USAA Real Estate Company

April 14, 2010

**CONFIDENTIAL**

Mr. Kevin Shannon
Mr. Robert Gilley
CB Richard Ellis
990 West 190th St, Suite 100
Torrance, Ca 90502

Re: Golden State Portfolio, San Francisco Civic Center Building
(hereinafter, the "**Project**")

Gentlemen:

The purpose of this correspondence is to express on behalf of USAA Real Estate Company ("USAA") our highest level of interest in the fee simple acquisition of the Project. You have asked that we evaluate the investment based on information outlined in various materials provided by you and provide you with a general outline of the basis upon which USAA would be willing to so acquire the Project.

A. Non-Binding Understandings. Within ten (10) business days after full execution of this letter of intent, USAA ("Purchaser") and Owner ("Seller") shall negotiate to reach a mutually satisfactory Purchase and Sale Agreement ("PSA") which shall address in more detail the terms set forth in this letter and such other terms as are agreed upon by Purchaser and Seller. The PSA shall include, without limitation the following:

| | |
|---|---|
| Purchase Price: | $293,870,000 ($322.09 per square foot) |
| Purchaser: | USAA Real Estate Company or its affiliate |
| Purchase Terms: | Cash to Seller |
| Financing Contingency: | None |
| Earnest Money: | Concurrent with execution and delivery of the PSA, Purchaser will deliver refundable earnest money in the amount of $1,500,000 to a mutually acceptable title company as escrow agent. In the event Purchaser elects to proceed with the transaction following the expiration of the due diligence period, another $1,500,000 in earnest money will be deposited with the escrow agent. Purchaser shall be the sole beneficiary of any interest earned thereon. |
| Due Diligence: | Thirty (30) days from the later of (i) execution and delivery of the PSA, or (ii) receipt of the due diligence materials to be provided by Seller under the PSA to allow Purchaser to conduct a thorough inspection of the physical and financial condition of the Project. |

Closing: Within twenty (20) days after completion of Due Diligence subject to satisfaction of all conditions to closing and other terms of the PSA.

B. Binding Understandings. This letter will constitute the legally binding and enforceable agreement of Seller and Purchaser with respect to the matters set forth below only:

Exclusive Dealings: During the period following the execution of this Letter of Intent through the execution of a PSA (which shall by contract preserve such exclusivity), Seller will not enter into an agreement, or commence negotiations, with respect to the sale, exchange or transfer of all or any part of the Project to any party other than Purchaser.

Confidentiality: Purchaser and Seller shall at all times keep this letter and the negotiations and subsequent agreements relating to the Project confidential, except (i) to the extent necessary to comply with applicable laws and regulations, and (ii) for consultation with either party's legal counsel, accountants and consultants. Any such disclosure to third parties shall indicate that the information is confidential and should be so treated by the third party. No press release or other public disclosure may be made by either party or any of its agents concerning this letter or the negotiations and subsequent agreements regarding the Project without the prior written consent of the other party.

This correspondence is intended only as an expression of interest and is not intended to be binding upon the parties, except with respect to the provisions contained herein above relating to Exclusive Dealings and Confidentiality. To the extent the parties agree to move forward with this transaction, the obligations of each party will be enumerated in the PSA and will be subject to the review and approval by the USAA Real Estate Investment Committee.

We look forward to working with you on this project, and should you desire to proceed with the negotiation of the PSA on the foregoing basis, please execute and return the enclosed counterpart of this letter on or before April 23, 2010.

Very truly yours,

Bruce C. Petersen
Executive Managing Director
USAA Real Estate Company

Accepted:

Company _____

By: _____

Name: _____

Title: _____

cc: T. Patrick Duncan
Sam Mitts
Steven Ames