



April 14, 2010

Via E-Mail

Mr. Kevin Shannon

CB Richard Ellis
Vice Chairman
355 S Grand Avenue, Suite 2700
Los Angeles, CA 90071

RE: Golden State Portfolio

Dear Kevin:

IDSREG Equities is pleased to present the following offer(s) to purchase multiple properties within the Golden State Portfolio. The list of the properties is detailed below.

1. **Buyer:** IDSREG Equities, and/or assignee

2. **Property:**
 - a. Public Utilities Commission 270,768 SF
505 Van Ness Avenue, San Francisco, CA

 - b. San Francisco Civic Center 912,387 SF
350 McAllister Ave, San Francisco, CA
455 Golden Gate, San Francisco, CA

 - c. Junipero Serra State Building 431,856 SF
320 West 4th Street, Los Angeles, CA

 - d. Ronald Reagan State Building 739,158 SF
300 South Spring Street, Los Angeles, CA

3. **Purchase Price:** The Purchase Price for the Property shall be \$573,300,000 (\$243.53 PSF) payable "all cash" at close of escrow. Fee simple title to the Property shall be delivered free and clear of all liens and debt. The following is a break down of the purchase price by building.
 - a. Public Utilities Commission \$74,500,000 (275.14 PSF)
505 Van Ness Avenue, San Francisco, CA

 - b. San Francisco Civic Center \$269,000,000 (\$294.83 PSF)
350 McAllister Ave, San Francisco, CA
455 Golden Gate, San Francisco, CA

- c. Junipero Serra State Building \$82,000,000 (\$189.88 PSF)
320 West 4th Street, Los Angeles, CA
 - d. Ronald Reagan State Building \$147,800,000 (\$199.96 PSF)
300 South Spring Street, Los Angeles, CA
4. **Earnest Money:** Buyer shall make a refundable deposit in an amount equal to 1.0% of the purchase price (“Initial Deposit”). Upon the expiration of the Due Diligence Period, the Initial Deposit shall be increased by 1.0% and shall become 2.0% of the purchase price (“Deposit”). Said Deposit shall then become non-refundable. The Deposit plus all accrued interest earned thereon shall be credited against the Purchase Price at the Close of Escrow.
5. **Due Diligence:** Buyer shall have thirty (30) calendar days from mutual execution of the provided Purchase & Sale Agreement and Lease Agreement to investigate all aspects of the Property (“Due Diligence Period”), which shall include but not be limited to the following:
- a. Preliminary title report furnished by Seller;
 - b. Current ALTA grade survey;
 - c. Complete approved building plans, specifications and project entitlements;
 - d. Current site plan;
 - e. Existing contracts and maintenance agreements;
 - f. Receipts of paid property tax bills;
 - g. Insurance policies;
 - h. Property Conditions Report;
 - i. Phase One Environmental Assessment and all environmental documentation;
 - j. Seismic and Soils Reports;
 - k. Any pertinent report pertaining to the Property in Seller’s possession;
 - l. Any correspondence from City, County Flood Control district, Army Corps, etc.;
 - m. Any other material that could impact the value of the Property;
- Buyer requires full access to the Property to inspect and perform a thorough due diligence of the Property, as is customary business practice for institutional and professional real estate buyers.
6. **Leaseback:** As a contingency to the transaction, Seller agrees to lease back, and Buyer agrees to lease, the Property and parking at the terms set forth in the Lease Abstract section of the Offering Materials prepared by CB Richard Ellis.
7. **Close of Escrow:** The close of escrow shall occur within forty five (45) calendar days after the expiration of the Due Diligence Period.
8. **Expense Prorations:** Buyer and Seller shall pay all closing costs, including title insurance premiums and escrow expenses in accordance with local Los Angeles County custom.
9. **Title & Escrow:** Title and Escrow shall be with Chicago Title Insurance Company.
10. **Broker Commission:** This offer is made with the understanding that Seller will be responsible for paying the brokerage commission based on a separate agreement with CBRE. Buyer shall not be responsible for the payment of any brokerage commissions and is not represented by a broker in this transaction.

11. **Expiration:** This offer expires at 5:00pm PST on Friday, May 28th, 2009.

This offer is not legally binding on either party, but sets forth the general business terms and conditions that would be acceptable to Seller pending full and final execution of a mutually approved Purchase and Sale Agreement and escrow instructions within 14 days after the full execution of this offer to purchase.

Sincerely,



Matt Aminoff

CC: David Mgrublian, IDS Real Estate Group
Murad Siam, IDS Real Estate Group
Kathy Briscoe, IDS Real Estate Group
Geoff Garland, IDS Real Estate Group

ACKNOWLEDGED AND ACCEPTED:

“SELLER”

“BUYER”

INSERT SELLER ENTITY

IDS REG Equities, and/or assignee

By: _____

By: _____

Date: _____

Date: _____