



March 4, 1994

The Board of Directors  
Los Angeles Metropolitan Water District  
1111 West Sunset Boulevard  
Los Angeles, CA

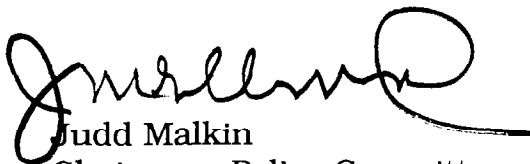
Dear Members of the Board:

The recent resignation of Vernon Schwartz as President and Chief Executive Officer of Catellus Development Corporation has given rise to speculation by the press and by some within the government and business communities about the company's intended direction and, more specifically, about its plans with regard to existing projects.

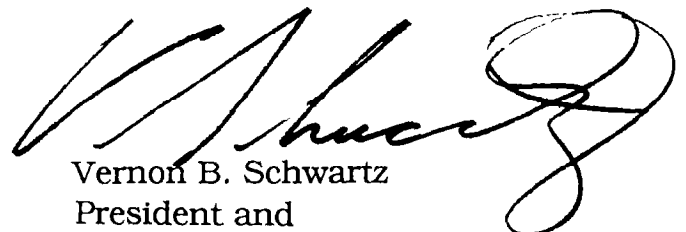
Accordingly, we consider it appropriate to express to you directly our company's continuing commitment to the Union Station project and, similarly, our intention and desire to complete the current round of focused negotiations with your representatives and reach an agreement to construct a new headquarters building for the MWD on our Union Station site. In this regard, we also wish to affirm our unqualified support for the work of Ted Tanner and Catellus Development Corporation's Los Angeles negotiating team.

Union Station is, and will continue to be, a cornerstone project for the future of Catellus Development Corporation. It is our home in Los Angeles, and we look forward to sharing it as neighbors with the MWD in the years to come.

Sincerely,

  
Judd Malkin  
Chairman, Policy Committee  
Board of Directors

Sincerely,

  
Vernon B. Schwartz  
President and  
Chief Executive Officer