



April 14, 2010

Kevin Shannon
CB Richard Ellis
990 West 190th Street
Torrance, California 90502

Dear Kevin:

Our Santa Barbara portfolio of apartments is currently in escrow and we intend to exchange the funds from that sale into a larger asset, such as the Junipero Serra State Building. We are submitting the attached Letter of Intent for your consideration.

We understand that the terms of our Letter of Intent are different than the terms outlined in the offering materials. As owners of several single-tenant, triple net assets we have learned that a tenant-managed property benefits all parties involved. We were recently a buyer of another sale-leaseback transaction and we negotiated a lease similar to what is proposed in this Letter of Intent. This structure allows us to pay a substantial premium in our offering price.

Furthermore, we are aware that the base rent numbers proposed in the offering materials were not calculated with this sort of lease structure in mind, so we are flexible with allowing the State to set any reasonable base rent they desire to achieve their financial goals.

Please call me or Trevor Nelson at (213) 746-7121 if you have any questions or require anything else from us. We look forward to working together.

Sincerely,

A handwritten signature in blue ink, appearing to read "AS", is written over a light blue circular stamp.

Alan Smolinisky

401 Wilshire Boulevard, Suite 230, Santa Monica, California 90401
213-746-7121 (fax) 213-232-3717
www.ConquestHousing.com



April 14, 2010

BY EMAIL

Kevin Shannon CB Richard Ellis 990 West 190th Street Torrance, California 90502	
--	--

Re: Junipero Serra State Building – Golden State Portfolio

Dear Kevin:

The purpose of this letter is to submit to the current owner (“Seller”), a Letter of Intent to Purchase the above referenced property (“Property”). This letter provides basic terms and conditions under which Alan Smolinisky or assignee (“Buyer”) would like to purchase the Property.

Property: The property consists of a 431,856 square foot office tower at 320 West 4th Street in Los Angeles, California occupied by the State of California, known as the Junipero Serra State Building.

Purchase Price: 6.95% Capitalization Rate of Year 1 Annual Base Rent.

Terms: Subject to the State of California executing a lease at the following terms:

LEASE TERMS:

Lease Term: 20 Years.

Base Rent: Tenant to choose Year 1 Base Rent.

Additional Rent: Lease is to be ‘Absolute Triple Net’. Tenant is to pay all expenses directly. This includes, but is not limited to, property taxes, insurance, utilities, common area maintenance, structural maintenance, capital improvements, renovations and all other costs incurred in the operation and ownership of site. Expenses are not to ‘pass-thru’ landlord but are to be paid directly by tenant. Landlord will collect base

rent monthly and will not be responsible for any other costs incurred with ownership.

Escalation of Rent: *Base Rent to increase by CPI at every anniversary of lease commencement.*

Other Lease Terms: *Landlord will not charge or collect any administration fee or management fee. Property is to be managed by Tenant. If Tenant chooses to hire a management company they do so at their own expense.*

Security Deposit: *None.*

Due Diligence period:

Buyer to have twenty one (21) days from execution of PSA to perform its inspection and receive from seller and approve of, in its sole and absolute discretion, an executed lease per the terms provided above. Buyer to notify Seller in writing of inspection acceptance and satisfaction of diligence period. Buyer will spend monies on third party inspections based on the assumption the Seller is unaware of material physical defects or environmental impairments at the Property.

Settlement Date:

Buyer to close twenty one (21) days or sooner after the waiver of all contingencies.

Earnest Money:

Deposit of \$2,000,000 will be delivered to escrow upon Buyer's waiver of due diligence items. Deposit and accrued interest thereon will be applied toward the purchase price at closing.

Broker

Representation:

Kevin Shannon of CBRE to represent both Buyer and Seller.

Closing Costs and Prorations:

Seller to pay all title costs, all taxes or fees related to the sale and 1/2 of escrow fees. Title will be provided by First American Title – Downtown Los Angeles office, or such other company that seller chooses. Escrow will be provided by First American Title – Downtown Los Angeles office, or such other company that seller chooses. Buyer to pay all its third party costs. Both parties to pay their own legal fees and all other items prorated per County custom.

If these basic terms and conditions are acceptable to you, please indicate so by signing on the line provided below and returning an executed copy of this letter to me.

Please call us directly at (213) 746-7121 if you have any questions. We look forward to working with you on this acquisition.

Sincerely,



Alan Smolinisky
Conquest Student Housing

Approved:

By (Seller): _____

Date: _____