



Commercial Real Estate:

Investments | Development | Syndication | Capital

3332 Spectrum, Irvine CA 92618

Cyrus Neek
SVP | Director of Acquisitions

T: 949-502-8888
F: 949-851-1122

Letter of Intent / Offer to Purchase

April 14, 2010

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

***Re: San Francisco Civic Center, 350 McAllister Street & 455 Golden Gate Avenue
San Francisco, California***

Dear Mr. Shannon:

The purpose of this Letter of Intent is to set forth the general terms and conditions under which Pacific Real Estate Group, a commercial real estate investment focus fund and/or assignee is interested in buying the above referenced property. The Buyer and Seller agree that the terms set forth below are not all of the material terms that need to be agreed to by them. There are additional material terms that the parties will negotiate as they complete the Purchase Agreement and Escrow Instructions. If the terms below stated are acceptable, it is our intention to negotiate the remaining material terms and complete a Purchase and Sale Agreement and Escrow Instructions within two (2) days of the date this Letter of Intent is ratified by the parties.

Purchase Price: \$275,000,000 (two hundred seventy five million dollars)

Earnest Deposit: \$1,500,000 (one million five hundred thousand dollars)

Down Payment: As needed by the lender

Contingencies:

Due Diligence (40 days): Buyer shall, following the execution of a formal Purchase Agreement and Escrow Instructions, and buyer's receipt of all books and records for the subject property conduct its due diligence and express approval with respect to the acquisition of the property. The following items will be made available to the buyer:

- A) Phase I & II Environmental Reports (if any)
- B) Preliminary Title Report
- C) Seller's Mandatory Disclosure forms and documents.



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- D) Copies of any and all Lease Agreements affecting the property
- E) Alta Survey (if any)
- F) Building Guarantees and Contract Agreements
- G) Operating Expenses including, common area expenses, association fees, taxes, CAM, utilities, and any other expenses.
- H) Full Copies of CC&R's
- I) Building and construction plans (if any)

Close of Escrow: The closing of the transaction contemplated herein shall take place on or before 20 days after the removal of contingencies.

Closing Costs: Seller and Buyer shall share all escrow and recording fees on an equal basis. Buyer shall pay for title insurance and any updates to environmental reports or surveys.

Escrow & Title: First American Title (The First American Corporation), Santa Ana, California, c/o Robert Benavente.

If you are in agreement with the general terms we have set forth, please so indicate by notifying our office with the contact information herein.

Thank you for your consideration in this matter.

Sincerely,

Cyrus Neek
Director of Acquisitions

Pacific Real Estate Group, a commercial real estate investment focus fund.

cc: Vogt, Resnick, Sherak, LLP
Attorneys at Law
4400 MacArthur Blvd., Ninth Floor
Newport Beach, CA 92658

KPMG, LLP
Audit, Tax, and Advisory
20 Pacifica
Irvine, CA 92618