

Meruelo Maddux Properties, Inc.
761 Terminal Street
Los Angeles, CA 90021

April 14, 2010

CB Richard Ellis
990 W 190th Street, Suite 100
Torrance, CA 90502
Attention: Kevin Shannon
kevin.shannon@cbre.com

Re: Golden State Portfolio
Ronald Reagan Bldg

Dear Clyde:

Meruelo Maddux Properties, Inc. ("MMPI") is pleased to submit this non-binding letter of intent to enter into an agreement for the purchase of the Junipero Sierra Building at the corner Spring and 3rd Street in downtown Los Angeles (the "Property"). The primary terms contemplated by MMPI are as follows:

Buyer:	A to-be-formed subsidiary of MMPI
Seller:	State of California
Purchase Price:	\$135,000,000
Property:	739,158 square foot Ronald Reagan Building occupied by the State of California
Due Diligence:	The purchase would be subject to Buyer's approval of the terms of the lease documents and contracts encumbering the Property, financial information related to the Property and the LLC and other due diligence information.
Confidentiality:	Each party shall keep the existence and terms of this letter of intent confidential except as necessary to carry out the intent expressed herein.

Golden State Portfolio, First Round

Seller and MMPI acknowledge that the proposal set forth in this letter is not binding, is not an offer or the acceptance of any offer, does not contain all of the material terms that are required in order to agree on the proposed purchase and sale transaction considered herein, and is intended solely as the basis for the preparation of a definitive purchase and sale agreement and related documents and negotiation of the remaining terms. Those definitive documents shall be subject to Seller's and Buyer's review and approval, and shall only bind the parties when fully executed and delivered by the parties.

Meruelo Maddux Properties, Inc.

State of California

By: s//Richard Meruelo
Richard Meruelo
Chairman & CEO

By: _____
Its: _____