
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 5, 2009

Shopoff Properties Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

333-139042

(Commission File Number)

20-5882165

(IRS Employer Identification No.)

8951 Research Drive, Irvine, California

(Address of Principal Executive Offices)

92618

(Zip Code)

(877) 874-7348

(Registrant's Telephone Number, Including Area Code)

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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))
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2.01. Completion of Acquisition or Disposition of Assets

On November 5, 2009, an affiliate of Shopoff Properties Trust, Inc. (the “Company”), SPT-Lake Elsinore Holding Co., LLC, a Delaware limited liability company and wholly owned subsidiary of the Company’s affiliate, Shopoff Partners, L.P. (“Buyer”), closed on the purchase of real property, commonly known as “Tuscany Valley,” consisting of (a) 519 entitled but unimproved residential lots and 2 commercial lots located in the City of Lake Elsinore, California, and (b) 400 acres of unentitled and unimproved land located in the City of Chino Hills, California. The purchase price was \$9,600,000.

The purchase was made pursuant to a purchase and sale agreement and joint escrow instructions, dated September 30, 2008 (the “Tuscany Valley Purchase Agreement”), by and between the Company’s Advisor, Shopoff Advisors, L.P. (the “Advisor”) and TSG Little Valley L. P., a California limited partnership (“Seller”), whereby Seller agreed to sell and the Company’s Advisor agreed to buy, 163 entitled but unimproved residential lots located in the City of Lake Elsinore, California. The contract purchase price was \$4,890,000.

The Tuscany Valley Purchase Agreement was subsequently amended by those certain amended/supplemental escrow instructions dated October 16, 2008, October 27, 2008, November 11, 2008, November 25, 2008, December 30, 2008, January 13, 2008, January 27, 2009, and February 24, 2009, which each postponed the closing date of the transaction. The Tuscany Valley Purchase Agreement was further amended by that certain undated Corrective Amendment, which was drafted for the sole purpose of changing a signature block on the Tuscany Valley Purchase Agreement.

On September 3, 2009, the Advisor executed an assignment of purchase and sale agreement whereby the Advisor assigned all of its rights, title and interest in the Tuscany Valley Purchase Agreement to Buyer.

Also on September 3, 2009, Buyer entered into a first amendment to purchase and sale agreement and joint escrow instructions with Seller, which amended the Tuscany Valley Purchase Agreement as follows: (a) Buyer agreed to purchase additional property from Seller consisting of 356 entitled but unimproved, residential lots and 2 commercial lots located in the City of Lake Elsinore, California and 400 acres of unentitled and unimproved land located in the City of Chino Hills, California, (b) the purchase price was increased to \$9,600,000 from \$4,890,000, (c) the nonrefundable deposit requirement was increased to \$2,000,000 from \$1,000,000, and (d) the escrow closing date was amended to on or before November 30, 2009.

On October 15, 2009, Buyer entered into a second amendment to purchase and sale agreement and joint escrow instructions with Seller to provide that \$2,900,000 of the purchase price would be paid by Buyer’s execution and delivery into escrow of (a) an all-inclusive purchase money note secured by deed of trust (“Promissory Note”) in favor of Seller, as payee therein, in the principal amount of \$2,900,000,

and (b) an all-inclusive deed of trust executed by Buyer in favor of Seller, as beneficiary therein, securing the foregoing all-inclusive purchase money note. On October 15, 2009, the second amendment was restated (the “Restated Second Amendment”) for the sole purpose of correcting a signature block.

The Promissory Note bears interest at a rate of twelve percent per annum, and has a maturity date in twelve months at which time all accrued and unpaid interest and principal is due in full. No payments are due during the term of the Promissory Note. The Promissory Note with its loan balance of \$2,900,000 includes the unpaid balance of that certain other promissory note having a loan date of April 3, 2006, in the original principal amount of \$2,000,000, payable by Seller to 1st Centennial Bank (the “Included Note”). The Included Note is secured by a deed of trust dated April 3, 2006 and recorded on April 10, 2006 in the Official Records of Riverside County, California as Instrument No. 2005-0254320. The outstanding principal balance on the Included Note as of November 3, 2009 was approximately \$1,750,000. The current payee under the Included Note is the Federal Deposit Insurance Corporation, as receiver for 1st Centennial Bank.

Should Seller fail to pay any installments when due upon the Included Note, Buyer may make such payments directly to payee of the Included Note, and the amount shall be credited to the next following installment or installments due under the Promissory Note. If Buyer fails to make any payment when required under the Promissory Note, Seller has the option to immediately declare all sums due and owing under the Promissory Note.

Stevan J. Gromet, President of Portfolio Partners, Inc., a California corporation, the general partner of Seller, is a shareholder of the Company with ownership of 47,800 shares as of September 30, 2009, which represents approximately 2.51% of our total shares outstanding including 21,100 shares purchased by our sponsor and 35,000 vested restricted stock grants issued to our officers and directors.

Seller is a shareholder of the Company with ownership of 380,500 shares as of September 30, 2009, which represents approximately 19.95% of the Company’s total shares outstanding including 21,100 shares purchased by our sponsor and 35,000 vested restricted stock grants issued to our officers and directors.

The Advisor received an acquisition fee equal to 3% of the contract purchase price, or \$288,000, upon consummation of the transaction.

The foregoing description is qualified in its entirety by reference to the full text of the Tuscan Valley Purchase Agreement and the amendments attached to this Current Report on Form 8-K as Exhibits 10.1 through 10.5 and incorporated herein by reference.

The above description of Promissory Note is qualified in its entirety by the full text of the Promissory Note attached to this Current Report on Form 8-K as Exhibit 10.6 and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under “Item 2.01 —Completion of Acquisition or Disposition of Assets” is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Purchase and Sale Agreement between Shopoff Advisors and TSG Little Valley, L.P. dated September 30, 2008 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q on November 14, 2008 and incorporated herein by reference).
10.2	Assignment of Purchase and Sale Agreement between Shopoff Advisors and SPT- Lake Elsinore Holding Co., LLC dated September 3, 2009.
10.3	First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions between TSG Little Valley, L.P. and SPT-Lake Elsinore Holding Co., LLC and dated September 3, 2009.
10.4	Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions between TSG Little Valley, L.P. and SPT-Lake Elsinore Holding Co., LLC and dated October 15, 2009.
10.5	Restated Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions between TSG Little Valley, L.P. and SPT-Lake Elsinore Holding Co., LLC and dated October 15, 2009.
10.6	All-Inclusive Purchase Money Note Secured By Deed Of Trust between SPT- Lake Elsinore Holding Co., LLC and TSG Little Valley, L.P. and dated November 6, 2009.

SIGNATURE

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.

SHOPOFF PROPERTIES TRUST, INC.

Date: November 12, 2009

By: /s/ William A. Shopoff
William A. Shopoff
President, Chief Executive Officer and Chairman
of the Board of Directors

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.4	Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions between TSG Little Valley, L.P. and SPT-Lake Elsinore Holding Co., LLC and dated October 15, 2009.
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10.6	All-Inclusive Purchase Money Note Secured By Deed Of Trust between SPT- Lake Elsinore Holding Co., LLC and TSG Little Valley, L.P. and dated November 6, 2009.

ASSIGNMENT OF PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT OF PURCHASE AND SALE AGREEMENT (this “*Assignment*”) is executed as of September 3, 2009 by and between **SHOPOFF ADVISORS, L.P.**, a Delaware limited partnership, having an address at 8951 Research Dr., Irvine, CA 92618 (“*Assignor*”), and **SPT — LAKE ELSINORE HOLDING CO., LLC**, a Delaware limited liability company (“*Assignee*”), with reference to the following:

RECITALS:

A. Assignor is the ‘Buyer’ under that certain *Purchase and Sale Agreement and Joint Escrow Instructions* dated as of September 30, 2008, as amended (as amended, the “*Agreement*”), in which TSG Little Valley, L.P., a California limited partnership, is the ‘Seller’. An escrow at First American Title Insurance Company (Escrow No. OSA-3152741) is pending to facilitate the real estate purchase and sale transaction which is the subject of the Agreement.

B. Assignor has agreed to assign to all of Assignor’s right, title and interest and to the Agreement to Assignee, and Assignee has agreed to accept such assignment and to assume all obligations and liabilities of Assignor under the Agreement, as provided herein.

C. This Assignment is executed to effectuate the transfer to Assignee of all of Assignor’s right, title and interest in and to the Agreement and other rights pursuant to the provisions of the Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assignment and Assumption.** Assignor hereby assigns, conveys, transfers and sets over unto Assignee any and all right, title and interest of Assignor in and to the Agreement, and Assignee hereby accepts such assignment and assumes all of Assignor’s obligations, responsibilities and duties under the Agreement, as the ‘Buyer’ therein, effective as of the date hereof.

2. **Indemnification.** Assignee agrees to protect, indemnify, defend and hold Assignor harmless from and against all claims, obligations and liabilities under the Agreement, from and after the date hereof. Assignor agrees to protect, indemnify, defend and hold Assignee harmless from and against all claims, obligations and liabilities arising out of or relating to, directly or indirectly, in whole or in part, any breach by Assignor under the Agreement arising prior to the date hereof.

3. **Governing Law.** This Assignment shall be construed under and enforced in accordance with the laws of the State of California.

4. **Further Assurances.** Assignor and Assignee each agree to execute and deliver to the other party, upon demand, such further documents, instruments and conveyances, and shall take such further actions, as are necessary or desirable to effectuate this Assignment.

5. **Attorneys' Fees; Costs.** Upon the bringing of any action, suit or arbitration by either party against the other arising out of this Assignment or the subject matter hereof, the party in whose favor final judgment shall be entered shall be entitled to recover from the other party all costs and expenses of suit including, without limitation, reasonable attorneys' fees and costs.

6. **Successors and Assigns.** This Assignment shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

“ASSIGNOR”

SHOPOFF ADVISORS, L.P., a Delaware limited partnership

By: The Shopoff Corporation, a Delaware corporation, its General Partner

By: /s/ William A. Shopoff
William A. Shopoff, President

“ASSIGNEE”

SPT — LAKE ELSINORE HOLDING CO., LLC a Delaware limited liability company

By: Shopoff Partners, L.P., a Delaware limited partnership, its Sole Member

By: Shopoff General Partner, LLC, a Delaware limited liability company, its General Partner

By: Shopoff Properties Trust, Inc. a Maryland corporation, its Manager

By: /s/ William A. Shopoff
William A. Shopoff,
President and CE

**FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(TSG — LITTLE VALLEY)**

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”), dated as of September 3, 2009, is by and between **TSG LITTLE VALLEY, LP**, a California limited partnership (“**Seller**”), and **SPT LAKE ELSINORE HOLDING CO., LLC**, a Delaware limited liability company (“**Buyer**”), and amends that certain *Purchase and Sale Agreement and Joint Escrow Instructions* dated as of September 30, 2008 as previously amended by those certain *Amended/Supplemental Escrow Instructions* dated October 16, 2008 and October 27, 2008, October 27, 2008, November 11, 2008, November 25, 2008, December 30, 2008, January 13, 2009, January 27, 2009, February 24, 2009 and that certain undated *Corrective Amendment* (as amended, the “**Agreement**”). Capitalized terms used herein shall have the meanings given them in the Agreement unless otherwise defined herein. To the extent of any inconsistency between the terms set forth in the Agreement and this Amendment, the terms set forth in this Amendment shall control.

Seller and Buyer hereby reinstate the Agreement and further agree to amend the Agreement as follows:

1. The defined term “Land” is revised to mean all the properties described on Exhibit “A” attached hereto.
2. The defined term “Purchase Price” is revised to be Nine Million Six Hundred Thousand Dollars (\$9,600,000.00).
3. The defined term “Deposit” is revised to mean Two Million Dollars (\$2,000,000.00). The Deposit shall be immediately released to Seller, and shall not be refundable to Buyer except upon a termination of this Agreement as a result of Seller’s default of a material obligation under this Agreement occurring prior to the Close of Escrow or a failure of an express condition precedent under this Agreement to Buyer’s obligation to purchase the Property.
4. The Close of Escrow shall occur on or before November 30, 2009.

IN WITNESS WHEREOF, the parties have executed this Purchase and Sale Agreement and Joint Escrow Instructions as of the date first above written.

TSG LITTLE VALLEY, L.P., a California limited
partnership

By: Portfolio Partners, Inc., a California
Corporation

By: /s/ Stevan J. Gromet
Stevan J. Gromet, President

[signatures continued on next page]

[signatures continued from prior page]

SPT LAKE ELSINORE HOLDING CO., LLC, a
Delaware limited liability company

By: The Shopoff Corporation, a Delaware
corporation, its General Partner

By: /s/ William A. Shopoff
William A. Shopoff, President

**SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(TSG — LITTLE VALLEY)**

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “*Amendment*”), dated as of October 15, 2009, is by and between **TSG LITTLE VALLEY, LP**, a California limited partnership (“*Seller*”), and **SPT-LAKE ELSINORE HOLDING CO., LLC** (“*Buyer*”) (as successor-in-interest by assignment to Shopoff Advisors, L.P., a Delaware limited partnership), and amends that certain *Purchase and Sale Agreement and Joint Escrow Instructions* dated as of September 30, 2008, as previously amended (as amended, the “*Agreement*”). Capitalized terms used herein shall have the meanings given them in the Agreement.

Seller and Buyer agree to amend the Agreement as follows:

Two Million Nine Hundred Thousand Dollars (\$2,900,000.00) of the Purchase Price shall be paid by Buyer’s execution and delivery into Escrow of (i) an *All-Inclusive Purchase Money Note Secured by Deed of Trust* in favor of Seller as Payee therein, in the principal amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000.00), and (ii) an *All-Inclusive Deed of Trust* executed by Buyer in favor of Seller as Beneficiary therein, securing the foregoing All-Inclusive Purchase Money Note.

In all other respects the Agreement shall remain unmodified and in full force and effect.

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

SELLER:

TSG LITTLE VALLEY, L.P., a California limited partnership

By: Pelaton Partners, Inc., a California limited partnership

By: Portfolio Partners, Inc., a California corporation

By: /s/ Stevan J. Gromet
Stevan J. Gromet, President

SHOPOFF ADVISORS, L.P. a Delaware limited partnership

By: The Shopoff Corporation, a Delaware corporation,
Its General Partner

By: /s/ William A. Shopoff
William A. Shopoff,
President

***RESTATED SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(TSG — LITTLE VALLEY)***

THIS RESTATED SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “*Restated Amendment*”), dated as of October 15, 2009, is by and between **TSG LITTLE VALLEY, LP**, a California limited partnership (“*Seller*”), and **SPT-LAKE ELSINORE HOLDING CO., LLC** (“*Buyer*”) (as successor-in-interest by assignment to Shopoff Advisors, L.P., a Delaware limited partnership), and amends that certain *Purchase and Sale Agreement and Joint Escrow Instructions* dated as of September 30, 2008, as previously amended (as amended, the “*Agreement*”). Capitalized terms used herein shall have the meanings given them in the Agreement. This Restated Amendment corrects and supersedes that certain *Second Amendment to Purchase and Sale Agreement* between Seller and Buyer of even date herewith.

Seller and Buyer agree to amend the Agreement as follows:

Two Million Nine Hundred Thousand Dollars (\$2,900,000.00) of the Purchase Price shall be paid by Buyer’s execution and delivery into Escrow of (i) an *All-Inclusive Purchase Money Note Secured by Deed of Trust* in favor of Seller as Payee therein, in the principal amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000.00), and (ii) an *All-Inclusive Deed of Trust* executed by Buyer in favor of Seller as Beneficiary therein, securing the foregoing All-Inclusive Purchase Money Note.

In all other respects the Agreement shall remain unmodified and in full force and effect.

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

Seller:	TSG LITTLE VALLEY, L.P., a California limited partnership
	By: Portfolio Partners, Inc., a California Corporation
	By: <u>/s/ Stevan J. Gromet</u> Stevan J. Gromet, President
Buyer:	SPT-LAKE ELSINORE HOLDING CO., LLC, a Delaware limited liability company
	By: Shopoff Partners, L.P., a Delaware limited partnership, sole member
	By: Shopoff General Partner, LLC, a Delaware limited liability company, general partner
	By: Shopoff Properties Trust, Inc., a Maryland corporation, manager
	By: <u>/s/ William A. Shopoff</u> William A. Shopoff, President and CEO

ALL-INCLUSIVE PURCHASE MONEY NOTE SECURED BY DEED OF TRUST

\$2,900,000.00

Irvine, California

November 6, 2009

THIS NOTE CONTAINS A BALLOON PAYMENT

The undersigned, **SPT-LAKE ELSINORE HOLDING CO., LLC**, a Delaware limited liability company ("**Maker**"), promises to pay to **TSG LITTLE VALLEY, L.P.**, a California limited partnership ("**Payee**"), the sum of Two Million Nine Hundred Thousand Dollars (\$2,900,000.00), with interest thereon at the rate herein below set forth, commencing on the date hereof.

The amount of this All-Inclusive Purchase Money Note Secured by Deed of Trust (this "**Note**") includes the unpaid balance of that certain *Promissory Note* having a Loan Date of April 3, 2006, in the original principal amount of \$2,000,000.00, payable to 1st Centennial Bank, a copy of which is attached to this Note and incorporated herein as if fully set forth herein (the "**Included Note**"). The Included Note is secured by a Deed of Trust dated April 3, 2006 and recorded on April 10, 2006 in the Official Records of Riverside County, California as Instrument No. 2005-0254320. The outstanding principal balance on the Included Note as of November 3, 2009 is approximately \$1,750,000. Maker and Payee acknowledge that Payee remains obligated to the Bank on the Included Note. The current payee under the Included Note is the Federal Deposit Insurance Corporation, as receiver for 1st Centennial Bank.

Maker agrees to make payment of interest and principal under this Note to Payee as follows:

Interest on the principal amount of this Note shall bear interest at a rate of twelve percent (12%) per annum until this Note is paid in full. All unpaid principal and interest shall be due and payable in full one (1) year from the date of this Note. Maker reserves the right to pre-pay all principal and accrued interest under this Note at any time without penalty.

Payments shall be in lawful money of the United States, and when received by Payee shall first be applied to accrued interest under this Note, then applied to reduce the principal balance of this Note.

Should payee fail to pay any installments when due upon the Included Note as provided herein, Maker may make such payments directly to payee of the Included Note, and the amount shall be credited to the next following installment or installments due under this Note. Any reduction in the unpaid principal balance or payment of accrued interest of the Included Note, other than by payment thereupon by Payee, such as by payment from an award in eminent domain, or of proceeds of insurance, shall be credited to the unpaid balance and interest hereon in like amount.

Should default be made in the payment by Maker when due, the whole sum of principal and interest shall become immediately due at the option of Payee of this Note.

If action be instituted on this Note, Maker promises to pay such sums as the court may fix as attorneys' fees. This Note is secured by an All Inclusive Deed of Trust to FIRST AMERICAN TITLE INSURANCE COMPANY, as trustee. Said Deed of Trust states in part as follows:

"In the event the property encumbered by this Deed of Trust, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed or alienated by the Trustor, or by the operation of law or otherwise, all obligations secured by this instrument, irrespective of the

maturity dates expressed therein, at the option of Beneficiary and without demand or notice, shall immediately become due and payable in full.”

“In the event, without the express written consent of Beneficiary first obtained, Trustor shall further encumber the property encumbered by this Deed of Trust, or any part thereof, or any interest therein, all obligations secured by this Deed of Trust, irrespective of the maturity dates expressed therein, at the option of Beneficiary, shall immediately become due and payable in full.”

THIS NOTE CONTAINS A BALLOON PAYMENT

IN WITNESS WHEREOF, Maker has executed this Note as of the date first set forth above.

Maker:

SPT-LAKE ELSINORE HOLDING CO., LLC, a
Delaware limited liability company

By: Shopoff Partners,
L.P., a Delaware limited partnership, sole
member

By: Shopoff General Partner, LLC, a Delaware
limited
liability company, general partner

By: Shopoff Properties Trust, Inc., a Maryland
corporation, manager

By: /s/ William A. Shopoff
William A. Shopoff,
President and CEO

The undersigned Payee agrees to satisfy the Included Note in full prior to the maturity date of this Note and to cause to have recorded a Reconveyance of the Deed of Trust securing the Included Note not later than the payment in full of the principal balance and accrued interest owing on this Note.

TSG-LITTLE VALLEY, L.P., a California limited partnership

By: PortFolio Partners, Inc., general partner

By: /s/ Stevan Gromet
Stevan Gromet, President