not disclose any proprietary, non-public information acquired as a result of such investigations except in furtherance of the same. Buyer shall indemnify and hold Seller harmless from and against any and all claims, damages and liabilities (including, without limitation, attorney's fees and costs) which arise directly as a result of or in connection with Buyer's or its agents' entry upon the Property and its conducting of tests or inspections of the Property, other than remediation costs for conditions not introduced by Buyer, including: (i) any latent defect in, on, or under the Property; (ii) the negligence, gross negligence, or willful misconduct of Seller, or Seller's agents, representatives, contractors, or employees; and (iii) the discovery by Buyer of the presence of any toxic or hazardous substance in, on, or under the Property. If, on the basis of the foregoing review, Buyer determines, in its sole and absolute discretion, that the Property is not suita ble for Buyer's intended use, then on or before the expiration of the Review Period Buyer may terminate this Agreement in accordance with Section 10.14 of this Agreement. Buyer shall be deemed to have waived such right of termination unless Buyer provides to Seller written notice of Buyer's election to terminate this Agreement on or before the expiration of the Review Period and Buyer's entire Deposit shall automatically become nonrefundable to Buyer, as Liquidated Damages, upon expiration of the Review Period.

3.8 Deposits in Escrow. Prior to the close of the Escrow, Seller shall deposit, or caused to be deposited, with Escrow Holder (a) a grant deed (the "**Grant Deed**") in the form attached hereto as Exhibit C, executed and acknowledged by Seller, conveying to Buyer all beneficial and legal right, title and interest in and to the Land and the Improvements subject only to the Permitted Exceptions and otherwise free and clear of any and all liens, encumbrances, claims, security interests and other exceptions to t itle, (b) a bill of sale (the "**Bill of Sale**") in the form attached hereto as Exhibit D, conveying to Buyer all beneficial and legal right, title and interest in and to the Personal Property subject only to the Permitted Exceptions and otherwise free and clear of any and all liens, encumbrances, claims, security interests and other exceptions to title, (c) a general assignment (the "**Assignment**") in the form attached hereto as Exhibit E, conveying to Buyer all beneficial and legal right, title and interest in and to the Intangible Property and the Trade Names subject only to the Permitted Exceptions and otherwise free and clear of any and all liens, encumbrances, claims, security interests and other exceptions to title, (d) the originals of the Leas es, (e) an affidavit conforming to the provisions of Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended, (the "**FIRPTA Certificate**") executed by Seller and confirming that Seller is not a "foreign person" within the meaning of Section 1445(f) of such code, (f) an affidavit executed by Seller confirming that Seller is a resident of California or, if Seller is a corporation, has a permanent place of business in California in accordance with Sections 18805 and 26131 of the California Revenue and Taxation Code (the "**Withholding Exemption Certificate**") and (g) such other documents and instruments as Buyer may reasonably request in writing at least five days prior to the close of the Escrow, including, without limitation, written assignments of any or all of the Leases and any guarantees of the Leases, executed or acknowledged, as the case may be, both by Seller and the maker or makers thereof. Buyer shall deposit, or cause to be deposited, with Escrow Holder (w) evidence satisfactory to Seller of Buyer's assumption of the Existing Loan, (x) the balance of the Purchase Price, (y) an executed counterpart of the Assignment and the Assignment of Leases, whereby Buyer shall assume the obligations relating to the matters set forth in such documents, and (z) any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement. Further, Buyer and Seller shall, prior to the Close of Escrow, deposit with Escrow Holder (or in the case of Seller authorize a deduction from the proceeds of sale for) such sums as may be necessary to pay their respective share of closing costs, prorations, reimbursements or adjustments as determined in accordance with this Agreement in immediately available funds.

3.9 Close of Escrow. The term "Close of Escrow" shall mean the date on which the Grant Deed is recorded with the Contra Costa County Recorder. Close of Escrow shall occur within seven (7) days after waiver of the Review Period and assumption of the Existing Loan but in no event later than December 30, 2010. In the event escrow has not closed by December 30, 2010, due solely to Buyer's inability to assume the Existing Loan on terms and conditions acceptable to Buyer and Seller, or due to Seller's lender's unwillingness to approve or consent to Buyer' s assumption of the Existing Loan on terms and conditions acceptable to Buyer and Seller, Seller and Buyer shall each have the right to terminate this Agreement and the escrow by notice to the other and, in such case, Buyer shall be entitled to the immediate return all of its deposited funds. Failure to close for any other reason shall be subject to and governed by Sections 9.2 and 9.3 below.

3.10 Release of Claims. Buyer or anyone claiming by, through or under Buyer, hereby fully and irrevocably releases Seller, Seller's affiliates, and their respective agents

and representatives, from any and all claims that it may now have or hereafter acquire against Seller, Seller's affiliates, or their respective agents or representatives for any action, cause of action, claim, cost, damage, demand, expense (including, without limitation, attorneys' fees and expenses), fine, judgment, liability, lien, loss, or penalty, whether foreseen or unforeseen, direct or indirect, arising from or related to any construction defects, errors or omissions on or in the Property, the presence of environmentally hazardous, toxic or dangerous substances, or any other conditions (whether patent, latent or otherwise) affecting the Property, or any law or regulation applicable thereto (including Environmental Laws (hereinafter defined)), except for claims against Seller based upon actual fraud or for any obligations and li abilities of Seller expressly provided in this Agreement (collectively, "**Released Claims"**). Buyer further acknowledges and agrees that this release shall be given full force and effect according to each of its expressed terms and provisions, including, but not limited to, those relating to unknown and suspected claims, damages and causes of action. As a material covenant and condition of this Agreement, Buyer agrees that in the event of any such Released Claim affecting the Property, Buyer shall look solely to Seller's predecessors in interest or to such contractors and consultants as may have contracted for work in connection with the Property for any redress or relief, except for claims against Seller based upon actual fraud or any obligations and liabilities of Seller expressly provided in this Agreement. Buyer further understands that some of Seller's predecessors in interest or such contractors and consultants may have filed petitions under the bankruptcy code and Buyer may have no remedy against such predecessors, contractors or consultants.

BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALLING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:

/s/ ST
Buyer's Initials

The foregoing waivers and releases by Buyer shall survive the Closing and the recordation of the Deed and shall not be deemed merged into the Deed upon its recordation. From time to time, at the request of Seller or any of its affiliates, agents or representatives, Buyer shall execute such further instruments as Seller may request confirming the waivers set forth above.

4. Representations And Warranties Of Seller

Seller represents and warrants to Buyer that the following matters are true and correct as of the execution of this Agreement and will also be true and correct as of the Closing:

4.1 Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California.

4.2 This Agreement is, and all the documents executed by Seller which are to be delivered to Buyer at the Closing will be, duly authorized, executed, and delivered by Seller, and is and will be legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and does not and will not violate any provisions of any agreement to which Seller is a party or to which it is subject.

4.3 Except as set forth in the materials delivered to Buyer pursuant to Section 3.6 above or as otherwise disclosed in writing by Seller to Buyer prior to the end of the Review Period, to Seller's actual knowledge, there are no pending legal proceedings or administrative actions of any kind or character adversely affecting the Property or Seller's interest therein.

4.4 Except as set forth in the materials delivered to Buyer pursuant to Section 3.6 above, or as otherwise disclosed in writing by Seller to Buyer prior to the end of the Review Period, Seller has received no written notice from any city, county, state or other government authority of any violation of any statute, ordinance, regulation, or administrative or judicial order or holding, whether or not appearing in public records, with respect to the Property, which violation has not been corrected.

4.5 Except as set forth in the materials delivered to Buyer pursuant to Section 3.6 above, or as otherwise disclosed in writing by Seller to Buyer prior to the end of the Review Period, Seller has received no written notice from any city, county, state or other government authority (i) of any order or directive requiring any work of repair, maintenance or improvement be performed on the Property, or (ii) relating to defects in the Improvements or relating to noncompliance with any applicable building code or restriction that has not been corrected, or relating to any threat of impending condemnation.

4.6 Except as set forth in the materials delivered to Buyer pursuant to Section 3.6 above, or as otherwise disclosed in writing by Seller to Buyer prior to the end of the Review Period, Seller has received no written notice that (i) the Property is in violation of any federal, state and local laws, ordinances and regulations applicable to the Property with respect to hazardous or toxic substances or industrial hygiene (collectively, "**Environmental Laws**"), which violation has not been corrected, or (ii) past or current tenants of all or any portion of the Property have owned, used, generated, manufactured, stored, handled, released or disposed of any hazardous or toxic substances on the Property in violation of applicable Environmental Laws. Notwithstanding the foregoing representations and warranties, the acts, if any, of Seller's past or current tenants shall not be imputed to Seller.

4.7 To Seller's actual knowledge, and except as set forth in the tenant estoppel certificates delivered to Buyer pursuant to Section 7.1 below or as otherwise specifically disclosed in writing to Buyer prior to the end of the Review Period, (i) the Leases are in full force and effect and have not been modified, and (ii) there is no current default in the performance of the obligations of any party under the Leases. There are no outstanding

assignments by Seller of Seller's interest in the Leases, excluding assignments to secure outstanding liabilities against the Property that are to be removed prior to Close of Escrow. To Seller's actual knowledge, there are no other leases, service contracts, maintenance agreements or other agreements with respect to the Property other than those delivered to Buyer pursuant to Section 3.6 hereof.

4.8 As used in this Agreement, the phrase "**to Seller's actual knowledge**" or words of similar import shall mean the actual (and not constructive or imputed) knowledge, without independent investigation or inquiry, of Thomas R. Tellefsen and Lary J. Mielke (and Seller represents that Thomas R. Tellefsen and Lary J. Mielke are the individuals with primary responsibility for the sale of the Property, and with the primary responsibility for overseeing the management and operation of the Property). The express representations and warranties made in this Agreement shall not merge into any instrument or c onveyance delivered at the Closing; provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of such representations and warranties shall be commenced and served, if at all, on or before the date which is one (1) year after the date of the Closing and, if not commenced and served on or before such date, thereafter shall be void and of no force or effect. Seller shall have no liability with respect to any of the foregoing representations and warranties if, prior to the Closing, Buyer discovers or learns of information (from whatever source, including, without limitation, the tenant estoppel certificates delivered pursuant to Section 7.1 below, as a result of Buyer's due diligence tests, investigations and inspections of the Property, or disclosure by S eller or Seller's agents and employees) that contradicts any of the foregoing representations and warranties, or renders any of the foregoing representations and warranties untrue or incorrect, and Buyer nevertheless consummates the transaction contemplated by this Agreement.

4.9 Seller acknowledges that Buyer may be required to make certain filings with the Securities and Exchange Commission (the "SEC Filings") that relate to the most recent preacquisition fiscal year and the current fiscal year through the date of acquisition for the Property. Seller agrees to reasonably assist Buyer in preparing the SEC Filings and to provide access to Seller's information reasonably required in connection thereto. In that regard**,** Seller acknowledges that as a Real Estate Investment Trust, Buyer will be required after the Closing Dateto comply with certain requirements of the Securit ies and Exchange Commission; accordingly, Seller agrees to be bound by and to comply with the provisions set forth in **Exhibit I** attached hereto and made a part hereof in order to facilitate such compliance by Buyer; provided that, notwithstanding anything contained in this Agreement or in **Exhibit I** to the contrary, it is understood and agreed that Seller will not be exposed to any liability on account thereof. The foregoing covenant of Seller shall survive the Closing for a period of one (1) year.

4.10 Within ten (10) days after the Effective Date, Seller shall deliver to Buyer a Natural Hazard Disclosure Statement (the "Statement") in the form provided under California law. The Statement will purport to disclose whether the Property is located in a special flood hazard area, a dam inundation failure area, a high fire severity area, a wild land fire area, an earthquake fault zone, and/or a seismic hazard area.

4.11 Section 25359.7 of the California Health and Safety Code requires owners of nonresidential real property who know, or have reasonable cause to believe that any release of hazardous substance has come to be located on or beneath the real property to provide

written notice of such to a buyer of the real property. Seller hereby advises Buyer that the sole inquiry and investigation Seller has conducted in connection with the environmental condition of the Property is to obtain and/or review those certain environmental assessments and studies of the Property delivered to Buyer pursuant to this Agreement (collectively, "Seller's Environmental Reports"). Buyer (a) acknowledges Buyer's Safety Code; and (b) will be, prior to the expiration of the contingency Period, fully aware of the matters described in Seller's Environmental Reports. The representations, warranties, and agreements set forth in this Subsection 4.11 shall survive the consummation of the pur chase and sale transaction contemplated hereby.

5. Representations, Warranties And Covenants Of Buyer

Buyer represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and will also be true and correct as of the Closing:

5.1 Buyer is a corporation duly created and validly existing under the laws of the State of Delaware.

5.2 This Agreement is, and all the documents executed by Buyer which are to be delivered to Seller at the Closing will be, duly authorized, executed, and delivered by Buyer, and is and will be legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and does not and will not violate any provisions of any agreement to which Buyer is a party or to which it is subject.

5.3 That (i) prior to the Closing, Buyer will have had the opportunity to investigate all physical and economic aspects of the Property and to make all inspections and investigations of the Property which Buyer deems necessary or desirable to protect its interests in acquiring the Property, including, without limitation, review of the Leases (and the rights of the tenants thereunder), building permits, certificates of occupancy, environmental audits and assessments, toxic reports, surveys, investigation of land use and development rights, development restrictions and conditions that are or may be imposed by governmental agencies, agreements with associati ons affecting or concerning the Property, the condition of title, soils and geological reports, engineering and structural tests, insurance contracts, contracts for work in progress, marketing studies, cost-to-complete studies, governmental agreements and approvals, architectural plans and site plans, and (ii) except as otherwise expressly set forth in this Agreement, neither Seller, nor anyone acting for or on behalf of Seller, has made any representation, warranty, promise or statement, express or implied, to Buyer, or to anyone acting for or on behalf of Buyer, concerning the Property or the condition, use or development thereof. Buyer further represents and warrants that, in entering into this Agreement, Buyer has not relied on any representation, warranty, promise or statement, express or implied, of Seller, or anyone acting for or on behalf of Seller, other than as expressly set forth in this Agreement, and that all matters concerning the Property have been or shall be independently ver ified by Buyer prior to the Closing, and that Buyer shall purchase the Property on Buyer's own prior investigation and examination of the Property (or Buyer's election not to do so); **AND THAT, AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, BUYER IS PURCHASING THE PROPERTY IN AN "AS IS" PHYSICAL**

CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS. Except as may be set forth in this Agreement, Buyer waives, and Seller disclaims, all warranties of any type or kind whatsoever with respect to the Property, whether express or implied, including, by way of description but not limitation, those of fitness for a particular purpose and use. Notwithstanding anything to the contrary herein, Buyer and Seller acknowledge that any written disclosures made by Seller prior to the Closing shall constitute notice to Buyer of the matter disclosed, and Seller shall have no further liability thereafter if Buyer thereafter consummates the transaction contemplated hereby.

5.4 Buyer is not an employee benefit plan (a "**Plan**") subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), nor a person or entity acting, directly or indirectly, on behalf of any Plan or using the assets of any Plan to acquire the Property, Buyer is not a "party in interest" (as that term is defined in Section 3(14) of ERISA) with respect to any Plan that is a n investor in Seller, and Buyer's acquisition of the Property will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

5.5 It is expressly acknowledged by Buyer that no financing for this transaction shall be provided by Seller.

6. Confidentiality

Buyer agrees that it shall keep confidential the information contained in the materials delivered or provided for inspection by Seller pursuant to Section 3.6 above that is not generally known in the commercial real estate industry in the Sacramento, California, area and as to which Seller exercises commercially reasonable diligent efforts to maintain as confidential (collectively, "Confidential Information"), and shall not disclose Confidential Information to any third parties, except that Buyer shall have the right to provide Confidential Information to its lenders, consultants, attorneys and prospective investors in connection with Buyer's acquisition of the Property (provided that Buyer shall instruct the aforesaid parties to maintain the confi dentiality of Confidential Information). If the transaction contemplated by this Agreement is not consummated for any reason, Buyer promptly shall return to Seller, and instruct its representatives, consultants, attorneys, and prospective investors to return to Seller, all copies and originals of Confidential Information previously provided for inspection by Seller to Buyer. The provisions of this Section 6 shall survive any termination of this Agreement. This Section 6 shall cease to apply to Buyer upon the Closing of the purchase and sale contemplated by this Agreement.

7. Conditions Precedent To Closing

7.1 The following shall be conditions precedent to Buyer's obligation to consummate the purchase and sale transaction contemplated herein (the "**Buyer's Conditions Precedent**"):

7.1.1 Buyer shall not have terminated this Agreement in accordance with Section 3.4, Section 3.7 or Section 9.4 of

this Agreement within the time periods described in said Sections.

7.1.2 Title Company shall stand ready to issue, at the Closing, the Title Policy, insuring Buyer's interest in the Real Property, dated the day of the Closing, with liability in the amount of the Purchase Price, subject only to the standard exclusions from coverage and the Permitted Exceptions.

7.1.3 Buyer shall have received and reasonably approved, at least ten (10) days prior to the Closing, executed estoppel certificates substantially in the form of Exhibit F hereto from each of the tenants listed on Exhibit B, provided, however, that if the form of estoppel certificate attached hereto as Exhibit F requests information in addition to or different than that required to be given pursuant to a tenant's Lease, this condition will be satisfied for such tenant(s) if such tenant(s) executes an estoppel certificate in the form required pursuant to its Lease. If Seller is unable to obtain an estoppel certificate from any tenant not la ter than ten days prior to the Closing, then, in lieu thereof, Seller shall provide to Buyer a certificate pertaining to that tenant's Lease covering the same matters that would have been set forth in the tenant's estoppel certificate (and if, after the Closing, Seller delivers to Buyer a tenant estoppel certificate from a tenant for whom Seller executed a Seller's certification at the Closing, then Seller thereafter shall be released from said certification). Subject to the preceding sentence, Seller's liability in connection with any Seller's certificate shall not merge into any instrument or conveyance delivered at the Closing; provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of such certificate shall be commenced and served, if at all, on or before the date which is one (1) year after the date of the Closing and, if not commenced and served on or before such date, thereafter shall be void and of no force or effect.

7.1.4 There shall be no material breach of any of Seller's representations, warranties or covenants set forth in Section 4 and Section 8, as of the Closing.

7.1.5 Seller shall have delivered to the Escrow Company the items described in Section 3.8.

7.1.6 On and as of the Closing Date, Seller's lender shall have approved and consented to Buyer's assumption of the

Existing Loan on terms and conditions acceptable to Buyer, and Buyer shall have assumed Seller's obligations under the Existing Loan. Seller shall reasonably cooperate and assist with obtaining the approval and consent of its lender to Buyer's assumption of the Existing Loan.

7.1.7 On and as of the Closing Date, Seller shall have complied with its obligations under Section 4.9 and Exhibit I.

7.1.8 On and as of the Closing Date, there shall not be pending a condemnation or similar proceeding related to all or any portion of the Property, nor shall there have been since the date hereof a material change in the physical condition of the Improvements, as a result of casualty or otherwise.

The conditions set forth in this Section 7.1 are solely for the benefit of Buyer and may be waived only by Buyer. Buyer shall, at all times prior to the termination of this Agreement, have the right to waive any of these conditions. The closing of the transaction shall constitute Buyer's waiver of the conditions set out in this Section 7.1.

7.2 The following shall be conditions precedent to Seller's obligation to consummate the purchase and sale transaction contemplated herein (the "**Seller's Conditions Precedent**"):

7.2.1 Buyer shall not have terminated this Agreement in accordance with Section 3.4, Section 3.7 or Section 9.4 of this Agreement within the time periods described in said Sections.

7.2.2 Buyer shall have delivered to Escrow Company, prior to the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Buyer in accordance with this Agreement.

7.2.3 There shall be no material breach of any of Buyer's representations, warranties or covenants set forth in Section 3 and Section 5, as of the Closing.

7.2.4 Buyer shall have delivered to Escrow Company the items described in Section 3.8.

7.2.5 Buyer shall have assumed the Existing Loan.

7.2.6 Seller and its members shall have been released from personal liability under the Existing Loan and all related guaranties.

The conditions set forth in this Section 7.2 are solely for the benefit of Seller and may be waived only by Seller. Seller shall, at all times prior to the termination of this Agreement, have the right to waive any of these conditions.

8. Covenants Of Seller

Seller covenants with Buyer, as follows:

8.1 After the date hereof and prior to the Closing, no part of the Property, or any interest therein, will be sold, encumbered or otherwise transferred without Buyer's consent.

8.2 After the date hereof and prior to the Closing, Seller shall not enter into any new Leases, or amend, modify or extend any existing Leases, in any case without the prior written consent of Buyer (which consent shall not be unreasonably withheld and shall be granted or denied within three (3) business days after receipt of a request from Seller). If Buyer consents to any new Lease or to the amendment, modification or extension of any existing Lease and the transaction contemplated by this Agreement closes, Buyer shall be solely responsible for the payment of all leasing commissions or leasing related attorneys' fees in connection therewith and any tenant improvement costs or allowance, move-in all owance and any other payment to the tenant thereunder (whether coming due prior to the Closing (if the transaction contemplated by this Agreement closes, in which case any such amount shall be payable to Seller at the Closing), or coming due after the Closing).

8.3 Until the Closing, Seller shall keep the Property insured against fire, vandalism and other loss, damage and destruction, provided, however, that subject to the terms of Section 9.5.3 below, Seller's insurance policies shall not be assigned to Buyer at the Closing, and Buyer shall be obligated to obtain its own insurance coverage from and after the Closing.

8.4 Until the Closing, Seller shall operate and maintain the Property in the manner being operated and maintained on the date of this Agreement.

8.5 Promptly after Closing, Seller shall, or instruct its property manager to, promptly deliver letters to each tenant notifying them of the change in ownership of the Property and the address for future rent payments to be sent, which address will be provided by Buyer. Buyer shall approve the form of letter to be sent to tenants. Seller shall further reasonably cooperate with the Property ownership transition issues, at no additional cost or liability to Seller, other than nominal additional administrative and legal costs, for a period of up to 60 days after Closing.

9. Instructions on Closing

9.1 Recordation and Delivery. When all conditions precedent to the Close of Escrow have been satisfied or waived as provided herein, Escrow Holder shall cause the Grant Deed to be recorded in the Official Records of Contra Costa County, California and deliver (a) to Seller, funds in the amount of the Purchase Price, net of the principal and accrued interest on the Existing Loan assumed by Buyer, less or plus the net debit or credit to Seller by reason of the proration and allocation of closing costs provided for in this Agreement and an appropriate escrow closing statement, and (b) to Buyer, a certified photocopy of the Grant Deed, as recorded in the Official Records of Contra Costa County, California, the Bill of Sale, as executed, the Assignment, as executed, the Leases, the FIRPTA Certificate, as executed, the Withholding Exemption Certificate, as executed, the Title Policy, any other documents or

instruments requested by Buyer pursuant to the provisions of Section 3.08(g), cash in the amount equal to the net credit, if any, to Buyer by reason of the proration and allocation of closing costs provided for in this Agreement and an appropriate escrow closing statement.

9.2 Termination. The Escrow shall automatically terminate and be null and void and of no force or effect in the event that the Close of Escrow is not timely consummated for any reason whatsoever, in which event Escrow Holder shall, except as otherwise provided herein, promptly return any and all funds and documents previously deposited in escrow to the party or respective parties who deposited such funds and documents, provided, however, that any such termination shall in no way prejudice any rights hereunder, at law or in equity of any party hereto who has, at the time of such failure, fully and completely performed and complied with, or fully and completely tendered performance of and com pliance with, or, by virtue of the breach of the other party has been excused from performance of and compliance with, each and all of the covenants, agreements, representations, warranties, terms and conditions to be performed and complied with such party pursuant to the provisions of this Agreement to pursue all rights and remedies against the other party by virtue of such other parties' failure to perform or comply with the provisions of this Agreement, including, without limitation, Seller's rights under Section 9.3 below. Notwithstanding anything herein to the contrary, Buyer expressly acknowledges and agrees that in no event shall Buyer be permitted to file a lis pendens against the Property in the event of any dispute arising out of this Agreement or the parties' prior Letters of Interests and related responses unless Buyer initiates an action f or specific performance as provided in Section 9.4.

9.3 LIQUIDATED DAMAGES. BUYER AND SELLER AGREE THAT THE AMOUNT OF SELLER'S DAMAGES IN THE EVENT OF BUYER'S MATERIAL DEFAULT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX. THEREFORE, THE PARTIES AGREE THAT IF ESCROW FAILS TO CLOSE BY REASON OF ANY MATERIAL DEFAULT OF BUYER WHICH IS NOT CURED WITHIN FIVE BUSINESS DAYS AFTER WRITTEN NOTICE TO BUYER FROM SELLER, SELLER SHALL BE ENTITLED TO RETAIN AS LIQUIDATED DAMAGES AND AS ITS SOLE REMEDY THE DEPOSIT, PLUS ANY INTEREST ACCRUED THEREON, WHICH AMOUNT THE PARTIES AGREE IS A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER. SUCH DAMAGES INCLUDE COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF SATISFYIN G CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION WITH THIS AGREEMENT. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 9.3, SELLER AND BUYER AGREE THAT THIS LIQUIDATED DAMAGES PROVISION IS NOT INTENDED AND SHOULD NOT BE DEEMED OR CONSTRUED TO LIMIT IN ANY WAY BUYER'S INDEMNITY OBLIGATIONS UNDER SECTIONS 3.7 AND 10.10.

UPON TERMINATION OF ESCROW FOR BUYER'S MATERIAL DEFAULT, ESCROW HOLDER SHALL DISBURSE TO SELLER, IF AVAILABLE, THE AMOUNT OF SELLER'S LIQUIDATED DAMAGES FROM THE FUNDS DEPOSITED BY BUYER WITH ESCROW HOLDER AND SHALL RETURN TO THE PARTIES ALL THE REMAINING FUNDS AND DOCUMENTS DEPOSITED BY THEM RESPECTIVELY. BUYER SHALL PAY ESCROW HOLDER'S CANCELLATION FEES. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE PROVISIONS OF THIS SECTION AND, BY THEIR INITIALS IMMEDIATELY BELOW, AGREE TO BE BOUND BY ITS TERMS.

Buyer: /s/ ST Seller:/s/ TRT

9.4 In the event that, prior to the Closing, Buyer discovers or learns of information (from whatever source, including, without limitation, the tenant estoppel certificates delivered pursuant to Section 7.1.3 above, as a result of Buyer's due diligence tests, investigations and inspections of the Property, by disclosure from Seller or Seller's agents and employees or otherwise) that contradicts any of the representations and warranties of Seller contained herein, or renders any of such representations and warranties untrue or incorrect, Buyer shall have the right, exercisable by giving written notice to Seller within five (5) days after receiving notice of such information (but in any event pri or to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same and Seller shall be responsible for any Cancellation Fees, or (ii) to accept the Property notwithstanding such information and nevertheless consummate the transaction contemplated by this Agreement, in which event thereafter Buyer shall have the right to recover from Seller Buyer's actual damages (but not consequential damages) as a result of such representations and warranties contradicted or made untrue or incorrect thereby. In the event, prior to the Closing, Seller defaults in any other manner under this Agreement, Buyer shall have the right, either (i) to terminate this Agreement, in whi ch case neither party shall have any further rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same and Seller shall be responsible for any Cancellation Fees, or (ii) to accept the Property notwithstanding such default and nevertheless consummating the transaction contemplated by this Agreement, in which event thereafter Buyer shall have the right to recover from Seller Buyer's actual damages (but not consequential damages), arising from Seller's default. In the event Seller's default consists of Seller's refusal or failure to convey the Property, Buyer's sole remedy shall be to elect either (i) to bring an action for specific performance, or (ii) to terminate this Agreement, in which case neither party shall have any fu rther rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same and Seller shall be responsible for any Cancellation Fees. In the event of any breach or default by Seller, which occurs or which Buyer first discovers after the Closing, Buyer shall be limited to recovering its actual damages but not any consequential damages.

Any action, suit or proceeding brought by Buyer against Seller under this Agreement shall be commenced and served, if at all, on or before the date which is one (1) year after the date of the Closing and, if not commenced and served on or before such date, thereafter shall be void and of no force or effect.

9.5 Prorations. The following prorations shall be made as of the date of close of escrow on the basis of a 365-day year:

9.5.1 All real estate taxes, assessments and special assessments, including without limitation any Mello-Roos and other special assessment district bonds, shall be prorated as of the Close of Escrow based on the most recent tax statement for the Property. If such proration is not made on the basis of the current tax year, or if supplemental taxes are assessed after the Close of Escrow for the period prior to the closing, the parties shall make any necessary adjustments after Close of Escrow by cash payment to the party entitled thereto so that Seller shall have borne all taxes allocable to the period prior to the Close of Escrow and Buyer shall bear all taxes allocable to the period after Close of Escrow.

9.5.2 Nonreimbursable utilities and operating expenses of the Property shall be prorated as of the Close of Escrow on the assumption that utility charges were uniformly incurred during the billing period in which the Close of Escrow occurs.

9.5.3 Premiums on nonreimbursable insurance policies acceptable to Buyer in its sole and absolute discretion shall be prorated as of the Close of Escrow, provided that Seller shall have delivered to Escrow Holder and to Buyer true and correct copies of the applicable policies and evidence of premium payments.

9.5.4 Rentals, prepaid rentals, prepaid payments and any other payments under the Leases (collectively, "Rent") shall be prorated so that Buyer shall receive a credit for all Rent collected by Seller and allocable or payable on the day of and after the Close of Escrow. Rent and other charges under the Leases (other than Delinquent Rents (as hereinafter defined)) shall be prorated as if collected. Rents and other charges under the Leases which are 30 days or more past due as of the Closing ("**Delinquent Rents**") shall not be prorated, and rents and other amounts received by Buyer after the Closing from a tenant owing such Delinquent Rents shall be applied (A) first, t o Buyer's actual out-of-pocket costs of collection incurred with respect to such tenant; (B) second, to rents due from such tenant for the month in which such payment is received by Buyer; (C) third, to rents attributable to any period after the Closing which are past due on the date of receipt; and (D) finally, to Delinquent Rents as of the Closing (and Buyer promptly shall remit such amounts to Seller). Seller may pursue a tenant after the Closing for collection of Delinquent Rents but Seller shall not have the right to institute any action for unlawful detainer against such tenant.

The parties hereto and Escrow Holder shall use their respective best efforts to prepare and distribute among them a closing prorations schedule not later than five days before the Close of Escrow.

9.6 Payment of Closing Costs. Except as may be expressly set forth in this Agreement to the contrary, Seller shall pay all documentary transfer taxes and any other transfer taxes, Buyer and Seller shall each pay one-half of Escrow Holder's fee, and all other closing costs shall be divided and borne in accordance with common escrow practices in Contra

Costa County, California. Buyer shall be solely responsible for all costs and expenses incurred in connection with obtaining or assuming any financing for the purchase of the Property, including title, escrow, documentation, loan fees and appraisal costs relating thereto, any additional title insurance premium payable in connection with Buyer obtaining an ALTA extended coverage owner's policy and any lender's policy of title insurance and the cost of any title endorsements which are not title curative endorsements which Seller elects to obtain pursuant to Section 3.4 above

9.7 Delivery of Possession. Seller shall deliver possession of the Property to Buyer at the Close of Escrow subject only to the Permitted Exceptions.

10. General Provisions

10.1 Notices. All notices and other communications pertaining hereto shall be in writing and delivered to the party entitled to receive notice at the address for such party shown on the signature page hereof, with a copy to such party's attorney at the address for such attorney shown on the signature page hereof. Notices shall be deemed to have been given when delivered personally or by facsimile transmission (provided there is electronic confirmation of such transmission), or three days after being deposited in U.S. certified or registered mail, return receipt requested, postage prepaid, or upon delivery by a reputable overnight courier which keeps records of actual delivery as such delivery is reflected in the records maintained by the overnight courier. A party may change its address for notice from time to time in writing pursuant to the provisions of this paragraph.

10.2 Time. As used herein, the term "days" shall mean calendar days unless otherwise expressly stated; provided, however, that if a deadline or date for performance under this Agreement falls on a Saturday, Sunday or legal holiday, the deadline or the date for performance shall automatically be extended to the next day which is not a Saturday, Sunday or legal holiday. Time is of the essence of this Agreement with respect to every provision in which time is a factor. Buyer and Seller acknowledge that their agreement to make time of the essence forms an integral part of this Agreement, that they would not have entered into this Agreement but for such provision.

10.3 Entire Agreement. This Agreement, including the recitals and the exhibits attached hereto represents a final expression and a complete and exclusive statement of the agreement of the parties hereto pertaining to the subject matter hereof, and fully supersedes all prior agreements, understandings and/or discussions between the parties hereto pertaining to the subject matter hereof. No change in, modification of or addition, amendment or supplement hereto shall be valid unless set forth in writing signed and dated by each of the parties hereto following the signing of this Agreement.

10.4 Applicable Law, Construction. The existence, validity, construction and operational effect of this Agreement, and the respective rights and obligations of each of the parties hereto hereunder, shall be determined in accordance with the laws of the State of California, provided, however, any and all other provisions of this Agreement to the contrary notwithstanding, (a) in the event that any provision of this Agreement is found to be prohibited by law or is otherwise held invalid, such provision shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement, (b) this A greement shall be construed

as if equally drafted by each of the parties hereto, (c) nothing herein shall be construed as creating either a partnership or an employment relationship between the parties hereto, and (d) neither the failure of any party hereto to insist at any time upon the strict performance of any provision of this Agreement or to act upon or exercise any right or remedy available or possibly available to such party, whether hereunder at law, in equity, or otherwise shall be interpreted as a waiver or a relinquishment of any provision, right or remedy unless specifically expressed in writing signed by such party and no payment hereunder or otherwise shall constitute any such writing.

10.5 Further Assurances. Except as otherwise expressly provided hereunder, each of the parties hereto, without further consideration, does hereby covenant and agree (a) to execute such documents, and to take such further action, as may be necessary to further the purposes of this Agreement, and (b) to otherwise act in good faith and deal fairly hereunder.

10.6 Counterparts. This Agreement may be executed in several counterparts and all such executed counterparts shall constitute one agreement binding on all of the parties hereto exactly as if all parties hereto had executed the same counterpart in spite of the fact that they did not execute the same counterpart.

10.7 Headings, Gender and Clarifications. The section headings used in this Agreement are intended solely for convenience of reference and shall not in any way or manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof. The masculine, feminine and neuter gender, and the singular or plural number, shall be deemed to include the other. Whenever the context so indicates or requires, items identified in this Agreement as conditions shall also be covenants and agreements.

10.8 Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement, and the remaining parts hereof will remain in full force and effect, as fully as if such invalid, illegal or unenforceable portion had never been part of this Agreement.

10.9 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. Neither this Agreement nor any of the rights or obligations of Seller or Buyer hereunder shall be transferred or assigned by Seller or Buyer without the prior written consent of the non-assigning party, provided that after making the Deposit required under Section 2.1 above, Buyer shall have the right to assign this Agreement and Buyer's rights hereunder to any entity in which Buyer has an ownership interest and a right of management; provided: (i) Seller is given notice promptly after such assignment, and (ii) the assignee assumes all obligations of Buyer and agrees to perform all obligations imposed on Buyer by this Agreement. In no event shall any such assignment relieve Buyer of its obligations under this Agreement.

10.10 Brokerage Commission. Except for a commission payable to CB Richard Ellis, Inc. ("Seller's Broker") pursuant to a separate agreement between Seller and Seller's Broker, each party represents to the other party that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Agreement that would constitute a liability of the other party.

Each party does hereby indemnify and covenant and agree to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense, including any damages suffered due to any liens recorded against the Property, reasonable attorneys' fees, on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 10.10 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

10.11 No Third Party Benefit. This Agreement is intended to benefit only the parties to this Agreement, and no other person or entity has or shall acquire any rights under this Agreement.

10.12 No Recording. This Agreement shall not be recorded or filed in the public land or other public records of any jurisdiction by either party and any attempt to do so may be treated by the other party as a breach of this Agreement.

10.13 Attorneys' Fees and Costs. Except as otherwise provided herein, in the event of litigation, arbitration or other judicial or quasi judicial process to enforce this Agreement or any of its terms, the prevailing party shall be entitled to reimbursement from the other party of its reasonable attorneys' fees and costs. The parties agree that any litigation described herein shall be in a court of competent jurisdiction and located in the County of Contra Costa, California.

10.14 Termination By Buyer; Survivability. If Buyer elects to terminate this Agreement in accordance with Sections 3.4, 3.7, 3.9, 7.1, or 9.4 of this Agreement, (a) Seller and Escrow Holder shall (immediately and without any further instructions) return to Buyer all funds which have been deposited (or delivered) by Buyer including the Deposit (and any interest on the Deposit), (b) this Agreement shall terminate, and (c) neither party shall have any further rights or obligations under this Agreement except as otherwise provided in this Agreement with regard to rights that are to survive termination of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Seller:	Buyer:
Pinole Vista LLC	**Retail Opportunity Investments Corp.**
By: /s/ Thomas R. Tellefsen Thomas R. Tellefsen, Manager Date: October 13, 2010	By: /s/ Stuart A. Tanz Printed Name: Stuart A. Tanz Its: Chief Executive Officer
By: /s/ Lary J. Mielke Lary J. Mielke, Manager Date: October 13, 2010	Date: October 12, 2010
Address: 600 S. Lake Avenue, Suite 502 Pasadena, California 91106 Phone: (626) 564-8100 Fax: (626) 564-0232	Address: Retail Opportunity Investments Corp. 3 Manhattanville Road, 2nd Floor Purchase, New York 10577 Phone: (914) 272-8080 Fax: (914) 272-8088
Attorney Address: Paul H. Lusby Horn & Lusby LLP 2600 Foothill Blvd., Suite 203 Glendale, California 91214 Fax: _____	Attorney Address: Kenneth S. Antell Dunn Carney Allen Higgins & Tongue, LLP 851 SW Sixth Avenue, Suite 1500 Portland, Oregon 97204 Fax: (503) 224-7324

The undersigned hereby acknowledges receipt of this Agreement on October __, 2010, and hereby agrees to act as Escrow Holder in accordance with the terms and conditions hereof.

FIRST AMERICAN TITLE INSURANCE COMPANY,
a California corporation

By: /s/ Molly Baier
Printed Name: Molly Baier
Its: Senior Escrow Officer

Exhibit A

Legal Description

Exhibit B

Tenant Rent Roll

Exhibit C

[FORM OF GRANT DEED]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____
_____
_____

MAIL TAX STATEMENTS TO:

_____
_____
_____

GRANT DEED

The undersigned Grantor declares that Documentary Transfer Tax is not part of the public records.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Pinole Vista LLC, a California limited liability company ("Grantor"), hereby GRANTS to Retail Opportunity Investments Corp., a Delaware corporation ("Grantee"), that certain real property located in the County of Contra Costa, State of California and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), together with (i) all improvements owned by Grantor and located thereon, (ii) all rights, privileges, easements and appurtenances owned by Grantor appertaining to the Property, and (iii) all right, title and interest of Grantor (if any) in, to and under adjoining streets, rights of way and easements, SUBJECT TO all building codes and other applicable laws, ordinances and governmental regulations affecting the Property and the matters identified on Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Exceptions").

IN WITNESS WHEREOF, Grantor has caused its duly authorized representatives to execute this instrument as of October __, 2010.

GRANTOR:

Pinole Vista LLC,
a California limited liability company

By: _____
Authorized Signatory

By: _____
Authorized Signatory

Assessor's Parcel Number(s): _____

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2010, before me, _____, Notary Public, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
_____, Notary Public

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Schedule of Permitted Exceptions

STATEMENT OF TAX DUE AND REQUEST
THAT TAX DECLARATION NOT BE MADE A PART
OF THE PERMANENT RECORD
IN THE OFFICE OF THE
COUNTY RECORDER

(Pursuant to Cal. Rev. and Tax Code Section 11932)

To: Registrar - Recorder
County of Contra Costa

Request is hereby made in accordance with the provision of the Documentary Transfer Tax Act that the amount of tax due not be shown on the original document which names:

Pinole Vista LLC, a California limited liability company, as Grantor,

and

Retail Opportunity Investments Corporation, a _____ corporation, as Grantee.

The property described in the accompanying document is located in Contra Costa County, California.

The amount of tax due to the County of Contra Costa on the accompanying document is _____ and No/100 Dollars ($_____.00), **[**and the amount of tax due to the City of Pinole on the accompanying document is _____ and No/100 Dollars ($_____.00), each**]** computed on full value of property conveyed.

GRANTOR:

Pinole Vista LLC,
a California limited liability company

By:_____
Its Authorized Signatory

NOTE: After the permanent record is made, this form will be affixed to the conveying document and returned with it.

Exhibit D

[FORM OF BILL OF SALE]

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, Pinole Vista LLC, a California limited liability company ("**Seller**"), does hereby give, grant, bargain, sell, transfer, assign, convey and deliver to Retail Opportunity Investments Corp., a Delaware corporation ("**Buyer**"), the personal property identified on Schedule A attached hereto and incorporated herein by this reference, and all other personal property (if any) owned by Seller and located on or in that certain real property located in the City of Pinole, County of Contra Costa, State o f California and more particularly described in Schedule B attached hereto and incorporated herein by this reference.

SAID PERSONAL PROPERTY IS BEING TRANSFERRED ON AN "AS IS" BASIS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, OF ANY KIND WHATSOEVER BY SELLER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES THAT SELLER EXPRESSLY DISCLAIMS AND NEGATES, AS TO ALL PERSONAL PROPERTY TRANSFERRED HEREBY: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR MATERIALS; PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, SELLER COVENANTS THAT IT IS THE SOLE OWNER OF ALL PERSONAL PROPERTY CONVEYED HEREIN, FREE AND CLEAR OF ALL LIENS, SECURITY INTERESTS, ENCUMBRANCES, OR CLAIMS OF ANY KIND.

Seller covenants that it will, at any time and from time to time upon written request therefor, at Buyer's sole expense and without the assumption of any additional liability thereby, execute and deliver to Buyer, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which Buyer, its nominees, successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Buyer, its nominees, successors and/or assigns, and protect its or their rights, title and interest in and enjoyment of, all of the assets of Seller intended to be transferred and assigned hereby, or to enable Buyer, its nominees, successors and/or assigns, to realize upon or otherwise enjoy any such assets.

All references to "**Seller**" and "**Buyer**" herein shall be deemed to include their respective nominees, successors and/or assigns, where the context permits.

Dated: _____, 2010.

SELLER:

Pinole Vista LLC,
a California limited liability company,

By: _____
Authorized Signatory

By: __________________________________
Authorized Signatory

SCHEDULE A

[Schedule of Personal Property]

SCHEDULE B

Legal Description of the Real Property

Exhibit E

[FORM OF GENERAL ASSIGNMENT]

ASSIGNMENT

THIS ASSIGNMENT (this "**Assignment**") is made as of _____ ____, 2010, by and between Pinole Vista LLC, a California limited liability company ("**Assignor**"), and Retail Opportunity Investments Corp., a Delaware corporation ("**Assignee**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Assignor grants, sells, conveys, transfers and assigns unto Assignee all of Assignor's right, title and interest in, to and under the following items relating to that certain real property located in Pinole, California and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "**Real Property**"):

a. the contracts or agreements described in Exhibit B attached hereto and incorporated herein by this reference;

b. warranties, guarantees and indemnities (including, without limitation, those for workmanship, materials and performance) which may exist from, by or against any contractor, subcontractor, manufacturer, laborer or supplier of labor, materials or other services relating to the Real Property or any improvements located thereon;

c. plans, drawings, and specifications for the improvements located on the Real Property; and

d. any licenses, approvals, certificates, trade names, permits and claims (other than any claims against previous tenants of the Real Property, which claims are hereby reserved by Assignor).

Assignor shall indemnify, protect, defend and hold Assignee harmless from and against any and all claims, demands, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) arising in connection with the contracts and agreements described in paragraph (a) above and relating to the period prior to the date hereof. Assignee accepts the foregoing assignment and assumes any executory obligations of Assignor in connection with the contracts and agreements described in paragraph (a) above and shall indemnify, protect, defend and hold Assignor harmless from and against any and all claims, demands, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) arising in connection with the contracts and agreements described in paragraph (a) above and relatin g to the period on or after the date hereof.

Assignor covenants that it will, at any time and from time to time upon written request therefor, at Assignee's sole expense and without the assumption of any additional liability therefor, execute and deliver to Assignee, and its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request to fully

evidence the assignment contained herein and to enable Assignee, and its successors and assigns, to fully realize and enjoy the rights and interests assigned hereby.

The provisions of this Assignment shall be binding upon, and shall inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Assignment attached thereto.

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR: Pinole Vista LLC,
ASSIGNOR: a California limited liability company,

By: _____
Authorized Signatory

By: _____
Authorized Signatory

ASSIGNEE: Retail Opportunity Investments Corp., a Delaware corporation

By: _____
Its:_____

EXHIBIT A

Legal Description of Real Property

EXHIBIT B

Schedule of Contracts

Exhibit F

FORM OF TENANT ESTOPPEL CERTIFICATE

To: _____
_____
_____
_____

Re: [Property Address]

_____ ("Tenant") certifies as follows:

1. The undersigned is the Tenant under that certain lease dated _____, 19___ (the "Lease"), executed by _____ ("Landlord") as Landlord and the undersigned as Tenant, covering a portion of the property located at _____ (the "Property").

Pursuant to the Lease, Tenant has leased approximately _____ square feet of space (the "Premises") at the Property and has paid to Landlord a security deposit of $_____. The term of the Lease commenced on _____, ____ and the expiration date of the Lease is _____, _____. Tenant has paid rent through _____, ____. The next rental payment in the amount of $_____ is due on _____, _____. Tenant is required to pay _____ percent (___%) of all annual operating expenses for the Property.

The Lease provides for an option to extend the term of the Lease for _____ years, at a rental rate for such extension term as set forth in the Lease. Except as expressly provided in the Lease, and other documents attached hereto, Tenant does not have any right or option to renew or extend the term of the Lease, to lease other space at the Property, nor any preferential right to purchase all or any part of the Premises or the Property.

Complete copies of the Lease and all amendments, modifications and supplements thereto are attached hereto and the Lease, as so amended, modified and supplemented, is in full force and effect, and represents the entire agreement between Tenant and Landlord with respect to the Premises and the Property. There are no amendments, modifications or supplements to the Lease, whether oral or written, except as attached hereto.

All space and improvements leased by Tenant have been completed and furnished in accordance with the provisions of the Lease, and Tenant has accepted and taken possession of the Premises.

Landlord is not in any respect in default or breach in the performance of the terms and provisions of the Lease. Tenant is not in any respect in default or breach under the Lease and has not assigned, transferred or hypothecated the Lease or any interest therein or subleased all or any portion of the Premises.

There are no offsets or credits against rentals payable under the Lease and no free periods or rental concessions have been granted to Tenant, except as follows:

This Certificate is given to _____ with the understanding that _____ will rely hereon in connection with the conveyance of the Property of which the Premises constitute a part. Following any such conveyance, Tenant agrees that the Lease shall remain in full force and effect and shall bind and inure to the benefit of _____ as if no purchase had occurred.

DATED: ____ __, 2010.

TENANT: _____,
a _____

By: _____
Its: _____

Exhibit G

CERTIFICATE OF NON-FOREIGN STATUS

Pinole Vista LLC, a California limited liability company ("**Seller**"), is the transferor of that certain real property located in Pinole, California and more particularly described on Exhibit A attached hereto (the "**Property**").

Section 1445 of the Internal Revenue Code of 1986 (the "**Code**") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax will not be required in connection with the disposition of the Property pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of October __, 2010, by and between Seller and Retail Opportunity Investments Corporation, a _____ corporation, the undersigned certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder;

Seller's U.S. employer identification number is _____; and

Seller's address is 600 S. Lake Ave., Suite 502, Pasadena, California 91106.

It is understood that this certificate may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined the foregoing certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Date: _____ __, 2010 Signature: _____
Authorized Signatory

EXHIBIT A
Legal Description of Real Property

Exhibit H

[FORM OF ASSIGNMENT OF LEASES]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

_____
_____
_____
_____

The consideration for this Assignment is included in the consideration paid for the Grant Deed being recorded concurrently herewith and in the documentary tax affixed to said deed.

ASSIGNMENT OF LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "Assignment") is made on October ___, 2010, by Pinole Vista LLC, a California limited liability company ("Assignor"), in favor of Retail Opportunity Investments Corp., a Delaware corporation ("Assignee").

For a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in, to and under the leases (and all amendments and modifications thereto) relating to that certain real property located in the City of Pinole, County of Contra Costa, State of California and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "**Real Property**"), which leases are identified in Exhibit B attached hereto and incorporated herein by this reference (as amended and mo dified, the "**Leases**"), together with (i) any and all rights, title, estates and interests of Assignor in and to such security deposits and prepaid rents, if any, as have been paid to Assignor pursuant to such Leases and not previously applied pursuant to the Leases, and (ii) any and all rights, title, estates and interests of Assignor in and to any subleases, if any, relating to the Real Property.

Assignor shall indemnify, protect, defend and hold Assignee harmless from and against any and all claims, demands, liabilities, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any breach or default by Assignor under the terms of the Leases arising prior to the date hereof.

Assignor covenants that it will, at any time and from time to time upon written request therefor, at Assignee's sole expense and without the assumption of any additional liability thereby, execute and deliver to Assignee, its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request to fully evidence the assignment contained herein and to enable Assignee, its successors and assigns to fully realize and enjoy the rights and interests assigned hereby.

Assignee accepts the foregoing assignment and assumes and shall pay, perform and discharge, as and when due, all of the agreements and obligations of Assignor under the Leases and agrees to be bound by all of the terms and conditions of the Leases, and Assignee further agrees that, as between Assignor and Assignee, Assignee shall be responsible for any brokerage commissions, fees or payments which may be due or payable in connection with any extension or renewal of the term of any Lease.

Assignee shall indemnify, protect, defend and hold Assignor harmless from and against any and all claims, demands, liabilities, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any breach or default by Assignee under the terms of the Leases arising on or after the date hereof.

The provisions of this Assignment shall be binding upon, and shall inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature and acknowledgment pages of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) and acknowledgment(s) thereon, provided such signature and acknowledgment pages are attached to any other counterpart identical thereto except having additional signature and acknowledgment pages executed and acknowledged by other parties to this Assignment attached thereto.

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR: Pinole Vista LLC, a California limited liability company

By: _____
Its Authorized Signatory

By: _____
Its Authorized Signatory

ASSIGNEE: Retail Opportunity Investments Corp., a Delaware corporation

By: _____
Its: _____

ASSIGNOR ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2010, before me, _____, Notary Public, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
_____, Notary Public

ASSIGNEE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2010, before me, _____, Notary Public, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
_____, Notary Public

EXHIBIT A

Legal Description of Real Property

EXHIBIT B

Schedule of Leases

Exhibit I

8-K and Audit Requirements

For the period of time commencing on the mutual execution of this Agreement and continuing through the first anniversary of the Close of Escrow, Seller shall, from time to time, upon reasonable advance notice from Buyer, provide Buyer and its representatives, agents and employees with access to all financial and other information pertaining to the period of Seller's ownership and operation of the Property, which information is relevant and reasonably necessary, in the opinion of Buyer or its outside third party accountants (the "Accountants"), to enable Buyer and its Accountants to prepare financial statements in compliance with any and or all of (a) Rule 3-14 of Regulation S-X of the Securities and Exchange Commission (the "Commission"); (b) any other rule issued by the Commission and applicable to Buyer ; and (c) any registration statement, report or disclosure statement filed with the Commission by, or on behalf of Buyer; provided, however, that in any such event(s), Buyer shall reimburse Seller for those reasonable third party, out-of-pocket costs and expenses that Seller incurs in order to comply with the foregoing requirement. Seller acknowledges and agrees that the following is a representative description of the information and documentation that Buyer and the Accountants may require in order to comply with (a), (b) and (c) above. Seller shall provide the following information and documentation on a per-building basis, if available (capitalized terms not defined herein shall have the meanings as ascribed to such terms in the Agreement to which this Exhibit is attached):

1. Rent rolls for the calendar month in which the Closing occurs and the eleven (11) calendar months immediately preceding the calendar month in which the Closing occurs;

2. Seller's written analysis of both (a) scheduled increases in base rent required under the Leases in effect on the Close of Escrow; and (b) rent concessions imposed by those Leases;

3. Seller's internally-prepared operating statements;

4. Access to Lease files;

5. Most currently available real estate tax bills;

6. Access to Seller's cash receipt journal(s) and bank statements for the Property;

7. Seller's general ledger with respect to the Property, excluding Seller's proprietary accounts;

8. Seller's schedule of expense reimbursements required under the Leases in effect on the Close of Escrow;

9. Schedule of those items of repairs and maintenance performed by or at the direction of the Seller during the Seller's final fiscal year in which Seller owns and operates the Property (the "Final Fiscal Year");

10. Schedule of those capital improvements and fixed asset additions made by or at the direction of Seller during the Final Fiscal Year;

11. Access to Seller's invoices with respect to expenditures made during the Final Fiscal Year; and

12. Access (during normal and customary business hours) to responsible personnel to answer accounting questions.

Nothing herein shall require Seller to conduct its own audits or generate any requested materials that are not in its possession, custody or control.

The provisions of the foregoing information shall be for informational purposes only, shall not be deemed to be representations or warranties under this Agreement, and shall not expose Seller to any liability on account thereof. Upon at least twenty (20) days prior written notice and not more than once during the one (1) year period, upon Buyer's request, for a period of one (1) year after Closing, Seller shall on a one (1)-time basis only, make Seller's books, records, existing supporting invoices and other existing substantiating documentation that are not deemed by Seller to be privileged, available to Buyer for inspection, copying and audit by Buyer's designated accountants, at the expense of Buyer. This obligation shall survive the Closing for a period of one (1) year and shall not be merge d with any instrument of conveyance delivered at the Closing.

EXHIBIT 10.73

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (this "Agreement") dated the 18th day of November, 2010, is by and between MISSION CENTER, LLC, a California limited liability company ("Seller"), and RETAIL OPPORTUNITY INVESTMENTS CORP., a Delaware corporation ("Buyer"), and shall be effective on the Effective Date (as defined in Section 3).

RECITALS

A. Seller owns all right, title and interest in the approximately 177,136 square foot shopping center, commonly known as Marketplace Del Rio, located on Highway 76 and El Camino Real in Oceanside, California, the legal description of which is attached as **Exhibit A** (the "Property"). If no legal description is attached, then the legal description of the Property shall be as contained in the Preliminary Commitment (defined in Section 5), subject to Buyer's and Seller's reasonable approval.

B. Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, the Property on the terms and conditions set forth in this Agreement.

TERMS

NOW, THEREFORE, the parties agree as follows:

1. **Purchase and Sale of Property**. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property. The Property also includes the personal property of Seller used in the operation of the Property, which shall be conveyed to Buyer at closing pursuant to a bill of sale in the form attached as **Exhibit B**. The list of personal property to be conveyed shall be provided by Seller to Buyer within ten (10) days after the Effective Date. The Property also includes any and a ll of Seller's water, access and other rights, easements, and interests appurtenant to the Property, and all of Seller's construction warranty rights related to the improvements on the Property.

2. **Purchase Price**. The purchase price ("Purchase Price") for the Property shall be Thirty-Six Million and 00/100 DOLLARS ($36,000,000.00), payable in cash at closing.

3. **Earnest Money**. Within three (3) business days after mutual execution and delivery of this Agreement (the "Effective Date"), Buyer shall pay Two Hundred Fifty Thousand and 00/100 DOLLARS ($250,000.00) as earnest money (the "Earnest Money") in cash. The Earnest Money shall be deposited with Chicago Title Company (the "Title Company"), 2365 Northside Drive, 6th Floor, San Diego, CA 92108, Attention: Kathy Robinson, and shall be deposited into an interest-bearing escrow accoun t with the Title Company in accordance with the terms of this Agreement. Upon Buyer's waiver of its conditions set forth in Sections 6.1 through 6.4, Buyer shall deposit an additional Two Hundred Fifty Thousand and 00/100 DOLLARS ($250,000.00) in escrow as additional Earnest Money. All Earnest Money shall be applied to the payment of

the Purchase Price at closing. Any interest earned on the Earnest Money shall be part of the Earnest Money. All Earnest Money shall be returned to Buyer in the event any condition in Section 6 to Buyer's obligation to purchase the Property shall fail to be timely satisfied or waived by Buyer or in the event this transaction fails to close as a result of a casualty, condemnation, or default by Seller.

4. **Survey and Environmental Assessments.** During the Contingency Period (as defined in Section 6), Buyer may, at its sole discretion and expense: (a) commission a surveyor of Buyer's choice to prepare an ALTA survey of the Property; and (b) engage an environmental consultant of Buyer's choice to prepare a Phase I environmental site assessment of the Property and, if recommended by such consultant, obtain a Phase II environmental site assessment and perform any recommended testing. Unless legally precluded, and without any representations or warranties from Buyer, Buyer shall provide Seller with a copy of the survey and any environmental site assessments. Seller shall facilitate Buyer's and its surveyor's and consultant's access to the Property, said access to not unreasonably interfere with the operation of the Property or its tenants. Seller shall cooperate with Buyer's obtaining such survey and environmental site assessments.

5. **Title Documents**. On or before the fifth (5th) business day following the Effective Date, Seller shall deliver to Buyer a preliminary commitment for title insurance issued by Title Company (the "Preliminary Commitment"), along with all documents, whether recorded or unrecorded, referred to in the Preliminary Commitment ("Title Documents"). Buyer shall have until five (5) business days following Buyer's receipt of the Preliminary Commitment and the Title Documents to give Seller written notice of Buyer's disapproval of any condition or exception to title affecting the Property ("Buyer's Title Notice"). If Buyer disapproves of any such matter of title, then, within five (5) business days after Seller's receipt of Buyer's Title Notice, Seller shall give Buyer written notice ("Seller's Title Notice") of those disapproved title conditions and exceptions, if any, that Seller elects to eliminate from the title policy and as exceptions to title, or otherwise to correct. Seller's failure to deliver Seller's Title Notice within such five (5)- business day period shall be deemed Seller's election not to eliminate from the title policy the title conditions and exceptions noted in Buyer's Title Notice. If Buyer approves of Seller's Title Notice, Seller shall eliminate from the title policy, by the Closing Date, those disapproved title conditions and exceptions that Seller has elected to eliminate in Seller's Title Notice, and any failure to eliminate such exceptions or cure such objections shall constitute a default by Seller giving rise to the rights established pursuant to Section 16 below. If Buyer does not approve of Seller's Title Notice, this Agreement shall terminate as provided in Section 7. All title exceptions not objected to by Buyer and all title exceptions Seller elects not to eliminate in Seller's Title Notice shall be "Permitted Exceptions."

6. **Buyer's Closing Conditions**. The conditions set forth in this Section are solely for the benefit of Buyer and may be waived only by Buyer and, except as otherwise specifically set forth herein, only if such waiver is set forth in a writing signed by Buyer. Closing and Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction of the conditions set forth in Sections 6.1 through 6.4 not later than fourteen (14) days after the Effective Date and Buyer's receipt of all Seller's Documents (defined below) (the "Contingency Period"). C losing and Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction of the conditions set forth in

Sections 6.5 to 6.9 on or before the Closing Date. Notwithstanding the above, if Buyer requires additional time to complete its due diligence, Buyer shall have the right to extend the Contingency Period for up to seven (7) additional days by providing written notice to Seller thereof prior to the expiration of the then current Contingency Period.

6.1 **Review and Approval of Documents and Materials**. On or before the expiration of the Contingency Period, Buyer shall have approved any documents and materials delivered by Seller to Buyer pursuant to this Section. Unless otherwise noted below with respect to any specific item, within five (5) business days after the Effective Date of this Agreement, Seller shall deliver to Buyer, for Buyer's review and approval, the following documents and materials respecting the Property, which are in Seller's possession, custody, or control (collectively, the "Seller's Documents"):

6.1.1 Real and personal property tax statements for the most recent tax year.

6.1.2 All environmental reports, studies and assessments concerning the Property.

6.1.3 All soils, geotechnical, drainage, seismological and engineering reports, studies and assessments concerning the Property.

6.1.4 Any CC&Rs, management agreements or other agreements relating to all or any portion of the Property.

6.1.5 All tenant leases and other occupancy or use agreements and any amendments thereto concerning the Property (the "Leases") along with any tenant financial statements, and a current rent roll and aged receivables report for the Property.

6.1.6 Operating statements, copies of sales reports and CAM reports and reconciliations for the Property for the current year to date, and the previous three (3) calendar years.

6.1.7 All certificates of occupancy for the Property.

6.1.8 All service contracts and construction and equipment warranties.

6.1.9 All as-built plans and specifications for the Property.

In addition to hard copies of the above documents, Seller shall also make available to Buyer within five (5) business days after the Effective Date, electronic copies of the following documents related to the Property: all current leases (with amendments, modifications, extensions, and assignments and subleases); the last two (2) years' CAM reconciliations; a current rent roll, and the current year's operating budget for the Property. Buyer agrees that prior to the Closing Date, (a) except as otherwise provided or required by valid law, (b) except to the extent Buyer considers such documents or information reasonably necessary to prosecute and/or defend any claim made with respect to the Property or this Agreement, and (c) except to the extent reasonably necessary to deliver such d ocuments or information to Buyer's employees,

investors, officers, directors, members, partners, paralegals, attorneys and/or consultants ("Buyer Parties") in connection with Buyer's evaluation of this transaction, (i) Buyer and all Buyer Parties shall use commercially reasonable efforts to keep the contents of any materials, reports, documents, data, test results, and other information related to the transaction contemplated hereby, including the Seller's Documents and all information regarding Buyer's acquisition of the Property, strictly confidential, (ii) Buyer and all Buyer Parties shall keep and maintain the contents of this Agreement, including the amount of consideration being paid by Buyer for the Property, strictly confidential, and (iii) Buyer and all Buyer Parties shall refrain from generating or participating in any publicity or press release regarding this transaction without the prior written consent of Seller. Seller agrees that, (a) except a s otherwise provided or required by valid law, (b) except to the extent Seller considers such information reasonably necessary to prosecute and/or defend any claim made with respect to the Property or this Agreement, and (c) except to the extent reasonably necessary to deliver such information to Seller's employees, paralegals, attorneys and/or consultants in connection with this transaction, Seller and Seller's shareholders, employees and affiliated entities shall (i) use commercially reasonable efforts to keep and maintain the contents of this Agreement, including the amount of consideration being paid by Buyer for the Property, strictly confidential, and (ii) refrain from generating or participating in any publicity or press release regarding this transaction without the prior written consent of Buyer.

6.2 **Inspections**. Prior to the end of the Contingency Period, Buyer shall have approved the condition of the Property in Buyer's sole discretion. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk, to enter the Property, at reasonable times after reasonable prior notice to Seller and after prior notice to tenants of the Property as required by the Leases, if any, to conduct inspections, investigations, tests, and studies concerning the Property. Buyer, at its expense, may also undertake the following activities with respect to the Property: (i) third-party review o f any environmental, geotechnical and other reports provided by Seller; (ii) preparation of design, planning or density studies; (iii) engineering reviews, including review of building structure and mechanical systems; (iv) preparation of an independent market survey, geotechnical and other reports; (v) review of historic preservation issues; (vi) review of local government files and documents, as well as applications and correspondence between and on behalf of Seller and any local government; and (vii) other matters pertaining to the title, physical condition or any other aspect of the Property. Buyer shall also have the right to discuss this Agreement and the Property with third parties, including lenders, contractors and government officials and representatives. Prior to making the above inspections, Buyer shall have secured the insurance below and provided to Seller a certificate of insurance(s) evidencing Buyer's or Buyer's agents', consultants' and/or contractors' (as the case may be) procurement of a commercial general liability insurance policy covering Buyer's entry onto the Property by Buyer, its agents or representatives, in the amount of at least One Million Dollars ($1,000,000) per occurrence, Three Million Dollars ($3,000,000) aggregate, and with Seller named as an additional insured.

6.3 **Board Approval**. On or before the expiration of the Contingency Period, Buyer's Board of Directors shall have approved this transaction in its sole discretion.

6.4 **Intentionally deleted.**

6.5 **Audit Inquiry and SEC Compliance**. On and as of the Closing Date, Seller shall have reasonably cooperated with Buyer under this Section 6.5. Seller acknowledges that Buyer may be required to make certain filings with the Securities and Exchange Commission (the "SEC Filings") that relate to the most recent preacquisition fiscal year and the current fiscal year through the date of acquisition for the Property. Seller agrees to reasonably assist Buyer in preparing the SEC Filings and to provide access to Buyer's information reasonably required in connection thereto. In that regard**,** Seller acknowledges that as a REIT, Buyer will be required after the Closing to comply with certain requirements of the Securities and Exchange Commission; accordingly, Seller agrees to be bound by and to comply with the provisions set forth in **Exhibit G** attached hereto and made a part hereof in order to facilitate such compliance by Buyer; provided that, notwithstanding anything contained in this Agreement or in **Exhibit G** to the contrary, it is understood and agreed that Seller will not be exposed to any liability on account thereof. The foregoing covenant of Seller shall survive the Closing for a period of one (1) year.

6.6 **No Material Changes**. On and as of the Closing Date, there shall have been no material adverse changes in the physical or economic condition of the Property, other than such changes as may be contemplated by this Agreement.

6.7 **Representations, Warranties and Covenants of Seller**. On and as of the Closing Date, Seller shall have duly and timely performed each and every material agreement to be performed by Seller hereunder and Seller's representations and warranties set forth in this Agreement shall be true and correct in all material respects.

6.8 **Estoppel Certificates**. On and as of the Closing Date, Seller shall have provided Buyer with estoppel certificates in the form set forth in **Exhibit H**, for all tenants of the Property certifying that such tenants' leases are in full force and effect and there is no breach or default thereunder, and such other information as Buyer shall reasonably require.

6.9 **Title Insurance**. On and as of the Closing Date, the Title Company shall be irrevocably committed to issue the Title Policy set forth in Section 11 to Buyer.

7. **Termination**. If any condition set forth in Section 6 is not timely satisfied or waived by Buyer in writing for any reason, other than Buyer's default or Buyer's nonperformance of a term under this Agreement, this Agreement shall automatically terminate. Upon any such termination, all Earnest Money shall be immediately refunded to Buyer and this Agreement shall be of no further force or effect, except as expressly provided otherwise herein.

8. **Representations and Warranties.**

8.1 **Seller's Representations and Warranties.** Seller represents and warrants (which representations and warranties are true and correct on and as of the date of this Agreement and shall be true and correct in all material respects on and as of the Closing Date) to Buyer that:

8.1.1 **Fee Title.** Seller is the sole current legal and beneficial fee simple title holder of the Property and has the authority and power to enter and execute this Agreement and convey the Property to Buyer free and clear of the claims of any third

party or parties (including, without limitation, any elective share, dower, curtesy or community property rights of any spouse), except for the Permitted Exceptions without further authorization or signature of any other person;

8.1.2 **Leasing Commissions**. There are as of the date hereof, and there shall be on the Closing Date, no leasing commissions due or owing, or to become due and owing, in connection with any leases, licenses or other occupancy agreements in connection with the Property, except as set forth in Section 18.10.

8.1.3 **Leases**. There are as the date hereof, and there shall be on the Closing Date, no leases, licenses or other occupancy agreements in connection with the Property except for the Leases included in the Seller's Documents and any New Leases (as defined in Section 9.1).

8.1.4 **Condemnation**. Seller has no knowledge of and has received no written notice of any pending or contemplated condemnation proceedings affecting all or any part of the Property.

8.1.5 **Structural**. Seller has no knowledge of any material structural defects in the building or improvements on the Property, nor are there any major repairs required to operate the building and/or improvements in a lawful, safe, and efficient manner.

8.1.6 **Zoning/Violations**. Seller has no knowledge of any existing, pending nor, to Seller's knowledge, are there any proposed or threatened proceedings for the rezoning of the Property or any portion thereof. During the period of Seller's ownership of the Property, Seller has no knowledge of and has received no written notice that any zoning, subdivision, environmental, hazardous waste, building code, health, fire, safety or other law, order, ordinance, or regulation is violated by the continued maintenance, operation or use of the Property, including, without limitation, the improvements located thereon and any parking are as.

8.1.7 **Permitted Exceptions**. To the best of Seller's knowledge, Seller has performed all obligations under and is not in default in complying with the terms and provisions of any of the covenants, conditions, restrictions, rights-of-way or easements constituting one or more of the Permitted Exceptions existing as of the date hereof.

8.1.8 **Permits**. To Seller's knowledge, all permits, licenses, authorizations and certificates of occupancy required by governmental authorities for Seller's management, occupancy, and operation of the Property are in full force and effect.

8.1.9 **Litigation**. To Seller's knowledge there is no proceeding, suit or litigation relating to the Property or any part thereof, or Seller as it relates to its ownership of the Property or any aspect of the Property, is pending or, to Seller's knowledge, threatened in any tribunal. Seller is not the subject of, nor during the two (2) years prior to the Effective Date has Seller been the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any action or

proceeding under the United States Bankruptcy Code, 11 U.S.C. § 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

8.1.10 **FIRPTA**. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

8.1.11 **Development**. Except as may be contained in the Permitted Exceptions, Seller has not entered into any written agreement currently in effect with a third party, including, without limitation, any governmental authority, relating to any development of the Property, and Seller has received no notice and otherwise has no knowledge of any restrictions on the ability of the Seller to develop or expand any portion of the Property in the future, other than as may be set forth in zoning and other applicable laws, ordinances, rules and regulations.

8.1.12 **Agreements**. To Seller's knowledge, Seller is not a party to, and has no knowledge of, any agreements relating to the Property currently in effect other than the contracts provided to Buyer contained in the Seller's Documents and the Permitted Exceptions.

8.2 **Buyer's Representations and Warranties**. As of the Effective Date of this Agreement, Buyer represents and warrants to Seller that Buyer (i) is duly organized and existing under the laws of the State of Delaware; (ii) is authorized to enter into the transaction contemplated in this Agreement; (iii) has the power and authority to enter into this Agreement; and (iv) has not filed voluntarily or involuntarily, for bankruptcy relief within the six (6)-month period preceding the date hereof.

9. Maintenance of Property/Insurance/Leasing.

9.1 **Operation and Maintenance.** From and after the Effective Date through closing or the earlier termination of this Agreement, Seller shall: (a) manage, maintain, operate, and service the Property, including the negotiation and execution of new leases and modifications, extensions and renewals of existing Leases (each a "New Lease" and collectively, the "New Leases"), consistent with its current operations; (b) keep the Property and every portion thereof in reasonably good working order and repair; (c) maintain Seller's current property damage insurance on the Property; and (d) not make any material alteration s to the Property or remove any personal property owned by Seller therefrom used in the operation of the Property unless the personal property is lost, stolen, irreparably damaged, or replaced with property of similar quality and quantity.

9.2 **New Leases.** From and after the Effective Date through the closing or earlier termination of this Agreement, Seller shall provide Buyer with copies of any letters of

intent for New Leases signed by the prospective tenant (or if no letter of intent is available, a written description of the material terms of the New Lease including the name of the tenant; the square footage and location of the leased premises; the term; any free rent or other lease incentives; the rent structure including any escalation provisions; projected rent start date, tenant improvement and lease commission costs; and any other material financial obligations) prior to executing a binding New Lease. During such period, Seller will enter into a New Lease of any portion of the Property or amend or modify any current Lease only with the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

9.3 **Assignment of Lease.** At Closing, Seller shall assign and Buyer shall assume Seller's obligations under all Leases and New Leases, pursuant to an assignment of leases in the form attached as **Exhibit C** (the "Assignment of Leases").

9.4 **Service Contracts.** Seller shall not extend, renew, modify, or replace any service contracts for the Property without the prior written consent of Buyer.

9.5 Assignment of Service Contracts. At Closing, Seller shall assign to Buyer all service contracts that Buyer elects to assume, and Seller shall also assign to Buyer all construction and equipment warranties related to the Property, pursuant to an assignment of contracts and warranties in the form attached as **Exhibit D** (the "Assignment of Contract and Warranties").

10. **Closing**.

10.1 **Closing Date**. The purchase and sale of the Property will be closed on or before January 3, 2011, but not before January 1, 2011 (the "Closing Date"), or at such other time as the parties may mutually agree.

10.2 **Manner and Place of Closing**. This transaction will be closed in escrow at the offices of Title Company at the address set forth above, or at such other place as the parties may mutually agree. Closing shall take place in the manner and in accordance with the provisions set forth in this Agreement.

10.3 **Prorations, Adjustments**. All the then current year's ad valorem real property taxes and current utility expenses, and all income under any agreement concerning the Property that Buyer has approved to survive closing, and all rent and other expenses payable by tenants under the Leases for the month in which closing occurs shall be prorated and adjusted between the parties as of the Closing Date. Any security deposits held by Seller under any Leases disclosed under this Agreement, shall be credited against the Purchase Price, and Buyer shall be responsible to the Tenant's for said Security Deposits. Rent and other expense s payable by tenants under the Leases which are delinquent as of the Closing Date shall remain the property of Seller and Seller shall retain the right to collect such amounts. At closing, if all or any portion of the Property is specially assessed or taxed due to its use or classification and said amount is delinquent as of the Closing Date, Seller shall pay and be solely responsible for any deferred tax, roll-back tax, special assessment and related charge, fine, penalty or other amount regardless of the period to which the same relates. All municipal, county, state, and

federal excise, transfer and documentary stamp taxes due as of the Closing Date, shall be paid by Seller at the time of closing.

10.4 **Closing Events**. Provided the Title Company has received the sums and is in a position to cause title to the Property to be conveyed to Buyer and the Title Policy to be issued as described herein, this transaction will be closed on the Closing Date as follows:

10.4.1 The Title Company will perform the prorations described in Section 10.3, and the parties shall be charged and credited accordingly.

10.4.2 Buyer shall pay the Purchase Price for the Property in cash, less deposits held by Seller under the Leases, adjusted for the charges and credits set forth in this Section, with a credit for the entire amount of all Earnest Money previously paid and all interest accrued thereon.

10.4.3 Buyer and Seller shall execute and deliver the Assignment of Leases and Assignment of Contracts and Warranties.

10.4.4 Seller shall execute and deliver a grant deed (the "Deed") conveying and warranting to Buyer fee simple title in the Property free and clear of all liens and encumbrances except the Permitted Exceptions. The conveyance shall be free from community property, dower or statutory rights, taxes, assessments and all other liens and encumbrances of any kind, without exceptions, unless otherwise specified herein, so as to convey to Buyer good and marketable title to all the Property free and clear of all liens, encumbrances and defects except the Permitted Exceptions.

10.4.5 The Title Company will deliver its commitment letter committing to issue the policy described in Section 11 upon recordation of the closing documents. Seller shall pay the title insurance premium for a CLTA standard coverage owner's policy in the amount of the Purchase Price and the charges for obtaining and recording instruments required to clear title. Buyer shall pay any additional premium for additional coverages and endorsements requested by Buyer.

10.4.6 The Title Company will record the Deed and Buyer shall be responsible for the standard recording fees of the recorder therefor.

10.4.7 The escrow fee shall be divided equally between the parties.

10.4.8 Seller shall deliver to the Title Company and Buyer at closing an affidavit certifying that there are no unrecorded leases or agreements upon the Property other than those in the Permitted Exceptions, if any, that there are no mechanics' or statutory liens against the Property (or any claims to such liens) and that Seller is not a "foreign person" under FIRPTA and any similar state law in form satisfactory to Buyer.

10.4.9 Seller shall have complied with all requirements of the State of California for the recording of the Deed.

10.5 **Seller's Assistance with Transition**. Promptly after the Closing Date, Seller shall instruct its property manager to promptly deliver letters to each tenant notifying them of the change in ownership of the Property and the address for future rent payments to be sent, which address will be provided by Buyer. Buyer shall approve the form of letter to be sent to tenants. Seller shall further reasonably cooperate with the Property ownership transition issues, at no additional cost or liability to Seller, other than nominal additional administrative and legal costs, for a period of up to 60 days after Closing.

11. **Title Insurance**. As soon as reasonably practicable after the Closing Date, Seller shall furnish Buyer with a CLTA standard coverage owner's policy of title insurance (in the amount of the Purchase Price, together with such additional coverages and endorsements, as Buyer may require, including extended coverage, in a form satisfactory to Buyer, insuring fee title to the Property in Buyer, subject only to the Permitted Exceptions (the "Title Policy"); provided, however that, consistent with Section 10.4.5 above, Seller shall be required to pay only the cost of the CLTA standard owner's policy in the amount of the Purchase Price, and Buyer shall pay additional charges for such coverages.

12. **Possession**. Seller shall deliver exclusive possession of the Property to Buyer on the Closing Date. The respective rights and obligations of the parties not satisfied at or before Closing shall survive the delivery of the Deed and shall be binding upon and inure to the benefit of the parties and their respective heirs, assigns, successors, administrators and executors. Each of Seller's representations, warranties and covenants shall be deemed reaffirmed as of the Closing Date and each of the representations, warranties and covenants shall survive closing and delivery of the Deed for two (2) years.

13. **Environmental Matters.**

13.1 **Representations and Warranties**. Seller represents and warrants to Buyer (which representations and warranties are true and correct as of the date hereof and shall be true and correct in all material respects on and as of the Closing Date) that:

(a) To Seller's knowledge, during Seller's ownership of the Property there have been no: (A) claims, complaints, notices, or requests for information received by Seller with respect to any alleged violation of any Environmental Law (as defined below) with respect to the Property, or (B) claims, complaints, notices, or requests for information to Seller regarding potential or alleged liability under any environmental law with respect to the Property.

(b) To Seller's knowledge, no conditions exist at, on, or under the Property that would constitute a Hazardous Condition (as defined below).

(c) To Seller's knowledge, Seller is in compliance with all orders, directives, requirements, permits, certificates, approvals, licenses, and other authorizations relating to Environmental Laws with respect to the Property.

13.2 **Definitions**.

(a) Environmental Law shall mean (i) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.), as

amended; (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), as amended; (iii) the Emergency Planning and Community Right to Know Act (42 U.S.C. Section 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. Section 7401 et seq.), as amended; (v) the Clean Water Act (33 U.S.C. Section 1251 et seq.), as amended; (vi) the Toxic Substances Control Act (1 5 U.S.C. Section 2601 et seq.), as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), as amended; (ix) the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), as amended; (x) any state, county, municipal or local statutes, laws or ordinances similar or analogous to the federal statutes listed above; (xi) any rules or regulations adopted pursuant to or to implement the statutes, laws, ordinances and amendments listed above; and (xii) any other law, statute, ordinance, amendment thereto, rule, regulation, order or the like relating to environmental, health or safety matters.

(b) Hazardous Condition shall mean any condition caused by a legally reportable release of Hazardous Material to soil, surface water or groundwater on, in, under or about the Property that occurred during Seller's ownership of the Property such that the presence on, in, under or about the Property (including groundwater and surface water) of the Hazardous Material obligated or obligates the Seller to perform removal or remedial action under any applicable Environmental Law in effect prior to or as of Closing.

(c) Hazardous Materials shall mean any chemical, substance, waste, material, equipment or fixture defined as or deemed hazardous, toxic, a pollutant, a contaminant, or otherwise regulated under any Environmental Law, including, but not limited to, petroleum and petroleum products, waste oil, halogenated and non-halogenated solvents, PCBs, and asbestos containing material.

14. **Condition of Property**. Except for Seller's representations and warranties set forth in this Agreement, Buyer shall acquire the Property "AS IS" with all faults and Buyer shall rely on the results of its own inspection and investigation in Buyer's acquisition of the Property. Buyer specifically acknowledges, represents and warrants that prior to the Closing Date, Buyer and Buyer's agents, consultants, contractors and representatives will have thoroughly inspected the Property and observed the physical characteristics and condition o f the Property. Notwithstanding anything to the contrary contained in this Agreement, Buyer further acknowledges and agrees that Buyer is purchasing the Property subject to all applicable laws, rules, regulations, codes, ordinances and orders. Buyer further acknowledges and agrees that except for any representations and warranties (if any) expressly made by Seller in this Agreement or any closing document, neither Seller nor any Seller Party made any representations, warranties or agreements by or on behalf of Seller of any kind whatsoever, whether oral or written, express or implied, statutory or otherwise, as to any matters concerning the Property, the condition of the Property, the size (including rentable or useable square footage) of the Property and/or any improvements (including any discrepancies in the actual rentable square footage of the improvements), the present use of the Property or the suitability of Buyer's intended use of the Property. Buyer hereby acknowledg es, agrees and represents that the Property is to be purchased, conveyed and accepted by Buyer in its present condition, "AS IS", "WHERE IS" AND WITH ALL FAULTS, and that no patent or latent defect or deficiency in the condition of the Property, whether or not known or discovered, shall affect the rights of either

Seller or Buyer hereunder nor shall the Purchase Price be reduced as a consequence thereof. Except as otherwise expressly provided in this Agreement, any and all information and documents furnished to Buyer by or on behalf of Seller relating to the Property and not created or prepared by Seller shall be deemed furnished as a courtesy to Buyer but without any warranty of any kind from or on behalf of Seller. Buyer hereby represents and warrants to Seller that Buyer has (or by the Closing Date, shall have) performed an independent inspection and investigation of the Property and has also investigated and has knowledge of operative or proposed governmental laws and regulations including land use laws and regulations to which the Property may be subject. Buyer further represents that, except for any representations (if any) expressly made by Seller in this Agreement, or in any closing document, Buyer shall acquire the Property solel y upon the basis of Buyer's independent inspection and investigation of the Property, including: (a) the quality, nature, habitability, merchantability, use, operation, value, marketability, adequacy or physical condition of the Property or any aspect or portion thereof, including structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities, electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliances, soils, geology and groundwater, or whether the Property lies within a special flood hazard area, an area of potential flooding, a very high fire hazard severity zone, a wildland fire area, an earthquake fault zone or a seismic hazard zone; (b) the dimensions or lot size of the Property or the square footage of any improvements thereon or of any tenant space therein; (c) the development or income potential, or rights of, or relating to, the Property or its use, habitability, merchantability, or fitness, or the suitability, value or adequacy of such Property for any particular purpose; (d) the zoning or other legal status of the Property or any other public or private restrictions on the use of the Property; (e) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or regulatory agency or authority or of any other person or entity (including the Americans With Disabilities Act); (f) the ability of Buyer to obtain any necessary governmental approvals, licenses or permits for Buyer's intended use or development of the Property; (g) the presence or absence of Hazardous Materials on, in, under, above or about the Real Property, or any adjoining or neighboring property; (h) the quality of any labor and materials used in any Improvements; (i) the condition of title to the Property; (j) Contracts or any other agreements affecting the Property or the intentions of any party with respect to the negotiation and/or execution of any lease or contract with respect to the Property; (k) Seller's ownership of the Property or any portion thereof; or (l) the economics of, or the income and expenses, revenue or expense projections or other financial matters, relating to the operation of the Real Property. Without limiting the generality of the foregoing, Buyer expressly acknowledges and agrees that Buyer is not relying on any representation or warranty of Seller or any Seller Party, whether implied, presumed or expressly provided at law or otherwise, arising by virtue of any statute, common law or other legally binding right or remedy in favor of Buyer, except as may be expressly provided in this Agreement or in any closing document. Buyer further acknowledges and agrees that Seller is not under any duty to make any inquiry regarding any matter that may or may not be known to Seller or any other Seller Party.

SELLER'S INITIALS: /s/ CC BUYER'S INITIALS: /s/ ST

15. **Condemnation or Casualty**. If, prior to closing, all or any material part of the Property is (a) condemned or appropriated by public authority or any party exercising the right of eminent domain, or is threatened thereby, or (b) if there occurs a fire or other casualty causing

material damage to the Property or any material portion thereof, then, at the election of Buyer by written notice to Seller, either: (i) this Agreement shall become null and void, whereupon all Earnest Money and any interest accrued thereon shall be promptly repaid to Buyer; or (ii) the Purchase Price shall be reduced by the portion of the taking award or casualty insurance proceeds attributable to the portion of the Property taken or destroyed, as the case may be. Seller will promptly notify Buyer as to the commencement of any such action or any communication from a condemning authority that a condemnation or appropriation is contemplated, and will cooperate with Buyer in the response to or defense of such actions.

16. Legal and Equitable Remedies.

16.1 **Default by Seller**. In the event that the transaction fails to close by reason of any default by Seller not cured within five (5) days after written notice from Buyer, all Earnest Money shall be returned to Buyer and Buyer shall be entitled to pursue any other remedy available to it at law or in equity, including (without limitation) the remedy of specific performance. Notwithstanding the foregoing, in the event the remedy of Specific Performance is not exercised, Seller's liability for damages shall in no event exceed the aggregate amount of Five Hundred Thousand Dollars ($500,000). Buyer, on Buyer's own behalf and on behalf of Buyer's agents, members, partners, shareholders, employees, representatives, related and affiliated entities, successors and assigns hereby agrees that in no event or circumstance shall any of the shareholder(s) of Seller, Seller's agent or any of their members, managers, partners, employees, representatives, officers, directors or agents, or any of their affiliated or related entities, have any personal liability under this Agreement, or to any of Buyer's lenders or other creditors, or to any other party in connection with the Property.

16.2 **Default by Buyer**. In the event that this transaction fails to close by reason of any default by Buyer, not cured within five (5) days after written notice from Seller, all Earnest Money shall be forfeited by Buyer and immediately released by escrow to Seller without requiring any further instructions from Buyer. Buyer agrees to execute any escrow instruction reasonably required by Title Company as escrow holder to give effect to the provisions of this section 16.2.

16.3 **Liquidated Damages**. WITH THE EXCEPTION OF SECTION 16.2, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED BY REASON OF A DEFAULT BY BUYER HEREUNDER AFTER SELLER HAS GIVEN BUYER NOTICE AS SET FORTH IN SUBSECTION 16.2 ABOVE, THEN BUYER SHALL HAVE NO FURTHER RIGHT TO PURCHASE ALL OR ANY PORTION OF THE PROPERTY FROM SELLER, AND SELLER SHALL BE ENTIT LED TO RECEIVE FROM BUYER THE EARNEST MONEY AS SELLER'S LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT. IN ADDITION, BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER

BREACH THIS AGREEMENT, AND SELLER DESIRES TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER WERE REQUIRED TO FILE A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, THE PARTIES AGREE THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, THE LIQUIDATED DAMAGES PROVIDED FOR HEREIN REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE, AND SHALL BE SELLER'S SOLE REMEDY, EXCEPT FOR BUYER'S OBLIGATIONS TO INDEMNIFY SELLER AS PROVIDED IN THIS AGREEMENT, WHICH SHALL REMAIN REMEDIES OF SELLER IN ADDITION TO LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED TO BE AND SHALL NOT CONSTITUTE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE AND REPRESENT LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE §§ 1671 AND 1677. BY PLACING THEIR INITIALS BELOW, E ACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE IN THIS SUBSECTION 16.3 AND THE FACT THAT SUCH PARTY WAS REPRESENTED BY COUNSEL OF ITS OWN CHOOSING WHO, AT THE TIME THIS AGREEMENT WAS MADE, EXPLAINED THE CONSEQUENCES OF THIS SUBSECTION 16.3 TO IT. THIS SUBSECTION 16.3 DOES NOT LIMIT BUYER'S OBLIGATIONS WHICH, AS OTHERWISE PROVIDED HEREIN, SURVIVE THE TERMINATION OF THIS AGREEMENT.

BUYER'S INITIALS: /s/ ST SELLER'S INITIALS: /s/ CC

17. Indemnification and Release.

17.1 Seller hereby agrees to indemnify and hold Buyer harmless from and against: (i) any loss, cost, liability or damage suffered or incurred because any representation or warranty by Seller shall be materially false or misleading; (ii) any loss, cost, liability or damage suffered or incurred because of the nonfulfillment of any agreement on the part of Seller under this Agreement; and (iii) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Buyer in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

17.2 Buyer hereby agrees to indemnify and hold Seller harmless from and against any loss, cost, liability or damage to person or the improvements at the Property suffered or incurred by Seller as a result of Buyer's or its agents' entry onto the Property prior to closing (provided, however, in no event shall Buyer be responsible for any damage, loss or liability to the extent resulting from a condition existing at the Property prior to Buyer's entry thereon), and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Seller in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

17.3 Buyer, on Buyer's own behalf hereby agrees that each of Seller, Seller's shareholder(s), and their partners, members, managers, trustees, beneficiaries, directors, officers, employees, representatives, property managers, asset managers, agents, attorneys, affiliated and related entities, heirs, successors and assigns (collectively, the "Released Parties") shall be, and

are hereby, fully and forever released from any and all liabilities, losses, claims (including third party claims), demands, damages (of any nature whatsoever), causes of action, costs, penalties, fines, judgments, attorneys' fees, consultants' fees and costs and experts' fees, whether direct or indirect, known or unknown, foreseen or unforeseen (collectively, "Claims"), that may arise on account of, or in any way be, connected with the Property including, but not limited to, the physical, environmental and structural condition of the Property or any law or regulation applicable thereto, including any Claim or matter (regardless of when it first appeared) relating to or arising from (a) the presence of any environmental problems, or the use, presence, storage, release, discharge or migration of Hazardous Materials on, in, under or around the Property, regardless of when such Hazardous M aterials were first introduced in, on or about the Property, (b) any patent or latent defects or deficiencies with respect to the Property, (c) any and all matters related to the Property or any portion thereof, including the condition and/or operation of the Property and each part thereof, and (d) the presence, release and/or remediation of asbestos and asbestos containing materials in, on or about the Property, regardless of when such asbestos or asbestos containing materials were first introduced in, on or about the Property. Buyer hereby waives and agrees not to commence any action, legal proceeding, cause of action or suits in law or equity, of whatever kind or nature, including any private right of action under the federal superfund laws, 42 U.S.C. Sections 9601 et seq. and California Health and Safety Code Sections 25300 et seq. (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against the Released Parties in connection with Claims described above and expressly waives the provisions of Section 1542 of the California Civil Code which provides:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR"**

and all similar provisions or rules of law. Buyer elects to and does assume all risk for such Claims against the Released Parties which may be brought by Buyer or Buyer Parties heretofore and hereafter arising, whether now known or unknown by Buyer. In this connection, and to the greatest extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to Buyer may have given or may hereafter give rise to Claims which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release Seller from any such unknown Claims which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder. Without limiting the foregoing, if Buyer has knowledge of (i) a default in any of the covenants, agreements or obligations to be performed by Seller under this Agreement and/or (ii) any breach or inaccuracy in any representation of Seller made in this Agreement, and Buyer nonetheless elects to proceed to Closing, then, upon the consummation of the Closing, Buyer shall be conclusively deemed to have waived any such default and/or breach or inaccuracy and shall have no Claim against Seller or hereunder with respect thereto. Notwithstanding anything to the contrary herein, Seller shall not have any liability whatsoever to

Buyer with respect to any matter disclosed to or discovered by Buyer or the Buyer Parties prior to the Closing Date.

Without limiting the generality of the foregoing, Buyer hereby expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies Buyer may now or hereafter have against the Released Parties, whether known or unknown, under any Environmental Law(s), or common law, in equity or otherwise, with respect to (1) any past, present or future presence or existence of Hazardous Materials on, under or about the Property (including in the groundwater underlying the Property) or (2) any past, present or future violations of any Environmental Laws. .

Notwithstanding anything in this Section 17.3 to the contrary, the releases contained in this Section 17.3 are not intended to and do not include (I) any claims arising from a breach of Seller's express representations or warranties in this Agreement (subject to the limitations, disclaimers and other provisions of this Agreement), or (II) any obligation or other covenant of Seller under this Agreement which by its express terms survives the Closing Date.

Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section 17.3. Seller and Buyer have each initialed this Section 17.3 to further indicate their awareness and acceptance of each and every provision hereof. The provisions of this Section 17.3 shall survive the Closing and shall not be deemed merged into the Grant Deed or any other document or instrument delivered at the Closing.

SELLER'S INITIALS: /s/ CC BUYER'S INITIALS: /s/ ST

18. **Miscellaneous**.

18.1 **Partial Invalidity**. In the event and to the extent any provision of this Agreement, or any instrument to be delivered by Buyer at closing pursuant to this Agreement, is declared invalid or is unenforceable for any reason, such provision shall be deemed deleted and shall not invalidate any other provision contained in any such document.

18.2 **Waiver**. Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

18.3**Survival of Representations and Limitation of Liability**. Each of the parties shall be deemed to have reaffirmed each's respective covenants, agreements, representations, warranties and indemnifications in this Agreement as of the Closing Date and the same shall survive the Closing Date and delivery of the instruments called for in this Agreement for one (1) year, except as otherwise set forth herein. Seller's total liability with respect to a breach of any of Seller's representations, warranties or other obligations contained in this Agreement or in any document or instrument executed and delivered by Seller at the Closing Date (including any indemnity obligations of Seller in this Agreement or in any such document or instrument) is limited to Five Hundred Thousand Dollars ($500,000) in the aggregate. The provisions of this Section 18.3 shall survive the Closing Date and the recordation of the Grant

Deed, and shall not be deemed merged into the Grant Deed or other documents or instruments delivered at the closing.

18.3 Intentionally deleted

18.4 **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

18.5 **Exchange**. Buyer will cooperate with Seller to allow Seller to accomplish an IRC Section 1031 exchange; provided Buyer will not be required to delay the closing or incur expenses other than nominal additional legal costs.

18.6 **Notices**. All notices under this Agreement shall be in writing and hand either delivered, which shall be effective upon such delivery, or sent by (a) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit with postage prepaid in the United States Mail, (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or (c) telecopy or similar means, if a copy of the notice is also sent by United States first-class mail in which case the notice shall be deemed delivered upon transmiss ion if sent before 5 p.m. Pacific Time or the next business day, if sent after 5 p.m. Pacific Time, as follows:

If to Buyer:	Retail Opportunity Investments Corp. 3 Manhattanville Road, 2nd Floor Purchase, New York 10577 Telephone: 914/272-8080 Facsimile: 914/272-8088 Attention: Richard Schoebel
With a copy to:	Dunn Carney Allen Higgins & Tongue LLP 851 SW Sixth Avenue, Suite 1500 Portland, OR 97204-1357 Telephone: 503/224-6440 Facsimile: 503/224-7324 Attention: Kenneth S. Antell
If to Seller:	Mission Center, LLC 10929 Via Frontera #420 San Diego, CA 92127 Attention: Christopher J. Coseo Telecopier: (858 487 7100 ext 222)

With a copy to:

Erick R. Altona, Esq.
Lounsbery Ferguson Altona & Peak, LLP
960 Canterbury Place, Suite 300
Escondido, CA 92025
Telecopier: (760) 743-9926

The addresses above may be changed by written notice to the other party.

18.7 **Time of Essence**. Except as otherwise specifically provided in this Agreement, time is of the essence of each and every provision of this Agreement.

18.8 **Modification**. This Agreement and any of its terms may only be changed, waived, discharged or terminated by a written instrument signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

18.9 **Entire Agreement**. This Agreement (including any exhibits attached hereto) contains the entire agreement between the parties and supersedes and replaces all written and oral agreements previously made or existing between the parties with respect to the subject matter of this Agreement.

18.10 **Brokers**. Seller is represented in this transaction by the following broker and shall be solely responsible for any commission payable to such broker: Richard Lebert with Colliers International. Buyer is not represented by a broker in this transaction. Except as provided above, each party will defend, indemnify and hold the other party harmless from any claim, loss or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of the indemnifying party's conduct.

18.11 **Drafting of Agreement**. The parties acknowledge that this Agreement has been negotiated at arm's length, that each party has been represented by independent counsel and that this Agreement has been drafted by both parties and no one party shall be construed as the draftsperson.

18.12 **Counterparts/Facsimile**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Signatures by facsimile shall be binding as originals.

18.13 **Intentional deleted.**

18.14 **Governing Law**. This Agreement shall be construed, applied and enforced in accordance with the laws of the state in which the Property is located.

18.15 **Authority of Signatories**. The respective persons who have executed this Agreement on behalf of a party represent and warrant that they have been duly authorized to do so by such party and no other or further signature or approval is required to bind the party to this Agreement. All documents delivered at closing will be executed by a duly authorized person on behalf of such party.

18.16 **Assignment**. Buyer may assign this Agreement and Buyer's rights under this Agreement to an assignee owned or controlled by Buyer without Seller's consent. Except as provided above, neither party shall have the right to assign this Agreement or any of its rights or obligations hereunder to any person or other entity without the written consent of the other party, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, that Buyer consents to an assignment by Seller to a third party exchange accommodator as part of an IRC Section 1031 exchange.

18.17 **Natural Hazard Disclosure Statement**. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer a Natural Hazard Disclosure Statement (the "Statement") in the form provided under California law. The Statement will purport to disclose whether the Property is located in a special flood hazard area, a dam inundation failure area, a high fire severity area, a wild land fire area, an earthquake fault zone and/or a seismic hazard area.

18.18 **Health and Safety Disclosure Statement**. Section 25359.7 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath the real property to provide written notice of such to a buyer of the real property. Seller hereby advises Buyer that the sole inquiry and investigation Seller has conducted in connection with the environmental cond ition of the Property is to obtain and/or review those certain environmental assessments and studies of the Property delivered to Buyer pursuant to this Agreement (collectively, "Seller's Environmental Reports"). Buyer (a) acknowledges Buyer's receipt of the foregoing notice given pursuant to Section 25359.7 of the California Health and Safety Code; and (b) will be, prior to the expiration of the Contingency Period, fully aware of the matters described in Seller's Environmental Reports. The representations, warranties and agreements set forth in this Subsection 18.18 shall survive the consummation of the purchase and sale transaction contemplated hereby.

18.19 **Attorney Fees and Costs**. In the event either party breaches any obligation under this Agreement, the nonbreaching party shall be entitled to all costs and expenses incurred, including reasonable attorney fees, as a result of the breach. In addition, in the event any suit, action, or arbitration is instituted to enforce any term of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court or arbitrator may adjudge reasonable as attorney fees in arbitration, at trial, and on appeal of such suit or action, and also any fees incurred in any bankruptcy matter, in addition to all other sums provided by law.

18.20 **Confirmation of Contingency Periods**. Promptly after the Effective Date of this Agreement, the parties shall execute a Confirmation of Contingency Periods in the form attached **Exhibit E,** setting forth the applicable deadlines for the contingencies set forth herein.

18.21 **Appurtenant to Property**. The benefits and burdens hereunder shall be appurtenant to and shall run with the Property. Upon execution hereof, the parties shall also execute a Memorandum of Purchase and Sale Agreement in the form attached as **Exhibit F**, which shall be thereafter promptly recorded in real property records of the County

in which the Property is located. In the event this Agreement is terminated for any reason, prior to the Closing Date, Buyer will promptly execute and record a termination of the Memorandum of Purchase and Sale Agreement.

18.22 **Calculation of Time Periods.** Whenever a time period is set forth in days in this Agreement, the first day from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday or legal holiday, including Sunday, in which event, the period runs until the end of the next day which is not a Saturday or legal holiday.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the day and year first above written.

RETAIL OPPORTUNITY INVESTMENTS CORP., a Delaware corporation	**Mission Center, LLC** a California limited liability Company
By: /s/ Stuart Tanz	By: /s/ Chris Coseo
Name: Stuart Tanz	Name: Chris Coseo
Title: CEO	Title: Manager
Date of Signature: 11/22/2010	Date of Signature: 11/18/2010

Exhibits:

Exhibit A	Property Description (Section A)
Exhibit B	Bill of Sale form (Section 1)
Exhibit C	Assignment of Leases (Section 9.3)
Exhibit D	Assignment of Contracts and Warranties (Section 9.5)
Exhibit E	Confirmation of Contingency Period (Section 18.20)
Exhibit F	Memorandum of Purchase and Sale Agreement (Section 18.21)
Exhibit G	8-K and Audit Requirements (Section 6.5)
Exhibit H	Form of Estoppel (Section 6.8)

EXHIBIT A
Property Description

Exhibit A

EXHIBIT B
Bill of Sale Form

BILL OF SALE

_____, a(n) _____ ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby bargain, transfer, convey and deliver to Retail Opportunity Investments Corp., a Delaware corporation ("Buyer"), its successors and/or assigns:

> All the personal property owned by Seller (collectively, "Personal Property") located on or used in the operation of the real property commonly known as _____, including all personal property listed in the attached Schedule B-1.

Seller hereby covenants with Buyer that the Personal Property is free and clear of and from all encumbrances, security interests, liens, mortgages and claims whatsoever and that Seller is the owner of and has the right to sell same. Seller warrants and agrees to defend the title in and to the Personal Property unto Buyer, its successors or assigns against the lawful claims and demands of all persons claiming by or through Seller.

SELLER:

,

Mission Center, LLC
A California limited liability company

By: _____

BUYER:

Retail Opportunity Investments
Corp., a Delaware corporation

By: _____

Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

Exhibit B

EXHIBIT C
Assignment of Leases

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES (this "Assignment") is made and entered into as of this _____ day of _____, 20___, by and between _____, a(n) _____ ("Assignor"), and Retail Opportunity Investments Corp., a Delaware corporation ("Assignee").

RECITALS

This Assignment is entered into on the basis of and with respect to the following facts, agreements and understandings:

1. A. Assignor, as landlord, is a party to the leases listed in the attached Schedule C-1 (the “Leases”) with respect to the real property located at _____ (the "Property").

B. By deed recorded _____, 20___, Assignor sold and conveyed its entire right, title and interest in and to the Property to Assignee and, in conjunction therewith, Assignor agreed to assign its interest as landlord under the Leases to Assignee and Assignee has agreed to assume the landlord’s obligations under the Leases, all as more particularly set forth in this Assignment.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements set forth herein, Assignor and Assignee agree as follows:

2. Assignment.

Assignor hereby sells, assigns, grants, transfers and sets over to Assignee, its heirs, personal representatives, successors and assigns, all of Assignor's right, title and interest as landlord under the Leases.

3. Acceptance of Assignment and Assumption of Obligations.

Assignee hereby accepts the assignment of the landlord’s interest under the Leases and, for the benefit of Assignor, assumes and agrees faithfully to perform all of the obligations which are required to be performed by the landlord under the Leases.

4. Effective Date.

The effective date of this Assignment and each and every provision hereof is and shall be _____, 20___ (the "Effective Date").

5. Assignor’s Indemnity of Assignee.

Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) indemnify, and hold harmless Assignee, its partners, and their officers, directors, employees, agents, representatives, successors, and assigns, and each of them, from and against any and all claims, suits, demands, causes of actions, liabilities, losses, damages, costs and expenses (including attorneys’ fees) arising out of or related to the Leases committed or alleged to have been committed by Assignor prior to the Effective Date.

6. Assignee's Indemnity of Assignor.

Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its partners, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Leases committed or alleged to have been committed by Assignee on or after the Effective Date.

7. Successors and Assigns.

This Assignment, and each and every provision hereof, shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

8. Governing Law.

This Assignment shall be construed and interpreted and the rights and obligations of the parties hereto determined in accordance with the laws of the State wherein the Property is located.

9. Headings and Captions.

The headings and captions of the paragraphs of this Assignment are for convenience and reference only and in no way define, describe or limit the scope or intent of this Assignment or any of the provisions hereof.

10. Gender and Number.

As used in this Assignment, the neuter shall include the feminine and masculine, the singular shall include the plural and the plural shall include the singular, as the context may require.

11. Multiple Counterparts.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit C

12. Attorneys' Fees.

In the event that either party hereto brings an action at law or in equity to enforce or interpret or seek redress for breach of this Assignment, the prevailing party in such action shall be entitled to recover from the other its litigation expenses and reasonable attorneys' fees in addition to all other appropriate relief.

Retail Opportunity Investments Corp., a Delaware corporation	Mission Center, LLC a California limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit C

EXHIBIT D
Assignment of Contracts and Warranties

ASSIGNMENT OF CONTRACTS AND WARRANTIES

THIS ASSIGNMENT OF CONTRACTS AND WARRANTIES (this "Assignment") is made and entered into as of this _____ day of _____, 20___, by and between _____, a(n) _____ ("Assignor"), and Retail Opportunity Investments Corp., a Delaware corporation ("Assignee").

RECITALS

This Assignment is entered into on the basis of and with respect to the following facts, agreements and understandings:

A. Assignor is a party to the contracts and warranties listed on the attached Schedule D-1 (the "Contracts and Warranties") with respect to the real property located at _____ (the "Property").

B. By deed recorded _____, 20___, Assignor sold and conveyed its entire right, title and interest in and to the Property to Assignee and, in conjunction therewith, Assignor agreed to assign its interest under the Contracts and Warranties to Assignee and Assignee has agreed to assume Assignor's obligations under the Contracts and Warranties, all as more particularly set forth in this Assignment.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements set forth herein, Assignor and Assignee agree as follows:

1. Assignment.

Assignor hereby sells, assigns, grants, transfers and sets over to Assignee, its heirs, personal representatives, successors and assigns, all of Assignor's right, title and interest under the Contracts and Warranties.

2. Acceptance of Assignment and Assumption of Obligations.

Assignee hereby accepts the assignment of the Contracts and Warranties and, for the benefit of Assignor, assumes and agrees faithfully to perform all of the obligations which are required to be performed by Assignor under the Contracts and Warranties.

3. Effective Date.

The effective date of this Assignment and each and every provision hereof is and shall be _____, 20___ (the "Effective Date").

4. Assignor’s Indemnity of Assignee.

Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee), indemnify, and hold harmless Assignee, its partners, and their respective officers, directors, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Contracts and Warranties committed or alleged to have been committed by Assignor prior to the Effective Date.

5. Assignee's Indemnity of Assignor.

Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its partners, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Contracts and Warranties committed or alleged to have been committed by Assignee on or after the Effective Date.

6. Successors and Assigns.

This Assignment, and each and every provision hereof, shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

7. Governing Law.

This Assignment shall be construed and interpreted and the rights and obligations of the parties hereto determined in accordance with the laws of the State wherein the Property is located.

8. Headings and Captions.

The headings and captions of the paragraphs of this Assignment are for convenience and reference only and in no way define, describe or limit the scope or intent of this Assignment or any of the provisions hereof.

9. Gender and Number.

As used in this Assignment, the neuter shall include the feminine and masculine, the singular shall include the plural and the plural shall include the singular, as the context may require.

10. Multiple Counterparts.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit D

11. Attorneys' Fees.

In the event that either party hereto brings an action at law or in equity to enforce or interpret or seek redress for breach of this Assignment, the prevailing party in such action shall be entitled to recover from the other its litigation expenses and reasonable attorneys' fees in addition to all other appropriate relief.

Retail Opportunity Investments Corp., a Delaware corporation	Mission Center, LLC a California limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit D

EXHIBIT E

Confirmation Of Contingency Periods

The parties acknowledge that the deadlines for the contingency periods in the Purchase and Sale Agreement dated _____ __, 20____ between _____ ("Seller") and Retail Opportunity Investments Corp. ("Buyer") are as follows:

EVENT	**EXPIRATION DATE**
Contingency Period	_____
Extension Period	_____
Title Report Due	_____
Documents Provided by Seller	_____
Document Review by Buyer	_____
Closing	_____

RETAIL OPPORTUNITY INVESTMENTS CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____
Date of Signature: _____

Mission Center, LLC
a California limited liability company

By: _____
Name: _____
Title: _____
Date of Signature: _____

EXHIBIT F

Memorandum of Purchase and Sale Agreement

[Subject to revision depending on jurisdiction]

Recorded at the Request of
and after Recording Return to:

Kenneth S. Antell
Dunn Carney Allen Higgins & Tongue LLP
851 SW Sixth Avenue, Suite 1500
Portland, Oregon 97204

MEMORANDUM OF PURCHASE AND SALE AGREEMENT
(Real Property)

This Memorandum of Purchase and Sale Agreement ("Memorandum") is made as of this ____ day of _____, 20____, by and between _____ ("**Seller**") and Retail Opportunity Investments Corp., a Delaware corporation ("**Buyer**"), who agree as follows:

1. Purchase Agreement; Property. Seller has entered into a Purchase and Sale Agreement with Buyer dated as of _____ (the "Purchase Agreement"), pursuant to which Seller has agreed to sell and Buyer has agreed to purchase the property legally described on Schedule A hereto (the "Property"), subject to the terms and conditions set forth in the Purchase Agreement. The provisions of the Purchase Agreement are incorporated herein.

2. Term of Agreement. Buyer's obligations under the Purchase Agreement are subject to satisfaction of certain conditions set forth in the Purchase Agreement within _____ (___) days after receipt of documents from Seller, which Buyer has the right to extend for _____ (___) additional periods of up to _____ (___) days each. Notwithstanding any provisions to the contrary, if Buyer has not purchased the property on or before _____, this Memorandum shall terminate and be of no further force and effect.

3. Provisions Run with Land and Binding on Parties. All of each party's covenants under the Purchase Agreement, both affirmative and negative, are intended to and shall run with the Property and shall bind each party and its successors, and shall inure to the benefit of the other party and its successors.

4. Purpose of Memorandum. This Memorandum is prepared for the purpose of recordation to give notice of the Purchase Agreement. It shall not constitute an amendment or modification of the Purchase Agreement.

5. Use (Required Statutory Notice). [INSERT FOR APPROPRIATE JURISDICTION].

EXECUTED as of the date first above written.

SELLER:

Mission Center, LLC, a California limited liability Company

By: _____
Its: _____

BUYER:

RETAIL OPPORTUNITY INVESTMENTS CORP., a Delaware corporation

By _____
Its _____

STATE OF _____)
) ss
County of _____)

This instrument was acknowledged before me on this day of _____, 20____, by _____ as _____of _____, who being duly sworn acknowledged said instrument to be said corporation's voluntary act and deed.

_____
Notary Public For _____

STATE OF _____)
) ss
County of _____)

This instrument was acknowledged before me on this day of_____, 20____, by_____ as_____ of Retail Opportunity Investments Corp., a Delaware corporation, who being duly sworn acknowledged said instrument to be said corporation's voluntary act and deed.

_____
Notary Public For _____

Exhibit F

SCHEDULE A
TO
MEMORANDUM OF PURCHASE AND SALE AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

Exhibit F

EXHIBIT G

8-K and Audit Requirements

For the period of time commencing on the Effective Date and continuing through the first anniversary of the Closing Date, Seller shall, from time to time, upon reasonable advance notice from Buyer, provide Buyer and its representatives, agents and employees with access to all financial and other information pertaining to the period of Seller's ownership and operation of the Property, which information is relevant and reasonably necessary, in the opinion of Buyer or its outside third party accountants (the "Accountants"), to enable Buyer and its Accountants to prepare financial statements in compliance with any and or all of (a) Rule 3-14 of Regulation S-X of the Securities and Exchange Commission (the "Commission"); (b) any other rule issued by the Commission and applicable to Buyer; and (c) any registrat ion statement, report or disclosure statement filed with the Commission by, or on behalf of Buyer; provided, however, that in any such event(s), Buyer shall reimburse Seller for those reasonable third party, out-of-pocket costs and expenses that Seller incurs in order to comply with the foregoing requirement. Seller acknowledges and agrees that the following is a representative description of the information and documentation that Buyer and the Accountants may require in order to comply with (a), (b) and (c) above. Seller shall provide the following information and documentation on a per-building basis, if available (capitalized terms not defined herein shall have the meanings as ascribed to such terms in the Agreement to which this Exhibit is attached):

1. Rent rolls for the calendar month in which the Closing occurs and the eleven (11) calendar months immediately preceding the calendar month in which the Closing occurs;

2. Seller's written analysis of both (a) scheduled increases in base rent required under the Leases in effect on the Closing Date; and (b) rent concessions imposed by those Leases;

3. Seller's internally-prepared operating statements;

4. Access to Lease files;

5. Most currently available real estate tax bills;

6. Access to Seller's cash receipt journal(s) and bank statements for the Property;

7. Seller's general ledger with respect to the Property, excluding Seller's proprietary accounts;

8. Seller's schedule of expense reimbursements required under the Leases in effect on the Closing Date;

9. Schedule of those items of repairs and maintenance performed by or at the direction of the Seller during the Seller's final fiscal year in which Seller owns and operates the Property (the "Final Fiscal Year");

10. Schedule of those capital improvements and fixed asset additions made by or at the direction of Seller during the Final Fiscal Year;

11. Access to Seller's invoices with respect to expenditures made during the Final Fiscal Year; and

12. Access (during normal and customary business hours) to responsible personnel to answer accounting questions.

Nothing herein shall require Seller to conduct its own audits or generate any requested materials that are not in its possession, custody or control.

The provisions of the foregoing information shall be for informational purposes only, shall not be deemed to be representations or warranties under this Agreement, and shall not expose Seller to any liability on account thereof.

Upon at least twenty (20) days prior written notice and not more than once during the one (1) year period, upon Buyer's request, for a period of one (1) year after Closing, Seller shall on a one (1)-time basis only, make Seller's books, records, existing supporting invoices and other existing substantiating documentation that are not deemed by Seller to be privileged, available to Buyer for inspection, copying and audit by Buyer's designated accountants, at the expense of Buyer. This obligation shall survive the Closing for a period of one (1) year and shall not be merged with any instrument of conveyance delivered at the Closing.

Exhibit G

EXHIBIT H
Form of Estoppel

TO: _____
3772 Mission Avenue, Suite
Oceanside, CA 92058

RE: Lease (the "Lease") between MISSION CENTER, LLC ("Landlord") and _____ ("Tenant") for _____ ("Premises") at Marketplace at Del Rio (the "Shopping Center")

The undersigned, having the power and authority to do so, hereby certifies and affirms the following:

1. The Lease is in full force and effect.

2. Neither the Tenant nor, to the best of our knowledge, the Landlord is in default under the Lease, and no event has occurred which, with the giving of notice or passage of time, or both, could result in a default by the Landlord or Tenant.

3. The Lease has not been assigned by Tenant, and is unmodified or, if there have been assignments or modifications, they are referenced as follows:_____.

4. The monthly amount of base rent currently payable by Tenant is $_____ and has been paid through ____. The current monthly payment for Real Estate Taxes is $_____ and for common area maintenance charges and insurance is $____. The Landlord is currently holding a security deposit in the amount of $____; Landlord has no obligation to segregate the security deposit or to pay interest hereon. Percentage Rent is payable as follows: N/A.

5. The term under the lease commenced on _____, and expires on _____.

6. Tenant has no renewal rights, or options to expand or to rent any other space from landlord, except as follows: _____

7. Tenant has no right or option to purchase all or any part of the Shopping Center.

8. Tenant has accepted and is occupying the Premises, and all work to be performed for Tenant under the Lease has been performed by Landlord as required and has been accepted by Tenant; and any payments, free rent, additional rent reconciliations for all prior years or other payments, credits, allowances or abatements required to be given by Landlord to Tenant have already been received by Tenant.

9. Tenant's address for notices is as follows:
3772 Mission Avenue, Suite ____

10. The Premises have not been sublet by Tenant except as listed below: [state "none", or list any subleases]:

11. Tenant is open for business or is operating its business at the Premises.

12. No installment of rent or other charges under the Lease other than current monthly rent has been paid more than 30 days in advance and Tenant is not in arrears on any rental payment or other charges.

13. Tenant has no existing defenses, offsets, liens, claims or credits against the payment obligations under the Lease.

14. Tenant has not been granted any options or rights to terminate the Lease earlier than the Expiration Date which are still in effect (other than by reason of casualty and/or condemnation, if applicable).

15. No proceedings in bankruptcy or receivership have been instituted by or against Tenant which are now pending, nor has the Tenant made any assignment for the benefit of creditors.

This certification may be relied upon by the above addressees and their respective successors and assigns and any present or future mortgagee of the Shopping Center.

TENANT:

By: _____

Its: _____

Dated: _____

EXHIBIT 10.74

PURCHASE AND SALE AGREEMENT
Division Crossing and Halsey Crossing

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made effective as of November 29, 2010 (the "**Effective Date**"), by and between **PDC COMMUNITY CENTERS L.L.C.**, a Delaware limited liability company ("**Seller**"), and **RETAIL OPPORTUNITY INVESTMENTS CORPORATION**, a Delaware corporation ("**Purchaser**"). In consideration of the mutual covenants contained in this Agreement, and for other good and valu able consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. PURCHASE AND SALE. Subject to and in accordance with the terms and conditions set forth in this Agreement, Purchaser shall purchase from Seller and Seller shall sell to Purchaser, all of Seller's right, title and interest in and to the following property (collectively, the "**Property**"):

1.1 (a) those certain parcels of real estate commonly known as Division Crossing in Portland, Oregon, and legally described in attached **Exhibit A-1**, together with any and all hereditaments, privileges, development rights, easements, and all other rights appurtenant thereto (collectively, the "**Division Land**"); and (b) that certain Ground Lease dated as of June 1, 1989, by and between Aldo Rossi, as landlord (the "**Ground Lessor**"), and Seller's predecessor in interest, as tenant (the "Ground Lease"), with respect to those certain parcels of real estate commonly known as Halsey Crossing in Gresham, Oregon, and legally described in attached **Exhibit A-2**, together with any and all hereditaments, privileges, development rights and easements belonging thereto (collectively, the "**Halsey Land**"; the Division Land and the Halsey Land are collectively referred to as the "**Land**");

1.2 all buildings, structures, improvements, fixtures, machinery, equipment and furnishings located on the Land (collectively, the "**Improvements**"; the Land and the Improvements are collectively referred to as the "**Real Property**"; the Division Land and the Improvements thereon are collectively referred to as the "**Division Real Property**" and the Halsey Land and the Improvements thereon are collectively referred to as the "**Halsey Real Property**");

1.3 all leases other than the Ground Lease, occupancy agreements and license agreements affecting the Real Property or any part thereof, as of the Effective Date, together with any New Leases (as hereinafter defined) which do not require Purchaser's consent or to which Purchaser has consented pursuant to Section 9.3.1 (the "**Leases**");

1.4 all furniture, furnishings, fixtures, equipment and other tangible personal property, if any, owned by Seller, located in or on the Real Property and used solely in connection therewith (the "**Tangible Personal Property**");

1.5 all maintenance, service, leasing, brokerage, advertising and other like contracts and agreements with respect to the ownership and operation of the Real

Property or any portion thereof (excluding contracts affecting other properties in addition to the Real Property) listed on the attached **Exhibit C**, together with any new contracts which do not require Purchaser's consent or to which Purchaser consented pursuant to Section 9.3.2 (the "**Service Contracts**"), except as expressly set forth to the contrary in this Agreement. Notwithstanding the foregoing, Purchaser shall be required at Closing to assume Seller's obligations under any Service Contract that requires payment of a termination fee or that requires a notice period prior to termination;

1.6 all intangible property, permits, licenses, approvals, guarantees and warranties pertaining exclusively to the Real Property and in each case used solely in connection with the ownership and operation of the Real Property (the "**Intangibles**"); and

1.7 those documents, if any, set forth on **Schedule 1.7** attached hereto (the "**Other Agreements**").

Those documents referenced in Sections 1.3, 1.5, and 1.7 are collectively referred to in this Agreement as the "**Mall Agreements**". Notwithstanding anything set forth herein to the contrary, the term "Property" expressly excludes (i) all property owned by tenants or other users or occupants of the Real Property, (ii) all rights with respect to any refund of taxes applicable to any period prior to the Closing Date (as defined in Section 4 below), (iii) all rights to any insurance proceeds or settlements for events occurring prior to Closing (subject to Section 5 below), (iv) all of Seller's interest in cash, s ecurities, lender deposits and reserves and accounts receivable (except to the extent Seller receives proration therefor), (v) financial data with respect to the Property for the period prior to the Closing (provided that Purchaser shall be entitled to copies of the same with respect to the Property), and (vi) the names "General Growth", "GGP", "Rouse", and any derivation or combination thereof, and Seller shall retain all of the property and rights referenced in the foregoing clauses (ii) through (vi). The property referenced in the foregoing clauses (i) through (vi) is referred to as the "**Excluded Property**." The Mall Agreements and the Intangibles that require third party consent to assign shall only be assigned from Seller to Purchaser in the event Seller has received the written consent from such third party prior to the Closing Date. In the event Purchaser identifies a required consent and requests Seller to obtain the same, Seller agrees to use reasonable efforts to obtain any such identified consents; provided, however, Seller shall not be required to incur any out of pocket expense in connection with the procurement of any such consent. In the event Seller is unable to obtain any such consent or Purchaser does not request Seller to pursue a required consent and Seller does not otherwise obtain the same, the applicable Mall Agreement or Intangible shall not be assigned to Purchaser, the exhibits to the applicable closing and conveyance documents shall be revised accordingly, and such Mall Agreement or Intangible shall be included as part of the Excluded Property.

2. PURCHASE PRICE. The total consideration to be paid by Purchaser to Seller for the Property is EIGHTEEN MILLION FIFTY THOUSAND and No/100 Dollars ($18,050,000.00) (the "**Purchase Price**"), subject to prorations and adjustments as hereinafter

set forth. The Purchase Price shall be allocated $11,025,000.00 to Division Real Property and $7,025,000.00 to Halsey Real Property.

2.1 Earnest Money. Within one (1) business day after the Effective Date, Purchaser shall deliver to Stewart Title Guaranty Company, 2 North LaSalle Street, Suite 1400, Chicago, Illinois 60602, Attn: Chris Cameron ("**Escrow Agent**") an amount equal to Five Hundred Thousand and No/100 Dollars ($500,000.00) (the "**Initial Earnest Money**") to be received pursuant to the Escrow Agreement attached hereto as **Exhibit D**. If Purchaser does not terminate this Agreement pursuant to Section 8.1 below, then Purchaser shall deliver to Escrow Agent an additional amount equal to Five Hundred Thousand and No/100 Dollars ($500,000.00) (the "**Additional Earnest Money**") within one (1) business days after the expiration of the Due Diligence Period (as defined in Section 8.1), so that the total deposit held by Escrow Agent (exclusive of interest earned thereon) shall equal One Million and No/100 Dollars ($1,000,000.00). The Initial Earnest Money and the Additional Earnest Money, together with any interest earned thereon and net of investment costs, are referred to in this Agreement as the "**Earnest Money**." The Earnest Money shall be invested as Seller and Purchaser so direct. Any and all interest earned on t he Earnest Money shall be reported to Purchaser's federal tax identification number. Except as expressly set forth herein to the contrary, the Earnest Money shall become nonrefundable upon the expiration of the Due Diligence Period if Purchaser does not notify Seller in writing on or before the expiration of the Due Diligence Period that Purchaser elects to terminate the transaction. Notwithstanding the prior sentence, if the transaction fails to close because of Seller's default under this Agreement or failure of a condition precedent to Purchaser's obligations to close, the Earnest Money shall be returned to Purchaser. If the transaction closes in accordance with the terms of this Agreement, then Escrow Agent shall deliver the Earnest Money to Seller at Closing as payment toward the Purchase Price. The parties shall promptly direct Escrow Agent to deliver the Earnest Money in accordance with this Agreement.

2.2 Cash Balance. At Closing, Purchaser shall pay to Seller the Purchase Price, less the Earnest Money, plus or minus the prorations described in this Agreement (such amount, as adjusted, being referred to as the "**Cash Balance**"). Purchaser shall deposit the Cash Balance into escrow with Escrow Agent, by federal funds wire transfer, so such deposit is received by Escrow Agent no later than the close of business on the business day prior to the Closing Date, to enable Escrow Agent to pay the Cash Balance to Seller by 10 a.m. Central Standard Time on the Closing Date by federal funds wire transferred to an account d esignated by Seller in writing, and Escrow Agent shall be jointly instructed by Seller and Purchaser to make such disbursement by such time and date.

3. EVIDENCE OF TITLE. Purchaser hereby acknowledges that prior to the Effective Date, Seller has delivered to Purchaser (a) those title commitments and/or policies listed on **Exhibit F** attached hereto (the "**Existing Title Reports**") and (b) the most recent existing surveys of the Real Property in Seller's possession, if any (the "**Surveys**").

3.1 Purchaser acknowledges that prior to the Effective Date, Seller has delivered to Purchaser a commitment (the "**Title Commitment**") for an ALTA Owner's

Title Insurance Policy with extended coverage, if available, covering Seller's interest in and to the Division Real Property in the amount of $11,025,000, and an ALTA Leasehold Title Insurance Policy with extended coverage, if available, covering Seller's interest in and to the Ground Lease and the Halsey Real Property in the amount of $7,025,000, each issued by Stewart Title Guaranty Company (the "**Title Insurer**"), naming Purchaser as the insured thereunder (the "**Title Policy**"). As used herein, "**Permitted Exceptions**" shall mean those exceptions which are more fully described on **Exhibit E** attached hereto and other exceptions which become Permitted Exceptions pursuant to this Section 3. Purchaser may, if it so elects and at its sole cost and expense, arrange for the preparation of a current survey (or updates of the Surveys) with respect to the Real Property (the "**Updated Survey**"), provided that the same is received prior to the expiration of the Due Diligence Period. Purchaser shall cause copies of the Updated Survey (and any updates thereto) to be delivered to Seller concurrently with their delivery to Purchaser. As used herein, "**Title and Survey**" shall mean, individually and collectively as the context may require, the Existing Title Reports, the Surveys, the Title Commitment, and the Up dated Survey.

3.2 If the Title and Survey (or any update to any of the foregoing) discloses any matter which is not a Permitted Exception, Purchaser shall have until the expiration of the Due Diligence Period (the "**Title Review Period**") to notify Seller in writing that it disapproves of any such matter (each a "**Title Defect**"); provided, however, that with respect to Liquidated Defects (as hereinafter defined), Purchaser shall be deemed to have objected to the same. Any matter disclosed on the Title and Survey (or any update to any of the foregoing) which is not a Permitted Exception to which Purchaser does not object in the manner set fort h in this Section 3.2 (other than Liquidated Defects, with respect to which Purchaser shall be deemed to have objected), shall constitute Permitted Exceptions. Seller shall have five (5) business days after the receipt of such written notice to notify Purchaser in writing that Seller (at its sole option, except Seller shall be obligated to cure Liquidated Defects) shall, on or prior to the Closing Date, cure or remove the Title Defect or obtain an endorsement to Purchaser's title insurance policy insuring over the Title Defect. At Seller's option, upon written notice to Purchaser at least three (3) business days prior to the scheduled Closing Date, the Closing Date shall be extended as necessary to afford Seller the opportunity to cure, remove or insure over any such Title Defect, but not to exceed seven (7) days' delay. Seller's failure to deliver such written notice within such five (5) business day period shall be deemed Seller's election not to cure or remove such Title Defect, except Seller shall be obligated to cure Liquidated Defects. Notwithstanding the preceding sentence, Seller shall be obligated, at Closing, at Seller's sole cost and expense, to cause the Title Insurer to remove from, or insure over on, the Title Policy, or bond over, any mortgage or deed of trust made by Seller, any tax liens relating to unpaid taxes owed by Seller which are due and payable, any mechanics' liens based on a written agreement of Seller with the party which has filed such lien, and any judgment liens against Seller (collectively, "**Liquidated Defects**"), and Seller shall have the right at Closing to use a portion of the Purchase Price to cure and remove such Liquidated Defects. If Seller elects not to cure or remove, or cannot cure or remove, any such Title Defect, then Seller shall have no liab ility to Purchaser therefor, but Purchaser may terminate this Agreement upon written notice to Seller within five (5) days after the expiration of such five (5) business day period and the

Earnest Money will be promptly returned to Purchaser and, neither Purchaser nor Seller shall have any further rights or obligations hereunder except for those obligations which expressly survive termination; provided, however, that if Seller fails to cure and remove any Liquidated Defects, Purchaser may elect to proceed to Closing and deduct from the Purchase Price the amount necessary to cure and remove such Liquidated Defects. If Purchaser fails to deliver such written notice within such five (5)-day period, then Purchaser shall be deemed to have agreed to take title subject to such Title Defects with no reduction in the Purchase Price (except as otherwise herein provided with respect to Liquidated Defects). Any new matters with respect to the Property set forth in any update of the Title and Survey first received after the expiration of the Title Review Period which are not Permitted Exceptions, which were not known to Purchaser, and which would have a material, adverse effect on the use of the Property as currently operated or materially adversely impact the value or marketability of title may be objected to by Purchaser, provided that Purchaser notifies Seller within five (5) business days of Purchaser's receipt of the applicable update that it disapproves such new matters, in which event the same shall also constitute Title Defects and Seller and Purchaser shall adhere to the same procedures set forth in this Section 3.2 with respect thereto as if such Title Defects had been raised during the Title Review Period.

4. CLOSING. The closing of the transaction contemplated by this Agreement (the "**Closing**") shall occur on December 22, 2010, or on such other date as the parties may hereafter agree (such day being sometimes referred to as the "**Closing Date**"), through escrow at the Chicago office of Escrow Agent or such other location as the parties may agree; provided, however, if Seller fails to deliver to Purchaser on or before December 17, 2010, executed Tenant Estoppel Certificates (as that term is defined in Section 8.2.1) from Tenants occupying at least 60&# 160;percent of the occupied gross leasable area of the Division Real Property and 60 percent of the occupied gross leasable area of the Halsey Real Property, and the executed Ground Lease Estoppel Certificate, as that term is defined in Section 8.2.2 (collectively, the "Early Closing Condition"), then Purchaser shall have the right to extend the Closing Date (with respect to the entire Property) to January 7, 2011 by providing written notice thereof to Seller on or before December 17, 2010, in which event, the tenant estoppel percentage requirements of Section 8.2.1 shall apply. In addition, if Seller has not obtained the Ground Lease Release (as defined in Section 8.2.2) on or before December 17, 2010, then Seller shall have the right to extend the Closing Date (with respect to the entire Property) to January 7, 2011 by providing written notice thereof to Purchaser on or before December 17, 2010.

4.1 Seller's Closing Deliveries. At Closing, Seller shall execute or cause to be executed (as necessary) and deliver to Purchaser (either through escrow or as otherwise provided below) each of the following:

(a) a special warranty deed or equivalent local form, substantially in the form of **Exhibit G-1** attached hereto, conveying the Division Real Property to Purchaser, duly executed by Seller;

(b) counterparts of an Assignment and Assumption of Ground Lease in the form of **Exhibit G-2** attached hereto, assigning Seller's right, title, and

interest in, to and under the Ground Lease to Purchaser, duly executed by Seller (the "**Ground Lease Assignment**");

(c) a Quitclaim Deed for Improvements, substantially in the form of Exhibit G-3 attached hereto, quitclaiming to Purchaser all right, title, and interest of Seller in the Halsey Real Property Improvements duly executed by Seller;

(d) counterparts of an Assignment and Assumption of Leases in the form of **Exhibit S** attached hereto (the "**Assignment of Leases**");

(e) counterparts of a General Assignment and Assumption of Seller's interest in the Service Contracts, the Intangibles and the Other Agreements in the form of **Exhibit T** attached hereto (the "**General Assignment**");

(f) the original Tenant Estoppel Certificates, the original Seller Tenant Estoppel Certificate (if applicable), and the original Ground Lessor Estoppel Certificate, all fully executed;

(g) a bill of sale in the form of **Exhibit O** attached hereto, conveying the Tangible Personal Property to Purchaser;

(h) one original notice letter to tenants, substantially in the form attached hereto as **Exhibit H**;

(i) one original notice letter to each Service Contract vendor, substantially in the form attached hereto as **Exhibit I**;

(j) Seller's certificate of non-foreign status, in the form attached hereto as **Exhibit J**;

(k) counterparts of the Closing Statement (as defined in Section 4.3 below);

(l) such transfer tax forms as are required by law, if any ("**Transfer Documents**");

(m) to the extent not addressed in clauses (e) or (f), above, one original notice letter to each party to any Mall Agreement, substantially in the form attached hereto as **Exhibit R**;

(n) an affidavit of Seller as to debts and liens in form mutually acceptable to Seller and the Title Insurer which shall permit the Title Insurer to issue the Title Policy without exception for (i) any unpaid indebtedness or leases (other than Permitted Exceptions), and (ii) mechanic's and materialman's liens, executed by Seller; and

(o) such authorizing documents of Seller as shall be reasonably required by the Title Insurer to evidence Seller's authority to consummate the transactions contemplated by this Agreement.

The Closing Statement may be signed in facsimile or .pdf counterparts on the Closing Date. Within five (5) business days following the Closing Date, to the extent available, Seller shall deliver to Purchaser the original (or copies, if Seller does not have originals) Mall Agreements, and all plans and specifications, licenses and permits pertaining to the Property (all of which, to the extent at the Property, shall be left at the Property, and if not at the Property, shall be delivered to such address as Purchaser may elect).

4.2 Purchaser's Closing Deliveries. At Closing Purchaser shall execute or cause to be executed (as necessary) and deliver or cause to be delivered to Seller each of the following:

(a) counterparts of the Ground Lease Assignment;

(b) counterparts of the Assignment of Leases;

(c) counterparts of the General Assignment;

(d) counterparts of the Closing Statement;

(e) the Transfer Documents (if any);

(f) the Cash Balance; and

(g) such evidence of Purchaser's due formation, valid existence, good standing, power, authority, authorization and due execution and delivery as the Title Insurer or Escrow Agent may reasonably request.

4.3 Closing Prorations and Adjustments. The provisions of this Section 4.3 shall survive the Closing for a period of one (1) year. Seller shall prepare a statement of the prorations and adjustments required by this Agreement (the "**Closing Statement**"), and submit it to Purchaser for approval as far in advance of the Closing Date as commercially reasonable, but in any event, at least two (2) business days prior to the Closing Date. The items listed below are to be equitably prorated or adjusted as of 12:01 A.M. local time at the Real Proper ty on the Closing Date, it being understood that for purposes of prorations and adjustments, Purchaser shall be deemed the owner of the Property on such day and Seller shall be deemed the owner of the Property prior to such day.

4.3.1 Taxes. Real estate and personal property taxes and assessments and other state, county and municipal taxes (other than transfer taxes), charges and assessments (collectively, "**Real Estate Taxes**") for the Current Tax Year (as hereinafter defined) shall be prorated. The current fiscal year of the applicable taxing authority in which the Closing Date occurs is referred to in this Section 4.3.1 as the "**Current Tax Year.**" Real Estate Taxes for any Current Tax Year

shall be prorated on a per diem basis based upon the number of days in such Current Tax Year prior to the Closing Date (which shall be allocated to Seller) and the number of days in such Current Tax Year from and after the Closing Date (which shall be allocated to Purchaser). Seller shall provide Purchaser with a credit for all Real Estate Taxes with respect to tax years prior to the Current Tax Year which are not yet due and payable, if any. To the extent that Seller has paid, prior to Closing, Real Estate Taxes for any Current Tax Year, such Real Estate Taxes shall be prorated between Seller and Purchaser at the Closing. If the current tax bill is not available at Closing, then the proration shall be made on the basis of the most recent ascertainable tax bill. Any taxes paid at or pr ior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the Current Tax Year have been determined but have not been paid before Closing, Seller shall be charged and Purchaser credited at Closing with an amount equal to that portion of such taxes and assessments which relates to the period on and before the date of Closing, and Purchaser shall pay the taxes and assessments prior to the same becoming delinquent. Purchaser hereby indemnifies, protects, defends and holds Seller, its constituent members or partners, subsidiaries, parent companies and affiliates, and each of their respective directors, managers, trustees, officers, employees and agents, and each of their successors and assigns (the "**Seller Indemnified Parties**"), harmless from and against any and all claims, actions, suits, demands, losses, damages, liabilities, obligations, judgments, settlements, awards, penalties, costs or expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") that any or all of Seller or the Seller Indemnified Parties actually suffer and incur as a result of the failure by Purchaser to timely pay such taxes and assessments.

4.3.2 Rent.

(a) Base Rent. The "minimum" or "base" rent payable by tenants under the Leases for the calendar month in which the Closing occurs shall be prorated on the basis of the number of days of such month prior to the Closing Date (which shall be allocated to Seller) and from and after the Closing Date (which shall be allocated to Purchaser). However, there shall be no proration of any such rent which is delinquent as of the Closing Date. Rather, Purchaser shall cause any such delinquent rent for the period prior to Closing to be remitted to Seller if, as and when collected, subject to the priorities hereinafter set forth. All rents received by Seller (except rents received by Seller from a delinquent tenant against which Seller has commenced an action, which shall be applied against delinquent rents owed to Seller from such tenant) or Purchaser following the Closing Date shall be applied first to rents for the period following the Closing, second to rents for the month in which the Closing occurs, and third to delinquent rents for the period prior to the Closing. At Closing, Seller shall deliver to Purchaser a schedule of all such delinquent rent. Purchaser shall include the amount of delinquent rent in the bills submitted to the tenants in question after the Closing and shall use reasonable efforts to collect the same, provided that Purchaser shall in no

event be required to threaten or seek termination of any Lease as a result of any such rent delinquency. Notwithstanding anything contained herein to the contrary, Seller shall retain the right after Closing to take such actions as it elects to collect delinquent rents, provided that Seller shall not be entitled to file or threaten to file any eviction or forcible entry and unlawful detainer action against any Tenant or seek or threaten termination of any Lease in connection with any action brought by Seller with respect thereto. Amounts received by Purchaser or Seller after Closing and owing to the other party under this Section 4.3.2(a) shall be promptly remitted to the other party.

(b) Percentage Rent. Overage or percentage rents ("**Percentage Rents**") which are payable with respect to any period ending prior to the Closing Date or which have been accrued prior to the Closing Date shall not be apportioned as of the Closing Date. In lieu thereof, such amounts shall be apportioned, after the Closing Date, so that the amount thereof under each of the Leases to which Seller shall be entitled, as finally determined, shall be the entire amount thereof with respect to any fiscal period ending prior to the Closing Date, and, for the applicable fiscal period in which Closing occurs, an amount which bears the same ratio to the total Percentage Rents as the number of days in such fiscal period which have elapsed prior to the Closing Date bears to the total number of days in such fiscal period. At the Closing, Seller shall deliver to Purchaser a schedule setting forth in reasonable detail the amount of Percentage Rents collected for the portion of the applicable fiscal period through the Closing Date. Following the Closing, Purchaser shall use reasonable efforts to collect any Percentage Rents which belong to Seller, and shall remit the same to Seller promptly upon their receipt. All Percentage Rents collected by Seller or Purchaser with respect to the fiscal period in which Closing occurs shall be applied in the same ratio as Seller and Purchaser are entitled pursuant to this Section 4.3.2(b). Purchaser shall promptly deliver to Seller a copy of each bill relating to Percentage Rents submitted to tenant s. Notwithstanding anything contained herein to the contrary, Seller shall retain the right after Closing to take such actions as it elects to collect delinquent rents, provided that Seller shall not be entitled to file or threaten to file any eviction or forcible entry and unlawful detainer action against any Tenant or seek or threaten termination of any Lease in connection with any action brought by Seller with respect thereto.

4.3.3 Costs Relating to New Leases. Any tenant improvement costs, tenant inducement costs, leasing commissions or other leasing costs paid or payable pursuant to any New Lease entered into in accordance with Section 9.3.1 below, and for which Purchaser has consented in writing or is deemed to have consented in accordance with Section 9.3.1 below, shall be the responsibility of Purchaser, and to the extent Seller has paid any of the same prior to Closing, Seller shall receive a credit therefor from Purchaser at the Closing.

4.3.4 Security Deposits. Purchaser shall receive a credit at Closing in the amount of any unapplied cash security deposits under the Leases. In addition, Seller shall assign and deliver to Purchaser at Closing any and all letters of credit and other instruments held by Seller as security deposits under Leases and cause such letters of credit to identify Purchaser as the named beneficiary thereunder.

4.3.5 Utilities. Water, electric, telephone and all other utility and fuel charges, fuel on hand (at cost plus sales tax), and any other payments to utility companies shall be prorated outside of Escrow. If possible, utility prorations will be handled by final meter readings on the Closing Date. If final readings are not possible, or if any such charges are not separately metered, such charges will be prorated based on the most recent period for which costs are available. After the Closing, Seller shall have the sole right to receive any refundable cash or other deposits posted by Seller or Seller's predecessor in interest with utility companies servic ing the Property, and Purchaser waives any rights with respect to such deposits.

4.3.6 Service Contracts. Amounts due and prepayments under the Service Contracts shall be prorated.

4.3.7 Fees Payable. License and permit fees, and similar fees and expenses of operation shall be prorated.

4.3.8 Tenant Inducement Costs and Leasing Commissions. Purchaser shall be responsible for the payment of all of the following Tenant Inducement Costs (as hereinafter defined) and leasing commissions: (a) those specifically identified as Purchaser's obligation on **Exhibit K** attached hereto; (b) those set forth in a Lease existing as of the date hereof which have not yet been paid and are not yet payable on the Effective Date and which relate to any renewal or expansion of any Lease occurring after the Effective Date; and (c) those set forth in Sec tion 4.3.3 above (collectively, "**Purchaser Commissions**"). Seller shall be responsible for the payment of all of the following Tenant Inducement Costs and leasing commissions: (i) those specifically identified as Seller's obligation on **Exhibit K**; and (ii) those set forth in a Lease existing as of the date hereof which, pursuant to such Lease, are payable prior to the Closing Date or relate to the term of any Lease or the renewal or expansion of any Lease that occurred prior to the Effective Date and which are not included within Purchaser's obligations on **Exhibit K** (collectively, "**Seller Commissions**"). For purposes hereof, the term "Tenant Inducement Costs" shall mean any payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement, including specifically, without limitation, tenant improvement costs, tenant allowances, lease buyout costs (other than those accruing as a result of a buyout option executed by Purchaser after the Closing Date, which buyout costs shall be Purchaser's sole and exclusive responsibility), moving, design, refurbishment and club membership allowances, but specifically excluding legal fees or loss of income resulting from any free rental period (it being agreed that Seller shall bear the loss resulting from any free

rental period until the date of Closing and that Purchaser shall bear such loss from and after the Closing Date). If, as of the date of Closing, Seller shall have paid any Tenant Inducement Costs or leasing commissions for which Purchaser is responsible pursuant to this Section 4.3.8, Seller shall be credited at Closing with an amount equal to such Tenant Inducement Costs and leasing commissions. If, as of the date of Closing, Seller shall not have paid any Tenant Inducement Costs or leasing commissions for which Seller is responsible to have paid prior to the date of Closing in accordance with the provisions of this Section 4.3.8, Purchaser shall be credited at Closing with an amount equal to such Tenant Inducement Costs and leasing commissions and Purchaser shall assume the obligation to pay the same following Closing. Seller hereby indemnifies, protects, defends and holds Purchaser, its constituent members or partners, subsidiaries, parent companies and affiliates, and each of their respective directors, managers, trustees, officers, employees and agents, and each of their successors and assigns (the "**Purchaser Indemnified Parties**"), harmless from and against any and all Losses that any or all of Purchaser or the Purchaser Indemnified Parties actually suffers and incurs as a result of the failure by Seller to timely pay or discharge any of the Seller Commissions (except to the extent Purchaser receives a credit therefore hereunder). Purchaser hereby indemnifies, protects, defends and holds Seller and the Seller Indemnified Parties harmless from and against all Losses that any or al l of Seller or the Seller Indemnified Parties actually suffers or incurs as a result of the failure by Purchaser to timely pay or discharge any of the Purchaser Commissions.

4.3.9 Ground Lease. Amounts payable by Seller under the Ground Lease shall be prorated.

4.3.10 Other Items. All other items customarily apportioned in connection with the sale of similar properties similarly located shall be prorated.

If any item of income or expense set forth in this Section 4.3 is subject to final adjustment after Closing, then Seller and Purchaser shall make, and each shall be entitled to, an appropriate reproration to each such item promptly when accurate information becomes available. Any amounts due from one party to the other as a result of such reproration shall be paid promptly in cash to the party entitled thereto. Seller and Purchaser hereby covenant and agree to make available to each other for review such records as are necessary to complete such reprorations. The foregoing provisions of this Section 4.3 shall survive the Closing for a period of one (1) year.

4.4 Tenant Reimbursements. Certain tenants under the Leases are currently paying Seller certain amounts (referred to herein as "**Tenant Reimbursements**") based on Seller's estimates for real estate taxes and assessments, common area maintenance, operating expenses and similar expenses (collectively, "**Tenant Reimbursable Expenses**").

4.4.1 For the Calendar Year 2011 and Thereafter. At Closing, Tenant Reimbursements payable by tenants under the Leases for the calendar month in

which the Closing occurs shall be prorated on the basis of the number of days of such month prior to the Closing Date (which shall be allocated to Seller) and the number of days in such period including and after the Closing Date (which shall be allocated to Purchaser). However, there shall be no proration of any such Tenant Reimbursements which are delinquent as of Closing. Rather, Purchaser shall cause any such delinquent Tenant Reimbursements for the period prior to Closing to be remitted to Seller if, as and when collected by Purchaser, subject to the priorities hereinafter set forth. At closing Seller shall deliver to Purchaser a schedule of all such delinquent Tenant Reimbursements. Purchaser shall include the amount of delinquent Tenant Reimbursements in the bills submitted to the tenants in question after Closing and shall use reasonable efforts to colle ct the same**,** provided that Purchaser shall in no event be required to seek or threaten termination of any Lease as a result of any such rent delinquency. Notwithstanding anything contained herein to the contrary, Seller shall retain the right after Closing to take such actions as it elects to collect such delinquencies, provided that Seller shall not be entitled to file or threaten to file any eviction or forcible entry and unlawful detainer action against any Tenant or seek or threaten termination of any Lease in connection with any action brought by Seller with respect thereto. Delinquent Tenant Reimbursements received after Closing shall be allocated first to the month in which Closing occurs, second, to delinquent amounts owed to Seller and third, to delinquent amounts owed to Purchaser.

The proration of monthly Tenant Reimbursements made at the time of Closing, with respect to Tenant Reimbursements for the year of Closing, as provided above, shall be final; provided, however, such finality is not intended to affect the parties' respective rights and obligations with respect to the collection and allocation of delinquent payments, as more fully provided above. If the Closing occurs on or after January 1, 2011, any annual (or other periodic) reconciliations to be undertaken after Closing between the landlord and the tenants pertaining to such Tenant Reimbursements for such year shall be undertaken solely by Purchaser, as landlord, at its sole cost and expense, and Seller have no obligation to participate therein or to pay any amount due as a result of any such reconciliations, nor shall Sell er have the right to collect or receive any amount collectible as a result of any such reconciliations; provided, however, that Seller shall furnish to Purchaser all information reasonably required by Purchaser to enable Purchaser to conduct such reconciliations with the tenants of the Property, including all Tenant Reimbursements collected by Seller during the year of Closing, and all expenses paid by Seller in such year to which such Tenant Reimbursements apply.

4.4.2 For 2010 and All Prior Calendar Years. Seller shall be responsible for the reconciliation with tenants of Tenant Reimbursements and Tenant Reimbursable Expenses for 2010 and all calendar years prior to 2010. If the amount of Tenant Reimbursements collected by Seller for such years is less than the greater of (a) the amount of Tenant Reimbursable Expenses paid by Seller for such period or (b) the amount which Seller is entitled to recover under the terms of the Leases, then Seller shall be entitled to bill such tenants and retain any such amounts due from tenants, and, at Seller's request, Purchaser shall reasonably

assist in such recoveries at no third party costs to Purchaser, and Seller shall have the right to take any legal action after Closing to collect such amounts, provided that Seller shall not be entitled to threaten or file any legal action to terminate or seek termination of any Lease in connection with any action brought by Seller with respect thereto. If the amount of Tenant Reimbursements collected by Seller for such calendar year exceeds the greater of (i) the amount of Tenant Reimbursable Expenses paid by Seller with respect to such period or (ii) the amount which Seller is entitled to recover under the terms of the Leases, then, to the extent required under the terms of the Leases, S eller shall remit such excess amounts to the applicable tenants. In connection with the foregoing, Seller shall be permitted to make and retain copies of all leases and all billings concerning Tenant Reimbursements for such years, and Purchaser covenants and agrees to provide Seller with reasonable access to the books and records pertaining to such Tenant Reimbursements, and to otherwise reasonably cooperate with Seller (at no third party cost to Purchaser) for the purpose of enabling Seller to adequately respond to any claim by tenants for reimbursement of Tenant Reimbursements previously paid by such tenants. If the Closing occurs on or before December 31, 2010, then any annual (or other periodic) reconciliations to be undertaken after Closing between landlord and the tenants pertaining to Tenant Reimbursements for such year, shall be undertaken solely by Seller, as landlord, at its sole cost and expense, and Purchaser shall have no obligation to participate therein or to pay any amount due as a result of any such reconciliations, nor shall Purchaser have the right to collect or receive any amount collectible as a result of any such reconciliations; provided, however, that Purchaser shall furnish to Seller all information reasonably required by Seller to enable Seller to conduct such reconciliations with the tenants of the Property, including all Tenant Reimbursements collected by Purchaser during 2010, if any, and all expenses paid by Purchaser in such year to which such Tenant Reimbursements apply.

4.4.3 Survival. The provisions of this Section 4.4 shall survive the Closing for a period of one (1) year.

4.5 Total Operating Expense Payments. Certain tenants under the Leases are currently paying Seller fixed amounts each month for total operating expenses (the "**TOE Payments**"). The TOE Payments payable by tenants under the Leases for the calendar month in which the Closing occurs shall be prorated on the basis of the number of days of such month prior to the Closing Date (which shall be allocated to Seller) and from and after the Closing Date (which shall be allocated to Purchaser). However, there shall be no proration of any such TOE Payment which is delinquent as of the Closing Date. Rather, Purc haser shall cause any such delinquent TOE Payment for the period prior to Closing to be remitted to Seller if, as and when collected, subject to the priorities hereinafter set forth. All TOE Payments received by Seller (except TOE Payments received by Seller from a delinquent tenant against which Seller has commenced an action, which shall be applied against delinquent TOE Payments owed to Seller from such tenant) or Purchaser following the Closing Date shall be applied first to TOE Payments for the period following the Closing, second to TOE Payments for the month in which the Closing occurs, and third to delinquent TOE Payments for the period prior to

the Closing. At Closing, Seller shall deliver to Purchaser a schedule of all such delinquent TOE Payments. Purchaser shall include the amount of delinquent TOE Payments in the bills thereafter submitted to the tenants in question after the Closing and shall use reasonable efforts to collect the same, provided that Purchaser shall in no event be required to seek or threaten termination of any Lease as a result of any such rent delinquency. Notwithstanding anything contained herein to the contrary, Seller shall retain the right after Closing to take such actions as it elects to collect delinquent TOE Payments, provided that Seller shall not be entitled to file or threaten to file any eviction or forcible entry and unlawful detainer action against any Tenant or seek or threaten termination of any Lease in connection with any action brought by Seller with respect thereto. Amounts received by Seller or Purchaser after Closing and owing to the other party under this Section 4.5 shall be promptly remitted to the other party. The provisions of this Section 4.5 shall survive the Closing for a period of one (1) year.

4.6 Reservation of Rights to Contest. Notwithstanding anything to the contrary contained in this Agreement, Seller reserves the right to meet with governmental officials and to contest any reassessment or assessment of the Property or any portion thereof and to attempt to obtain a refund for any taxes previously paid for any tax year prior to the Current Tax Year. Seller shall retain all rights with respect to any refund of taxes applicable to any period prior to the Closing Date (and if requested by Seller from time to time, Purchaser shall assign such right to Seller pursuant to such assignments as Seller may reasonably request) and, at Seller's request, Purchaser s hall reasonably cooperate in any such proceeding at no third-party cost to Purchaser.

4.7 Transaction Costs. Purchaser shall pay for the following closing and other transaction costs: (a) all title insurance costs and fees, including fees for the Title Commitment, the Title Policy (except for the cost of a standard ALTA owner's title policy of insurance in the amount of the Purchase Price), endorsements and any loan policy charges, including, without limitation, any endorsements required by Purchaser's lender, (b) all recording charges, (c) all costs incurred in connection with obtaining an Updated Survey, and (d) one-half of all escrow fees. Seller shall pay for the cost of a standard ALTA owner's title policy of insurance in the amount of the Purchase Price, all recording fees necessary to remove any title encumbrances other than the Permitted Exceptions, and one-half of all escrow fees. Seller and Purchaser shall each be responsible for the fees of their respective attorneys and other professional advisors. Purchaser shall pay all transfer and recordation taxes. Any other transaction costs for which responsibility is not expressly set forth in this Agreement shall be paid by the party incurring such costs.

4.8 Reprorations. Notwithstanding anything contained herein to the contrary, all reprorations contemplated by this Agreement shall be completed within one (1) year of Closing. The provisions of this Section 4.8 shall survive the Closing for a period of one (1) year.

5. CASUALTY LOSS AND CONDEMNATION. If, prior to Closing, the Property, or any part thereof shall be condemned or destroyed or damaged by fire or other casualty, Seller shall promptly so notify Purchaser. In the event of a material loss (hereinafter defined),

Purchaser shall have the option to terminate this Agreement by giving Seller notice within fifteen (15) days of the date of Seller's notice of such condemnation, destruction or damage (but no later than the Closing). If the condemnation, destruction or damage does not result in a material loss, then Seller and Purchaser shall consummate the transaction contemplated by this Agreement notwithstanding such condemnation, destruction or damage. If the transaction contemplated by this Agreement is consummated, Purchaser shall be entitled to receive (and Seller shall assign to Purchaser) subject to the rights of the Ground Lessor under the Ground Lease any condemnation proceeds or proceeds of insurance under all policies of insurance applicable to the destruction or damage of the Property (including rent loss insurance to the extent applicable to rents which were to have been paid after the Closing), together with a credit in the amount of any deductible (and if prior to Closing Seller has incurred any costs to repair any of the same, Seller shall receive a credit from Purchaser for such costs at Closing), and Seller shall, at Closing, execute and deliver to Purchaser all customary proofs of loss and other similar items. If Purchaser elects to terminate this Agreement in accordance with this Section 5, the Earnest Money shall be returned to Purchaser and this Agreement shall, without further action of the parties, become null and void and neither party shall have any further rights or obligations under this Agreement except as otherwise provided for in this Agreement. For purposes of this Section 5, a "material loss" means condemnation, damage or destr uction that is reasonably estimated to cost or be valued at (as the case may be) more than five percent (5%) of the Purchase Price or which causes tenants that pay, in the aggregate, five percent (5%) or more of the aggregate base rent with respect to the Property, to have the right to terminate their Leases (and such right has not been waived).

6. BROKERAGE. Seller agrees to pay upon Closing (but not otherwise), pursuant to separate agreement, a brokerage commission due to CB RICHARD ELLIS, INC., a Delaware corporation, for services rendered in connection with the sale and purchase of the Property. Seller and Purchaser shall each indemnify and hold the other harmless from and against any and all claims of all other brokers and finders claiming by, through or under the indemnifying party and in any way related to the sale and purchase of the Property, this Agreement or otherwise, including, without limitation, attorneys' fees and expenses incurred by the indemnified party in connection with such claim.

7. DEFAULT AND REMEDIES.

7.1 Purchaser's Remedies. Notwithstanding anything to the contrary contained in this Agreement, if Closing does not occur due to a Seller default, then, as Purchaser's sole and exclusive remedy hereunder and at Purchaser's option, either (a) the Earnest Money shall be returned to Purchaser, in which event this Agreement shall be null and void, and neither party shall have any rights or obligations under this Agreement**,** except for those obligations which expressly survive Closing, or (b) upon notice to Seller not more than sixty (60) days after the original Closing Date, and provided an action is filed within ninety (9 0) days thereafter, Purchaser may seek specific performance of Seller's obligation to convey the Property, but not damages**.** Purchaser's failure to seek specific performance as aforesaid shall constitute its election to proceed under clause (a) above.

7.2 Seller's Remedies. If Purchaser fails to consummate the purchase of the Property in default of its obligations hereunder, then Seller shall have the right, as its sole and exclusive remedy as a result of Purchaser's default, to terminate this Agreement by notifying Purchaser thereof in writing, and retain the Earnest Money as liquidated damages. In connection with the foregoing, Purchaser and Seller acknowledge and agree that the amount of damages that Seller may suffer in the event of such a failure and default by Purchaser may be difficult or impossible to ascertain, and that the amount of the Earnest Money has been mutually determined by Purchaser and Seller to be a fair and reasonable determination of such damages and, therefore, shall properly serve as liquidated damages in such circumstances. It is agreed that if Purchaser is required to have deposited the Additional Earnest Money pursuant to this Agreement but failed to do so, Seller's rights under this Section 7.2 shall include a right to sue Purchaser for, and Seller shall be entitled to collection of, the Additional Earnest Money as part of the Earnest Money representing damages hereunder. The provisions of this Section 7.2 shall not limit in any manner Purchaser's or Seller's indemnification obligations set forth in this Agreement.

7.3 Post-Closing Remedies. After Closing, Seller and Purchaser shall, subject to the terms and conditions of this Agreement (including without limitation the provisions of Section 10 hereof), have such rights and remedies as are available at law or in equity, except that neither Seller nor Purchaser shall be entitled to recover from the other consequential or special damages.

8. CONDITIONS PRECEDENT.

8.1 Due Diligence Period. Purchaser shall have until 5:00 p.m., Portland, Oregon, time on November 29, 2010 (the "**Due Diligence Period**"), within which to inspect the Property, obtain any necessary internal approvals to the transaction, and satisfy itself as to all matters relating to the Property, including, but not limited to, environmental, engineering, structural, financial, title and survey matters. Seller shall use good faith efforts to deliver or make available to Purchaser in electronic form (which may be through an electronic data room) copies of any and all reports, agreements, and other documents relating to the Property reasonably requested by Purchaser to the extent in Seller's possession or control (the "**Documents**"); provided, however, the Documents shall not include, and Seller shall have no obligation to make available to Purchaser, Seller's company records, internal memoranda (including any internal evaluations of third-party reports concerning the Property), financial projections, budgets, appraisals, any agreements and documents which Seller is required to keep confidential pursuant to any agreement, accounting and tax records, communications between Seller and its attorneys, the work product of Seller's attorneys, and similar proprietary, confidential or privileged information. The Documents and any other due diligence materials that may be provided by Seller to Purchaser are being furnished for informational purposes only and without representation or warranty as to the accuracy or completeness of such mat erials. If Purchaser determines (in its sole and absolute discretion) during the Due Diligence Period that the Property is unsuitable for its purposes for any reason, then Purchaser may terminate this Agreement by written notice to Seller given at any time prior to the expiration of the Due Diligence Period. If Purchaser so terminates this

Agreement, then the Earnest Money shall be returned to Purchaser, and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination of this Agreement; provided, however, that in the event at the time of such termination Purchaser has not repaired any damage caused by such inspection or kept the Property free and clear of any mechanics' and materialmens' liens or other liens arising out of its activities on the Property and those of its representatives, agents and contractors, then (a) an amount equal to 150% of (i) the estimated costs of such repairs, plus (ii) the amount of such liens, shall be retained by Escrow Agent from the Earnest Money, which amount shall not be disbursed to Purchaser until such time as all such damage is repaired and all such l iens are released, and (b) the balance of the Earnest Money shall be returned to Purchaser. Purchaser's failure to so terminate this Agreement within the Due Diligence Period shall be deemed a waiver by Purchaser of the condition contained in this Section 8.1, and thereafter the Earnest Money shall not be refunded to Purchaser except pursuant to another express provision of this Agreement. Purchaser's right of inspection pursuant to this Section 8.1 is and shall remain subject to the rights of tenants under the Leases and other occupants and users of the Property and Purchaser shall use reasonable efforts to minimize interference with tenants and Seller's operation of the property. No inspection shall be undertaken without twenty-four (24) hours' prior notice to Seller. Seller or Seller's represent ative shall have the right to be present at any or all inspections. Neither Purchaser nor its agents or representatives shall contact any tenants or any third party to any Mall Agreement or the Ground Lessor without the prior consent of Seller (which may be withheld by Seller in its sole and absolute discretion) and Purchaser shall permit Seller to participate in any such contact. No inspection shall involve the taking of samples or other physically invasive procedures without the prior written consent of Seller (which may be withheld by Seller in its sole and absolute discretion). Only upon the completion of any inspection or test, Purchaser shall restore the Property to its condition prior to such inspection or test. Upon Seller's request, Purchaser shall provide Seller with copies of all third party reports or test results relating to such inspections, which obligation shall survive the termination of this Agreement. Purchaser shall keep the Pro perty free and clear of any mechanics' and materialmens' liens or other liens arising out of its activities on the Property and those of its representatives, agents and contractors, and in the event any of the foregoing are filed, Purchaser shall promptly discharge the same, which obligations shall survive any termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Purchaser shall indemnify, defend (with counsel reasonably acceptable to Seller) and hold Seller and the Seller Indemnified Parties harmless from and against any and all Losses arising out of or resulting from Purchaser's exercise of its rights of entry upon and inspection and testing of the Property as provided for in this Section 8.1 (but excluding any matters resulting from the discovery of any pre-existing condition, except to the extent that Purchaser's activities exacerbate any such pre-existin g condition), and such indemnity shall survive the Closing and any termination of this Agreement. Prior to entering upon the Property for purposes of performing any inspection thereof, Purchaser shall provide Seller with evidence of commercial general liability insurance, including broad form contractual liability, from such company and in such amount as Seller may reasonably request, which policy shall name each of Seller

and General Growth Properties, Inc., as additional insureds, and shall contain a waiver of subrogation clause.

8.2 Estoppel Certificates.

8.2.1 Tenant Estoppel Certificates. As a condition to Purchaser's obligation to close hereunder, Purchaser shall have received at least two (2) business days before the Closing Date estoppel certificates ("**Tenant Estoppel Certificates**"), dated no more than forty-five (45) days prior to the originally scheduled Closing Date, from tenants of the Real Property ("**Required Tenants**") occupying not less than seventy-five percent (75%) of the rented rentable square footage of the Halsey Real Property and seventy-five percent (75%) of the rented rentable square foo tage of the Division Real Property, unless the Early Closing Condition is satisfied or Purchaser fails to extend the Closing Date pursuant to Section 4 above (and Seller does not extend the Closing Date on account of the Ground Lease Release pursuant to Section 4 above), in which case Purchaser shall accept those Tenant Estoppel Certificates which have actually been delivered. The Tenant Estoppel Certificates delivered to the tenants for execution shall be in the form of **Exhibit L** attached hereto (the "**Form Tenant Estoppel Certificate**"). The Tenant Estoppel Certificates executed by tenants shall be in substantially the form of the Form Tenant Estoppel Certificate without materially adverse modification; provided, however, that a Tenant Estoppel Certificate executed by a tenant shall not be deemed an unacceptable Tenant Estoppel Cert ificate (and shall not be deemed adversely modified) for purposes of this Section 8.2.1 if it (a) contains the qualification by the tenant of any statement as being to its knowledge, (b) does not contain any more information than that which the tenant is required to give in any such certificate pursuant to its Lease, (c) fails to certify to Purchaser's lender, (d) is in the form attached to such tenant's Lease, or (e) with respect to a national tenant, is in the form typically provided by such tenant. In the event Closing does not occur on or before January 1, 2011, and Seller is unable to provide to Purchaser the Tenant Estoppel Certificates for the Required Tenants without materially adverse modification on or before the date that is two (2) business days before the then scheduled Closing Date, Seller may, at its option, elect to execute and deliver to Purchaser certificates (individua lly, a "**Seller Tenant Estoppel Certificate,**" and, collectively, the "**Seller Tenant Estoppel Certificates**"), substantially in the same form as the certificate attached hereto as **Exhibit M** (the "**Form Seller Tenant Estoppel Certificate**"), covering tenants necessary so that Purchaser shall be deemed to have received, at Closing, Tenant Estoppel Certificates and Seller Tenant Estoppel Certificates with respect to the Required Tenants. Notwithstanding anything to the contrary set forth in this Agreement, if the Early Closing Condition is satisfied (and Seller does not extend the Closing Date on account of the Ground Lease Release pursuant to Section 4 above) or if for any reason Purchaser elects for the Closing to occur prior to January 1, 2011, then Seller shall have no obligation to deliver any Seller Tenant Estoppel Certificates. In the event that Seller elects to deliver such Seller Tenant Estoppel Certificates, each statement therein shall survive for a period terminating on the earlier to occur of (i) the date on which Purchaser has received

an executed Tenant Estoppel Certificate signed by the tenant under the Lease in question as to matters consistent with the Seller Tenant Estoppel Certificate, or (ii) six (6) months after the Closing Date. If Purchaser receives an estoppel certificate which contains some but not all of the matters set forth in the Tenant Estoppel Certificate (a "**Partial Certificate**") and Seller provides a Seller Tenant Estoppel Certificate for such tenant, then the Seller Tenant Estoppel Certificate may omit matters contained in the Partial Certificate. In the event that Seller does not provide to Purchaser either Tenant Estoppel Certificates or Seller Tenant Estoppel Certificates for the Required Tenants without materially adverse modification, Seller shall not be in default hereunder but Purchaser may, by written notice to Seller given on the Closing Date, either (A) elect not to purchase the Property, in which event the Earnest Money shall be returned to Purchaser, at which time this Agreement shall terminate and become null and void and neither party shall have any further rights or obligations under this Agreement, except for those which expressly survive termination of this Agreement, or (B) elect to purchase the Property notwithstanding Seller's inability to provide Tenant Estoppel Certificates or Seller Tenant Estoppel Certificates for the Required Tenants, in which event Purchaser shall be deemed to have waived the condition contained in this Sect ion 8.2.1. If Purchaser fails to deliver such written notice as described above on or before the then scheduled Closing Date, Purchaser shall be deemed to have elected item (B) above. If any Tenant Estoppel Certificate contains statements confirming any of Seller's representations or warranties set forth herein or in a Seller Tenant Estoppel Certificate, then Seller shall be deemed not to have made such representations or warranties as to such Lease. If any Tenant Estoppel Certificate or Seller Tenant Estoppel Certificate contains statements or allegations that a default or potential default exists on the part of Seller under the Lease in question or contains information inconsistent with any representations or warranties of Seller contained in this Agreement or in a Seller Tenant Estoppel Certificate and Purchaser elects to close the purchase and sale transaction contemplated herein notwithstanding the existence of such statements, allegations or informatio n, then such Tenant Estoppel Certificates and/or Seller Tenant Estoppel Certificates shall be deemed acceptable for purposes of this Section, notwithstanding the existence of such allegations, statements or information, and Seller shall have no liability to Purchaser hereunder with respect to the existence of such allegations, statements or information (including without limitation any claim for breach of a representation or warranty).

8.2.2 Ground Lessor Estoppel Certificate and Release. As a condition to Purchaser's obligation to close hereunder, Purchaser shall have received an estoppel certificate, dated no more than forty-five (45) days prior to the originally scheduled Closing Date, from the Ground Lessor with respect to the Ground Lease substantially in the form required by the terms of the Ground Lease; provided, however, that the same shall not be deemed unacceptable for purposes of this Section 8.2.2 if the estoppel certificate (a) contains the qualification by the Ground Lessor of any statement as being to its knowledge, (b) does not contain any more information than that which the Ground Lessor is required to give in any such certificate pursuant to the Ground Lease, or (c) fails to certify to

Purchaser's lender. As a condition precedent to Seller's obligation to close hereunder, by the Closing Date, the Ground Lessor shall have agreed in writing to release Seller from all obligations and liabilities under the Ground Lease arising on or after the Closing Date (the "**Ground Lease Release**").

8.3 Accuracy of Seller's Representations and Warranties.

8.3.1 Notwithstanding anything in this Agreement to the contrary, if (a) on the Effective Date Purchaser has actual knowledge that any of Seller's representations or warranties set forth in this Agreement are untrue in any respect, then (i) the breach by Seller of the representations or warranties as to which Purchaser has such actual knowledge shall be deemed waived by Purchaser, (ii) Seller shall not be in default hereunder and shall have no liability to Purchaser or its successors or assigns in respect thereof, and (iii) there shall be no failure of a condition precedent as a result thereof, and (b) after the Effective Date and prior to Closing Purchaser obtains actual knowledge that any of Seller's representations or warranties set forth in this Agreemen t, or any of Seller's representations or warranties made in any documents delivered by Seller in connection with the Closing, are untrue in any material respect, then the provisions of Section 8.3.2 hereof shall apply. For purposes of this Section 8.3.1, Purchaser shall be deemed to have or to have obtained knowledge (after the Effective Date) of any such matter or thing if such matter or thing (w) is set forth in any Mall Agreement, the Ground Lease or any other Document delivered to Purchaser, (x) was set forth in any written studies or reports furnished to or obtained by Purchaser, including, without limitation, the Title and Survey and any environmental reports, (y) was set forth in any letter, memorandum or other written communication provided to Purchaser or Purchaser's attorneys, or (z) was otherwise within the actual knowledge of Purchaser.

8.3.2 In the event at any time prior to Closing, Seller or Purchaser obtains actual knowledge that any of the representations and warranties by Seller in this Agreement are no longer accurate in any material respect (or will not be accurate in any material respect at Closing, as the case may be) except as may result from actions taken in compliance with the provisions of this Agreement and except for those set forth in Section 8.3.1(a) hereof, such party shall promptly notify the other party by a written notice (a "**Variance Notice**") and, in the Variance Notice, specify the factors rendering or likely to render such representation and warra nty inaccurate (the "**Variance**"). Purchaser acknowledges it shall have no right to send a Variance Notice with respect to any item covered by Section 8.3.1(a) hereof. Within ten (10) days of delivering or receiving a Variance Notice, Seller shall deliver to Purchaser written notice whether Seller has elected to cure the underlying facts or circumstances causing the Variance (it being agreed that the failure to deliver such notice shall be deemed Seller's election not to cure the Variance). If Seller elects to cure the Variance, Seller will exercise reasonable efforts to effectuate the cure on or before the Closing and Closing may be delayed by Seller as necessary while it attempts to cure the same. If Seller elects not to or ultimately fails to cure such Variance in

a manner acceptable to Purchaser in its commercially reasonable discretion, then the provisions of Section 8.3.3 below shall be applicable. Notwithstanding anything set forth in this Agreement to the contrary, changes in the leasing status at the Property (including without limitation defaults by tenants) shall in no event constitute a Variance or result in any representation or warranty being inaccurate in any material respect.

8.3.3 If Seller elects not to, or fails to, cure a Variance (in a manner acceptable to Purchaser in its commercially reasonable discretion), this Agreement shall (at the sole election of Purchaser exercisable by written notice to Seller delivered not later than five (5) days after notification that Seller has elected not to, or failed to, cure such Variance) be terminated, whereupon the Earnest Money shall be paid to Purchaser, Seller shall not be deemed to be in default hereunder and the parties shall have no further rights or obligations hereunder except for those rights or obligations that expressly survive a termination of this Agreement; provided, however, that notwithstanding the foregoing, Purchaser shall not have the right to terminate this Agreement due to any Variance unless and until the aggregate cost of all such Variances is in an amount greater than the Floor Amount (as defined below). However, if Purchaser does not terminate this Agreement (or does not have the right to terminate this Agreement), the representations and warranties in this Agreement shall be deemed to be modified by the Variance, there shall be no failure of a condition precedent as a result thereof, and there shall be no adjustment to the Purchase Price.

8.3.4 Except as set forth in this Section 8.3, nothing contained in this Agreement shall limit or release any claim by Purchaser against Seller for fraud, fraudulent misrepresentation, or fraudulent concealment (collectively, a "Fraud Claim"), but only if Purchaser (a) first becomes aware, or is deemed to become aware, of such Fraud Claim after the Closing, (b) delivers written notice thereof to Seller during the Survival Period, with such notice containing a description of the specific nature of such Fraud Claim, and (c) commences an action with respect to such Fraud Claim in a court having jurisdiction within ninety (90) days after the expiration of the Survival Period.

8.4 Title Policy. As a condition to Purchaser's obligation to close hereunder, provided that Purchaser has complied with all requirements of the Title Insurer with respect thereto, Purchaser shall have received the Title Policy (or the Title Insurer's irrevocable commitment to issue same) dated as of the Closing Date, in the amount of the Purchase Price, naming Purchaser as insured thereunder, subject only to the Permitted Exceptions.

8.5 Board Approval. As a condition precedent to Seller's obligation to close hereunder, the Board of Directors of General Growth Properties, Inc. shall have approved the transactions contemplated herein (the "**Board Approval**"). In the event Seller does not obtain the Board Approval by the date which is thirty (30) days after the expiration of the Due Diligence Period, Seller shall provide written notice thereof to Purchaser, in

which event this Agreement shall terminate, the Earnest Money shall be returned to Purchaser, Seller shall not be in default under this Agreement, Seller shall reimburse Purchaser for Purchaser's actual out-of-pocket expenses incurred in connection with its due diligence with respect to the Property, up to a maximum of $50,000, and neither party shall have any further obligations to the other except as expressly provided otherwise in this Agreement; Seller's reimbursement obligation under this Section 8.5 shall not be subject to any remedy or damage limitation in this Agreement, but in no event will such obligation exceed $50,000.

8.6 Waiver of Right of First Refusal. Purchaser acknowledges that Safeway Inc. (formerly Safeway Stores, Incorporated) ("**Safeway**") has a right of first refusal with respect to the sale of any property subject to the Ground Lease (the "**ROFR**"). Seller has previously delivered written notice to Safeway of the terms of this Agreement, to the extent required under the Safeway Lease (the "**ROFR Notice**"). As a condition precedent to Seller's and Purchaser's obligation t o close under this Agreement with respect to the purchase and sale of the Halsey Real Property (the "**Halsey Condition**"), either (a) Safeway shall have declined in writing to exercise its ROFR, or (b) Safeway shall have failed to deliver written notice of its election to exercise its ROFR within thirty (30) days after its receipt of the ROFR Notice. If the Halsey Condition has not been satisfied by the Closing Date (as it may be extended), Seller shall deliver written notice thereof to Purchaser, and thereupon: (i) Seller shall have no obligation to sell, and Purchaser shall have no obligation to purchase, the Halsey Real Property, and all references to the Halsey Real Property shall automatically be removed from this Agreement, (ii) Seller shall not be in default under this Agreement, (iii) Seller shall reimburse Purchaser for Purchaser's actual out-of-pocket expenses incurred in connection wit h its due diligence with respect to the Halsey Real Property, up to a maximum of $25,000, and (iv) Seller shall remain obligated to sell, and Purchaser shall remain obligated to purchase, the Division Real Property pursuant to the terms of this Agreement, except that the Purchase Price for the Division Real Property shall be Eleven Million Twenty-Five Thousand Dollars ($11,025,000.00); Seller's reimbursement obligation under this Section 8.6 shall not be subject to any remedy or damage limitation in this Agreement, but in no event will such obligation exceed $25,000.

8.7 SEC Compliance. Closing shall be subject to the following condition for the benefit of Purchaser: On and up to the Closing Date, Seller shall have complied with any written request from Purchaser with respect to and consistent with Seller's obligations under Section 9.3.7 below (an "**SEC Request**"); provided, however, Purchaser shall have no right to terminate this Agreement pursuant to this Section 8.7 unless (a) Purchaser has delivered written notice to Seller not later than 10 business days prior to the Closing Date stating that Seller has failed to comply with a previously delivered SEC Request, and (b) Seller fails to comply with such SEC Request within 5 business days after such written notice.

8.8 Condition Waiver/Termination. If any condition set forth in this Section 8 above or elsewhere in this Agreement is not timely satisfied or waived by the party benefited by such condition, this Agreement shall terminate, the Earnest Money shall be

promptly refunded to Purchaser, and neither party shall have any further obligations to the other except as expressly provided otherwise in this Agreement.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS.

9.1 Seller's Representations and Warranties. Subject to Section 9.5 below, Seller hereby represents and warrants to Purchaser as to the following matters, as of the date of this Agreement:

9.1.1 Organization and Authority. Seller is duly organized and in good standing under the laws of the state of its organization. Subject to obtaining Board Approval and Lender Approval, Seller has the power and authority under its organizational documents to sell, transfer, convey and deliver the Property, and all action and approvals required thereunder have been duly taken and obtained.

9.1.2 No Conflict. Subject to obtaining Board Approval, the execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Seller's organizational documents.

9.1.3 Condemnation. Seller has not received from any governmental authority any written notice of any pending or threatened condemnation of the Property or any part thereof.

9.1.4 Litigation. Except as set forth on **Exhibit N** attached hereto, Seller has not been served with any material litigation which remains outstanding nor does Seller have any actual knowledge of any material threatened litigation which is still pending against Seller with respect to the ownership or operation of the Property.

9.1.5 Lists. The list of Service Contracts attached hereto as **Exhibit C** and the list of Leases attached hereto as **Exhibit B** are materially true, correct and complete as of the Effective Date.

9.1.6 Labor Unions. To Seller's knowledge, there are no union agreements or collective bargaining agreements in effect covering any employees of Seller engaged in the operation or maintenance of the Property.

9.1.7 No Employees. Seller does not directly employ any employees who work at the Property.

9.1.8 Notices/Violations. Except as disclosed in **Exhibit P**, Seller has no actual knowledge of, and has not received any written notice of any material violation of any law, ordinance, order, regulation or requirement applicable to the Property which remains outstanding.

9.1.9 Leases. To Seller's knowledge, except as disclosed in **Exhibit Q**, (a) the Leases are presently in full force and effect without any default thereunder by the applicable tenant; (b) no tenant has prepaid rent by more than thirty (30) days in advance; (c) any tenant improvements that Seller, as landlord, is obligated to complete, prior to the date hereof and pursuant to any Lease, has been completed and accepted by the applicable Tenant; and (d) no tenant has notified Seller, as landlord, in writing, of any default by Seller pursuant to a Lease that remains uncured.

9.1.10 Ground Lease. Seller has not received any written notice from the Ground Lessor and Seller does not have actual knowledge that Seller or the Ground Lessor is in default or breach of any obligation under the Ground Lease.

9.1.11 No Bankruptcy Except for Chapter 11 Case No. 09-11977 (ALG) In re General Growth Properties, Inc., et al., filed with the United States Bankruptcy Court Southern District of New York, Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension, or composition to its creditors generally.

9.1.12 Patriot Act Compliance. Neither Seller nor any person, group, entity or nation that Seller is acting, directly or indirectly, for or on behalf of, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, and Seller is not engaging in this transaction, directly or indirectl y, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Seller is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Seller have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Seller is prohibited by law or that the transaction or this Agreement is or will be in violation of law. Seller has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Closing.

As used in this Agreement, phrases such as "to Seller's knowledge" or "to the best of Seller's knowledge" shall mean the conscious actual knowledge (as opposed to

constructive, deemed or imputed knowledge) of or receipt of written notice by Luc A. Picotte (the "**Knowledge Party**"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of Seller, any property manager or any of their respective affiliates. There shall be no duty imposed or implied to investigate, inspect or audit any such matters, and there shall be no personal liability on the part of the Knowledge Party. ; Seller represents and warrants to Purchaser that the Knowledge Party is a Vice President Asset Management of Seller.

9.2 Representations Remade. As of Closing, and subject to the provisions of Section 8.3, Seller shall be deemed to remake and restate the representations set forth in Section 9.1, except that the representations shall be updated by delivering written notice to Purchaser in order to reflect any fact, matter or circumstance which the Knowledge Party becomes aware of that would make any of Seller's representations or warranties contained herein untrue or incorrect in any material respect (any such disclosure being referred to as a "**Pre-Closing Disclosure**"), which Pre-Closing Disclosures shall be subject to Section 8.3.

9.3 Seller Covenants. Seller hereby covenants and agrees with Purchaser as to the following matters:

9.3.1 New Leases. For purposes of this Agreement, any Lease entered into after the Effective Date, and any modification, amendment, restatement or renewal of any existing Lease entered into after such date, shall be referred to individually as a "**New Lease**" and collectively as the "**New Leases**." Until the Effective Date, Seller may enter into any New Leases without Purchaser's consent, as long as Seller delivers a copy of any New Leases to Purchaser promptly upon the Effective Date. Following the Effective Date, Seller shall not enter into any New Lease (other than an amendment, restatement, modification or renewal of any existing Lease pursuant to a right granted the tenant under such existing Lease) without Purchaser's prior written consent, which will not be unreasonably withheld or delayed, provided Purchaser shall have the right to withhold consent in its sole discretion to any Tenant Inducement Costs in any New Lease for which Purchaser's consent is required hereunder. If Purchaser does not respond in writing to Seller's request for approval or disapproval of a New Lease within five (5) business days after Purchaser's receipt of Seller's request, Purchaser shall be conclusively deemed to have approved of such New Lease. Notwithstanding the foregoing, Seller shall be entitled (but shall not be obligated) to enter into New Leases with those tenants identified on **Schedule 9.3.1** attached hereto in substantial conformance with the terms of such New Leases described on Seller's due diligence website, and Purchaser shall be deemed to have approved any such New Leases; provided, however, Purchaser retains the right to approve any material deviations from the terms of such New Leases as currently set forth on Seller's due diligence website.

9.3.2 Service Contracts. Until the Effective Date, Seller may enter into any new Service Contracts (or cancel, modify or renew any existing Service

Contract) without Purchaser's consent, so long as Seller delivers notice thereof (together with a copy of any new Service Contract or modification to a Service Contract, if applicable) to Purchaser promptly after the Effective Date and in any event, at least three (3) business days prior to the termination of the Due Diligence Period. Following the Effective Date, Seller shall not enter into any new Service Contracts, or cancel, materially modify or renew any existing Service Contracts, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed, unless such new Service Contracts are cancelable by Purchaser effective prior to the Closing Date. If Purchaser fails to respond to Seller 's request for consent with respect to any such action within five (5) business days after receipt of Seller's request, such consent shall be deemed given.

9.3.3 Operations. Between the Effective Date and the Closing Date, Seller shall operate the Property in the normal course of Seller's business and maintain the Property in the same condition as of the date of this Agreement, ordinary wear and tear excepted, and subject to Section 5 above. Notwithstanding anything in the preceding sentence to the contrary, in no event shall Seller be required to make any capital repairs, replacements or improvements to the Property.

9.3.4 Conveyance. Except as required with respect to the ROFR, as more fully provided in Section 8.6 above, between the Effective Date and the Closing Date, Seller shall not grant to any third party any interest or any right to acquire an interest in the Property or any part thereof or further encumber any of the Property (including, without limitation, the recording of any covenants, conditions, or restrictions against any of the Property) without the prior written approval of Purchaser, which shall not be unreasonably withheld. Except as required with respect to the ROFR, as more fully provided in Section 8.6 above, between the Effective Date and the Closing Date, Seller shall not: (a) enter into any agreement, formal or informal, for the sale, transfer or conveyance of the Property; or (b) solicit, negotiate or enter into any agreement, arrangement or understanding for the sale, transfer or conveyance of the Property.

9.3.5 Mall Agreements. Until the Effective Date, Seller may amend any Mall Agreement without Purchaser's consent, as long as Seller delivers notice thereof (together with a copy of any such amendment) to Purchaser promptly after the Effective Date. Following the Effective Date, Seller shall not amend any of the Mall Agreements without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed, except for amendments that do not have a material adverse effect on the Property.

9.3.6 Permitted Actions. Notwithstanding anything set forth herein to the contrary (including without limitation the provisions of Sections 9.3.1 through 9.3.5 hereof), Seller shall be permitted to take the actions set forth on **Schedule 9.3.6** without the same being a breach of any covenant of Seller hereunder or causing a breach of any representation or warranty hereunder.

9.3.7 SEC Requirements. Seller grants Purchaser the right, at Purchaser's sole expense, to prepare an audited income statement of the Property for the most recent fiscal year(s) as specified by Rule 3-14 of Regulation S-X under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and Seller shall provide and reasonably cooperate in obtaining any and all such other data and financial information that shall be reasonably available to Seller (including, without limitation, data and information obtainable from Seller's management agent for the Property) and as advisable in connection with fulfilling Purchaser's disclosure obligation s as a public company subject to the rules and regulations of the Securities and Exchange Commission.

If Seller fails to perform any of the covenants contained in this Section 9.3 hereof and such failure has a material adverse effect on the Property, and either Purchaser receives written notice thereof from Seller pursuant to the notice provisions hereof prior to Closing or Purchaser otherwise obtains actual knowledge of such failure prior to Closing, Purchaser shall have the rights and remedies available to Purchaser under Section 7.1 hereof, and if Purchaser elects to close and consummate the transaction contemplated by this Agreement in lieu of exercising its rights and remedies under Section 7.1 hereof, then such default by Seller shall be deemed to be waived by Purchaser at the Closing, and to the extent such default by Seller is the entering into by Seller of New Leases, new Service Contracts, new Mall Agreements, or any other agreements in violation of Section 9.3.1, Section 9.3.2 or Section 9.3.5 hereof, Purchaser shall at Closing accept such agreements.

9.4 Purchaser's Representations and Warranties. Subject to Section 9.5 below, Purchaser represents and warrants that:

9.4.1 ERISA. Purchaser's rights under this Agreement, the assets it shall use to acquire the Property and, upon its acquisition by Purchaser, the Property itself, do not and shall not constitute plan assets within the meaning of 29 C.F.R. §2510.3-101, and Purchaser is not a "governmental plan" within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, and the execution of this Agreement and the purchase of the Property by Purchaser is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans.

9.4.2 Organization and Authority. Purchaser is duly organized, validly existing and in good standing under the laws of the state of its organization. Purchaser has the power and authority to perform its obligations hereunder, and all action and approvals required therefor have been duly taken and obtained.

9.4.3 No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Purchaser's organizational documents, or of any laws, rules, codes, ordinances applicable to Purchaser or any agreements binding upon Purchaser.

9.4.4 No Bankruptcy. Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

9.4.5 Patriot Act Compliance. Neither Purchaser nor any person, group, entity or nation that Purchaser is acting, directly or indirectly, for or on behalf of, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, and Purchaser is not engaging in this transaction, directly or i ndirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Purchaser is not engaging in this transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Purchaser have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Purchaser is prohibited by law or that the transaction or this Agreement is or will be in violation of law. Purchaser has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Closing.

9.5 Survival.

9.5.1 Purchaser Claims. Purchaser's right to enforce the representations and warranties set forth in this Agreement, subject to modifications thereto as a result of any Pre-Closing Disclosure and subject to the provisions of Sections 8.3.1, 8.3.2 and 8.3.3 above, or in any document delivered by Seller at Closing, shall survive the Closing, but only as to claims of which Purchaser notifies Seller in writing within (a) the period of time set forth in Section 8.2 as to representations and warrant ies in a Seller Tenant Estoppel Certificate, or (b) six (6) months after Closing with respect to those representations and warranties of Seller set forth in this Agreement or in any document delivered in connection with the transaction set forth herein, other than a Seller Tenant Estoppel Certificate (as applicable, the "**Survival Period**"), and not otherwise. No claim by Purchaser following Closing for a breach of any representation or warranty of Seller set forth in this Agreement shall be actionable or payable unless written notice containing a description of the specific nature of such breach or claim shall have been given to Seller prior to the expiration of the Survival Period and an action

shall have been commenced in a court having jurisdiction within one hundred eighty (180) days after the expiration of the Survival Period, in which case such action shall survive until fully and finally resolved.

9.5.2 Seller Claims. Seller's right to enforce the representations and warranties set forth in this Agreement, subject to modifications thereto as a result of any Pre-Closing Disclosure and subject to the other terms and provisions above, or in any document delivered by Purchaser at Closing, shall survive the Closing, but only as to claims of which Seller notifies Purchaser in writing within six (6) months after Closing. No claim by Seller following Closing for a breach of any representation or warranty of Purchaser set forth in this Agreement shall be actionable or payable unless written notice containing a description of the specific nature of such breach or claim shall have b een given to Purchaser prior to the expiration of such six (6) month period and an action shall have been commenced in a court having jurisdiction within one hundred eighty (180) days thereafter, in which case such action shall survive until fully and finally resolved.

10. LIMITATION OF LIABILITY. Notwithstanding anything to the contrary contained herein, if the Closing shall have occurred, (a) the aggregate liability of Seller or Purchaser arising pursuant to or in connection with the representations, warranties, indemnifications, covenants or other obligations (whether express or implied) of Seller or Purchaser (as applicable) under this Agreement (or any document executed or delivered in connection herewith) shall not exceed Nine Hundred Thousand and No/100 Dollars ($900,000.00) (the "**Liability Limitation**") and (b) no claim by Purchaser or Seller alleging a breach by the other of a ny representation, warranty, indemnification, covenant, or other obligation of Purchaser or Seller contained herein (or in any document executed or delivered in connection herewith) may be made, and Seller and Purchaser shall not be liable for any judgment in any action based upon any such claim, unless and until such claim, either alone or together with any other claims by either party against the other alleging any representation, warranty, indemnification, covenant or other obligation of Seller contained herein (or in any document executed or delivered in connection herewith), is for an aggregate amount in excess of Ninety Thousand and No/100 Dollars ($90,000.00) (the "**Floor Amount**"), in which event, the applicable party's liability respecting any final judgment concerning such claim or claims shall be for the entire amount thereof, subject to the limitation set forth in clause (a) above. No constituent partner or member in or agent of Seller or Purchaser, nor any advisor, trustee, director, officer, manager, member, partner, employee, beneficiary, shareholder, participant, representative, or agent of Seller or Purchaser or any entity that is or becomes a constituent partner or member in Seller or Purchaser or an agent of Seller (including, but not limited to, General Growth Properties, Inc.) ("**Seller's Affiliates**") or Purchaser ("**Purchaser's Affiliates**")shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Purchaser and Seller and their respective successors and assigns and, without limitation, all other persons and entities, shall look solely to Seller's assets and Purchaser's assets, respectively, for the payment of any claim or for any performance, and Purchaser and Seller, on behalf of themselves and their successors and assigns, hereby waive any and all such personal liability. Notwithstanding anything to the contrary contained in this

Agreement, neither the negative capital account of any constituent partner or member in Seller or Purchaser or any entity owning an interest (directly or indirectly) in Seller or Purchaser, nor any obligation of any constituent partner or member in Seller or Purchaser or any entity owning an interest (directly or indirectly) in Seller or Purchaser to restore a negative capital account or to contribute capital to Seller or Purchaser (or any entity owning an interest, directly or indirectly, in any other constituent partner or member of Seller or Purchaser), shall at any time be deemed to be the property or an asset of Seller or Purchaser or any such other entity (and neither Purchaser nor Seller nor any of their successors or assigns shall have any right to collect, enforce or proceed against or with respect to any such negative ca pital account or obligation to restore or contribute). The provisions of this Section 10 shall survive the Closing and any termination of this Agreement.

11. MISCELLANEOUS.

11.1 Entire Agreement. All understandings and agreements heretofore had between Seller and Purchaser with respect to the Property are merged in this Agreement, which alone fully and completely expresses the agreement of the parties. Purchaser acknowledges that it has inspected or will inspect the Property and that it accepts the same in its "as is" condition subject to use, ordinary wear and tear and natural deterioration and the representations and warranties contained herein or in any conveyance documents or certifications. Purchaser further acknowledges that, except as expressly provided in this Agreement or in any conveyance document or certification, neithe r Seller nor any agent or representative of Seller has made, and Seller is not liable for or bound in any manner by, any express or implied warranties, guaranties, promises, statements, inducements, representations or information pertaining to the Property.

11.2 Assignment. Purchaser shall be entitled to assign its interest under this Agreement upon written notice to Seller, but without Seller's consent, to an entity controlled by Purchaser. Except as permitted in the prior sentence, neither this Agreement nor any interest hereunder shall be assigned or transferred by Purchaser without Seller's prior written consent (which consent shall not be unreasonably withheld). The transfer of a controlling equity interest in Purchaser, whether by sale, operation of law or otherwise, shall be deemed an assignment of this Agreement that requires Seller's prior written consent (which consent may be withheld in Seller 7;s sole and absolute discretion). Any assignment of this Agreement that is contrary to the provisions of this Section 11.2 shall be void. Upon any assignment permitted hereunder, the Purchaser named herein shall remain liable to Seller for the performance of "Purchaser's" obligations hereunder. Subject to the foregoing, this Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns. Notwithstanding the foregoing, except to the extent the same would be prohibited by any Mall Document or the Ground Lease, either party may assign this Agreement to a so-called "1031 intermediary" in connection with a tax deferred exchange (an "**Exchange**") and each party agrees to reasonably cooperate with the other party in connection with such Exch ange.

11.3 Modifications. This Agreement shall not be modified or amended except in a written document signed by Seller and Purchaser.

11.4 Time of Essence. Time is of the essence of this Agreement. In the computation of any period of time provided for in this Agreement or by law, time periods shall expire at 5:00 p.m. Pacific Time (except as may be otherwise expressly set forth herein), the day of the act or event from which the period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. Pacific Time (except as may be otherwise expressly set forth herein) on the next day which is not a Saturday, Sunday, or legal holiday.

11.5 Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State where the Land is located.

11.6 Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and delivered personally or by certified mail, return receipt requested, postage prepaid, by facsimile transmission with confirmed receipt, or by overnight courier (such as Federal Express), addressed as follows below. All notices given in accordance with the terms hereof shall be deemed given when received or upon refusal of delivery. Either party hereto may change the address for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Sectio n 11.6.

If to Seller:

c/o General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, Illinois 60606
Attention: Joel Bayer
Chief Investment Officer
Telephone: 312/960-5015
Facsimile: 312/960-5475

With a copy to:

c/o General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, Illinois 60606
Attention: Andrew P. Massmann
Vice President & Deputy General Counsel
Telephone: 312/960-2954
Facsimile: 312/960-5476

With a copy to:

Levenfeld Pearlstein, LLC
2 North LaSalle Street, Suite 1300
Chicago, Illinois 60602
Attention: Jason P. Neumark
Telephone: 312/476-7589
Facsimile: 312/346-8434

If to Purchaser:

Retail Opportunity Investments Corp.
3 Manhattanville Road, Second Floor
Purchase, New York 10577
Attention: Richard Schoebel, COO
Telephone: 914/272-8080
Facsimile: 914/272-8088

With a copy to:

Dunn Carney Allen Higgins & Tongue LLP
851 SW Sixth Avenue, Suite 1500
Portland, OR 97204
Attention: Kenneth S. Antell
Telephone: 503/224-6440
Facsimile: 503/224-7324

11.7 "AS IS" SALE. ACKNOWLEDGING THE PRIOR USE OF THE PROPERTY AND PURCHASER'S OPPORTUNITY TO INSPECT THE PROPERTY, PURCHASER AGREES, SUBJECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS, THAT IT SHALL TAKE THE PROPERTY "AS-IS," "WHERE-IS," AND WITH ALL FAULTS AND CONDITIONS THEREON. ANY INFORMATION, REPORTS, STATEMENTS, DOCUMENTS OR RECORDS (COLLECTIVELY, THE "DISCLOSURES") PROVIDED OR MADE TO PURCHASER OR ITS CONSTITUENTS BY SELLER OR ANY OF SELLER'S AFFILIATES OR REPRESENTATIVES CONCERNING THE CONDITION OF THE PROPERTY SHALL NOT BE REPRESENTATIONS OR WARRAN TIES, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS. PURCHASER SHALL NOT RELY ON SUCH DISCLOSURES, BUT RATHER, PURCHASER SHALL RELY ONLY ON ITS OWN INSPECTION OF THE PROPERTY AND THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN ANY CONVEYANCE DOCUMENT OR CERTIFICATION. PURCHASER ACKNOWLEDGES AND

AGREES THAT, SUBJECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS ABOVE, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF A NY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY INCLUDING WITHOUT LIMITATION ZONING, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, OR (F) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS REGARDING TERMITES OR WASTES, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., OR ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980 (“CERCLA”), AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, PURCHASER (AND ANY ENTITY AFFILIATED WITH OR CLAIMING BY, THROUGH OR UNDER PURCHASER) HEREBY WAIVE, RELEASE AND AGREE NOT TO MAKE ANY CLAIM OR BRING ANY COST RECOVERY ACTION OR CLAIM FOR CONTRIBUTION OR OTHER ACTION OR CLAIM AGAINST SELLER OR SELLER’S AFFILIATES BASED ON (A) ANY FEDERAL, STATE, OR LOCAL ENVIRONMENTAL OR HEALTH AND SAFETY LAW OR REGULATION, INCLUDING CERCLA OR ANY STATE EQUIVALENT, OR ANY SIMILAR LAW NOW EXISTING OR HEREAFTER ENACTED, (B) ANY DISCHARGE, DISPOSAL, RELEASE, OR ESCAPE OF ANY CHEMICAL, OR ANY MATERIAL WHATSOEVER, ON, AT, TO, OR FROM THE PROPERTY, OR (C) ANY ENVIRONMENTAL CONDITIONS WHATSOEVER ON, UNDER, OR IN THE VICINITY OF THE PROPERTY, EXCEPT FOR CLAIMS BASED UPON A BREACH OF ANY REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS.

WITHOUT LIMITATION UPON PURCHASER’S RIGHT TO RELY ON THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN OR IN ANY CONVEYANCE DOCUMENTS OR CERTIFICATIONS, PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS

CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS, REPRESENTATIVES OR EMPLOYEES WITH RESPECT THERETO. UPON CLOSING, PURCHASER (AND ANY ENTITY AFFILIATED WITH OR CLAIMING BY, THROUGH OR UNDER PURCHASER) SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDI TIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND PURCHASER (AND ANY ENTITY AFFILIATED WITH OR CLAIMING BY, THROUGH OR UNDER PURCHASER), UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S AFFILIATES) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S AFFILIATES) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS, ERRORS OR OMISSIONS IN DESIGN OR CONSTRUCTION, OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, LIABILITIES EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY, EXCEPT FOR BREACHES BY SELLER OF THE EXPRESS PROVISIONS OF THIS AGREEMENT OR ANY CONVEYANCE DOC UMENTS OR CERTIFICATIONS.

THE PROVISIONS OF THIS SECTION 11.7 SHALL SURVIVE THE CLOSING AND ANY TERMINATION OF THIS AGREEMENT.

11.8 Trial by Jury. In any lawsuit or other proceeding initiated by Seller or Purchaser under or with respect to this Agreement, Seller and Purchaser each waive any right they may have to trial by jury. In addition, Purchaser waives any right to seek rescission of the transaction provided for in this Agreement. Notwithstanding any provision of this Agreement to the contrary, the obligations and agreements of the parties under this Section 11.8 shall survive any termination of this Agreement and the Closing.

11.9 Confidentiality. Except as may be required by law, without the prior written consent of Seller, and unless the Closing occurs, Purchaser shall not disclose to any third party the existence of this Agreement or any term or condition thereof or the results of any inspections or studies undertaken in connection herewith or make any

public pronouncements, issue any press releases or otherwise disclose the Information (hereinafter defined) or any information regarding this Agreement, or the transactions contemplated hereby to any third party; provided, however, that the foregoing shall not be construed to prevent Purchaser from making (without the consent of, but upon notice to, Seller) any disclosure required by any applicable law or regulation or judicial process and Seller expressly consents to Purchaser's disclosure of the material terms of this Agreement to the Federal Securities and Exchange Commission in a public record filing in the form attached as **Exhibit U**; provided, however, prior to making such disclosure or filing, Purchaser shall deliver to Seller a f inal version (with all blanks completed) of the proposed filing for Seller's approval, which shall not be unreasonably withheld, and if Seller fails to respond within 1 business day thereafter, Seller shall be deemed to have approved such filing. For purposes hereof, "**Information**" shall mean and shall be deemed to include, without limitation, the following written or oral information provided by or on behalf of Seller to Purchaser, its actual or proposed partners or lenders, and their respective agents, employees, representatives, consultants and board members (collectively, "**Purchaser's Representatives**") either prior to or following the Effective Date: (a) all documentation and/or information described in or relating to Section 1 of this Agreement, including, without limitation, Mal l Agreements, Tangible Personal Property, the Ground Lease and all other information regarding the operation, ownership, maintenance, management, or occupancy of the Property; (b) the Title and Survey; and (c) any reports, tests, or studies (together with the results of such studies and tests obtained or provided by, or on behalf of, Seller). Notwithstanding the foregoing, "Information" shall not include information that is generally known in the commercial real estate industry in the Portland, Oregon, Metropolitan Area.

Notwithstanding the foregoing, Seller's delivery and Purchaser's use of the Information are subject to the following terms: Purchaser shall (i) accept and hold all Information in strict confidence in accordance with the terms of this Agreement; (ii) not copy, reproduce, distribute or disclose the Information to any third party other than Purchaser's Representatives, except as permitted in the preceding paragraph; (iii) not use the Information for any purpose other than in connection with the transactions contemplated hereunder; and (iv) not use the Information in any manner detrimental to Seller or the Property. Purchaser agrees to transmit the Information only to those Purchaser's Representatives who are actively and directly participating in the evaluation of the acquisition of the Property, who are informed of and who have agreed to comply with the terms of this Section 11.9 of this Agreement and who are instructed not to make use of the Information in a manner inconsistent herewith. Purchaser shall be responsible for any breach of the terms of this Agreement by Purchaser' Representatives or any other person to whom the Information is communicated. Purchaser agrees to indemnify, defend and hold Seller and the Seller Indemnified Parties harmless against all Losses resulting from Purchaser's breach of this Section 11.9, as well as any breach thereof by Purchaser's Representatives, which indemnification shall survive the Closing or termination of this Agreement. Upon any termination of this Agreement, Purchaser shall return all Information provided by or on behalf of Seller to Seller, which obligation shall survive any termination of this Agreement. Notwithstanding the foregoing, upon Closing, Purchaser shall be entitled to use and disclose Information to any person or entity, as Purchaser may desire, in its sole judgment.

11.10 Reports. If for any reason Purchaser does not consummate the Closing, then Purchaser shall be entitled to retain all third-party reports relating to the Property or any part thereof prepared at the request of Purchaser, its employees and agents, and, only upon Seller's written request and without cost to Seller, Purchaser shall deliver copies of any or all such reports to Seller.

11.11 Reporting Person. Seller and Purchaser hereby designate Escrow Agent to act as and perform the duties and obligations of the "reporting person" with respect to the transaction contemplated by this Agreement for purposes of 26 C.F.R. Section 1.6045-4(e)(5) relating to the requirements for information reporting on real estate transactions closed on or after January 1, 1991. In this regard, Seller and Purchaser each agree to execute at Closing, and to cause Escrow Agent to execute at Closing, a Designation Agreement, designating Escrow Agent as the reporting person with respect to the transaction contemplated by this Agreement.

11.12 Press Releases. The parties hereto shall not issue any press releases with respect to the transactions contemplated hereby or consummated in accordance with the terms hereof except as required by law or upon the mutual agreement of the parties as to the form and content of such press release (with consent not to be unreasonably withheld or delayed by either party), except that either party may issue a press release after Closing without the consent of the other.

11.13 Counterparts. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as but a single instrument. A party hereto may deliver executed signature pages to this Agreement by facsimile transmission or by .pdf through email to any other party hereto, which facsimile or .pdf copy shall be deemed to be an original executed signature page.

11.14 Construction. This Agreement shall not be construed more strictly against Seller merely by virtue of the fact that the same has been prepared by Seller or its counsel, it being recognized both of the parties hereto have contributed substantially and materially to the preparation of this Agreement.

11.15 Partial Invalidity. In the event that any provision of this Agreement shall be unenforceable in whole or in part, such provision shall be limited to the extent necessary to render the same valid, or shall be excised from this Agreement, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited, or as if said provision has not been included herein, as the case may be.

11.16 Headings. Headings of Sections are for convenience of reference only, and shall not be construed as a part of this Agreement.

11.17 Attorneys' Fees. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to

interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its attorney, paralegal, accountant, and other expert fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

11.18 No Recording. Neither Seller nor Purchaser may record a copy of this Agreement or any memorandum hereof.

11.19 Due Diligence Agreement. Purchaser and Seller have previously executed a certain Due Diligence Agreement with respect to the Property dated as of November 10, 2010. In the event of any inconsistency between the terms of such Due Diligence Agreement and this Agreement, the terms of this Agreement shall control and supersede such terms in the Due Diligence Agreement which are inconsistent.

11.20 **Use (Required Statutory Notice).** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the Effective Date.

SELLER: PDC COMMUNITY CENTERS L.L.C., a Delaware limited liability company

By: /s/ Joel Bayer
Name: Joel Bayer
Authorized Signatory

PURCHASER: RETAIL OPPORTUNITY INVESTMENTS CORPORATION, a Delaware corporation

By: /s/ Stuart Tanz
Name: Stuart Tanz
Title: CEO

LIST OF EXHIBITS:

A-1	Legal Description of Division Land
A-2	Legal Description of Halsey Land
B	List of Leases
C	List of Service Contracts
D	Escrow Agreement
E	Permitted Exceptions
F	Existing Title Reports
G-1	Form of Deed
G-2	Form of Ground Lease Assignment
G-3	Statutory Quitclaim Deed for Improvements
H	Notice to Tenants
I	Notice to Parties to Service Contracts
J	Certificate of Non-Foreign Status
K	Tenant Inducements
L	Form Tenant Estoppel Certificate
M	Form Seller Tenant Estoppel Certificate
N	List of Pending Litigation
O	Bill of Sale
P	Material Violation Disclosures
Q	Lease Matters
R	Notice to Parties to Mall Agreements
S	Assignment of Leases
T	General Assignment
U	Disclosure Form

Schedules:

1.7	Other Agreements
9.3.1	Pre-Approved New Leases

EXHIBIT A-1

LEGAL DESCRIPTION
Division Land

Parcels 1 and 3, Partition Plat No. 1992-163, in the City of Portland, County of Multnomah and State of Oregon.

EXHIBIT A-2

LEGAL DESCRIPTION
Halsey Land

PARCEL I

Lot 9, Multhauf Acres, except the North 15 feet thereof, in the City of Gresham, County of Multnomah and State of Oregon.

PARCEL II

Tract 10, Multhauf Acres, in the City of Gresham, County of Multnomah and State of Oregon.
Excepting therefrom the North 145 feet of the East 145 feet.
Further excepting therefrom the North 15 feet and the East 15 feet taken for widening of N.E. Halsey Street and N.E. 181st Avenue respectively.

PARCEL III

All of Tract 11, Multhauf Acres, in the City of Gresham, County of Multnomah and State of Oregon.
Except the South 15 feet; also except the portion in N.E. 181st Avenue.

EXHIBIT B

LIST OF LEASES

Leases by Property

Property: Halsey Crossing

	Unit	Lease Signed Date
Strip Center Inline		
B&H LOCKSMITH SERVICES	01020	4/17/2008
BANK OF AMERICA	00051	11/11/2002
CURVES FOR WOMEN	01505	8/31/2009
DOTTY'S DELI	01043	8/23/2010
FASHION BUG	01519	1/7/2010
GRESHAM POSTAL EXPRESS	01511	3/25/2010
HALSEY CROSSING LAUNDROMAT	01503	2/14/2003
JOY TERIYAKI	01015	9/21/2009
NAILS FOR YOU	01040	9/13/2007
OTHER MOTHERS	01029	3/10/2010
RICHARD'S	01035	5/13/2008
SUN TANS	01025	2/3/2009
UNIQUE BUFFET CHINESE RESTAURANT	01045	4/30/2001
SAFEWAY	00011	5/1/1990
SHARI'S	00105	8/2/1990
WENDY'S	00106	12/13/1990
CLARK INSURANCE	01513	6/10/2010

Leases by Property

Property: Division Crossing

	Unit	Lease Signed Date
AUTOZONE	00103	7/1/2002
BURGERVILLE	00101	9/15/1993
BEAUTY NAILS AND TAN	01200	5/31/2007
CRICKET WIRELESS	01102	7/13/2010
DIVISION LIQUORS	01100	2/23/2009
DOTTY'S DELI	01116	8/24/2010
H20 LAUNDRY'S	01108	3/16/2004
LITTLE CAESARS PIZZA	01106	10/7/2005
RENT A CENTER	01128	5/18/2009
RICHARD'S	01112	5/13/2008
SUBWAY	01208	10/16/2002
WEIGHT WATCHERS	01124	10/18/2007
WORLD TAEKWONDO	01212	1/19/2009
RITE AID	00012	1/29/1991
SAFEWAY	00011	2/4/1991
POSTAL ANNEX		

EXHIBIT C

LIST OF SERVICE CONTRACTS

Halsey Crossing
Parking Lot Sweeping and Maintenance Agreement dated as of July 1, 2009 between Seller and Cantel Sweeping.

Exterior Landscape Maintenance Agreement dated as of August 1, 2009 between Seller and Brickman Group Ltd.

Division Crossing
Parking Lot Sweeping and Maintenance Agreement dated as of July 1, 2009 between Seller and Cantel Sweeping.

Exterior Landscape Maintenance Agreement dated as of August 1, 2009 between Seller and Brickman Group Ltd.

EXHIBIT D

ESCROW AGREEMENT

EARNEST MONEY ESCROW AGREEMENT

Stewart Title Guaranty Company	ESCROW OFFICER:
2 North LaSalle, 14th Floor	Chris Cameron
Chicago, Illinois 60602	TEL: (312) 849-5887
Attn: Chris Cameron	FAX: (773) 442-0276

ESCROW NO.: 10031565

DATE: November 29, 2010

PDC Community Centers L.L.C. ("**Seller**"), and Retail Opportunity Investments Corporation ("**Purchaser**"), are parties to that certain Purchase and Sale Agreement dated November 29, 2010 ("**Agreement**"). Seller, Purchaser and Stewart Title Guaranty Company ("**Escrow Agent**"), are entering into this Earnest Money Escrow Agreement ("**Escrow Agreement**") pursuant to Section 2.1 of the Agreement. In the event of any inconsis tency between the provisions of this Escrow Agreement and the provisions of the Agreement, the provisions of the Agreement shall control. However, the Escrow Agent may rely solely on this Escrow Agreement to administer the Deposit (as defined below). All capitalized terms used herein and not otherwise defined shall have the same meaning as provided in the Agreement.

A. No later than 5:00 p.m. Pacific Time on November 30, 2010, Purchaser shall deliver to Escrow Agent the sum of $500,000.00 in cash (the "**Initial Deposit** ") to be held by Escrow Agent in accordance with the terms of the Agreement. In the event the Agreement is not terminated prior to the end of the Due Diligence Period, Purchaser shall within one (1) business day after the expiration of the Due Diligence Period deliver to Escrow Agent the additional sum of $500,000.00 in cash (the "**Additional Deposit**") to be held by Escrow Agent in accordance with the terms of the Agreement (the Additional Deposit and Initial Deposit tog ether with all interest accrued thereon are collectively referred to herein as the ("**Deposit**"). The Deposit shall be held by Escrow Agent in an interest-bearing account until disbursed as herein provided. Escrow Agent shall invest the Deposit as directed by Seller and Purchaser. It is understood by the undersigned that Escrow Agent is not responsible for any loss of principal or interest which may be incurred as a result of making or redeeming this investment pursuant to the written directions of the parties to this Escrow Agreement. It is further understood by the undersigned that upon maturity of this investment, Escrow Agent shall be under no obligation to reinvest any sums without receiving subsequent written direction from Seller and Purchaser.

Escrow Agent will pay any interest accrued on the Deposit to the party entitled to the Deposit in accordance with the provisions of the Agreement. Escrow Agent shall hold and (a) disburse or (b) deliver or return the Deposit, each as appropriate, in the following manner:

(i) to Seller at the Closing upon consummation of the Closing (principal and interest)

to be credited against Purchase Price;

(ii) to Seller or Purchaser, if such party sends to Escrow Agent written demand therefor (the party sending such demand herein referred to as the "**Demanding Party**", and such other party, the "**Non-Demanding Party**"), stating that the Demanding Party is entitled to the Deposit pursuant to Section 7 or any other provision of the Agreement, subject to written objection by the Non-Demanding Party in accordance with Paragraph (B) below; and

(iii) Notwithstanding anything set forth herein or in the Agreement to the contrary, in the event that Purchaser is at any time entitled to a return of the Deposit (subject to the provisions of Paragraph (B) below) but Purchaser has not repaired any damage caused by such inspection or kept the Property free and clear of any mechanics' and materialmens' liens or other liens arising out of its activities on the Property and those of its representatives, agents and contractors, then (a) an amount equal to 150% of (i) the estimated costs of such repairs, plus (ii) the amount of such liens, shall be retained by Escrow Agent from the Deposit, which amount shall not be disbursed to Purchaser until such time as all such damage is repaired and all such liens are released, and (b) the balance of the Deposit shall be returned to Purchaser.

B. Upon receipt of written demand for the Deposit pursuant to clause (ii) of Paragraph (A) above, Escrow Agent shall promptly send a copy thereof to the Non-Demanding Party who shall have the right to object to the delivery of the Deposit to the Demanding Party by sending written notice of such objection to Escrow Agent within five (5) business days after Escrow Agent delivers to the Non-Demanding Party a copy of the written demand from the Demanding Party. Such notice from the Demanding Party shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of such objection from the Non-Demanding Party, Escrow Agent shall promptly send a copy thereof to the Demandi ng Party and shall refrain from sending the Deposit to the Demanding Party.

C. In the event of any dispute between the parties regarding the Deposit, or if Escrow Agent receives contradictory instructions, Escrow Agent shall disregard all unilateral instructions received and either (i) hold the Deposit until the dispute is mutually resolved and Escrow Agent is advised of this fact in writing by both Seller and Purchaser, or Escrow Agent is otherwise instructed by a final unappealable judgment or a judgment of a court of competent jurisdiction for which the time to appeal has expired, or (ii) deposit the Deposit with a court of competent jurisdiction (whereupon Escrow Agent shall be released and relieved of any and all liability and obligations hereunder from and after the date of such deposit).

D. In the event Escrow Agent is uncertain as to its duties or rights hereunder or shall receive conflicting instructions, claims or demands from the parties hereto, or instructions which conflict with any of the provisions of this Escrow Agreement, Escrow Agent shall refrain from taking any action other than to keep safely the Deposit until Escrow Agent is instructed otherwise in a writing signed by both Seller and Purchaser, or by a final unappealable judgment or a judgment of a court of competent jurisdiction for which the time to appeal has expired.

E. Escrow Agent may rely upon, and will be protected in acting or refraining from acting upon, any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties, provided that no modification of this Escrow Agreement which purports to affect the rights, duties or obligations of Escrow Agent hereunder shall be binding upon Escrow Agent unless Escrow Agent has signed such modification.

F. Escrow Agent may resign at will and be discharged from its duties or obligations hereunder by giving notice in writing of such resignation specifying a date when such resignation shall take effect; provided, however, that Escrow Agent, prior to such resignation, identifies a replacement escrow agent (the "**Replacement Escrow Agent**") who: (i) is approved in writing by Seller and Purchaser, which approval shall not be unreasonably withheld, conditioned or delayed, (ii) signs a counterpart of this Escrow Agreement to evidence its acceptance of the appointment as Escrow Agent, (iii) receives the Deposit from Escrow Agent and acknowledges receipt thereof, and (iv) agrees to be bound by all of the provisions hereof. If Escrow Agent resigns and no Replacement Escrow Agent is designated, Escrow Agent may deposit the Deposit with a court of competent jurisdiction. After resigning, as described above, Escrow Agent shall have no further duties or liability hereunder.

G. Purchaser and Seller, together, may terminate the appointment of Escrow Agent hereunder by giving to it notice of such termination, specifying the date upon which such termination will take effect and designating a Replacement Escrow Agent, consistent with clauses (i) through (iv) of Paragraph (G) above. After such termination, Escrow Agent will have no further duties or liability hereunder.

H. Seller and Purchaser shall share equally the fees, costs and expenses of Escrow Agent or Replacement Escrow Agent in connection with the carrying out of its duties hereunder.

I. Wherever under the terms and provisions of this Escrow Agreement the time for performance of a condition falls upon a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day.

Amendments to this Escrow Agreement that are in writing and signed by all the parties hereto or by their legal counsel shall be considered to be part of this Escrow Agreement. The undersigned hereby agree that in lieu of any original written signature, the facsimile signature on this Escrow Agreement or any amendment hereto will constitute a valid original signature and can be relied upon for enforcement purposes.

Notices to Seller, Purchaser, and Escrow Agent shall be sent as follows:

If to Seller:

c/o General Growth Properties, Inc.
110 North Wacker Drive
Chicago, Illinois 60606
Attention: Joel Bayer
Chief Investment Officer
Telephone: (312) 960-5015
Facsimile: (312) 960-5475

- and to –

c/o General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, Illinois 60606
Attention: Andrew P. Massmann
Vice President & Deputy General Counsel
Telephone: 312/960-2954
Facsimile: 312/960-5476

- and to –

Levenfeld Pearlstein, LLC
2 North LaSalle Street, Suite 1300
Chicago, Illinois 60602
Attention: Jason P. Neumark
Telephone: 312/476-7589
Facsimile: 312/346-8434

If to Purchaser:

Retail Opportunity Investments Corp.
3 Manhattanville Road, Second Floor
Purchase, New York 10577
Attention: Richard Schoebel, COO
Telephone: 914/272-8080
Facsimile: 914/272-8088

With a copy to:

Dunn Carney Allen Higgins & Tongue LLP
851 SW Sixth Avenue, Suite 1500
Portland, OR 97204
Attention: Kenneth S. Antell
Telephone: 503/224-6440
Facsimile: 503/224-7324

If to Escrow Agent:

Stewart Title Guaranty Company
2 North LaSalle Street, Suite 1400
Chicago, IL 60602
Attention: Chris Cameron
Telephone: 312/849-5887
Facsimile: 773/442-0276

Any communication, notice or demand of any kind shall be in writing and delivered by personal service (including express or courier service), by electronic communication, by facsimile (if confirmed in writing sent the same day by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested and addressed to the parties set forth above.

Any party may change its address for notice by written notice given to the other in the manner provided herein. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, on the date of confirmed dispatch, if by electronic communication, or three (3) days after being placed in the U.S. Mail, if mailed.

FOR SELLER:

PDC COMMUNITY CENTERS L.L.C.

By:_____
Name:_____
Authorized Signatory

FOR PURCHASER:

RETAIL OPPORTUNITY INVESTMENTS CORPORATION
By:_____
Name:_____
Its:_____

FOR ESCROW AGENT:

STEWART TITLE GUARANTY COMPANY

By:_____
Name:_____
Its:_____

EXHIBIT E

PERMITTED EXCEPTIONS

1. Acts of Purchaser, and those claiming by, through and under Purchaser.

2. General and special taxes and assessments not yet due and payable.

3. Rights of tenants in possession, as tenants only, under the Leases (in lieu of this Permitted Exception, actual tenants in possession to be listed on deeds and in title policy).

4. Zoning, building, land use, and other governmental and quasi-governmental laws, codes and regulations.

5. Water rights, claims or title to water, if applicable, unless created or suffered by Grantor.

6. All matters set forth in the Title and Survey, except for those to which Purchaser has objected and Seller has agreed to cure in accordance with the provisions of Section 3.2.

7. Such state of facts as would be disclosed by an ALTA survey of the Property.

8. All other exceptions approved (or not objected to), and any other matter which the Title Insurer agrees to insure against (by endorsement or otherwise), in accordance with the provisions of Section 3.2.

9. The Ground Lease.

10. The ROFR.

EXHIBIT F

EXISTING TITLE REPORTS

1. Stewart Title's Order No. 1006434, Preliminary Title Report dated November 12, 2010, regarding Halsey Real Property.

2. Stewart Title's Order No. 10031565, Preliminary Title Report dated November 11, 2010, regarding Division Real Property.

EXHIBIT G-1

FORM OF DEED

After recording return to:

_____
_____
_____
Attention: _____

Until a tax change is requested, all tax statements shall be sent to:

_____
_____
_____

STATUTORY SPECIAL WARRANTY DEED

_____,
a(n) _____ ("Grantor"), hereby conveys and specially warrants to _____, a(n) _____ ("Grantee"), the real property and improvements located at _____, in the County of , and legally described as set forth in the attached Exhibit A (the "Property"), free of encumbrances created or suffered by the Grantor except as specifically set forth in the attached Exhibit B (the "Permitted Exceptions").

The true and actual consideration for this conveyance is $_____.
.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11,

CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

[Signatures on following page]

DATED: _____, 2010.

GRANTOR:

_____

_____

By: _____
Printed Name: _____
Title: _____
Date: _____

STATE OF ILLINOIS)
) ss
County of _____)

The foregoing was acknowledged before me this ____ day of _____, 2010, by _____ as the _____ of , a(n) .

_____
Notary Public for Illinois

Exhibit A

Legal Description

Exhibit B

Permitted Exceptions

EXHIBIT G-2

FORM OF GROUND LEASE ASSIGNMENT

After recording mail to:
_____
_____
_____
_____
_____

This space reserved for Recorder's use only.

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and entered into as of _____ (the "Effective Date") by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

RECITALS:

A. Assignor and Assignee have heretofore entered into that certain Purchase and Sale Agreement dated as of _____ (the "Purchase Agreement"), pursuant to which Assignor has agreed to sell and assign to Assignee, and Assignee has agreed to purchase and assume from Assignor, all of Assignor's right, title and interest in, to and under the that certain ground lease described on Exhibit A attached hereto (the "Ground Lease"), with respect to that certain real property commonly known as _____ and more particularly described on Exhibit B attached hereto (the "Property").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Effective as of the Effective Date, Assignor hereby assigns, transfers, conveys and sets over to Assignee all of Assignor's right, title and interest in, to and under the Ground Lease.

2. Acceptance. Assignee hereby accepts the assignment of the Ground Lease and agrees to assume, keep, perform and fulfill all liabilities and obligations of the tenant under the Ground Lease which accrue from and after the Effective Date.

3. Exculpation of Assignor and Related Parties. The recourse of Assignee or its successors or assigns against Assignor, and its members, managers, officers, employees, agents and representatives, with respect to any alleged breach by or on the part of Assignor of any representation, warranty, covenant, undertaking, indemnity or agreement contained in this Assignment is subject to, and shall be limited as set forth in, the Purchase Agreement (including without limitation Section 10 thereof).

4. Assignor's Indemnity of Assignee. Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) indemnify, and hold harmless Assignee, its partners, and their officers, directors, employees, agents, representatives, successors, and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Ground Lease committed or alleged to have been committed prior to the Effective Date.

5. Assignee's Indemnity of Assignor. Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its members, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Ground Lease committed or alleged to have been committed on or after the Effective Date.

6. Binding Effect. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

7. No Modification. This Assignment shall not be altered, amended or otherwise modified, except as set forth in a written document executed by the parties hereto.

8. Governing Law. This Assignment and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the state where the Property is located.

9. Attorney Fees. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Assignment, or with respect to any dispute relating to this Assignment, the prevailing party shall be entitled to recover from the losing party its attorney, paralegal, accountant, and other expert fees, and all other fees, costs, and expenses actually incurred and

reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

10. Entire Agreement. Except for the Purchase Agreement, this Assignment contains the entire agreement between the parties and incorporates and supersedes all prior understandings and agreements, both written and oral, with respect to the Ground Lease. This Assignment may only be modified by a written instrument signed by both parties.

11. Counterparts; Facsimile and .pdf Signatures. This Assignment may be executed in two or more counterparts, all of which shall be read together and be construed as one instrument. In order to expedite the transaction contemplated herein, telecopied signatures or .pdf signatures sent via e-mail may be used in place of original signatures on this Assignment. Assignor and Assignee intend to be bound by the signatures on the telecopied or e-mailed document, are aware that the other party will rely on the telecopied or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Assignment based on th e form of signature.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

[ASSIGNOR]

By: _____
Name: _____
Title: _____

[ASSIGNEE]

By: _____
Name: _____
Title: _____

STATE OF _____)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____, as _____ of _____, _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument on behalf of the _____, as his/her own free and voluntary act and as the free and voluntary act of _____, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____.

_____
Notary Public
My Commission Expires:
_____

STATE OF _____)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____, as _____ of _____, _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument on behalf of the _____, as his/her own free and voluntary act and as the free and voluntary act of _____, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____.

_____
Notary Public
My Commission Expires:
_____

This Document Prepared By:

_____
_____
_____

_____

EXHIBIT G-3

FORM OF STATUTORY QUITCLAIM DEED FOR IMPROVEMENTS

After recording return to:

_____
_____
_____

Until a tax change is requested, all tax statements shall be sent to:

_____
_____
_____

STATUTORY QUITCLAIM DEED FOR IMPROVEMENTS

_____, a(n) _____("Grantor"), hereby releases and quitclaims to _____, a(n) _____ ("Grantee"), all Grantor's right, title, and interest in and to the improvements, structures, and buildings (the "Improvements") on the real property located at , in the County of , and legally described as set forth in the attached Exhibit A (the "Property").

The true and actual consideration for this conveyance is $1 and other good and valuable consideration.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF

ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

[Signatures on following page]

DATED: _____, 2010.

By: _____
Printed Name: _____
Title: _____
Date: _____

STATE OF ILLINOIS)
) ss
County of _____)

The foregoing was acknowledged before me this ____ day of _____, 20___, by _____ as the _____ of , a(n) _____.

_____
Notary Public for Illinois

Exhibit A

Legal Description

Exhibit B

Permitted Exceptions

EXHIBIT H

NOTICE TO TENANTS

[Date]

Certified Mail
Return Receipt Requested

[Addressee]

RE: [Site Address]
Change of Ownership Letter

To Whom This May Concern:

Retail Opportunity Investments Corp. is pleased to announce a change of ownership of_____. Effective immediately, ownership of _____ has transferred to Retail Opportunity Investments Corporation ("ROIC"). Moving forward, ROIC is excited about the opportunity to own, manage and operate the shopping center. More specifically, ROIC looks forward to working with _____ during your tenancy at _____.

My name is Richard Schoebel and I am the Chief Operating Officer of ROIC. I can be reached directly at (914/272-8085). I along with Austin Barsophy will be working with you during your tenancy at _____. Please do not hesitate to contact Austin directly at (914/272-8068) if you cannot reach me.

Please note that all future rental payments under the lease must be directed to the ROIC at:

ROIC _____
P.O. Box 100081
Pasadena, CA 91189-0081

All other correspondence and Legal Notices under the lease must be directed to ROIC at:

ROIC _____
c/o Retail Opportunity Investments Corp.
2nd Floor
3 Manhattanville Road
Purchase, NY 10577

Insurance Reminder: In accordance with the terms and conditions of your lease, you must provide the Landlord with a certificate of insurance in the amounts outlined in your lease. Please note, ROIC _____ must be shown as an additional insured.

You are further notified that any refundable security deposits or any prepaid rents under your lease have been transferred to ROIC.

ROIC is committed to working with you to make _____ the most successful retail project in the dynamic _____ . Also, please find enclosed your Rent Statement commencing on _____ . If I can be of further assistance, please do not hesitate to call.

Sincerely,

Retail Opportunity Investments Corp.

Richard K. Schoebel
Chief Operating Officer

EXHIBIT I

NOTICE TO PARTIES TO SERVICE CONTRACTS

_____,
201_

Re: [NAME], [CITY], [STATE] (the "Property")

Dear Service Provider:

This is to notify you that PDC Community Centers L.L.C. ("Owner"), has sold its interest in the property described above to _____, a _____ ("Purchaser"), and in connection therewith has assigned its interest under your service contract to Purchaser. All notices to the owner of the Property pursuant to your service contract at the Property should be sent to Purchaser in the manner provided in the service contract to the following address:

_____
_____
_____
_____

Very truly yours,

PDC
COMMUNITY CENTERS L.L.C.

By: _____
Name: _____
Authorized
Signatory

EXHIBIT J

CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. _____ ("GGP"), is a disregarded entity for federal tax purposes. _____ ("Transferor"), is the tax reporting entity for GGP. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Transferor, the undersigned hereby certifies the following:

1. Neither Transferor nor GGP is a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor is not a disregarded entity as defined in §1.1445-2(b)(2)(iii) of the Code;

3. GGP is a disregarded entity as defined in §1.1445-2(b)(2)(iii) of the Code;

4. Transferor's U.S. employer identification number is _____.

5. Transferor's office address is:

c/o General Growth Properties, Inc.
110 North Wacker Drive
Chicago, IL 60606

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury the undersigned declares that it has examined this certification and to the best of its knowledge and belief, the information contained herein is true, correct and complete.

Executed as of the _____ day of _____, 20___.

TRANSFEROR:

By: _____
Name: _____
Title: _____

EXHIBIT K

TENANT INDUCEMENT COSTS AND LEASING COMMISSIONS

Purchaser is obligated to pay the following: All Tenant Inducement Costs and Leasing Commissions, to the extent consistent with the prior estimates that were provided by Seller to Purchaser on or about November 23 or 24, 2010 (the "Estimates"), in connection with:

Halsey Crossing: Dollar Tree, Sun Tans and Joy Teriyaki leases

Division Crossing: Postal Annex and Weight Watchers leases

Any Tenant Inducement Costs or Leasing Commissions in connection with the above leases which are materially greater than those described in the Estimates shall require Purchaser's written consent, which shall not be unreasonably withheld.

Seller is obligated to pay the following: None

EXHIBIT L

FORM TENANT ESTOPPEL CERTIFICATE

General Growth Properties, Inc.
110 North Wacker Drive
Chicago, Illinois 60606
Attention: Ronald L. Gern, General Counsel

[PURCHASER]
_____
_____
Attention:_____

Re: Lease described in Exhibit A (the "Lease") between the undersigned ("Tenant") and the Landlord named therein ("Landlord") concerning the premises described therein ("Leased Premises") located at the property generally described in Part C of Exhibit A ("Property").

At the request of Landlord, made in connection with the proposed sale of the Property to the above named purchaser ("Purchaser"), the undersigned hereby certifies to Landlord and Purchaser, and any lender of Purchaser or Landlord ("Lender"), as follows:

1. Except as shown on Part D of Exhibit A, the Lease is presently in full force and effect and the original Lease has not been amended, extended, supplemented or modified.

2. The Lease represents the entire agreement between Tenant and Landlord with respect to the Leased Premises, the Property and the building of which the Leased Premises are a part.

3. Except as disclosed in Part D of Exhibit A, Tenant is in sole possession of the Leased Premises and is occupying the Leased Premises and conducting business therein and Tenant has not entered into any assignment, sublease, hypothecation, leasehold mortgage or other agreement transferring or encumbering any of its interest in the Lease or the Leased Premises.

4. The commencement and expiration dates of the Lease and certain information concerning rent provisions under the Lease, as well as the square footage of the Leased Premises, are set forth in Exhibit A. Minimum rent, additional rent, and all other charges due under the Lease have been paid up to and including _____ 201__. No rent or other charge or expense has been paid more than 30 days in advance of its due date.

---

5. The amount of Tenant's security deposit, if any, is as set forth on Part H of Exhibit A.

6. Except as shown on Part L of Exhibit A, to the knowledge of the Tenant, Landlord has no unpaid obligations under the Lease.

7. Except as shown on Part L of Exhibit A, neither Tenant nor, to Tenant's best knowledge, Landlord is in default under any of the terms of the Lease, nor has any event occurred which with the passage of time or the giving of notice or both would constitute a default under the Lease. Except as shown on Part L of Exhibit A, Tenant has no claims, counterclaims, defenses or setoffs against Landlord arising under the Lease or in connection with the Leased Premises or the Property, and Tenant is not entitled to any concession, abatement, rebate, allowance or free or reduced rent for any period after the date hereof, except as set forth on Part L of Exhibit A.

8. Except as shown on Part L of Exhibit A, possession of the Leased Premises has been delivered to Tenant, and Tenant has accepted the Leased Premises, occupies the Leased Premises and is open for business in the Leased Premises. Landlord has completed all construction required by the Lease and Landlord has no current obligation to pay for any Tenant finish, leasehold improvements or other construction. Further, all other conditions under the Lease to be performed by Landlord have been satisfied, including, without limitation, all co-tenancy requirements thereunder, if any.

9. Except as shown on Part L of Exhibit A, to Tenant's best knowledge and belief, all space and improvements leased by Tenant have been completed in compliance with applicable laws and Tenant has received no notice of and has no knowledge of, any violation of any governmental law or requirement with respect to the Leased Premises or its operations.

10. Except as shown on Part G of Exhibit A, Tenant does not have any right to renew or extend the Lease, or to terminate the Lease, or to expand or lease additional space, or any option or preferential right to purchase all or any part of or interest in the Leased Premises or the building of which the Leased Premises are a part, or the Property.

11. There are no actions pending against Tenant or any guarantor of Tenant's obligations under the Lease pursuant to bankruptcy, insolvency or other similar laws of any jurisdiction.

12. All of the matters set forth herein and on Exhibit A are true and correct as of the date hereof.

13. Tenant acknowledges that Purchaser's interest under the Lease and the rent and all other sums due thereunder will be assigned to Lender as part of the security for a loan by Lender to Purchaser. In the event that Lender notifies Tenant of a default under the mortgage and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant agrees that it shall pay its rent and all such other sums to Lender. Tenant further acknowledges

that Lender, as the holder of a loan secured by the Property, may fully rely on the certifications made herein.

14. In the event that Lender succeeds to the interest of the Landlord or any successor to Landlord then Tenant hereby agrees to attorn to and accept Lender and to recognize Lender as its Landlord under the Lease for the then remaining balance of the term thereof, and upon request of Lender, Tenant shall execute and deliver to Lender an agreement of attornment reasonably satisfactory to Lender.

IN WITNESS WHEREOF, Tenant has executed this Estoppel Certificate on this ___ day of _____, 201__.

Tenant:

By:
Its:

EXHIBIT M

FORM SELLER ESTOPPEL CERTIFICATE

Attention: _____
Ladies and Gentlemen:

At the request of _____ ("Purchaser"), the undersigned ("Seller"), hereby certifies to Purchaser and any party providing financing to Purchaser, as follows in connection with the proposed sale of [the ground leasehold estate in] the property commonly known as _____ located in _____ (the "Property"), all to the best of Seller's knowledge:

1. Except as shown on Part D of Exhibit A, the Lease is presently in full force and effect and the original Lease has not been amended, extended, supplemented or modified.

2. The Lease represents the entire agreement between Tenant and Seller with respect to the Leased Premises, the Property and the building of which the Leased Premises are a part.

3. Except as disclosed in Part D of Exhibit A, to the best of Seller's knowledge, Tenant is in sole possession of the Leased Premises and is occupying the Leased Premises and conducting business therein and Tenant has not entered into any assignment, sublease, hypothecation, leasehold mortgage or other agreement transferring or encumbering any of its interest in the Lease or the Leased Premises.

4. The commencement and expiration dates of the Lease and certain information concerning rent provisions under the Lease, as well as the square footage of the Leased Premises, are set forth in Exhibit A. Minimum rent, additional rent, and all other charges due under the Lease have been paid up to and including _____ 201__. No rent or other charge or expense has been paid more than 30 days in advance of its due date.

5. The amount of Tenant's security deposit, if any, is as set forth on Part H of Exhibit A.

6. Except as shown on Part L of Exhibit A, to the best of Seller's knowledge, Seller has no unpaid obligations under the Lease.

7. Except as shown on Part L of Exhibit A, neither Seller nor, to the best of Seller's knowledge, Tenant, is in default under any of the terms of the Lease, nor to the best of Seller's knowledge has any event occurred which with the passage of time or the giving of notice or both would constitute a default under the Lease. Except as shown on Part L of Exhibit A, to the best of Seller's knowledge, Tenant has no claims, counterclaims, defenses or setoffs against Seller arising under the Lease or in connection with the Leased Premises or the Property, and

Tenant is not entitled to any concession, abatement, rebate, allowance or free or reduced rent for any period after the date hereof, except as set forth on Part L of Exhibit A.

8. Except as shown on Part L of Exhibit A, possession of the Leased Premises has been delivered to Tenant, and to the best of Seller's knowledge, Tenant has accepted the Leased Premises, occupies the Leased Premises and is open for business in the Leased Premises. Seller has completed all construction required by the Lease and Seller has no current obligation to pay for any Tenant finish, leasehold improvements or other construction. Further, all other conditions under the Lease to be performed by Seller have been satisfied, including, without limitation, all co-tenancy requirements thereunder, if any.

9. Except as shown on Part L of Exhibit A, to the best of Seller's knowledge, all space and improvements leased by Tenant have been completed in compliance with applicable laws and Seller has received no notice of and has no knowledge of, any violation of any governmental law or requirement with respect to the Leased Premises or its operations.

10. Except as shown on Part G of Exhibit A, Tenant does not have any right to renew or extend the Lease, or to terminate the Lease, or to expand or lease additional space, or any option or preferential right to purchase all or any part of or interest in the Leased Premises or the building of which the Leased Premises are a part, or the Property.

11. To the best of Seller's knowledge, there are no actions pending against Tenant or any guarantor of Tenant's obligations under the Lease pursuant to bankruptcy, insolvency or other similar laws of any jurisdiction.

12. All of the matters set forth herein and on Exhibit A are true and correct as of the date hereof.

When used herein, phrases such as "to Seller's knowledge" or "to the best of Seller's knowledge" shall mean the conscious actual knowledge (as opposed to constructive, deemed or imputed knowledge) of or receipt of written notice by Luc A. Picotte (the "**Knowledge Party**"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of Seller, any property manager or any of their respective affiliates. There shall be no duty imposed or implied to investigate, inspect or audit any such matters, and there shall be no personal liability on the part of the Knowledge Party.

The liability of Seller hereunder shall be subject to the provisions of Section 8.2 and Section 10 of that certain Purchase and Sale Agreement dated as of _____ by and between Seller and Purchaser.

Very truly yours,

PDC COMMUNITY CENTERS L.L.C.
By: _____
Name: _____
Authorized Signatory

EXHIBIT N

LIST OF PENDING LITIGATION

None.

EXHIBIT O

BILL OF SALE

PDC COMMUNITY CENTERS L.L.C., a Delaware limited liability company ("Seller"), in consideration of Ten and No/100 Dollars ($10.00), receipt of which is hereby acknowledged does hereby sell, assign and transfer to _____, a _____ ("Purchaser"), all of Seller's right, title and interest in, to and under the Tangible Personal Property (as defined in that certain Purchase and Sale Agreement dated as of _____ (the "Agreement") by and between Seller and Purchaser) relating to [the leasehold estate in] that certain real property commonly known as _____. Such sale, assignment and transfer do not include any of the Excluded Property (as defined in the Agreement).

This sale, assignment and transfer is made without representation, warranty or guaranty by, or recourse against, Seller of any kind whatsoever except that Seller warrants that it is the owner of the Tangible Personal Property herein conveyed and such Tangible Personal Property is free and clear of liens or security interests created by Seller. Further, any implied warranties of quality, fitness or merchantability are hereby disclaimed.

The recourse of Purchaser or its successors or assigns against Seller, and its members, managers, officers, employees, agents and representatives, with respect to any alleged breach by or on the part of Seller of any representation, warranty, covenant, undertaking, indemnity or agreement contained in this Bill of Sale is subject to, and shall be limited as set forth in, the Agreement (including without limitation Section 10 thereof).

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of the ____ day of _____, 201__.

PDC COMMUNITY CENTERS L.L.C.
By: _____
Name: _____
Authorized Signatory

EXHIBIT P

MATERIAL VIOLATION DISCLOSURES

None

EXHIBIT Q

LEASE MATTERS

None

EXHIBIT R

NOTICE TO PARTIES TO MALL AGREEMENTS

_____, 201__

Re: [NAME], [CITY], [STATE] (the "Property")

This is to notify you that PDC Community Centers L.L.C. ("Owner"), has sold its interest in the property described above and in connection therewith has assigned its interest under that certain _____ dated _____ (the "Agreement") to _____, a _____ ("Purchaser").

You are further notified that any prepaid amounts under the Agreement have been transferred to Purchaser.

Commencing as of _____, all payments under the Agreement shall be paid to Purchaser or as Purchaser shall direct. Please make your checks payable to Purchaser at the following address:

_____
_____
_____

Any written notices you desire or are required to make to under the Agreement should hereafter be sent to Purchaser at the above address.

Very truly yours,

PDC COMMUNITY CENTERS L.L.C.
By: _____
Name: _____
Authorized Signatory

EXHIBIT S

ASSIGNMENT OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") is made and entered into as of _____ (the "Effective Date") by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

RECITALS:

A. Assignor and Assignee have heretofore entered into that certain Purchase and Sale Agreement dated as of _____ (the "Purchase Agreement"), pursuant to which Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, [the leasehold estate in] that certain real property commonly known as _____ (the "Property").

B. In connection with the transactions contemplated by the Purchase Agreement, Assignor has agreed to assign to Assignee all of its right, title and interest in, to and under all leases with respect to the Property, as more particularly described on the list attached hereto as Exhibit A (collectively, the "Leases").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Effective as of the Effective Date, Assignor hereby assigns, transfers, conveys and sets over to Assignee all of Assignor's right, title and interest in, to and under the Leases, including any security deposits held thereunder, but only to the extent assignable or transferable without the consent of any party. Such assignment, transfer and conveyance do not include any of the Excluded Property (as defined in the Purchase Agreement).

2. Acceptance. Assignee hereby accepts the assignment of the Leases and agrees to assume, keep, perform and fulfill all liabilities and obligations of the landlord under the Leases which accrue from and after the Effective Date.

3. Exculpation of Assignor and Related Parties. The recourse of Assignee or its successors or assigns against Assignor, and its members, managers, officers, employees, agents and representatives, with respect to any alleged breach by or on the part of Assignor of any representation, warranty, covenant, undertaking, indemnity or agreement contained in this Assignment is subject to, and shall be limited as set forth in, the Purchase Agreement (including without limitation Section 10 thereof).

4. Assignor's Indemnity of Assignee. Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) indemnify, and hold harmless Assignee, its partners,

and their officers, directors, employees, agents, representatives, successors, and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Leases committed or alleged to have been committed prior to the Effective Date.

5. Assignee's Indemnity of Assignor. Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its members, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Leases committed or alleged to have been committed on or after the Effective Date.

4. Binding Effect. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. No Modification. This Assignment shall not be altered, amended or otherwise modified, except as set forth in a written document executed by the parties hereto.

6. Governing Law. This Assignment and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the state where the Property is located.

7. Counterparts; Facsimile and .pdf Signatures. This Assignment may be executed in two or more counterparts, all of which shall be read together and be construed as one instrument. In order to expedite the transaction contemplated herein, telecopied signatures or .pdf signatures sent via e-mail may be used in place of original signatures on this Assignment. Assignor and Assignee intend to be bound by the signatures on the telecopied or e-mailed document, are aware that the other party will rely on the telecopied or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Assignment based on the form of signature.

8. Attorney Fees. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Assignment, or with respect to any dispute relating to this Assignment, the prevailing party shall be entitled to recover from the losing party its attorney, paralegal, accountant, and other expert fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

9. Entire Agreement. Except for the Purchase Agreement, this Assignment contains the entire agreement between the parties and incorporates and supersedes all prior

understandings and agreements, both written and oral, with respect to the Leases. This Assignment may only be modified by a written instrument signed by both parties.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

[*Signatures follow on next page]*

EXHIBIT T

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this "Assignment") is made and entered into as of _____ (the "Effective Date") by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

RECITALS:

A. Assignor and Assignee have heretofore entered into that certain Purchase and Sale Agreement dated as of _____ (the "Purchase Agreement"), pursuant to which Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, [the leasehold estate in] that certain real property commonly known as _____ (the "Property").

B. In connection with the transactions contemplated by the Purchase Agreement, Assignor has agreed to assign to Assignee all of its right, title and interest, if any, in, to and under the maintenance, service, leasing, brokerage, advertising and other like contracts and agreements with respect to the ownership and operation of the Property or any portion thereof (excluding contracts affecting other properties in addition to the Property), as listed on Exhibit A attached hereto (collectively, the "Service Contracts").

C. In connection with the transactions contemplated by the Purchase Agreement, Assignor has agreed to assign to Assignee all of its right, title and interest, if any, in, to and under all intangible property, permits, licenses, approvals, guarantees and warranties benefiting or pertaining to the Property or any portion thereof (collectively, the "Intangibles").

D. In connection with the transactions contemplated by the Purchase Agreement, Assignor has agreed to assign all of its right, title and interest, if any and to the extent assignable, in, to and under those documents listed on Exhibit B attached hereto (collectively, the "Other Agreements").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Assignment. Effective as of the Effective Date, Assignor hereby assigns, transfers, conveys and sets over to Assignee all of Assignor's right, title and interest, if any, in, to and under the Service Contracts, Intangibles and the Other Agreements, but only to the extent assignable or transferable without the consent of any party. Such assignment, transfer and conveyance do not include any of the Excluded Property (as defined in the Purchase Agreement).

2. Acceptance. Assignee hereby accepts the assignment of the Service Contracts, Intangibles and the Other Agreements, and agrees to assume, keep, perform and fulfill all liabilities and obligations of Assignor which accrue under the Service Contracts, Intangibles and the Other Agreements from and after the Effective Date.

3. Exculpation of Assignor and Related Parties. The recourse of Assignee or its successors or assigns against Assignor, and its members, managers, officers, employees, agents and representatives, with respect to any alleged breach by or on the part of Assignor of any representation, warranty, covenant, undertaking, indemnity or agreement contained in this Assignment is subject to, and shall be limited as set forth in, the Purchase Agreement (including without limitation Section 10 thereof).

4. Assignee's Indemnity of Assignor. Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its members, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Service Contracts, Intangibles and Other Agreements, committed or alleged to have been committed on or after the Effective Date.

5. Assignor's Indemnity of Assignee. Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) indemnify, and hold harmless Assignee, its partners, and their officers, directors, employees, agents, representatives, successors, and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Service Contracts, Intangibles and Other Agreements, committed or alleged to have been committed prior to the Effective Date.

6. Binding Affect. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

7. No Modification. This Assignment shall not be altered, amended or otherwise modified, except as set forth in a written document executed by the parties hereto.

8. Governing Law. This Assignment and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the state where the Property is located.

9. Counterparts; Facsimile and .pdf Signatures. This Assignment may be executed in two or more counterparts, all of which shall be read together and be construed as one instrument. In order to expedite the transaction contemplated herein, telecopied signatures or .pdf signatures sent via e-mail may be used in place of original signatures on this Assignment. Assignor and Assignee intend to be bound by the signatures on the telecopied or e-mailed document, are aware that the other party will rely on the telecopied or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Assignment based on the form of signature.

10. Attorney Fees. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Assignment, or with respect to any dispute relating to this Assignment, the prevailing party shall be entitled to recover from the losing party its attorney, paralegal, accountant, and other expert fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, o r other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

11. Entire Agreement. Except for the Purchase Agreement, this Assignment contains the entire agreement between the parties and incorporates and supersedes all prior understandings and agreements, both written and oral, with respect to the Service Contracts, Intangibles and Other Agreements. This Assignment may only be modified by a written instrument signed by both parties.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

[*Signatures follow on next page]*

EXHIBIT U

DISCLOSURE FORM

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):
November [•], 2010

RETAIL OPPORTUNITY INVESTMENTS CORP.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**001-33749**	**26-0500600**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

3 Manhattanville Road, Purchase, NY	**10577**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(914) 272-8080**
Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing of obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On November [•], 2010, Retail Opportunity Investments Corp. (the "Company") entered into an agreement for purchase and sale agreement (the "Purchase Agreement") with PDC Community Centers L.L.C. (the "Seller") to acquire (i) certain parcels of real estate commonly known as Division Crossing located in Portland, Oregon (the "Division Property") and (ii) a ground lease, by and between Aldo Rossi, as landlord (the "Ground Lessor"), and the Seller 's predecessor in interest, as tenant, with respect to certain parcels of real estate commonly known as Halsey Crossing in Gresham, Oregon (the "Halsey Property" and, together with the Division Property, the "Property") for an aggregate purchase price of $18.05 million, of which $11.025 million is allocated to the Division Property and $7.025 is allocated to the Halsey Property. The ground lease relating to the Halsey Property expires on June 1, 2069. There is an annual minimum ground lease rent equal to $200,000 per annum and 20% of the net operating income realized from the Halsey Property which is in excess of $325,000. [In addition, the ground lease requires that the ground lessee shall also pay to the Ground Lessor as bonus rent 25% of all sales in excess of $36,000,000 per annum which are made from the Safeway Inc. store [located at the Halsey P roperty].

The Division Property is a [grocery-anchored neighborhood shopping center] of approximately [•] square feet that is anchored by [•]. It is currently [•]% leased. The Division Property is located in an area with approximately [•] people within a five mile radius, with an average household income of approximately $[•].

The Halsey Property is a [grocery-anchored neighborhood shopping center] of approximately [•] square feet that is anchored by [•]. It is currently [•]% leased. The Halsey Property is located in an area with approximately [•] people within a five mile radius, with an average household income of approximately $[•].

The Purchase Agreement contains terms, conditions, covenants, and representations and warranties that are customary and typical for a transaction of this nature. The acquisition of the Property remains subject to closing conditions, including approval of the transaction by the Board of Directors of the parent company of the Seller, an estoppel certificate and release from the Ground Lessor and, with respect to the Company's obligation to purchase the Halsey Property, the waiver of a tenant's right of first refusal with respect to such property. The Company has paid to the Seller an earnest money deposit of $1,000,000, which is nonrefundable except under certain circumstances, such as if the transaction fails to close due to a Seller default under the Purchase Agreement or failure of a condition precedent to the Company's obligation to close.

A copy of the Purchase Agreement will be filed as an exhibit to the Company's Form 10-K filed for the period ending December 31, 2010.

Forward-Looking Statements.

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company has based these forward-looking statements on the current expectations and projections of the Company about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may,R 21; "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in the Company's other SEC filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RETAIL OPPORTUNITY INVESTMENTS CORP.

Dated: November [•], 2010

RETAIL OPPORTUNITY INVESTMENTS CORP.

By: /s/ John B. Roche

John B. Roche
Chief Financial Officer

SCHEDULE 1.7

OTHER AGREEMENTS

None

SCHEDULE 9.3.1

PRE-APPROVED NEW LEASES

Halsey Crossing
Dollar Tree
Sun Tans
Joy Teriyaki
McCoy Christmas Tree Lot

Division Crossing
Postal Annex
Weight Watchers
McCoy Christmas Tree Lot

AGREEMENT FOR SALE AND PURCHASE OF PARTNERSHIP INTERESTS

THIS AGREEMENT FOR SALE AND PURCHASE OF PARTNERSHIP INTERESTS (this "Agreement") is effective as of November 30, 2010 (the "Effective Date"), between TCA HOLDINGS, LLC, a Washington limited liability company ("TCA"), SHER GP, INC., a Washington corporation ("Sher GP"); Mel Ronick IRA, Merrill Lynch IRA FBO Eugene Clahan, and Jacqueline Kudler, Trustee of the Joel J. Kudler Marital Trust u/a dated 11/11/88 (collectively, the "Minority Sellers"); Doris Blum, The Blum Family Trust, the Joseph Blum Irrevocable Trust, the Blum 1986 Grandchildren's Trust I, the Ari Blum Trust, the Morgan Blum Trust, Thomas Bomar, Trust B under the Harris Trust u/a dated 7/22/88, Rawson, Blum & Company, the Rawson Living Trust, Argus Gro up, Ltd., Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88, Merritt and Pamela Sher Living Trust, Ronald Sher, Sylvia Sher, Sydney Sher Marital Trust, Terranomics Investment Partnership, and Terranomics, a California corporation (collectively, the "Non-Selling LPs"), RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP, a Delaware limited partnership, or its assign ("Buyer" or "ROIP"), RONALD SHER ("Sher"), and TERRANOMICS CROSSROADS ASSOCIATES, a California limited partnership ("Company"). TCA, Sher GP and the Minority Sellers are collectively referred to herein as "Sellers."

RECITALS:

A. Company is the fee owner of that certain project commonly known as the Crossroads Shopping Center, a 435,900 gross leasable area square foot shopping center with a 38,000 square foot theatre on a ground lease, containing approximately 40 acres of land in the City of Bellevue, County of King, State of Washington, with street address 15600 NE 8th Street, Bellevue, WA 98008, as more particularly described on the attached **Exhibit A** (the "Property"), and related personal property (collectively, the "Project").

B. Buyer is an operating partnership whose sole limited partner is Retail Opportunity Investments Corp. ("ROIC"), a Delaware corporation organized and existing as a real estate investment trust ("REIT") under applicable law.

C. The Project is encumbered by a senior trust deed in the original principal amount of $53,000,000 (the "Senior Loan") in favor of Variable Annuity Life Insurance Company, a Texas corporation (the "Senior Lender"), and a junior trust deed in the original principal amount of $10,000,000 (the "Junior Loan") in favor of Metrovation Capital, LLC, a Washington limited liability company, and subsequently assigned to The TII Fund LLC, a Nevada limited liability company (the "Junior Lender").

D. The Junior Lender is an affiliate of TCA and Sher GP.

E. TCA owns eighty-five percent (85%) of the limited partnership interests in Company, represented by 5,362 limited partnership units in the Company ("TCA Units"). The Minority Sellers own those percentages of the limited partnership interests in the Company and that number of limited partnership units in the Company as described in **Exhibit B** attached hereto. The TCA Units and the units owned by the Minority Sellers are collectively referred to herein as the "LP Units."

F. Sher GP is the general partner of Company. Sher GP currently owns one hundred percent (100%) of the general partnership interest in Company represented by 10.0571 general partnership units in the Company ("GP Units").

G. Sher is the sole shareholder and sole director of Sher GP.

H. Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, LP Units constituting, in the aggregate, 49% of the total LP Units, and GP Units constituting 49% of the total GP Units (collectively, the "Partnership Interests") on the terms and conditions set forth below.

I. For a period of twelve (12) months after the Closing Date (as defined in Section 10.1), Seller desires to have an option to require Buyer or an affiliate of Buyer to loan Company the sum of $10,000,000 (the "Buyer's Loan"), of which approximately $1,000,000 shall be deposited into an escrow expense account for Company to draw against to make capital expenditures to the Project as such capital expenditures may be authorized pursuant to the company's Partnership Agreement (as defined in Section 1.3 below), as amended by this Agreement. The remaining $9,000,000 of Buyer's Loan shall either be, at Buyer's sole election: (1) used to pay off the Junior Lo an balance, in which case the Junior Loan shall no longer encumber the Project and the Buyer's Loan shall replace the Junior Loan as the new junior loan against the Project, or (2) used to purchase the Junior Loan, in which case, Sellers shall cause the Junior Lender to accept Buyer's payment of approximately $9,000,000 to purchase the Junior Lender's right, title, and interest in and to the Junior Loan, the Junior Loan shall remain the junior loan against the Project and Buyer shall become the assignee and successor beneficiary under the Junior Loan, subject to such modifications to the Junior Loan terms as Buyer and Company shall mutually agree, subject to the consent of the Senior Lender.

J. Company, Sellers and Sher desire for Buyer to purchase the Partnership Interests and potentially, to make Buyer's Loan to Company. Accordingly, Company, Sellers and Sher are willing to facilitate the transaction contemplated herein by making certain representations, warranties, and indemnifications for the benefit of Buyer. Buyer would not be willing to complete the transaction without such representations, warranties, and indemnifications.

K. Argus Group, Ltd., dba Metrovation, is a commercial property management firm owned and controlled by Sher that provides property management services for the Project at the direction of Sher.

L. The Non-Selling LPs are not selling their partnership interests at this time, but have agreed to grant Buyer an option to purchase and a right of first offer to purchase their partnership interests in the Company and to be bound by certain specific provisions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

AGREEMENT:

1. Buyer's Loan and Purchase of Partnership Interests.

1.1 Purchase of Partnership Interests. Subject to the terms and conditions set forth in this Agreement, Sellers agree to sell, assign, and transfer the Partnership Interests to Buyer and Buyer agrees to purchase the Partnership Interests from Sellers and become a limited partner and a general partner of the Company on the terms and conditions set out herein.

1.1.1 Purchase Price. The purchase price for the Partnership Interests shall be calculated as provided in this Section 1.1.1, subject to adjustment as provided herein, depending on the balance of the Senior Loan and Company accounting upon the Closing Date (the "Purchase Price"). The Purchase Price shall be allocated $18,750 to the GP Units and the rest to the LP Units. TCA agrees that if some Minority Sellers wish to sell more than 49% of their LP Un its, TCA will sell that number of the TCA Units which will give Buyer ownership of 49% of all LP Units. The Purchase Price shall be equal to the Total Value of the Project as of the Closing Date, less the balance owed on the Senior Loan at Closing, less the balance owed on the Junior Loan at Closing, all times .49. The Total Value of the Project for purposes of this Section 1.1.1 shall be calculated as follows: $86,000,000.00 (which represents the agreed-upon value of the real estate, buildings, and other fixtures and improvements and the leases on the Project currently in place), plus the value of other Company assets (including but not limited to cash, notes receivable, rents receivable for any partial month, etc.), less all Company liabilities other than the amounts then owing on the Senior Loan and the Junior Loan on the Closing Date and in accordance with Generally Accepted Accounting Principles ("GAAP"). Attached as Schedule 1.1.1 for il lustrative purposes is a spreadsheet showing the calculation of the Purchase Price if it were determined as of September 30, 2010. The calculation method shown in Schedule 1.1.1 will be used as a template for calculating the final Purchase Price under this Section 1.1.1. The purchase and sale shall be closed based on the calculation of the Purchase Price two (2) days prior to Closing, and as soon after the Closing as commercially reasonable, Buyer, Sellers, and the Company shall reconcile all components of the Purchase Price calculation, and Buyer shall promptly pay such additional sums to Sellers, or Sellers shall promptly refund such sums to Buyer as the reconciliation shows are owing based on the Purchase Price determined as of the Closing Date.

1.1.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) Earnest Money / Initial Deposit. Buyer shall deposit $250,000 (the "Initial Earnest Money") with First American Title Insurance Company, 818 Stewart Street, #800, Seattle, Washington 98101, Attention: Laura Lau, Commercial Closing Officer (the "Escrow Agent"), no later than five (5) business days after the Effective Date. The Initial Earnest Money, and all interest thereon, shall be refunded to Buyer unless Buyer's Contingencies are timely satisfied or waived within the time required herein. ;Buyer Contingencies shall include all contingencies for the benefit of Buyer set out in Section 5 below and elsewhere in this Agreement (the "Buyer Contingencies"). If Buyer fails to timely waive the Buyer Contingencies within the time provided herein, the Initial Earnest Money, all Additional Earnest Money, and all interest thereon, shall be immediately refunded to Buyer. The Initial Earnest Money, all Additional Earnest Money, and all interest thereon, shall be applied to the Purchase Price at Closing (defined in Section 10.1 below).

(b) Earnest Money / Additional Deposit. Buyer shall deposit an additional $250,000 with the Escrow Agent no later than five (5) business days after Buyer waives all Buyer Contingencies, provided this Agreement has not been terminated as provided herein. Except as otherwise provided in Section 1.1.2(a), Section 5.2, Section 7, or elsewhere in this Agreement, upon Buyer's deposit of the Additional Earnest Money, both the Initial Ea rnest Money and the Additional Earnest Money will be non-refundable to Buyer if all the Buyer Contingencies are timely satisfied or waived by Buyer in writing. The Additional Earnest Money, and all interest thereon, shall be applied to the Purchase Price at Closing. The Initial Earnest Money and the Additional Earnest Money are referred to collectively herein as the "Earnest Money."

(c) Remainder of Purchase Price. At Closing, Buyer will deliver to Sellers, by cashier's check, certified check, or wire transfer, the remainder of the unpaid Purchase Price, subject to any offsets, prorations, and closing costs as provided herein below.

1.2 Buyer's Loan.

(a) TCA Loan Option and Buyer's Election. For a period of one (1) year beginning upon the Closing Date, Sher GP shall have the right, upon written notice to Buyer (the "Loan Notice"), given within such one-year period, to require Buyer to make the Buyer's Loan to the Company, pursuant to the terms and subject to the conditions set out herein. Within ten (10) days after receipt of the Loan Notice, Buyer shall elect in writing to Sher GP and Company, in Buyer's sole discretion, whether a portion of BuyerR 17;s Loan equal to the Junior Loan balance shall be applied to pay off the Junior Loan balance or whether the same shall be paid to the Junior Lender in exchange for an assignment of all of the Junior Lender's right, title, and interest in and to the Junior Loan (with revisions and amendments consistent with Section 1.2(b) below as agreed upon by Buyer and the Company), and Sellers agree to request such consents by the Senior Lender and all other third parties as may be necessary to carry out Buyer's election;

provided, however, that if Buyer elects to assume the Junior Loan and Key Bank's consent to the assumption is required but Key Bank refuses to consent, Buyer shall pay off the Junior Loan balance as provided above. Except as provided in the preceding sentence, Buyer's election under this Section 1.2(a) may be changed by Buyer in Buyer's sole discretion at any time up to thirty (30) days before the closing of the Buyer's Loan.

(b) Buyer's Loan Terms. Regardless of Buyer's election under Section 1.2(a) above, the Buyer's Loan will bear interest at the fixed rate of eight percent (8%) per annum, shall be due and payable on or after September 1, 2015, and shall incorporate other terms substantially the same as the terms currently in the Junior Loan. The exact maturity date and other terms of the Buyer's Loan shall be agreed upon prior to the closing of Bu yer's Loan. Upon the closing of Buyer's Loan, a portion of Buyer's Loan equal to the difference between $10 million and the Junior Loan balance shall be deposited into an escrow expense account (the "Loan Escrow"), which Company may draw against to make capital expenditures for the Project, as and when permitted by the Partnership Agreement, as amended by this Agreement.

(c) Conditions Precedent to Buyer's Loan. Buyer's obligation to make the Buyer's Loan shall be conditioned upon satisfaction of the following conditions, all of which are for the benefit of Buyer: (i) there shall at that time be no default or breach under the Junior Loan or the Senior Loan; (ii) the Company shall be in compliance with the Debt Service Coverage Ratio under the Senior Loan, and the Company shall establish to Buyer's reasonable satisfaction that closing and performance under the Buyer's Loan will not cause the Company to breach or defaul t under the requirements of the Senior Loan Debt Service Coverage Ratio; (iii) the Junior Lender shall reasonably cooperate and execute documents in commercially reasonable form as necessary to complete the closing of the Buyer's Loan; (iv) the Company shall reasonably cooperate as necessary to close the Buyer's Loan; (v) the Senior Lender shall have provided written consent to the Buyer's Loan and Sellers and the Company shall also provide the consents of all other third-parties necessary to complete the Buyer's Loan; (vi) the parties' agreement on the form of the agreements and documents needed to complete the Buyer's Loan, which shall be in commercially reasonable form; and (vii) other commercially reasonable conditions required by Buyer in its reasonable business judgment.

(d) Closing of Buyer's Loan. Buyer's Loan will be closed in escrow. All costs and fees of closing shall be paid by the Company, and the Company at Company's sole expense shall provide Buyer with a standard ALTA lender's policy of title insurance in the amount of Buyer's Loan with endorsements as required by Buyer and subject only to exceptions reasonably acceptable to Buyer. Buyer shall notify Sellers in writing as to what title exceptions are acceptable to Buyer at Closing of the purchase and sale under this Agreement. Closing shall occur within thirty (30) days after satisfaction of all conditions set out in Section 1.2(c) at the offices of the Escrow Agent (as defined in Section 1.1.2(a)).

1.3 Payment to Buyer. The Company's Second Amended Terranomics Crossroads Associates Limited Partnership Agreement, dated January 1, 1995, as amended (the "Partnership Agreement"), is hereby amended to provide that the Company shall pay Buyer two payments in the amount of $960,000.00 each out of operating cash flow , if permitted by law, as a preferred return on Buyer's Partnership Interest purchased under this Agreement, the first, twelve (12) months after Closing and the second, twenty-four (24) months after Closing, with the net operating income of the Company allocated accordingly. If funds are not available by law the obligation shall accrue and bear interest at the rate of 8%, compounded annually, and such obligation shall be paid as soon as the Company has sufficient operating cash flow. This obligation shall be adjusted at Closing to equal 8% of the Purchase Price as determined at Closing. The payment due Buyer pursuant to this Section 1.3 shall be paid to Buyer before Company makes any distributions and/or other payments to the Company's partners (except as otherwise authorized in this Agreement). The payments required under this Section 1.3 shall be in addition to any other payments required by the Company under Buyer's Loan.

1.4 Tax Treatment.

(a) Any transfer, assignment or exchange by Sellers effectuated pursuant to this Agreement shall constitute a taxable exchange by Sellers for federal income tax purposes.

(b) Sellers and the Buyer agree to the tax treatment described in this Section 1.4, and shall file their respective tax returns consistent therewith.

(c) For federal income tax purposes, the Company's net income, net loss and other items of income, gain, loss, deduction and credit shall be apportioned between the Sellers and Buyer based on the interim closing of the books method as of the Closing Date, as provided under Section 706 of the Code and the applicable Treasury Regulations.

1.5 Company Management.

(a) Upon Buyer's purchase of the GP Units at Closing, Buyer or Buyer's affiliated assignee will be admitted to the Company as an additional General Partner of the Company, to serve together with Sher GP, Inc., the existing General Partner of the Company. The day-to-day management of the Project in the ordinary course of business will be conducted by Argus in accordance with the terms of Section 60;7.8 of this Agreement, and the Management and Leasing Agreement in the form set out as **Exhibit C**, which has been approved in accordance with Section 7.8 as of Closing. The day-to-day management of any other matters constituting the Company's

ordinary course of business shall be conducted by Sher GP without the requirement of joint action by both General Partners. Notwithstanding the foregoing, the decision of the Company to do any act relating to or pertaining to any of the matters itemized in **Exhibit D** hereto, shall be a "Major Decision," and Sher GP shall not be authorized to do or to commit to or enter into a binding agreement to do any such act in the name of or on behalf of the Company unless and until the action has been approved by the unanimous vote of the General Partners.

(b) In the event the General Partners fail to agree on a Major Decision with regard to the management of the Project, and either General Partner believes in good faith that their failure to agree is causing material damage to the Project or causing an inability to manage the Project in a commercially reasonable manner, then, subject to the terms of this Section 1.5(b), either General Partner shall be entitled to declare a "Deadlock" by providing written notice thereof (a "Deadlock Notice") to the other General Partner. In the event either General Partner declares a Deadlock, then the General Partners shall first attempt to resolve such Deadlock through mediation within thirty (30) days after the Deadlock Notice. If the matter is not resolved within thirty (30) days after the Deadlock Notice, then the following provisions shall apply:

(i) If the Deadlock Notice is delivered prior to October 1, 2014, either General Partner shall have the right to declare by written notice to the other that the Purchase Options contained in Section 7.9 are thereby immediately triggered (an "Accelerated Option Notice"), as if the date of the Accelerated Option Notice were October 1, 2014. In such event, Section 7. shall control, except that the dates therein shall be adjusted as appropriate to provide all parties with the same time periods for response, election, and performance as provided in Section 7.9 (provided that the Closing Date of such purchase and sale shall not be extended to Senior Loan Maturity Date) and further, if any selling parties elect to receive OP Units as defined in Section 7.9(c), the Closing Date shall be extended for such period required, not to exceed one hundred twenty (120) days, to prepare the documents and complete the steps needed to facilitate such closing.

(ii) If the Deadlock Notice is delivered on any date from October 1, 2014, through March 31, 2015, such Deadlock Notice shall be of no legal force or effect.

(iii) If the Deadlock Notice is delivered after March 31, 2015, then, either Buyer or TCA shall have the right to declare by written notice to the other that the party sending such notice (i) names the value of 100 percent of all partnership units of the Company (each a "Partnership Unit"), (ii) establishes a price per Partnership Unit equal to the named value divided by the total number of issued and outstanding Partnership Units (the "Unit Price"), and (iii) offers to purchase, in the case of an offer by TCA, all of Buyer's Partnership Units, and in the case of an offer by Buyer, all of the Partnership Units not owned by Buyer, for a purchase price equal to the number of Partnership Units to be purchased times the Uni t Price. In response, the receiving party shall have the following two options by written notice to the offering party

within one hundred twenty (120) days after receipt of the offering party's offer: either the receiving party shall accept such offer in such written notice, or if the receiving party does not accept such offer, then the receiving party shall buy, if the receiving party is TCA, all of Buyer's Partnership Units, and if the receiving party is Buyer, all of the Partnership Units not owned by Buyer, for a price equal to the number of Partnership Units to be purchased times the Unit Price. In such event, the purchase and sale of the Partnership Units at issue shall occur within sixty (60) days thereafter at the offices of a mutually acceptable escrow agent and if the purchase is by TCA the purchase price shall be paid in cash at closing but if the purchase is by Buyer, the purchase provisions and the selling parties' option to be paid in OP Units as provided in Secti on 7.9(c) shall apply.

(iv) Notwithstanding the foregoing, if a Deadlock occurs or continues after a prior Deadlock and in the prior Deadlock, Section 1.5(b)(i) applied, and each party had the right to purchase the other party's interest in that prior Deadlock as provided in Section 1.5(b)(i), and neither party purchased the other's interest, then any such new Deadlock shall be controlled by the provisions of Section 1.5(b)(iii) above.

(v) Notwithstanding any other provision of this Section 1.5(b), no transfer of any Partnership Units by any partner of the Company shall occur until more than twelve (12) months after the Closing Date.

2. Delivery of Documents and Access.

2.1 Sellers' Delivery of Documents. Within five (5) days after the Effective Date, Sellers will make available to Buyer at the Company's offices in Bellevue, or copy and transmit to Buyer electronically upon Buyer's reasonable request, any and all of the following that are in the possession or control of Company or Sellers relating Sellers, the Company or the Project: surveys, architectural drawings, construction plans and specifications, "as-built" plans and records, environmental reports, soil test s, topographical surveys, appraisals, engineering, structural and mechanical information, licenses, permits, contracts, current leases with all amendments thereto, tenant financial statements, tenant sales reports, tenant correspondence, property management agreements, leasing agreements, service contracts, outstanding commission agreements, current rent roll, operating statements for the Project, and CAM details for the calendar years 2007, 2008, 2009, and 2010 year to date, CC&Rs affecting the Project, certificates of occupancy, employment agreements, employment records, operating records, loan documents (including but not limited to all documents related to the Senior Loan and the Junior Loan), insurance certificates and policies, financial information (including financial statements, working papers and other financial information), Company partnership agreements, organizational documents, and all amendments thereto, resolutions and authorizations, and reviewed or audited current financial statements, as available, for the Company, and the same for TCA and Sher GP, unemployment tax rate notices and charge statements, other tax records for the past three (3) calendar years and fire marshal reports, and all additional reports, documents, and materials related to the Project or the Sellers' requested by Buyer prior to Closing. Buyer may inspect and copy, at its expense all of the foregoing documents and things; provided, however, that in the event this transaction does not close for any reason Buyer shall return all of

the copies of such documents in its possession to Sellers within ten (10) days of the termination of this Agreement.

2.2 Access. At reasonable times and upon reasonable advance notice prior to Closing, Company and Sellers shall permit Buyer and Buyer's directors, officers, employees, agents, representatives, contractors and others acting by, through or on behalf of Buyer (collectively, "Buyer's Representatives"), to have access to the Sellers' and Company's books and records, and Company's employees.

2.3 Inspection. In connection with the purchase contemplated herein, Company and Sellers shall permit Buyer's Representatives, at Buyer's sole expense and risk, to enter the Project at reasonable times after reasonable prior notice to Company or Sellers, to conduct any and all inspections, tests, and surveys concerning the structural condition of the improvements, all mechanical, electrical and plumbing systems, hazardous materials, pest infestation, soils conditions, wetlands, Americans with Disabilities Act compliance, environmental condition and all other matters affecting the suitability of the Project for Buyer's intended use and/or otherwise reasonably related to the purchase of the Partnership Interests, including the economic feasibility of such purchase. Buyer shall indemnify, hold harmless, and defend Company and Sellers from all liens, costs, and expenses, including reasonable attorneys' fees and experts' fees, arising from damage to the Project caused by Buyer's entry on and inspection of the Project. This agreement to indemnify, hold harmless, and defend Company and Sellers shall survive Closing or any termination of this Agreement.

2.4 Project Title. Within five (5) business days after the Effective Date, Company and Sellers shall deliver to Buyer a preliminary title report from the Escrow Agent (the "Preliminary Report"), showing the status of Company's title to the Project, together with complete and legible copies of all documents shown therein as exceptions to title ("Exceptions"). Buyer shall have ten (10) days after receipt of a copy of the Preliminary Report and Exceptions within which to give notice in writing to Sellers of a ny objection to such title or to any liens or encumbrances affecting the Project. Within five (5) days after the date of such notice from Buyer, Sellers shall give Buyer written notice of whether it is willing and able to remove the objected-to Exceptions. Within (5) five business days after the date of such notice from Sellers, Buyer shall elect whether to (i) purchase the Partnership Interests subject to those objected-to Exceptions which Company and Sellers are not willing or able to remove or (ii) terminate this Agreement. On or before Closing, Sellers shall remove, or cause to be removed, all Exceptions to which Buyer objects and which Sellers agree Sellers are willing and able to remove. All remaining Exceptions set forth in the Preliminary Report and agreed to by Buyer shall be deemed "Permitted Exceptions." Company and Sellers shall furnish to Buyer at Closing, at Sellers' expense, an ALTA standard coverage owners titl e insurance policy in the amount of the Purchase Price insuring that, as of the Closing Date, title to the Project is owned in fee simple by Company, subject only to the Permitted Exceptions. Company and Sellers shall cooperate with Buyer by executing an Owner's Title Affidavit to facilitate the issuance of such coverages and shall also cooperate and provide additional documents and materials to the Escrow Agent as reasonably necessary if Buyer desires to obtain extended owner's coverage or any endorsements,

provided however Buyer shall pay the premium for such owner's extended coverage or endorsements.

3. Representations and Warranties of Company, Sellers and Sher. As a material inducement to Buyer to enter into this Agreement and purchase the Partnership Interest, Company, Sellers and Sher each jointly and severally (except as provided in Section 3.30 below) represent and warrant to Buyer that the following statements are accurate. All representations and warranties made in this Agreement will survive Closing.

3.1 Organization.

(a) As of the Effective Date and the Closing Date, Company is a limited partnership duly organized and existing under the laws of California, and is duly authorized to transact business in the State of Washington, and has requisite power and authority to own and operate its properties and assets and to conduct its business as now conducted in the future.

(b) As of the Effective Date and the Closing Date, Sher GP is a corporation duly organized and existing under the laws of Washington, and is duly authorized to transact business in the State of Washington, and has requisite power and authority to own and operate its properties and assets and to conduct its business as now conducted in the future.

(c) As of the Effective Date and the Closing Date, TCA is a limited liability company duly organized and existing under the laws of Washington, and is duly authorized to transact business in the State of Washington, and has requisite power and authority to own and operate its properties and assets and to conduct its business as now conducted in the future.

(d) Each Minority Seller, for himself, herself or itself, represents and warrants that, to the extent applicable, it is duly organized and existing and has the requisite power and authority to own and operate its properties and assets and conduct its business as now conducted in the future.

3.2 Authorization. Company and Sellers have the full power and authority to enter into and to perform their obligations under this Agreement and all other agreements and instruments to be executed by them pursuant to this Agreement, and no approval or consent of, or notice to, any person, entity, lender, or governmental agency or authority is necessary for Company or Sellers to perform hereunder, other than such consents from the Senior Lender and Junior Lender as set out in Section 7.4 below and such consents of the Company's limited partners as may be necessary in order to amend the Company's Partnership Agreement as required herein.. Company's and Sellers' execution, delivery, and performance of this

Agreement and all other agreements and instruments to be executed by them pursuant to this Agreement have been duly authorized by all necessary actions.

3.3 Title to Partnership Interests. The Company has a total of 6,308 Partnership Units issued and outstanding. All the Partnership Units have been duly authorized, and are validly issued, fully paid, and nonassessable. **Exhibit B** lists the number of LP Units in the Company owned by the Sellers and TCA and the number of GP Units owned by Sher GP, and such **Ex hibit B** accurately identifies all limited and general partners of the Company and their respective partnership interests. There are no other limited or general partners of the Company. Each of the Sellers warrants that he, she, or it will deliver his, her or its Partnership Interests to Buyer free and clear of all liens, claims and encumbrances.

3.4 Personal Property. Exhibit E contains lists of all tangible personal property and assets (including without limitation, licenses, if any) owned or held by Company (the "Personal Property"). Except as set forth in **Exhibit E**, Company owns and has good title to such Personal Property and none of the Personal Property is subject to any securit y interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance (except for liens for the Senior Loan, Junior Loan, current taxes, assessments, charges, or other governmental levies not yet due and payable), and all Personal Property is in good working order.

3.5 Project. Exhibit A contains a legal description of the Project. Company has good and marketable fee simple title to the Project free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, leases, charges, and other claims and encumbrances of any nature whatsoever, except liens for real estate taxes, assessments, charges, or other governmental levies not yet due and payable, easements, rights-of-way, restrictions of record, the Senior Loan, and the Junior Loan.

3.6 Contracts. Exhibit F lists all written contracts and other written agreements (including license agreements, if any) to which Company is a party. Company and Sellers have delivered to Buyer correct and complete copies of each agreement identified on **Exhibit D**. Company is not a party to any oral contract.

3.7 No Condemnation Proceeding. There is no pending, nor, to the best of Sellers' knowledge, any threat of, condemnation affecting the Project or any portion thereof.

3.8 Environmental Matters.

(a) To the best of Sellers' knowledge, the Project and the assets of Company have been operated by the Company in compliance with all applicable federal, state, and local laws and regulations ("Environmental Laws") governing any hazardous or toxic waste, substance or material, pollutant or contaminant, or words or similar import, as the same may be defined from time to time in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), as amended, or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), as amended, or in the Washington Hazardous Waste Management Act (RCW Ch.

70.105D), or the Model Toxics Control Act (RCW Ch. 70.105D and RCW Ch. 82.21), as amended, or any other applicable federal, state or local law, ordinance, rule or regulation relating to the environment, pollutants, contamination and similar matters ("Hazardous Materials").

(b) Except as disclosed in the studies and reports listed in Schedule 3.8 hereto, (the "Environmental Reports") copies of which have been provided to Buyer; neither Company, Sellers nor Sher have received any notice or citation for noncompliance with respect to any Environmental Laws relating to the Project or the assets of Company.

(c) To the best of Sellers' knowledge, except as disclosed in the Environmental Reports, no Hazardous Material has been or is currently generated, stored, transported, utilized, disposed of, managed, treated, released or located on or from the Project (whether or not reportable quantities), other than cleaning materials and other standard products used in the operation of commercial property like the Project in small quantities, all of which are being used and disposed of in accordance with applicable Environmental Laws.

(d) There are no underground storage tanks under the Project.

3.9 No Undisclosed Liabilities. Except as otherwise disclosed in writing by Company, Sellers or Sher in this Agreement, to the best of Sellers' knowledge, neither Company nor any of the property of Company is subject to any material liability or obligation.

3.10 Litigation. Except as disclosed to Buyer in writing, there is no litigation, claim, or arbitration, pending or, to the best of Sellers' knowledge, threatened, with regard to the Project, Company, Company's assets, or their operation. No attachment, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of Sellers' knowledge, threatened against Company, Sellers or Sher, nor are any such proceedings contemplated by Company, Sellers or Sher.

3.11 Leases and Service Contracts.

(a) The rent roll, leases, and all other information and documentation to be provided by Company, Sellers or Sher to Buyer in connection with this transaction are complete, true, and accurate, and are presented in a manner that is not misleading.

(b) All leases and agreements are in full force and effect with rents paid currently (except as indicated on the rent roll).

(c) With regard to the leases, Sellers and Sher know of no default by Company and there have been no verbal changes and no concessions granted with respect to the leases, except as indicated in the rent roll.

(d) All service or maintenance contracts relating to Company or the Project have been provided or disclosed in writing to Buyer. Except where Company, Sellers or Sher have indicated to the contrary, all of the service and maintenance contracts may be terminated without penalty or other payment.

(e) There is no current default or breach under the terms and provisions of any of the service or maintenance contracts. The service or maintenance contracts have not been and will not be amended or modified except as indicated herein.

(f) As of the Closing Date, Company's interest in leases and rentals due or to become due thereunder will not be subject to any assignment, encumbrance, or liens, except for the Senior Loan and the Junior Loan.

(g) No leasing or brokerage fees or commissions of any nature whatsoever shall become due or owing to any person, firm, corporation, or entity after closing with respect to the leases, except as disclosed in writing to Buyer by Sellers or the Company.

(h) Company operating statements, financial statements, and rent rolls provided to the Buyer are true and accurate in all material respects.

3.12 Tax Matters. Company and Sellers have filed timely all United States federal, state, local, and foreign tax returns and reports heretofore required to be filed and all such returns are true, correct and complete in all material respects and Company and Sellers have paid all taxes shown to be due on such returns or that are otherwise required to be paid. There is currently no action, suit or proceeding against the Company or the Project and no taxing authority has asserted any deficiency in the payment of any tax or has informed Company , Sellers or Sher that it intends to assert any such deficiency or to make any audit or other investigation of Company or Sellers for the purpose of determining whether such a deficiency should be asserted against Company or Sellers, nor does the Company or any Sellers know of any reason as to why such a deficiency could be assessed. Neither Company nor Sellers have waived any statute of limitations in respect of any United States, state, local, or foreign tax, or agreed to any extension of time with respect to a tax assessment or deficiency or collection of any tax. There are no tax sharing agreements or similar arrangements (including indemnity arrangements) with respect to or involving the Company. The Company is, and at all time

during its existence has been, treated as a partnership for U.S. federal income tax purposes. The Company will have in effect an election under Section 754 of the Code with respect to its current and future taxable years.

3.13 Compliance with Law. To the best of Sellers' knowledge, Company and Sellers are in compliance with all laws, statutes, ordinances, regulations, orders, judgments, or decrees applicable to them. Company, Sellers and Sher have not received any notice of any asserted present or past failure by Company or Sellers to comply with such laws, statutes, ordinances, regulations, orders, judgments, or decrees.

3.14 Permits and Licenses. To the best of Sellers' knowledge, the Company has all governmental licenses, permits, franchises, and authorizations (collectively, "Permits") necessary for the lawful conduct of its business and the Project pursuant to all applicable statutes, laws, ordinances, rules, and regulations of all governmental bodies, agencies, and other authorities having jurisdiction over it or any part of its operations. Company is in compliance with all the terms of each Permit, and there are no claims of vio lation by Company of any Permit.

3.15 No Adverse Parties in Possession. To the best of Sellers' knowledge, there are no adverse or other parties in possession of the Project, except for the tenants pursuant to the lease agreements and except for the Permitted Exceptions (defined in Section 2.4 above).

3.16 Consents and Approvals. To the best of Sellers' knowledge, no consent, approval, or authorization of any court, regulatory authority, governmental body, or any other entity or person not a party to this Agreement is required for the consummation of the purchase contemplated herein, except Senior Lender and Junior Lender as set out in Section 7.4 below and any consent of the Company's limited partners that may be required to amend the Company's Partner ship Agreement.

3.17 Records. The Company minute books are complete and accurate in all material respects, and there have been no transactions involving the business of Company or the Project that properly should have been set forth in them and that have not been accurately so set forth. Complete and accurate copies of such books, records, and ledgers have been made available to Buyer.

3.18 Loans. Company is the borrower under the Senior Loan and the Junior Loan and temporary, unsecured loans made by Ron Sher, Merritt Sher, Abby Sher or Sylvia Sher or any entities controlled by them or any combination thereof ("Sher Affiliates") totaling less than $1,000,000.00 at any one time, for operating expenses and normal tenant improvement expenses ("Sher Loans"). Company has performed all of its obligations under the Senior Loan, the Junior Loan and the Sher Loans, and is in compliance with all terms a nd conditions of said loan documents. There has occurred no breach, default, or event of default under the Senior Loan or the Junior Loan or any event which, with notice and passage of time, would be considered a default under either loan.

3.19 Financial Statements. Attached hereto as **Exhibit G** are the following financial statements (collectively the "Financial Statements"): (a) unaudited, and if available, audited or reviewed consolidated and unaudited consolid ating balance sheets and statements of income, changes in partners' equity and cash flow as of and for the calendar year ended December 31, 2009 (the "Most Recent Calendar Year End"), for Company; and (b) unaudited consolidated and consolidating balance sheets and statements of income, changes in partners' equity and cash flow (the "Most Recent Financial Statements") as of and for the month ended September 30, 2010 (the "Most Recent Calendar Month End"), for Company, as well as monthly financial statements for all subsequent months up to Closing. The Financial Statements (including the notes thereto) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of Company as of such dates and the results of operations of Company for such periods, are correct and complete, and are consistent with the books and records of Company and the Project (which b ooks and records are correct and complete); provided, however, that the Most Recent Financial Statements are subject to normal year-end adjustments (that will not be material individually or in the aggregate) and lack footnotes and other presentation items.

3.20 Events Since Last Statement. Since the Most Recent Calendar Year End, there has not been any material adverse change in the Company's financial statements or in the Company's operations. Without limiting the generality of the foregoing, since that date:

(a) Company has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration in the ordinary course of business;

(b) Company has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) outside the ordinary course of business;

(c) Company has not imposed any liens upon any of its assets, tangible or intangible;

(d) Company has not made any capital expenditure (or series of related capital expenditures) outside the ordinary course of business;

(e) Company has not delayed or postponed the payment of accounts payable and other liabilities outside the ordinary course of business;

(f) Company has not canceled, compromised, waived, or released any right or claim (or series of related rights and claims) outside the ordinary course of business;

(g) Company has not experienced any damage, destruction, or loss (whether or not covered by insurance) to the Project;

(h) Company has not made any loan to, or entered into any other transaction with, any of its partners, or any individual, member, manager, officer, director, or employee of any of such partners except for the Sher Loans;

(i) Company has not granted any increase in the base compensation of any of its partners, or any individual, member, manager, officer, director, or employee of any of such partners outside the ordinary course of business;

(j) Company has not adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its partners, or any individual, member, manager, officer, director, or employee of any of such partners (or taken any such action with respect to any other employee benefit plan);

(k) Company has not made any other change in employment terms for any of its partners, or any individual, member, manager, officer, director, or employee of any of such partners;

(l) Company has not made or pledged to make any charitable or other capital contribution outside the ordinary course of business;

(m) There has not been any other occurrence, event, incident, action, failure to act, or transaction outside the ordinary course of business involving Company or the Project;

(n) Company has not discharged a material liability or lien outside the ordinary course of business;

(o) Company has not made any loans or advances of money.

3.21 Accounts Receivable. All notes and accounts receivable of Company are reflected properly on their books and records, are valid receivables and to the best of the Sellers' knowledge are not subject to any setoffs or counterclaims, are current and collectible, and will be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts set forth on the face of the most recent balance sheet (rather than in any notes thereto) as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Company. Witho ut limiting any definition of "collectible," any receivable that is, at any relevant time including any time post-closing, older than one hundred twenty (120) days shall be considered to be and have been uncollectible.

3.22 Intellectual Property.

(a) To the best of Sellers' knowledge, the Company owns and possesses or has the right to use pursuant to statutory or common law, a valid and enforceable written license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary for the operation of the business of Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by Company immediately prior to Closing will be owned or available for use by Company on identical terms and conditions immediately subsequent to Closing.

(b) "Intellectual Property" means all of the following in any jurisdiction throughout the world: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all re-issuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (ii) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwi ll associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (iv) all mask works and all applications, registrations, and renewals in connection therewith, (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (vi) all computer software (including source code, executable code, data, databases, and related documentation), (vii) all advertising and promotional materials, (viii) all other proprietary rights, and (ix) all copies and tangible embodiments thereof (in whatever form or medium).

(c) To the best of Sellers' knowledge, Company has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any

Intellectual Property rights of third parties, and Company has never received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that Company must license or refrain from using any Intellectual Property rights of any third party). To the best of Sellers' knowledge, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of Company.

(d) No patent or registration has been issued to Company with respect to any of its Intellectual Property, there are no pending patent application or application for registration that Company has made with respect to any of its Intellectual Property, and no license, sublicense, agreement, or other permission that Company has granted to any third party with respect to any of its Intellectual Property. **Exhibit H** identifies each unregistered trademark, service mark, trade name, corporate name or internet domain name, computer software item (other than commercially available off-t he-shelf software purchased or licensed for less than a cost of $1,000 for each such item) and each material unregistered copyright used by Company in connection with any of its businesses. With respect to each item of Intellectual Property required to be identified in **Exhibit H**, and except as disclosed in **Exhibit H**:

(1) Company owns and possesses all right, title, and interest in and to the item as currently used, free and clear of any lien, license, or other restriction or limitation regarding use or disclosure;

(2) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(3) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item, and there are no grounds for the same;

(4) Company has never agreed to indemnify any entity or person for or against any interference, infringement, misappropriation, or other conflict with respect to the item; and

(5) no loss or expiration of the item is threatened, pending, or reasonably foreseeable,

(e) To the best of Sellers' knowledge, Company has complied with and are presently in compliance with all foreign, federal, state, local, governmental (including, but not limited to, the Federal Trade Commission and State Attorneys General), administrative or regulatory laws, regulations, guidelines, and rules applicable to any Intellectual Property and Company shall take all steps necessary to ensure such compliance until Closing.

3.23 Employees.

(a) With respect to the business of Company:

(1) as of the Closing Date, the Company will have no employees;

(2) there is no collective bargaining agreement or relationship with any labor organization;

(3) no labor organization or group of employees has filed any representation petition or made any written or oral demand for recognition;

(4) no union organizing or decertification efforts are underway or threatened and no other question concerning representation exists;

(5) there is no workers' compensation liability, experience, or matter outside the ordinary course of business; and

(6) there is no employment-related charge, complaint, grievance, investigation, inquiry or obligation of any kind, pending or, to the best of Sellers' knowledge, threatened in any forum, relating to an alleged violation or breach by Company of any law, regulation or contract.

(b) With respect to this transaction, any notice required under any law or collective bargaining agreement has, to the best of Sellers' knowledge, been given, and all bargaining obligations with any employee representative have been, or prior to the Closing Date will be, satisfied. Within the past three (3) years, Company has not implemented any plant closing or layoff of employees that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar foreign,

state, or local law, regulation, or ordinance (collectively, the "WARN Act"), and no such action will be implemented without advance notification to Buyer.

3.24 Not Guarantor of Other Debts. Except for the Senior Loan, the Junior Loan and the Sher Loans, Company is not a guarantor of and is not otherwise liable for any liability (including indebtedness) of any other entity or person.

3.25 Brokers and Finders. Company, Sellers and Sher have not employed any broker or finder in connection with the transactions contemplated by this Agreement nor have taken any action which would give rise to a valid claim against any party for a brokerage commission, finder's fee, or other like payment, except for Angela Oliveri of First Western Properties, who shall be compensated by separate agreement between Ms. Oliveri and Buyer. The parties agree to indemnify and hold harmless each other from and against any claims by any b roker, agent, or other person claiming a commission or other form of compensation by virtue of having dealt with any party with regard to this Agreement, except for the broker described in the foregoing sentence.

3.26 Accuracy of Representations and Warranties. Neither this Agreement nor any of the exhibits, attachments, certificates, or other items prepared or supplied to Buyer by or on behalf of Company, Sellers or Sher with respect to the purchase contemplated herein contain any untrue statement of a material fact or omit a material fact necessary to make each statement contained herein or therein not misleading.

3.27 Agreement Binding. This Agreement, when duly executed and delivered by Company, will constitute a legal, valid, and binding obligation of Company, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting the rights of creditors generally, judicial limits on the right of specific performance or by general principles of equity.

3.28 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Section 3, Company, Sellers and Sher make no further representations or warranties, express or implied, at law or in equity, with respect to the Project, Company, or any of Company's assets, liabilities, or operations, including, without limitation, with respect to merchantability or fitness of any particular purposes, and any such other representations or warranties are exp ressly disclaimed.

3.29 Reaffirmation of Warranties. From and after the Effective Date through the Closing, Sellers shall use diligent good faith efforts to ensure that all warranties and representations given by Seller in this Agreement remain true and accurate and shall promptly provide written notice to Buyer if any such warranties and representations become inaccurate prior to Closing.

3.30 Scope of Representations and Warranties. The representations and warranties in Section 3.1(d) above are the individual representations and warranties of each

Minority Seller as to his, her, or its Partnership Interests only, and are not representations and warranties by the other Minority Sellers, the Sellers, Sher or the Company. The representations and warranties in the last sentence of Section 3.3 are the individual representations and warranties of each Seller as to his, her or its Partnership Interests only, and are not representations and warranties by the other Sellers or the Minority Sellers, Sher or the Company. Notwithstanding the foregoing, the Company, Sellers and Sher represent and warrant that they have no knowledge of any facts which would make any of the individual representation and warranties made in Sections 3.1(d) and 3.3 untrue. In connection with Closing, Sellers shall reaffirm that all warranties and representations provided under this Agreement remain upon the Closing Date true and accurate in all material respects, if the same is true and accurate. If any warranty or representation by Sellers under this Agreement does not remain true and accurate in all material respects on the Closing Date, Buyer shall be entitled to terminate this Agreement upon written notice to Sellers, in which case, all Earnest Money shall be promptly paid to Buyer, and this Agreement shall terminate.

4. Representations and Warranties of Buyer. As a material inducement to Sellers and Sher to enter into this Agreement and sell the Partnership Interests, Buyer represents and warrants to Sellers and Sher that, with respect to Buyer only and not any assign of Buyer, the following statements are accurate:

4.1 Investment Representations. Buyer is an accredited investor within the meaning of Regulation D to the Securities Act of 1933 (the "Act"). Buyer acknowledges that the Partnership Interests are not registered under the Act or under any applicable state securities laws ("State Acts"). Buyer is acquiring the Partnership Interests for its own account with no present intention of selling or otherwise distributing the Partnership Interests to others.

4.2 Organization. Buyer is an operating partnership whose sole limited partner is Retail Opportunity Investments Corp. ("ROIC"), a Delaware corporation, which has elected to qualify as a real estate investment trust for United States federal income tax purposes. As of the Closing Date, Buyer will be duly organized and authorized to transact business in the State of Washington and will have requisite power and authority to own and operate its properties and assets and to conduct its business as now conducted in the future.

4.3 Agreement Binding. This Agreement, when duly executed and delivered by Buyer, will constitute a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting the rights of creditors generally, judicial limits on the right of specific performance or by general principles of equity.

4.4 Authority. Buyer has the full power and authority to enter into and perform its obligations under this Agreement and all other agreements and instruments to be executed by it pursuant to this Agreement, and no approval or consent of, or notice to, any person, entity, or governmental agency or authority is necessary for Buyer to perform hereunder other than the approval of the Senior Lender for Buyer to purchase the Partnership Interests. Buyer's execution, delivery, and performance of this Agreement and all other agreem ents and

instruments to be executed by it pursuant to this Agreement have been duly authorized by all necessary actions. This Agreement is, and the other documents to be delivered by Buyer pursuant hereto (when executed and delivered by Buyer) will be, valid and enforceable obligations of Buyer, binding on Buyer in accordance with their terms.

4.5 Tax Matters. Buyer has filed all United States, state, local, and foreign tax returns and reports heretofore required to be filed and has paid all taxes shown to be due thereon, and no taxing authority has asserted any deficiency in the payment of any tax or has informed Buyer that it intends to assert any such deficiency or to make any audit or other investigation of either for the purpose of determining whether such a deficiency should be asserted against Buyer. Buyer has not waived any statute of limitations in respect of any United States, state, local, or foreign tax, or agreed to any extension of time with respect to a tax assessment or deficiency. ROIC is organized, qualifies, and is taxable as a real estate investment trust under applicable law.

5. Due Diligence Conditions to Buyer's Obligation to Purchase.

5.1 Due Diligence Period. The period from the Effective Date, through and including the date twenty-one (21) days thereafter is referred to herein as the "Due Diligence Period."

5.2 Due Diligence Conditions to Buyer's Obligations to Purchase. Buyer's obligations under this Agreement are specifically conditioned upon the satisfaction or waiver by Buyer in its sole discretion of the conditions sets forth in this Section 5.2 on or before the last day of the Due Diligence Period as provided below. The conditions set forth in this Section 5.2 are solely for the benefit of Buyer, and may be waived only by Buyer. If Buyer fails to notify Sellers in writing that it has not approved a condition within the time set forth for approval of such condition, Buyer shall be deemed to have disapproved such condition, this Agreement shall automatically terminate, and the initial Earnest Money, and all interest thereon, shall be returned to Buyer. Satisfaction of any of the above conditions or a waiver thereof by Buyer shall not affect any liability of Company, Sellers or Sher for any related warranty or representation.

(a) Records and Plans. Approval by Buyer, by the last day of the Due Diligence Period, of all architectural drawings, construction plans and specifications, "as-built" records of the improvement, environmental studies, inspection reports, and all topographical surveys and soil tests for or relating to the Project in Company's possession or available to Company.

(b) Environmental. Approval by Buyer, by the last day of the Due Diligence Period (or, if Buyer desires to undertake any Phase II environmental investigation, by the last day of the Due Diligence Period) of the environmental condition of the Project. Buyer shall promptly after the Effective Date initiate any environmental investigation Buyer desires to undertake. Company and Sellers agree to provide to Buyer

within ten (10) days after the Effective Date copies of any environmental reports in their possession or that can be obtained relating to the Project.

(c) Profit and Loss Statements. Buyer's approval, by the last day of the Due Diligence Period, of Company's last three (3) calendar years' and the most recent year-to-date financial statements, and rent rolls through the Closing Date.

(d) Physical Inspection. Buyer's approval, by the last day of the Due Diligence Period, of a detailed physical inspection of the Project to ascertain that it is suitable for Buyer's purposes.

(e) General Approval of Company and Assets. Buyer's approval, by the last day of the Due Diligence Period, of the condition of the Project, the ability to use or operate the Project in the way intended by Buyer, or any aspect of Company and Sellers.

(f) Sellers' Documents. Buyer's approval, by the last day of the Due Diligence Period, of the documents and materials described in Section 2.1 above ("Sellers' Documents").

(g) Right of First Offer. Buyer's and Seller's approval of the forms of rights of first offer in favor of Buyer with regard to other properties as provided in Section 20 of this Agreement, on or before the end of the Due Diligence Period.

6. Casualty and Condemnation. In the event that, prior to Closing, there shall be any fire or other similar casualty at the Project that damages any material portion thereof, or if any material portion of the Project or access to the Project is taken or threatened in writing to be taken by condemnation or similar taking by any public or quasi-public agency or organization, Sellers shall give immediate written notice to Buyer and Buyer shall within ten (10) days by written notice to Sellers either: (i) terminate this Agreement, whereupon any Earnest Money, and all interest the reon, shall be refunded to Buyer and neither party shall have any further rights, duties, or obligations hereunder except as expressly survive the termination hereof, or (ii) elect not to terminate this Agreement, whereupon, Sellers shall thereupon cause the Company to promptly repair any damage. Failure of Buyer to timely give notice of termination shall mean that Buyer shall be deemed to have elected not to terminate this Agreement.

7. Conditions Precedent to the Obligations of Buyer and Post-Closing Covenants. Each and every obligation of Buyer under this Agreement is subject to the satisfaction, at or before Closing, of each of the following conditions set out in Sections 7.1

through 7.6 below. Buyer shall not be obligated to close until each of the conditions set out in said Sections have been satisfied:

7.1 Representations and Warranties; Performance. Each of the representations and warranties made by Company, Sellers and Sher herein will be true and correct in all material respects as of Closing with the same effect as though made at that time except for changes contemplated, permitted, or required by this Agreement; and Company, Sellers and Sher will have performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by them prior to Closing.

7.2 No Proceeding or Litigation. No action, suit, or proceeding before any court or any governmental or regulatory authority will have been commenced and be continuing, and no investigation by any governmental or regulatory authority will have been commenced and be continuing, and no action, investigation, suit, or proceeding will be threatened at the time of Closing against Company, Buyer, or any of their respective affiliates, associates, officers, directors, managers, members or partners seeking to restrain, prevent, or change the purcha se, questioning the validity or legality of the purchase, or seeking damages in connection with the purchase contemplated herein.

7.3 Company's and Sellers' Action. Company and Sellers will have furnished to Buyer all of Sellers' Documents. Sellers shall have executed and delivered to Escrow Agent assignments of the Partnership Interests to Buyer and such other instruments of transfer, in form and substance reasonably acceptable to Buyer. Before Closing, Buyer, Company and Sellers shall approve such written assignments to the extent necessary to effectuate the terms and understandings set out in this Agreement, which shall be en tered into by the appropriate parties upon the Closing Date. In addition to the foregoing, all parties to this Agreement agree that the Partnership Agreement is hereby amended to provide that all major decisions, including but not limited to the decision to sell, refinance, or redevelop the Project, shall require the consent of both Sher GP and Buyer, or Buyer's assignee, as General Partners.

7.4 Senior Lender and Junior Lender Approval. Company, Sellers and Sher shall have provided Buyer with written approval by the Senior Lender and written approval of the Junior Lender on or before the Closing Date approving Buyer's acquisition of the Partnership Interests on the terms and conditions set out in this Agreement, the possible advancement of the Buyer's Loan to Company, any amendment to the Property Management Agreement described in Section 7.8 below, or to take any other action contemplated herein that requires Senior Lender's or Junior Lender's advance written consent pursuant to the Senior Loan documents or Junior Loan documents, as applicable. The parties shall cooperate with each other's efforts to obtain any necessary Senior Lender and Junior Lender approvals. Sellers acknowledge that Buyer intends to request certain modifications to the terms of the Senior Loan, including the following: waiver of the Debt Service Coverage Ratio for twelve (12) months, removal of the Junior Loan from the Debt Service Coverage Ratio calculation, certain changes to the calculation method of the Debt Service Coverage Ratio of Buyer, approval of Buyer's assumption of the Junior Loan, and approval of Buyer, or an affiliate to assume the role of

Borrower under the Senior Loan and the role of property manager of the Project following Buyer's acquisition of 100% of the Partnership Units, if and when requested by Buyer.

7.5 Junior Loan Assignment or Payoff. On or before the Closing Date, Buyer shall have received written consent from the Junior Lender to all the terms and conditions of this Agreement, including specifically Section 1.2.

7.6 Estoppel Certificates. Before Closing, Company and Sellers shall provide Buyer with estoppel certificates from eighty percent (80%) of the occupied square footage of the Project and from each tenant leasing or occupying 5,000 square feet or more in the Project (the "Estoppel Certificates"). The Estoppel Certificates shall not be dated prior to the Effective Date of this Agreement. Promptly after the Effective Date, Buyer, Company and Sellers shall mutually approve the form of Estoppel Certificate, which shall include statements regarding the amount of all rent, the date to which the rent and other changes have been paid, whether the lease is unmodified and in full force and effect, and any other matters that may reasonably be requested by Buyer.

7.7 Additional Capital Contributions to Company.

(a) Contribution. Sher GP, TCA and Buyer contemplate that additional capital contributions to the Company may be necessary and/or desirable after the Closing Date (the "Additional Capital Contributions"). If Sher GP, TCA and Buyer each agree that Additional Capital Contributions are necessary after the Closing Date and if such Additional Capital Contributions are authorized by both the General Partners and Limited Partners holding at least fifty-two percent (52%) of all issued and outstanding limite d partner interests of the Company and applicable law, all of the partners of the Company agree that Buyer shall make an additional capital contribution to the Company in an amount equal to forty-nine percent (49%) of the funds needed for the Additional Capital Contributions, and that Company's other partners shall provide the remaining fifty-one percent (51%) of the funds necessary for the Additional Capital Contributions in shares proportional to their respective ownership of the remaining fifty-one percent (51%) of the Partnership Units not owned by Buyer. Except as provided below in this Section 7.7, all such Additional Capital Contributions shall earn a preferred return of eight percent (8%) per annum through December 31, 2015.

(b) Failure to Contribute. In the event any of the Company's partners fail to provide the funds necessary for Additional Capital Contributions required in this Section 7.7, then all contributing partners shall have the right to either

(i) Contribute noncontributing partners' shares in proportion to each contributing partner's interest in the Company as compared to all contributing partners' interest in the Company, and any contributing partner who thereby provides more than that party's required percentage of the funds needed for Additional Capital Contributions ("Excess Capital Contributions"), shall receive a ten percent (10%) annual preferred return from the Company through December 31, 2015, on that party's Excess

Capital Contributions instead of the eight percent (8%) preferred return mentioned above in this Section 7.7; or

(ii) Elect to make a contribution to the capital of the Company in amount equal to the Excess Capital Contribution the partner would otherwise have been entitled to make and to receive an increase in the number of his, her or its Partnership Units and a corresponding reduction in the non-contributing partner's number of Partnership Units as provided in this Subsection 7.7(b)(ii). Upon the contributing partner's contribution of this sum to the Company's capital, (y) such Excess Capital Contribution shall be credited to the capital account of the contributing partner, and (z) the number of Partnership Units owned by the partners shall thereupon be recalculated as of the date of such Excess Capital Contribution as follows: The non-contributing partner's number of Partnership Units shall be reduced by subtracting from it the following product: the number of Partnership Units then held by the non-contributing partner times a fraction, the numerator of which shall be the amount of the Excess Capital Contribution being contributed by the contributing partner because the noncontributing partner has failed to do so, and the denominator of which shall be the sum of the following: (a) all capital contributions to the Company from all sources, including all Excess Capital Contributions which are being made by contributing partners under this Section 7.7(b), since ROIP's purchase of 49% of the Co mpany, and (b) the "Value of the Company" at the closing of said purchase, which, for the purpose of this section, means the Purchase Price, plus the Purchase Price divided by 49 times 51. The Partnership Units deducted from the non-contributing partner shall be transferred to the contributing partner who made the Excess Capital Contribution. For purposes of illustrating this calculation only, Schedule 7.7(b) is attached to this Agreement.

(c) Priority. All preferred returns set out in this Section 7.7 shall be of equal priority to the payments provided for in Sections 1.3 and shall be paid *pari passu* with all other preferred returns from available Company cash flow, and shall accrue if not paid.

(d) Capital Loans. Sher has agreed to loan funds to the Non-Selling LPs as they may be obligated to contribute under Section 7.7(a) of this Agreement in accordance with the terms of the Agreement for Capital Loans attached hereto as **Exhibit I**, which shall be signed and delivered at Closing . The amount contributed to the Company by Sher pursuant to the Agreement for Capital Loans shall not be considered Excess Capital Contributions under either Section 7.7(b)(i) or (ii).

(e) Buyer, Sellers, Company and the Non-Selling LPs hereby agree that upon the Closing Date, the partners of the Company shall collectively make an Additional Capital Contribution to the Company in the total amount of $500,000, pursuant to the terms of Section 7.7(a) and 7.7(b).

7.8 Property Management/Asset Management Fee to Buyer. The parties acknowledge that Argus Group, Ltd., a Washington corporation ("Argus"), is an affiliate of Sher and manages the Project pursuant to that certain Management Agreement dated August 21, 2008 (the "Property Management Agreement"). Buyer, Company and Sellers agree that Argus shall continue managing the Project after the Closing Date, provided that the Property Management Agreement shall be amended to the form set out in **Exhibit C**. In addition, the Company shall pay an asset management fee of $50,000 annually to Buyer or Buyer's designated assignee.

7.9 Buyer's and Sellers' Purchase Options.

(a) Buyer's Purchase Option. Sellers grant and shall cause the Company to grant to Buyer an option to purchase all of the remaining general partner and limited partner ownership interests in the Company that Buyer has not yet acquired. All Sellers, the Company, and all Non-Selling LPs agree to grant Buyer such option with respect to the Limited Partnership interests and General Partnership Interests owned by each, in accordance with the terms of the Option Agreement attached hereto as **Exhi bit O**, which shall be executed in connection with Closing. The options granted by Sellers and options granted by Non-Selling LPs are collectively referred to as "Buyer's Purchase Option". Buyer may exercise Buyer's Purchase Option by providing written notice to Sher GP of such intent to exercise Buyer's Purchase Option on or after October 1, 2014, but not later than December 31, 2014. If Buyer exercises Buyer's Purchase Option, the purchase price shall be determined as follows: Within fifteen (15) days after Buyer's delivery of its exercise notice, the parties shall negotiate and attempt to reach agreement on the purchase price. If they fail to reach agreement within thirty (30) days after delivery of the notice, then the purchase price shall be equal to fifty-one percent (51%) of the then-current fair market value of the Project, including any future development rights held by the Company (the Parties hereto agreeing and acknowledging that development rights include inherent risks and costs and the value of any such development rights will be reached subject thereto) with respect to the Property, as determined by appraisal, minus the amount of any remaining balance on the Buyer's Loan, minus any other loans secured by liens against the Project, minus the amount of any other liabilities of the Company which are payable as of the closing date thereof by the Company, plus the value of all of the Company's other assets, including but not limited to cash, accounts receivable, notes receivable, rents receivable, and amounts in any reserve accounts (including any lender impounds and the Loan Escrow). The Buyer and the selling parties, collectively, shall each obtain an appraisal of the Property performed by a Washington licensed MAI appraiser (an "Appraiser") with at least five (5) years' experience appraising commercial property in Bellevue, Washington. If th e lesser of the two (2) appraisals is within five percent (5%) of the other's determination, the fair market value shall be the average of the two (2) appraisals. If the lesser of the two appraisals is not within five percent (5%) of the other, the Appraisers shall select a third Appraiser within ten (10) days after each Appraiser's determination of fair market value. The third Appraiser shall provide a determination of fair market value within thirty (30) business days after designation by the Appraisers and the two (2) closest of the three (3) determinations of fair market value shall be averaged and such average shall be

the final fair market value. The parties shall each be responsible to pay their own Appraiser and one-half (½) the fee charged by the third Appraiser. The results of the appraisal process set forth herein shall be final and binding upon the parties. If the parties fail to agree on the amounts to be added or subtracted from the appraised value of the Project within the time provided above, the method for determining such amounts shall be the same method used in Section 1.1.1 above, and illustrated by Schedule 1.1.1 attached, and all calculations shall be consistent with GAAP.

(b) TCA's Purchase Option. Buyer grants TCA the right to buy from Buyer all of the limited partner and general partner ownership interests in the Company then owned by Buyer if Buyer fails to exercise Buyer's Purchase Option on or before December 31, 2014 ("TCA's Purchase Option"). TCA may exercise TCA's Purchase Option by providing written notice to Buyer of such intent to exercise TCA's Purchase Option on or after January 1, 2015, but not later than March 31, 2015. If TCA exercises TCA's Purchase Opti on, the purchase price shall be determined in the same manner as set out in Section 7.9(a) above, except the reference to "fifty-one percent" (51%) shall be replaced with forty-nine percent (49%).

(c) Exercise of Option and Selling Parties' Election. If Buyer's Purchase Option is exercised, the Purchase Price shall be paid either in cash or in operating partnership units (the "OP Units") of Retail Opportunity Investment Partnership, L.P. (the "Operating Partnership") at each selling party's sole option; provided, however, that such election shall be available only to selling parties who are "Accredited Investors" as that term is defined under applicable federal securities laws, and further provided that each selling party must take a sufficient portion of the purchase price in cash to allow it to pay any encumbrances on the Partnership Units it is selling and its share of any costs of closing. To the extent that one or more selling parties elect to receive OP Units, such selling parties shall be paid OP Units subject to the terms and conditions set forth in the Contribution Agreement attached as **Exhibit L** and Buyer and such selling parties shall (i) employ reasonable business efforts to structure the transaction in a way that enables selling parties to defer any tax liabilities potentially arising from Buyer's acquisition of such selling party's interests, (ii) enter into a Contribution Agreement substantially similar to that attached hereto as **Exhibit L**, (iii) enter into a Registration Rights Agreement substantially similar to that attached hereto as **Exhibit M**, and (iv) enter into a Tax Protection Agreement substantially similar to that attached hereto as **Exhibit N**. Notwithstanding the foregoing, the following individuals and entities shall be referred to as the "Excepted Persons" in Section 1(b) of the Contribution Agreement, if such Excepted Persons elect to receive OP Units in accordance with this Section 7.9: Doris Blum, as to her 8.9899 Partnership Units, as long as she is living at the time of closing of the purchase and sale of her Partnership Units, and the Sydney Sher Marital Trust, as to its approximately 84.75 Partnership Units, and Sylvia Sher, as to her approximately 84.75 Partnership Units, as long as Sylvia Sher is livi ng at the time of the closing of the purchase and sale of her and the Trust's

Partnership Units under this Section (c). The issuance of any OP Units issued under this Section 7.9 shall be evidenced by an amendment to ROIP's partnership agreement. The selling parties, collectively, shall pay fifty percent (50%) of all reasonable costs and expenses directly relating to the issuance of OP Units to such selling parties, including legal, accounting, and tax fees and costs charged by the professionals involved (but not including any costs or fees incurred in forming the Operating Partnership), and Buyer shall pay the remaining fifty percent (50%) of such costs and expenses. Except as provided above, each party shall pay its own legal, accounting, and tax expenses incurre d. Buyer and selling parties agree and acknowledge that any selling parties' ability to elect to obtain OP Units hereunder is dependent on applicable law allowing such election at the time such election is made, and if applicable law does not so allow, selling parties shall not have the right to so elect. So long as some portion of the Purchase Price for the Buyer's Purchase Option is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the acquisition of Partnership Units pursuant to the Buyer's Purchase Option shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i), and, as a result, that (i) any payment of cash for Partnership Units of any selling party shall be treated as a sale of such units by the selling party and a purchase of such units by ROIP for the cash so paid under the terms of the Buyer's Purchase Option in acco rdance with Treasury Regulations Section 1.708 1(c)(4), and (ii) each seller of Partnership Units who accepts cash explicitly agrees and consents to such treatment as a condition to electing such consideration. Notwithstanding the above or any other term or provision of this Agreement, Buyer makes no representation or warranty that any selling parties' acquisition of OP Units will be permitted by applicable law at the time such election is made, or will be done so on a tax-free or tax-deferred basis, and selling parties shall rely solely on their own investigation and legal and tax consultants and experts with regard to all such issues. In the event that TCA's Purchase Option is exercised, the purchase price shall be paid entirely in cash at closing. In either case, each selling party shall transfer its entire interest in the Partnership Units it is selling free and clear of all liens and encumbrances at closing,

(d) Section 704(c) Allocations. If Buyer's Purchase Option is exercised and all or any portion of the Purchase Price is paid in OP Units, then with respect to each property that is contributed to the Operating Partnership pursuant to the exercise of Buyer's Purchase Option, the Operating Partnership and the selling parties electing to receive OP Units agree that the Operating Partnership shall use the "traditional method," as described in Section 1.704-3(b) of the Treasury Regulations promulgated under the Code, to make allocations of taxable income and loss among the partners of the O perating Partnership.

(e) Closing. Closing shall occur in escrow at the office of a mutually agreeable escrow agent on the 30th day after the option to purchase is exercised, but in no event shall closing occur before the Senior Loan maturity date, unless Senior Lender

waives any prepayment fee that may be due. Any closing under this Section 7.9 shall be subject to all the provisions of this Agreement pertaining to the Closing (as defined in Section 10.1 hereof) unless otherwise addressed in this Section 7.9, as if the closing under this Section 7.9 was the Closing (including, but not limited to, satisfying the conditions set forth in Article 8 hereof and delivering the items required by Article 9.4 hereof at the time of the closin g under this Section 7.9).

7.10 Sher Loans. There may be amounts owed to Sher by the Company (the "Sher Loans") outstanding at Closing, and the amount owed on any Sher Loan at Closing will be treated as a Company liability for purposes of calculating the Purchase Price under Section 1.1.1 above. Any balance owed by the Company on a Sher Loan at Closing will be paid by the Company at Closing before the Company makes any payments of any preferred return or repayment of capital to any partner. There shall be no new Sher Loans from and after the Closing Date.

8. Conditions Precedent to the Obligations of Company, Sellers and Sher. Each and every obligation of Company, Sellers and Sher under this Agreement is subject to the satisfaction, at or before Closing, of each of the following conditions:

8.1 Representations and Warranties; Performance. Each of the representations and warranties made by Buyer herein will be true and correct in all material respects as of Closing with the same effect as though made at that time except for changes contemplated, permitted, or required by this Agreement, and Buyer will have performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by it prior to Closing.

8.2 No Proceeding or Litigation. No action, suit, or proceeding before any court or any governmental or regulatory authority will have been commenced and be continuing, and no investigation by any governmental or regulatory authority will have been commenced and be continuing, and no action, investigation, suit, or proceeding will be threatened at the time of Closing, against Company, Sellers or Buyer seeking to restrain, prevent, or change the purchase, questioning the validity or legality of the purchase, or seeking damages in connection with the purchase contemplated herein.

8.3 Approvals, Estoppels Obtained. All consents to the amendment of the Company's Partnership Agreement as required hereunder shall have been obtained from the Company's limited partners, all tenant estoppels required hereunder shall have been obtained, the parties have agreed to the form of the quit claim deeds and escrow instructions to be signed and deposited under Section 12 of Exhibit Q, the Senior Lender shall have consented to this transaction and the Buyer's Loan, and Buyer and Junior Lender shall have approved a mutually acceptable agreement to assign all of the Junior Lender's right title and interest in and to the Junior Loan to Buyer, or if Buyer elects to pay off the Junior Loan, Buyer and Sellers shall have agreed to the terms of Buyer's Loan as provided in Section 1.2(b).

8.4 **Agreements with Limited Partners**. All of the limited partners of the Company shall have signed and initialed this Agreement, and all partners of the Company who are identified as parties to the Option Agreement which is **Exhibit O** hereto or who are identified as parties to the Agreement for Capital Loans which is **Exhibit I** hereto, shall have signed and delivered these agreements at least five (5) days prior to Closing.

9. Tax Covenants.

9.1 Each of the Company and Sellers shall provide Buyer with such cooperation and information as it may reasonably request in (i) filing any tax return, amended tax return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of the acquisition of an interest in the Company. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Company shal l promptly notify Buyer upon receipt by it of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Company or the entities or properties described herein and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments which may affect the liabilities for taxes of the Company or Sellers with respect to any tax period ending before or as a result of the Closing. Buyer and Sellers may each participate at their own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing and taxable periods ending after the Closing Date, provided that the Company shall have the right to control the conduct of any such audit or proceeding. Notwithstanding the foregoing, neither the Company, nor Sellers may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on Buyer or its affiliates without the consent of Buyer, such consent not to be unreasonably delayed, conditioned or withheld. Buyer and Sellers shall retain all tax returns, schedules and work papers with respect to the Company, and all material records and other documents relating thereto, until at least 90-days after the expiration of the statute of limitations (including, to the extent notified by any party, any extensions thereof) of the taxable years to which such tax returns and other documents relate and until the final determination of any tax in respect of such years.

9.2 The Company shall prepare or cause to be prepared and file or cause to be filed any tax returns of the Company which are due after the Closing Date. To the extent such returns relate to a period prior to or ending on the Closing, such tax returns (including, for the avoidance of doubt, any amended tax returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law, and the Company shall be responsible for and shall promptly pay when due all taxes levied with respect to the Company and the assets of the Company attributable to such period. To the extent such tax returns relate to income taxes attributable to a p eriod beginning before and ending after the Closing Date (a “Straddle Period”), no later than thirty (30) days prior to the due date (including extensions) for filing such returns, the Company shall deliver draft copies of such income tax returns to the Buyer for review and approval, which approval shall not be unreasonably conditioned or withheld. The Company shall consider in good faith any comments from Buyer. The Company shall be responsible for

and shall promptly pay all taxes relating to any period prior to the Closing Date, including the portion of any Straddle Period ending on the Closing Date and any administrative cost or expense attributable to the closing of the books pursuant to Section 1.4(c) hereof, all of which shall be considered pre-Closing liabilities of the Company and shall be included in the calculation of the Purchase Price as provided in Section 1.1.1 and illustrated in Schedule 1.1.1. As provided in Section 1.1.1, Buyer and Seller shall reconcile and adjust the Purchase Price after Closing to take into account advance tax payments made by the Company as of Closing and taxes paid post-Closing by the Company attributable to any pre-Closing periods.

9.3 The Company and Sellers consent and agree that the Company shall have in place a valid election under Section 754 with respect to its taxable year in which the Closing takes place.

9.4 From and after the Closing Date, the Company shall issue financial statements and reports and file tax returns as required in the attached **Exhibit R**.

10. Closing.

10.1 Time and Place, and Manner of Closing. The closing of the transactions set out herein ("Closing") will be held at the offices of the Escrow Agent in Seattle, Washington, or such other place as the parties may agree, which shall be seven (7) days after the expiration of the Due Diligence Period (the "Closing Date"), as may be extended pursuant to the terms stated below. If necessary, the Closing Date shall be extended up to sixty (60) days to allow Sellers to obtain the lender consents and any other consents needed for closing. Such additional time shall be permitted if Sellers provide to Buyer written notice thereof at least five (5) days prior to the scheduled Closing Date. In such event, the Closing Date shall be the date that is ten (10) days after the date Sellers provides written notice to Buyer that all required consents have been obtained, but not later than the date that is sixty-seven (67) days after the expiration of the Due Diligence Period, and in any event, no later than December 31, 2010. Either Buyer or Sellers shall have the right to close by delivering all necessary items to the Escrow Agent in a timely fashion via overnight mail or courier.

10.2 Obligations of Company and Sellers at Closing. At Closing and coincidentally with the performance by Buyer of its obligations prescribed in Section 10.3, Sellers shall deliver to Buyer the following:

(a) An assignment of the Partnership Interests executed by Sellers in form and substance reasonably satisfactory to Buyer, necessary to transfer and convey the Partnership Interests to Buyer;

(b) An affidavit of Company in commercially reasonable form attesting to the absence of parties in possession of the Project, together with all structures, equipment, buildings, and vehicles existing thereon as of the Effective Date, and the

absence of liens arising by, through, or under Company, but expressly subject to the Permitted Exceptions;

(c) A Closing Statement setting forth the Purchase Price, the amounts of all prorated items and all credits, debits, and costs contemplated by this Agreement;

(d) An updated rent roll certified as accurate;

(e) The owner's title policy; and

(f) A certificate from Sellers confirming that all warranties and representations given in this Agreement remain true and accurate, with a written explanation of any such warranty or representation that is then no longer accurate.

10.3 Obligations of Buyer at Closing. At Closing and coincidentally with the performance by Company of its obligations prescribed in Section 10.2, Buyer shall deliver to Company the following:

(a) The unpaid Purchase Price;

(b) Buyer shall sign an agreement to be bound by the terms of the Partnership Agreement as a limited partner and general partner; and

(c) A certificate from Buyer confirming that all warranties and representations given in the Agreement remain true and accurate, with a written explanation of any such warranty or representation that is then no longer accurate.

10.4 Escrow Fees and Other Closing Costs. All third party costs of closing this transaction, including escrow fees, recording fees, document preparation fees, the cost of an endorsement or an extended form of lender's title policy for the Buyer's Loan, or any such similar costs, shall be shared by the parties, fifty-one percent (51%) paid by Seller and forty-nine percent (49%) paid by Buyer. Buyer, Company, Sellers and Sher shall each pay their respective legal fees and expenses incurred in connection with this Agreement an d/or the transactions contemplated hereby. The following fees and costs to be paid by Company in connection with this transaction shall be separately identified on Company's balance sheet prior to Closing and shall be taken into account for purposes of calculating the Purchase Price pursuant to Section 1.1.1: Architectural renderings of redevelopment ($15,000), accounting fees related to REIT reporting ($10,000), and proposed fee of 1/8% for Senior Loan approval ($65,000).

11. Post-Closing Covenants.

11.1 Future Financing. If Buyer holds any limited Partnership Units or general Partnership Units in the Company as of the date of the Senior Loan maturity date, then Buyer and Sellers shall reasonably cooperate to obtain and put in place nonrecourse financing on the Project in a commercially reasonable form, provided that such financing shall be

nonrecourse, subject to usual commercial reasonable carve-out exceptions and environmental indemnities in commercially reasonable form executed by Buyer and all Sellers and the Company as required by the Lender.

11.2 Extension of Buyer's Loan Maturity Date. If requested in writing by the Company at least ninety (90) days prior to the then maturity date of the Buyer's Loan, then Buyer shall extend the maturity date of such loan by a period of ninety (90) days.

11.3 Buyer's Rights of First Offer on Sale of Partnership Units. From and after the Effective Date (subject to the limitations on transfers in Section 1.5(v) above), Buyer shall have a right of first offer to purchase any Partnership Unit from Sellers or from any of the Nonselling Limited Partners pursuant to the terms and provisions of this Section 11.3. All the partners of the Company hereby agree that they will not offer to se ll or sell any Partnership Units to any third party without first offering the same for sale to Buyer. Any such partner shall first offer the Partnership Unit or units by written notice to Buyer identifying the units to be sold and the proposed price and other terms. Buyer shall then have fifteen (15) days to accept or reject such offer. In the event Buyer fails to accept such offer in writing within fifteen (15) days after receipt of such offer, then the selling partner shall be free to sell such Partnership Units to a third party, provided that any such sale shall not be for a price or upon terms that are materially better than those offered to Buyer. Notwithstanding the foregoing, Buyer's right of first offer under this Section 11.3 shall not apply to a gift or bequest to any family of the conveying partner, an affiliated entity, or to any trusts for the benefit of such partner or their immediate families.

11.4 Operation in Accordance with REIT Requirements.

11.4.1 REIT Status. Buyer, Seller, Nonselling LPs, and the Company (collectively, the "Parties") acknowledge that ROIC, a Delaware corporation that indirectly owns 100 percent of Buyer, presently qualifies and intends to continue to qualify at all times as a REIT and that the ability of ROIC to qualify as a REIT will depend upon the nature of the Company's operations. Accordingly, notwithstanding anything to the contrary contained herein, the Company shall be operated at all times in a manner that will enable ROIC to satisfy all REIT Requirements and avoid the imposition of any federal income or exci se tax liability on ROIC . In addition, the Company shall avoid taking any action that would result in ROIC ceasing to satisfy any of the REIT Requirements or would result in the imposition of any federal income or excise tax liability on ROIC. For the purposes of complying with the objectives and requirements in this Section 11.4, it shall be assumed that the sole assets, income and activity of ROIC consist, at all times, of its interest in the Company. The Parties further acknowledge that ROIC shall be entitled to receive information regarding the Capital Account balances of the Parties, the Company's items of income, gain, deduction and loss, and such other information regarding the operations of the Company and each Property (or component portion thereof) as is necessary to permit ROIC to properly report and allocate its allocable share of the Company's items of income, gain, deduct ion and loss in compliance with its organizational documents and the compliance requirements for its REIT status.

11.4.2 Definitions. For purposes hereof:

(a) "REIT" shall mean a real estate investment trust under Code Section 856.

(b) "REIT Requirements" shall mean the requirements applicable to a REIT with respect to its activities, income, operation, and assets as set forth in Code Sections 856 through 860.

11.4.3 **Conduct of Company Operations**. In furtherance of the foregoing (and not in limitation thereof), and notwithstanding any other provision herein to the contrary, the Company shall conduct its operations at all times in accordance with the following provisions, and the Partnership Agreement of the Company is hereby amended to provide that:

(a) personal property, if leased in connection with any Property in which the Company owns an interest (a "Company Property") or any portion thereof, may only be leased together with a lease of the applicable Company Property or portion thereof, and the average of the fair market values of the Company's personal property subject to any such lease at the beginning and at the end of a taxable year shall not exceed fifteen percent (15%) of the average of the fair market values of the Company Property and the personal property leased under such lease together, within the meaning of Code Section 856(d)(1);

(b) no amount received or accrued from the rental of any Company Property or any portion thereof, shall be determined in whole or in part by reference to the income or profits derived by any person from the leased property within the meaning of Code Section 856(d)(2)(A), unless (x) substantially all of the tenant's income from the leased property consists of rents derived from subleasing substantially all of the leased property, and (y) those rents would be treated as "rents from real property" (within the meaning of Code Section 856(d)(2)) if received directly by the Company;

(c) no Company Property nor any portion thereof shall be leased to any party who subleases such Company Property or any portion thereof, if the rent payable with respect to the lease is based on a percentage of the tenant's receipts or sales and the rent payable with respect to the sublease is determined in whole or in part by reference to the income or profits derived by any person from the subleased property;

(d) no Company Property shall be leased or subleased to a lessee or sublessee in which the Company or ROIC owns, directly or indirectly (taking into account the attribution rules referred to in Code Section 856(d)(5)), in the aggregate ten percent (10%) or more of the voting power of all classes of voting stock or ten percent

(10%) or more of the total number of shares of all classes of stock of any corporate lessee or sublessee, or ten percent (10%) or more in the net profits or assets of any noncorporate lessee or sublessee;

(e) the Company shall hold each Company Property for purposes of obtaining income through the rental of such Property and through long term appreciation of such Company Property;

(f) the Company shall not engage in any "prohibited transaction" within the meaning of Code Section 857(b)(6)(B)(iii);

(g) no services will be provided to the tenants at any Company Property by the Company other than maintenance of the grounds and common areas, the collection of trash, security and fire protection services, the maintenance and lighting of parking lots and designation of handicapped spaces, the submetering of utility services, the maintenance and repair of leased space, the provision of vending machines and public telephones, and other services, to the extent that any such services are customarily provided in connection with the rental of similar space solely for occupancy or do not otherwise cause the income derived from such tenants to be other than "rents from real p roperty" within the meaning of Code Section 856(d)(2);

(h) neither the Company nor any Partner shall take any action (or fail to take any action permitted under this Agreement) that would cause the Company to generate any amount of income not described in Code Section 856(c)(2) which is in excess of 4% of its gross income or cause any significant part of the Company's assets to consist of assets other than "real estate assets" within the meaning of Code Section 856(c)(5)(B);

(i) the Company shall distribute to the Parties during each calendar year in accordance with the provisions of Article 5 of the Partnership Agreement, an amount of cash such that the portion distributed to ROIC will equal or exceed 100% of the amount of the Company's taxable income, if any, to be allocated to ROIC with respect to such calendar year; provided, that if ROIC shall agree, any distribution made in the month of January of a calendar year may be treated as if such distribution were made on December 31 of the preceding calendar year for purposes of this requirement; provided, further, that if ROIC's distributable share of "Cash Flow" (as def ined in Section 1.5 of the Partnership Agreement) is insufficient to meet the aforesaid distribution requirement with respect to ROIC, then the Company shall have satisfied the foregoing distribution requirement with respect to ROIC upon distributing to it such distributable share of Distributable Cash. In no event shall the Company be required to

borrow funds, or any Member be required to contribute funds to the Company, in order to permit the Company to satisfy the foregoing distribution requirement; and

(j) the Company shall not own securities possessing more than ten percent (10%) of the outstanding vote or value of any issuer (as determined for purposes of Code Section 856(c)(4)(B)).

12. No Further Solicitation. Company, Sellers and Sher shall not market the Project nor solicit or accept any offers to purchase the Project or any interest in Company. This agreement regarding nonsolicitation will be effective through the Closing Date, including any extensions thereof, or the earlier termination of this Agreement.

13. Indemnification and Survival.

13.1 Survival. All representations, warranties, covenants, and agreements made in this Agreement or in any exhibit, schedule, certificate, or agreement delivered in accordance with this Agreement (collectively, the "Related Documents") will survive any investigation by or on behalf of any party, the execution and delivery of this Agreement, and the consummation of the transactions contemplated by this Agreement for a period of one (1) year (the "Survival Period").

13.2 Indemnification by Company, Sellers and Sher. Notwithstanding any investigation by the Buyer, for a period of one (1) year from and after the Closing, Company, Sellers and Sher, jointly and severally, agree to indemnify, hold harmless, and defend the Buyer and its successors and assigns (collectively, the "Buyer's Indemnified Persons") from and against, and reimburse each of the Buyer's Indemnified Persons with respect to, any and all losses, damages, liabilities, costs, and expenses, including interest from the date of such loss to the time of payment, penalties, and reasonable attorney fees (collectively, the "Damages") incurred by any of the Buyer's Indemnified Persons by reason of or arising out of or in connection with:

(a) Any breach or inaccuracy of any representation or warranty of Company, Sellers or Sher made in this Agreement or any Related Document;

(b) Any failure by Company, Sellers or Sher to perform any covenant required to be performed by them pursuant to this Agreement or any Related Document; and

(c) Any claim, demand, cause of action, complaint or action arising out of any facts or circumstances that occurred prior to the Closing, regardless of fault.

This indemnification extends to any Damages suffered by any of Buyer's Indemnified Persons, whether or not a claim is made against any of Buyer's Indemnified Persons by any third party. Nothing contained herein shall make a person who is subject to the foregoing indemnification obligation liable for more than the aggregate Purchase Price.

13.3 Indemnification by Buyer. Notwithstanding any investigation by Company, Sellers and Sher for a period of one (1) year from and after the Closing, Buyer will indemnify, hold harmless, and defend Company and their successors and assigns (collectively, "Sellers' Indemnified Persons") from and against, and reimburse each of Sellers' Indemnified Persons with respect to, any and all Damages incurred by any of Sellers' Indemnified Persons by reason of or arising out of or in connection with:

(a) Any breach or inaccuracy of any representation or warranty of the Buyer made in this Agreement or any Related Document; and

(b) Any failure by the Buyer to perform any covenant required to be performed by it pursuant to this Agreement or any Related Document.

This indemnification extends to any Damages suffered by any of Sellers' Indemnified Persons, whether or not a claim is made against any of them by any third party.

13.4 Defense of Claim. If any claim is asserted against a party that would give rise to a claim by that party against the other party for indemnification, the party to be indemnified will promptly give written notice to the indemnifying party concerning such claim and the indemnifying party will, at no expense to the indemnified party, defend the claim.

14. Conduct of Business Pending Closing.

14.1 Ordinary Course of Business. From the Effective Date and through the Closing Date, Company, Sellers and Sher shall cause Company and the Project to operate only in the ordinary course of business and shall take all commercially reasonable actions to preserve the goodwill and operation of Company and the Project, and Company's respective relationships with the tenants and employees of Company, and will make no material change in the operation of Company or the Project nor enter into any material contract other than in the ordinary course of business, no r incur any material liability without the prior written consent of Buyer unless, in the case of an emergency, necessary to protect or preserve the health, safety or welfare of the tenants or invitees of the Project. Company shall perform all maintenance and repairs necessary to keep the Project in its present operating condition and repair, and shall not sell or remove any equipment, furniture, furnishings, fixtures, trade fixtures, machinery, tools, appliances, vehicles, spare and replacement parts, and similar property used by Company in connection with the operation of the Project, except in the ordinary course of business. Company, Sellers and Sher shall not, without the prior written consent of Buyer, which shall not be unreasonably withheld:

(a) Enter into any contract, agreement, or other commitment with respect to Company or the Project or cause Company to do the same, except contracts in the ordinary course of business;

(b) Enter into any new lease or lease extension;

(c) Make any affirmative change in key personnel of Company, or the Project, including the executive director or other department heads, except as may be necessary to hire replacements for departed personnel; or

(d) Enter into any employment arrangement, agreement or undertaking, or pay or promise to pay any fringe benefit, bonus or special compensation to Company's employees.

14.2 **Insurance.** From the Effective Date until the Closing Date, Company shall continuously maintain, or cause to be maintained, insurance on the Project at no less than the levels maintained on the Effective Date.

15. **Transition.** Company, Sellers, Sher and Buyer agree to cooperate with each other in all reasonable respects and to provide such information as is necessary to ensure a smooth and orderly transition of incorporation of Buyer into the operation of the Project.

16. **Confidentiality Agreement.** All information exchanged between Buyer, Company, Sellers and Sher not generally known to the general public will remain confidential and will not be disclosed to unrelated third parties other than on a need to know basis without the advance written consent of the other party, provided however, Buyer may disclose information to its investors and prospective investors without such consent, but designating such information as confidential and not to be disclosed, and each party shall be entitled to disclose any information as required by applicable la w, including without limitation, disclosure of such information by Buyer in the course of fulfilling its regulatory responsibilities under the Act, State Acts, or other applicable securities laws, rules or regulations. Notwithstanding the foregoing, either party shall be permitted to publish the existence of this Agreement by press release or otherwise.

17. **Development of Project.**

17.1 **Development Work and Budget**. Sher GP, in concurrence with Buyer or a designated affiliate of Buyer, intend to continue to develop and redevelop the Project after the Closing Date. Their current intention for development is set out in **Exhibit P** hereto. Prior to start of any development or redevelopment work on the Project, Sher GP will provide Buyer a detailed summary of the work to be performed on the Project and the related budget and Sher GP

will not proceed with any project on the Project until it has received Buyer's prior written approval. When a budget submitted by Sher GP has been approved by Buyer, Sher GP shall be authorized to make the expenditures and incur the obligations provided for in said budget. Sher GP shall also have the right, without further approval by Buyer, to make an expenditure or incur an obligation not set forth in an approved budget, provided that (i) such obligation or expenditure does not involve a sum in excess of $50,000, and (ii) such expenditure or obligation when added to all other expenditures or obligations, made or to be made, incurred or to be incurred, by Sher GP in such year which have not been otherwise approved in writing does not or will not cause the aggregate amount of all such expendit ures and obligations to exceed the approved budget for such year by more than $50,000. Upon paying any over-budget item, Sher GP shall promptly notify Buyer of the same, and upon approval of such expenditure by Buyer, any such sum shall be deemed to be approved as part of an approved development budget, and such sum shall no longer count against the $50,000 limit on over-budget items.

17.2 **Development Fees**. Sher GP or its designated affiliate shall be paid a development fee of $100,000 per year and Buyer or Buyer's designated affiliate shall be paid a development fee of $50,000 per year. The on-site administration of the development and re-development activities on the Project will be completed by Sher GP which will be compensated through a commercially reasonable development fee to be agreed upon by Buyer and Sher GP on a per-project basis.

18. **Legal and Equitable Remedies**.

18.1 **Default by Seller**. In the event that the transaction fails to close by reason of any default by Seller, all Earnest Money shall be returned to Buyer and Buyer's other remedies shall be limited to recovery of its out of pocket expenses incurred in this transaction, together with reasonable attorney fees and legal expenses, and no other remedy, except for the indemnity remedies that survive the termination of this Agreement.

18.2 **Default by Buyer**. In the event that this transaction fails to close by reason of any default by Buyer, all Earnest Money shall be forfeited by Buyer and released from escrow to Seller. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED BY REASON OF A DEFAULT BY BUYER HEREUNDER, THEN BUYER SHALL HAVE NO FURTHER RIGHT TO PURCHASE ALL OR ANY PORTION OF THE PROPERTY FROM SELLER, AND SELLER SHALL BE ENTITLED TO RECEIVE FROM BUYER THE EARNEST MONEY AS SELLER'S LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICAB< font style="DISPLAY: inline; FONT-WEIGHT: bold">LE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT. IN ADDITION, BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT, AND SELLER DESIRES TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER WERE REQUIRED TO FILE A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, THE PARTIES

AGREE THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR HEREIN REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE, AND SHALL BE SELLER'S SOLE REMEDY, EXCEPT FOR BUYER'S OBLIGATIONS TO INDEMNIFY SELLER AS PROVIDED IN THIS AGREEMENT, WHICH SHALL REMAIN REMEDIES OF SELLER IN ADDITION TO LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED TO BE AND SHALL NOT CONSTITUTE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE AND REPRESENT LIQUIDATED DAMAGES TO SELLER. BY PLACING THEIR INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE IN THIS SECTION AND THE FACT THAT SUCH PARTY WAS REPRESENTE D BY COUNSEL OF ITS OWN CHOOSING WHO, AT THE TIME THIS AGREEMENT WAS MADE, EXPLAINED THE CONSEQUENCES OF THIS SECTION TO IT. THIS SECTION DOES NOT LIMIT BUYER'S OBLIGATIONS WHICH, AS OTHERWISE PROVIDED HEREIN, SURVIVE THE TERMINATION OF THIS AGREEMENT.

BUYER'S INITIALS: /s/ ST	SELLER'S INITIALS: /s/ RS
	/s/ MR
	/s/ MS
	/s/ JK
	/s/ TB
	/s/ WR
	/s/ EEC
	/s/ AH
	/s/ JB

18.3 **Breach of Post-Closing Covenants**. The limitations on remedies in Sections 18.1 and 18.2 above shall not apply to any breach by either party of any post-Closing covenant, and both parties shall have all remedies at law and in equity, including specific performance, available to it for such breaches.

19. General Provisions.

19.1 **Assignment.** Sellers shall not assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of Buyer. Buyer may assign either this Agreement or any of its rights, interests, or obligations hereunder to any entity controlled by Buyer without the prior written approval of Sellers but not without the prior approval of the Senior Lender. Specifically, Buyer shall be entitled to (i) assign its rights to purchase the LP Units to one entity Buyer controls and the right to purchase the GP Units to another entity Buyer controls, and (ii) assign its right to make the Buyer's Loan to an affiliate of Buyer. Seller acknowledges that Buyer's assignee(s) pursuant to Section 18.1(i) may or may not be real estate investment trusts. It shall be a condition of any assignment hereunder, that the assignee expressly assume in writing all of the duties and obligations being assigned to it, and

that the Buyer shall not be released from any of its duties or obligations hereunder, which it shall continue to be liable for if not performed by the assignee.

19.2 Binding Effect. This Agreement will be binding upon the parties and their heirs, personal representatives, successors, and assigns, and will inure to their benefit.

19.3 Costs. Each party will be responsible for and bear all of its own costs and expenses (including any expenses of its representatives) incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated.

19.4 Amendment. A modification or amendment to this Agreement or the exhibits to this Agreement, or other documents delivered pursuant hereto, are effective only if it is in writing and executed by all parties hereto.

19.5 Notice. To be effective, a notice or other communications required or permitted under this Agreement must be given in writing and shall be given by: (i) depositing such notice with a nationally recognized overnight delivery service, delivery charges prepaid, (ii) hand delivery using a courier, or (iii) by facsimile, and only if electronic confirmation of such facsimile is received. All such notices shall be deemed delivered: (i) by overnight delivery service, on the day following deposit with such service, (ii) by courier, on the date of such cour ier service, and (iii) by facsimile, on the date of delivery.

If to Buyer: Richard Schoebel
Retail Opportunity Investments Partnership, LP
3 Manhattanville Road, 2nd Floor
Purchase, New York 10577
Telephone: 914/272-8080
Facsimile: 914/272-8088
rschoebel@roireit.net (email)

With a copy to: Kenneth S. Antell
Dunn Carney Allen Higgins & Tongue LLP
851 SW Sixth Avenue, Suite 1500
Portland, Oregon 97204
Telephone: 503/417-5364
Facsimile: 503/224-7324
kantell@dunncarney.com (email)

If to Company, Sellers or Sher:

Ronald Sher
c/o Metrovation
10500 NE 8th Street, Suite 850
Bellevue, Washington 98004
Telephone: 425/990-1200
Facsimile: 425/990-1203
ron4sher@gmail.com (email)

With a copy to:

Kenneth A. Bloch
Wolfstone, Panchot & Bloch, P.S., Inc.
1111 3rd Avenue, Suite 1800
Seattle, Washington 98101
Telephone: 206/682-3840
Facsimile: 206/340-8837
kbloch@wpblaw.com (email)

19.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

19.7 Severability. If any provision of this Agreement is deemed to be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired.

19.8 Further Assurances. The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

19.9 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties to this Agreement, any right or remedy of any nature whatsoever.

19.10 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring. To be effective, any waiver, permit, consent or approval of any kind on the part of any party hereto of any breach or default under this Agreement, or any waiver of any provisions or conditions of this Agreement, must be in writing.

19.11 Arbitration. Should disagreement arise that the parties do not resolve, both parties agree that such controversy shall be submitted to final and binding arbitration before a single arbitrator in Bellevue, Washington in accordance with JAMS. Notwithstanding this, the parties are and will be permitted the right of discovery in any such proceeding. If arbitration is

commenced by any party concerning any provision of this Agreement or the rights and duties of any party, the substantially prevailing party in such arbitration shall be entitled, in addition to such other relief as may be granted, to reasonable actual attorneys' fees, expert witness expenses, and other costs.

19.12 Time for Performance; Counting Days. If the day for performance of any obligation under this Agreement is a Saturday, Sunday, or legal holiday, then the time for performance of that obligation shall be extended to 5:00 p.m. Pacific time on the first following day that is not a Saturday, Sunday, or legal holiday.

19.13 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Washington, regardless of any conflict of law principles of the State of Washington that may direct the interpretation or enforcement of this Agreement to the laws of any other jurisdiction.

19.14 Entire Agreement. This Agreement, including the exhibits hereto, and the other documents delivered pursuant hereto, constitutes the full and entire understanding and agreement between the parties concerning the subject matter of this Agreement, and this Agreement supersedes all prior agreements and negotiations, oral or written, concerning that subject matter, all of which are merged into this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective success ors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

19.15 Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations p romulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. The parties intend that each representation, warranty, and covenant contained herein shall have independent significance.

19.16 Memorandum of Option. Upon the Closing Date, the parties shall record a memorandum providing notice of Buyer's Purchase Option and TCA's Purchase Option as provided in Section 7.9 above.

19.17 Company Acts. Sellers and Sher represent and warrant, jointly and severally, that they shall cause Company to do any of the acts required under this Agreement, and that Sellers have the legal authority and Company authority necessary to do so.

20. Attorney Fees. If any suit, arbitration or action (including any bankruptcy proceedings) is instituted to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover from the Party not prevailing, in addition to other relief that may

be provided by law, an amount determined reasonable as attorney fees in arbitration or trial and on any appeal of such suit, arbitration or action.

21. **Buyer's Rights of First Offer on Other Properties**. Upon the Closing Date, Buyer and Sellers shall cooperate to execute and record in the respective county where each property is located, and cause all other necessary parties to execute, the documents necessary to grant Buyer a Right of First Offer to Purchase, in the form attached as **Exhibit Q** (except as modified to reflect the prior existing right of first offer with regard to The Grove at S hrewsbury, as mentioned below), the following properties:

Five Points Plaza, Huntington Beach, CA
Southside Shopping Center, Santa Rosa, CA
Brook 35 Plaza, Sea Girt, NJ
Brook 35 West, Sea Girt, NJ
The Grove at Shrewsbury, Shrewsbury, NJ (subject to existing right of first offer in favor of current interest holders)
The Grove West, Shrewsbury, NJ

22. **8-K and Audit Requirements**. Buyer and Sellers agree to all the terms of **Exhibit K** hereof.

23. **AMENDMENT OF THE PARTNERSHIP AGREEMENT**. TO THE EXTENT THAT ANY PROVISION OF THIS AGREEMENT IS CONTRARY TO THE TERMS OF THE PARTNERSHIP AGREEMENT OF THE COMPANY OR WOULD REQUIRE AN AMENDMENT TO THE PARTNERSHIP AGREEMENT OF THE COMPANY IN ORDER TO BE EFFECTIVE, THE COMPANY'S PARTNERSHIP AGREEMENT SHALL BE DEEMED TO HAVE BEEN SO AMENDED BY THE CONSENT OF ALL OF THE COMPANY'S PARTNERS WHO HAVE SIGNED THIS AGREEMENT. SELLERS, SHER AND THE NON-SELLING LP'SWARRANT AND REPRESENT THAT THIS PROVISION IS LEGALLY ENFORCEABLE AND THAT, UPON FULL EXECUTION, THIS AGREEMENT SHALL CONSTITUTE AN AMENDMENT OF THE COMPANY 'S PARTNERSHIP AGREEMENT, AS PROVIDED HEREIN, WITHOUT THE NEED FOR A SEPARATE PARTNERSHIP AGREEMENT AMENDMENT

SELLERS	NON-SELLING LP's	RONALD SHER
/s/ RS	/s/ Joseph/s/ Blum	RS
Sher GP, Inc.	Blum Family Trust	Initials
Initials	Initials	

TCA Holdings, LLC
/s/ RS
Initials

Mel Ronick IRA
/s/ Mel Ronick
Initials

Merrill Lynch IRA FBO
Eugene Clahan
/s/ EEC
Initials

Jacqueline Kudler, Trustee
Of the Joel J. Kudler
Marital Trust u/a
Dated 11/11/88
/s/ JK
Initials

Doris Blum
/s/ JB
Initials

Joseph Blum Irrevocable Trust
/s/ JB
Initials

Blum 1986 Grandchildren's Trust I
/s/ JB
Initials

Ari Blum Trust
/s/ JB
Initials

Morgan Blum Trust
/s/ JB
Initials

Thomas Bomar
/s/ TB
Initials

Trust B under the Harris Trust
u/a dated 7/22/88
/s/ AH
Initials

Rawson, Blum & Company
/s/ WR
Initials

Rawson Living Trust
/s/ WR
Initials

Argus Group, Ltd.
/s/ RS
Initials

Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88
/s/ EEC
Initials

Merritt and Pamela Sher Living Trust
/s/ MS
Initials

Sylvia Sher
/s/ RS
Initials

Sydney Sher Marital Trust
/s/ RS
Initials

Terranomics Investment Partnership
/s/ MS
Initials

Terranomics, a CA corp.
/s/ MS
Initials

[Signatures on following page]

IN WITNESS OF THEIR AGREEMENT, the parties have executed this Agreement as of the date first written above.

SELLERS:

TCA HOLDINGS, LLC, a Washington limited liability company

By: **ARGUS GROUP, LTD.**, a Washington corporation, its Manager

By: /s/ Ronald Sher
Name: Ronald Sher
Title: C.E.O.

BUYER:

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP
a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC,
Its Sole General Partner

By: /s/ Stuart A. Tanz
Stuart A. Tanz
Chief Executive Officer

COMPANY:

SHER GP, INC., a Washington corporation

By: /s/ Ronald Sher
Name: Ronald Sher
Title: C.E.O.

TERRANOMICS CROSSROADS ASSOCIATES, a California limited partnership

By: **SHER GP, INC.**, a Washington corporation, its general partner

By: /s/ Ronald Sher
Name: Ronald Sher
Title: C.E.O.

MEL RONICK IRA

By: /s/ Mel Ronick
Name: Mel Ronick
Title:

RONALD SHER:

/s/ Ronald Sher
Ronald Sher

MERRILL LYNCH IRA FBO EUGENE CLAHAN

By: /s/ Eugene E. Clahan
Name: Eugene E. Clahan
Title: Trustee

/s/ Jacqueline Kudler
Jacqueline Kudler, Trustee of the Joel J. Kudler Marital Trust U/A dated 11/11/88

NON-SELLING LPS

/s/ Doris Blum, by Joseph Blum, her attorney-in-fact
Doris Blum

/s/ Joseph Blum
Trustee of the Blum Family Trust

/s/ Joseph Blum
Trustee of the Joseph Blum Irrevocable Trust

/s/ Joseph Blum
Trustee of the Blum 1986 Grandchildren's Trust I

/s/ Joseph Blum
Trustee of the Ari Blum Trust

/s/ Joseph Blum
Trustee of the Morgan Blum Trust

/s/ Thomas Bomar
Thomas Bomar

/s/ AH
Trustee of Trust B under the
Harris Trust u/a dated 7/22/88

RAWSON, BLUM & COMPANY
By: /s/ David R. Rawson
Name: David R. Rawson
Title: C.E.O.

/s/ David R. Rawson
Trustee of the Rawson Living Trust

ARGUS GROUP, LTD.

By: /s/ Ronald Sher
Name: Ronald Sher
Title: C.E.O.

/s/ Eugene E. Clahan
Trustee of the Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88

/s/ Merritt Sher
Trustee of the Merritt and Pamela Sher Living Trust

/s/ Ronald Sher
Sylvia Sher, by Ronald Sher, her attorney-in-fact

/s/ Ronald Sher
Trustee of the Sydney Sher Marital Trust

TERRANOMICS INVESTMENT PARTNERSHIP

By: /s/ Ronald Sher
Name: Ronald Sher
Title: President of Terranomics, General Partner

TERRANOMICS, a California corporation

By: /s/ Merritt Sher
Name: Merritt Sher
Title: Chairman

EXHIBITS AND SCHEDULES

A - Legal Description of Project – Recital A
B - Ownership of LP Units – Recital B
Schedule 1.1.1 Purchase Price Calculation Template – Section 1.1.1
C – Management and Leasing Agreement – Section 1.5
D - Major Decisions – Section 1.5
E - Personal Property – Section 3.4
F - Contracts – Section 3.6
Schedule 3.8 – Environmental Reports - Section 3.8
G - Financial Statements – Section 3.19
H - Intellectual Property – Section 3.22(d)
I – Agreement for Capital Loans -Section 7.7
Schedule 7.7(b) Formula for Calculation of Partnership Unit Adjustment – Section 7.7(b)
J – [Intentionally Deleted]
K – 8-K and Audit Requirements – Section 22
L - Contribution Agreement – Section 7.9(c)
M - Registration Rights Agreement – Section 7.9(c)
N - Form of Tax Protection Agreement – Section 7.9(c)
O - Option Agreement – Section 7.9
P - Development Plans – Section 17
Q - Right of First Offer to Purchase – Section 21
R - Financial Statement Production Requirements – Section 9.4

Exhibit A
Legal Description

PARCEL A:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER;
THENCE SOUTH 88° 42' 24" EAST, ALONG THE SOUTH LINE OF SAID SECTION, 1,030 FEET;
THENCE NORTH 1° 11' 55" EAST 1,772.6 FEET;
THENCE NORTH 88° 42' 24" WEST, PARALLEL TO SAID SOUTH LINE, 1,030 FEET;
THENCE SOUTH 1° 11' 55" WEST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER 1,772.6 FEET TO THE POINT OF BEGINNING.

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR 156TH AVENUE N.E. BY DEEDS RECORDED NOVEMBER 25, 1922 AND DECEMBER 6, 1922 UNDER RECORDING NOS. 1677851 AND 1681551;

EXCEPT THE SOUTH 30 FEET THEREOF CONVEYED TO KING COUNTY FOR N.E. 8TH STREET BY DEED RECORDED DECEMBER 1, 1958 UNDER RECORDING NO. 4970969;

EXCEPT THAT PORTION THEREOF CONVEYED TO KING COUNTY FOR ROADS PURPOSES AT THE INTERSECTION OF SAID STREETS BY DEED RECORDED MARCH 20, 1963 UNDER RECORDING NO. 5558467;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF BELLEVUE FOR LANDSCAPING AND SIDEWALKS BY DEED OF DEDICATION RECORDED AUGUST 12, 1977 UNDER RECORDING NOS. 7708120967, 7708120968, 7708120969 AND 7708120970;

AND EXCEPT THOSE PORTIONS OF THE ABOVE DESCRIBED PROPERTY TAKEN FOR THE IMPROVEMENT OF NORTHEAST 8TH STREET AND 156TH AVENUE NORTHEAST AS DESCRIBED IN KING COUNTY S.C. NO. 90-2-25916-1;

ALSO EXCEPT THOSE PORTIONS DESCRIBED IN DEED TO THE CITY OF BELLEVUE RECORDED JUNE 11, 1992 UNDER RECORDING NO. 9206111175;

ALSO EXCEPT ANY PORTION LYING WITHIN BOUNDARY LINE ADJUSTMENT NO. BLA-98-833, DECLARATION OF LOT COMBINATION NO. DLC-98-832, RECORDED OCTOBER 13, 1998 UNDER RECORDING NO. 9810139003 OF KING COUNTY, WASHINGTON;

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF BELLEVUE, DESCRIBED IN DEED RECORDED APRIL 16, 2001 UNDER RECORDING NO. 20010416000823, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL B:

LOT 2 OF CITY OF BELLEVUE BOUNDARY LINE ADJUSTMENT NO. BLA-98-833 RECORDED OCTOBER 13, 1998 UNDER RECORDING NO. 9810139003, IN KING COUNTY, WASHINGTON.

PARCEL C:

A NON-EXCLUSIVE EASEMENT FOR ROAD, DRAINAGE AND UTILITY PURPOSES GRANTED AND DESCRIBED IN THE DOCUMENT ENTITLED "EASEMENT" RECORDED APRIL 7, 1964 UNDER RECORDING NO. 5720127 AND AMENDED MAY 6, 1966 AND DECEMBER 8, 1980 UNDER RECORDING NOS. 6025120 AND 8012080744, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL D:

A NON-EXCLUSIVE EASEMENT FOR ACCESS DESCRIBED IN DOCUMENT ENTITLED "RECIPROCAL EASEMENTS" RECORDED DECEMBER 8, 1997 AS INSTRUMENT NO. 9712080823, RECORDS OF KING COUNTY, WASHINGTON.

Exhibit B
Ownership of Partnership Units

TERRANOMICS CROSSROADS ASSOCIATES
a California limited partnership

	Partnership Interest	Partnership Units
Argus Group, Ltd.	0.4836%	30.50710
Blum, Doris	0.1425%	8.98990
Blum Family Trust	0.9302%	58.68110
Joseph Blum Irrevocable Trust	0.0892%	5.62460
Blum 1986 Grandchildren's Trust I	0.4355%	27.47290
Ari Blum Trust	0.0591%	3.72950
Morgan Blum Trust	0.0591%	3.72950
Thomas Bomar	0.4696%	29.62250
Merrill Lynch IRA FOB Eugene Clahan	1.1460%	72.29270
Eugene E. and Kathleen B. Clahan		
Revocable Trust u/a dated 11/11/88	0.9076%	57.25150
Trust B under the Harris Trust u/a dated 7/22/88	0.0901%	5.68320
Jacqueline Kudler, Trustee of the Joel J. Kudler		
Marital Trust u/a dated 11/11/88	0.1578%	9.95680
Rawson, Blum & Company	0.0142%	0.89500
Rawson Living Trust	1.5416%	97.24610
Mel Ronick IRA	0.0473%	2.98680
Merritt and Pamela Sher Living Trust	2.2583%	142.45755
Ronald Sher	2.5833%	162.95675
Sher GP, Inc.	0.1594%	10.05710
Sylvia Sher	1.3436%	84.75380
Sydney Sher Marital Trust	1.3436%	84.75380
Terranomics Investment Partnership	0.7078%	44.64750
Terranomics	0.0286%	1.80710
TCA Holdings, LLC	85.0018%	5,362.0000
	100.000000%	6,308.10280

Schedule 1.1.1
Purchase Price Calculation

Purchase Price of Calculation
Total Value of Project

Purchase Price	**$86,000,000.00**

Plus:	(A) **Balance Sheet As of Sep.30, 2010**	(B) **Excluded Accounts**	(A-B) **Included Accounts**
Assets			
MAIN ACCT-KEYBANK	1,500.00		1,500.00
OPERATING CASH – KEYBANK	213,954.67		213,954.67
FARMERS MARKET OPERATING-KEYBANK	14,411.11		14,411.11
KEYBANK MONEY MARKET	4,068.26		4,068.26
MARKETING PETTY CASH-KEYBANK	2,000.00		2,000.00
Cash In Transit	130.00		130.00
Tenant A/R	174,937.10		174,937.10
NOTE REC-CROSSROADS VET (B SINGBEIL)	23,762.28		23,762.28
NOTE REC-COMMON FOLK KIDS	9,613.96		9,613.96
REC-TCA HOLDINGS	690.77		690.77
NOTE REC-THYME FOR SOUP	7,806.58		7,806.58
PROPERTY TAX ESCROW	341,799.90		341,799.90
PREPAID INSURANCE	38,516.88		38,516.88
LAND	5,302,908.20	5,302,908.20	
SITE IMPROVEMENTS: BEGINNING BALANCE	1,362,615.90	1,362,615.90	
SITE IMPROVEMENTS: ADDITIONS	56,808.46	56,808.46	
ACCUM. DEPREC.: PARKING AREAS	(1,029,568.00)	(1,029,568.00)	
LANDSCAPING: BEGINNING BALANCE	398,949.49	398,949.49	
LANDSCAPING: ADDITIONS	26,500.15	26,500.15	
ACCUM. DEPREC.: LANDSCAPING	(325,506.00)	(325,506.00)	

Plus:	(A) **Balance Sheet As of Sep.30, 2010**	(B) **Excluded Accounts**	(A-B) **Included Accounts**
Assets			
SHELL & MALL BLDGS: BEGINNING BALANCE	31,323,597.36	31,323,597.36	
SHELL & MALL BLDGS: ADDITIONS	37,389.68	37,389.68	
ACCUM. DEPREC.: SHELL & MALL BLDGS	(22,520,921.00)	(22,520,921.00)	
TENANT IMPROVEMENTS: BEGINNING BALANCE	8,975,778.52	8,975,778.52	
TENANT IMPROVEMENTS: ADDITIONS	450,005.23	450,005.23	
ACCUM. DEPREC.: TENANT IMPROVEMENTS	(2,582,655.00)	(2,582,655.00)	
HVAC: BEGINNING BALANCE	300,634.22	300,634.22	
ACCUM. DEPREC.: HVAC	(284,680.00)	(284,680.00)	
FURNITURE & EQUIPMENT: BEGINNING BALANCE	394,211.99	394,211.99	
FURNITURE & EQUIPMENT: ADDITIONS	15,886.51	15,886.51	
ACCUM. DEPREC.: FURNITURE & FIXTURES	15,886.51	15,886.50	
SIGNS: BEGINNING BALANCE	179,978.10	179,978.10	
CONSTRUCTION IN PROGRESS	58,866.80	58,866.80	
LEASE COMMISSIONS: BEGINNING BALANCE	761,315.01	761,315.01	
LEASE COMMISSIONS: ADDITIONS	123,425.14	123,425.14	
ACCUM. AMORT.: LEASE COMMISSIONS	(413,881.00)	(413,881.00)	
LOAN COSTS: BEGINNING BALANCE	488,692.82	488,692.82	
LOAN COSTS: ADDITIONS	(77.00)	(77.00)	
ACCUM. AMORT.: LOAN COSTS	(93,084.00)	(93,084.00)	
LEASE COSTS: BEGINNING BALANCE	839,224.64	839,224.64	
LEASE COSTS: ADDITIONS	43,577.00	43,577.00	
ACCUM. AMORT.: LEASE COSTS	(66,071.00)	(66,071.00)	
SYNDICATION COSTS	247,000.08	247,000.08	
GOODWILL	38,379,227.00	38,379,227.00	

Plus:	(A) **Balance Sheet As of Sep.30, 2010**	(B) **Excluded Accounts**	(A-B) **Included Accounts**	
Total Assets	62,675,704.60	61,842,513.09	833,191.51	**833,191.51**
Less:				
Liabilities				
ACCOUNTS PAYABLE-MANUAL ENTRY	185,515.04		185,515.04	
EXPEDIA CRUISE SHIP TI PAYABLE	11,880.00		11,880.00	
MERCHANTS FUND				
ACCRUED INTEREST PAYABLE	280,450.83		280,450.83	
ACCRUED SALARIES & WAGES	8,363.90		8,363.90	
ACCRUED SICK & VACATION	20,560.75		20,560.75	
ACCRUED IRA EMPLOYEE DEDUCTION	150.00		150.00	
UNAPPLIED RENTS	228,757.13		228,757.13	
MTG PAY: AIG	51,775,537.31	51,775,537.31		
MTG PAY: TII	8,812,537.81	8,812,537.81		
COMPACTOR NOTES PAYABLE	25,166.00		25,166.00	
TENANT SECURITY DEPOSITS	121,242.83		121,242.83	
Total Liabilities	61,473,462.04	60,588,075.12	885,386.92	**(885,386.92)**
Capital	1,202,242.56	1,202,242.56		
Total Liabilities and Capital	62,675,704.60	61,790,317.68	885,386.92	
Total Value of Project				**85,947,804.59**
Less				
Senior loan as of 9/30/10				**(51,775,537.31)**
Junior loan as of 9/30/10				**(8,812,537.81)**
Total				**25,359,729.47**
Interest acquired				**49%**
Total Purchase Price				**$ 12,426,267.44**

MANAGEMENT AND LEASING AGREEMENT

THIS MANAGEMENT AND LEASING AGREEMENT ("Agreement") is made and entered into as of the ____ day of _____ ,2010, by and between Terranomics Crossroads Associates Limited Partnership, a California limited partnership (Owner), and Argus Group Ltd., a Washington corporation (Agent).

WITNESSETH:

WHEREAS, Owner owns a certain tract of land located in Bellevue, Washington, on which exists a shopping center known as Crossroads Shopping Center, such tract of land and the shopping center being more particularly described on **Exhibit A**, attached hereto and incorporated herein by reference (which land and shopping center are hereinafter collectively referred to as the Project); and

WHEREAS, Owner desires to employ Agent to manage and lease the Project subject to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable considerations, receipt and sufficiency of which are hereby acknowledged, Owner and Agent, intending to be legally bound, hereby agree as follows:

1. *Employment and Appointment.* Owner hereby employs Agent for the term of this Agreement as its sole and exclusive manager and leasing Agent of the Project, subject to the terms and conditions hereof. Owner further appoints and designates Agent as its duly authorized representative to perform the functions and services listed herein in the name of and on behalf of Owner, all at Owner's sole cost and expense, subject to the terms and provisions hereof. Agent hereby accepts such employment and appointment on the terms and conditions set forth herein, subject to the terms and provisions hereof.

2. *Term.* Owner hereby employs Agent to manage, lease, re-lease, and maintain the Project for a term of one year from the date hereof, automatically renewable annually unless sooner terminated pursuant to the provisions of paragraph 9 hereof.

3. *Functions and Services of Agent.* Agent agrees to perform, and shall have full power and authority for, on behalf of, and in the name of Owner, the following services as manager and leasing agent of the Project, and Agent shall have authority to expend such sums and incur such expenditures (subject to the terms of this Agreement), all at Owner's expense, as may be necessary in connection therewith:

(a) Investigate, hire, pay, supervise, and discharge the personnel necessary to be employed by Agent in order to properly maintain and operate the Project, including janitor, security and maintenance personnel.

(b) Advertise the Project in such manner as deemed advisable by Agent and Owner;

(c) Investigate prospective tenants, rent space in the Project to tenants on such terms and conditions as may be specified by Owner.

(d) Collect, demand, request, and receive rentals, percentage rentals, common area maintenance charges, payments toward taxes and insurance, security deposits, and such other sums which may be due from tenants;

(e) Terminate tenancies and refund tenant security deposits where deemed advisable by Owner; sign and serve such notices as are deemed needed by Owner or Agent; Institute and prosecute actions related to tenants and to recover possession of tenant space in the Project; sue and recover rent;

(f) Cause the buildings, appurtenances, and grounds of the Project to be maintained and kept in repair, as may be deemed necessary by Owner to keep the Project in first class operation;

(g) Take such action as may be necessary to comply with any and all orders or requirements affecting the Project which shall be issued or imposed by any federal, state, county, or municipal authority having jurisdiction thereof; provided, however, that Agent shall promptly notify Owner in writing of all such orders and notices or requirements and comply with Owner's instructions regarding such orders and requirements, to the extent that such instruction can practically and legally be followed;

(h) Make contracts and arrangements for securing water, electricity, gas, fuel, oil, and other services necessary for the successful operation of the Project;

(i) If requested by Owner, obtain and keep in full force and effect, at Owner's expense, all insurance which may be specified in writing by Owner. Unless specified in writing by Owner, Agent shall have the right to determine companies, amounts of coverage, and forms of policies, including riders and endorsements, as shall be deemed necessary by Agent, provided that Agent shall not be held liable to Owner in respect of any such determination which is made in good faith. Agent may have itself designated as an additional insured under any of the policies;

(j) From funds collected and deposited in the account hereinafter provided, cause to be disbursed regularly and punctually; (i)salaries and any other compensation due and pay able to the employees of Owner; (ii) the single aggregate payment required to be made monthly to any lender, including the amount due under each mortgage note, if any, for premium charges under the contract of insurance, taxes and assessments, fire and other hazard insurance premiums, interest on each mortgage loan; and (iii) sums otherwise due and payable by Owner as operating expenses which are incurred pursuant to the terms of this Agreement including management and other fees as provided herein;

(k) Cooperate with Owner's accountants in preparation for execution and filing by Owner of all forms, reports, and returns required by law in connection with unemployment insurance, workers' compensation insurance, disability benefits, and social security not in effect or hereafter imposed, and also all requirements relating to the employment of personnel;

(l) Agent agrees that, within 15 days after the execution hereof, it will prepare and submit to Owner for its approval a budget setting forth the estimated receipts and expenditures (capital, operating, and other) of the Project for the balance of the current calendar year. When a budget submitted by Agent has been approved by Owner in writing, Agent shall be authorized to make the expenditures and incur the obligations provided for in said budget. Agent shall not be authorized to incur any

obligations or to make any expenditure for or on behalf of the Owner not set forth in an approved budget unless such obligation or expenditure is approved in advance in writing by the Owner. Notwithstanding the foregoing, Agent shall have the right, without further approval of the Owner, to make an expenditure or incur an obligation not set forth in an approved budget provided that (i) such obligation or expenditure does not involve a sum in excess of $50,000 , and (ii) such expenditure or obligation when added to all other expenditures or obligations, made or to be made, or incurred or to be incurred, by Agent on behalf of Owner in such year which have not been otherwise approved in writing does not or will not cause the aggregate amount of all such expenditures and obligations to exceed the approved budget for such year by more than $50,000. Additionally, in the event the Agent, in its good faith and reasonable judgment, deems an expenditure not provided for in an approved budget to be an emergency *(that is immediately necessary to protect persons or property)*, Agent shall be authorized to make such expenditure on behalf of the Owner, provided that Agent notifies Owner by telephone of the nature of the emergency and the scope of the work to be done, and immediately confirms the same in writing, which confirmation shall include evidence as to all costs incurred to date and Agent's best estimate of the total cost thereof, provided that, notwithstanding the foregoing, upon paying any over-budget item (emergency or otherwise), Agent shall promptly notify Owner of the same, and upon approval of such expenditure by Owner, any such sum shall be deemed to be approved as part of approved budget for purposes of this paragraph, and Agent may again incur or pay over-budget obligations and expenses as provided above.

(m) Agent agrees to keep full and detailed books and records covering the management of the Project and to provide professional accounting services with respect to the project and timely submit to the Owner all the materials and reports described in the attached Exhibit B that the Company is required to prepare and distribute to the Partners.

Owner shall at all times have access to such records as well as to the other books and records of the Agent maintained on behalf of the Owner and directly related to the leasing, operation, maintenance, and management of the Project, and the Owner's accountants shall have the right to audit such books and records.

Agent shall not be responsible for preparing or filing any audited financial statements or tax, corporate, or other related returns or forms, but agrees, if requested by Owner, to make available records which may be necessary for the Owner's accountants to prepare and file such reports. Notwithstanding the foregoing, Agent will be responsible for filing payroll tax returns for Owner's employees working at the Project.

(n) Select, contract, supervise the performance of, and pay the fees and charges for, all independent contractors required for proper maintenance and operation of the Project;

(o) If requested by Owner, Agent would agree to appeal before any taxing authorities any property tax assessments relative to the Project.

(p) Agent shall maintain all required licenses and shall comply with all applicable laws, rules, statutes, ordinances, and regulations in Agent’s performance of its duties under this Agreement.

(q) Agent shall meet with Owner’s General Partners at least once every six (6) months to report on the status of the Project, material issues, and management

decisions, leasing, new development and redevelopment, and all other material issues related to the management or operation of the Project.

4. *Consent of ROIP*. Notwithstanding the foregoing or any other term or provision of this Agreement, Agent shall not take any of the actions listed on the attached **Exhibit C** without the prior written consent of Retail Opportunity Investments Limited Partnership (ROIP), acting as a general partner of Owner or its affiliated assignee who is ROIP's successor as general partner.

5. *Bank Account.* Agent shall establish and maintain, in a bank whose deposits are insured by the Federal Deposit Insurance Corporation and in a manner to indicate the custodial nature thereof, a separate bank account as Agent of the Owner, or, at the option of the Owner, a bank account in the name of the Owner or of the Project, for the deposit of monies of the Owner. Agent shall have authority to endorse checks payable to Owner, deposit funds of Owner into the account, and to draw on such account or accounts any payment to be made by Agent to discharge any of the liabilities or obligations incurred by Agent pursuant to this Agreement, and be subject to the limitations set forth in this Agreement.

6. *Compensation to Agent; Payments to and Reimbursement of Agent.*

(a) Compensation to Agent. In consideration of the management and leasing functions to be performed by Agent under this Agreement, Owner shall compensate Agent as follows:

(i) Management fees equal to 3.5% of gross income (determined on the cash method of accounting) on all base rent, common area maintenance charges, percentage rent, property/LID tax reimbursements and insurance reimbursements received from tenants in the Project.

(ii) A leasing fee and such other fees and employee expenses as are shown on the attached fee schedule.

(iii) Anything to the contrary notwithstanding, in the event that, at the expiration date of this Agreement, there are payments due Owner pursuant to tenant leases, but which are then uncollected, and any such amount subsequently is collected, Owner shall pay Agent at the time of collection the amount Agent would have been entitled to pursuant to the terms of this Agreement had the tenant performed at the time and as required under its lease.

(b) *Payment to and Reimbursement of Agent.* Upon the prior approval of Owner, Agent may disburse to itself upon receipt of the gross monthly payments due Owner from tenants, all amounts due Agent pursuant to this Agreement from the account or accounts maintained in accordance with the terms hereof. If the funds in such accounts are insufficient to pay Agent all amounts due it hereunder, Owner agrees to pay Agent such amounts due Agent promptly upon Agent's request therefor. In the event Agent should advance any amount from its own funds, rather than from the funds of Owner, in the payment of any of the costs or expenses of Owner, Owner shall promptly reimburse Agent at Ag ent's request, or Agent may reimburse itself from the account or accounts maintained in accordance with the provisions hereof. Nothing herein contained shall be deemed or construed to require Agent to advance its own funds on behalf of Owner.

7. *Insurance.* Owner agrees to carry public liability insurance, workers' compensation insurance, and such other insurance as may be necessary for protection of both the interests of Owner and Agent. In each such policy of Insurance, Owner agrees

upon request by Agent to designate Agent as a party Insured with Owner. The carrier shall be licensed in the State of Washington and may be selected by Owner. The amount of coverage of such policies shall be mutually agreed upon by Owner and Agent. A certificate of each policy issued by the carrier shall be delivered to Agent by Owner.

8. *Indemnification and Other Agreements.*

(a) Everything done by Agent pursuant to the provisions of this Agreement shall be done as agent of the Owner, and all obligations incurred hereunder, except as specified otherwise, shall be for the account of, at the expense of, and on behalf of, the Owner, except that Owner shall not be obligated to pay any overhead expenses of Agent;

(b) Owner agrees to indemnify, defend, and hold harmless Agent from and against any and all claims, actions, damages, loss, liabilities, and expenses, including, without limitation, attorneys' fees, accounting fees, and court costs which Agent may incur or which may arise out of or on account of Agent's proper performance of the duties and services set forth herein and from liability for personal injury, including death, or property damage experienced by any employee or other person or entity whatsoever at the Project; provided, however, that this section shall not impose any obligation on Owner to indemnify Agent against the willful misconduct or negligence of Agent;

(c) Agent agrees to indemnify, defend, and hold harmless Owner and Owner's general partners from and against any and all claims, actions, damages, loss, liabilities, and expenses, including, without limitation, attorneys' fees, accounting fees, and court costs which Owner may incur or which may arise out of or on account of Agent's breach of any obligation or duty under this Agreement or Agent's negligence or willful misconduct; provided, however, that this section shall not impose any obligation on Agent to indemnify Owner against the willful misconduct or negligence of Owner.

(d) Except as expressly provided otherwise herein, Agent does not assume and is given no responsibility for compliance of the Project or any equipment therein with the requirements of any statute, ordinance, law, or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the Owner promptly or forward to the Owner promptly any complaints, warnings, notices, or summonses received by it relating to such matters.

9. *Early Termination.* Notwithstanding anything in this Agreement to the contrary, Agent and Owner shall have the right to terminate the Agreement as of the end of any calendar month upon the giving of thirty days' notice to the other party in advance of such termination date. No liability shall attach to either party by reason of such termination provided, however, that to the extent either party has liabilities or obligations to the other existing as of the date of such termination, such liabilities or obligations shall be met and satisfied notwithstanding such termination. In addition, ROIP, or its successor or assign who is ROIP's successor as general partner, shall have the sole and exclusive authority to terminate this Agreement upon thirty (30) days' written notice to Agent for "cause." For the purposes of this Agreement, "cause" shall be defined as fraud, material breach of fiduciary duties, or other material intentionally wrongful conduct by Agent, or Agent's material breach of any material obligation under this Agreement that is not cured within thirty (30) days after written notice. The wrongful acts of an employee of Agent not in the course of his or her employment, which Agent fully indemnifies Owner for, shall not constitute "cause" to terminate this Agreement.

Upon termination of this Agreement for any reason, the Agent shall promptly deliver the following to the Owner or the Owner's appointed agent:

(a) A final accounting for the Project, reflecting the balance of income and expenses for the Project as of the date of termination;

(b) Any balance of monies due to the Project or tenant security deposits, or both, held by the Agent with respect to the Project; and

(c) All written data and materials belonging to the Project, including all records, contracts, leases, receipts for deposits, unpaid bills, a summary of all leases in existence at the time of termination, and all other papers, plans, books, drawings, documents, and writings which pertain to the Project or the business or affairs of the Project. Such data and information and all such documents shall at all times be the property of the Project.

10. *Indemnification by Agent.* The Agent hereby absolutely, unconditionally, and irrevocably covenants and agrees to indemnify and hold harmless Owner from and against any and all claims, demands, liabilities, losses, costs, or expenses arising out of or in any way connected with any acts, omissions to act, or forbearances of the Agent, its agents, employees, or representatives, which are in violation of the duties of the Agent set forth in this Agreement or which are negligent.

11. *Relationship of Parties.* This Agreement shall not be construed as creating a partnership agreement between the parties.

12. *Modification.* No change or modification of this Agreement shall be valid or binding upon the parties hereto, nor shall any waiver of any terms or condition in the future, unless such change, modification, or waiver shall be in writing and signed by the parties.

13. *Binding Effect.* This Agreement shall inure to the benefit of and be binding upon the parties hereto, their legal representatives, transferees, successors, and assigns.

14. *Duplicate Originals.* For the convenience of the parties hereto, any number of counterparts hereof may be executed, and each counterpart shall be deemed to be an original.

15. *Notices.* All notices, requests, and communications required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery or, if mailed, upon the first to occur of actual receipt or forty-eight hours after being placed in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Until changed in writing by either party to this Agreement, each party's address is as follows:

(a) If to Owner:

Terranomics Crossroads Associates Limited Partnership
c/o Sher Partners
10500 N.E. 8th Street Suite 850
Bellevue, WA 98004

Retail Opportunity Investments Partnership, LP
Attn: Richard Schoebel
3 Manhattanville Road, Second Floor
Purchase, New York 10577

(b) If to Agent:

Argus Group Ltd.
c/o Sher Partners
10500 N.E. 8th Street Suite 850
Bellevue, WA 98004

16. *Attorney Fees.* In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its attorney, paralegal, accountant, and other expert fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitra tor, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

17. *Third-Party Beneficiary*. ROIP shall be an intended third-party beneficiary of this Agreement, as applicable.

18. *Entire Agreement.* This Agreement is intended by the parties hereto to be the final expression of their Agreement and is a complete and exclusive statement of the terms thereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this _____ day of _____ ,2010.

TERRANOMICS CROSSROADS
ASSOCIATES LIMITED PARTNERSHIP

By: _____
Printed Name: _____
Title:
_____

ARGUS GROUP LTD.

By: _____
Printed Name:
_____
Title:
_____

CROSSROADS MANAGEMENT ADDITIONAL FEE STRUCTURE

CURRENT RUNNING OF CROSSROADS

On-site management & marketing fees (paid to Argus):
100% of salaries/wages and benefit costs for on-site employees (per approved annual budget)
50%* of Susan Benton's salary/benefit/overhead cost (equals about $70,000/year) (per approved budget)
Susan Benton spends 50% to 60% of her time on Crossroads.

Leasing fees (paid to Argus):
With No Outside Broker:
For New Tenants with up to 5,000 SF: $2.00/SF; Over 5,000 SF: $1.75 additional per SF
For Relocated Tenants with up to 5,000 SF $1.00/SF; Over 5,000 SF: $.75 additional per SF
$0 for extensions of existing leases
$0 for renegotiation of existing leases
$125/hour lease preparation fee (for Liisa Antilla, as needed)

With Outside Broker:
.75% Added to Commission
$0 for extensions of existing leases
$0 for renegotiation of existing leases
$125/hour lease preparation fee (for Liisa Antilla, as needed)

For any new Tenant in which ROIP is the procuring cause, ROIP will receive a fee equal to the fees set out for Argus above.

FUTURE RUNNING OF CROSSROADS

Construction management fee (paid to Argus):
7.5% of hard costs (not including sales tax)

Legal Description

PARCEL A:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER;
THENCE SOUTH 88° 42' 24" EAST, ALONG THE SOUTH LINE OF SAID SECTION, 1,030 FEET;
THENCE NORTH 1° 11' 55" EAST 1,772.6 FEET;
THENCE NORTH 88° 42' 24" WEST, PARALLEL TO SAID SOUTH LINE, 1,030 FEET;
THENCE SOUTH 1° 11' 55" WEST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER 1,772.6 FEET TO THE POINT OF BEGINNING.

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR 156TH AVENUE N.E. BY DEEDS RECORDED NOVEMBER 25, 1922 AND DECEMBER 6, 1922 UNDER RECORDING NOS. 1677851 AND 1681551;

EXCEPT THE SOUTH 30 FEET THEREOF CONVEYED TO KING COUNTY FOR N.E. 8TH STREET BY DEED RECORDED DECEMBER 1, 1958 UNDER RECORDING NO. 4970969;

EXCEPT THAT PORTION THEREOF CONVEYED TO KING COUNTY FOR ROADS PURPOSES AT THE INTERSECTION OF SAID STREETS BY DEED RECORDED MARCH 20, 1963 UNDER RECORDING NO. 5558467;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF BELLEVUE FOR LANDSCAPING AND SIDEWALKS BY DEED OF DEDICATION RECORDED AUGUST 12, 1977 UNDER RECORDING NOS. 7708120967, 7708120968, 7708120969 AND 7708120970;

AND EXCEPT THOSE PORTIONS OF THE ABOVE DESCRIBED PROPERTY TAKEN FOR THE IMPROVEMENT OF NORTHEAST 8TH STREET AND 156TH AVENUE NORTHEAST AS DESCRIBED IN KING COUNTY S.C. NO. 90-2-25916-1;

ALSO EXCEPT THOSE PORTIONS DESCRIBED IN DEED TO THE CITY OF BELLEVUE RECORDED JUNE 11, 1992 UNDER RECORDING NO. 9206111175;

ALSO EXCEPT ANY PORTION LYING WITHIN BOUNDARY LINE ADJUSTMENT NO. BLA-98-833, DECLARATION OF LOT COMBINATION NO. DLC-98-832, RECORDED OCTOBER 13, 1998 UNDER RECORDING NO. 9810139003 OF KING COUNTY, WASHINGTON;

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF BELLEVUE, DESCRIBED IN DEED RECORDED APRIL 16, 2001 UNDER RECORDING NO. 20010416000823, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL B:

LOT 2 OF CITY OF BELLEVUE BOUNDARY LINE ADJUSTMENT NO. BLA-98-833 RECORDED OCTOBER 13, 1998 UNDER RECORDING NO. 9810139003, IN KING COUNTY, WASHINGTON.

EXHIBIT B TO EXHIBIT C

FINANCIAL STATEMENT PRODUCTION REQUIREMENTS

1. Monthly and Annual Reports. The Company shall prepare and distribute to the partners within 15 days after the end of each calendar month a monthly and year-to-date report prepared in accordance with GAAP, consistently applied, including:

i. A balance sheet

ii. A profit-and-loss statement

iii. A statement of changes in the Partners' Capital Accounts

iv. A variance report, comparing actual costs and expenses and revenues with budgeted costs and expenses and revenues on a category basis, along with a reasonable detailed explanation of all material or significant variances and all changes in any time schedules relating thereto

v. A leasing report, which shall describe in reasonable detail all leasing efforts and leasing prospects, letters of intent and leases made, identified or entered into during such period

vi. Rent roll

vii. Bank statements and bank reconciliations

viii. If applicable, a calculation by Agent of the amount of Net Operating Cash flow for the preceding calendar month and a calculation by Agent of the respective distributions, if any, to Partners pursuant to Article 5, including a calculation of the undistributed Preferential Return on Capital amounts, if any

ix. Any additional information that the partners may require as supporting schedules to the above

2. Audited Year-End Financial Statements. In addition to complying with the above requirements, the year-end financial statements distributed to the partners by the company shall be audited. The Company shall deliver within 45 days after the end of each calendar year a set of audited financial statements for the Company for the prior calendar year prepared in accordance with generally accepted accounting principles; drafts thereof shall be provided to the partners for review within thirty (30) days of the end of each calendar year.

3. Accounting Basis and Fiscal Year. The Company's books shall be kept on the accrual method of accounting. The fiscal year of the Company shall be the calendar year.

4. Tax Returns. The General Partners shall cause the Company to prepare or cause to be prepared and shall file on or before the due date (or any extension thereof) any federal, state, or local tax returns required to be filed by the Company. Within sixty-five (65) days after the end of each fiscal year, the General Partners shall cause the Company's accountants to deliver to each General Partner for comment drafts of all tax returns that the company is required to file with respect to such fiscal year. The Company shall furnish each Partner within 90 days of the end of each fiscal year or as soon thereafter as such information is available to the Company a copy of the federal tax return, all state returns, and such information as may be needed to enable such Partner to file its federal income tax return and any required state income tax return. The General Partners shall cause the Company to pay out of available cash flow and other assets of the Company any taxes payable by the Company.

EXHIBIT C TO EXHIBIT C

Major Decisions

General Partner Major Decisions

The decision of the Company to do any act relating to or pertaining to any of the matters itemized below shall be a "Major Decision":

(a) Acquiring, purchasing or leasing any interest in any real property for the Company;

(b) Selling, leasing, trading, exchanging, releasing, encumbering or disposing in any other way of any Company real property;

(c) Borrowing money on a secured or unsecured basis from individuals, entities, banks or other lending institutions to finance or refinance Company assets or operations, to meet other Company obligations, provide Company working capital, or for any other Company purpose, except as may be permitted under Section 7.10 of the Agreement;

(d) Entering into any contract, lease, commitment or agreement binding the Company which provides for the Company to either pay in excess of $100,000.00, to receive payment in excess of $100,000.00 in the aggregate, or which is longer than one year in duration, unless it has been approved in a Budget.

(e) Approval of contracts or transactions for the purchase, sale or lease of any Company assets either between the Company and Sher GP or an affiliate of Sher GP;

(f) Approval of any related party transactions, not authorized or approved in a Budget or contemplated by an agreement signed by both general partners;

(g) Extension of credit or making of loans by the Company or causing the Company to become a surety, guarantor, endorser or accommodation endorser except in connection with negotiating checks or other instruments received by the Company.

(h) Altering the capital structure of the Company by any material means, including without limitation, a merger, conversion or consolidation of the Company, redemption of membership interests, or the sale or issuance of new partnership interests in the Company of any type.

(i) Filing or consenting to filing a petition for or against the Company under any state or federal bankruptcy, insolvency or reorganization act.

(j) Accepting contributions to the capital of the Company in any form other than cash or making non-cash distributions to Partners other than such contributions expressly provided for in this Agreement.

(k) The employment by the Company of any individual related to Sher by birth or by marriage.

(l) Modifying or terminating the Property Management Agreement, provided however that terminating the Property Management Agreement for cause shall rest solely with Retail Opportunity Investments Limited Partnership (ROIP) (Buyer) as provided in the Property Management Agreement.

(m) Any distribution of cash or property to partners except as required by the Partnership Agreement, as it may be amended from time to time.

(n) Approval or modification of the Budget.

(o) Assuming or incurring any debt or liability not in accordance with an approved Budget.

(p) Institution, defense and settlement of all litigation and claims against or by the Company where the amount in controversy is $50,000 or more;

(q) Any action in contravention of the Partnership Agreement.

(r) Dissolution or liquidation of the Company;

(s) Any action that would change the nature of the business of the Company or make it impossible for the Company to operate in the ordinary course of business.

(t) Executing or delivering any general assignment of assets for the benefit of creditors of the Company.

(u) Any proposed encumbrance, pledge, assignment or transfer, voluntarily or involuntarily, of a general partnership interest in the Company.

(v) Any proposed pledge, assignment or transfer, voluntarily or involuntarily, of a limited partnership interest in the Company, unless the pledgee, assignee or transferee agrees in writing to be bound by the terms and conditions of the Option Agreement.

(w) Any change to the accounting methods or tax elections for the Company.

(x) Hiring any employee of the Company.

(y) Purchasing any insurance for the Project.

(z) Hiring any manager for the Project.

(aa) Admitting any new General Partner into the Company.

Exhibit D

Major Decisions

General Partner Major Decisions

The decision of the Company to do any act relating to or pertaining to any of the matters itemized below shall be a "Major Decision":

(a) Acquiring, purchasing or leasing any interest in any real property for the Company;

(b) Selling, leasing, trading, exchanging, releasing, encumbering or disposing in any other way of any Company real property;

(c) Borrowing money on a secured or unsecured basis from individuals, entities, banks or other lending institutions to finance or refinance Company assets or operations, to meet other Company obligations, provide Company working capital, or for any other Company purpose, except as may be permitted under Section 7.10 of the Agreement;

(d) Entering into any contract, lease, commitment or agreement binding the Company which provides for the Company to either pay in excess of $100,000.00, to receive payment in excess of $100,000.00 in the aggregate, or which is longer than one year in duration, unless it has been approved in a Budget.

(e) Approval of contracts or transactions for the purchase, sale or lease of any Company assets either between the Company and Sher GP or an affiliate of Sher GP;

(f) Approval of any related party transactions, not authorized or approved in a Budget or contemplated by an agreement signed by both general partners;

(g) Extension of credit or making of loans by the Company or causing the Company to become a surety, guarantor, endorser or accommodation endorser except in connection with negotiating checks or other instruments received by the Company.

(h) Altering the capital structure of the Company by any material means, including without limitation, a merger, conversion or consolidation of the Company, redemption of membership interests, or the sale or issuance of new partnership interests in the Company of any type.

(i) Filing or consenting to filing a petition for or against the Company under any state or federal bankruptcy, insolvency or reorganization act.

(j) Accepting contributions to the capital of the Company in any form other than cash or making non-cash distributions to Partners other than such contributions expressly provided for in this Agreement.

(k) The employment by the Company of any individual related to Sher by birth or by marriage.

(l) Modifying or terminating the Property Management Agreement, provided however that terminating the Property Management Agreement for cause shall rest solely with Retail Opportunity Investments Limited Partnership (ROIP) (Buyer) as provided in the Property Management Agreement.

(m) Any distribution of cash or property to partners except as required by the Partnership Agreement, as it may be amended from time to time.

(n) Approval or modification of the Budget.

(o) Assuming or incurring any debt or liability not in accordance with an approved Budget.

(p) Institution, defense and settlement of all litigation and claims against or by the Company where the amount in controversy is $50,000 or more;

(q) Any action in contravention of the Partnership Agreement.

(r) Dissolution or liquidation of the Company;

(s) Any action that would change the nature of the business of the Company or make it impossible for the Company to operate in the ordinary course of business.

(t) Executing or delivering any general assignment of assets for the benefit of creditors of the Company.

(u) Any proposed encumbrance, pledge, assignment or transfer, voluntarily or involuntarily, of a general partnership interest in the Company.

(v) Any proposed pledge, assignment or transfer, voluntarily or involuntarily, of a limited partnership interest in the Company, unless the pledgee, assignee or transferee agrees in writing to be bound by the terms and conditions of the Option Agreement.

(w) Any change to the accounting methods or tax elections for the Company.

(x) Hiring any employee of the Company.

(y) Purchasing any insurance for the Project.

(z) Hiring any manager for the Project.

(aa) Admitting any new General Partner into the Company.

Exhibit E

Personal Property

Public Art:
Ravens Child wood sculpture by Dudley Carter
Coyote metal sculpture
Light stanchion bird nest sculpture
“VW Bug” rock sculpture
Alligator bench
Place Hermite French fountain in patio
Rock fountain N.E. Plaza

Children’s Rides (coin operated):
Champion horse
Roadster car
Train
Helicopter
Carousel

3 sets of large chess sets
Chess area rug

Vehicles:
Ford F150 pickup 2003 (only vehicle licensed)
Kawasaki 2006 mule tractor
Wood trailer on metal base for tractor
Sand/ice melt dispenser for tractor
Asphalt melter for crack filling for tractor
Golf car for Security use

Furnishings:
Portable stage system
Community Room chairs approx. 40
Black folding chairs for events approx. 250
Folding Tables:
8’ wood 18
8’ plastic 25
6’ plastic 8
4’ plastic 6
8’ low 2
Teak outdoor benches
Interior mall benches (low oak and courthouse benches)
Interior circular teak bench
Tables and Chairs for seating in Public Market
Wrought iron patio furniture in Place Hermite patio

Flower pots ceramic both mall and exterior entrances
Office furniture for Marketing, Services, Security & Maintenance offices
3 stand-alone Directories
2 stand-alone map/bulletin boards
Exterior metal designer garbage cans
Interior hammered aluminum garbage cans
Portable counter system used for gift wrap and events
5 portable bussing stations for Public Market
Restroom furniture 4 chairs
Tablecovers fabric fitted:
Terracotta 8’ approx. 50
Burgundy 8’ approx. 8
Green 6’ approx. 6
Gray 4’ approx. 2
Short and long blue skirting for stage
Black drape table covers 2

Equipment:
Horn/strobe and panel fire system mall
Washer & Dryer
Dish washing system Public Market
Walk in Refrigerator for Public Market
Mail box bank for Public Market
Interior Mall floor buffer and riding cleaner
Wi-Fi port switch, points and equipment
CCTV system for interior mall and entrances including cameras, dvr’s, wiring
Television for community room
Piano and bench on stage
Stage sound system, mixers and speakers and equipment, portable sound system
3 defibrillator’s
4 green 10x10 pop up tents for Farmers Market use
Genie scissor lift
Pressure Washers – 1 regular, 1 heat system
2 Airless line stripers
Bike racks throughout center property
Trash compactor SE bay
Trash compactor for Public Market
Trash Compactor west bay
2 safes
Portable radios used by onsite personnel

Computer systems:
Laptop Maintenance including printer and fax machine
Marketing Office 2 setups including 2 printers and fax machine
Security 2 setups including printer and fax machine
Services 1 setup including printer

Exhibit F

Contracts

1. Mitel Leasing Renewal Agreement 2/23/10
2. Recyclease Equipment Lease Agreement Number 2008-1, 6/1/08, and Recycle Systems LLC Sales Confirmation 4/22/08
3. Recyclease Equipment Lease Agreement Number 12-05, 2/2006, and Recycle Systems LLC Sales Confirmation 11/30/05
4. Comcast Business Class Service Order Agreement 1/13/09
5. Verizon Wireless confirmations 11/7/09 (5)
6. Radio License Information Sheet 4/18/08
7. General Biodiesel Service Agreement
8. Mackenzie Landscape Service Landscape Maintenance Contract for 2010
9. ABM Security Service Agreement 1/1/10
10. Gordon Commercial Real Estate Exclusive Lease Listing Agreement 5/28/10
11. Artegos Design Exterior Landscape Maintenance Program 5/21/09
12. Merit Mechanical, Inc. Planned Maintenance Agreement 12/28/09
13. ADT Security Services, Inc. Commercial Sales Proposal/Agreement 6/5/06 and related ADT documents
14. Muzak LLC Music Services Agreement dated 1/27/05

Schedule 3.8

Environmental Reports

1. Phase I Environmental Site Assessment of Bellevue Crossroads dated August 26, 2008, by ATC Associates, Inc.

2. Subsurface Site Assessment of Former Dry Cleaning Facility Bellevue Crossroads Shopping Center dated August 27, 2008, by ATC Associates, Inc.

Exhibit G

Financial Statements

Terranomics Crossroads Associates, LP

Financial Statements and
Independent Auditor's Report

For the Year Ended
December 31, 2009

CONTENTS

Rossitto & Associates
5410 South 111th Plaza, Second Floor
Omaha, Nebraska 68137-3546
(402) 597-9412 Fax: (402) 597-9435

Independent Auditor's Report

To the Partners
Terranomics Crossroads Associates

We have audited the accompanying balance sheet of Terranomics Crossroads Associates (a California Limited Partnership) as of December 31, 2009, and the related statement of income, changes in partners' capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Terranomics Crossroads Associates as of December 31, 2009, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Rossitto & Associates

ROSSITTO & ASSOCIATES
September 17, 2010

TERRANOMICS CROSSROADS ASSOCIATES, LP
BALANCE SHEET
December 31, 2009

ASSETS

Current Assets:		
Cash and cash equivalents	$	1,230,427
Accounts receivable		204,674
Prepaid Expenses		182,366
Current Portion of Notes Receivable		9,894
Total Current Assets		1,627,361
Notes receivable, less current portion		38,790
Fixed Assets, net of accumulated depreciation of $28,464,779		20,972,398
Goodwill		38,379,247
Other Intangibles, net of accumulated amortization of $592,478		1,639,247
Total Assets	$	62,657,043

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities		
Accounts payable	$	712,651
Accrued and Other Liabilities		439,868
Current portion of long term debt		654,283
Total Current Liabilities		1,806,802
Long Term Debt, less current portion		60,624,292
Other Liabilities		129,432
Total Liabilities		62,560,526
Partners' Capital		96,517
Total Liabilities and Partners' Capital	$	62,657,043

The accompanying notes are an integral part of these financial statements.

TERRANOMICS CROSSROADS ASSOCIATES, LP
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES:	
Interest	$ 2,719
Rents	8,695,274
Other Income	125,124
TOTAL REVENUES	8,823,117
EXPENSES:	
Advertising & Promotion	211,727
Depreciation & Amortization	1,115,746
Interest	3,944,606
Janitorial	261,205
Management Fees	268,482
Professional Fees	330,826
Salaries & Wages	723,132
Security	261,592
Taxes and Licenses	760,137
Utilities	520,659
Loss on Asset Disposals	13,056
Other Expenses	853,790
TOTAL EXPENSES	9,264,958
NET INCOME (LOSS)	$ (441,841)

TERRANOMICS CROSSROADS ASSOCIATES, LP
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
FOR THE YEAR ENDED
December 31, 2009

	Partners' Capital
BALANCE, December 31, 2008	$ 538,358
Net Income (Loss)	(441,841)
Net Distributions to partners	-
BALANCE, December 31, 2009	$ 96,517

TERRANOMICS CROSSROADS ASSOCIATES, LP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	$	(441,841)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense		1,115,746
Loss on Disposal of Assets		13,056
(Increase)Decrease in:		
Accounts Receivable		268,648
Prepaids and Other		247,633
Increase(Decrease) in:		
Accounts Payable		644,986
Accrued Liabilities		107,516
Other Liabilities		(165,891)
Net Cash Provided (Used) by Operating Activities		1,789,853
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (Increase)Decrease in Notes Receivable		(15,076)
Net (Acquisition) Disposition of Fixed Assets and Intangibles		(1,256,542)
Net Cash Provided (Used) by Investing Activities		(1,271,618)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase(Decrease) in Notes Payable		92,928
Net Cash Provided (Used) by Financing Activities		92,928
Net Increase (Decrease) in Cash		611,163
Cash at beginning of year		619,264
Cash at end of year	$	1,230,427
Supplemental Disclosures:		
Interest paid	$	3,947,867
Income tax paid		800

Thee accompanying notes are an integral part of these financial statements.

TERRANOMICS CROSSROADS ASSOCIATES, LP
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business
Terranomics Crossroads Associates (TCA), a California limited partnership, owns and operates a retail mall located in Bellevue, Washington.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash and other short-term investments purchased with a maturity of three months or less.

Interest Income
Interest income is recognized under the terms of notes receivable.

Rental Income
TCA Rental income is recognized under the terms of the contract, which may differ from the straight line method. In 2009, the income recognized using the contract method was not materially different than would have been recognized using the straight line method.

Contingent Rental Income
Certain TCA retail space leases specify rental amounts to be paid based on achievement of its tenants' sales volume and/or financial results. Management records this contingent rental income at the time the tenant reaches its specified targets. Total contingent rental income recognized during 2009 was $55,962.

Loan Placement Fees
TCA paid loan placement fees to its lenders in connection with its borrowings under its notes payable. In accordance with accounting principles generally accepted in the United States of America, these fees are deferred and amortized over the terms of the related notes payable. The straight-line method is used to compute the amortization.

Syndication Costs
During 2008, TCA incurred costs to obtain additional capital from partners. These costs have been capitalized in the amount of $123,051.

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation
The Partnership uses tax depreciation methods with lives ranging from five to thirty nine years.

Use of Estimates
The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Concentrations of Credit Risk
Financial instruments that potentially subject the Partnership to credit risk consist mainly of notes payable and rents. Approximately 49% of TCA's rents are from nine tenants.

The Partnership's non-interest bearing cash accounts are fully guaranteed by the Federal Deposit Insurance Corporation (FDIC) through the FDIC's Temporary Liquidity Guarantee Program. This program is effective until June 30, 2010. The Partnership's interest bearing accounts are insured for up to $250,000. At the end of 2009, none of the Partnership's interest-bearing cash balances exceeded $250,000.

Basis of Accounting
The financial statements are prepared using the accrual method of accounting.

Advertising Costs
TCA incurs costs to advertise various events at its retail mall. The costs are expensed as incurred.

Goodwill
Management evaluates goodwill for impairment annually, based on the current values of underlying assets. As of December 31, 2009, there was no impairment of goodwill.

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes
No provision for federal income taxes is reflected in the financial statements. The partners are required to include their respective share of the Partnership's profits and losses in their income tax returns. TCA is a California partnership, and it pays an $800 minimum tax to California annually.

NOTE B--RELATED PARTY TRANSACTIONS

On July 1, 2008, The TII Fund, LLC (TII), an affiliated entity, completed, on behalf of its Class B members, its purchase of 85% of the equity of TCA for a price of $4,666,905. The acquisition resulted in a goodwill adjustment of $38,379,247. At the time of purchase, TCA was searching for additional partnership contributions.

In 2008, TII loaned funds to TCA. The balance of that loan as of December 31, 2009 was $9,000,000. Interest paid to TII on this loan was $444,782 in 2009. TCA also paid a loan standby fee to TII of $15,000 in 2009.

TCA had loans payable to other affiliated entities during 2009, with a balance due of $0 as of December 31, 2009. Total interest paid on these loans was $80,639 in 2009.

TCA receives site management services from Argus Group, LTD, an affiliated company. In addition, TCA reimburses Argus Group for various expenses relating to the property. Total payments to Argus Group for these services and reimbursements were $547,850 in 2009. TCA also provided short term interest free loans to affiliated entities during 2009.

NOTE C--PROPERTY, EQUIPMENT, AND INTANGIBLES

Property, equipment, and intangibles at December 31, 2009 consist of the following:

Furniture, Fixtures, and Equipment	$ 874,824
Buildings and Building Improvements	40,325,201
Land and Land Improvements	8,173,626
Lease Costs	1,619,981
Loan Costs	488,693
Construction in Progress	63,526
Goodwill	38,379,247
Syndication Costs	123,051
	$ 90,048,149
Less accumulated depreciation and amortization	(29,057,257)
Total Property, equipment, and intangibles	$ 60,990,892

Assets idle and set aside for disposal on December 31, 2009 were written down to fair market value of $0. Those assets were written down using accelerated depreciation and had a cost of $13,641. The amount of additional depreciation taken in 2009 as a result of this write down was $5,504.

NOTE D--NOTES RECEIVABLE

Notes receivable of $48,684 at December 31, 2009 consist of three tenant notes with interest rates of 6% and terms ranging from five to ten years.

Maturities of notes receivable are as follows:

2010	$9,894
2011	10,571
2012	8,287
2013	2,800
2014	2,367
Thereafter	14,765
	$48,684

NOTE E--NOTES PAYABLE

The Partnership's notes payable at December 31, 2009 are as follows:

AIG, monthly interest and principal payments of $334,996 at 6.5%, secured by TCA property, due September 1, 2015	$52,253,409
The TII Fund, LLC, an affiliated entity, interest at 6% or LIBOR plus 4.5%, due September 1, 2015	9,000,000
Other Notes Payable - Capital Leases (see Note F)	25,166
	$61,278,575

Maturities of notes payable are as follows:

2010	$654,283
2011	690,453
2012	736,338
2013	783,524
2014	832,557
Thereafter	57,581,420
	$61,278,575

NOTE F--LEASING ARRANGEMENTS

TCA leases a copier and phone system under two operating leases expiring in 2010 and 2011. Total lease payments made under these agreements were $3,300 in 2009.

The following is a schedule of future minimum operating lease obligations:

2010	$1,788
2011	535
2012	-
2013	-
2014	-
Thereafter	-
	$2,323

NOTE F--LEASING ARRANGEMENTS - Continued

TCA also leases trash compactors under three separate five-year capital leases. The leases call for monthly payments ranging from $522 to $683 per month. The Partnership is financing the acquisition of the assets through the lease, and accordingly, it is recorded in the Partnership's assets and liabilities. The amount of leased assets included in furniture, fixtures, and equipment as of December 31, 2009 is $72,836.

The following is a schedule of future minimum capital lease obligations:

2010	$14,523
2011	6,366
2012	5,748
2013	3,353
2014	-
Thereafter	-
Total minimum lease payments	$29,990
Less amount representing interest	(4,824)
Present value of minimum lease payments	$25,166

NOTE G--FUTURE MINIMUM RENTS

TCA leases retail space to a variety of national and local restaurants and retail outlets. Terms of the leases range from five to 43.5 years. A few leases are month to month.

TCA's future minimum rental income is as follows:

2010	$6,612,446
2011	5,883,098
2012	5,337,474
2013	4,277,252
2014	3,034,499
Thereafter	5,968,642
	$31,113,411

NOTE H—COMMITMENTS

TCA has contracted with a fire and burglar alarm company to provide related services. Two contracts are for five-year terms and another is for one year, and all are automatically renewed for one year terms unless terminated in advance. At December 31, 2009, obligations under these contracts are as follows:

2010	$5,684
2011	656
2012	0
2013	0
2014	0
Thereafter	0
	$6,340

NOTE I—LEGAL

At the end of 2008, one of TCA's tenants was in default of their lease agreement which expired in December 2009. Rent remaining on the lease as of December 31, 2008 was $124,029. TCA filed a Complaint for Monies Due on Lease on October 23, 2008, and subsequently received a settlement of $257,500, which was applied to outstanding rents through the remainder of the lease period.

In 2009, a major TCA tenant, Circuit City, announced the closing and liquidation of its remaining stores. The tenant paid rent through March 4, 2009, though its lease did not expire until January 2020. TCA filed a claim in U.S. Bankruptcy court for a total amount of $1,650,833, of which a total recovery of less than $300,000 is anticipated.

As a result of the Circuit City closure, another tenant, The Gap, Inc., requested a reduction in rent due to TCA's alleged breach of the lease requiring that there be five key stores operating at the shopping center. TCA has maintained that it does have five key stores and has given notice to the tenant that it must either close its store or resume paying the required rent. At this time, it appears the tenant will resume paying required rent.

NOTE I--LEGAL - Continued

An additional tenant has a dispute with TCA over payment of its proportionate share of real estate taxes of approximately $43,000 for 2009. TCA, if it cannot resolve the issue with the assessor's office, will commence litigation and anticipates that it will prevail.

TCA sued another tenant as well as certain guarantors, and received a judgment in December 2009 for approximately $138,000. The tenant is currently in bankruptcy and TCA anticipates that it will not receive any portion of the judgment.

NOTE J--SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2010, the date on which the financial statements were available to be issued.

In March 2010, TII contributed its investment in TCA (that TII held for the benefit of its Class B members) to TCA Holdings LLC, a newly formed single-member LLC owned by TII. The book value of this investment as of December 31, 2009 was $82,036. Simultaneously, TII distributed its interest in TCA Holdings LLC to its Class B Members proportionately.

During 2010, The Gap, Inc. resumed paying rent subsequent to its dispute in 2009 (see Note I). In addition, the dispute with the tenant over real estate taxes (see Note I) has been resolved and the tenant is now reimbursing the Partnership.

The FDIC has extended the expiration date of the Temporary Liquidity Guarantee Program (see Note A) to December 31, 2010.

In June 2010, partners of TCA signed a letter of intent to sell 49% of the partnership to a REIT. The terms of this sale are being negotiated, and the transaction is expected to close prior to year end 2010.

Income Statement
TERRANOMICS CROSSROADS ASSOCIATES
For the 9 Months Ending September 30, 2010

Revenue	
BASE RENT	$4,838,721.08
PERCENTAGE RENT	$101,545.14
PROMISSORY NOTES	$508.06
BASE COMMON AREA MAINTENANCE	$1,390,124.19
PROPERTY TAX	$18,003.19
PRIOR YEAR CAM RECONCILIATION	$236,138.92
UTILITIES REIMBURSEMENT	$12,794.90
MISC DIRECT BILLING REIMB	$74,885.80
TELEPHONE BOOTHS COMMISSIONS	$551.67
LATE FEES	$1,059.59
OTHER OPERATING INCOME(CAROUSEL)	$22,923.10
INTEREST INCOME	$1,963.17
INT INCOME - KEYBANK	$116.33
GAIN/LOSS ON SALE OF ASSETS	($22,950.00)
OTHER MISCELLANEOUS INCOME & EXPENSE	$29,612.37
Total Revenue	$6,705,997.51
Expenses	
MAINTENANCE STAFF	$149,609.84
BUSBOYS STAFF	$278,371.76
INSURANCE	$119,473.35
BUILDING R & M	$13,976.38
BUILDING R & M	$13,542.76
BUILDING R & M	$21,376.39
ROOF R & M	$4,390.99
HVAC R & M	$2,317.03
HVAC R & M	$33,677.59
HVAC R & M - MALL	$10,326.00
PARKING LOT R & M	$1,981.84
PARKING LOT R & M	$18,365.11
ELECTRICITY - OWNERS	$13,471.12
ELECTRIC - BILL BACK	$62,173.92
ELECTRIC - CAM	$26,501.76
ELECTRIC - MALL	$71,434.07
ELECTRIC - MARKET	$12,976.38
GAS - OWNERS	$7,668.56
GAS - CAM	$323.42
GAS - MALL	$1,743.96
GAS - MARKET	$7,075.41
WATER - OWNERS	$1,704.39
WATER - BILL BACK	$20,760.21

Income Statement
TERRANOMICS CROSSROADS ASSOCIATES
For the 9 Months Ending September 30, 2010

WATER - MALL	$61,138.52
WATER - LANDSCAPE	$4,426.73
SEWER - STORM	$45,347.44
GARBAGE - OWNERS	$745.75
GARBAGE - BILL BACK	$17,535.42
GARBAGE - CAM AREAS	$8,389.41
GARBAGE - MALL	$24,237.80
GARBAGE - MARKET	$30,917.80
JANITOR/MAINT SRVC	$38,574.46
JANITORIAL	$60,443.51
SITE MGMT	$28,000.00
SECURITY	$158,471.81
ALARMS/FIRE	$685.36
ALARMS/FIRE	$12,878.74
ALARMS/FIRE - MALL	$1,007.72
ALARMS-PUBLIC MARKET	$4,427.57
LANDSCAPING	$537.18
LANDSCAPING - EXTERIOR	$124,054.58
LANDSCAPING - MALL	$4,518.54
PROPERTY TAX	$507,621.18
ASSESSMENTS/LID	$38,669.72
MARKETING OWNERS EXP	$57.00
ON-SITE MARKETING MGR	$31,500.00
TENANT PROMO FUND CONTRIBUTIONS	($104,871.33)
LOTTO INCOME	($26,549.88)
ADVERTISING EXP	$70,222.09
ENTERTAINMENT	$37,181.00
EVENTS	$23,436.21
SITE OFFICE/STAFF/EXPENSES	$127,370.92
WEB SITE DEVEL/MAINT	$10,231.36
COMM RM/EVENTS INCOME	($25,281.29)
GIFT CARD INCOME	($1,351.07)
GIFT CARD EXPENSES	$981.53
TELEPHONE EXPENSES	$780.83
MOBILE PHONES & PAGERS	$1,441.91
MOBILE PHONES & PAGERS - MARKET	$675.29
GENERAL OPERATING SUPPLIES	$1,039.31
GENERAL OPERATING SUPPLIES	$19,306.91
GEN OPERATING SUPPLIES - MALL	$19,267.13
GEN OPERATING SUPPLIES - MARKET	$5,122.69
LINEN -MARKET	$2,004.08
CHINA/GLASS/SILVER - MARKET	$6,785.42

Income Statement
TERRANOMICS CROSSROADS ASSOCIATES
For the 9 Months Ending September 30, 2010

SOAP/CHEMICALS - MARKET	$4,606.09
ENVIRONMENTAL MUSIC - MALL	$660.76
OFFICE EXPENSES-OWNERS	$115.21
VEHICLE & SWEEPER EXPENSES	$12,180.59
EQUIPMENT RENTAL & REPAIR	$4,217.78
EQUIP R & R	$6,179.38
EQUIP R & R - MALL	$9,040.65
EQUIP R & R - MARKET	$7,546.40
TRAVEL	$449.06
ENTERTAINMENT	$66.07
MISC GENERAL EXPENSES	$755.77
DEPRECIATION	$305,182.50
AMORTIZATION	$148,800.00
BUSINESS TAXES/LICENSES	$1,155.82
OFFICE EXPENSES (ADMIN)	$8,031.79
TRAVEL	$588.16
ENTERTAINMENT	$37.24
PROFESSIONAL FEES	$161,752.52
DUES/SUBSCRIPTIONS/EDUCATION	$305.00
BANK CHARGES/LOAN FEES	$3,472.88
MISC GENERAL EXPENSES (ADMIN)	$83.00
CONTRIBUTIONS	$15,150.00
PENALTIES & LATE FEES	$563.70
MANAGEMENT FEES EXPENSE	$180,542.41
INT EXP - AIG	$2,534,504.55
INT EXP -SHERS	$1,784.39
INT EXP - THE TII FUND	$387,259.17
STATE INCOME TAX EXPENSE	$800.00
Total Expenses	$6,061,154.52
Net Income or (Loss)	$644,842.99

Balance Sheet
TERRANOMICS CROSSROADS ASSOCIATES
As Of September 30, 2010

Assets	
MAINT ACCT- KEYBANK	$1,500.00
OPERATING CASH - KEY BANK	$213,954.67
FARMERS MARKET OPERATING-KEYBANK	$14,411.11
KEYBANK MONEY MARKET	$4,068.26
MARKETING PETTY CASH - KEYBANK	$2,000.00
CASH IN TRANSIT	$130.00
ACCOUNTS RECEIVABLE - TENANTS	$174,937.10
NOTE REC -CROSSROADS VET(B SINGBEIL)	$23,762.28
NOTE REC - COMMON FOLK KIDS	$9,613.96
REC-TCA HOLDINGS	$690.77
NOTE REC-THYME FOR SOUP	$7,806.58
PROPERTY TAX ESCROW	$341,799.90
PREPAID COSTS	$41,276.78
LAND	$5,302,908.20
SITE IMPROVEMENTS: BEGINNING BALANCE	$1,362,615.90
SITE IMPROVEMENTS: ADDITIONS	$56,808.46
ACCUM. DEPREC.: SITE IMPROVEMENTS	($1,324,273.25)
PARKING AREAS: BEGINNING BALANCE	$1,109,151.79
ACCUM. DEPREC.: PARKING AREAS	($1,039,576.00)
LANDSCAPING: BEGINNING BALANCE	$398,949.49
LANDSCAPING: ADDITIONS	$26,500.15
ACCUM. DEPREC.: LANDSCAPING	($330,350.25)
SHELL & MALL BLDGS: BEGINNING BALANCE	$31,323,597.36
SHELL & MALL BLDGS: ADDITIONS	$37,389.68
ACCUM. DEPREC.: SHELL & MALL BLDGS	($22,879,148.00)
TENANT IMPROVEMENTS: BEGINNING BALANCE	$8,975,778.52
TENANT IMPROVEMENTS: ADDITIONS	$450,005.23
ACCUM. DEPREC.: TENANT IMPROVEMENTS	($2,828,886.00)
HVAC: BEGINNING BALANCE	$300,634.22
ACCUM. DEPREC.: HVAC	($284,680.00)
FURNITURE & EQUIPMENT: BEGINNING BALANCE	$394,211.99
FURNITURE & EQUIPMENT: ADDITIONS	$15,866.51
ACCUM. DEPREC.: FURNITURE & FIXTURES	($306,278.50)
SIGNS: BEGINNING BALANCE	$179,978.10
ACCUM. DEPREC.: SIGNS	($148,617.50)
CONSTRUCTION IN PROGRESS	$58,866.80
LEASE COMMISSIONS: BEGINNING BALANCE	$761,315.01
LEASE COMMISSIONS: ADDITIONS	$123,425.14
ACCUM. AMORT.: LEASE COMMISSIONS	($493,627.00)
LOAN COSTS: BEGINNING BALANCE	$468,692.82
LOAN COSTS: ADDITIONS	($77.00)
ACCUM. AMORT.: LOAN COSTS	($145,443.75)

Balance Sheet
TERRANOMICS CROSSROADS ASSOCIATES
As Of September 30, 2010

LEASE COSTS: BEGINNING BALANCE	$839,224.64
LEASE COSTS: ADDITIONS	$50,739.50
ACCUM. AMORT.: LEASE COSTS	($82,765.25)
SYNDICATION COSTS	$319,351.42
GOODWILL	$38,379,247.00
Total Assets	$61,927,486.84
Liabilities	
ACCOUNTS PAYABLE - MANUAL ENTRY	$274,689.38
EXPEDIA CRUISE SHIP TI PAYABLE	$11,880.00
MERCHANTS FUND	$3,300.44
ACCRUED INTEREST PAYABLE	$280,450.83
ACCRUED SALARIES & WAGES	$8,363.90
ACCRUED SICK & VACATION	$20,560.75
ACCRUED IRA EMPLOYEE DEDUCTION	$150.00
UNAPPLIED RENTS	$228,757.13
MTG PAY: AIG	$51,775,537.31
MTG PAY: TII	$8,812,537.81
COMPACTOR NOTES PAYABLE	$25,166.00
TENANT SECURITY DEPOSITS	$121,242.83
Total Liabilities	$61,562,636.38
Capital	
ARGUS GROUP LTD	$3,680.00
BLUM, DORIS	$757.00
BLUM FAMILY TRUST	$3,811.00
BLUM (JOSEPH) IRREVOCABLE TRUST	$365.00
BLUM, ARI	$948.00
BLUM (ARI) TRUST	$243.00
BLUM, MORGAN	$949.00
BLUM (MORGAN) TRUST	$243.00
BOMAR, THOMAS	$2,583.00
CLAHAN PAC EMP PROFIT SHARING TRUST	$9,918.50
CLAHAN REVOCABLE TRUST (E & K)	$2,907.00
TRUST B UNDER THE HARRIS TRUST	$459.00
KUDLER REVOCABLE TRUST (J & J)	$381.00
RAWSON, BLUM & CO.	($15.00)
RAWSON LIVING TRUST	$6,317.00
RONICK, MEL IRA	$413.00
MERRITT AND PAMELA SHER LIVING TRUST	$255,880.79
SHER, RONALD	$180,745.22
SHER G P INC	($93,539.86)
SYDNEY SHER MARITAL TRUST	$129,483.61

Balance Sheet
TERRANOMICS CROSSROADS ASSOCIATES
As Of September 30, 2010

SYLVIA SHER	$129,483.60
TERRANOMICS INVESTMENT PARTNERSHIP	($209.39)
TERRANOMICS	($2,677.00)
TCA HOLDINGS, LLC	($913,119.00)
Current Earnings	$644,842.99
Total Capital	$364,850.46
Total Liabilities and Capital	$61,927,486.84

Exhibit H

Intellectual Property

1. Internet domain name – www.crossroadsbellevue.com
2. Content of website at www.crossroadsbellevue.com
3. Trade name “Crossroads Shopping Center”
4. Trade name “Crossroads Farmers Market”
5. Trade name “Crossroads Public Market”
6. Trade name “Terranomics Crossroads Associates”
7. Logos shown on page G-2

Crossroads
Farmers
Market

AGREEMENT FOR CAPITAL LOANS

THIS AGREEMENT is made effective the _____ day of _____, 2010, by and between RONALD SHER ("Sher"), and DORIS BLUM, THE BLUM FAMILY TRUST, JOSEPH BLUM IRREVOCABLE TRUST, THE BLUM 1986 GRANDCHILDREN'S TRUST I, THE ARI BLUM TRUST, THE MORGAN BLUM TRUST, THOMAS BOMAR, TRUST B OF THE HARRIS TRUST U/A DATED 7/2/88, RAWSON, BLUM & COMPANY, THE RAWSON LIVING TRUST, MERRITT AND PAMELA SHER LIVING TRUST, SYLVIA SHER, SYDNEY SHER MARITAL TRUST, TERRANOMICS INVESTMENT PARTNERSHIP, TERRANOMICS, A CALIFORNIA CORPORATION, ARGUS GROUP, LTD., EUGENE E. AND KATHLEEN B. CLAHAN REVOCABLE TRUST U/A DATED 11/11/88, AND JOEL J. KUDLER MARITAL TRUST U/A DATED 11/11/88 (collectively, the "Borrowers").

WHEREAS, all of the parties to this Agreement are partners of Terranomics Crossroads Associates Limited Partnership, a California limited partnership (the "Company"); and

WHEREAS, it may be necessary from time to time hereafter for the partners of the Company to contribute additional capital to the Company; and

WHEREAS, the Borrowers agree that the contribution of additional capital in accordance with the terms hereof will be beneficial to the Company and their interests therein; and

WHEREAS, all of the partners of the Company have agreed that additional capital contributions to the Company made for the purpose of funding capital improvements to the Company's real estate assets hereafter will receive a preferred return of eight percent (8%) per annum (the "Preferred Return");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Additional Capital. The Borrowers agree that if the general partners of the Company determine that it is necessary for the Company to make capital improvements to the Company's real estate known as Crossroads Shopping Center, in Bellevue, Washington (the "Project"), and that such capital improvements should be funded by additional capital contributions made by all of the partners of the Company ("Additional Capital"), and if limited partners holding at least fifty-two percent (52%) of the limited partner units issued and outstanding by the Company consent to such actions, each Borrower agrees to contribute his, her

or its pro rata share of the required Additional Capital based on the ratio of the number of units issued by the Company ("Units") owned by that Borrower to the total number of general and limited partner Units outstanding, in accordance with the terms of this Agreement.

2. Capital Loans. Sher agrees that if the contribution of Additional Capital to fund capital expenditures is proposed and approved in the manner set forth in paragraph 1 above, Sher and/or his assignees will loan to each Borrower an amount equal to the full amount of the Additional Capital which such Borrower is required to contribute to the Company ("Capital Loans"). If any Borrower prefers not to borrow the funds necessary to make his, her or its contribution of Additional Capital from Sher and will contribute Additional Capital from the Borrower's own funds, such Borrower shall provide Sher with written notice of such intent at the address and in the manner specified in paragraph 15 below within ten (10) days after the Company's general partners have given notice to all partners that contributions of Additional Capital have been approved as provided in paragraph 1 above. Unless such notice is given to Sher, Sher and/or his assignees are authorized to make Capital Loans for each Borrower individually or through his assignee without any further action on the part of any Borrower.

3. Advancement of Capital Loans.

(a) Capital Loans may be made by Sher, individually, or by other persons or entities who have agreed with Sher to make a Capital Loan in Sher's place. When a Capital Loan is made, Sher shall notify the Borrower of that Capital Loan in writing of the name of the lender, the lender's address, the amount of the loan, and the date the loan was made. Upon such notification to the Borrower, the lender who has advanced the Capital Loan shall be deemed to be the "Lender" of that Capital Loan for all purposes under this Agreement, and all references to "Lender" herein shall apply to each lender with respect to each Capital Loan it has made hereunder.

(b) Lenders will make Capital Loans by depositing the principal amount of the loan being made with the Company and instructing the Company to credit the deposit as an Additional Capital contribution made by the Borrower to whom the loan is being made.

4. Repayment. Each Borrower hereby promises to pay to the Lender who has made the loan, or order, the principal amount of each Capital Loan made by Lender on behalf of said Borrower, together with all accrued interest thereon at the rate of eight percent (8%) per annum, together with any costs of collection on the following terms. Interest on Capital Loans shall be payable from and at such times as the Borrower is paid a payment of Preferred Return by the Company on the Borrower's Additional Capital contributed. The principal of Capital Loans will be due upon the sale of and payable from the proceeds of the sale of e ach Borrower's Units and from any other cash distributions to the Borrower by the Company. All payments received on Capital Loans will be applied by Lender to payment of accrued interest first, and then to repayment of principal.

5. Security Agreement. Each Borrower hereby grants to Lender a security interest in all of said Borrower's right, title and interest in its partnership interest in the Company, including the Borrower's Units, and in any money now or hereafter credited to, or owing from, the Company to the Borrower by way of capital accounts, cash distributions, proceeds of the sale of assets or Units or otherwise, and all of the proceeds of all of the foregoing property (the "Collateral"), to secure repayment of all Capital Loans made by Lender on such Borrower's behalf, including all accrued and unpaid interest thereon and any cos ts of collection.

(a) Perfection. Each Borrower hereby authorizes Lender to make such filings in Borrower's name as "Debtor" as Lender may deem necessary to perfect or continue the perfection of Lender's security interest in the Collateral, and Borrower directs the Company to register the Collateral in Lender's name, for security purposes, in the records of the Company, including by amending Exhibit B to the Second Amended and Restated Partnership Agreement of Terranomics Crossroads Associates Limited Partnership, and any amendment thereof, ("Partnership Agreement") to reflect such registration.

(b) Tax Reporting. All income, gain, expense and loss recognized with respect to the Collateral shall be reported to taxing authorities under each Borrower's name and taxpayer ID number.

(c) Voting Rights. So long as a Borrower is not in default of this Agreement, such Borrower shall have the right to exercise any voting rights which he, she or it may have under the terms of the Partnership Agreement. Upon a breach of this Agreement by a Borrower, and so long as such breach continues, Lender shall have the authority to exercise any voting rights attributable to such Borrower's Units.

(d) Representations and Warranties. Each Borrower hereby represents and warrants to Lender that: (i) the Borrower's state of incorporation or formation or place of residence, as the case may be, and the exact name of such Borrower are as set forth in the Borrower's signature block hereto; (ii) the Capital Loans will not be "consumer transactions" as defined in the Uniform Commercial Code, and none of the Collateral was or will be purchased or held primarily for personal, family or household purposes; (iii) Borrower is the sole owner of the Collateral, has the right to grant the security interest provided herei n to Lender, has taken all necessary corporate action to approve this transaction, and has granted Lender a valid and perfective first priority security interest in the Collateral free of all liens, encumbrances, transfer restrictions and adverse claims.

(e) Borrower's Covenants. Each Borrower agrees with Lender that so long as any amount remains unpaid on any Capital Loan, the Borrower shall, (i) not sell or offer to sell or otherwise transfer or attempt to transfer or encumber any portion of the Collateral without Lender's prior written consent; and (ii) notify Lender at least ninety (90) days before such Borrower changes Borrower's name, residence, or state of incorporation or formation.

6. Limited Recourse. Lender agrees that the sole source of payment of each Borrower's Capital Loan shall be the Collateral, and if such Collateral is insufficient to pay a Borrower's Capital Loan in full, Lender shall not have any recourse against the Borrower, personally, or the Borrower's assets for the deficiency. However, if, for any reason, any Collateral of a Borrower is distributed to anyone other than Lender in payment of that Borrower's Capital Loan, and as a result, that Borrower's Capital Loan is not paid in full, Lender shall have recourse against such Borrower and the Borrower's assets for the amount so diverted from payment of that Borrower's Capital Loan.

7. Assignment. Sher may assign his right to make Capital Loans hereunder as provided in paragraph 3(a) above, but unless and until Capital Loans are made in accordance herewith by his assignees, Sher shall retain the obligation to make such loans. No Borrower shall assign his, her or its rights or delegate his, her or its obligations hereunder without Sher's prior written consent.

8. Default. A Borrower shall be in default of this Agreement if, for any reason, any of the Collateral or any proceeds of the Collateral are paid to a Borrower or to anyone else other than Lender while any amount remains due on that Borrower's Capital Loans, or if any representation or warranty made by a Borrower in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading, or if such Borrower fails to perform any agreement made hereunder.

9. Remedies. If an event of default occurs, Lender may exercise all of the rights and remedies of a secured party under those provisions of the Uniform Commercial Code in effect as to the Collateral or otherwise available at law or in equity. All rights and remedies of Lender shall be cumulative and not in the alternative.

10. Costs of Collection. In any action brought to interpret or enforce any part of this Agreement, the prevailing party shall be entitled to an award of its costs and attorneys' fees in addition to any other remedy awarded, including all costs of appeal.

11. Release of Collateral. The security interest granted to Lender hereunder in each Borrower's Collateral shall terminate upon payment in full of all amounts owed on that Borrower's Capital Loan. At such time Lender shall release his security interest by appropriate action.

12. Amendments. No amendment, modification or termination of this Agreement shall be binding on any party unless it is in writing and signed by the party to be charged.

13. Choice of Law. The validity, terms, performance and enforcement of this Agreement shall be governed by the laws of the State of Washington.

14. Successors. The terms of this Agreement shall be binding upon each of the parties hereto, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each party, its heirs, personal representatives, successors and assigns.

15. Notices. Any notices, demands or similar communications that are required or desired to be given under the terms of this Agreement shall be given in writing by (a) mailing the same by certified U.S. mail, return receipt requested, postage prepaid, or (b) sending the same by Federal Express or other comparable express courier service (with proof of receipt). Notices shall be effective on receipt or refusal to accept receipt. Notwithstanding the foregoing, if either party changes its address and fails to notify the other party in writing of the new address, any notice sent to the first party shall be effective on th e attempted delivery to that party's last known address as provided in this Agreement. All notices addressed to Sher shall be addressed to him at:

Ronald Sher
Sher Partners
10500 NE 8th Street, Suite 850
Bellevue, WA 98004

All notices to a Lender other than Sher shall be delivered to the address specified by Sher to the Borrower in his notice regarding the Loan provided under paragraph 3(a) above. Notices to Borrowers shall be made to the addresses specified in each Borrower's signature block.

16. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

17. Cooperation. The Borrowers agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of such other documents are fully consistent with the terms of this Agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

LENDER:

_____
Ron Sher

BORROWERS:

The Blum Family Trust

_____ By: _____
Doris Blum Its: _____
Address:_____ Address: _____

Joseph Blum Irrevocable Trust

The Blum 1986 Grandchildren's Trust I

By: _____ By: _____
Its: _____ Its: _____
Address: _____ Address: _____

The Ari Blum Trust

The Morgan Blum Trust

By: _____ By: _____
Its: _____ Its: _____
Address: _____ Address: _____

Trust B of the Harris Trust u/a dated 7/22/88

_____ By: _____
Thomas Bomar Its: _____
Address:_____ Address: _____

Rawson, Blum & Company

The Rawson Living Trust

By: _____ By: _____
Its: _____ Its: _____
Address: _____ Address: _____

Merritt and Pamela Sher Living Trust

By: _____
Its: _____ Sylvia Sher
Address: _____ Address: _____

Sydney Sher
Marital Trust

By: _____
Its: _____
Address: _____

Terranomics Investment Partnership

By: _____
Its: _____
Address: _____

Terranomics, a
California
corporation

By: _____
Its: _____
Address: _____

Argus Group, Ltd.

By: _____
Its: _____
Address: _____

Eugene E. and
Kathleen B.
Clahan
Revocable Trust
u/a dated 11/11/88

By: _____
Its: _____
Address: _____

Joel J. Kudler Marital Trust
u/a/ dated 11/11/88

By: _____
Jacqueline Kudler, Trustee
Address: _____

Schedule 7/7(b)

Formula for Calculation of Partnership Unit Adjustment

$$\frac{\text{(\# of Units of Noncontributing Partner) x (Excess Capital Contribution)}}{\text{(total of all Capital Contributions + Purchase Price + (Purchase Price x 51/49))}}$$

EXAMPLE

General Partners call for the Partners to make $1,000,000 in Additional Capital Contributions.

Partner A, who holds 40 Units, fails to make the $400,000 contribution he is required to make.

Partner B, who holds 50 Units, contributes the $500,000 it is required to make, and is the only Partner who chooses to advance capital pursuant to Section 7.7(b)(ii). The Excess Capital Contribution made by Partner B is $400,000.

Partner C, who holds 10 Units, contributes the $100,000 he is required to make.

Additional Capital Contributed

A -	-0-
B -	$500,000 + $400,000
C -	100,000
Total Additional Capital	$1,000,000

Value of the Company	$24,489,795*
Additional Capital Contributions	1,000,000
	$25,489,795

$$40 \text{ Units} \times \frac{400{,}000}{25{,}489{,}795} = 0.63 \text{ Units}$$

Partner A: 40 Units – 0.63 Units = 39.37 Units

Partner B: 50 Units + 0.63 Units = 50.63 Units

* Assumption:

Purchase Price	$12,000,000
Value of 51% interest (Purchase Price x 51/49)	12,489,795
	$24,489,795

Exhibit J

[Intentionally Deleted]

8-K and Audit Requirements

For the period of time commencing on the Effective Date and continuing through the first anniversary of the Closing Date, Seller shall, from time to time, upon reasonable advance notice from Buyer, provide Buyer and its representatives, agents and employees with access to all financial and other information pertaining to the period of Seller's ownership and operation of the Property, which information is relevant and reasonably necessary, in the opinion of Buyer or its outside third party accountants (the "Accountants"), to enable Buyer and its Accountants to prepare financial statements in compliance with any and or all of (a) Rule 3-14 of Regulation S-X of the Securities and Exchange Commission (the "Commission"); (b) any other rule issued by the Commission and applicable to Buyer; and (c) any registrat ion statement, report or disclosure statement filed with the Commission by, or on behalf of Buyer; provided, however, that in any such event(s), Buyer shall reimburse Seller for those reasonable third party, out-of-pocket costs and expenses that Seller incurs in order to comply with the foregoing requirement. Seller acknowledges and agrees that the following is a representative description of the information and documentation that Buyer and the Accountants may require in order to comply with (a), (b) and (c) above. Seller shall provide the following information and documentation, if available (capitalized terms not defined herein shall have the meanings as ascribed to such terms in the Agreement to which this Exhibit is attached):

1. Rent rolls for the calendar month in which the Closing occurs and the four (4) calendar quarters immediately preceding the calendar month in which the Closing occurs;

2. Rent rolls showing both (a) scheduled increases in base rent required under the Leases in effect on the Closing Date; and (b) rent concessions imposed by those Leases;

3. Seller's internally-prepared operating statements;

4. Access to Lease files;

5. Most currently available real estate tax bills;

6. Access to Seller's cash journal(s) and bank statements for the Property (provided, that such access shall only be provided to the Accountants in order to prepare any financial statements or Commission filings mentioned above or to satisfy any rule or request of the Commission).

7. Seller's general ledger with respect to the Property, excluding Seller's proprietary accounts;

8. Schedule of those capital improvements and fixed asset additions made by or at the direction of Seller during the Final Fiscal Year;

9. Access to Seller's invoices with respect to expenditures made during the Final Fiscal Year; and

10. Access (during normal and customary business hours) to responsible personnel to answer accounting questions.

Nothing herein shall require Seller to conduct its own audits or generate any requested materials that are not in its possession, custody or control.

The provisions of the foregoing information shall be for informational purposes only, shall not be deemed to be representations or warranties under this Agreement, and shall not expose Seller to any liability on account thereof.

Upon at least twenty (20) days' prior written notice and not more than once during the one (1) year period, upon Buyer's request, for a period of one (1) year after Closing, Seller shall on a one (1)-time basis only, make Seller's books, records, existing supporting invoices and other existing substantiating documentation that are not deemed by Seller to be privileged, available to Buyer for inspection, copying and audit by Buyer's designated accountants, at the expense of Buyer. This obligation shall survive the Closing for a period of one (1) year and shall not be merged with any instrument of conveyance delivered at the Closing.

Exhibit L

Contribution Agreement

THIS CONTRIBUTION AGREEMENT (this "Agreement") is made as of _____, 20____, by and among Retail Opportunity Investments Corp., a Delaware corporation (the "REIT"), Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("ROIP") and each person or entity identified as a signatory on Schedule I (each such person or entity a "Seller" and, collectively, the "Sellers"). Capitalized terms used herein but not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Purchase Agreement, as defined below.

WITNESSETH

WHEREAS, pursuant to the terms and provisions of that certain Agreement for Sale and Purchase of Partnership Interests dated as of _____ ____, 2010 by and among the REIT and the Sellers signatory thereto (the "Purchase Agreement"), ROIP has an option to purchase all of the remaining general partner and limited partnership interests in Terranomics Crossroads Associates Limited Partnership, a California limited partnership (the "Company") held by the Sellers that ROIP has not yet acquired (the "Company Interests");

WHEREAS, in connection with the exercise of Buyer's Purchase Option, the REIT and, ROIP shall enter into this Agreement with each Seller electing to receive OP Units (as defined in the First Amended and Restated Agreement of Limited Partnership of ROIP (the "Partnership Agreement")) in exchange for their Company Interests in accordance with the terms of the Buyer's Purchase Option;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants, agreements and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Contribution.

a. Seller. By executing the signature page to this Agreement, subject to the terms and conditions hereof, the Seller, if Seller is an Accredited Investor (as defined herein) who certifies as to such status by executing and timely delivering the accredited investor questionnaire (each an "Eligible Seller"), hereby agrees to subscribe for and receive, and ROIP agrees to issue, the OP Units to the undersigned Eligible Seller in exchange for the consideration set forth in paragraph (b) of this section.

b. Consideration. The OP Units to be issued to each Seller (except for those Sellers identified in Section 7.9(c) of the Purchase Agreement) payable upon the consummation of the exercise of the Buyer's Purchase Option (the "Closing") shall equal the amount of cash payable to such Seller pursuant to the Purchase Agreement for the Company Interests divided by the Fair Market Value (as

defined below) of one OP Unit (the "Consideration"). The Fair Market Value of one OP Unit shall equal the product of (a) the average closing price of the shares of common stock of the REIT (the "Common Stock") on the principal market on which the shares of Common Stock trades during the 10 calendar days immediately preceding the Closing (the "Stock Price") and (b) 1.1 (except that with respect to the OP Units issued to the individuals and entities set forth in Section 7.9(c) of the Purchase Agreement (the "Excepted Persons") in exchange for the Company Interests held by such individuals and entities as of the date hereof as shown on Schedule I, the Fair Market Value shall be the Stock Price) and (c) the exchange ratio then effect with regard to the exchange of OP Units for shares of Common Stock as provided in the Partnership Agreement of ROIP. If the Common Stock is not listed on an exchange then the Stock Price shall be determined in good faith by the board of directors of REIT.

2. Registration Rights. Simultaneously herewith, the REIT and Sellers shall enter into a registration rights agreement (the "Registration Rights Agreement") which shall provide for the registration under the Securities Act of 1933, as amended (the "Securities Act") for resale by the Sellers of certain shares of Common Stock which may be issued to Sellers in accordance with the provisions of the Partnership Agreement, upon the presentation of the OP Units for redemption.

3. Closing.

a. Conditions Precedent.

i. Conditions to Each Parties Obligations. No government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign (collectively, a "Governmental Authority") shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement (which condition may not be waived by any party) nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending tha t seeks the foregoing.

ii. Conditions to Obligations of the REIT and ROIP. The obligations of the REIT and ROIP to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions (any of which may be waived by the REIT and ROIP, in whole or in part, in their sole discretion):

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of each Seller contained in this Agreement, shall be true and correct at the Closing.

(2) *Performance by the Sellers*. Each Seller shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for each Seller to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *No Material Adverse Change*. There shall have not occurred between the date hereof and the Closing any material adverse change in any of the assets, business, financial condition, results of operation or prospects of the Company.

(5) *Bankruptcy*. There shall not have been a bankruptcy or similar insolvency proceeding with respect to the Company.

iii. Conditions to Obligations of the Sellers. The obligation of each Seller to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions:

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of the REIT and ROIP contained in this Agreement shall be true and correct at the Closing.

(2) *Performance by the REIT and ROIP*. The REIT and ROIP shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Sellers to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of the Sellers to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *Registration Rights Agreement*. The REIT and ROIP shall have entered into the registration rights agreement substantially in the form attached as Exhibit M to the Purchase Agreement. This condition may not be waived by any party.

b. Time and Place. Subject to satisfaction or waiver of the conditions in set forth in paragraph (3)(a) of this section, the closing of the transactions contemplated hereby shall occur on the Closing. The closing shall take place at the offices of Clifford Chance US LLP, 31 West 52nd Street, New York, New York 10019 or such other place as determined by the REIT or ROIP in their sole discretion.

c. Delivery of OP Units. The issuance of the OP Units shall be evidenced by an amendment to the Partnership Agreement. On the Closing, (or as soon as reasonably practicable thereafter), ROIP shall deliver or cause to be delivered to each Seller an executed copy of such amendment.

d. Closing Deliveries. On the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered through the attorney-in-fact or the power of attorney (both as described and set forth in the Partnership Agreement) any other documents reasonably requested by the REIT and ROIP or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Company Interests, free and clear of all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and to effectuate the transactions contemplated hereby.

e. Tax Withholding. The REIT and ROIP shall be entitled to deduct and withhold, from the Consideration payable pursuant to this Agreement to any Seller, such amounts as the REIT or ROIP is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder (the "Code") or any provision of federal, state, local or foreign tax law. To the extent that amounts are so withheld by the REIT or ROIP, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding was made by the REIT or ROIP.

4. Representations, Warranties and Covenants of Seller. Each Seller, severally and not jointly, hereby represents and warrants to, and covenants with the REIT and ROIP as of the date hereof as follows:

a. Organization; Authority. If such Seller is an individual, such Seller has the legal capacity and authority to execute, deliver and perform its obligations under this Agreement, and no individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity (collectively, a "Person") has any community property rights, by virtue of marriage or otherwise, with respect to such Company Interests (unless the person holding such rights is also a signatory hereto). If such Seller is a Person other than an individual, such Seller has been duly organized, is validly existing and in good standing under the applicable laws, statutes, rules, regulations, codes, orders,

ordinances, judgments, injunctions, decrees and policies of any Governmental Authority (collectively, the "Laws") of its jurisdiction of organization, and has all requisite power and authority to enter this Agreement, each agreement contemplated hereby and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization and Enforceability. If such Seller is a Person other than an individual, the execution, delivery and performance of this Agreement by such Seller has been duly and validly authorized by all necessary action required of such Seller. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of such Seller pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of such Seller, each enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Ownership of Interest. Such Seller is the record owner of the Company Interests owned by it as set forth on Schedule I, and has the power and authority to transfer, sell, assign and convey to the REIT or ROIP ,as applicable, such Company Interests, free and clear of any Liens and, upon delivery of the Consideration for such Company Interests as provided herein, the REIT or ROIP ,as applicable, will acquire good and valid title thereto, free and clear of any Liens. Except as provided for or contemplated by this Agreement or the other applicable documents, there are no rights, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (i) relating to the Company Interests owned by such Seller or (ii) to purchase, transfer or to otherwise acq uire, or to in any way encumber, any of the interests which comprise such Company Interests or any securities or obligations of any kind convertible into any of the interests which comprise such Company Interests, or other equity interests or profit participation of any kind in the Company.

d. Consents and Approvals. No consent, waiver, approval, authorization, order, license, certificate or permit of, or filing or registration with a Person or any Governmental Authority or under any Laws is required to be obtained by such Seller in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

e. No Violation. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (A) the organizational documents, if any, of such Seller, (B) any agreement, document or instrument to which such Seller is a party or by which such Seller is bound, (C)

does not and will not violate any Laws applicable to or binding upon the Seller, or (D) any term or provision of any judgment, order, writ, injunction, or decree binding on such Seller is (or its assets or properties).

f. Non Foreign Person. Such Seller is a United States person (as defined in the Code) and is, therefore, not subject to the provisions of the Code relating to the withholding of sales or exchange proceeds to foreign persons.

g. Taxes. Such Seller has paid all taxes relating to its Company Interests required to be paid by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so).

h. Solvency. Such Seller has been and will be solvent at all times prior to and for the ninety (90) day period following the transfer of its Company Interests to ROIP.

i. Litigation. There is no litigation or proceeding, either judicial or administrative, pending or threatened, affecting all or any portion of Seller's Company Interests or Seller's ability to consummate the transactions contemplated hereby which, if adversely determined, would adversely affect the Seller's ability to consummate the transactions contemplated hereby. Seller has not received notice of any, and to its knowledge there is no, outstanding order, writ, injunction or decree of any Governmental Authority against or affecting all or any portion of its Company Interests, which in any such case would impair Seller's ability to enter into and perform all of its obligations under this Agreement.

j. Seller's Investment Representations and Warranties. Seller represents and warrants to the REIT and ROIP as follows:

i. Upon the issuance of OP Units to Seller, (i) Seller shall become subject to, and shall be bound by, the terms and provisions of the Partnership Agreement (a copy of which Seller acknowledges having received and reviewed), including the terms of the power of attorney contained therein, and (ii) Seller agrees to execute a counterpart signature page to the Partnership Agreement.

ii. Such Seller is knowledgeable, sophisticated and experienced in business and financial matters; such Seller has previously invested in securities similar to the OP Units or Common Stock, as applicable, and fully understands the limitations on transfer imposed by the federal securities Laws. Such Seller has received and carefully reviewed this Agreement and the other applicable documents as well as all information and documents about or pertaining to the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, and the issuance of the OP Units and the Common Stock, as applicable, as such Seller deems necessary or desirable, and has been given the opportunity to obtain, and has obtained, any additional information or documents and to

ask questions and receive answers about such information and documents, the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, which such Seller deems necessary or desirable to evaluate the merits and risks related to its investment (including, making an informed business decision) in the OP Units or the Common Stock, as applicable; and such Seller understands and has taken cognizance of all risk factors related to the purchase of the OP Units and the Common Stock, as applicable. Such Seller is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of such Seller's advisors (including tax advisors), and not upon that of the REIT or ROIP, as applicable, or any of the REIT's or ROIP's, as applicable, affiliates, for purposes of evaluating, entering into, and consummating the transactions co ntemplated hereby. Seller is capable of bearing the economic risks of the transactions contemplated herein.

iii. The OP Units to be issued to Seller, and any Common Stock issued upon redemption thereof, will be acquired by Seller solely for his, her or its own account for investment only and not as a nominee agent for any other person and not with a view to, or with any intention of, an offer, distribution or resale thereof, in whole or in part, or the grant of any participation therein, in each case, in violation of any applicable securities laws.

iv. Seller is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act) ("Accredited Investor"). Such Seller will, upon request, execute and/or deliver any additional documents deemed by the REIT or ROIP to be necessary or desirable to confirm such Seller's Accredited Investor status.

v. Seller acknowledges that (A) the OP Units to be issued to Seller have not been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) ROIP's reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of Seller contained herein, (C) such OP Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no, and there is not expected to be any, public market for the OP Units, and (E) ROIP has no obligation or intention to register such OP Units for resale under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registrati on requirements of such laws. Seller further acknowledges that because of the restrictions on transfer or assignment of such OP Units to be issued hereunder which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of

the investment commitment evidenced by this Agreement and any OP Units acquired hereby for an indefinite period of time.

vi. Seller acknowledges that the OP Units to be issued to Seller hereunder may not be redeemed for shares of Common Stock for a period of one-year from the date of Closing.

vii. Seller acknowledges that (A) any shares of Common Stock issued upon redemption of the OP Units may not have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) such Common Stock, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, and (C) there may be no public market for the Common Stock. Seller further acknowledges that because of the restrictions on transfer or assignment of any Common Stock to be issued upon redemption of the OP Units which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of the investment commitment evidenced by this Agreement and any Common Stock acquired upon redemption of OP Units for a n indefinite period of time.

viii. Seller agrees to the imprinting of the legend on certificates, if any, on any shares of Common Stock issued upon redemption thereof as set forth in the Partnership Agreement.

ix. Each Seller agrees that it will execute all documents which the REIT or ROIP may reasonably request at such time as the REIT or ROIP may reasonably request in order to satisfy themselves that the offer and sale of the OP Units and, in the future, any shares of Common Stock have been conducted in such manner as to qualify for an exemption from registration under the Securities Act, as a private placement under Section 4(2) thereof and/or Regulation D promulgated thereunder, as determined by the REIT and/or ROIP.

k. Continuing Efforts. Subject to the terms and conditions herein provided, such Seller covenants and agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper and/or appropriate to consummate and make effective the transactions contemplated by this Agreement.

l. No Brokers or Finders. The Seller has not entered into any agreement and is not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person similar agent or firm with respect to this Agreement or the issuance of any OP Units contemplated hereby, except for any such person or similar agent or firm the fees and expenses for which such Seller shall be solely responsible for and pay.

m. No Claims. Each Seller represents and warrants that it does not have any claims against the Company or any of its officers, directors or agents for breach of fiduciary obligations, breach of the terms of applicable organizational documents, fraud, self-dealing or any other similar cause of action.

n. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, no Seller shall be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

o. Survival of Representations and Warranties of the Seller. Each Seller agrees and acknowledges that (a) the representations and warranties set forth in paragraph (j) shall survive indefinitely and (b) all other representations and warranties set forth in this section shall survive for a period of one-year following the Closing.

5. Representations, Warranties and Covenants of the REIT and ROIP. The REIT and ROIP hereby represent and warrant to, and covenant with, each Seller as of the date hereof as follows:

a. Organization; Authority.

i. The REIT is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. The REIT has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

ii. ROIP is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware. ROIP has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of the REIT or ROIP pursuant to this Agreement or the other applicable documents in connection with the exercise of the Buyer's Purchase Option constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the REIT or ROIP, each enforceable against the REIT or ROIP in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Consents and Approvals. No consent, waiver, approval or authorization of, or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the REIT or ROIP in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

d. No Violation. None of the execution, delivery or performance of this Agreement, the other applicable documents in connection with the exercise of the Buyer's Purchase Option, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under (a) the organizational documents of the REIT or ROIP, (b) any term or provision of any judgment, order, writ, injunction, or decree binding on the REIT or ROIP, or (c) any other agreement to which the REIT or ROIP is a party thereto.

e. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, the REIT and ROIP shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

f. Partnership Agreement. ROIP has furnished to Seller a true, correct and complete copy of the Partnership Agreement.

g. Issuance of OP Units. At the Closing: (i) the OP Units issued by ROIP to Seller will be duly authorized by the REIT or ROIP, as applicable, and, when issued against Consideration therefor, will be validly issued by the REIT or ROIP, fully paid and non-assessable; and (ii) Seller will be admitted as a limited partner of the Partnership entitled to all of the rights, privileges and other benefits of limited partners holding similar interests under the Partnership Agreement.

h. Reservation and Listing of Common Stock. The shares of Common Stock to be issued by the REIT upon redemption of the OP Units will be reserved for issuance and the REIT will use commercially reasonable efforts to list such Common Stock on the NASDAQ Stock Market or on any other similar exchange where the REIT has shares of Common Stock listed (subject to official notice of issuance) prior to the date upon which any of the OP Units becomes redeemable for shares of Common Stock.

i. No Broker's or Finders. The REIT and ROIP have not entered into any agreement and are not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person or similar agent or firm with respect to this Agreement or the purchase and issuance of any OP Units contemplated hereby.

6. Tax Cooperation.

The REIT, ROIP and each Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of tax returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other

proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

7. Indemnification.

a. Indemnification. For a period of one (1) year from and after the Closing, each Seller, severally and not jointly, agrees to indemnify, hold harmless, and defend the REIT, ROIP and their successors and assigns (collectively, the "REIT's Indemnified Persons") from and against, and reimburse each of the REIT's Indemnified Persons with respect to, any and all losses, damages, liabilities, costs, and expenses, including interest from the date of such loss to the time of payment, penalties, and reasonable attorney fees (collectively, the "Damages") incurred by any of the REIT's Indemnified Persons by reason of or arising out of or in connection with:

(1) Any breach or inaccuracy of any representation or warranty of such Seller made in this Agreement or any Subscription Document;

(2) Any failure by such Seller to perform any covenant required to be performed by such Seller pursuant to this Agreement or any Subscription Document; and

(3) Any claim, demand, cause of action, complaint or action arising out of any facts or circumstances that occurred prior to Closing, regardless of fault.

This indemnification extends to any Damages suffered by any of REIT's Indemnified Persons, whether or not a claim is made against any of REIT's Indemnified Persons by any third party. Nothing contained herein shall make a person who is subject to the foregoing indemnification obligation liable for more than the aggregate Purchase Price for such Seller's Company Interests.

b. Defense of Claim. If any claim is asserted against a party that would give rise to a claim by that party against the other party for indemnification, the party to be indemnified will promptly give written notice to the indemnifying party concerning such claim and the indemnifying party will, at no expense to the indemnified party, defend the claim.

8. Benefit of Agreement: Successors and Assigns; Assignment. This Agreement is only for the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns and is not intended to be for the benefit of any third party, creditor or other person to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) any party hereto; and no such third party, creditor or other person shall obtain any right under this Agreement against any party hereto by reason of any debt, liability or obligation (or otherwise). This Agreement shall be binding upon, and shall inure to the benefit of, the parties

hereto, and their respective heirs, executors, administrators, and permitted successors and assigns.

This Agreement may not be assigned, in whole or in part, by any party hereto without the consent of all of the other parties hereto.

9. Entire Agreement Amendments. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all agreements and understandings (written and oral) with respect to such subject matter. No amendment or termination of this Agreement or any provision of this Agreement shall be effective unless it is in writing and signed by each of the parties hereto. No waiver hereunder shall be valid unless in writing, executed by the party against whom such waiver is sought to be enforced.

10. Severability. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

11. Equitable Remedies. The parties agree that irreparable damage would occur to the REIT and ROIP in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the REIT and ROIP shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Seller and to enforce specifically the terms and provisions hereof in any federal or state court located in New York, this being in addition to any other remedy to which the REIT and ROIP is entitled under this Agreement or otherwise at law or in equity. Notwithstanding the foregoing, this Agreemen t shall not bar any equitable remedies otherwise available to the Seller pursuant to the terms and provisions contained in section.

12. Further Assurances. The Sellers will, from time to time, execute and deliver to the REIT or ROIP all such other and further instruments and documents and take or cause to be taken all such other and further action as the REIT or ROIP may reasonably request in order to effect the transactions contemplated by this Agreement. Notwithstanding the foregoing, the REIT or ROIP may request from the Seller such additional information as it may deem necessary to evaluate the eligibility of such Seller to acquire the OP Units, and may request from time to time such information as it may deem necessary to determine the eligibility of such Seller to hold OP Units or to enable ROIP or the REIT to determine the Seller's compliance with applicable regulatory requirements or tax status, and such Seller shall provide such information as may reasonably be requested.

13. Time of the Essence. Time is of the essence with respect to all obligations under this Agreement.

14. Descriptive Headings. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

15. No Personal Liability Conferred. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or stockholder of the REIT or ROIP.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) days (any day that is not a Saturday, Sunday or legal holiday in the State of Delaware, each such day a "Business Day") after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within 24 hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

If to the REIT or ROIP:

3 Manhattanville Road
Purchase, New York 10577
Tel: (914) 272-8080
Fax: (914) 272-8088
Attention: Chief Financial Officer

With a copy to:

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019
Attention: Jay Bernstein
Facsimile: (212) 878-8375

If to a Seller:

To the address indicated for such Seller on the Schedule I to this Agreement.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, without reference to conflicts of law principles thereof.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that not all parties shall have signed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dated first set forth above.

RETAIL OPPORTUNITY INVESTMENTS CORP.,
a Delaware corporation

By: _____
Name: John B. Roche
Title: Chief Financial Officer

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP,
a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC,
its general partner

By: _____
Name: John B. Roche
Title: Authorized Person

SELLERS:

By: _____
Name:
Title:

Schedule I to Exhibit L

Sellers	Address	Number of Company Interests	Number of OP Units

Exhibit M

Registration Rights Agreement

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of _____, 20__, is made and entered into by and among Retail Opportunity Investment Corp., a Delaware corporation (the "**Company**"), and certain persons listed on Schedule 1 hereto (such persons, in their capacity as holders of Registrable Securities, the "**Holders**" and each the "**Holder**").

WITNESSETH:

WHEREAS, the operating partnership of the Company, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("**ROIP**"), and the Holders have entered into a Contribution Agreement, dated _____, 20___ (the "**Contribution Agreement**"), pursuant to which the Holders contributed their [general partner and limited partnership interests] in Terranomics Crossroads Associates Limited Partnership, a California limited partnership to ROIP in exchange for operating partnership units of ROIP (such units in the aggregate, the "**OP Units**"), which such OP Units upon presentation for redemption by the Holders in accordance with the provisions of the First Amended and Restated Agreement of Limited Partnership of ROIP, may be redeemed for shares of common stock, par value $0.0001 per share, of the Company (the "**Common Stock**"); and

WHEREAS, the Company desires to enter into this Agreement with the Holders in order to grant the Holders the registration rights contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"**Affiliate**" shall mean, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person; (ii) any Person who, from time to time, is a member of the Immediate Family of a specified Person; (iii) any Person who, from time to time, is an officer or director or manager of a specified Person; or (iv) any Person who, directly or indirectly, is the beneficial owner of 50% or more of any class of equity securities or other ownership interests of the specified Person, or of which the specified Person is directly or indirectly the owner of 50% or more of any class of equity securitie s or other ownership interests.

"**Agreement**" shall mean this Registration Rights Agreement as originally executed and as amended, supplemented or restated from time to time.

"**Board**" shall mean the Board of Directors of the Company.

"**Business Day**" shall mean each day other than a Saturday, a Sunday or any other day on which banking institutions in the State of Delaware are authorized or obligated by law or executive order to be closed.

"**Commission**" shall mean the Securities and Exchange Commission and any successor thereto.

"**Common Stock**" shall have the meaning set forth in the Recitals hereof.

"**Company**" shall have the meaning set forth in the introductory paragraph hereof.

"**Contribution Agreement**" shall have the meaning set forth in the Recitals hereof.

"**Control**" (including the terms "**Controlling**," "**Controlled by**" and "**under common Control with**") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person through the ownership of Voting Power, by contract or otherwise.

"**Controlling Person**" shall have the meaning set forth in Section 5 hereof.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended (or any corresponding provision of succeeding law) and the rules and regulations thereunder.

"**Holder**" shall have the meaning set forth in the introductory paragraph hereof.

"**OP Units**" shall have the meaning set forth in the Recitals hereof.

"**Person**" shall mean any individual, partnership, corporation, limited liability company, joint venture, association, trust, unincorporated organization or other governmental or legal entity.

"**Registrable Securities**" shall mean the Common Stock that may be acquired by the Holders in connection with the exercise by such Holders of the redemption rights associated with the OP Units; provided, however, such Registrable Securities shall cease to be Registrable Securities upon the occurrence of the earliest of the following: (i) the date on which a registration statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and all such Registrable Securities shall have been sold, transferred, disposed of or exchanged in accordance with such regis tration statement, (ii) the date on which such Registrable Securities shall have been sold and all transfer restrictions and restrictive legends with respect to such Registrable Securities are removed upon the consummation of such sale, (iii) the date on which such Registrable Securities become eligible to be publicly sold pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iv) such Registrable Securities have ceased to be outstanding.

"**Registration Expenses**" shall mean (i) the fees and disbursements of counsel and independent public accountants for the Company incurred in connection with the Company's

performance of or compliance with this Agreement, including the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance, and any premiums and other costs of policies of insurance obtained by the Company against liabilities arising out of the sale of any securities and (ii) all registration, filing and stock exchange fees, all fees and expenses of complying with securities or "blue sky" laws, all fees and expenses of custodians, transfer agents and registrars, and all printing expenses, messenger and delivery expenses; provided, however, "Registration Expense s" shall not include any out-of-pocket expenses of the Holders, transfer taxes, underwriting or brokerage commissions or discounts associated with effecting any sales of Registrable Securities that may be offered, which expenses shall be borne by each Holder of Registrable Securities on a *pro rata* basis with respect to the Registrable Securities so sold.

"**ROIP**" shall have the meaning set forth in the Recitals hereof.

"**Securities Act**" shall mean the Securities Act of 1933, as amended (or any successor corresponding provision of succeeding law), and the rules and regulations thereunder.

"**Shelf Registration Statement**" shall have the meaning set forth in Section 2(a) hereof.

"**Underwritten Offering**" shall mean a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

"**Voting Power**" shall mean voting securities or other voting interests ordinarily (and apart from rights accruing under special circumstances) having the right to vote in the election of board members or Persons performing substantially equivalent tasks and responsibilities with respect to a particular entity.

Section 2. Shelf Registrations.

a. Shelf Registration. The Company agrees to use commercially reasonable efforts to file with the Commission a registration statement under the Securities Act for the offering on a continuous or delayed basis in the future covering resales of the Registrable Securities (the "**Shelf Registration Statement**"), such filing to be made (subject to Section 3) on the date which is one-year after the date on which the OP Units may be redeemed for shares of Common Stock by a Holder thereof as provided in the Contribution Agr eement. Subject to Section 3, the Company shall use commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Shelf Registration Statement shall be on an appropriate form and the registration statement and any form of prospectus included therein (or prospectus supplement relating thereto) shall reflect the plan of distribution or method of sale as the Holders may from time to time notify the Company.

b. Effectiveness. The Company shall use commercially reasonable efforts to keep the Shelf Registration Statement continuously effective for the period beginning on the date on which the Shelf Registration Statement is declared effective and ending on the date that all of the Registrable Securities registered under the Shelf Registration Statement cease to be Registrable Securities. During the period that the Shelf Registration Statement is effective, the Company shall supplement or make amendments to the Shelf Registration Statement, if required

by the Securities Act or if reasonably requested by the Holders (whether or not required by the form on which the securities are being registered), including to reflect any specific plan of distribution or method of sale, and shall use commercially reasonable efforts to have such supplements and amendments declared effective, if required, as soon as practicable after filing.

Section 3. Black-Out Periods.

Notwithstanding anything herein to the contrary, the Company shall have the right to postpone the filing of a registration statement and the right, exercisable from time to time by delivery of a notice authorized by the Board at such times as the Company in its good faith judgment may reasonably determine is necessary and advisable, to require the Holders not to sell pursuant to a registration statement or similar document under the Securities Act filed pursuant to Section 2 or to suspend the use or effectiveness thereof if at the time of the delivery of such notice (i) it has determined that the use of any registration statement or similar document under the Securities Act filed pursuant to Section 2 would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a significant transaction, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, (ii) all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, or (iii) the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X under the Securities Act or (iv) the Company is not eligible to use Form S-3 for purposes of registering the resale of the Registrable Securities. The Company, as soon as practicable, shall (i) give the Holders prompt written notice in the event that the Company has suspended sales of Registrable Securities pursuant to this < font style="DISPLAY: inline; TEXT-DECORATION: underline">Section 3, (ii) give the Holders prompt written notice of the termination of such suspension of sales of the Registrable Securities and (iii) promptly file any amendment or reports necessary for any registration statement or prospectus of the Holders in connection with the completion of such event.

Each Holder agrees by acquisition of the Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in this Section 3, such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the notice of completion of such event.

Section 4. Registration Procedures.

a. In connection with the filing of any registration statement as provided in this Agreement, the Company shall use commercially reasonable efforts to, as expeditiously as reasonably practicable:

(i) prepare and file with the Commission the requisite registration statement (including a prospectus therein and any supplement thereto) to effect such registration and use commercially reasonable efforts to cause such registration statement to become effective; provided, however, that before filing such registration statement or any amendments or supplements thereto, the Company will furnish copies of all such

documents proposed to be filed to counsel for the sellers of Registrable Securities covered by such registration statement and provide reasonable time for such sellers and their counsel to comment upon such documents if so requested by a Holder;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the period in which such registration statement is required to be kept effective;

(iii) furnish to each Holder of the Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits other than those which are being incorporated into such registration statement by reference), such number of copies of the prospectus contained in such registration statements (including each complete prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act in conformity with the requirements of the Securities Act, and such other documents, as the Holders may reasonably request;

(iv) register or qualify all Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the Holders and the underwriters of the securities being registered, if any, shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable the Holders to consummate the disposition in such jurisdiction of the securities owned by the Holders, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign company or to register as a broker or dealer in any jurisdiction where it would not otherwise be required to qualify but for this Section 4(a)(iv), or to consent to general service of process in any such jurisdiction, or to be subject to any material tax obligation in any such jurisdiction where it is not then so subject;

(v) immediately notify the Holders at any time when the Company becomes aware that a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and, at the request of the Holders, promptly prepare and furnish to the Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, s uch prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(vi) comply or continue to comply in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission thereunder so as to enable any Holder to sell its Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, as further agreed to in Section 6 hereof;

(vii) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(viii) cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend; and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(ix) list all Registrable Securities covered by such registration statement on any securities exchange or national quotation system on which any such class of securities is then listed or quoted and cause to be satisfied all requirements and conditions of such securities exchange or national quotation system to the listing or quoting of such securities that are reasonably within the control of the Company including, without limitation, registering the applicable class of Registrable Securities under the Exchange Act, if appropriate, and using commercially reasonable efforts to cause such registration to become effective pursuant to the rules of the Commission;

(x) in connection with any sale, transfer or other disposition by any Holder of any Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold and not bearing any Securities Act legend, and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(xi) notify each Holder, promptly after it shall receive notice thereof, of the time when such registration statement, or any post-effective amendments to the registration statement, shall have become effective, or a supplement to any prospectus forming part of such registration statement has been filed;

(xii) notify each Holder of any request by the Commission for the amendment or supplement of such registration statement or prospectus for additional information; and

(xiii) advise each Holder, promptly after it shall receive notice or obtain knowledge thereof, of (A) the issuance of any stop order, injunction or other order or requirement by the Commission suspending the effectiveness of such registration

statement or the initiation or threatening of any proceeding for such purpose, and use commercially reasonable efforts to prevent the issuance of any stop order, injunction or other order or requirement or to obtain its withdrawal if such stop order, injunction or other order or requirement should be issued, (B) the suspension of the registration of the subject shares of the Registrable Securities in any state jurisdiction and (C) the removal of any such stop order, injunction or other order or requirement or proceeding or the lifting of any such suspension.

b. In connection with the filing of any registration statement covering Registrable Securities and as a condition to Holder's participation in the registration, each Holder shall furnish in writing to the Company such information regarding such Holder (and any of its Affiliates), the Registrable Securities to be sold, the intended method of distribution of such Registrable Securities and such other information requested by the Company as is necessary or advisable for inclusion in the registration statement relating to such offering pursuant to the Securities Act. Such writing shall expressly state that it is being furnished to the Company for use in the preparation of a registration statement, preliminary prospectus, supplementary prospectus, final prosp ectus or amendment or supplement thereto, as the case may be.

Each Holder agrees by acquisition of the Registrable Securities that (i) upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(a)(v), such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(a)(v); (ii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (A) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii); and (iii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (B) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement in the applicable state jurisdiction(s) until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii).

Section 5. Indemnification.

a. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder, its partners, officers, directors, employees, agents and representatives, and each Person (a "Controlling Person"), if any, who controls such Holder (within the meaning of the Section 15 of the Securities Act or Section 20 of the Exchange Act), against any losses, claims, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the registration statement under which such Registrable Securiti es were registered and sold under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company will reimburse each Holder for any reasonable legal or any other expenses reasonably incurred by it

in connection with investigating or defending any such loss, claim, liability, action or proceedings; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Holder specifically stating that it is for use in the preparation thereof. Such ind emnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders or any such controlling Person and shall survive the transfer of such securities by the Holders.

b. Indemnification by the Holders. Each Holder agrees to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 5(a)) the Company, each member of the Board, each officer, employee, agent and representative of the Company and each of their respective Controlling Persons, with respect to any untrue statement or alleged untrue statement of a material fact in or omission or alleged omission to state a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Holder regarding such Holder giving such indemnification specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such Board member, officer, employee, agent, representative or Controlling Person and shall survive the transfer of such securities by any Holder. The obligation of a Holder to indemnify will be several and not joint among the Holders of Registrable Securities and the liability of each such Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such r egistration statement.

c. Notices of Claims, etc. Promptly as reasonably practicable after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 5, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to assume the defense thereof, for itself, if applicable, together with any other indemnified party similarly notified, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof.

d. Indemnification Payments. To the extent that the indemnifying party does not assume the defense of an action brought against the indemnified party as provided in Section 5(c), the indemnified party (or parties if there is more than one) shall be entitled to the reasonable legal expenses of common counsel for the indemnified party (or parties). In such event, however, the indemnifying party will not be liable for any settlement effected without the written consent of such indemnifying party, which consent shall not be unreasonably w ithheld. The indemnification required by this Section 5 shall be made by periodic payments of the amount thereof during the course of an investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred. No indemnifying party shall, without the prior written consent of the indemnified party, consent to entry of judgment or effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified Party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such judgment or settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

e. Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, damage or liability, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledg e, access to information and opportunity to correct or prevent such untrue statement or omission) or (ii) if the allocation provided by subclause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in the proportion as is appropriate to reflect not only the relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations.

No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation, and the liability for contribution of each Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

Section 6. Covenants Relating To Rule 144. At such times as the Company becomes obligated to file reports in compliance with either Section 13 or 15(d) of the Exchange Act, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as suc h rule may be amended from time to time or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 7. Market Stand-Off Agreement. Each Holder hereby agrees that it shall not, directly or indirectly sell, offer to sell (including without limitation any short sale), pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any Registrable Securities or other Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock then owned by such Holder (other than to permitted transferees of the Holders who agree to be similarly bound) for up to 180 days following the date of an underwriting agreement with respect to an underwritten public offering of the Company's securities; provided, however, that all officers and directors of the Company then holding Common Stock or securities convertible into or exchangeable or exercisable for Common Stock enter into similar agreements for not less than the entire time period required of the Holders hereunder.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Securities and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

Section 8. Miscellaneous.

a. Termination; Survival. The rights of each Holder under this Agreement shall terminate upon the date that all of the Registrable Securities held by such Holder may be sold during any three-month period in a single transaction or series of transactions without volume limitations under Rule 144 (or any successor provision) under the Securities Act. Notwithstanding the foregoing, the obligations of the parties under Section 5 and paragraphs (d), (e) and (g) of this Section 8 shall survive the termination of this Agreement.

b. Expenses. All Registration Expenses incurred in connection with any Shelf Registration under Section 2 shall be borne by the Company, whether or not any registration statement related thereto becomes effective.

c. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to each of the other parties.

d. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

e. Prior Agreement; Construction; Entire Agreement. This Agreement, including the exhibits and other documents referred to herein (which form a part hereof), constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings between the parties, and all such prior agreements and understandings are merged herein and shall not survive the execution and delivery hereof.

f. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service or by telecopier and shall be deemed given when so delivered by hand or, if mailed, three (3) Business Days after mailing (one Business Day in the case of express mail or overnight courier service), addressed as follows:

If to the Holders: To each address indicated for the Holders in Schedule 1 hereto.

If to the Company: Retail Opportunity Investment Corp.
Address: 3 Manhattanville Road
Purchase, New York, 10577
Attn: Chief Financial Officer

g. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may assign its rights or obligations hereunder to any successor to the Company's business or with the prior written consent of Holders of a majority of the then outstanding Registrable Securities. Notwithstanding the foregoing, no assignee of the Company shall have any of the rights granted under this Agreement until such assignee shall acknowledge its rights and obligations hereunder by a signed written agreement pursuant to which such assignee accepts such rig hts and obligations.

h. Headings. Headings are included solely for convenience of reference and if there is any conflict between headings and the text of this Agreement, the text shall control.

i. Amendments And Waivers. The provisions of this Agreement may be amended or waived at any time only by the written agreement of the Company and the Holders of a majority of the Registrable Securities. Any waiver, permit, consent or approval of any kind or character on the part of any such Holders of any provision or condition of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in writing. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company.

j. Interpretation; Absence Of Presumption. For the purposes hereof, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, paragraph or other references are to the Sections, paragraphs, or other references to this Agreement unless otherwise specified, (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iv) the word "or" shall not be exclusive and (v) provisions shall apply, when appropriate, to successive events and transactions.

This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instruments to be drafted.

k. Severability. If any provision of this Agreement shall be or shall be held or deemed by a final order by a competent authority to be invalid, inoperative or unenforceable, such circumstance shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, but this Agreement shall be construed as if such invalid, inoperative or unenforceable provision had never been contained herein so as to give full force and effect to the remaining such terms and provisions.

l. Specific Performance; Other Rights. The parties recognize that various other rights rendered under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to them at law or in equity, have the right to enforce the rights under this Agreement by actions for injunctive relief and specific performance.

m. Further Assurances. In connection with this Agreement, as well as all transactions and covenants contemplated by this Agreement, each party hereto agrees to execute and deliver or cause to be executed and delivered such additional documents and instruments and to perform or cause to be performed such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions and covenants contemplated by this Agreement.

n. No Waiver. The waiver of any breach of any term or condition of this Agreement shall not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

RETAIL OPPORTUNITY INVESTMENTS CORP,

a Delaware corporation

By: _____
Name:
Title:

HOLDERS:

[NAME]

_____

_____

Schedule 1 to Exhibit M

THE HOLDERS

List of holders of the OP Units:

Name of the Holder	Number of OP Units Held	Address of the Holder

Form of Tax Protection Agreement

TAX PROTECTION AGREEMENT

This TAX PROTECTION AGREEMENT (this "Agreement") is entered into as of [_____], 20[__], by and among Retail Opportunity Investments Corp., a Delaware corporation (the "REIT"), Retail Opportunity Investments Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"), each Protected Partner identified as a signatory on Schedule I, as amended from time to time, and each Guarantee Partner identified as a signatory on Schedule II, as amended from time to time .

RECITALS

WHEREAS, pursuant that certain Agreement for Sale and Purchase of Partnership Interests, effective as of August [__], 2010, between the REIT and the "Sellers" signatory thereto (the "Purchase Agreement"), a subsidiary of the REIT has acquired 49% of the general partnership interests and limited partnership interests in Terranomics Crossroads Associates Limited Partnership, a California limited partnership (the "Company");

WHEREAS, in connection with the exercise of Buyer's Purchase Option (as defined in the Purchase Agreement), the REIT and the Operating Partnership shall enter into this Agreement with each Seller electing to receive common units of partnership interest in the Operating Partnership ("OP Units") in exchange for Seller's remaining ownership interests in the Company pursuant to the Buyer's Purchase Option;

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS

Capitalized terms employed herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement. Otherwise, for purposes of this Agreement the following definitions shall apply:

Section 1.1 "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

Section 1.2 "Agreement" has the meaning set forth in the preamble.

Section 1.3 "Closing Date" means the closing of the Buyer's acquisition of ownership interests in the Company pursuant to the Buyer's Purchase Option.

Section 1.4 "Code" means the United States Internal Revenue Code of 1986, as amended.

Section 1.5 "Collateral" has the meaning set forth in Section 1.23 under the definition of "Qualified Liability."

Section 1.6 "Debt Gross Up Amount" has the meaning set forth in Section 1.14 under the definition of "Make Whole Amount."

Section 1.7 "Debt Notification Event" means, with respect to a Qualified Liability for which a Guarantee Partner has previously executed a guaranty, any transaction in which such liability shall be refinanced, otherwise repaid (excluding for this purpose, scheduled payments of principal occurring prior to the maturity date of such liability), or guaranteed by any of the REIT, the Operating Partnership, or one or more of their Affiliates, or guaranteed by one or more partners of the Operating Partnership.

Section 1.8 "Exchange" has the meaning set forth in Section 2.1(b) of this Agreement.

Section 1.9 "Gross Up Amount" has the meaning set forth in Section 1.14 under the definition of "Make Whole Amount."

Section 1.10 "Guaranteed Liability" means any Qualified Liability that is guaranteed, in whole or in part, by one or more Guarantee Partners in accordance with Section 2.4(b) of this Agreement.

Section 1.11 "Guarantee Opportunity" has the meaning set forth in Section 2.4(b).

Section 1.12 "Guarantee Partner" means: (i) each signatory on Schedule II attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Guarantee Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Guarantee Partner in such OP Units; and (iii) with respect to a Guarantee Partner that is Pass Through Entity, and solely fo r purposes of computing the amount to be paid under Section 2.4 with respect to such Guarantee Partner, any person who (y) holds an interest in such Guarantee Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Guarantee Partner in its own gross income.

Section 1.13 "Guarantee Permissible Liability" means a liability with respect to which the lender permits a guarantee.

Section 1.14 "Make Whole Amount" means: (a) with respect to any Protected Partner that recognizes gain under Section 704(c) of the Code as a result of a Tax Protection Period Transfer, *the sum of* (i) *the product of* (x) the income and gain recognized by such Protected Partner under Section 704(c) of the Code in respect of such Tax Protection Period Transfer (taking into account any adjustments under Section 743 of the Code to which such Protected Partner is entitled) *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on a Protected Partner as a result of the receipt by a Protected Partner of a payment under Section 2.2 (the "Gross Up Amount"); *provided*, *however*, that the Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that a Protected Partner might have that would reduce its actual tax liability; and (b) with respect to any Guarantee Partner that recognizes gain as a result of a breach by the Operating Partnership of the provisions of Section 2.4 hereof, *the sum of* (i) *the product of* (x) the income and gain recognized by such Guarantee Partner by reason of such breach, *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on a Guarantee Partner as a result of the receipt by a Guarantee Partner of a payment under Section 2.4 (the "Debt Gross Up Amount"); *provided*, *however* , that the Debt Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that a Guarantee Partner might have that would reduce its actual tax liability. For purposes of calculating the amount of Section 704(c) gain that is allocated to a Protected Partner, any "reverse Section 704(c) gain" allocated to such partner pursuant to Treasury Regulations § 1.704-3(a)(6) shall not be taken into account; *provided* that the total amount of 704(c) gain and income taken into account for purpose of calculating the Make Whole Amount shall not exceed the initial Section 704(c) gain amount as of the Closing Date (as set forth on Exhibit A).

Section 1.15 "Make Whole Tax Rate" means, with respect to a Protected Partner who is entitled to receive a payment under Section 2.2 and with respect to a Guarantee Partner who is entitled to receive payment under Section 2.4, the highest combined statutory Federal, state and local tax rate in respect of the income or gain that gave rise to such payment, taking into account the character of the income and gain in the hands of such Protected Partner or Guarantee Partner, as applicable (red uced, in the case of Federal taxes, assuming a full deduction is allowed for income taxes paid to a state or locality), for the taxable year in which the event that gave rise to such payment under Section 2.2 or Section 2.4 occurred.

Section 1.16 "OP Agreement" means the [Agreement of Limited Partnership] of Retail Opportunity Investments Partnership, L.P., as amended from time to time.

Section 1.17 "Partners' Representative" means [_____] and [his] executors, administrators or permitted assigns.

Section 1.18 "Pass Through Entity" means a partnership, grantor trust, or S corporation for Federal income tax purposes.

Section 1.19 "Permitted Disposition" means a sale, exchange or other disposition of OP Units (i) by a Protected Partner or Guarantee Partner: (a) to such Protected Partner's or Guarantee Partner's children, spouse or issue; (b) to a trust for such Protected

Partner or Guarantee Partner or such Protected Partner's or Guarantee Partner's children, spouse or issue; (c) in the case of a trust which is a Protected Partner or Guarantee Partner, to its beneficiaries, or any of them, whether current or remainder beneficiaries; (d) to a revocable *inter vivos* trust of which such Protected Partner or Guarantee Partner is a trustee; (e) in the case of any partnership or limited liability company which is a Protected Partner or Guarantee Partner, to its partners or members; and/or (f) in the case of any corporation which is a Protected Partner or Guarantee Partner, to its shareholders, and (ii) by a party described in clauses (a), (b), (c) or (d) to a partnership, limited liability company or corporation of which the only partne rs, members or shareholders, as applicable, are parties described in clauses (a), (b), (c) or (d); *provided*, that for purposes of the definition of Tax Protection Period, such Protected Partner or Guarantee Partner shall be treated as continuing to own any OP Units which were subject to a Permitted Disposition unless and until there has been a sale, exchange or other disposition of such OP Units by a permitted transferee which is not another Permitted Disposition.

Section 1.20 "Person" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

Section 1.21 "Protected Partner" means: (i) each signatory on Schedule I attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Protected Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Protected Partner in such OP Units; and (iii) with respect to a Protected Partner that is Pass Through Entity, and solely for purposes of computing the amount to be paid under Section 2.2 with respect to such Protected Partner, any person who (y) holds an interest in such Protected Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Protected Partner in its own gross income.

Section 1.22 "Protected Property" mean that certain project commonly known as the Crossroads Shopping Center in the City of Bellevue, County of King, State of Washington, with street address 15600 NE 8th Street, Bellevue, WA 98008, and related personal property, and any property acquired in Exchange for the Protected Property as set forth in Section 2.1(b).

Section 1.23 "Qualified Liability" means either:

(a) A direct or indirect liability of the Operating Partnership (or of an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes) with respect to which all of the following requirements are satisfied:

(i) the liability is secured by real property or other assets (the "Collateral") owned directly or indirectly by the Operating Partnership (or by an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes);

(ii) on the date on which the Operating Partnership designated such liability as a Qualified Liability, the fair market value (as reasonably determined in good

faith by the Operating Partnership) of the Collateral was at least 1.5 times the outstanding principal amount (and any accrued and unpaid interest) of the liability and any other Qualified Liabilities secured by such Collateral at such time, *provided* that if interest on such liability is not required to be paid at least annually or if the documents evidencing such liability permit the borrower to borrow additional amounts that are secured by the Collateral, the outstanding principal amount of such liability shall include the maximum amount that could be so added to the principal amount of such liability without a default;

(iii) the liability constitutes "qualified nonrecourse financing" as defined in Section 465(b)(6) of the Code with respect to the Operating Partnership;

(iv) other than guarantees by the Guarantee Partners, no other person has executed any guarantees with respect to such liability; and

(v) the Collateral does not provide security for another liability (other than another Qualified Liability) that ranks senior to, or *pari passu* with, the liability described in clause (i) above.

For purposes of determining whether clause (ii) has been satisfied in situations where one or more potential Qualified Liabilities are secured by more than one item of Collateral, the Operating Partnership shall allocate such liabilities among such items of Collateral in proportion to their relative fair market values (as reasonably determined in good faith by the Operating Partnership);

(b) A direct liability of the Operating Partnership that

(i) is not secured by any of the assets of the Operating Partnership and is a general, recourse obligation of the Operating Partnership, and

(ii) is not provided by a lender that has an interest in the Operating Partnership or is related to the Operating Partnership within the meaning of Section 465(b)(3)(C) or the Code; or

(c) Any other indebtedness approved by the Partners' Representative (or his successor or designee) in his sole and absolute discretion.

Section 1.24 "Required Liability Amount" means, with respect to each Guarantee Partner, 110% of such Guarantee Partner's estimated "negative tax capital account" as of the Closing Date, a current estimate of which is set forth on Exhibit B hereto for each such Guarantee Partner.

Section 1.25 "Section 2.4 Notice" has the meaning set forth in Section 2.4(c).

Section 1.26 "Tax Protection Period" means, ten (10) years; *provided, however*, that such period shall end with respect to any Protected Partner or Guarantee Partner to the extent that such Partner owns less than fifty percent (50%) of the OP Units originally owned by the Protected Partner or Guarantee Partner as of the Closing Date, disregarding the sale, exchange or

other disposition of any such OP Units sold, exchanged or otherwise disposed of by the Protected Partner or Guarantee Partner in a Permitted Disposition.

Section 1.27 "Tax Protection Period Transfer" has the meaning set forth in Section 2.1(a) of this Agreement.

Section 1.28 "Transfer" means any direct or indirect sale, exchange, transfer or other disposition, whether voluntary or involuntary.

Section 1.29 "Treasury Regulations" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE II

TAX PROTECTIONS

Section 2.1 Taxable Transfers.

(a) Unless the Partners' Representative expressly consents in writing to a Tax Protection Period Transfer, during the Tax Protection Period, the Operating Partnership shall indemnify the Protected Partners as set forth in Section 2.2 if the Operating Partnership or any entity in which the Operating Partnership holds a direct or indirect interest shall cause or permit any Transfer of all or any portion of the Protected Property (including any interest in the Protected Property or in any entity owning, directly or indirectly, an interest in the Protected Property, including the Operating Partnership) in a transaction that results in the recognition of taxable income or gain by any Protected Partne r under Section 704(c) of the Code with respect to the Protected Property (such a Transfer, a "Tax Protection Period Transfer").

(b) Section 2.1(a) shall not apply to any Tax Protection Period Transfer of the Protected Property (including any interest therein or in the entity owning, directly or indirectly, the Protected Property): (i) in a transaction in which no gain is required to be recognized by a Protected Partner (an "Exchange"), including a transaction qualifying under Section 1031 or Section 721 (or any successor statutes) of the Code; *provided*, *however*, that any property acquired by the Operating Partnership in the Excha nge shall remain subject to the provisions of this Article II in place of the exchanged Protected Property for the remainder of the Tax Protection Period; (ii) as a result of the condemnation or other taking of the Protected Property by a governmental entity in an eminent domain proceeding or otherwise, *provided* that the Operating Partnership shall use commercially reasonable efforts to structure such disposition as either a tax-free like-kind exchange under Section 1031 or a tax-free reinvestment of proceeds under Section 1033, *provided* that in no event shall the Operating Partnership be obligated to acquire or invest in any property that it otherwise would not have acquired or invested in.

Section 2.2 Indemnification for Taxable Transfers.

(a) In the event of a Tax Protection Period Transfer described in Section 2.1(a), each Protected Partner shall receive from the Operating Partnership an amount of

cash equal to the Make Whole Amount applicable to such Tax Protection Period Transfer. Any Make Whole Payments required under this Section 2.2(a) shall be made to each Protected Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Protected Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Protected Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Protected Partner at such time.

(b) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Protected Partner under Section 2.1(a) shall be a claim against the Operating Partnership for the Make Whole Amount as set forth in this Section 2.2, and no Protected Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.1(a) or bring a claim against any person that acquires the Protected Property from the Operating Partnership in violation of Section 2.1(a).

Section 2.3 Section 704(c) Gains. The initial amount of Section 704(c) gain allocable to each Protected Partner as of the Closing Date is set forth on Exhibit A hereto. The parties acknowledge that the initial amount of such Section 704(c) gain may be adjusted over time as required by Section 704(c) of the Code and the Regulations promulgated thereunder.

Section 2.4 Debt Maintenance and Allocation.

(a) During the Tax Protection Period, the Operating Partnership shall: (1) maintain on a continuous basis an amount of Qualified Liabilities at least equal to the Required Liability Amount; and (2) provide the Partners' Representative, thirty (30) days prior to the Closing Date, with a description of the nature and amount of any Qualified Liabilities that are available to be guaranteed by the Guarantee Partners pursuant to Section 2.4(b) of this Agreement. For the avoidance of doubt, and notwithstanding any other provision of this Agreement, the Operating Partnership shall not be required to maintain any amount of Qualified Liabilities in excess of the aggregate Required Liability Amo unt of all Guarantee Partners.

(b) (i) At the Closing Date and during the Tax Protection Period as described in Section 2.4(c), the Operating Partnership shall provide each Guarantee Partner with the opportunity to execute a guarantee, substantially in the form attached hereto as Exhibit C or otherwise in a form and manner that is reasonably acceptable to the Partners' Representative, of one or more Qualified Liabilities that are Guarantee Permissible Liabilities in an amount up to such Guarantee Partner's Required Liability Amount (each such opportunity and each opportunity required by Section ;2.4(c), a "Guaranty Opportunity"), and (ii) after the Tax Protection Period, and for so long as a Guarantee Partner is a partner in the Operating Partnership, the Operating Partnership shall use commercially reasonable efforts to make Guaranty Opportunities available to each Guarantee Partner, *provided* that in the case of this clause (ii), the Operating Partnership shall not be required to incur any indebtedness that it would not otherwise have incurred, as determined by the Operating Partnership in its reasonable discretion; *provided, however,* that in the case of clauses (i) and (ii) the aggregate amount of all guarantees required to be made available by the Operating Partnership for execution by all Guarantee Partners need not exceed the aggregate Required Liability Amount of all Guarantee

Partners. The Operating Partnership shall have the discretion to identify the Qualified Liability or Qualified Liabilities that shall be made available for guarantee by each Guarantee Partner. Each Guarantee Partner and its indirect owners may allocate the Guarantee Opportunity afforded to such Guarantee Partner in any manner they choose. The Operating Partnership agrees to file its tax returns allocating any debt subject to a Guarantee to the applicable Guarantee Partners; *provided* that the Operating Partnership shall not be required to make such allocations to the extent it determines in good faith that there may not be "substantial authority" (within the meaning of Section 6662(d)(2)(B)(i) of the Code) for such allocations and so not ifies the Guarantee Partner. Each Guarantee Partner shall bear the costs incurred by it in connection with the execution of any guarantee to which it is a party. To the extent a Guarantee Partner executes a guarantee, the Guarantee Partner and the Operating Partnership shall jointly deliver a copy of such guarantee to the lender under the Guaranteed Liability.

(c) During the Tax Protection Period, the Operating Partnership shall not allow a Debt Notification Event to occur unless the Operating Partnership provides at least thirty (30) days' written notice (a "Section 2.4 Notice") to each Guarantee Partner that may be affected thereby. The Section 2.4 Notice shall describe the Debt Notification Event and designate one or more Qualified Liabilities that may be guaranteed by the Guarantee Partners pursuant to Section 2.4(b) of this Agreement in an amount equal to the amount of the refinanced or repaid Qualifying Debt that was guaranteed by such Guarantee Partner immediately prior to the date of the refinancing or repayment. Any Guarantee Partner that desires to execute a guarantee following the receipt of a Section 2.4 Notice shall provide the Operating Partnership with notice thereof within fifteen (15) days after the date of the Section 2.4 Notice.

(d) Provided the Operating Partnership satisfies its obligations under Section 2.4(a), (b) and (c) of this Agreement, it shall have no liability under Section 2.4(e) for breach of Section 2.4, whether or not such Guarantee Partner accepts such Guaranty Opportunity. In the event a Guarantee Partner does not accept a Guarantee Opportunity, such person shall no longer be a Guarante e Partner and shall have no further rights to be offered subsequent Guarantee Opportunities. Furthermore, the Operating Partnership makes no representation or warranty to any Guarantee Partner concerning the treatment or effect of any guarantee under Federal, state, local, or foreign Tax law, and bears no responsibility for any Tax liability of any Guarantee Partner or Affiliate thereof that is attributable to a reallocation, by a taxing authority, of debt subject to a guarantee (other than an act or omission that is indemnifiable under Section 2.4(e) of this Agreement).

(e) If the Operating Partnership shall fail to comply with any provision of this Section 2.4, the Operating Partnership shall pay, within thirty (30) days of such failure, a Make Whole Payment to each Guarantee Partner who recognizes income or gain as a result of such failure equal to the estimated Make Whole Amount applicable to such failure. Any Make Whole Payments required under this Section 2.4(e) shall be made to each Guarantee Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Guarantee Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Guarantee Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Guarantee Partner at such time.

(f) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Guarantee Partner for a breach or violation of the covenants set forth in Section 2.4 shall be a claim a claim against the Operating Partnership for the Make Whole Amount as set forth in Section 2.4(e), and no Guarantee Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.4.

Section 2.5 Dispute Resolution. Any controversy, dispute, or claim of any nature arising out of, in connection with, or in relation to the interpretation, performance, enforcement or breach of this Agreement (and any closing document executed in connection herewith) shall be governed by Section 19.11 of the Purchase Agreement.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Notices. All notices, demands, declarations, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms of this Agreement shall be given in the same manner as in the OP Agreement.

Section 3.2 Titles and Captions. All Article or Section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 3.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 3.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 3.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 3.6 Creditors. Other than as expressly set forth herein, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Operating Partnership.

Section 3.7 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any covenant, duty, agreement or condition.

Section 3.8 Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.9 Applicable Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of [California], without regard to the principles of conflicts of law.

Section 3.10 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of other remaining provisions contained herein shall not be affected thereby.

Section 3.11 Entire Agreement. This Agreement contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and amends, restates and supersedes the OP Agreement and any other prior written or oral understandings or agreements among them with respect thereto.

Section 3.12 No Rights as Stockholders. Nothing contained in this Agreement shall be construed as conferring upon the holders of the OP Units any rights whatsoever as stockholders of the REIT, including, without limitation, any right to receive dividends or other distributions made to stockholders of the REIT or to vote or to consent or to receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the REIT or any other matter.

Section 3.13 Tax Advice and Cooperation. Each party hereto acknowledges and agrees that it has not received and is not relying upon tax advice from any other party hereto, and that it has and will continue to consult its own tax advisors. Each party hereto agrees to cooperate to the extent reasonably requested by any other party in connection with the filing of any tax returns or any audit, litigation or other proceeding related to taxes associated with the matters described herein, such cooperation shall include the retention and, upon request, provision of records and information that are relevant to such mat ters, and making employees available on a mutually convenient basis to provide such additional information as may reasonably be requested.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

REIT:

RETAIL OPPORTUNITY
INVESTMENT CORP.,
a Delaware corporation

By: _____
Name:
_____
Title:
_____

OPERATING PARTNERSHIP:

RETAIL OPPORTUNITY
INVESTMENT PARTNERSHIP, L.P.,
a Delaware limited partnership

By: RETAIL OPPORTUNITY
INVESTMENT CORP.
a Delaware corporation,
Its General Partner

By: _____
Name:
_____
Title:
_____

SCHEDULE I TO EXHIBIT N

PROTECTED PARTNERS

[***To Be Determined***]

SCHEDULE II TO EXHIBIT N

GUARANTEE PARTNERS

[***To Be Determined***]

EXHIBIT A TO EXHIBIT N

ALLOCATIONS OF SECTION 704(c) GAIN

[***To Be Determined***]

EXHIBIT B TO EXHIBIT N

REQUIRED LIABILITY AMOUNT

[***To Be Determined***]

EXHIBIT C TO EXHIBIT N

FORM OF GUARANTEE

[***To Be Determined***]

Option Agreement

OPTION AGREEMENT

This Option Agreement (the "Option Agreement") is entered into and effective as of the _____ day of _____, 2010.

RECITALS:

The undersigned are all partners (the "Partners") in Terranomics Crossroads Associates, a California Limited Partnership (the "Partnership") and own those partnership interests in the Partnership as specified in Exhibit 1 hereto (the "Units"). The Partnership is the owner of a certain shopping center and related land known as the Crossroads Shopping Center located in Bellevue, Washington (the "Project").

The Partners have entered into a Purchase and Sale Agreement with Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("ROIP"), dated _____, 2010, for the sale of some of their partnership interests in the Partnership to ROIP (the "Purchase Agreement"), and this Option Agreement is an exhibit to the Purchase Agreement.

Under the terms of the Purchase Agreement, ROIP is to have the option to buy the remaining fifty-one percent (51%) of the partnership interests in the Partnership which it is not acquiring under the terms of the Purchase Agreement.

The Partners are willing to grant ROIP an option to purchase all of their partnership interests in the Partnership, which are not being sold under the Purchase Agreement, on the terms set out herein.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

Grant of Option. In consideration of ROIP's execution of the Purchase Agreement, each of the Partners hereby grants to ROIP an option to purchase all of his, her or its rights, title and interests as a partner in the Partnership, including all of the Units owned by the Partner after the Closing of the Purchase Agreement, as specified in Exhibit 1 to this Agreement in accordance with the terms and conditions of Sections 1.5(b) and 7.9 of the Purchase Agreement, as the case may be. The Partners agree and acknowledge that ROIP is executing the Purchase Agreement in reliance, in part, on the Partners' execution of this Agreement, and ROIP would not execute the Purchase Agreement if t he Partners did not execute this Agreement.

2. Price of Units.

(a) Under Section 7.9 or 1.5(b)(i). If this Option is exercised pursuant to Section 7.9 or 1.5(b)(i) of the Agreement for Purchase and Sale, the price for the Partners' Units shall be as determined in Section 7.9(a) of the Agreement for Purchase and Sale. Section 7.9 (a) of the Purchase Agreement establishes a method by which the value of a 51% ownership interest in the Partnership shall be determined, and the price to be paid by ROIP for each of the Partner's Units if it exercises the option granted under this Option Agreement. Such price shall be equal to the value of the Project, including the value of the Property (as defined in the Purchase Agreeme nt) and the Company's certain other assets, including but not limited to cash, accounts receivable, accounts (including any lender impounds and any loan escrows) as determined under said Section 7.9(a) of the Purchase Agreement, multiplied by a fraction, the numerator of which shall be the number of Units owned by that Partner, and the denominator of which shall be the total number of all of the Partnership's Units issued and outstanding.

(b) Under Section 1.5(b)(iii). If this Option is exercised pursuant to Section 1.5(b)(iii) of the Agreement for Purchase and Sale, the price for each Partner's Units shall be the Unit Price as determined under said Section 1.5(b)(iii) times the number of Units owned by that Partner.

3. Condition to Exercise of Option and Exercise. The option granted in this Option Agreement may be exercised only if (a) ROIP exercises the Buyer's Purchase Option (as that term is defined in the Purchase Agreement) provided to it in Section 7.9 paragraph (a) of the Purchase Agreement, and only if ROIP provides notice to the undersigned that it is exercising the Buyer's Purchase Option in accordance with the terms of Section 7.9(a) of the Purchase Agreement. The Partners hereby irrevocably appoint Sher GP, Inc. as their agent to receive notice from ROIP that it is exercising the Buyer's Purchase Option, including t he option hereunder. If such notice exercising the Buyer's Purchase Option is given to Sher GP, Inc. under Section 7.9(a) of the Purchase Agreement, the timelines, method of valuation, allocation of appraisal costs, closing and payment terms shall be as provided in Section 7.9 of the Purchase Agreement. If ROIP fails to give Sher GP, Inc. notice that it is exercising the Buyer's Purchase Option on or before December 31, 2014, the option granted to ROIP under this Option Agreement shall immediately terminate without any further action by any party; or if (b) a Deadlock has been declared and ROIP is the purchasing party under the terms of Section 1.5(b)(iii) of the Agreement for Purchase and Sale, in which case all timelines, price setting, closing and payment terms of said Section 1.5 (b)(iii) shall apply to the exercise of this Option.

4. Payment of Purchase Price for Units. If the Buyer's Purchase Option is exercised, the Partners shall have the same election, subject to the same terms and conditions, to be paid for their Units in cash or in Operating Partnership Units as provided in Section 7.9(c) of the Purchase Agreement, and Section 1.5(b)(iii) of the Purchase Agreement; provided, however, that if, under the terms of a separate agreement between the Partners and Ronald Sher which is Exhibit I to the Purchase Agreement (the "Agreement for Capital Loans"), Sher or his assignees have made loans to any Partner secured by such Partner's Units and the lender under any such loan elects to be repaid such loans in cash rather than in Operating Partnership Units, each Partner agrees to elect to receive payment for his, her or its Units in cash amounts sufficient to

comply with such election by the lender. Further, all costs related to the issuance of Operating Partnership Units which are charged to the Partners receiving Operating Partnership Units shall be allocated between such Partners and charged to each of them at the closing of the sale of such units to ROIP in the same ratio that the Operating Partnership Units received by that Partner bear to the total number of Operating Partnership Units issued to all Partners in payment for their Units. All Units shall be conveyed to ROIC and/or ROIP by each Seller by good and sufficient assignment and conveyance documents with a warranty and representation that such Units are conveyed free and clear of all liens, security interests, encumbrances, and claims.

5. Closing Costs. Closing of the purchase of the Units shall occur on the same date as fixed by the parties to the Purchase Agreement. All closing costs charged to partners of the Partnership who sell their units, whether as a Seller under the Purchase Agreement or under this Option Agreement, shall be allocated between such partners and charged to them at closing in the same proportions that payment of the purchase price for the 51% ownership interest was allocated among such partners.

6. Costs of Collection. In any action brought to interpret or enforce any part of this Agreement, the prevailing party shall be entitled to an award of its costs and attorneys' fees in addition to any other remedy awarded, including all costs of appeal.

7. Amendments. No amendment, modification or termination of this Agreement shall be binding on any party unless it is in writing and signed by the party to be charged.

8. Choice of Law. The validity, terms, performance and enforcement of this Agreement shall be governed by the laws of the State of Washington.

9. Successors/Assigns. The terms of this Agreement shall be binding upon each of the parties hereto, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each party, its heirs, personal representatives, successors and assigns. Any person or entity acquiring any interest in any Unit subsequent to the date hereof shall take such interest subject to the rights granted to ROIP under this Agreement.

10. Counterparts. This Option Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

11. Cooperation. The Partners agree to execute other documents reasonably necessary to further effect and evidence the terms of this Option Agreement, including without limitation, the Contribution Agreement, as long as the terms and provisions of such other documents are fully consistent with the terms of this Option Agreement.

12. Security Interest/UCC-1. Each Partner hereby grants to ROIP a security interest in his, her, or its respective Units to secure that Partner's faithful performance of all obligations of each such Partner under this Agreement. Such security interests shall be perfected by one or more UCC-1 Financing Statements that ROIP is hereby authorized to file in any state, county, or local governmental agency in which such statements are accepted for filing. All security

interests granted by Partners in their Units to lenders under the terms of the Capital Loan Agreement, if any, shall be senior in priority to the security interests granted to ROIP in this Section 12, and ROIP agrees to subordinate its security interests under this Section 12 to the security interests of such a lender in the Partner's Units including filing such UCC documents disclosing the subordination as may be reasonably requested by such lender.

13. Warranty of Title. The undersigned Partners each warrant and represent that, as of the closing of the Purchase Agreement, they collectively own all the issued and outstanding Partnership Units other than those Units purchased by the Buyer under the Purchase Agreement, and that each owns his, her, or its Units free and clear of all liens, security interests, encumbrances, and claims, other than those amounts owed to Sher or his assignees, as provided in Section 4 above. The representations and warranties provided for in this Section 13 are individual representations and warranties of each Partner as to his, her, or its P artnership Interests only, and are not representations and warranties of any other Partner. Notwithstanding the foregoing, the Company, Sellers, and Sher represent and warrant that they have no knowledge or any facts that would make any of the individual representations and warranties made in this Section 13 untrue.

14. Entire Agreement. This Agreement contains the entire agreement between the parties and incorporates and supersedes all prior understandings and agreements, both written and oral. This Agreement may only be modified by a written instrument signed by both parties.

15. Capitalized Terms. Capitalized terms used but not defined herein shall have the meaning set out in the Purchase Agreement.

PARTNERS:

The Blum Family Trust

_____ By
_____
Doris Blum Its
_____

Joseph Blum Irrevocable Trust The Blum 1986
Grandchildren's Trust I

By _____
By _____
Its _____ Its
_____

The Ari Blum Trust The Morgan Blum Trust

By _____
By
Its _____
Its

Trust B of the Harris Trust

_____ By: _____
Thomas Bomar Its _____

Rawson, Blum & Company The Rawson Living Trust

By _____
By _____
Its _____ Its _____

Merritt and Pamela Sher Living Trust

By _____
_____
Its _____ Sylvia Sher

Sydney Sher Marital Trust Terranomics Investment Partnership

By _____ By _____
Its _____
Its _____

Terranomics, a California corporation Argus Group, Ltd.

By _____ By _____
Its _____
Its _____

Joel J. Kudler Marital Trust Eugene E. and Kathleen B. Clahan
u/a dated 11/11/88 Revocable Trust u/a dated 11/11/88

_____ By _____
Jacqueline Kudler, Trustee Its _____

TCA HOLDINGS, LLC, a Washington limited liability company

By: **ARGUS GROUP, LTD.**, a Washington corporation, its Manager

By: _____
Its: _____

SHER GP, INC.,
a Washington corporation

By: _____
Name: _____
Title:

_____
Ronald Sher

AGREED TO AND ACCEPTED:

RETAIL OPPORTUNITY INVESTMENTS
PARTNERSHIP, LP

By: RETAIL OPPORTUNITY INVESTMENTS
GP,
Its General Partner

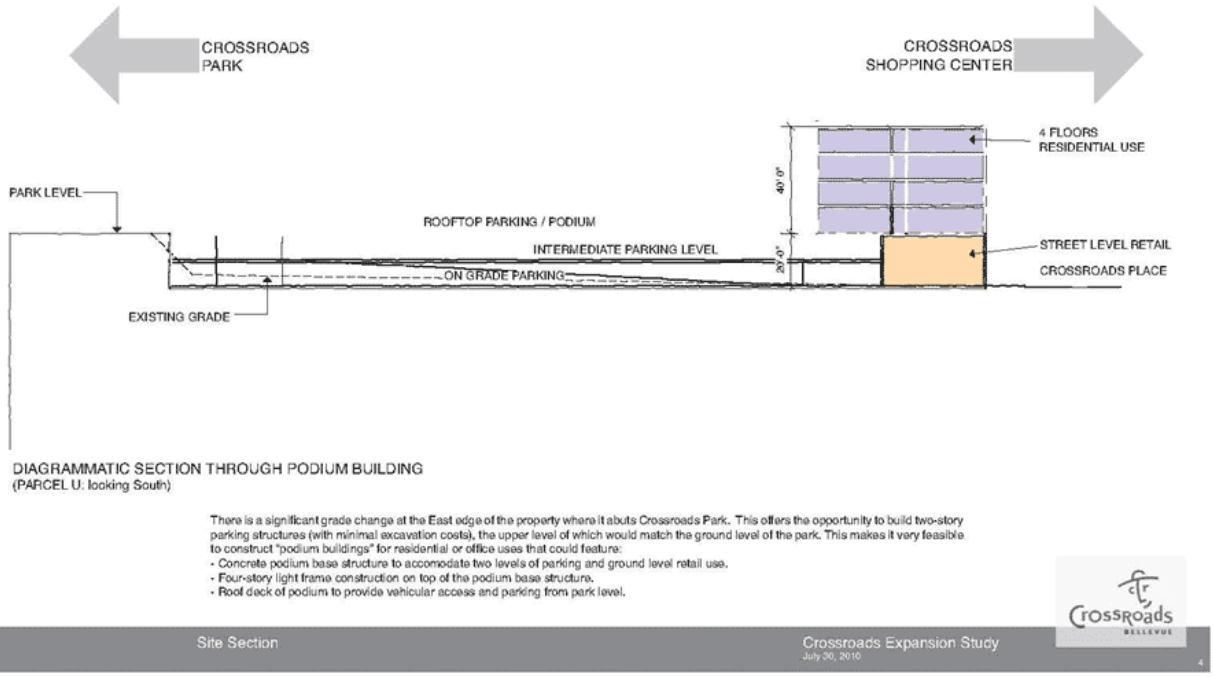
By: _____
Stuart A. Tanz
Chief Executive Officer

EXHIBIT 1 TO EXHIBIT O

Post-Closing Ownership of Terranomics Crossroads Associates,
a California limited partnership, by Partners other than ROIP

	Units	Percent
Argus Group, Ltd.	30.50710	0.4836%
Doris Blum	8.98990	0.1425%
The Blum Family Trust	58.68110	0.9302%
Joseph Blum Irrevocable Trust	5.62460	0.0892%
The Blum 1986 Grandchildren's Trust I	27.47290	0.4355%
The Ari Blum Trust	3.72950	0.0591%
The Morgan Blum Trust	3.72950	0.0591%
Thomas Bomar	29.62250	0.4696%
Eugene E. and Kathleen B. Clahan		
Revocable Trust u/a dated 11/11/88	57.25150	0.9076%
Trust B of the Harris Trust u/a dated 7/22/88	5.68320	0.0901%
Rawson, Blum & Company	0.89500	0.0142%
The Rawson Living Trust	97.24610	1.5416%
Merritt and Pamela Sher Living Trust	142.45755	2.2583%
Ronald Sher	162.95675	2.5833%
Sher GP, Inc.	5.12912	0.0813%
Sydney Sher Marital Trust	84.75380	1.3436%
Sylvia Sher	84.75380	1.3436%
Terranomics Investment Partnership	44.64750	0.7078%
Terranomics	1.80710	0.0286%
TCA Holdings, LLC	2,361.19391	37.4311%
TOTAL	3,217.13243	51.00%

Development Plans



DIAGRAMMATIC SECTION THROUGH PODIUM BUILDING
(PARCEL U: looking South)

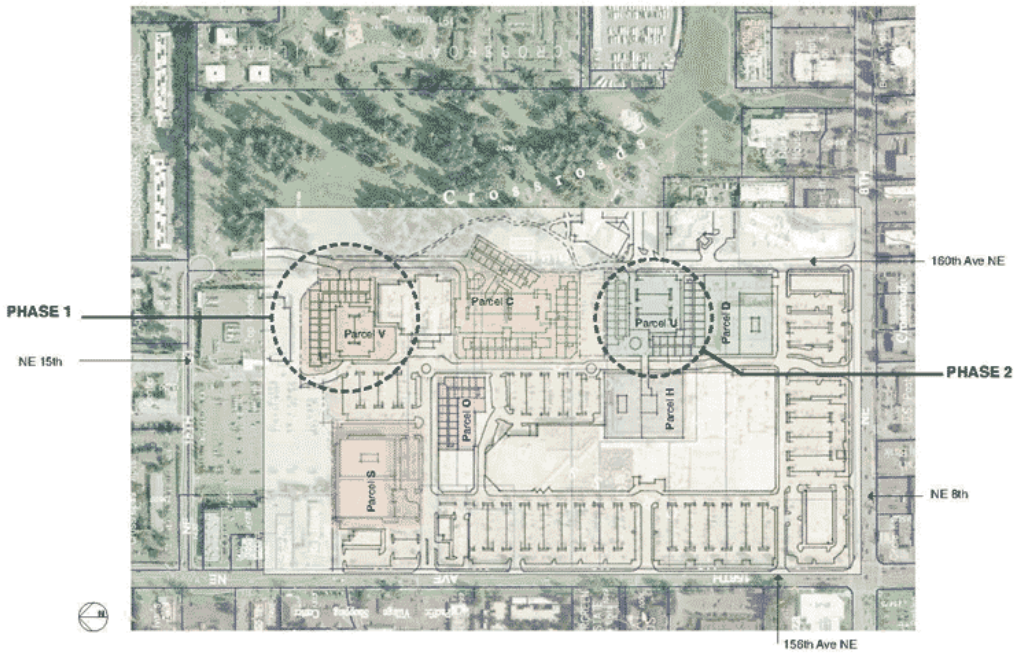
There is a significant grade change at the East edge of the property where it abuts Crossroads Park. This offers the opportunity to build two-story parking structures (with minimal excavation costs), the upper level of which would match the ground level of the park. This makes it very feasible to construct "podium buildings" for residential or office uses that could feature:

- Concrete podium base structure to accomodate two levels of parking and ground level retail use.
- Four-story light frame construction on top of the podium base structure.
- Roof deck of podium to provide vehicular access and parking from park level.

Site Section

Crossroads Expansion Study
July 30, 2010

4



Potential development opportunities are identified by parcel. Sequence of development is flexible depending upon market conditions and each parcel can be undertaken as a discreet project.

Exhibit P - 2

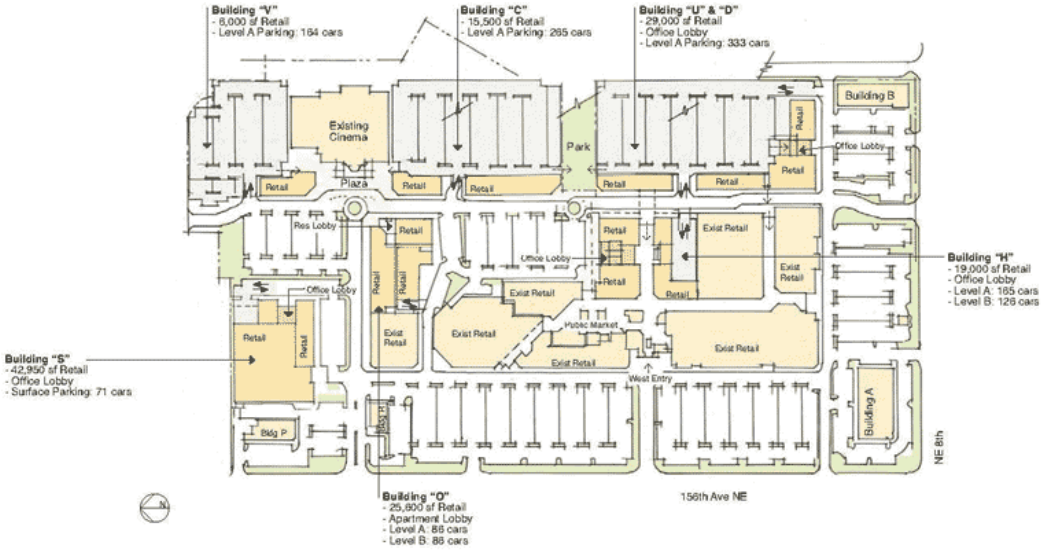

Building "V"
- 6,000 sf Retail
- Level A Parking: 164 cars
Building "C"
- 15,500 sf Retail
- Level A Parking: 265 cars
Building "U" & "D"
- 29,000 sf Retail
- Office Lobby
- Level A Parking: 333 cars
Building B
Existing Cinema
Park
Plaza
Retail
Office Lobby
Res Lobby
Exist Retail
Hubec Market
West Entry
Building A
Bldg P
Bldg O
Building "S"
- 42,950 sf Retail
- Office Lobby
- Surface Parking: 71 cars
Building "H"
- 19,000 sf Retail
- Office Lobby
- Level A: 165 cars
- Level B: 126 cars
Building "O"
- 25,900 sf Retail
- Apartment Lobby
- Level A: 86 cars
- Level B: 86 cars
156th Ave NE
NE 8th
Street Level Plan
Elevation +/- 390'
Crossroads Expansion Study
July 30, 2010
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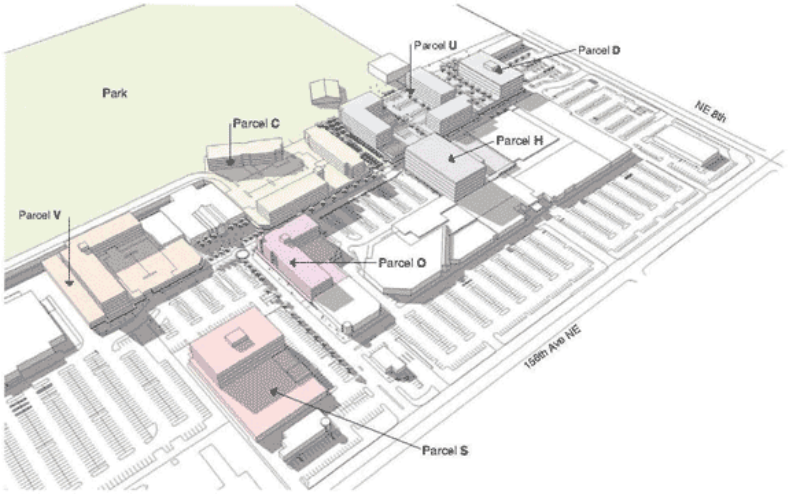
Exhibit P - 3



View from the Northwest

Crossroads Expansion Study
July 30, 2010

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Exhibit P - 4

Crossroads Expansion Study: Parking Requirement Summary
7/20/10

	Area (NSF*)				Units	Parking Requirements				
	Retail	**Restaurant**	**Cinema**	**Office**	**Residential**	**M/U Park**	**Rest Park**	**Res Park**	**TOTAL**	**Comments**
Building A	18080					64.32			64	
Building B	8963					35.85			36	
Building C (exist)	-40822									
Building C New	15500				204	82		244.8	307	
Building D (exist)	-25889									
Building D New	19000			91000		440			440	Assume 3,000 SF lobby at street level
Building E	23826					95.30			95	
Building F	48108	1965				192.43	27.52		220	
Building G	35547					142.19			142	
Building H (exist)	-45135									
Building H New	15000	4000		129000		576	56.02		632	Assume 4,000 SF lobby at street level
Building J		8274					115.86		116	
Building K	61592					246.37			246	
Building O (exist)	-25512	-7786								
Building O New	22000	3800			98	88	50.42	115.2	254	
Building P	3417	2385				13.67	33.40		47	
Building PM		14555					203.85		204	
Building Q	15952					63.81			64	
Building R	2700					10.8			11	
Building S (exist)	-43257									
Building S New	39450	3500		100000		557.8	49.02		607	Assume 4,000 SF lobby at street level
Building T			41900			227.6			228	Parking at M/U ratio + 60 cars
Building U New	10000				168	40		201.6	242	
Building V New	6000				108	24		129.6	154	
Exist to remain	216185	27179	41900							
Exist to be removed	-160415	-7786								
New	126950	11100		320000	576					
Subtotal	343135	38279	41900							
GFA-GLA adjustment				0.85						
TOTAL	343135	38279	41900	272000		2880	536	891	4107	

Parking Requirements	Area	Ratio	Req'd Parking
Retail/MU/Office	705035	250	2820
Restaurant	38279	71.4	536
Cinema factor			60
Residential	576	1.2	691
TOTAL			4107

NOTES
1. NSF (Net Square Footage) is similar to GLA ,and is used to determine parking requirements.
2. Retail/Retail Mixed Commercial & Office parking ratio is 4/1000SF.
3. If total restaurant area exceeds 5% of total shopping area, 14/1000 SF parking ratio applies.
4. Cinema area included in Retail/Retail Mixed area for parking requirements. If center is larger than 200,000 SF and cinema has more than 700 seats, additional parking required at 3/100 seat ratio.
5. Assume Office NSF = 85% of GFA

RECORDING REQUESTED BY AND
AFTER RECORDING, MAIL TO:

Retail Opportunity Investments Corp.
3 Manhattanville Road, 2nd Floor
Purchase, New York 10577
Attention: Richard Schoebel

RIGHT OF FIRST OFFER AGREEMENT

This Right of First Offer Agreement ("Agreement") is made and entered into as of the _____ day of _____, 2010, by and between SARM FIVE POINTS PLAZA LLC, a Washington limited liability company (with respect to certain real property commonly known as *Five Points Plaza*, a shopping center located in Huntington Beach, California and more particularly described in **Exhibit A-1**, attached hereto) ("Seller") and RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP, a Delaware limited partnership ("Buyer").

RECITALS

A. Seller is the owner of the title in fee simple to the parcel of real property legally described in **Exhibit A-1** attached hereto and made a part hereof which is being offered for sale subject to this Agreement (referred to as the "Property");

B. Buyer is an operating partnership whose sole limited partner is Retail Opportunity Investments Corp. ("ROIC"), a Delaware corporation organized and existing as a real estate investment trust ("REIT") under applicable law;

C. If Seller intends to sell the Property, Buyer wishes to have the opportunity to purchase the Property, and Seller agrees to offer the Property for sale to Buyer under the terms set forth herein; and

D. This Agreement is identified in Section 21 of that certain "Agreement for Sale and Purchase of Partnership Interests" between TCA Holdings LLC, Buyer, and additional parties dated , 2010 ("the Agreement for Purchase and Sale"), and as Exhibit Q, and is granted by Seller as part of the consideration to Buyer provided in the Agreement for Purchase and Sale.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Seller hereby grants to Buyer the right of first offer to purchase the Property on the terms and conditions set out herein. Seller agrees that during the term of this Agreement it will not offer to sell or sell the Property or any portion thereof to a third party unless it has first offered to sell the Property to Buyer in accordance with this Agreement.

2. Seller shall offer the Property by written notice to Buyer (the "Offer") identifying the Property to be sold (the "Offered Property"). The Offer shall state the terms upon which, in good faith, Seller is willing to sell the Offered Property, including:

(a) The purchase price;

(b) The required earnest money deposit ("Deposit"), which shall be defined in the Offer, but shall not exceed three percent (3%) of the purchase price of the Offered Property;

(c) The terms for payment of the purchase price, which may include, at Seller's sole option, that the purchase price be paid, in whole or in part, in cash or in OP Units (as defined below).

(d) The condition of title, which Seller will deliver at closing;

(e) The form of the deed which Seller will deliver at closing;

(f) The type and dollar amount of title insurance for the benefit of Buyer, if any, which Seller will procure and pay for (provided that Seller shall, at a minimum, provide Buyer with an ALTA standard policy of title insurance in the amount of the purchase price, at Seller's sole cost and expense; if Buyer seeks an extended coverage owner's policy, Buyer shall pay the increased costs associated with such policy);

(g) The date of closing;

(h) The allocation of closing costs and fees and the basis on which any income and expenses relating to the property will be prorated between Buyer and Seller; and

(i) Any other material terms.

Seller further agrees to promptly provide Buyer with any information or documents pertaining to the Offered Property and the contemplated sale which Buyer may reasonably request so long as such information or documents are in Seller's possession or control and can be provided at no substantial expense to Seller. To the extent that the Offer fails to address any issue which needs to be resolved in order to close the sale, then the common practice in the county and state where the Offered Property is located for similar transactions shall govern; provided, however, that unless specifically contained in the Offer, Seller shall not be required to make any representations or warranties in connection with the sale other than standard title warranties, authority to complete the transaction, and that all information pro vided by Seller to Buyer in the Offer is true and correct.

The purchase price for the Offered Property shall be paid in cash, or at Seller's sole option, REIT operating partnership units of Buyer's ("OP Units") or a combination thereof as specified by Seller in the Offer. An Offer requiring payment in OP Units may include terms and conditions relating to the rights and obligations of Buyer and Seller with respect to the issuance and ownership of the OP Units. If Buyer does not accept an Offer that provides for payment in whole or in part in OP Units, Seller may not subsequently sell the Property to a third party for cash or other materially different consideration without first submitting another Offer to Buyer in compliance with the terms and conditions of this Agreement.

3. (a) Buyer shall have fifteen (15) days after receipt of Seller's Offer to deliver a written response to Seller that Buyer agrees to either (i) accept Seller's Offer and purchase the Offered Property on the terms set out therein; or (ii) negotiate the terms of the Offer as required herein.

(b) If Buyer does not provide Seller a written response to the Offer within such 15-day period, upon the expiration of said fifteen (15)-day period, the Buyer shall be deemed to have not accepted the Offer and Seller may immediately offer to sell the Offered Property to any third party on terms no more favorable than those in the Offer and subject to Section 5 herein.

(c) If Buyer timely accepts the Offer, the sale of the Offered Property shall be closed in accordance with the terms of the Offer by a national title insurance company as escrow agent. Buyer shall also immediately place in escrow the required deposit set forth in the Offer. Notwithstanding the above or any other term or provision of this Agreement, Buyer shall have a period of at least thirty (30) days (or more if so provided in the Offer) after receipt of all Seller's

documents to complete Buyer's due diligence investigation of the Property and Seller's documents. . For the purpose of such review, Buyer shall be entitled to enter the Property to conduct such tests and investigation as Buyer deems appropriate in its sole discretion, Buyer shall first provide Seller with written notice of such entry, and Buyer's entry shall not disturb the quiet enjoyment of any tenant on the Property, nor shall Buyer be entitled to undertake do any destructive or invasive testing or investigation. In connection with such entry, Buyer will indemnify, defend, and hold Seller harmless from any and all claims, demands, losses, costs, and liabilities, including reasonable attorney fees and legal expenses arising from Buyer's or its consultants' or contra ctors' entry onto the Property pursuant to the terms of this provision. If Buyer is not satisfied with the results of its investigation within such thirty (30)-day period, Buyer shall be entitled to provide notice to Seller of Buyer's termination of Buyer's intent to purchase the Property, and such notice shall have the same effect as if Buyer had rejected Seller's Offer in the first instance.

(d) If Buyer seeks to negotiate an Offer made hereunder, Buyer shall give Seller written notice of Buyer's request for negotiation, and the parties shall mutually execute a revised and final Offer no later than thirty (30) days following Seller's receipt of Buyer's written notice to negotiate the Offer (hereinafter the "Negotiation Period"). Seller will act in good faith as to scheduling and attending meetings with Buyer during the Negotiation Period, provided that nothing herein shall be deemed in any manner to require that Seller change any terms of the Offer and any such changes to the Offer may be made or rejected by Seller, in Seller's sole and absolute discretion.

(e) Seller and Buyer shall cooperate with one another to facilitate the finalization of an Offer and the sale of any Property in accordance with this Agreement. Both parties agree that they will execute such additional instruments and take such actions as may be reasonably requested by the other in order to confirm, perfect, or otherwise carry out the intent and purposes of this Agreement.

(f) If Buyer accepts Seller's Offer and fails without legal excuse to close the purchase in accordance with the terms of Seller's Offer, or terms negotiated during the Negotiation Period, then this Agreement shall immediately terminate, Buyer's earnest money shall be forfeited as Seller's sole and exclusive remedy, and Seller may sell any Property contained in the Offer free of any of the restrictions or obligations contained herein.

4. If Buyer does not accept Seller's Offer for the Offered Property, or the Negotiation Period expires for said Offer, and Seller has not: (a) sold the Offered Property to a third party and (b) wishes to offer More Favorable Terms(as defined in Section 5 below) to prospective third-party buyers than those permitted under Section 3(b), then Seller must first submit another Offer to Buyer for the Offered Property on such More Favorable Terms than the prior Offer before offering to sell the Property to said third party.

5. An offer to sell the Offered Property to a third party shall be deemed to have "More Favorable Terms" than the Offer if either: (x) the economic terms of the transaction as a whole in Seller's offer to a third party regarding the Property are more than three percent (3%) more favorable than the economic terms of the transaction as a whole in Seller's Offer to Buyer regarding the Offered Property, (provided, that beginning on the first day of the sixth (6^{th}) year of the term of this Agreement, and thereafter during the term of this Agreement, the variance in the economic terms may be up to five percent (5%)) or (y) there is a mater ial variation in the non-economic terms of the third-party offer as compared to the non-economic terms of the Offer.

Buyer and Seller agree that the following terms in Seller's offer to a third party or Buyer are not "economic terms" as defined in this Agreement:

(1) dates and deadlines regarding closing, inspection contingencies, and due diligence regarding the Offered Property; and

(2) the scope of any buyer's request for document review related to the Property during the inspection contingency and/or the due diligence period.

6. Buyer has a Right of First Offer for five additional shopping centers that are owned by certain sellers ("Additional ROFO"), per the Agreement for Purchase and Sale. Seller may give Buyer an Offer for the Offered Property herein at the same time as an offer or offers are given to Buyer under an Additional ROFO for multiple shopping centers, and Seller may condition the sale of the Offered Property herein on Buyer's acceptance of all offer(s) given to Buyer at the same time under Additional ROFOs, as long as all shopping centers indicated in any Offer are all subject to Additional ROFOs.

7. This Agreement shall not apply to any sale or other transfer of ownership interests in Seller to or between one or more of its current owners or their affiliate entities; provided, however, a sale or transfer of an interest in Seller which would result in a change in control of Seller to a third party who is not current owner or affiliate of a current owner shall be a sale of the Property and subject to this Agreement and Buyer's right of first offer contained herein. Notwithstanding anything to the contrary, this Agreement shall not apply to a gift or bequest to any family member of Seller's current partners, affiliate entities, or to any trusts for the benefit of such partners or their immediate families, including the family members of M erritt Sher and Ronald Sher.

8. The term of this Agreement shall commence upon the date hereof, and shall terminate upon the earliest of the following, without any further action by any party:

(a) Upon the sale of the Property in accordance with the terms of this Agreement;

(b) Upon the closing of the Purchase by Buyer of all the Partnership Units after the declaration of a Deadlock (as defined in the Agreement for

Purchase and Sale) under Section 1.5 of the Agreement for Purchase and Sale, but only if such Deadlock is declared before October 1, 2014;

(c) The date that is ten (10) years from the date hereof.

9. All the rights and obligations contained herein are covenants which touch and concern the land and will run with the land, burdening the property described in **Exhibit A-1**, unless and until terminated in accordance herein.

10. This Agreement may be assigned by Buyer only to an entity that is wholly owned by Buyer or controlled by Buyer. Any other assignment shall require Seller's prior written consent, which shall not be unreasonably withheld. Notwithstanding any assignment hereunder, Buyer shall remain liable for all obligations of Buyer under this Agreement, specifically including, but not limited to, the obligation to issue OP Units to Seller if so elected in accordance with Section 2 above. An Assignment of this Agreement or any rights or obligations hereunder, to any entity which is not a real estate investment trust shall be void, and this Agreement shall immediately terminate. Except as otherwise expressly limited herein, this Agreem ent shall be binding upon and shall inure to the benefit of the successors and permitted assigns of both Seller and Buyer.

11. To be effective, a notice or other communications required or permitted under this Agreement must be given in writing and shall be given by: (i) depositing such notice with a nationally recognized overnight delivery service, delivery charges prepaid, (ii) hand delivery using a courier, or (iii) by facsimile, and only if electronic confirmation of such facsimile is received. All such notices shall be deemed delivered: (i) by overnight delivery service, on the day following deposit with such service, (ii) by courier, on the date of such courier service, and (iii) by facsimile, on the date of delivery.

If to Buyer: Richard Schoebel
Retail Opportunity Investments Partnership, LP
3 Manhattanville Road, 2nd Floor
Purchase, New York 10577
Telephone: 914/272-8080
Facsimile: 914/272-8088
rschoebel@roireit.net (email)

With a copy to: Kenneth S. Antell
Dunn Carney Allen Higgins & Tongue LLP
851 SW Sixth Avenue, Suite 1500
Portland, Oregon 97204
Telephone: 503/417-5364
Facsimile: 503/224-7324
kantell@dunncarney.com (email)

If to Seller: Ronald Sher
c/o Sher Partners
10500 NE 8th Street, Suite 850
Bellevue, Washington 98004
Telephone: 425/990-1200
Facsimile: 425/990-1203
ron4sher@gmail.com (email)

With a copy to: Kenneth A. Bloch
Wolfstone, Panchot & Bloch, P.S., Inc.
1111 3rd Avenue, Suite 1800
Seattle, Washington 98101
Telephone: 206/682-3840
Facsimile: 206/340-8837
kbloch@wpblaw.com (email)

Notice of change of address shall be given by written notice in the manner detailed in this paragraph 11.

12. The parties agree that this Agreement shall be filed of record in the county where the Property is located. Upon the termination of this Agreement for any reason, both parties shall cooperate in good faith to execute such documents as may be required to document the termination of the Agreement of record in the County where the Property is located. Upon execution hereof, Buyer shall execute and deposit into escrow a quitclaim deed (or other appropriate recordable document) releasing Buyer's right, title, and interest in and to the Property, with irrevocable instructions that the same shall be recorded promptly upon the termination of the term of this Agreement, without any further instruction from any party.

13. This Agreement shall be subordinate to the lien of any mortgage, deed of trust or other security instruments for any financing arrangements now existing that encumber the Property without the necessity of having any further instruments executed by Buyer to effectuate the same. This Agreement shall also be subordinate to the lien of any future mortgage, deed of trust, or other security instruments, but only if such future lien, mortgage, deed of trust, or other security instruments arise from a true loan to Seller from an unrelated third party, which loan is secured by the Property, and not secured by any other real property or any personal property that is not related to the Property. Buyer agrees to execute, acknowledge, and deliver upon S eller's request any and all documents or instruments that are necessary to confirm such subordination.

14. Should disagreement arise that the parties do not resolve, both parties agree that any controversy regarding this Agreement shall be submitted to final and binding arbitration before a single arbitrator in Bellevue, Washington in accordance with JAMS. If the parties are unable to agree on an arbitrator, JAMS shall appoint an arbitrator with at least five (5) years of experience resolving commercial real estate disputes. Notwithstanding this, the parties are and will be permitted the right of discovery in any such proceeding not to exceed 45 days. If arbitration is commenced by any party concerning any provision of this Agreement or the rights

and duties of any party, the substantially prevailing party in such arbitration shall be entitled, in addition to such other relief as may be granted, to reasonable attorneys' fees, expert witness expenses, and other costs. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction of the matter.

15. This Agreement shall be governed by, interpreted under, construed, and enforceable in accordance with the laws of the state in which the Property is located.

16. Nothing in this Agreement is intended or shall be construed to confer upon or to give to any person, firm or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement.

17. This Agreement sets forth the entire agreement between Seller and Buyer relating to the transactions contemplated hereby, and, accordingly, all other prior agreements or understandings relating to the subject matter hereof (whether oral or written) are hereby superseded.

18. This Agreement may not be amended or modified, except by a written instrument to such effect signed by both parties.

19. The terms of this Agreement shall not be interpreted to mean that Seller and Buyer are partners or joint venturers regarding the Property.

20. Any provision of this Agreement that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

[Signatures and Notarial Acknowledgments on Following Pages]

SELLER:

SARM FIVE POINTS PLAZA LLC,

By: _____

BUYER:

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP
a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC,
Its Sole General Partner

By: _____
Stuart A. Tanz
Chief Executive Officer

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I CERTIFY that I know or have satisfactory evidence that _____is the person who appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the _____ of _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2010.

_____
_____
(Print Name)
NOTARY PUBLIC in and for the State of
residing at _____
My appointment expires _____

STATE OF _____)
) ss.
COUNTY OF _____)

I CERTIFY that I know or have satisfactory evidence that Stuart A. Tanz is the person who appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Chief Executive Officer of Retail Opportunity Investments GP, LLC, the Sole General Partner of Retail Opportunity Investments Partnership, LP, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2010.

_____

_____

(Print Name)
NOTARY PUBLIC in and for the State of
residing at _____
My appointment expires _____

EXHIBIT R

FINANCIAL STATEMENT PRODUCTION REQUIREMENTS

1. Monthly and Annual Reports. The Company shall prepare and distribute to the partners within 15 days after the end of each calendar month a monthly and year-to-date report prepared in accordance with GAAP, consistently applied, including:

i. A balance sheet

ii. A profit-and-loss statement

iii. A statement of changes in the Partners' Capital Accounts

iv. A variance report, comparing actual costs and expenses and revenues with budgeted costs and expenses and revenues on a category basis, along with a reasonable detailed explanation of all material or significant variances and all changes in any time schedules relating thereto

v. A leasing report, which shall describe in reasonable detail all leasing efforts and leasing prospects, letters of intent and leases made, identified or entered into during such period

vi. Rent roll

vii. Bank statements and bank reconciliations

viii. If applicable, a calculation by the General Partners of the amount of Net Operating Cash flow for the preceding calendar month and a calculation by the General Partners of the respective distributions, if any, to Partners, including a calculation of the undistributed Preferential Return on Capital amounts, if any

ix. Any additional information that the partners may require as supporting schedules to the above

2. Audited Year-End Financial Statements. In addition to complying with the above requirements, the year-end financial statements distributed to the partners by the company shall be audited. The Company shall deliver within forty-five (45) days after the end of each calendar year a set of audited financial statements for the Company for the prior calendar year prepared in accordance with generally accepted accounting principles; drafts thereof shall be provided to the partners for review within thirty (30) days of the end of each calendar year.

3. Accounting Basis and Fiscal Year. The Company's books shall be kept on the accrual method of accounting. The fiscal year of the Company shall be the calendar year.

4. Tax Returns. The General Partners shall cause the Company to prepare or cause to be prepared and shall file on or before the due date (or any extension thereof) any federal, state, or local tax returns required to be filed by the Company. Within sixty-five (65) days after the end of each fiscal year, the General Partners shall cause the Company's accountants to deliver to each General Partner for comment drafts of all tax returns that the company is required to file with respect to such fiscal year. The Company shall furnish each Partner within ninety (90) days of the end of each fiscal year or as soon thereafter as such information is available to the Company a cop y of the federal tax return, all state returns, and such information as may be needed to enable such Partner to file its federal income tax return and any required state income tax return. The General Partners shall cause the Company to pay out of available cash flow and other assets of the Company any taxes payable by the Company.

EXHIBIT 21.1

LIST OF SUBSIDIARIES OF RETAIL OPPORTUNITY INVESTMENTS CORP.

Company	Jurisdiction of Organization
Retail Opportunity Investments Partnership, LP	Delaware
Retail Opportunity Investments GP, LLC	Delaware
ROIC Paramount Plaza, LLC	Delaware
ROIC Phillips Ranch, LLC	Delaware
ROIC Phillips Ranch, TRS	Delaware
ROIC Meridian Valley, LLC	Delaware
ROIC Santa Ana, LLC	Delaware
ROIC Lake Stevens, LLC	Delaware
ROIC Norwood Center, LLC	Delaware
ROIC Buskirk, LLC	Delaware
ROIC Claremont Center, LLC	Delaware
ROIC Claremont Center II, LLC	Delaware
ROIC Washington, LLC	Delaware
ROIC Riverside Plaza, LLC	Delaware
WRT-ROIC Riverside, LLC	Delaware
ROIC Oregon, LLC	Delaware
Wilsonville OTS, LLC	Oregon
ROIC Cascade Summit, LLC	Delaware
ROIC Heritage Market Holding I, LLC	Washington
ROIC Heritage Market Holding II, LLC	Washington
ROIC Heritage Market, LLC	Washington
ROIC California, LLC	Delaware
ROIC Gateway I, LLC	Delaware
ROIC Gateway II, LLC	Delaware
ROIC Gateway III, LLC	Delaware
ROIC Gateway Holding I, LLC	Delaware
ROIC Gateway Holding II, LLC	Delaware

Company	Jurisdiction of Organization
ROIC Gateway Holding III, LLC	Delaware
ROIC CA Notes, LLC	Delaware
ROIC Crossroads GP, LLC	Delaware
ROIC Crossroads LP, LLC	Delaware
ROIC Pinole Vista, LLC	Delaware

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (i) on Form S-3 (No. 333-163866) of Retail Opportunity Investments Corp., and in the related Prospectus and; (ii) on Form S-8 (No. 333-170692) pertaining to the Retail Opportunity Investments Corp. 2009 Equity Incentive Plan, of our reports dated February 25, 2011, with respect to the consolidated financial statements and schedules of Retail Opportunity Investments Corp., and the effectiveness of internal control over financial reporting of Retail Opportunity Investments Corp., included in this Annual Report (Form 10-K) for the year ended December 31, 201 0.

/s/ Ernst & Young LLP
New York, New York
February 25, 2011

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement (No. 333-163866) on Form S-3 and Registration Statement (No. 333-170692) on Form S-8 of Retail Opportunity Investments Corp. of our reports dated March 11, 2010, relating to our audits of the consolidated financial statements at December 31, 2009 and for the years ended December 31, 2009 and 2008, which appear in this Annual Report on Form 10-K of Retail Opportunity Investments Corp. for the year ended December 31, 2010.

/s/ McGLADREY & PULLEN, LLP
New York, New York

February 25, 2011

EXHIBIT 31.1

CERTIFICATIONS

I, Stuart A. Tanz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Retail Opportunity Investments Corp.;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

By: /s/ Stuart A. Tanz
Name: Stuart A. Tanz
Title: Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, John B. Roche, certify that:

1. I have reviewed this Annual Report on Form 10-K of Retail Opportunity Investments Corp.;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

By: /s/ John B. Roche
Name: John B. Roche
Title: Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
18 U.S. C. Section 1350
as adopted pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

The undersigned, the Chief Executive Officer of Retail Opportunity Investments Corp. (the "Company"), hereby certifies to the best of his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the year ended December 31, 2010 (the "Form 10-K"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2011

By: /s/ Stuart A. Tanz
Name: Stuart A. Tanz
Title: Chief Executive Officer

The undersigned, the Chief Financial Officer of Retail Opportunity Investments Corp. (the "Company"), hereby certifies to the best of his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the year ended December 31, 2010 (the "Form 10-K"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2011

By: /s/ John B. Roche
Name: John B. Roche
Title: Chief Financial Officer

Pursuant to the Securities and Exchange Commission Release 34-47551, dated March 21, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.