



April 14, 2010 (assumed – auto update field was used)

Mr. Kevin Shannon
Vice Chairman
CB Richard Ellis
990 W 190th Street, Suite 100
Torrance, CA 90502

Re: Golden State Portfolio:
Public Utilities Commission – San Francisco
Harris Building – Oakland
Judge Rattigan Building – Santa Rosa

Dear Kevin:

Please accept this as our letter of intent to purchase the referenced property. The Purchaser would be an entity whose principals are affiliated with Harbor Group International, the Contract Purchaser.

Harbor Group International, with a portfolio worth approximately \$2.7 billion, has been acquiring properties since 1990. We currently own approximately 9.5 million square feet of office space plus 1 million square feet of retail/hotel space and 15,000 apartment units. www.harborgroupint.com

1. PURCHASE PRICE

The total purchase price for the properties shall be \$276,470,000.00. The pricing allocation for the individual properties is \$85,430,000 for Public Utilities Commissions, \$176,470,000 for Harris Building and \$14,570,000 for Judge Rattigan Building. Said purchase price includes land, all improvement(s), together with all appurtenances and all leases and personal property associated with the real estate, and all existing parking areas, and is to be allocated between those items, at the reasonable discretion of the Purchaser.

2. CASH TO SELLER

Purchaser's consideration to Seller shall be all cash at closing.

3. TERMS OF PURCHASE

This purchase is contingent upon Purchaser's satisfactory inspections and due diligence studies as further specified in Paragraph 5.

4. PROPERTY

The properties consist of a 1,063,625 square foot of office space together with all parking areas, personal property, trademarks, and names used in connection with same, and all supplies, materials, and equipment whether owned or leased by Seller.

5. PROPERTY INSPECTION/REVIEW

Purchaser shall have a 30-day period from contract signing to review zoning, structural, mechanical, leases, and other due diligence. Purchaser shall have the right to void the contract during this contingency period for any reason and all earnest money deposits would be returned to Purchaser.

6. CLOSING COSTS/PRO RATING

a. Purchaser shall pay for title, survey, engineering studies, environmental studies, and other due diligence items. Seller shall pay for all other closing costs customarily paid by Seller.

b. Current real estate and personal property taxes and special assessments shall be prorated and adjusted as of the date of the closing.

c. Seller shall pay all expenses and shall be entitled to all income through the day prior to the day of closing.

7. OTHER CLOSING ITEMS

a. Seller agrees to maintain the property in good repair prior to closing.

b. It is a condition to close that Purchaser shall be able to obtain a satisfactory survey and title policy.

8. AGREEMENT OF PURCHASE AND SALE/CLOSE OF ESCROW

Seller agrees to cause a Purchase and Sale Agreement to be prepared and submitted to the Purchaser no later than five (5) days after agreement of this letter. Said documentation shall contain the understanding expressed in this Letter of Intent. Upon execution of the Purchase Agreement, Purchaser shall deposit \$6,000,000.00 with a mutually acceptable title company. The deposit is refundable to Purchaser at the end of the inspection period at the request of Purchaser if property has not met Purchaser's standards, with neither party having any further obligations related hereto. If Purchaser fails to notify Seller of its intent to proceed, then said deposit shall be returned to Purchaser and the Purchase Agreement shall be deemed null and void. Date of closing shall be 30 days after the end of the "Property Inspection/Review" period or 30 days after Purchaser has waived, in writing, any remaining contingency period.

This letter constitutes an agreement by each of the signatories (i) to deal in good faith with the other and take all actions reasonably required or necessary to prepare, negotiate, and execute binding contractual agreements for the purchase and sale of the property consistent with the terms and conditions contained herein, and (ii) to refrain from dealing with others in connection with the purchase or sale of the property until such time as one party has notified the other in writing that no further good faith negotiations or actions will produce an enforceable agreement.

If the terms and conditions stated herein are satisfactory, please return a signed copy of this letter to us as soon as possible.

Sincerely,

Ran Kaufman
Managing Director, Acquisitions



AGREED TO AND ACCEPTED THIS ____ DAY OF _____, 200__.

By: _____

Its: _____