

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 001-34789

Hudson Pacific Properties, Inc.
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

11601 Wilshire Blvd., Suite 1600
Los Angeles, California
(Address of principal executive offices)

27-1430478
(I.R.S. Employer
Identification Number)

90025
(Zip Code)

(310) 445-5700
(Registrant's telephone number, including area code)

(Former name, former address and
former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐ .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐ .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐

Accelerated filer ☒
Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒ .

The number of shares of common stock outstanding at November 1, 2012 was 47,220,023 .

Hudson Pacific Properties, Inc.

FORM 10-Q

September 30, 2012

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PART I—FINANCIAL INFORMATION

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2012	December 31, 2011
	(Unaudited)	
ASSETS		
REAL ESTATE ASSETS		
Land	\$ 464,693	\$ 368,608
Building and improvements	696,003	601,812
Tenant improvements	68,213	69,021
Furniture and fixtures	11,660	11,536
Property under development	19,080	9,527
Total real estate held for investment	1,259,649	1,060,504
Accumulated depreciation and amortization	(75,892)	(53,329)
Investment in real estate, net	1,183,757	1,007,175
Cash and cash equivalents	27,288	13,705
Restricted cash	10,697	9,521
Accounts receivable, net	8,833	8,963
Notes receivable	4,000	—
Straight-line rent receivables	14,047	10,801
Deferred leasing costs and lease intangibles, net	74,389	84,131
Deferred finance costs, net	6,331	5,079
Interest rate contracts	92	164
Goodwill	8,754	8,754
Prepaid expenses and other assets	6,630	4,498
TOTAL ASSETS	\$ 1,344,818	\$ 1,152,791
LIABILITIES AND EQUITY		
Notes payable	\$ 359,454	\$ 399,871
Accounts payable and accrued liabilities	22,882	12,469
Below-market leases	28,714	22,861
Security deposits	5,974	5,651
Prepaid rent	7,143	10,795
TOTAL LIABILITIES	424,167	451,647
6.25% series A cumulative redeemable preferred units of the Operating Partnership	12,475	12,475
EQUITY		
Hudson Pacific Properties, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 authorized; 8.375% series B cumulative redeemable preferred stock, \$25.00 liquidation preference, 5,800,000 shares and 3,500,000 shares outstanding at September 30, 2012 and December 31, 2011, respectively	145,000	87,500
Common Stock, \$0.01 par value 490,000,000 authorized, 47,219,875 shares and 33,840,854 shares outstanding at September 30, 2012 and December 31, 2011, respectively	472	338
Additional paid-in capital	730,783	552,043
Accumulated other comprehensive (loss) income	(1,283)	(883)
Accumulated deficit	(24,709)	(13,685)
Total Hudson Pacific Properties, Inc. stockholders' equity	850,263	625,313
Non-controlling common units in the Operating Partnership	57,913	63,356
TOTAL EQUITY	908,176	688,669
TOTAL LIABILITIES AND EQUITY	\$ 1,344,818	\$ 1,152,791

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues				
Office				
Rental	\$ 23,551	\$ 18,950	\$ 68,522	\$ 54,285
Tenant recoveries	4,969	6,206	15,942	16,130
Parking and other	2,545	1,580	7,103	5,989
Total office revenues	31,065	26,736	91,567	76,404
Media & entertainment				
Rental	6,075	5,188	17,331	16,260
Tenant recoveries	406	402	1,071	1,261
Other property-related revenue	4,476	4,579	10,797	11,092
Other	44	12	146	111
Total media & entertainment revenues	11,001	10,181	29,345	28,724
Total revenues	42,066	36,917	120,912	105,128
Operating expenses				
Office operating expenses	13,042	12,785	38,176	32,592
Media & entertainment operating expenses	6,934	6,123	17,993	17,073
General and administrative	4,157	2,844	12,822	9,052
Depreciation and amortization	13,582	11,036	39,422	33,023
Total operating expenses	37,715	32,788	108,413	91,740
Income from operations	4,351	4,129	12,499	13,388
Other expense (income)				
Interest expense	4,511	4,073	13,977	13,245
Interest income	(142)	(36)	(149)	(67)
Acquisition-related expenses	455	762	815	762
Other expenses (income)	(199)	133	(109)	368
	4,625	4,932	14,534	14,308
Net loss				
Less: Net income attributable to preferred stock and units	(274)	(803)	(2,035)	(920)
Less: Net income attributable to restricted shares	(3,231)	(2,027)	(9,693)	(6,081)
Less: Net income attributable to non-controlling interest in consolidated real estate entities	(69)	(53)	(226)	(177)
Less: Net income attributable to non-controlling interest in consolidated real estate entities	—	—	—	(803)
Add: Net loss attributable to common units in the Operating Partnership	179	211	704	698
Net loss attributable to Hudson Pacific Properties, Inc. common shareholders	\$ (3,395)	\$ (2,672)	\$ (11,250)	\$ (7,283)
Net loss attributable to common shareholders' per share - basic and diluted	\$ (0.07)	\$ (0.08)	\$ (0.28)	\$ (0.26)
Weighted average shares of common stock outstanding - basic and diluted	46,668,862	33,146,334	39,945,249	28,126,546
Dividends declared per common share	0.1250	0.1250	0.3750	0.3750

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net loss	\$ (274)	\$ (803)	\$ (2,035)	\$ (920)
Other comprehensive loss: cash flow hedge adjustment	(72)	(429)	(425)	(928)
Comprehensive loss	(346)	(1,232)	(2,460)	(1,848)
Less: Comprehensive income attributable to preferred stock and units	(3,231)	(2,027)	(9,693)	(6,081)
Less: Comprehensive income attributable to restricted shares	(69)	(53)	(226)	(177)
Less: Comprehensive (income) loss attributable to non-controlling interest in consolidated real estate entities	—	—	—	(803)
Less: Comprehensive loss attributable to common units in the Operating Partnership	183	242	729	773
Comprehensive loss attributable to Hudson Pacific Properties, Inc. shareholders	(3,463)	(3,070)	(11,650)	(8,136)

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(in thousands, except share and per share amounts)

Hudson Pacific Properties, Inc. Stockholders' Equity												
	Common Shares	Stock Amount	Series B Cumulative Redeemable Preferred Stock	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Deficit) Income	Non- controlling Interests — Common units in the Operating Partnership	Total Equity	Non- controlling Interests — Series A Cumulative Redeemable Preferred Units	Non- controlling Interests — Interests in Consolidated Entities		
Balance, January 1, 2011	22,436,950	\$ 224	\$ 87,500	\$ 411,598	\$ (3,482)	\$ 6	\$ 65,684	\$ 561,530	\$ 12,475	\$ 40,328		
Contributions				—				—				
Distributions				(452)				(452)		(41,131)		
Proceeds from sale of common stock, net of underwriters' discount	7,992,500	80		110,928				111,008				
Proceed from private placement	3,125,000	31		45,657				45,688				
Common stock issuance transaction costs				(1,283)				(1,283)				
Series B stock issuance transaction costs				(600)				(600)				
Issuance of restricted stock	37,917	1		(1)				—				
Forfeiture of restricted stock	(7,535)							—				
Shares repurchased	(12,378)							—				
Declared Dividend			(5,496)	(11,201)			(978)	(17,675)	(585)			
Amortization of stock based compensation				2,004				2,004				
Net income (loss)			5,496		(7,106)		(698)	(2,308)	585	\$ 803		
Cash Flow Hedge Adjustment						(853)	(75)	(928)				
Balance, September 30, 2011	33,572,454	\$ 336	\$ 87,500	\$ 556,650	\$ (10,588)	\$ (847)	\$ 63,933	\$ 696,984	\$ 12,475	\$ —		

Hudson Pacific Properties, Inc. Stockholders' Equity												
	Common Shares	Stock Amount	Series B Cumulative Redeemable Preferred Stock	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Deficit) Income	Non- controlling Interests — Common units in the Operating Partnership	Total Equity	Non- controlling Interests — Series A Cumulative Redeemable Preferred Units	Non- controlling Interests — Interests in Consolidated Entities		
Balance, January 1, 2012	33,840,854	\$ 338	\$ 87,500	\$ 552,043	\$ (13,685)	\$ (883)	\$ 63,356	\$ 688,669	\$ 12,475			
Proceeds from sale of common stock, net of underwriters' discount	13,225,000	132		190,666				190,798				
Common stock issuance transaction costs				(485)				(485)				
Issuance of Series B Cumulative Redeemable Preferred Stock			57,500					57,500				
Series B stock issuance transaction costs				(1,870)				(1,870)				
Issuance of unrestricted stock	5,472							—				
Issuance of restricted stock	21,567							—				
Shares repurchased	(28,896)			(503)				(503)				
Declared Dividend			(9,108)	(16,060)			(932)	(26,100)	(585)			
Amortization of stock based compensation				3,212				3,212				
Net income (loss)			9,108		(11,024)		(704)	(2,620)	585			
Cash Flow Hedge Adjustment						(400)	(25)	(425)				
Exchange of Non-controlling Interests — Common units in the Operating Partnership for common stock	155,878	2		3,780			(3,782)	—				
Balance, September 30, 2012	47,219,875	\$ 472	\$ 145,000	\$ 730,783	\$ (24,709)	\$ (1,283)	\$ 57,913	\$ 908,176	\$ 12,475			

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ (2,035)	\$ (920)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,422	33,023
Amortization of deferred financing costs and loan premium, net	876	747
Amortization of stock based compensation	3,198	2,004
Straight-line rent receivables	(3,246)	(2,247)
Amortization of above-market leases	2,736	2,482
Amortization of below-market leases	(5,091)	(2,847)
Amortization of lease incentive costs	68	384
Bad debt expense	489	865
Amortization of ground lease	185	204
Change in operating assets and liabilities:		
Restricted cash	(1,176)	(5,503)
Accounts receivable	(359)	(7,145)
Deferred leasing costs and lease intangibles	(3,679)	(2,867)
Prepaid expenses and other assets	(2,087)	(1,954)
Accounts payable and accrued liabilities	13,832	9,299
Security deposits	209	651
Prepaid rent	(3,652)	1,911
Net cash provided by operating activities	39,690	28,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment property	(13,667)	(10,147)
Property acquisitions	(184,297)	(57,162)
Acquisition of Notes receivable	(4,000)	—
Deposits for property acquisitions	—	(3,085)
Net cash used in investing activities	(201,964)	(70,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	93,000	277,500
Payments of notes payable	(132,844)	(354,521)
Proceeds from issuance of common stock	190,798	111,008
Proceeds from private placement of common stock	—	45,688
Common stock issuance transaction costs	(485)	(1,283)
Proceeds from issuance of Series B cumulative redeemable preferred stock	57,500	—
Series B stock issuance transaction costs	(1,870)	(600)
Dividends paid to common stock and unit holders	(16,992)	(12,179)
Dividends paid to preferred stock and unit holders	(9,693)	(6,081)
Distribution to members	—	(93)
Acquisition of non-controlling member in consolidated real estate entity	—	(41,131)
Repurchase of vested restricted stock	(503)	—
Payment of loan costs	(3,054)	(4,161)
Net cash provided by financing activities	175,857	14,147
Net increase in cash and cash equivalents	13,583	(28,160)
Cash and cash equivalents - beginning of period	13,705	48,875
Cash and cash equivalents - end of period	\$ 27,288	\$ 20,715
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 13,176	\$ 12,527
Supplemental schedule of noncash investing and financing activities		
Accounts payable and accrued liabilities for investment in property	\$ 3,411	\$ 1,701
Accounts payable and accrued liabilities for distributions to members	\$ —	\$ 359

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements
(Unaudited and in thousands, except square footage and share data or as otherwise noted)

1. Organization

Hudson Pacific Properties, Inc. (which is referred to in these financial statements as the “Company,” “we,” “us,” or “our”) is a Maryland corporation formed on November 9, 2009 that did not have any meaningful operating activity until the consummation of our initial public offering and the related acquisition of our predecessor and certain other entities on June 29, 2010 (“IPO”). Concurrently with the closing of our IPO, we combined with our predecessor and Howard Street Associates, LLC and acquired certain other entities.

We have determined that one of the entities comprising our predecessor, SGS Realty II, LLC, was the acquirer for accounting purposes in our formation transactions that occurred in connection with our IPO. In addition, we have concluded that any interests contributed by the controlling member of the other entities comprising our predecessor and Howard Street Associates, LLC in connection with our IPO was a transaction between entities under common control. As a result, the contribution of interests in each of these entities has been recorded at historical cost.

Since the completion of the IPO, the concurrent private placement, and the related formation transactions that occurred on June 29, 2010, we have been a fully integrated, self-administered, and self-managed real estate investment trust (“REIT”). Through our controlling interest in Hudson Pacific Properties, L.P. (our “Operating Partnership”) and its subsidiaries, we own, manage, lease, acquire and develop real estate, consisting primarily of office and media and entertainment properties. As of September 30, 2012, we owned a portfolio of 18 office properties and two media and entertainment properties. All of these properties are located in California. The results of operations for properties acquired after our IPO are included in our consolidated statements of operations from the date of each such acquisition.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The effect of all significant intercompany balances and transactions has been eliminated.

The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States may have been condensed or omitted pursuant to SEC rules and regulations, although we believe that the disclosures are adequate to make their presentation not misleading. The accompanying unaudited financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ended December 31, 2012. The interim financial statements should be read in conjunction with the consolidated financial statements in our 2011 Annual Report on Form 10-K and the notes thereto. Any reference to the number of properties and square footage are unaudited and outside the scope of our independent registered public accounting firm’s review of our financial statements in accordance with the standards of the United States Public Company Accounting Oversight Board.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate properties, its accrued liabilities, its performance-based equity compensation awards, and its qualification as a REIT. The Company bases its estimates on historical experience, current market conditions, and various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from these estimates.

Investment in Real Estate Properties

The properties are carried at cost less accumulated depreciation and amortization. The Company accounts for the cost

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

of an acquisition, including the assumption of liabilities, to the acquired tangible assets and identifiable intangible assets and liabilities based on their estimated fair values in accordance with GAAP. The Company assesses fair value based on estimated cash flow projections that utilize discount and/or capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions. The fair value of tangible assets of an acquired property considers the value of the property as if it was vacant.

Acquisition-related expenses associated with acquisition of operating properties are expensed in the period incurred.

The Company records acquired “above and below” market leases at fair value using discount rates that reflect the risks associated with the leases acquired. The amount recorded is based on the present value of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management’s estimate of fair market lease rates for each in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the extended term for any leases with below-market renewal options. Other intangible assets acquired include amounts for in-place lease values that are based on the Company’s evaluation of the specific characteristics of each tenant’s lease. Factors considered include estimates of carrying costs during hypothetical expected lease-up periods, market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes estimates of lost rents at market rates during the hypothetical expected lease-up periods, which are dependent on local market conditions. In estimating costs to execute similar leases, the Company considers leasing commissions, legal and other related costs.

The Company capitalizes direct construction and development costs, including predevelopment costs, interest, property taxes, insurance and other costs directly related and essential to the acquisition, development or construction of a real estate project. Indirect development costs, including salaries and benefits, office rent, and associated costs for those individuals directly responsible for and who spend all of their time on development activities are also capitalized and allocated to the projects to which they relate. Interest is capitalized on the construction in progress at a rate equal to the Company’s weighted average cost of debt. Construction and development costs are capitalized while substantial activities are ongoing to prepare an asset for its intended use. The Company considers a construction project as substantially complete and held available for occupancy upon the completion of tenant improvements, but no later than one year after cessation of major construction activity. Costs incurred after a project is substantially complete and ready for its intended use, or after development activities have ceased, are expensed as incurred. Costs previously capitalized related to abandoned acquisitions or developments are charged to earnings. Expenditures for repairs and maintenance are expensed as incurred.

The Company computes depreciation using the straight-line method over the estimated useful lives of a range of 39 years for building and improvements, 15 years for land improvements, 5 or 7 years for furniture and fixtures and equipment, and over the shorter of asset life or life of the lease for tenant improvements. Above- and below-market lease intangibles are amortized to revenue over the remaining non-cancellable lease terms and bargain renewal periods, if applicable. Other in-place lease intangibles are amortized to expense over the remaining non-cancellable lease term. Depreciation is discontinued when a property is identified as held for sale.

Impairment of Long-Lived Assets

The Company assesses the carrying value of real estate assets and related intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impairment losses are recorded on real estate assets held for investment when indicators of impairment are present and the future undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying amount. The Company recognizes impairment losses to the extent the carrying amount exceeds the fair value of the properties. Properties held for sale are recorded at the lower of cost or estimated fair value less cost to sell. The Company did not record any impairment charges related to its real estate assets and related intangibles during the nine months ended September 30, 2012 and 2011 . There are no properties held for sale at September 30, 2012 or December 31, 2011 .

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of net tangible and identifiable intangible assets acquired and liabilities assumed in business combinations. Our goodwill balance as of September 30, 2012 is \$8,754 . We do not amortize this asset but instead analyze it on an annual basis for impairment. No impairment indicators have been noted during the nine months ended September 30, 2012 and 2011 .

Cash and Cash Equivalents

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

Cash and cash equivalents are defined as cash on hand and in banks plus all short-term investments with a maturity of three months or less when purchased.

The Company maintains some of its cash in bank deposit accounts that, at times, may exceed the federally insured limit. No losses have been experienced related to such accounts.

Restricted Cash

Restricted cash consists of amounts held by lenders to provide for future real estate taxes and insurance expenditures, repairs and capital improvements reserves, general and other reserves and security deposits.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of amounts due for monthly rents and other charges. The Company maintains an allowance for doubtful accounts for estimated losses resulting from tenant defaults or the inability of tenants to make contractual rent and tenant recovery payments. The Company monitors the liquidity and creditworthiness of its tenants and operators on an ongoing basis. This evaluation considers industry and economic conditions, property performance, credit enhancements and other factors. For straight-line rent amounts, the Company's assessment is based on amounts estimated to be recoverable over the term of the lease. At September 30, 2012, the Company has reserved \$4 of straight-line receivables. The Company evaluates the collectability of accounts receivable based on a combination of factors. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Company's historical collection experience. The Company recognizes an allowance for doubtful accounts based on the length of time the receivables are past due, the current business environment and the Company's historical experience. Historical experience has been within management's expectations. The Company recognized \$489 and \$865 of bad debt expense for the nine months ended September 30, 2012 and 2011.

Notes Receivable

Notes receivable consist of a loan we acquired on August 14, 2012 from Jeffries LoanCore LLC in the amount of \$4.0 million. The borrower under the loan is WIP 3401 Expo BLVD Mezz, LLC ("WEBM"), which is the sole member of WIP 3401 Expo BLVD, LLC ("WEB"), the owner of that certain property located at 3401 Exposition Blvd. in Santa Monica, California. The property is an approximately 55,000 square foot office and industrial building currently being renovated for creative office uses. The loan is secured by, among other things, WEBM's membership interest in WEB, bears interest at the rate of LIBOR plus 1300 basis points (subject to a 100 basis points floor on LIBOR), and is scheduled to mature on June 9, 2014, subject to three one-year extension options. The interest recognized on this loan is included in interest income in the accompanying consolidated statements of operations. The carrying value of the loan approximates fair value as it was negotiated based upon fair value of loans with similar characteristics. The loan generated income of \$89 for the nine months ended September 30, 2012.

Revenue Recognition

The Company recognizes rental revenue from tenants on a straight-line basis over the lease term when collectability is reasonably assured and the tenant has taken possession or controls the physical use of the leased asset. If the lease provides for tenant improvements, the Company determines whether the tenant improvements, for accounting purposes, are owned by the tenant or the Company. When the Company is the owner of the tenant improvements, the tenant is not considered to have taken physical possession or have control of the physical use of the leased asset until the tenant improvements are substantially completed. When the tenant is the owner of the tenant improvements, any tenant improvement allowance that is funded is treated as a lease incentive and amortized as a reduction of revenue over the lease term. Tenant improvement ownership is determined based on various factors including, but not limited to:

- whether the lease stipulates how and on what a tenant improvement allowance may be spent;
- whether the tenant or landlord retains legal title to the improvements at the end of the lease term;
- whether the tenant improvements are unique to the tenant or general-purpose in nature; and
- whether the tenant improvements are expected to have any residual value at the end of the lease.

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

Certain leases provide for additional rents contingent upon a percentage of the tenant's revenue in excess of specified base amounts or other thresholds. Such revenue is recognized when actual results reported by the tenant, or estimates of tenant results, exceed the base amount or other thresholds. Such revenue is recognized only after the contingency has been removed (when the related thresholds are achieved), which may result in the recognition of rental revenue in periods subsequent to when such payments are received.

Other property-related revenue is revenue that is derived from the tenants' use of lighting, equipment rental, parking, power, HVAC and telecommunications (phone and internet). Other property-related revenue is recognized when these items are provided.

Tenant recoveries related to reimbursement of real estate taxes, insurance, repairs and maintenance, and other operating expenses are recognized as revenue in the period the applicable expenses are incurred. The reimbursements are recognized and presented gross, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier and bears the associated credit risk.

The Company recognizes gains on sales of properties upon the closing of the transaction with the purchaser. Gains on properties sold are recognized using the full accrual method when (i) the collectability of the sales price is reasonably assured, (ii) the Company is not obligated to perform significant activities after the sale, (iii) the initial investment from the buyer is sufficient and (iv) other profit recognition criteria have been satisfied. Gains on sales of properties may be deferred in whole or in part until the requirements for gain recognition have been met.

Deferred Financing Costs

Deferred financing costs are amortized over the term of the respective loan.

Derivative Financial Instruments

The Company manages interest rate risk associated with borrowings by entering into interest rate derivative contracts. The Company recognizes all derivatives on the consolidated balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and the changes in fair value are reflected as income or expense. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings, or recognized in other comprehensive income, which is a component of equity. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings.

The Company held two interest rate contracts as of September 30, 2012, which have been accounted for as cash flow hedges as more fully described in note 6 below. The Company held one interest rate contract at December 31, 2011, which has been accounted for as a cash flow hedge as more fully described in footnote 6 below.

Stock Based Compensation

Accounting Standard Codification, or ASC, Topic 718, *Compensation—Stock Compensation* (referred to as ASC Topic 718 and formerly known as FASB 123R), requires us to recognize an expense for the fair value of equity-based compensation awards. Grants of stock options, restricted stock, restricted stock units and performance units under our equity incentive award plans are accounted for under ASC Topic 718. Our compensation committee will regularly consider the accounting implications of significant compensation decisions, especially in connection with decisions that relate to our equity incentive award plans and programs.

Income Taxes

Our taxable income prior to the completion of our IPO is reportable by the members of the limited liability companies that comprise our predecessor. Our property-owning subsidiaries are limited liability companies and are treated as pass-through entities for income tax purposes. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements for the activities of these entities.

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") commencing with our initial taxable year. To qualify as a REIT, we are required to distribute at least 90% of our REIT taxable income to our stockholders and meet the various other requirements imposed by the Code relating to such matters as operating

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

results, asset holdings, distribution levels and diversity of stock ownership. Provided we qualify for taxation as a REIT, we are generally not subject to corporate level income tax on the earnings distributed currently to our stockholders that we derive from our REIT qualifying activities. If we fail to qualify as a REIT in any taxable year, and are unable to avail ourselves of certain savings provisions set forth in the Code, all of our taxable income would be subject to federal income tax at regular corporate rates, including any applicable alternative minimum tax.

We have elected, together with one of our subsidiaries, to treat such subsidiary as a taxable REIT subsidiary (“TRS”) for federal income tax purposes. Certain activities that we undertake must be conducted by a TRS, such as non-customary services for our tenants, and holding assets that we cannot hold directly. A TRS is subject to federal and state income taxes.

The Company is subject to the statutory requirements of the state in which it conducts business.

The Company periodically evaluates its tax positions to evaluate whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of September 30, 2012, the Company has not established a liability for uncertain tax positions.

Fair Value of Assets and Liabilities

Under GAAP, the Company is required to measure certain financial instruments at fair value on a recurring basis. In addition, the Company is required to measure other financial instruments and balances at fair value on a non-recurring basis (e.g., carrying value of impaired real estate and long-lived assets). Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The GAAP fair value framework uses a three-tiered approach. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3: prices or valuation techniques where little or no market data is available that requires inputs that are both significant to the fair value measurement and unobservable.

When available, the Company utilizes quoted market prices from an independent third-party source to determine fair value and classifies such items in Level 1 or Level 2. In instances where the market for a financial instrument is not active, regardless of the availability of a nonbinding quoted market price, observable inputs might not be relevant and could require the Company to make a significant adjustment to derive a fair value measurement. Additionally, in an inactive market, a market price quoted from an independent third party may rely more on models with inputs based on information available only to that independent third party. When the Company determines the market for a financial instrument owned by the Company to be illiquid or when market transactions for similar instruments do not appear orderly, the Company uses several valuation sources (including internal valuations, discounted cash flow analysis and quoted market prices) and establishes a fair value by assigning weights to the various valuation sources.

Changes in assumptions or estimation methodologies can have a material effect on these estimated fair values. In this regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, may not be realized in an immediate settlement of the instrument.

The Company considers the following factors to be indicators of an inactive market: (i) there are few recent transactions, (ii) price quotations are not based on current information, (iii) price quotations vary substantially either over time or among market makers (for example, some brokered markets), (iv) indexes that previously were highly correlated with the fair values of the asset or liability are demonstrably uncorrelated with recent indications of fair value for that asset or liability, (v) there is a significant increase in implied liquidity risk premiums, yields, or performance indicators (such as delinquency rates or loss severities) for observed transactions or quoted prices when compared with the Company’s estimate of expected cash flows, considering all available market data about credit and other nonperformance risk for the asset or liability, (vi) there is a wide bid-ask spread or significant increase in the bid-ask spread, (vii) there is a significant decline or absence of a market for new issuances (that is, a primary market) for the asset or liability or similar assets or liabilities, and (viii) little information

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

is released publicly (for example, a principal-to-principal market).

The Company considers the following factors to be indicators of non-orderly transactions: (i) there was not adequate exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities under current market conditions, (ii) there was a usual and customary marketing period, but the seller marketed the asset or liability to a single market participant, (iii) the seller is in or near bankruptcy or receivership (that is, distressed), or the seller was required to sell to meet regulatory or legal requirements (that is, forced), and (iv) the transaction price is an outlier when compared with other recent transactions for the same or similar assets or liabilities.

The Company's interest rate contract agreements are classified as Level 2 and their fair value is derived from estimated values obtained from observable market data for similar instruments.

As of September 30, 2012, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Amount
Interest Rate Caps	2	\$92.0 million

Non-designated Hedges

For the nine months ended September 30, 2012 and 2011, all of the Company's derivatives were designated as cash flow hedges.

Tabular Disclosure of Fair Values of Derivative Instruments on the Balance Sheet

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Balance Sheet as of September 30, 2012 and December 31, 2011.

	Asset Derivatives			Liability Derivative		
	Fair Value as of			Fair Value as of		
	Balance Sheet Location	September 30, 2012	December 31, 2011	Balance Sheet Location	September 30, 2012	December 31, 2011
Derivatives designated as hedging instruments:						
Interest rate products	Interest rate contracts	\$ 92	\$ 164	Interest rate contracts	—	—
Total		\$ 92	\$ 164		—	—

Tabular Disclosure of the Effect of Derivative Instruments on the Income Statement

The tables below present the effect of the Company's derivative financial instruments on the Statement of Operations for the nine months ended September 30, 2012 and 2011.

	Nine Months Ended September 30,	
	2012	2011
Beginning Balance of OCI related to interest rate contracts	1,036	70
Unrealized Loss Recognized in OCI Due to Change in Fair Value of interest rate contracts	436	1,003
Loss Reclassified from OCI into Income (as Interest Expense)	(11)	(75)
Net Change in OCI	425	928
Ending Balance of Accumulated OCI Related to Derivatives	1,461	998

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

Credit-risk-related Contingent Features

As of September 30, 2012, the Company did not have any derivatives that were in a net liability position.

Recently Issued Accounting Literature

Changes to GAAP are established by the FASB in the form of ASUs. We consider the applicability and impact of all ASUs. Recently issued ASUs not listed below are not expected to have a material impact on our consolidated financial position and results of operations, because either the ASU is not applicable or the impact is expected to be immaterial.

In June 2011, the FASB issued Accounting Standard Update (ASU) No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. This ASU requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, which for the Company means the first quarter of 2012. The Company adopted this guidance in the first quarter of 2012 and it did not have an effect on its financial position or results of operations as it only affected presentation.

3. Investment in Real Estate

During 2011, we acquired the 604 Arizona property, the 275 Brannan property, the 625 Second Street property, the 6922 Hollywood Boulevard property, and the 6050 Ocean Way/1445 N. Beachwood property. The results of operations for each of these acquisitions are included in our consolidated statements of operations from the date of acquisition. The following table represents our purchase price allocation for these acquisitions:

	604 Arizona	275 Brannan	625 Second Street	6922 Hollywood Boulevard	6050 Ocean Way/1445 N. Beachwood	
<u>Date of Acquisition</u>	<u>July 26, 2011</u>	<u>August 19, 2011</u>	<u>September 1, 2011</u>	<u>November 22, 2011</u>	<u>December 12, 2011</u>	<u>Total</u>
Consideration paid						
Cash consideration	\$ 21,373	\$ 12,370	\$ 23,419	\$ 50,555	\$ 6,502	\$ 114,219
Debt Assumed	—	—	33,700	42,247	—	75,947
Total consideration	\$ 21,373	\$ 12,370	\$ 57,119	\$ 92,802	\$ 6,502	\$ 190,166
Allocation of consideration paid						
Investment in real estate, net	20,366	12,250	53,394	88,999	6,916	181,925
Above-market leases	—	—	465	2,571	—	3,036
Leases in-place	1,121	—	2,799	4,767	—	8,687
Other lease intangibles	117	—	1,286	2,028	—	3,431
Fair market unfavorable debt value	—	—	(490)	(1,600)	—	(2,090)
Below-market leases	(104)	—	(1,054)	(4,265)	(416)	(5,839)
Other (liabilities) asset assumed, net	(127)	120	719	302	2	1,016
Total consideration paid	\$ 21,373	\$ 12,370	\$ 57,119	\$ 92,802	\$ 6,502	\$ 190,166

In addition, we acquired a 51% joint venture interest in the Rincon Center property on December 16, 2010. On April 29, 2011 we acquired the remaining 49% interest in the Rincon Center property for approximately \$38.7 million (before closing costs and prorations).

During 2012, we acquired the 10900 Washington property, the 901 Market Street property, the Olympic Bundy property and the 1455 Gordon Street property. The results of operations for each of these acquisitions are included in our consolidated statements of operations from the date of acquisition. The following table represents our purchase price allocation for each of these acquisitions:

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

	10900 Washington	901 Market	Olympic Bundy	1455 Gordon Street	
<u>Date of Acquisition</u>	<u>April 5, 2012</u>	<u>June 1, 2012</u>	<u>September 5, 2012</u>	<u>September 21, 2012</u>	<u>Total</u>
Consideration paid					
Cash consideration	\$ 2,605	\$ 90,871	\$ 88,436	\$ 2,385	\$ 184,297
Debt Assumed	—	—	—	—	—
Total consideration	<u>\$ 2,605</u>	<u>\$ 90,871</u>	<u>\$ 88,436</u>	<u>\$ 2,385</u>	<u>\$ 184,297</u>
Allocation of consideration paid					
Investment in real estate, net	2,600	97,187	88,024	2,384	190,195
Above-market leases	—	—	—	—	—
Leases in-place	—	2,968	1,325	96	4,389
Other lease intangibles	—	548	46	22	616
Fair market unfavorable debt value	—	—	—	—	—
Below-market leases	—	(10,249)	(666)	(27)	(10,942)
Other (liabilities) asset assumed, net	5	417	(293)	(90)	39
Total consideration paid	<u>\$ 2,605</u>	<u>\$ 90,871</u>	<u>\$ 88,436</u>	<u>\$ 2,385</u>	<u>\$ 184,297</u>

The table below shows the pro forma financial information for the nine months ended September 30, 2012 and 2011 as if these properties had been acquired as of January 1, 2011 .

	<u>Nine Months Ended September 30,</u>	
	<u>2012</u>	<u>2011</u>
Total revenues	\$ 128,609	\$ 128,681
Net loss	<u>\$ (1,638)</u>	<u>\$ 602</u>

4. Lease Intangibles

The following summarizes our deferred leasing cost and lease intangibles as of:

	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Above-market leases	\$ 18,440	\$ 18,748
Lease in-place	56,840	53,876
Below-market ground leases	7,513	7,513
Other lease intangibles	29,305	29,245
Lease commissions	642	642
Deferred leasing costs	10,612	7,988
	<u>123,352</u>	<u>118,012</u>
Accumulated amortization	(48,963)	(33,881)
Deferred leasing costs and lease intangibles, net	<u>\$ 74,389</u>	<u>\$ 84,131</u>
Below-market leases	40,966	30,418
Accumulated accretion	(12,252)	(7,557)
Acquired lease intangible liabilities, net	<u>\$ 28,714</u>	<u>\$ 22,861</u>

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

5. Notes Payable

Senior Unsecured Revolving Credit Facility

On August 3, 2012, we replaced our \$200.0 million secured revolving credit facility with a \$250.0 million unsecured revolving credit facility with a group of lenders for which Wells Fargo Bank, N.A. acts as administrative agent and its affiliate acts as joint lead arranger, Bank of America, N.A. acts as joint lead arranger and, together with Barclays Capital, acts as joint syndication agent, and Keybank, N.A., acts as documentation agent. Our Operating Partnership is the borrower under our new unsecured revolving credit facility. The facility is required to be guaranteed by us and all of our subsidiaries that own unencumbered properties. The facility includes an accordion feature that allows us to increase the availability by \$150.0 million, to \$400.0 million, under specified circumstances and subject to receiving commitments from lenders.

Our facility bears interest at a rate per annum equal to LIBOR plus 155 basis points to 220 basis points, depending on our leverage ratio. If the Company obtains a credit rating for its senior unsecured long term indebtedness, it may make an irrevocable election to change the interest rate for the facility to a rate per annum equal to LIBOR plus 100 basis points to 185 basis points, depending on the credit rating. Our facility is subject to a facility fee in an amount equal to our unused commitments multiplied by a rate per annum equal to 25 basis points to 35 basis points, depending on our usage of the facility, or, if we make the credit rating election, in an amount equal to the aggregate amount of our commitments multiplied by a rate per annum equal to 15 basis points to 45 basis points, depending upon the credit rating. The amount available for us to borrow under the facility is subject to compliance with certain covenants, including the following financial covenants:

- a maximum leverage ratio (defined as consolidated total indebtedness plus our pro rata share of indebtedness of unconsolidated affiliates to total asset value) of 0.60 :1.00;
- a minimum fixed charge coverage ratio (defined as consolidated earnings before interest, taxes, depreciation and amortization (“EBITDA”) plus our pro rata share of EBITDA of unconsolidated affiliates to fixed charges) of 1.50 :1.00;
- a maximum secured indebtedness leverage ratio (defined as consolidated secured indebtedness plus our pro rata share of secured indebtedness of unconsolidated affiliates to total asset value) of 0.60 :1.00 through and including August 3, 2014 and 0.55 :1.00 thereafter;
- a maximum unencumbered leverage ratio (defined as consolidated unsecured indebtedness plus our pro rata share of unsecured indebtedness of unconsolidated affiliates to total unencumbered asset value) of 0.60 :1.00;
- a minimum unsecured interest coverage ratio (defined as consolidated net operating income from unencumbered properties plus our pro rata share of net operating income from unencumbered properties to unsecured interest expense) of 1.60 :1.00; and
- a maximum recourse debt ratio (defined as recourse indebtedness other than indebtedness under the revolving credit facility but including unsecured lines of credit to total asset value) of 0.15 :1.00.

In addition to these covenants, the facility also includes certain limitations on dividend payouts and distributions, limits on certain types of investments outside of our primary business, and other customary affirmative and negative covenants. Our ability to borrow under the facility is subject to continued compliance with these covenants.

As of September 30, 2012, we were in compliance with our facility's financial covenants. As of September 30, 2012, we had approximately \$202.2 million of total capacity under our credit facility, of which \$10.0 million had been drawn.

The following table sets forth information as of September 30, 2012 with respect to our outstanding indebtedness.

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

Debt	Outstanding		Interest Rate ⁽¹⁾	Maturity Date
	September 30, 2012	December 31, 2011		
Unsecured Revolving Credit Facility	\$ 10,000	\$ 121,000	LIBOR+1.55% to 2.20%	8/3/2016
Mortgage loan secured by 625 Second Street ⁽²⁾	33,700	33,700	5.85%	2/1/2014
Mortgage loan secured by 6922 Hollywood Boulevard ⁽³⁾	41,536	42,174	5.58%	1/1/2015
Mortgage loan secured by Sunset Gower/Sunset Bronson ⁽⁴⁾	92,000	92,000	LIBOR+3.50%	2/11/2016
Mortgage loan secured by Rincon Center ⁽⁵⁾	108,014	109,032	5.134%	5/1/2018
Mortgage loan secured by First Financial ⁽⁶⁾	43,000	—	4.58%	2/1/2022
Mortgage loan secured by 10950 Washington ⁽⁷⁾	29,812	—	5.316%	3/11/2022
Subtotal	\$ 358,062	\$ 397,906		
Unamortized loan premium, net ⁽⁸⁾	1,392	1,965		
Total	\$ 359,454	\$ 399,871		

(1) Interest rate with respect to indebtedness is calculated on the basis of a 360 -day year for the actual days elapsed, excluding the amortization of loan fees and costs.

(2) This loan was assumed on September 1, 2011 in connection with the closing of our acquisition of the 625 Second Street property.

(3) This loan was assumed on November 22, 2011 in connection with the closing of our acquisition of the 6922 Hollywood Boulevard property.

(4) On February 11, 2011, we closed a five -year term loan totaling \$92 million with Wells Fargo Bank, N.A., secured by our Sunset Gower and Sunset Bronson media and entertainment properties. The loan bears interest at a rate equal to one-month LIBOR plus 3.50% . \$37.0 million of the loan was subject to an interest rate contract, which swaps one-month LIBOR to a fixed rate of 0.75% through April 30, 2011. On March 16, 2011, we purchased an interest rate cap in order to cap one-month LIBOR at 3.715% with respect to \$50.0 million of the loan through its maturity on February 11, 2016. On January 11, 2012 we purchased an interest rate cap in order to cap one-month LIBOR at 2.00% with respect to \$42.0 million of the loan through its maturity on February 11, 2016. Beginning with the payment due February 1, 2014, monthly debt service will include principal payments based on a 30 -year amortization schedule, for total annual debt amortization of \$1,113 .

(5) On April 29, 2011, we closed a seven-year term loan totaling \$110.0 million with JPMorgan Chase Bank, National Association, secured by our Rincon Center property. The loan bears interest at a fixed annual rate of 5.134% .

(6) On January 19, 2012 we closed a 10 -year term loan totaling \$43.0 million with PNC Bank, National Association secured by our First Financial Plaza property. The loan bears interest at a fixed annual rate of 4.58% and will mature on February 1, 2022. The loan bears interest only for the first two years. Beginning with the payment due March 1, 2014, monthly debt service will include principal payments based on a 30 -year amortization schedule, for total annual debt service of \$2,639 .

(7) On February 11, 2012, we closed a 10 -year term loan totaling \$30.0 million with Cantor Commercial Real Estate Lending, L.P., secured by our 10950 Washington property. The loan bears interest at a fixed annual rate of 5.316% and will mature on March 11, 2022.

(8) Represents unamortized amount of the non-cash mark-to-market adjustment on debt associated with 625 Second Street and 6922 Hollywood Boulevard.

The Company presents its financial statements on a consolidated basis. Notwithstanding such presentation, except to the extent expressly indicated, such as in the case of the project financing for our Sunset Gower and Sunset Bronson properties, our separate property owning subsidiaries are not obligors of or under the debt of their respective affiliates and each property owning subsidiary's separate liabilities do not constitute obligations of its respective affiliates.

The minimum future annual principal payments due on our secured and unsecured notes payable at September 30, 2012 , excluding the non-cash loan premium amortization, were as follows (in thousands) :

2012 (three months ending December 31, 2012)	\$ 753
2013	12,962
2014	38,787
2015	43,569
2016	92,481
2017	3,268
Thereafter	166,242
Total	\$ 358,062

6. Interest Rate Contracts

On February 11, 2011, we closed a five -year term loan totaling \$92.0 million with Wells Fargo Bank, N.A., secured by

our Sunset Gower and Sunset Bronson media and entertainment campuses. The loan bears interest at a rate equal to one-month LIBOR plus 3.50% . On March 16, 2011, we purchased an interest rate cap in order to cap one-month LIBOR at 3.715% on \$50.0 million of the loan through its maturity on February 11, 2016. On January 11, 2012 we purchased an interest rate cap in order to cap one-month LIBOR at 2.00% with respect to \$42.0 million of the loan through its maturity on February 11, 2016. We designated both of these interest rate cap contracts as a cash flow hedge for accounting purposes.

The combined fair market value of the interest rate caps at September 30, 2012 and December 31, 2011 was \$92 and \$164 , respectively.

7. Future Minimum Base Rents and Lease Payments Future Minimum Rents

Our properties are leased to tenants under operating leases with initial term expiration dates ranging from 2012 to 2020. Approximate future combined minimum rentals (excluding tenant reimbursements for operating expenses and without regard to cancellation options) for properties at September 30, 2012 are as follows for the years/periods ended December 31. The table does not include rents under leases at our media and entertainment properties with terms of one year or less.

2012 (three months ending December 31, 2012)	\$	21,408
2013		85,274
2014		76,512
2015		72,170
2016		67,223
2017		51,156
Thereafter		100,505
Total future minimum rents	\$	474,248

Future Minimum Lease Payments

In conjunction with the acquisition of the Sunset Gower property, our subsidiary, SGS Realty II, LLC, assumed a ground lease agreement (expiring March 31, 2060) for a portion of the land with an unrelated party. The rental rate is subject to adjustment in March 2011 and every seven years thereafter. As a result of the March 2011 rent adjustment, monthly rent increased to \$31 , whereas the monthly rent totaled \$14 at the time of acquisition.

In conjunction with the acquisition of the Del Amo Office building, our subsidiary, Hudson Del Amo Office, LLC, assumed a ground sublease (expiring June 30, 2049) with an unrelated party. Rent under the ground sublease is \$1.00 per year, with the sublessee being responsible for all impositions, insurance premiums, operating charges, maintenance charges, construction costs and other charges, costs and expenses that arise or may be contemplated under any provisions of the ground sublease.

In conjunction with the acquisition of the 9300 Wilshire Boulevard building, our subsidiary, Hudson 9300 Wilshire, LLC, assumed a ground lease (expiring August 14, 2032) with an unrelated party. Minimum rent under the ground lease is \$75 per year (additional rent under this lease of 6% of gross rentals less minimum rent, as defined in such lease, is not included in this amount).

In conjunction with the acquisition of the 222 Kearny Street building, our subsidiary, Hudson 222 Kearny, LLC, assumed a ground lease (expiring June 14, 2054) with an unrelated party. Minimum rent under the ground lease is the greater of \$975 per year or 20.0% of the first \$8,000 of the tenant's "Operating Income" during any "Lease Year," as such terms are defined in the ground lease. The chart below reflects the \$975 per year lease payment.

The following table provides information regarding our future minimum lease payments at September 30, 2012 under these lease agreements.

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2012 (three months ending December 31, 2012)	\$	354
2013		1,417
2014		1,417
2015		1,417
2016		1,417
2017		1,417
Thereafter		52,242
Total future minimum rents	\$	59,681

8. Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, receivables, payables, and accrued liabilities are reasonable estimates of fair value because of the short-term maturities of these instruments. Fair values for notes payable are estimates based on rates currently prevailing for similar instruments of similar maturities using Level 2 instruments. The estimated fair values of interest-rate contract/cap arrangements were derived from estimated values based on observable market data for similar instruments.

	September 30, 2012		December 31, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Notes payable	\$ 359,454	\$ 364,335	\$ 399,871	\$ 404,144
Derivative assets, disclosed as “Interest rate contracts”	92	92	164	164

9. Equity

Non-controlling Interests

Common units in the Operating Partnership

Common units in the operating partnership consisted of 2,455,063 common units of partnership interests, or common units, not owned by us. Common units and shares of our common stock have essentially the same economic characteristics as they share equally in the total net income or loss distributions of our operating partnership. Investors who own common units have the right to cause our operating partnership to redeem any or all of their common units for cash equal to the then-current market value of one share of common stock, or, at our election, shares of our common stock on a one-for-one basis. In February 2012, one of our common unit holders required us to redeem 155,878 common units and we elected to issue 155,878 shares of our common stock to satisfy the redemption, at which time our outstanding common units decreased from 2,610,941 common units outstanding to the current 2,455,063 common units outstanding, with a corresponding increase to our outstanding common stock as of the date of such redemption, as reflected in the table below.

Redeemable non-controlling interest in consolidated real estate entity

Redeemable non-controlling interest in consolidated real estate entity relates to a joint venture relationship with an affiliate of Beacon Capital Partners (“Beacon”), an unrelated third party, in the Rincon Center property. We acquired a 51% interest in a 585,000 square foot commercial space owned by Beacon as described in note 3. We had a call right and Beacon had a put right that, if exercised, obligated us to make an additional investment to acquire the remaining 49% interest in the Rincon Center joint venture in the second quarter of 2011. On February 24, 2011, we exercised the call right and completed the acquisition of Beacon’s 49% interest on April 29, 2011 for a purchase price of \$38.7 million (before closing costs and prorations).

6.25% series A cumulative redeemable preferred units of the Operating Partnership

6.25% series A cumulative redeemable preferred units of the Operating Partnership are 499,014 series A preferred units of partnership interest in our operating partnership, or series A preferred units, that are not owned by us. These series A preferred units are entitled to preferential distributions at a rate of 6.25% per annum on the liquidation preference of \$25.00 per unit and are convertible at the option of the holder into common units or redeemable into cash or, at our option, exchangeable

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

for registered shares of common stock, in each case after June 29, 2013. For a description of the conversion and redemption rights of the series A preferred units, please see “Description of the Partnership Agreement of Hudson Pacific Properties, L.P. — Material Terms of Our Series A Preferred Units” in our June 23, 2010 Prospectus.

8.375% Series B Cumulative Redeemable Preferred Stock

8.375% series B cumulative redeemable preferred stock are 5,800,000 shares of 8.375% preferred stock, with a liquidation preference of \$25.00 per share, \$0.01 par value per share. In December 2010 we completed the public offering of 3,500,000 share of our series B preferred stock (including 300,000 shares of series B preferred stock issued and sold pursuant to the exercise of the underwriters’ over-allotment option in part). Total proceeds from the offering, after deducting underwriting discount, were approximately \$83.9 million (before transaction costs). On January 23, 2012, we completed the public offering of 2,300,000 of our series B cumulative preferred stock (including 300,000 shares of series B preferred stock issued and sold pursuant to the exercise of the underwriters’ over-allotment option in full). Total proceeds from the offering, after deducting underwriting discount, were approximately \$57.5 million (before transaction costs).

Dividends on our series B preferred stock are cumulative from the date of original issue and payable quarterly on or about the last calendar day of each March, June, September and December, at the rate of 8.375% per annum of its \$25.00 per share liquidation preference (equivalent to \$2.0938 per share per annum). If following a change of control of the Company, either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the New York Stock Exchange, or NYSE, or quoted on the NASDAQ Stock Market, or NASDAQ (or listed or quoted on a successor exchange or quotation system), holders of our series B preferred stock will be entitled to receive cumulative cash dividends from, and including, the first date on which both the change of control occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted, at the increased rate of 12.375% per annum per share of the liquidation preference of our series B preferred stock (equivalent to \$3.09375 per annum per share) for as long as either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted. Except in instances relating to preservation of our qualification as a REIT or in connection with a change of control of the Company, our series B preferred stock is not redeemable prior to December 10, 2015. On and after December 10, 2015, we may redeem our series B preferred stock in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If at any time following a change of control either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the NYSE or quoted on NASDAQ (or listed or quoted on a successor exchange or quotation system), we will have the option to redeem our series B preferred stock, in whole but not in part, within 90 days after the first date on which both the change of control has occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted, for cash at \$25.00 per share, plus accrued and unpaid dividends, if any, to, but not including, the redemption date. Our series B preferred stock has no maturity date and will remain outstanding indefinitely unless redeemed by us, and it is not subject to any sinking fund or mandatory redemption and is not convertible into any of our other securities. For a full description of the Series B cumulative redeemable preferred stock, please see “Description of our Preferred Stock” in our December 7, 2010 Prospectus.

May 2011 Secondary Common Stock Offering and Private Placement

On May 3, 2011, we completed the public offering of 6,950,000 shares of common stock and the exercise of the underwriters’ over-allotment option to purchase an additional 1,042,500 shares of our common stock at the public offering price of \$14.62 per share. We also completed the private placement of 3,125,000 shares to investment funds affiliated with Farallon Capital Management, L.L.C., at the same price.

Total proceeds from the public offering and the concurrent private placement, after underwriters’ discount, were approximately \$156.7 million (before transaction costs). Of the total, approximately \$96.5 million was from the public offering of common stock, approximately \$14.5 million was from the exercise of the over-allotment option and approximately \$45.7 million was from the private placement investment.

May 2012 Common Stock Offering

On May 18, 2012, we completed the public offering of 13,225,000 shares of common stock and the exercise of the

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

underwriters' over-allotment option to purchase an additional 1,725,000 shares of our common stock at the public offering price of \$ 15.00 per share. Funds affiliated with Farallon Capital Management, L.L.C. acquired 2,000,000 of the shares of common stock offered in this offering.

Total proceeds from the public offering, after underwriters' discount, were approximately \$190.8 million (before transaction costs).

February 2012 Exchange of Common Units for Common Stock

The table below represents the net income attributable to common stockholders and transfers from non-controlling interest (in thousands) for the nine months ended :

	September 30,	
	2012	2011
Net income (loss) attributable to Hudson Pacific Properties, Inc.	\$ (1,916)	\$ (1,610)
Transfers from the non-controlling interests:		
Increase in common stockholders additional paid-in capital for exchange of operating partnership units	3,780	—
Change from net income (loss) attributable to common stockholders and transfer from non-controlling interests	\$ 1,864	\$ (1,610)

Dividends

During the third quarter for 2012 , we declared dividends on our common stock and non-controlling common partnership interests of \$0.125 per share and unit. We also declared dividends on our series A preferred partnership interests of \$0.3906 per unit. In addition, we declared dividends on our series B preferred shares of \$0.5234 per share. The third quarter dividends were declared on September 10, 2012 to holders of record on September 20, 2012 .

Taxability of Dividends

Earnings and profits, which determine the taxability of distributions to stockholders, may differ from income reported for financial reporting purposes due to the differences for federal income tax purposes in the treatment of loss on extinguishment of debt, revenue recognition, and compensation expense and in the basis of depreciable assets and estimated useful lives used to compute depreciation.

Stock-Based Compensation

The Board of Directors awards restricted shares to non-employee board members on an annual basis as part of such board members' annual compensation and to newly elected non-employee board members in accordance with our Board of Directors compensation program. The share-based awards are generally issued in the second quarter, and the individual share awards vest in equal annual installments over the applicable service vesting period, which will be three years .

In addition, the Board of Directors awards restricted shares to employees on an annual basis as part of the employees' annual compensation. The share-based awards are generally issued in the fourth quarter, and the individual share awards vest in equal annual installments over the applicable service vesting period, which will be three years .

The following table summarizes the restricted share activity for the nine months ended September 30, 2012 and status of all unvested restricted share awards, to our non-employee board members and employees at September 30, 2012 :

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

	<u>Non-vested Shares</u>		<u>Weighted-Average Grant-Date Fair Value</u>	
	Shares			
Outstanding at January 1, 2012	628,666	\$	14.93	
Granted	21,567		16.23	
Vested	(95,895)		16.86	
Canceled	—		—	
Outstanding at September 30, 2012	554,338	\$	14.65	

Nine Months Ended September 30,	Non-Vested shares issued	Weighted average grant - dated fair value		Vested Shares	Total Vest-Date fair value (in thousands)	
2012	21,567	\$	16.23	(95,895)	\$	1,707
2011	31,257 ⁽¹⁾		15.20	(88,237)		1,364

(1) Amount includes 1,653 shares canceled during nine months ended September 30, 2011.

We recognize the total compensation expense for time-vested shares on a straight-line basis over the vesting period based on the fair value of the award on the date of grant.

Hudson Pacific Properties, Inc. 2012 Outperformance Program

On January 1, 2012, the Compensation Committee of our Board of Directors adopted the Hudson Pacific Properties, Inc. 2012 Outperformance Program, or the 2012 Outperformance Program. Participants in the 2012 Outperformance Program may earn, in the aggregate, up to \$10.0 million of stock-settled awards based on our total shareholder return (“TSR”) for the three -year period beginning January 1, 2012 and ending December 31, 2014. Under the 2012 Outperformance Program, participants will be entitled to share in a performance pool with a value, subject to the \$10.0 million cap, equal to the sum of: (i) 4% of the amount by which our TSR during the performance period exceeds 9% simple annual TSR (“the absolute TSR component”), plus (ii) 4% of the amount by which our TSR during the performance period exceeds that of the SNL Equity REIT Index over the performance period (“the relative TSR component”), except that the relative TSR component will be reduced on a linear basis from 100% to 0% for absolute TSR ranging from 7% to 0% simple annual TSR over the performance period. In addition, the relative TSR component may be a negative value equal to 4% of the amount by which we underperform the SNL Equity REIT Index by more than 3% per year during the performance period (if any). If we attain pro-rated TSR performance goals during 2012 and/or 2013 that yield hypothetical bonus pools of up to \$2 million for 2012 performance and/or up to \$4 million for combined 2012/2013 performance, stock awards issued under the final bonus pool at the end of the performance period will cover a number of shares in the aggregate at least equal to the number of shares that would have been subject to stock awards issued at the end of 2012 or 2013 (whichever is greater) based on our TSR performance and common stock price for such prior years (subject to reduction to comply with the \$10.0 million bonus pool limitation). At the end of the three -year performance period, participants who remain employed with us will be paid their percentage interest in the bonus pool as stock awards based on the value of our common stock at the end of the performance period. Half of each such participant's bonus pool interest will be paid in fully vested shares of our common stock and the other half will be paid in restricted stock units (“RSUs”) that vest in equal annual installments over the two years immediately following the performance period (based on continued employment). In addition to these share/RSU payments, each 2012 Outperformance Program award entitles its holder to a cash payment equal to the aggregate dividends that would have been paid during the performance period on the total number of shares and RSUs ultimately issued or granted in respect of such 2012 Outperformance Program award, had such shares and RSUs been outstanding throughout the performance period.

The cost of the 2012 Outperformance Plan (approximately \$3.49 million, subject to adjustment for forfeitures) will be amortized through the final vesting period under a graded vesting expense recognition schedule.

For the nine months ended September 30, 2012, \$3,212 of non-cash compensation expense for all stock compensation was recognized as additional paid-in capital, of which \$3,198 was included in general and administrative expenses, with the remaining \$14 capitalized to deferred leasing costs and lease intangibles, net.

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

10. Related Party Transactions

Effective July 31, 2012, we consented to the assignment of a lease with a tenant of our 222 Kearny Street property to its subtenant, FJM Investments, LLC. The lease comprises approximately 3,707 square feet of the property's space and has a remaining term through May 31, 2014. The annual rental obligation under the lease for calendar year 2012 is \$125 , the base rent component of which is subject to three percent annual increases. FJM Investments, LLC was co-founded by and is co-owned by one of our independent directors, Robert M. Moran, Jr.

11. Commitments and Contingencies

Legal

From time to time, the Company is party to various lawsuits, claims and other legal proceedings arising out of, or incident to, our ordinary course of business. Management believes, based in part upon consultation with legal counsel, that the ultimate resolution of all such claims will not have a material adverse effect on the Company's results of operations, financial position or cash flows. As of September 30, 2012 , the risk of material loss from such legal actions impacting the Company's financial condition or results from operations has been assessed as remote.

Concentrations

All of the Company's Properties are located in California, which exposes the Company to greater economic risks than if it owned a more geographically dispersed portfolio. Further, for the nine months ended September 30, 2012 and 2011 , approximately 24% and 27% , respectively, of the Company's revenues were derived from tenants in the media and entertainment industry, which makes the Company susceptible to demand for rental space in such industry. Consequently, the Company is subject to the risks associated with an investment in real estate with a concentration of tenants in that industry.

As of September 30, 2012 Bank of America leases approximately 832,549 square feet of our 1455 Market property for various lease terms ranging between one and seven years. For the nine months ended September 30, 2012 and 2011 , the Bank of America Lease accounted for approximately 6% and 8% , respectively, of our total revenue.

12. Segment Reporting

The Company's reporting segments are based on the Company's method of internal reporting which classifies its operations into two reporting segments: (i) office properties, and (ii) media and entertainment properties. The Company evaluates performance based upon property net operating income from continuing operations ("NOI") of the combined properties in each segment. NOI is not a measure of operating results or cash flows from operating activities as measured by GAAP, is not indicative of cash available to fund cash needs and should not be considered an alternative to cash flows as a measure of liquidity. All companies may not calculate NOI in the same manner. The Company considers NOI to be an appropriate supplemental financial measure to net income because it helps both investors and management to understand the core operations of the Company's properties. The Company defines NOI as operating revenues (including rental revenues, other property-related revenue, tenant recoveries and other operating revenues), less property-level operating expenses (which includes external management fees and property-level general and administrative expenses). NOI excludes corporate general and administrative expenses, depreciation and amortization, impairments, gain/loss on sale of real estate, interest expense, acquisition-related expenses and other non-operating items.

Summary information for the reportable segments for the nine months ended September 30, 2012 is as follows:

	Office Properties	Media and Entertainment Properties	Total
Revenue	\$ 91,567	\$ 29,345	\$ 120,912
Operating expenses	38,176	17,993	56,169
Net operating income	<u>\$ 53,391</u>	<u>\$ 11,352</u>	<u>\$ 64,743</u>

Summary information for the reportable segments for the nine months ended September 30, 2011 is as follows:

Notes to Consolidated Financial Statements—(Continued)
(Unaudited and in thousands, except square footage and share data)

	Office Properties	Media and Entertainment Properties	Total
Revenue	\$ 76,404	\$ 28,724	\$ 105,128
Operating expenses	32,592	17,073	49,665
Net operating income	<u>\$ 43,812</u>	<u>\$ 11,651</u>	<u>\$ 55,463</u>

The following is reconciliation from NOI to reported net income, the most direct comparable financial measure calculated and presented in accordance with GAAP:

	September 30, 2012	September 30, 2011
Net operating income	\$ 64,743	\$ 55,463
General and administrative	(12,822)	(9,052)
Depreciation and amortization	(39,422)	(33,023)
Interest expense	(13,977)	(13,245)
Interest income	149	67
Acquisition-related expenses	(815)	(762)
Other expense	109	(368)
Net loss	<u>\$ (2,035)</u>	<u>\$ (920)</u>

There were no inter-segment sales or transfers during either of the nine months ended September 30, 2012 and 2011 .

13. Subsequent Events

Financings

On October 9, 2012, the Company closed a three -year loan with Wells Fargo Bank, N.A., secured by the Company's 275 Brannan property. Upon full disbursement, the loan will total \$15.0 million . The loan bears interest at LIBOR plus 200 basis points and will mature on October 5, 2015, provided that the Company may extend such maturity for one additional year subject to satisfaction of certain conditions. Proceeds from the loan are expected to be used to fund base building, tenant improvement, and leasing commission costs associated with the renovation and lease-up of this property.

On October 30, 2012, the Company closed a four -year loan with Wells Fargo Bank, N.A., secured by the Company's 901 Market Street property, \$49.6 million which was funded at closing, with an additional \$11.9 million available to fund base building, tenant improvement, and leasing commission costs associated with the renovation and lease-up of this property. Upon full disbursement, the loan will total \$61.5 million . The loan bears interest at LIBOR plus 225 basis points, until such time as the property achieves a trailing six month 9.0% debt yield, at which time interest would be reduced to LIBOR plus 200 basis points. The loan will mature on October 31, 2016, provided that the Company may extend such maturity for one additional year subject to satisfaction of certain conditions.

Leasing

On October 19, 2012, the Company signed a new lease at its 1455 Market Street property to Square, Inc., a leading electronic payment service provider that enables credit card payments through mobile devices. This new lease initially encompasses 246,078 square feet and includes an expansion option for an additional 81,345 square feet, for a combined 327,432 square feet of occupancy. With respect to the initial 246,078 square feet of occupancy, 181,805 square feet is scheduled for commencement in early 2013, 15,741 square feet is scheduled for commencement in June, 2013, and the remaining 48,532 square feet is scheduled for commencement in early 2014. Square has the option to take an additional 81,354 square feet with a scheduled commencement in early 2014, which upon exercise, would result in a combined 327,432 square foot lease. The 246,078 square feet backfills 206,760 square feet of space occupied by the property's largest tenant and takes an additional 39,318 square feet of currently vacant space. The exercise of the 81,354 square foot option would result in the backfill of a total of 288,114 square feet of space currently occupied by the property's largest tenant.

On October 10, 2012, the Company signed a new lease at its 901 Market Street property to Hotel Tonight, Inc., a leading

online hotel room reservation company. This new lease encompasses 17,521 square feet for a term of six years, with an expected commencement in December, 2012.

Acquisitions

On November 8, 2012, a wholly-owned subsidiary of the Company, Hudson JW, LLC, a Delaware limited liability company ("HJW"), entered into a joint venture, Hudson MC Partners, LLC, a Delaware limited liability company (the "Pinnacle JV"), with Media Center Partners, LLC, a California limited liability company ("MCP"), to acquire The Pinnacle, a two-building (Pinnacle I and Pinnacle II), 625,640 square foot, office property located in Burbank, California. Pinnacle I is a 393,776 square foot building that, immediately prior to the transactions described below, was held in a joint venture between MCP and an unrelated entity (the "Prior P1 Majority Owner"), in which MCP held approximately five percent of the ownership interests. Pinnacle II is a 231,864 square foot building owned by an affiliate of MCP, Media Center Development, LLC, a Delaware limited liability company ("MCD").

On November 8, 2012, the Pinnacle I building was purchased by the Pinnacle JV for \$212.5 million. In order to effectuate that purchase, HJW contributed approximately \$83.9 million to the Pinnacle JV and the Pinnacle JV obtained a \$129.0 million ten-year project loan. Proceeds from HJW's contribution and the new project loan were, in turn, used to buy-out the P1 Majority Owner interest in Pinnacle I. In return for its contribution, HJW received approximately 98 percent of the ownership interests in the Pinnacle JV, with the remaining approximately 2 percent maintained by MCP (which percentages further reflected certain credits and proration adjustments among HJW and MCP). The Company funded HJW's contribution to the Pinnacle JV with a combination of available cash on hand and a \$38.0 million draw on its unsecured revolving credit facility.

MCD is expected to contribute the Pinnacle II building to the Pinnacle JV upon the satisfaction of certain closing conditions, including lender approval of the assumption of an existing approximately \$89.6 million project loan. While no assurances can be made with respect to the timing or success of satisfying the conditions to the contribution of Pinnacle II to the Pinnacle JV, the Company anticipates the satisfaction of those conditions to be completed before the end of the first quarter of 2013. Other than for purposes of funding closing costs and prorations, HJW will not be required to make a capital contribution in connection with the contribution of the Pinnacle II building to the Pinnacle JV, but HJW's ownership interest in the Pinnacle JV will be adjusted to reflect the contribution by MCD of Pinnacle II such that upon its contribution the combined ownership interest of MCP and MCD in the Pinnacle JV shall become approximately 35 percent, with the remaining approximately 65 percent owned by HJW.

The \$129.0 million loan secured by Pinnacle I bears interest at a fixed annual rate of 3.954% per annum and will mature on November 7, 2022. Beginning with the November 6, 2017 payment date, monthly debt service will include principal amortization payments based on a 30 -year amortization schedule. The approximately \$89.6 million loan secured by Pinnacle II bears interest at a fixed annual rate of 6.31% per annum and will mature on September 30, 2016. Monthly debt service includes principal amortization payments based on a 30 -year amortization schedule.

Upon completion of the transaction, the Pinnacle JV is expected to own both buildings for a combined purchase price of \$342.5 million, subject to \$218.6 million of project-level financing. An affiliate of HJW will also assume day-to-day property management responsibilities, with Worthe Real Estate Group overseeing leasing, subject to HJW's approval of final leases. If for any reason other than a default by HJW, the contribution of the Pinnacle II building has not occurred by the earlier of (1) six months following the closing of the Pinnacle I contribution, (2) the date upon which the current project lender for the Pinnacle II loan delivers written notice advising that it will not approve the loan assumption, or (3) a default by MCD, HJW shall have the right, exercisable in its sole and absolute discretion, to purchase MCP's entire interest in the Pinnacle JV. If such right occurs as a result of either of the circumstances described in (1) or (2) of the proceeding sentence, then HJW shall have the right to purchase MCP's interest for \$1.5 million. If such right occurs as a result of the circumstances described in (3) of such sentence, then the purchase amount shall be the greater of \$1.5 million or 80% of MCP's capital contributions to the Pinnacle JV.

Pinnacle I is approximately 91.7% leased to six tenants under long-term leases, the largest of which include Warner Music Group under a 195,166 square foot lease scheduled to expire in December 2019, Clear Channel Communications under a 107,715 square foot lease scheduled to expire in September 2016, and NBC under a 37,066 square foot lease schedule to expire in December 2014. Pinnacle II is fully leased to Warner Bros. Entertainment under a lease scheduled to expire in December 2021.

Other than normally recurring capital expenditures and tenants improvements, we have no present plans with respect to renovation, improvement or redevelopment of The Pinnacle. The Pinnacle will be insured, along with our other properties, under a blanket property, liability, fire, extended coverage, terrorism and rental loss insurance policy that is renewed on an annual basis.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***Forward-Looking Statements***

We make statements in this quarterly report that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- adverse economic or real estate developments in our markets;
- general economic conditions;
- defaults on, early terminations of or non-renewal of leases by tenants;
- fluctuations in interest rates and increased operating costs;
- our failure to obtain necessary outside financing;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- lack or insufficient amounts of insurance;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying properties to acquire and completing acquisitions;
- our failure to successfully operate acquired properties and operations;
- our failure to maintain our status as a REIT;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- financial market fluctuations;
- changes in real estate and zoning laws and increases in real property tax rates; and
- other factors affecting the real estate industry generally.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. Additional information concerning these and other risks and uncertainties is contained in our other periodic filings with the Securities and Exchange Commission.

Historical Results of Operations

This Quarterly Report on Form 10-Q for Hudson Pacific Properties, Inc. for the nine months ended September 30, 2012 represents an update to the more detailed and comprehensive disclosures included in our Annual Report on form 10-K for the year ended December 31, 2011 . Accordingly, you should read the following discussion in conjunction with the information included in our Annual Report on form 10-K for the year ended December 31, 2011 as well as the unaudited financial statements included elsewhere in this Quarterly Report on Form 10-Q.

In addition, some of the statements and assumptions in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the second quarter and beyond. See “Forward-Looking Statements.”

Overview

The following table identifies each of the properties in our portfolio acquired through September 30, 2012 and their date of acquisition.

Properties	Acquisition/Completion Date	Square Feet
875 Howard Street	2/15/2007	286,270
Sunset Gower	8/17/2007	544,602
Sunset Bronson	1/30/2008	313,723
Technicolor Building	6/1/2008	114,958
City Plaza	8/26/2008	333,922
First Financial	6/29/2010	222,423
Tierrasanta	6/29/2010	112,300
Del Amo Office	8/13/2010	113,000
9300 Wilshire Boulevard	8/24/2010	61,224
222 Kearny Street	10/8/2010	148,797
1455 Market	12/16/2010	1,012,012
Rincon Center ⁽¹⁾	12/16/2010	580,850
10950 Washington	12/22/2010	158,873
604 Arizona	7/26/2011	44,260
275 Brannan	8/19/2011	51,710
625 Second Street	9/1/2011	136,906
6922 Hollywood Boulevard	11/22/2011	205,523
6050 Ocean Way & 1445 N. Beachwood Drive	12/16/2011	20,761
10900 Washington	4/5/2012	9,919
901 Market Street	6/1/2012	212,319
Olympic Bundy	9/5/2012	241,427
1455 Gordon Street	9/21/2012	6,000
Total		4,931,779

(1) We acquired a 51% joint venture interest in the Rincon Center property on December 16, 2010. On April 29, 2011 we acquired the remaining 49% interest in the Rincon Center property for approximately \$38.7 million (before closing costs and prorations).

All amounts and percentages used in this discussion of our results of operations are calculated using the numbers presented in the financial statements contained in this report rather than the rounded numbers appearing in this discussion.

Comparison of the three months ended September 30, 2012 to the three months ended September 30, 2011

Revenue

Total Office Revenue. Total office revenue consists of rental revenue, tenant recoveries, and parking and other revenue. Total office revenues increased \$4.3 million , or 16.2% , to \$31.1 million for the three months ended September 30, 2012 compared to \$26.7 million for the three months ended September 30, 2011 . The period-over-period changes in the items that comprise total revenue are attributable primarily to the factors discussed below.

Office Rental Revenue. Office rental revenue includes rental revenues from our office properties and percentage rent on retail space contained within those properties. Total office rental revenue increased \$4.6 million , or 24.3% , to \$23.6 million for the three months ended September 30, 2012 compared to \$19.0 million for the three months ended September 30, 2011 . The increase in rental revenue was primarily the result of rental revenue from office properties acquired during the third and fourth quarters of 2011 and second and third quarters of 2012.

Office Tenant Recoveries. Office tenant recoveries decreased \$1.2 million , or 19.9% , to \$5.0 million for the three months ended September 30, 2012 compared to \$6.2 million for the three months ended September 30, 2011 . The decrease in tenant

recoveries resulted from a combination of factors, including abatements with Bank of America at 1455 Market pending commencement of the lease with the Metro Transit Authority, lease expirations at Rincon Center, and a reconciliation for prior period recoveries at our First Financial property, among other items.

Office Parking and Other Revenue. Office parking and other revenue increased \$1.0 million , or 61.1% , to \$2.5 million for the three months ended September 30, 2012 compared to \$1.6 million for the three months ended September 30, 2011 . The increase in parking and other revenue was primarily the result of revenue from office properties acquired during the third and fourth quarters of 2011 and second and third quarters of 2012.

Total Media & Entertainment Revenue. Total media and entertainment revenue consists of rental revenue, tenant recoveries, other property-related revenue and other revenue. Total media and entertainment revenues increased \$0.8 million , or 8.1% , to \$11.0 million for the three months ended September 30, 2012 compared to \$10.2 million for the three months ended September 30, 2011 . The period-over-period changes in the items that comprise total revenue are attributable primarily to the factors discussed below.

Media & Entertainment Rental Revenue. Media and entertainment rental revenue includes rental revenues from our media and entertainment properties, percentage rent on retail space contained within those properties, and lease termination income. Total media and entertainment rental revenue increased \$0.9 million , or 17.1% , to \$6.1 million for the three months ended September 30, 2012 compared to \$5.2 million for the three months ended September 30, 2011 . The increase in rental revenue resulted from higher occupancy compared to the same quarter a year ago.

Media & Entertainment Tenant Recoveries. Tenant recoveries remained relatively flat for the three months ended September 30, 2012 compared to the three months ended September 30, 2011 .

Media & Entertainment Other Property-Related Revenue. Other property-related revenue is derived from the tenants' rental of lighting and other equipment, parking, power, HVAC and telecommunications (telephone and internet). Total other property-related revenue remained relatively flat for the three months ended September 30, 2012 compared to the three months ended September 30, 2011 .

Operating Expenses

Total Operating Expenses. Total operating expenses consist of property operating expenses, as well as property- and corporate-level general and administrative expenses, other property related expenses, management fees and depreciation and amortization. Total operating expenses increased by \$4.9 million , or 15.0% , to \$37.7 million for the three months ended September 30, 2012 compared to \$32.8 million for the three months ended September 30, 2011 . This increase in total operating expenses reflects the factors discussed below.

Office Operating Expenses. Office operating expenses increased \$0.3 million , or 2.0% , to \$13.0 million for the three months ended September 30, 2012 compared to \$12.8 million for the three months ended September 30, 2011 . The increase in operating expenses was primarily due to the acquisitions of office properties during the third and fourth quarters of 2011 and second and third quarters of 2012.

Media & Entertainment Operating Expenses. Media and entertainment operating expenses increased \$0.8 million , or 13.2% , to \$6.9 million for the three months ended September 30, 2012 compared to \$6.1 million for the three months ended September 30, 2011 . The increase in operating expenses was primarily due to higher occupancy compared to the same quarter a year ago and, to a lesser extent, higher ground rent under a ground lease for a portion of our Sunset Gower property.

General and Administrative Expenses. General and administrative expenses includes wages and salaries for corporate-level employees, accounting, legal and other professional services, office supplies, entertainment, travel, and automobile expenses, telecommunications and computer-related expenses, and other miscellaneous items. General and administrative expenses increased \$1.3 million , or 46.2% , to \$4.2 million for the three months ended September 30, 2012 compared to \$2.8 million for the three months ended September 30, 2011 . The increase in general and administrative expenses was primarily due to the adoption of the 2012 Outperformance Program and increased staffing to meet operational needs stemming from growth through the acquisitions of office properties.

Depreciation and Amortization. Depreciation and amortization expense increased \$2.5 million , or 23.1% , to \$13.6 million for the three months ended September 30, 2012 compared to \$11.0 million for the three months ended September 30, 2011 . The increase was primarily due to the depreciation associated with the acquisitions of office properties during the third and fourth quarters of 2011 and second and third quarters of 2012.

Other Expense (Income)

Interest Expense. Interest expense increased \$0.4 million , or 10.8% , to \$4.5 million for the three months ended September 30, 2012 compared to \$4.1 million for the three months ended September 30, 2011 . At September 30, 2012 , the Company had \$359.5 million of notes payable, compared to \$298.7 million at September 30, 2011. The increase was primarily due to the increase in indebtedness associated with the acquisitions of office properties during the third and fourth quarters of 2011.

Acquisition-related expenses. Acquisition-related expenses decreased \$0.3 million , or (40.3)% , to \$0.5 million for the three months ended September 30, 2012 compared to \$0.8 million for the three months ended September 30, 2011 .

Net Loss

Net loss for the three months ended September 30, 2012 was \$ 0.3 million compared to net loss of \$0.8 million for the three months ended September 30, 2011 . The decrease in net loss was primarily due to higher office revenues primarily relating to acquisitions in the third and fourth quarter of 2011 and second and third quarters of 2012, higher media revenues, and lower acquisition-related expenses, which were offset by higher operating expenses, higher general and administrative expenses, higher depreciation and amortization expenses, and higher interest expense, all as described above.

Comparison of the nine months ended September 30, 2012 to the nine months ended September 30, 2011*Revenue*

Total Office Revenue. Total office revenue consists of rental revenue, tenant recoveries, and parking and other revenue. Total office revenues increased \$15.2 million , or 19.8% , to \$91.6 million for the nine months ended September 30, 2012 compared to \$76.4 million for the nine months ended September 30, 2011 . The period-over-period changes in the items that comprise total revenue are attributable primarily to the factors discussed below.

Office Rental Revenue. Office rental revenue includes rental revenues from our office properties and percentage rent on retail space contained within those properties. Total office rental revenue increased \$14.2 million , or 26.2% , to \$68.5 million for the nine months ended September 30, 2012 compared to \$54.3 million for the nine months ended September 30, 2011 . The increase in rental revenue was primarily the result of rental revenue from office properties acquired during the third and fourth quarters of 2011 and second and third quarters of 2012.

Office Tenant Recoveries. Office tenant recoveries remained relatively flat for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 .

Office Parking and Other Revenue. Office parking and other revenue increased \$1.1 million , or 18.6% , to \$7.1 million for the nine months ended September 30, 2012 compared to \$6.0 million for the nine months ended September 30, 2011 . The increase in parking and other revenue was primarily the result of revenue from office properties acquired during the third and fourth quarters of 2011 and second and third quarters of 2012.

Total Media & Entertainment Revenue. Total media and entertainment revenue consists of rental revenue, tenant recoveries, other property-related revenue and other revenue. Total media and entertainment revenues increased \$0.6 million , or 2.2% , to \$29.3 million for the nine months ended September 30, 2012 compared to \$28.7 million for the nine months ended September 30, 2011 . The items that contributed to the period-over-period total revenue results are discussed below.

Media & Entertainment Rental Revenue. Media and entertainment rental revenue includes rental revenues from our media and entertainment properties, percentage rent on retail space contained within those properties, and lease termination income. Total media and entertainment rental revenue increased \$1.1 million , or 6.6% , to \$17.3 million for the nine months ended September 30, 2012 compared to \$16.3 million for the nine months ended September 30, 2011 . The increase in rental revenue was primarily due to higher occupancy compared to the same period a year ago.

Media & Entertainment Tenant Recoveries. Tenant recoveries decreased \$0.2 million , or 15.1% , to \$1.1 million for the nine months ended September 30, 2012 compared to \$1.3 million for the nine months ended September 30, 2011 . The decrease in tenant recoveries was primarily due to a decrease in property taxes at our Sunset Bronson property and corresponding reduction in recoveries compared to the same period a year ago.

Media & Entertainment Other Property-Related Revenue. Other property-related revenue is revenue that is derived from the tenants' rental of lighting and other equipment, parking, power, HVAC and telecommunications (telephone and internet). Total other property-related revenue remained relatively flat for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 .

Operating Expenses

Total Operating Expenses. Total operating expenses consist of property operating expenses, as well as property- and corporate-level general and administrative expenses, other property related expenses, management fees and depreciation and amortization. Total operating expenses increased by \$16.7 million , or 18.2% , to \$108.4 million for the nine months ended September 30, 2012 compared to \$91.7 million for the nine months ended September 30, 2011 . This increase in total operating expenses reflects the factors discussed below.

Office Operating Expenses. Office operating expenses increased \$5.6 million , or 17.1% , to \$38.2 million for the nine months ended September 30, 2012 compared to \$32.6 million for the nine months ended September 30, 2011 . The increase in operating expenses was primarily due to the acquisitions of office properties during the third and fourth quarters of 2011 and second and third quarters of 2012 , a one-time property tax reassessment savings in the second quarter of 2011 for periods prior to 2011 mostly associated with our City Plaza property, and a supplemental property tax reassessment expense in the second quarter of 2012 for periods prior to the current year on our Technicolor property for periods dating back to its completion in 2008.

Media & Entertainment Operating Expenses. Media and entertainment operating expenses increased \$0.9 million , or 5.4% , to \$18.0 million for the nine months ended September 30, 2012 compared to \$17.1 million for the nine months ended September 30, 2011 . The increase was primarily due to higher occupancy compared to the same period a year ago, a one-time property tax reassessment savings in the second quarter of 2011 for periods prior to 2011, and, to a lesser extent, higher ground rent under a ground lease for a portion of our Sunset Gower property.

General and Administrative Expenses. General and administrative expenses includes wages and salaries for corporate-level employees, accounting, legal and other professional services, office supplies, entertainment, travel, and automobile expenses, telecommunications and computer-related expenses, and other miscellaneous items. General and administrative expenses increased \$3.8 million , or 41.6% , to \$12.8 million for the nine months ended September 30, 2012 compared to \$9.1 million for the nine months ended September 30, 2011 . The increase in general and administrative expenses was primarily due to the adoption of the 2012 Outperformance Program and increased staffing to meet operational needs arising from the acquisitions of office properties.

Depreciation and Amortization. Depreciation and amortization expense increased \$6.4 million , or 19.4% , to \$39.4 million for the nine months ended September 30, 2012 compared to \$33.0 million for the nine months ended September 30, 2011 . The increase was primarily due to the depreciation associated with the acquisitions of office properties during the third and fourth quarters of 2011 and second and third quarters of 2012.

Other Expense (Income)

Interest Expense. Interest expense increased \$0.7 million or 5.5% to \$14.0 million for the nine months ended September 30, 2012 compared to \$13.2 million for the nine months ended September 30, 2011 . At September 30, 2012 , the Company had \$359.5 million of notes payable, compared to \$298.7 million at September 30, 2011. The increase was primarily due to the increased indebtedness associated with the acquisitions of office properties during the third and fourth quarters of 2011 .

Acquisition-related expenses. Acquisition-related expenses remained relatively flat for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 .

Net Loss

Net loss for the nine months ended September 30, 2012 was \$2.0 million compared to net loss of \$0.9 million for the nine months ended September 30, 2011 . The increase in net loss was primarily due to higher operating expenses, higher general and administrative expenses, higher depreciation and amortization expenses, partially offset by higher revenues as a result of acquisitions in the third and fourth quarter of 2011 and second and third quarters of 2012, all as described above.

Liquidity and Capital Resources

Analysis of Liquidity and Capital Resources

Our ratio of debt to total market capitalization was approximately 25.8% (counting series A preferred units as debt) as of September 30, 2012. Our total market capitalization is defined as the sum of the market value of our outstanding common stock (which may decrease, thereby increasing our debt to total capitalization ratio), including restricted stock that we may issue to certain of our directors and executive officers, plus the aggregate value of common units not owned by us, plus the liquidation preference of outstanding series A preferred units and series B preferred stock, plus the book value of our total consolidated indebtedness. We had approximately \$27.3 million of cash and cash equivalents at September 30, 2012. In addition, the lead arrangers for our unsecured credit facility have secured commitments that will allow borrowings of up to \$250 million. As of September 30, 2012, we had approximately \$202.2 million of total capacity under our credit facility, of which \$10.0 million had been drawn. We intend to use the unsecured credit facility, among other things, to finance the acquisition of properties, to refinance indebtedness, to provide funds for tenant improvements and capital expenditures and to provide for working capital and other corporate purposes.

Our short-term liquidity requirements primarily consist of operating expenses and other expenditures associated with our properties, distributions to our limited partners and dividend payments to our stockholders required to maintain our REIT status, capital expenditures and, potentially, acquisitions. We expect to meet our short-term liquidity requirements through cash on hand, net cash provided by operations, reserves established from existing cash and, if necessary, by drawing upon our unsecured credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for the repayment of debt at maturity, property acquisitions and non-recurring capital improvements. We expect to meet our long-term liquidity requirements with net cash from operations, long-term secured and unsecured indebtedness and the issuance of equity and debt securities. We also may fund property acquisitions and non-recurring capital improvements using our unsecured credit facility pending permanent financing.

We believe we have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity. However, our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about the Company.

Cash Flows

Comparison of nine months ended September 30, 2012 to nine months ended September 30, 2011 is as follows:

	Nine Months Ended September 30,			
	2012	2011	Dollar Change	Percentage Change
			(\$ in thousands)	
Net cash provided by operating activities	39,690	28,087	11,603	41.3%
Net cash used in investing activities	(201,964)	(70,394)	(131,570)	186.9%
Net cash provided by financing activities	175,857	14,147	161,710	1,143.1%

Cash and cash equivalents were \$27.3 million and \$13.7 million at September 30, 2012 and December 31, 2011, respectively.

Operating Activities

Net cash provided by operating activities increased by \$11.6 million to \$39.7 million for the nine months ended September 30, 2012 compared to \$28.1 million for the nine months ended September 30, 2011. The increase was primarily due to a decrease in outstanding receivables, an increase in outstanding accounts payable and an increase in cash NOI, as defined, from our office properties, primarily from the acquisitions of office properties in the third and fourth quarters of 2011 and the second quarter of 2012, and a decrease in restricted cash, all of which were partially offset by an increase in general and administrative expenses, a decrease in prepaid rent primarily associated with our KTLA lease, compared to the nine months ended September 30, 2011. The increase in office properties cash NOI for the nine months ended September 30, 2012 would have been higher if the prior year early lease termination payment from a tenant at our City Plaza property is disregarded.

Investing Activities

Net cash used in investing activities increased \$131.6 million to \$202.0 million for the nine months ended September 30, 2012 compared to \$70.4 million for nine months ended September 30, 2011 . The increase was primarily due to the acquisition of 901 Market in June 2012 and the acquisition of Olympic and Bundy in September 2012.

Financing Activities

Net cash provided by financing activities increased \$161.7 million to \$175.9 million for the nine months ended September 30, 2012 compared to \$14.1 million for the nine months ended September 30, 2011 . The increase was due to higher net proceeds from the issuance of common stock, the issuance of our series B preferred stock, and lower repayment of indebtedness, as compared to the prior year, which was partially offset by payoff of the Rincon Center minority interest in 2011, with no comparable activity in 2012, lower new financings, and increased distributions, compared to the nine months ended September 30, 2011 .

Indebtedness

Our indebtedness creates the possibility that we may be unable to generate cash sufficient to pay when due the principal of, interest on or other amounts in respect of our indebtedness and other obligations. In addition, we may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in the documents governing our indebtedness. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase.

As of September 30, 2012 , we had outstanding notes payable of \$358.1 million (before loan premium), of which \$102.0 million , or 28.5% , was variable rate debt, \$92.0 million of which is subject to the interest rate contracts described in footnote 4 in the table below.

The following table sets forth information as of September 30, 2012 with respect to our outstanding indebtedness.

Debt	Outstanding		Interest Rate ⁽¹⁾	Maturity Date
	September 30, 2012			
Unsecured Revolving Credit Facility	\$	10,000	LIBOR+1.55% to 2.20%	8/3/2016
Mortgage loan secured by 625 Second Street ⁽²⁾		33,700	5.85%	2/1/2014
Mortgage loan secured by 6922 Hollywood Boulevard ⁽³⁾		41,536	5.58%	1/1/2015
Mortgage loan secured by Sunset Gower/Sunset Bronson ⁽⁴⁾		92,000	LIBOR+3.50%	2/11/2016
Mortgage loan secured by Rincon Center ⁽⁵⁾		108,014	5.134%	5/1/2018
Mortgage loan secured by First Financial ⁽⁶⁾		43,000	4.58%	2/1/2022
Mortgage loan secured by 10950 Washington ⁽⁷⁾		29,812	5.316%	3/11/2022
Subtotal	\$	358,062		
Unamortized loan premium, net ⁽⁸⁾		1,392		
Total	\$	359,454		

(1) Interest rate with respect to indebtedness is calculated on the basis of a 360-day year for the actual days elapsed, excluding the amortization of loan fees and costs.

(2) This loan was assumed on September 1, 2011 in connection with the closing of our acquisition of the 625 Second Street property.

(3) This loan was assumed on November 22, 2011 in connection with the closing of our acquisition of the 6922 Hollywood Boulevard property.

(4) On February 11, 2011, we closed a five -year term loan totaling \$92 million with Wells Fargo Bank, N.A., secured by our Sunset Gower and Sunset Bronson media and entertainment properties. The loan bears interest at a rate equal to one-month LIBOR plus 3.50% . \$37.0 million of the loan was subject to an interest rate contract, which swaps one-month LIBOR to a fixed rate of 0.75% through April 30, 2011. On March 16, 2011, we purchased an interest rate cap in order to cap one-month LIBOR at 3.715% with respect to \$50.0 million of the loan through its maturity on February 11, 2016. On January 11, 2012 we purchased an interest rate cap in order to cap one-month LIBOR at 2.00% with respect to \$42.0 million of the loan through its maturity on February 11, 2016. Beginning with the payment due February 1, 2014, monthly debt service will include principal payments based on a 30-year amortization schedule, for total annual debt amortization of \$1,113.

(5) On April 29, 2011, we closed a seven -year term loan totaling \$110.0 million with JPMorgan Chase Bank, N.A., secured by our Rincon Center property. The loan bears interest at a fixed annual rate of 5.134% .

(6) On January 19, 2012 we closed a 10 -year term loan totaling \$43.0 million with PNC Bank, N.A., secured by our First Financial Plaza property. The loan bears interest at a fixed annual rate of 4.58% and will mature on February 1, 2022. The loan bears interest only for the first two years. Beginning with the payment due March 1, 2014, monthly debt service will include principal payments based on a 30 -year amortization schedule, for total annual debt service of \$2,639 .

(7) On February 11, 2012, we closed a 10 -year term loan totaling \$30.0 million with Cantor Commercial Real Estate Lending, L.P., secured by our 10950

Washington property. The loan bears interest at a fixed annual rate of 5.316% and will mature on March 11, 2022.

(8) Represents unamortized amount of the non-cash mark-to-market adjustment on debt associated with 625 Second Street and 6922 Hollywood Boulevard.

Contractual Obligations and Commitments

During the third quarter of 2012, there were no material changes outside the ordinary course of business in the information regarding specified contractual obligations contained in our Annual Report on Form 10-K for the year ended December 31, 2011.

Off-Balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements.

Critical Accounting Policies

Our discussion and analysis of our historical financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires us to make estimates of certain items and judgments as to certain future events, for example with respect to the allocation of the purchase price of acquired property among land, buildings, improvements, equipment, and any related intangible assets and liabilities, or the effect of a property tax reassessment of our properties. These determinations, even though inherently subjective and prone to change, affect the reported amounts of our assets, liabilities, revenues and expenses. While we believe that our estimates are based on reasonable assumptions and judgments at the time they are made, some of our assumptions, estimates and judgments will inevitably prove to be incorrect. As a result, actual outcomes will likely differ from our accruals, and those differences—positive or negative—could be material. Some of our accruals are subject to adjustment, as we believe appropriate based on revised estimates and reconciliation to the actual results when available.

In addition, we identified certain critical accounting policies that affect certain of our more significant estimates and assumptions used in preparing our consolidated financial statements in our 2011 Annual Report on Form 10-K. We have not made any material changes to these policies during the periods covered by this Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. As more fully described below, we use derivative financial instruments to manage, or hedge, interest rate risks related to our borrowings. We only enter into contracts with major financial institutions based on their credit rating and other factors.

Interest risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

On February 11, 2011, we closed a five-year term loan totaling \$92.0 million with Wells Fargo Bank, N.A., secured by our Sunset Gower and Sunset Bronson media and entertainment campuses. The loan bears interest at a rate equal to one-month LIBOR plus 3.50%. On March 16, 2011, we purchased an interest rate cap in order to cap one-month LIBOR at 3.715% on \$50.0 million of the loan through its maturity on February 11, 2016. On January 11, 2012 we purchased an interest rate cap in order to cap one-month LIBOR at 2.00% with respect to \$42.0 million of the loan through its maturity on February 11, 2016.

As of September 30, 2012, we had \$10.0 million drawn under our unsecured credit facility, which facility is not subject to an interest rate hedge. Therefore, with respect to the combined \$102.0 million loan on our Sunset Gower and Sunset Bronson media and entertainment properties and \$10.0 million drawn under our unsecured credit facility, if one-month LIBOR as of September 30, 2012 was to increase by 100 basis points, or 1.0%, the resulting increase in interest expense would impact our future earnings and cash flows by \$1.0 million.

As of September 30, 2012, we had outstanding notes payable of \$358.1 million (before loan premium), of which \$102.0 million, or 28.5%, was variable rate debt, \$92.0 million of which is subject to the interest rate contracts described above, and \$ 256.1 million of which was fixed rate secured mortgage loans. As of September 30, 2012, the estimated fair value of our fixed rate secured mortgage loans was \$260.9 million.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and regulations and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2012, the end of the period covered by this Report, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of our disclosure controls and procedures at the end of the period covered by this Report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded, as of that time, that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports filed or submitted under the Exchange Act (i) is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

No changes to our internal control over financial reporting were identified in connection with the evaluation referenced above that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

From time to time, we are party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings that we believe to be material or that, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operation if determined adversely to us. As of September 30, 2012, the risk of material loss from such legal actions impacting the Company's financial condition or results from operations has been assessed as remote.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011. Please review the Risk Factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

(a) *Recent Sales of Unregistered Securities:* None

(b) *Use of Proceeds from Registered Securities:* None

(c) *Purchases of Equity Securities by the Issuer and Affiliated Purchasers:* None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

On November 8, 2012, a wholly-owned subsidiary of the Company, Hudson JW, LLC, a Delaware limited liability company ("HJW"), entered into a joint venture, P1 Hudson MC Partners, LLC, a Delaware limited liability company (the "Pinnacle JV"), with Media Center Partners, LLC, a California limited liability company ("MCP"),

to acquire The Pinnacle, a two-building (Pinnacle I and Pinnacle II), 625,640 square foot, office property located in Burbank, California. Pinnacle I is a 393,776 square foot building that, immediately prior to the transactions described below, was held in a joint venture between MCP and an unrelated entity (the "Prior P1 Majority Owner"), in which MCP held approximately five percent of the ownership interests. Pinnacle II is a 231,864 square foot building owned by an affiliate of MCP, Media Center Development, LLC, a Delaware limited liability company ("MCD").

On November 8, 2012, the Pinnacle I building was purchased by the Pinnacle JV for \$212.5 million. In order to effectuate that purchase, HJW contributed approximately \$83.9 million to the Pinnacle JV and the Pinnacle JV obtained a \$129.0 million ten-year project loan. Proceeds from HJW's contribution and the new project loan were, in turn, used to buy-out the P1 Majority Owner interest in Pinnacle I. In return for its contribution, HJW received approximately 98 percent of the ownership interests in the Pinnacle JV, with the remaining approximately 2 percent maintained by MCP (which percentages further reflected certain credits and proration adjustments among HJW and MCP). The Company funded HJW's contribution to the Pinnacle JV with a combination of available cash on hand and a \$38.0 million draw on its unsecured revolving credit facility.

MCD is expected to contribute the Pinnacle II to the Pinnacle JV building upon the satisfaction of certain closing conditions, including lender approval of the assumption of an existing \$89.6 million project loan. While no assurances can be made with respect to the timing or success of satisfying the conditions to the contribution of Pinnacle II to the Pinnacle JV, the Company anticipates the satisfaction of those conditions to be completed before the end of the first quarter of 2013. Other than for purposes of funding closing costs and prorations, HJW will not be required to make a capital contribution in connection with the contribution of the Pinnacle II building to the Pinnacle JV, but HJW's ownership interest in the Pinnacle JV will be adjusted to reflect the contribution by MCD of Pinnacle II such that upon its contribution the combined ownership interest of MCP and MCD in Pinnacle JV shall become approximately 35 percent, with the remaining approximately 65 percent owned by HJW.

The \$129.0 million loan secured by Pinnacle I bears interest at a fixed annual rate of 3.954% per annum and will mature on November 7, 2022. Beginning with the November 6, 2017 payment date, monthly debt service will include principal amortization payments based on a 30 -year amortization schedule. The \$89.6 million loan secured by Pinnacle II bears interest at a fixed annual rate of 6.31% per annum and will mature on September 30, 2016. Monthly debt service includes principal amortization payments based on a 30 -year amortization schedule.

Upon completion of the transaction, the Pinnacle JV is expected to own both buildings for a combined purchase price of \$342.5 million, subject to \$218.6 million of project-level financing. The Company will also assume day-to-day property management responsibilities, with Worthe Real Estate Group overseeing leasing, subject to the Company's approval of final leases. If for any reason other than a default by HJW, the contribution of the Pinnacle II building has not occurred by the earlier of (1) six months following the closing of the Pinnacle I contribution, or (2) the date upon which the current project lender for the Pinnacle II loan delivers written notice advising that it will not approve the loan assumption, or (3) a default by MCD, HJW shall have the right exercisable in its sole and absolute discretion to purchase MCP's entire interest in the Pinnacle JV. If such right occurs as a result of either of the circumstances described in (1) or (2) of the proceeding sentence, then HJW shall have the right to purchase MCP's interest for approximately \$1.5 million. If such right occurs as a result of the circumstances described in (3) of such sentence, then the purchase amount shall be the greater of \$1.5 million or 80% of MCP's capital contributions to the Pinnacle JV.

Pinnacle I is approximately 91.7% leased to 6 tenants under long-term leases, the largest of which include Warner Music Group under a 195,166 square foot lease scheduled to expire in December 2019, Clear Channel Communications under a 107,715 square foot lease scheduled to expire in September 2016, and NBC under a 37,066 square foot lease schedule to expire in December 2014. Pinnacle II is fully leased to Warner Bros. Entertainment under a lease scheduled to expire in December 2021.

The Pinnacle Lease Expirations By Year

Year of Lease Expiring	Number of Leases Expiring	Square Footage of Expiring Leases	Percent of Portfolio Square Feet	Annualized Rent ⁽¹⁾	Percent of Portfolio Annualized Rent	Annualized Rent Per Leased Square Foot ⁽²⁾	Annualized Rent Per Leased Square Foot at Expiration ⁽³⁾
Pinnacle I							
2012	—	—	—%	\$ —	—%	\$ —	—
2013	1	9,005	1.4%	417,323	1.8%	46.34	46.34
2014	2	41,106	6.6%	1,705,269	7.4%	41.48	43.12
2015	—	—	—%	—	—%	—	—
2016	1	107,715	17.2%	4,391,805	19.1%	40.77	44.13
2017	1	8,257	1.3%	322,023	1.4%	39.00	39.00
2018	—	—	—%	—	—%	—	—
2019	1	195,166	31.2%	7,726,622	33.5%	39.59	45.48
Sub-total	6	361,249	57.7%	\$ 14,563,043	63.2%	\$ 40.31	\$ 44.68
Pinnacle II							
2021	1	230,000	36.8%	\$ 8,489,300	36.8%	\$ 36.91	\$ 43.68
Sub-total	1	230,000	36.8%	\$ 8,489,300	36.8%	\$ 36.91	\$ 43.68
Total	7	591,249	94.5%	\$ 23,052,343	100%	\$ 38.99	\$ 44.29

(1) Annualized Rent represents the annualized monthly contractual base rent (before abatements) under existing leases as of November 1, 2012. Calculated by multiplying (i) base rental payments (defined as cash base rent (before abatements)) for the month ending November 30, 2012, by (ii) 12.

(2) Annualized Rent per Leased Square Foot is calculated as (i) annualized base rent divided by (ii) square footage under lease as of November 30, 2012.

(3) Annualized Rent per Leased Square Foot at Expiration is calculated as (i) annualized base rent at expiration divided by (ii) square footage under leases as of November 30, 2012.

Other than normally recurring capital expenditures and tenants improvements, we have no present plans with respect to renovation, improvement or redevelopment of The Pinnacle. The Pinnacle will be insured, along with our other properties, under a blanket property, liability, fire, extended coverage, terrorism and rental loss insurance policy that is renewed on an annual basis.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of Hudson Pacific Properties, Inc. ^(a)
3.2	Amended and Restated Bylaws of Hudson Pacific Properties, Inc. ^(a)
3.3	Form of Articles Supplementary of Hudson Pacific Properties, Inc. ^(a)
4.1	Form of Certificate of Common Stock of Hudson Pacific Properties, Inc. ^(a)
4.2	Form of Certificate of Series B Preferred Stock of Hudson Pacific Properties, Inc. ^(a)
10.1	Form of Second Amended and Restated Agreement of Limited Partnership of Hudson Pacific Properties, L.P. ^(a)
10.2	Registration Rights Agreement among Hudson Pacific Properties, Inc. and the persons named therein. ^(a)
10.3	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Victor J. Coleman. ^(a)
10.4	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Howard S. Stern. ^(a)
10.5	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Mark T. Lammas. ^(a)

10.6	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Christopher Barton. ^(b)
10.7	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Dale Shimoda. ^(b)
10.8	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Theodore R. Antenucci. ^(b)
10.9	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Mark Burnett. ^(b)
10.10	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Richard B. Fried. ^(b)
10.11	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Jonathan M. Glaser. ^(b)
10.12	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Mark D. Linehan. ^(b)
10.13	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Robert M. Moran, Jr. ^(b)
10.14	Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Barry A. Porter. ^(b)
10.15	Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. 2010 Incentive Award Plan. ^{(b)*}
10.16	Restricted Stock Award Grant Notice and Restricted Stock Award Agreement. ^{(b)*}
10.17	Hudson Pacific Properties, Inc. Director Stock Plan. ^{(b)*}
10.18	Employment Agreement, dated as of April 22, 2010, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Victor J. Coleman. ^{(b)*}
10.19	Employment Agreement, dated as of April 22, 2010, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Howard S. Stern. ^{(b)*}
10.20	Employment Agreement, dated as of May 14, 2010, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Mark T. Lammas. ^{(b)*}
10.21	Employment Agreement, dated as of April 22, 2010, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Christopher Barton. ^{(b)*}
10.22	Employment Agreement, dated as of April 22, 2010, by and among Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. and Dale Shimoda. ^{(b)*}
10.23	Contribution Agreement by and among Victor J. Coleman, Howard S. Stern, Hudson Pacific Properties, L.P. and Hudson Pacific Properties, Inc., dated as of February 15, 2010. ^(b)
10.24	Contribution Agreement by and among SGS investors, LLC, HFOP Investors, LLC, Soma Square Investors, LLC, Hudson Pacific Properties, L.P. and Hudson Pacific Properties, Inc., dated as of February 15, 2010. ^(b)
10.25	Contribution Agreement by and among TMG-Flynn SOMA, LLC, Hudson Pacific Properties, L.P. and Hudson Pacific Properties, Inc., dated as of February 15, 2010. ^(b)
10.26	Contribution Agreement by and among Glenborough Fund XIV, L.P., Glenborough Acquisition, LLC, Hudson Pacific Properties, L.P. and Hudson Pacific Properties, Inc. dated as of February 15, 2010. ^(b)
10.27	Representation, Warranty and Indemnity Agreement by and among Hudson Pacific Properties, Inc. Hudson Pacific Properties, L.P., and the persons named therein as nominees of the Farallon Funds, dated as of February 15, 2010. ^(b)
10.28	Representation, Warranty and Indemnity Agreement by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and the persons named therein as nominees of TMG-Flynn SOMA, LLC, dated as of February 15, 2010. ^(b)
10.29	Representation, Warranty and Indemnity Agreement by and among Hudson Pacific Properties, Inc. Hudson Pacific Properties, L.P., and the persons named therein as nominees of Glenborough Fund XIV, L.P. dated as of February 15, 2010. ^(b)
10.30	Subscription Agreement by and among Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P., Farallon Capital Institution Partners III, L.P., Victor J. Coleman and Hudson Pacific Properties, Inc. dated as of February 15, 2010. ^(b)
10.31	Tax Protection Agreement between Hudson Pacific Properties, L.P. and the persons named therein, dated June 29, 2010. ^(b)

10.32	Agreement of Purchase and Sale and Joint Escrow Instructions between Del Amo Fashion Center Operating Company and Hudson Capital, LLC dated as of May 18, 2010. ⁽⁶⁾
10.33	Credit Agreement among Hudson Pacific Properties, Inc., Hudson Pacific Properties L.P., Barclays Capital and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor in interest to Banc of America Securities LLC), as Joint Lead Arrangers, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, as Administrative Agent, and the other lenders party thereto, dated June 29, 2010. ⁽⁷⁾
10.34	First Modification Agreement between Sunset Bronson Entertainment Properties, LLC and Wells Fargo Bank, N.A. dated as of June 29, 2010. ⁽⁸⁾
10.35	Amended and Restated First Modification Agreement between Sunset Bronson Entertainment Properties, LLC and Wells Fargo Bank, N.A. dated as of June 20, 2010. ⁽⁹⁾
10.36	Loan Agreement among Sunset Bronson Entertainment Properties, L.L.C., as Borrower, Wachovia Bank, National Association, as Administrative Agent, Wachovia Capital Markets, LLC, as Lead Arranger and Sole Bookrunner, and lenders party thereto, dated as of May 12, 2008. ⁽⁸⁾
10.37	Conditional Consent Agreement between GLB Encino, LLC, as Borrower, and SunAmerica Life Insurance Company, as Lender, dated as of June 10, 2010. ⁽⁸⁾
10.38	Amended and Restated Deed of Trust, Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents between GLB Encino, LLC, as Trustor, SunAmerica Life Insurance Company, as Beneficiary, and First American Title Insurance Company, as Trustee, dated as of January 26, 2007. ⁽⁸⁾
10.39	Amended and Restated Promissory Note by GLB Encino, as Maker, to SunAmerica Life Insurance Company, as Holder, dated as of January 26, 2007. ⁽⁸⁾
10.40	Approval Letter from Wells Fargo, as Master Servicer, and CWC Capital Asset Management, LLC, as Special Servicer to Hudson Capital LLC, dated as of June 8, 2010. ⁽⁸⁾
10.41	Loan and Security Agreement between Glenborough Tierrasanta, LLC, as Borrower, and German American Capital Corporation, as Lender, dated as of November 28, 2006. ⁽⁸⁾
10.42	Note by Glenborough Tierrasanta, LLC, as Borrower, in favor of German American Capital Corporation, as Lender, dated as of November 28, 2006. ⁽⁸⁾
10.43	Reaffirmation, Consent to Transfer and Substitution of Indemnitor, by and among Glenborough Tierrasanta, LLC, Morgan Stanley Real Estate Fund V U.S., L.P., MSP Real Estate Fund V, L.P., Morgan Stanley Real Estate Investors, V U.S., L.P., Morgan Stanley Real Estate Fund V Special U.S., L.P., MSP Co-Investment Partnership V, L.P., MSP Co-Investment Partnership V, L.P., Glenborough Fund XIV, L.P., Hudson Pacific Properties, L.P., and US Bank National Association, dated June 29, 2010. ⁽⁷⁾
10.44	Purchase and Sale Agreement, dated September 15, 2010, by and between ECI Washington LLC and Hudson Pacific Properties, L.P. ⁽⁹⁾
10.45	First Amendment to Purchase and Sale Agreement, dated October 1, 2010, by and between ECI Washington LLC and Hudson Pacific Properties, L.P. ⁽⁹⁾
10.46	Term Loan Agreement by and between Sunset Bronson Entertainment Properties, LLC and Sunset Gower Entertainment Properties, LLC, as Borrowers, and Wells Fargo Bank, National Association, as Lender, dated February 11, 2011. ⁽¹⁰⁾
10.47	Contract for Sale dated as of December 15, 2010 by and between Hudson 1455 Market, LLC and Bank of America, National Association. ⁽¹²⁾
10.48	Contribution Agreement by and between BCSP IV U.S. Investments, L.P. and Hudson Pacific Properties, L.P., dated as of December 15, 2010. ⁽¹³⁾
10.49	Limited Liability Company Agreement of Rincon Center JV LLC by and between Rincon Center Equity LLC and Hudson Rincon, LLC, dated as of December 16, 2010. ⁽¹³⁾
10.50	First Amendment to Credit Agreement among Hudson Pacific Properties, Inc., Hudson Pacific Properties L.P., Barclays Capital and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor in interest to Banc of America Securities LLC), as Joint Lead Arrangers, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, as Administrative Agent, and the other lenders party thereto, dated December 10, 2010. ⁽¹³⁾
10.51	Second Amendment to Credit Agreement among Hudson Pacific Properties, Inc., Hudson Pacific Properties L.P., Barclays Capital and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as successor in interest to Banc of America Securities LLC), as Joint Lead Arrangers, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, as Administrative Agent, and the other lenders party thereto, dated April 4, 2011. ⁽¹⁴⁾
10.52	First Amendment to Registration Rights Agreement by and among Hudson Pacific Properties, Inc., Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P. and Farallon Capital Institutional Partners III, L.P., dated May 3, 2011. ⁽¹⁴⁾

10.53	Subscription Amendment by and among Hudson Pacific Properties, Inc., Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P. and Farallon Capital Institutional Partners III, L.P., dated April 26, 2011. ⁽¹⁵⁾
10.54	Loan Agreement by and between Hudson Rincon Center, LLC, as Borrower, and JPMorgan Chase Bank, National Association, as Lender, dated April 29, 2011. ⁽¹⁵⁾
10.55	Indemnification Agreement, dated October 1, 2011, by and between Hudson Pacific Properties, Inc. and Patrick Whitesell. ⁽¹⁶⁾
10.56	2012 Outperformance Award Agreement. ^{(17)*}
10.57	Credit Agreement by and among Hudson Pacific Properties, L.P. and Wells Fargo Bank, National Association, as Administrative Agent, Wells Fargo Securities, LLC, and Merrill Lynch, Pierce, Fenner and Smith Incorporated, as Lead Arrangers and Joint Bookrunners, Bank of America, N.A., and Barclays Bank PLC, as Syndication Agents, and Keybank National Association, as Documentation Agent, dated August 3, 2012.
10.58	Limited Liability Company Agreement of Hudson MC Partners, LLC, dated as of November 8, 2012
10.59	Acquisition and Contribution Agreement between Media Center Development, LLC and P2 Hudson Partners, LLC for Pinnacle 2 Property Located at 3300 West Olive Avenue, Burbank, California
10.60	Loan Agreement dated as of November 8, 2012 between P1 Hudson MC Partners, LLC, as Borrower and Jefferies Loancore LLC, as Lender
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Certificate of Correction. ⁽¹⁸⁾
101	The following financial information from Hudson Pacific Properties, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive Income (unaudited), (iv) Consolidated Statement of Equity (unaudited), (v) Consolidated Statements of Cash Flows (unaudited) and (vi) Notes to Consolidated Financial Statements **

- (1) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on April 9, 2010.
- (2) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on May 12, 2010.
- (3) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on June 3, 2010.
- (4) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on June 11, 2010.
- (5) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on June 14, 2010.
- (6) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on June 22, 2010.
- (7) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 1, 2010.
- (8) Previously filed with the Registration Statement on Form S-11 filed by the Registrant with the Securities and Exchange Commission on November 22, 2010.
- (9) Previously filed with the Registration Statement on Form S-11/A filed by the Registrant with the Securities and Exchange Commission on December 6, 2010.
- (10) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on February 15, 2011.
- (11) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on May 4, 2011.
- (12) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on December 21, 2010.
- (13) Previously filed with the Registration Statement on Form S-11 filed by the Registrant with the Securities and Exchange Commission on April 14, 2011.
- (14) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on April 5, 2011.
- (15) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.
- (16) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011.
- (17) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 6, 2012.
- (18) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 23, 2012.
- * Denotes a management contract or compensatory plan or arrangement.
- ** Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HUDSON PACIFIC PROPERTIES, INC.

Date: November 9, 2012

/ s / M A R K T. L A M M A S

Mark T. Lammas

Chief Financial Officer (principal financial officer)

LIMITED LIABILITY COMPANY AGREEMENT

OF

HUDSON MC PARTNERS, LLC

Dated as of November 8, 2012

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EXHIBIT LIST

Exhibit A	Legal Description of Pinnacle 1 Property
Exhibit B	Financing Guidelines
Exhibit C	Pinnacle 2 Contribution Agreement
Exhibit D	Legal Description of Pinnacle 2 Property
Exhibit E	RREEF Buyout Documents
Exhibit F	Acknowledgment of Pinnacle 2 Sponsor Admission
Exhibit G	Example of Dilution Calculation
Exhibit H-1	Reimbursement and Indemnity Agreement (Pinnacle 1 Loan)
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Exhibit I-1	Property Management Agreement
Exhibit I-2	Sub Management/Leasing Agreement
Exhibit J	Pinnacle 1 Budget and Operating Plan
Exhibit K	Rent Roll
Exhibit L	Closing Statement

LIMITED LIABILITY COMPANY AGREEMENT
OF
HUDSON MC PARTNERS, LLC

This LIMITED LIABILITY COMPANY AGREEMENT (this “Agreement”) of Hudson MC Partners, LLC is made and entered into as of November 8, 2012 by and between Hudson JW, LLC, a Delaware limited liability company (“Hudson”), and Media Center Partners, LLC, a California limited liability company (“Pinnacle 1 Sponsor”).

WHEREAS, the Company (as hereinafter defined) was formed pursuant to a Certificate of Formation (the “Certificate of Formation”), dated as of October 16, 2012, and filed with the Secretary of State of Delaware on October 16, 2012;

WHEREAS, the Company is a limited liability company under the Delaware Act (as hereinafter defined);

WHEREAS, The Pinnacle General Partner Corp. (“PGPC”), RREEF Investment GmbH (f/k/a DB Real Estate Investment GmbH and, together with PGPC, “RREEF”) and Pinnacle 1 Sponsor, indirectly own the Pinnacle 1 Property (as hereinafter defined), through their, respective, zero percent (0%) general partnership, ninety-five percent (95%) limited partnership and five percent (5%) limited partnership interests in DB Real Estate The Pinnacle L.P., a Delaware limited partnership (“Pinnacle 1 Joint Venture”), which owns all right, title and interest in and to certain real property and the improvements thereon located in Burbank, California commonly known as 3400 West Olive Avenue and more particularly described on Exhibit A attached hereto (the “Pinnacle 1 Property”);

WHEREAS, pursuant to that certain Amended and Restated Limited Partnership Agreement of DB Real Estate The Pinnacle L.P., dated as of November 2003 (as amended, the “Pinnacle 1 Operating Agreement”), Pinnacle 1 Sponsor has the right to acquire one hundred percent (100%) of (a) RREEF’s ninety-five percent (95%) limited partnership interest and (b) RREEF’s zero percent (0%) general partnership interest in Pinnacle 1 Joint Venture (collectively, “RREEF’S Interest”) for a purchase price calculated based on a purchase price for the Pinnacle 1 Property of \$212,500,000 and otherwise in accordance with the terms of the RREEF Buyout Documents;

WHEREAS, substantially concurrently herewith, Hudson has deposited funds in the aggregate amount of \$82,600,000 (“Hudson’s Escrowed Funds”) into an escrow account (the “Escrow Account”) established with Chicago Title Insurance Company (“Escrow Agent”) pursuant to the terms of the Escrow Instructions (as defined below), and pursuant to which Hudson’s Escrowed Funds shall not be released except in strict accordance with the terms of the Escrow Instructions, including, without limitation, satisfaction of each and every condition precedent set forth therein;

WHEREAS, substantially concurrently herewith and subject to Escrow Agent’s receipt of written authorization from Hudson and Pinnacle 1 Sponsor (or any of their respective agents, representatives, or attorneys designated in the Escrow Instructions as having the authority to authorize Escrow Agent) and satisfaction of all other terms of the Escrow Instructions, Escrow Agent shall disburse the Hudson Escrowed Funds (as adjusted for any costs, fees, expenses and/or other amounts (including, without limitation, all prorations or other adjustments set forth in the Closing Statement)) to Pinnacle

1 Sponsor to be used for the purpose of, and as payment in full of the aggregate amount required to be paid under the RREEF Buyout Documents to acquire RREEF's Interest (the "RREEF Buyout");

WHEREAS, Pinnacle 1 Sponsor will cause Pinnacle 1 Joint Venture to transfer all of its right, title and interest in and to the Pinnacle 1 Property to Pinnacle 1 Property Owner (as defined below) by grant deed, free and clear of all liens, claims and encumbrances other than the Schedule B Exceptions set forth in the Proforma Title Policy attached as an exhibit to the Escrow Instructions, and pursuant to such other documents and/or conveyance instruments set forth in the Escrow Agreement such that, after giving effect to all of the foregoing transactions, (i) the Pinnacle 1 Property is wholly owned by Pinnacle 1 Property Owner, (ii) Pinnacle 1 Property Owner is wholly owned by the Company, (iii) Hudson shall have received credit to its Capital Account in the amount of the Hudson Escrowed Funds as set forth on Schedule A attached hereto, following adjustment pursuant to the Closing Statement; (iv) Pinnacle 1 Sponsor shall have received credit to its Capital Account in the amount set forth opposite Pinnacle 1 Sponsor's name on Schedule A attached hereto, in exchange for Pinnacle 1 Sponsor's equity in the Pinnacle 1 Property, following adjustment pursuant to the Closing Statement, and (v) the Company is owned by Hudson and Pinnacle 1 Sponsor in the initial Percentage Interests more particularly set forth in this Agreement;

WHEREAS, concurrently herewith, the Company and Pinnacle 2 Sponsor Affiliate have entered into the Pinnacle 2 Contribution Agreement pursuant to which Pinnacle 2 Sponsor Affiliate has agreed to cause its wholly-owned subsidiary, 3300 West Olive, LLC, a Delaware limited liability company (" Pinnacle 2 Joint Venture "), to contribute the Pinnacle 2 Property to Pinnacle 2 Property Owner (as each of the foregoing terms is defined below) and, in such event, Pinnacle 2 Sponsor Affiliate will be admitted as an additional Member of the Company upon the terms and conditions more particularly set forth herein;

WHEREAS, Hudson has agreed to make the Initial Capital Contributions and other agreements more particularly set forth in this Agreement in exchange for Pinnacle 1 Sponsor causing the contribution of the Pinnacle 1 Property to the Pinnacle 1 Property Owner pursuant to the RREEF Buyout Documents and the Escrow Instructions, and Pinnacle 2 Sponsor Affiliate causing the contribution of the Pinnacle 2 Property to the Pinnacle 2 Property Owner pursuant to the Pinnacle 2 Contribution Agreement, and whereas Hudson and Pinnacle 2 Sponsor enter into this Agreement to set forth the purposes of the Company and provide for its organization and administration;

NOW, THEREFORE, the Company adopts the following as its "limited liability company agreement" (as that term is used in the Delaware Act) and the parties hereto hereby agree as follows:

ARTICLE I. DEFINED TERMS

1.01. DEFINED TERMS:

As used in this Agreement, the following terms have the meanings set forth below:

" Acceptance Notice " has the meaning set forth in Section 9.06.

“ Additional Capital Contribution ” means any capital contribution (other than Special Contributions or payments made in satisfaction of any Special Contributions) made by Hudson and/or Sponsor pursuant to Section 4.02.

“ Adjusted Capital Account ” means, with respect to any Member for any taxable year or other period, the balance, if any, in such Member’s Capital Account as of the end of such year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore or is deemed obligated to restore as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Treasury Regulation Section 1.704-2(g)(1) and Treasury Regulation Section 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“ Adjusted Capital Account Deficit ” means, with respect to any Member for any taxable year or other period, the deficit balance, if any, in such Member’s Adjusted Capital Account.

“ Administrative Member ” has the meaning set forth in Section 7.03(a).

“ Affiliated ” or “ Affiliate ” means, with respect to any Person, (a) any other Person directly or indirectly controlling, controlled by, or under common control with such Person, or (b) any other Person owning or controlling 10% or more of the outstanding voting interests of such Person, or (c) any officer, director, general partner or managing member of such Person, or (d) any other Person which is an officer, director, general partner, managing member or holder of 10% or more of the voting interests of any other Person described in clauses (a) through (c) of this definition. Without limiting the generality of the foregoing, each of the Key Persons and any Affiliate thereof shall be deemed an Affiliate of Sponsor, and Sponsor and each Key Person shall be deemed Affiliates of one another.

“ Affiliate Agreement ” has the meaning set forth in Section 7.01(f).

“ Agreement ” has the meaning set forth in the introductory paragraph hereof.

“ Assumed Tax Rate ” means, for each calendar year, the highest effective maximum combined marginal U.S. federal, state and local income tax rate (after giving effect to any federal income tax deduction for such state and local income taxes and taking into account the effect of any limitations or reductions under Section 67 or Section 68 of the Code or other provisions of applicable law for such calendar year) applicable during such year to income derived from the Company (taking into account the character of such income) by an individual residing in Los Angeles, California.

“ Bankruptcy Proceeding ” means, with respect to any Person, the taking of the following: (i) commencement of a voluntary case, or having entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) causing, suffering or consenting to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its property, or (iii) making an assignment for the benefit of creditors.

“ Book Basis ” means, with respect to any asset of the Company, the adjusted basis of such asset for federal income tax purposes; provided, however, that (a) if any asset is contributed to the Company, the initial Book Basis of such asset shall equal its gross fair market value on the date of contribution, as determined by the Executive Committee, (b) the Book Basis of all Company Property shall be adjusted to equal their respective gross fair market values, as determined by the Executive Committee, as of the following times: (i) the acquisition of an additional Interest by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for an Interest; (iii) in connection with the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g) and (iv) any other instance in which such adjustment is permitted under Treasury Regulation Section 1.704-1(b)(2)(iv) (provided, however, that adjustments pursuant to clauses (i), (ii) and (iv) above shall be made only if the Executive Committee determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company), and (c) the Book Basis of Company properties shall be increased (or decreased) to reflect any adjustments to the adjusted tax basis of such properties pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) (provided; however, that Book Basis shall not be adjusted pursuant to this clause (c) to the extent that an adjustment pursuant to clause (b) is made in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (c)). The Book Basis of all assets of the Company shall be adjusted thereafter by depreciation as provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(g) and any other adjustment to the basis of such assets other than depreciation or amortization.

“ Budget ” means, with respect to any Project, the budget in effect from time to time with respect to such Project pursuant to the terms of this Agreement.

“ Budgeted Expense ” has the meaning set forth in Section 4.02(b).

“ Business Day ” means any day other than Saturday, Sunday, or any day that is a legal holiday in the States of California or New York, or any other day on which banking institutions in California or New York are authorized to close.

“ Capital Account ” means the separate capital account maintained for each Member under Section 4.03.

“ Capital Contribution ” means, with respect to any Member, all Initial Capital Contributions and Additional Capital Contributions made by such Member to the Company pursuant to this Agreement.

“ Certificate of Formation ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Change in Control ” means the occurrence of any of the following events: (i) the failure of at least one Key Person to control Pinnacle 1 Sponsor and, indirectly thereby (through Pinnacle 1 Sponsor’s status as managing member of Pinnacle 2 Sponsor) Pinnacle 2 Sponsor, or (ii) the failure of at least one Key Person to own at least 20% of the equity (directly or indirectly, including through Family Trusts of any Key Person) and voting interests of Pinnacle 1 Sponsor and, indirectly thereby (through Pinnacle 1 Sponsor’s status as managing member of Pinnacle 2 Sponsor), of Pinnacle 2 Sponsor Affiliate.

“ Close Associate ” is a person who is widely and publicly known to maintain an unusually close relationship with a Senior Foreign Political Figure, and includes a Person who is in a position to conduct substantial United States and non-United States financial transactions on behalf of the Senior Foreign Political Figure.

“ Closing Statement ” means the settlement statement attached hereto as Exhibit L .

“ Code ” means the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law.

“ Company ” means the limited liability company continued and governed by the terms of this Agreement.

“ Company Accountant ” has the meaning set forth in Section 8.04 .

“ Company Management Services ” means (a) the services performed by Administrative Member pursuant to and as provided in this Agreement and all actions in the day-to-day management of the Company or any Property Owner LLC contemplated under any Budget or Operating Plan and (b) all other services reasonably requested from time to time by the Executive Committee, and reasonably agreed to by Administrative Member, consistent with other services customarily provided by administrative members or managers as part of their ordinary compensation in comparable circumstances.

“ Company Minimum Gain ” has the meaning set forth for the term “partnership minimum gain” in Treasury Regulation Section 1.704-2(d).

“ Company Property ” means (1) all of the limited liability company interests in Pinnacle 1 Property Owner and, indirectly thereby, the Pinnacle 1 Property, (2) following the consummation of the transactions contemplated by the Pinnacle 2 Contribution Agreement, all of the limited liability company interest in Pinnacle 2 Property Owner and, indirectly thereby, the Pinnacle 2 Property, (3) all of the limited liability company interests in any one or more Property Owner LLC’s that the Company elects to form in connection with the acquisition of any Project, in each case, pursuant to the terms of this Agreement and, indirectly thereby, one or more other Projects, and (4) any asset or other property (real, personal or mixed) acquired by the Company pursuant to the terms hereof.

“ Confidential Information ” has the meaning set forth in Section 13.16(a) .

“ Contributing Member ” has the meaning set forth in Section 4.02(c) .

“ Control ” means, whether or not such term is initially capitalized and including the terms “controlling”, “controlled by” and “under common control with”, the possession, direct or indirect, of the power (i) to vote 10% or more of the outstanding voting securities of person or entity; or (ii) to otherwise direct management policies of a person or entity by contract or otherwise.

“ Construction Management Fee ” has the meaning set forth in Section 7.04 .

“ CPI ” means the “The Consumer Price Index (New Series) (Base Period 1982-84=100) (all items for all urban consumers)” issued by the Bureau of Labor Statistics of the United States Department

of Labor (the “ Bureau ”). If the CPI ceases to use the 1982-84 average equaling 100 as the basis of calculation, or if a change is made in the term, components or number of items contained in said index, or if the index is altered, modified, converted or revised in any other way, then the index shall be adjusted to the figure that would have been arrived at had the change in the manner of computing the index in effect at the date of this Agreement not been made. If at any time the CPI shall no longer be published by the Bureau, then any comparable index agreed upon by the Members (each acting reasonably) and issued by the Bureau or similar agency of the United States issuing similar indices shall be used in lieu of the CPI.

“ Deadlock Decision ” has the meaning set forth in Section 7.03(d).

“ Delaware Act ” means the Delaware Limited Liability Company Act, as amended from time to time.

“ Emergency Expenditures ” means costs and expenses not set forth in the then effective Budget and Operating Plan, (i) for emergency repairs to the extent necessary to avoid imminent risk of injury, death or material damage to property, (ii) for repairs, additions or modifications to the extent necessary to comply with applicable laws or insurance requirements, (iii) necessary to prevent a default under any applicable Loan Documents, (iv) required to cause the Company (or the applicable Property Owner LLC) to comply in all material respects with its obligations under any Leases and/or any other material contracts or agreements (in each case, entered into in accordance with the terms of this Agreement), or (v) with respect to which, in each case, in the commercially reasonable judgment of the Administrative Member, time is of the essence and if delayed in order to obtain prior Executive Committee approval, could reasonably be expected to result in Losses (other than of a *de minimis* nature) to the Company.

“ Environmental Laws ” means all federal, state and local environmental laws, rules, statutes, directives, binding written interpretations, binding written policies, ordinances and regulations issued by any Governmental Entity and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Pinnacle 1 Property or the improvements thereon, or any portion thereof, the use, ownership, occupancy or operation of the Pinnacle 1 Property or the improvements thereon, or any portion thereof, or Pinnacle 1 Joint Venture or Pinnacle 1 Property Owner, and as the same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), any and all comparable state and local laws, including, without limitation Sections 25115, 25117, 25122.7, 25140, 25249.8, 25281, 25501 and 25316 of the California Health and Safety Code, Section 2782.6(d) of the California Civil Code and Chapter 11 of Title 22 of the California Code of Regulations, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the aforementioned laws.

“ Escrow Account ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Escrow Agent ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Escrow Instructions ” means those certain Escrow Instructions of Gibson Dunn & Crutcher LLP on behalf of Hudson, Pinnacle 1 Sponsor and Pinnacle 2 Sponsor, and delivered to Escrow Agent substantially concurrently herewith.

“ Event of Default ” means a material violation or breach of any of the provisions of this Agreement, which is not cured within a Reasonable Period or such shorter period as may be expressly provided for herein (other than a For Cause event, for which there shall be no cure period).

“ Excess Amounts ” has the meaning set forth in Section 4.02(c).

“ Executive Committee ” has the meaning set forth in Section 7.01(a).

“ Expenses ” means, for any period, the total gross expenditures of the Company and all Property Owner LLC’s reasonably relating to the operations of the Company and all Property Owner LLC’s and the ownership, maintenance, management, operations, sale, financing or refinancing of the Company Property during such period contemplated by all then applicable Budget(s) or otherwise approved (either prospectively or retroactively) by the Executive Committee, including without limitation (a) all cash operating expenses (including, without limitation, real estate taxes and assessments, personal property taxes, sales taxes and all fees, commissions, fees in connection with any condominium declaration and/or easements encumbering or for the benefit of all or any part of the Company Property, expenses and allowances paid or reimbursed to any Member or any of its Affiliates pursuant to any property management agreement or otherwise as expressly permitted hereunder); (b) all deposits of Revenues to the Company’s or to any Property Owner LLC’s reserve accounts; (c) all debt service payments including debt service on loans made to the Company or to any Property Owner LLC by the Members or any of their Affiliates (other than Shortfall Loans); (d) all fees payable to Property Manager (including, without limitation, all Property Management Fees); (e) all expenditures which are treated as capital expenditures (as distinguished from expense deductions included in (a)) under GAAP; (f) all expenditures related to any acquisition, sale, disposition, financing, refinancing or securitization of any Company Property; and (g) all expenditures relating to the ownership, maintenance, management and operation of the Company Property; provided, however, that Expenses shall not include (i) any payment or expenditure to the extent (A) the sources of funds used for such payment or expenditure are not included in Revenues or (B) such payment or expenditure is paid out of any Company or any Property Owner LLC reserves, and (ii) any expenditure properly attributable to the liquidation of the Company or of any Property Owner LLC.

“ Family Trust ” means any trust or other entity established by any Key Person for estate planning purposes only, provided that (i) such Key Person and/or one or more of such Key Person’s immediate family members are at all times the beneficial owners of 100% of the ownership interest of any such trust or other entity, and (ii) at all times, such Key Person or a member of such Key Person’s immediate family shall continue to Control any such trust or entity (and, for all purposes while such Key Person is alive, such Key Person shall Control any such trust or entity). As used in this definition, “immediate family” means, with respect to any individual, such individual’s spouse, children, parents, siblings or grandchildren.

“ Financing Guidelines ” means the guidelines and parameters governing the financing or refinancing of any Company Property. The initial Financing Guidelines approved by the Members are set forth on Exhibit B hereto.

“ For Cause ” means (i) any action or omission on the part of Sponsor, any Key Person or any of their respective representatives or Affiliates which amounts to gross negligence, fraud, bad faith (i.e., intentional dishonest conduct meant to disadvantage the other Member(s)), intentional misrepresentations or willful misconduct in connection with this Agreement or the Company Property; (ii) criminal misconduct which has a material adverse effect on the business or affairs of the Company or the commission of a felony by Sponsor or any Key Person; (iii) any Change in Control with respect to Sponsor or any Key Person Event; (iv) failure of Key Person or Sponsor to cause the Sponsor Loan Parties to execute and deliver a guaranty or guaranties evidencing the Recourse Obligations as required under Sections 4.05(b)-(d); (v) any default (subject to any applicable notice and/or cure period) by Pinnacle 2 Sponsor Affiliate pursuant to the terms of the Pinnacle 2 Contribution Agreement, (vi) from and after the admission of Pinnacle 2 Sponsor Affiliate’s admission as a Member, any dilution of Sponsor’s aggregate Percentage Interests pursuant to the terms of Section 4.02 of this Agreement following a failure to fund Additional Capital Contributions to less than a five percent (5%) aggregate Percentage Interest in the Company, and/or (vii) any failure on the part of Sponsor to make any Special Contributions or any other amounts required to be made pursuant to Section 4.02(e) under this Agreement or to pay any Proposition 13 Shortfall pursuant to the terms of Section 4.06 ; or (vii) any material breach (subject to any applicable notice and/or cure period) by a Sponsor Loan Party under any Reimbursement Agreement.

“ Forced Sale ” has the meaning set forth in Section 9.05 .

“ GAAP ” means United States generally accepted accounting principles consistently applied.

“ Gibson Dunn ” has the meaning set forth in Section 13.20 .

“ Governmental Entity ” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Pinnacle 1 Joint Venture, the Pinnacle 1 Property or any portion thereof.

“ Hazardous Materials ” means any pollutants, contaminants, hazardous or toxic substances, materials or wastes (including petroleum, petroleum by-products, methane, radon, asbestos and asbestos containing materials, polychlorinated biphenyls (“ PCB’s ”), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde), as such terms are used in any Environmental Laws (excluding solvents, cleaning fluids and other lawful substances used in the ordinary operation and maintenance of the Company Property, to the extent in closed containers).

“ Hudson ” has the meaning set forth in the introductory paragraph hereof.

“ Hudson Default ” has the meaning set forth in Section 4.02(h) .

“ Hudson Transfer Event ” means a Transfer where all or substantially all of the interests in HPP or Hudson LP (or an entity owning and controlling, owned and controlled, or under common ownership and control with either of the foregoing) are proposed to be transferred , and as a result of or in connection with such Transfer (1) neither HPP nor Hudson LP will, directly or indirectly, continue to manage the day-to-day affairs of Hudson and/or Property Manager (if an Affiliate of Hudson), or (2) as a result of

a sale or merger with respect to HPP or Hudson LP as applicable, the day to day affairs of the surviving entity that does control Hudson and/or Property Manager (if an Affiliate of Hudson) ceases to be managed by a board of directors constituting a majority of the members of the board of HPP on the date immediately prior to the effectiveness of a sale or merger with respect to HPP or Hudson LP, as applicable. “Hudson’s Escrowed Funds” has the meaning set forth in the recital paragraphs to this Agreement.

“Hudson LP” means Hudson Pacific Properties, L.P., a Maryland limited partnership.

“Hudson Loan Parties” has the meaning set forth in Section 4.05(d).

“Hudson Removal Event” means the occurrence of any of the following at any time that Hudson’s Percentage Interest is diluted, following application of the procedures set forth in Section 4.02 following any failure to fund Additional Capital Contributions, to thirty percent (30%) or less: (i) any action or omission on the part of Hudson or any of its representatives or Affiliates which amounts to gross negligence, fraud, bad faith (i.e., intentional dishonest conduct meant to disadvantage the other Member(s)), intentional misrepresentations or willful misconduct in connection with this Agreement or the Company Property; or (ii) any Event of Default by Hudson that has a material adverse economic impact on any other Member.

“HPP” means Hudson Pacific Properties, Inc., a Maryland corporation.

“Immediate Family Member” includes the parents, siblings, spouse, children and in-laws of a Senior Foreign Political Figure.

“Indemnitees” has the meaning set forth in Section 10.02(a).

“Initial Capital Contribution” means any capital contribution made by Hudson, Pinnacle 1 Sponsor and/or Pinnacle 2 Sponsor Affiliate pursuant to Section 4.01(a).

“Initial Company Property” means all of the limited liability company interests in Pinnacle 1 Property Owner and, indirectly thereby, the Pinnacle 1 Property.

“Interest” means, with respect to any Member at any time, the interest of such Member in the Company at such time, including the right of such Member to any and all of the benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all of the terms and provisions of this Agreement.

“Joinder Party” shall mean M. David Paul Ventures LLC, a California limited liability company.

“Key Person” means, individually or collectively, as the context may require, Jeff Worthe and/or M. David Paul.

“Key Person Event” means the occurrence of any of the following: (i) the death or disability of all Key Persons, or (ii) that no Key Person continues to be actively involved in the management and operation of Pinnacle 1 Sponsor, or, indirectly thereby (by operation of Pinnacle 1 Sponsor’s status as managing member of Pinnacle 2 Sponsor) of Pinnacle 2 Sponsor; provided, however, that in each instance Pinnacle 1 Sponsor may nominate a replacement for the Key Person, subject to Hudson’s reasonable approval.

“ Leasing/Construction Manager ” means Worthe Real Estate Group.

“ Lender ” means, individually or collectively, as the context may require, the Pinnacle 1 Lender, the Pinnacle 2 Lender and the lender under any other Loan obtained pursuant to the terms of this Agreement.

“ Liquidating Member ” means the Member designated as such by the Executive Committee; provided, however, that any Member that is then in default hereunder or that causes the dissolution of the Company under Section 11.01(c) shall not serve as the Liquidating Member (in which event the Liquidating Member shall be the non-defaulting Member).

“ Loan ” means, individually or collectively, as the context may require, the Pinnacle 1 Loan, the Pinnacle 2 Loan and any loan obtained by the Company or any Property Owner LLC in connection with any financing or refinancing of any Company Property in accordance with this Agreement.

“ Lockout Period ” has the meaning set forth in Section 9.05.

“ Loss ” means, for each taxable year or other period, an amount equal to the Company’s items of taxable deduction and loss for such year or other period, determined in accordance with Section 703(a) of the Code (including all items of loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

(a) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures under Treasury Regulation Section 1.704-1(b)(2)(iv) (i), and not otherwise taken into account in computing Loss, will be considered an item of Loss;

(b) Loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;

(c) In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account depreciation for the taxable year or other period as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g);

(d) Any items of deduction and loss specially allocated pursuant to Section 6.02 or otherwise shall not be considered in determining Loss;

(e) Any decrease to Capital Accounts as a result of any adjustment to the Book Basis of Company Property pursuant to Treasury Regulation Section 1.704-1(b)(2) (iv)(f) or (g) shall constitute an item of Loss; and

(f) To the extent an adjustment to the adjusted tax basis of any Company Property pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the

Company, and such adjustment decreases the adjusted tax basis of the property, the amount of such adjustment shall be treated as an item of loss from the disposition of the property and shall be taken into account for purposes of computing Loss.

“ Losses ” has the meaning set forth in Section 4.02(e).

“ Major Decision ” has the meaning set forth in Section 7.01(e).

“ Major Decision Consent Request ” has the meaning set forth in Section 7.01(h).

“ Major Decision Response Deadline ” has the meaning set forth in Section 7.01(h).

“ MDP Ventures ” means M. David Paul Ventures, LLC, a California limited liability company.

“ Member ” means Hudson and/or Sponsor, or any other Person who is admitted as a member of the Company in accordance with this Agreement and applicable law.

“ Member Minimum Gain ” has the meaning set forth for the term “partner nonrecourse debt minimum gain” in Treasury Regulation Section 1.704-2(i)(2).

“ Member Negotiation Expenses ” has the meaning set forth in Section 4.01(b).

“ Member Nonrecourse Deductions ” has the meaning set forth for the term “partner nonrecourse deductions” in Treasury Regulation Sections 1.704-2(i)(1) and 1.704-2(i)(2).

“ Net Cash Flow ” means, for any period, the excess of (a) Revenues for such period over (b) Expenses for such period, adjusted as required to consider changes in balance sheet accounts and any other non-cash items of Revenues or Expenses as well as working capital required, if and to the extent such adjustments are approved by the Executive Committee.

“ Net Loss ” means, for any period, the excess of Losses over Profits, if applicable, for such period.

“ Net Profit ” means, for any period, the excess of Profits over Losses, if applicable, for such period.

“ Non-Contributing Member ” has the meaning set forth in Section 4.02(c).

“ Non-Recourse Carveout Obligations ” has the meaning set forth in Section 4.05(d).

“ Non-Transferable Sponsor Rights ” means any and all of Sponsor’s rights at the time of any Transfer permitted pursuant to this Agreement (a) to vote on or otherwise participate in decision making with respect to any Major Decisions, expressly excepting those set forth in Section 7.01(e) (vii), (viii), (xiii) (and, in the case of (xiii), with respect to the subject Member only, not the Company and without derogation of any covenants of any transferee of Sponsor permitted hereunder, including, without limitation, pursuant to Section 4.05), (xv), (xvi), (xxi) and (xxii) (and, in the case of (xxii), only to the extent it relates to the foregoing expressly excepted rights), all of which shall be retained; (b) to take any action pursuant to or to otherwise enforce the terms and provisions of Sections 7.02(m) and (o); (c) under Sections 9.05, 9.06 and 9.07 hereof; and/or (d) to receive any fees (including, without limitation,

any Leasing Fees or Construction Management Fees) or to perform any services on behalf of the Company (or any Property Owner LLC) related to leasing, construction management and/or property management, whether pursuant to Section 7.04 or any other provision of this Agreement, or under any other agreement between the Company (or any Property Owner LLC) and Sponsor (or any of their Affiliates).

“ Nonrecourse Deductions ” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(1).

“ Notices ” has the meaning set forth in Section 13.03.

“ OFAC ” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“ OFAC List ” is any list of prohibited countries, individuals, organizations and entities that is administered or maintained by OFAC, including: (i) Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), any related enabling legislation or any other similar executive orders, (ii) the List of Specially Designated Nationals and Blocked Persons (the “ SDN List ”) maintained by OFAC), and/or on any other similar list (“ Other Lists ”) maintained by OFAC pursuant to any authorizing statute, executive order or regulation, or (iii) a “Designated National” as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515.

“ Operating Plan ” means, with respect to any Project, the strategic and comprehensive operating plan in effect from time to time with respect to such Project pursuant to the terms of this Agreement.

“ Organizational Documents ” has the meaning set forth in Section 13.01(b)(i).

“ Percentage Interest ” means, at all times while Hudson and Sponsor are Members of the Company, (a) from the date hereof until Pinnacle 2 Property Owner’s acquisition of the Pinnacle 2 Property in accordance with the terms of this Agreement and the admission of Pinnacle 2 Sponsor Affiliate as a Member, (i) with respect to Pinnacle 1 Sponsor, 1.75% and (ii) with respect to Hudson, 98.25%, and (b) upon the Pinnacle 2 Closing Date, as follows: (i) Pinnacle 2 Sponsor Affiliate’s Percentage Interest shall be the quotient, expressed as a percentage, of (A) (1) the positive difference between the Pinnacle 2 Property Allocated Value, as adjusted to reflect the prorations and adjustments set forth in the Pinnacle 2 Contribution Agreement, and the Pinnacle 2 Loan minus (2) the Proposition 13 Reserve Amount, as the same may be adjusted pursuant to Section 4.06 and (B) the sum of the Capital Account balances of all of the Members (after giving effect to the admission of Pinnacle 2 Sponsor Affiliate) on the Pinnacle 2 Closing Date (as such Capital Account balances are calculated pursuant to the terms of this Agreement); (ii) Pinnacle 1 Sponsor’s Percentage Interest shall be the quotient, expressed as a percentage, of (A) Pinnacle 1 Sponsor’s Capital Account balance on the Pinnacle 2 Closing Date and (B) the sum of the Capital Account balances of all of the Members (after giving effect to the admission of Pinnacle 2 Sponsor Affiliate) on the Pinnacle 2 Closing Date (as such Capital Account balances are calculated pursuant to the terms of this Agreement); and (iii) Hudson’s Percentage Interest shall be the quotient, expressed as a percentage of (A) the sum of (1) the Capital Account balance of Hudson on the Pinnacle 2 Closing Date, as adjusted to reflect the prorations and adjustments contemplated in the Pinnacle 2 Contribution Agreement plus (2) the Proposition 13 Reserve Amount, as the same may be adjusted pursuant to Section 4.06, and (B) the sum of the Capital Account balances of all of the Members

(after giving effect to the admission of Pinnacle 2 Sponsor Affiliate) on the Pinnacle 2 Closing Date (as such Capital Account balances are calculated pursuant to the terms of this Agreement) . For the avoidance of doubt, in no event shall the Percentage Interests of the Members exceed one hundred percent (100%) in the aggregate. The Percentage Interests of the Members may be adjusted pursuant to the terms of Section 4.02(c), provided; however, and notwithstanding anything to the contrary contained in this Agreement, for purposes of the Members’ obligations pursuant to Sections 4.02 and 4.05 of this Agreement only, the Percentage Interests of the Members shall be unaffected by (and shall not be adjusted pursuant to) Section 4.02(c).

Notwithstanding anything to the contrary contained in this Agreement, in the event the Percentage Interest of Pinnacle 1 Sponsor is adjusted downward following the application of Section 4.02(c) between the effective date of this Agreement and the Pinnacle 2 Closing Date, then concurrently with the admission of Pinnacle 2 Sponsor Affiliate as a Member pursuant to the terms of this Agreement, the Percentage Interest of Pinnacle 2 Sponsor shall be adjusted by the same percentage as the Percentage Interest of Pinnacle 1 Sponsor, such that the Percentage Interests of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate shall have been proportionately diluted (i.e. if, on account of any failure to fund Additional Capital Contributions pursuant to Section 4.02(c), Pinnacle 1 Sponsor’s Percentage Interest shall have been decreased from five percent (5%) to four percent (4%), by way of example (a 20% decrease), then, concurrently with the admission of Pinnacle 2 Sponsor Affiliate pursuant to this Agreement, the Percentage Interest of Pinnacle 2 Sponsor Affiliate shall be reduced, assuming that absent such event, the Percentage Interest of Pinnacle 2 Sponsor Affiliate as calculated pursuant to the immediately preceding sentences would have been thirty percent (30%) to twenty-four percent (24%).

Further notwithstanding anything to the contrary contained in this Agreement, in the event that the Proposition 13 Reserve Amount exceeds the actual Proposition 13 Protection Amount actually owed to the tenant pursuant to the WB Lease determined at the time of any Reassessment (i.e. such that Hudson actually received an unintended increase to its Capital Account on the Pinnacle 2 Closing Date in an amount equal to such excess) (the date the actual Proposition 13 Protection Amount actually owed to the tenant, for purposes of this paragraph, the “ Determination Date.”), then the Percentage Interests of the Members shall be recalculated (1) as if the actual Proposition 13 Protection Amount owed to the tenant pursuant to the WB Lease had been known on the Pinnacle 2 Closing Date and (2) any subsequent adjustments to the Percentage Interests of the Members between the Pinnacle 2 Closing Date and the Determination Date had been applied to such adjusted Percentage Interests (i.e. as so adjusted pursuant to clause (1)). In the event any amount is owed to any Member on account of the foregoing adjustment based on Capital Contributions and/or Distributions made between the Pinnacle 2 Closing Date and the Determination Date, the Member owing amounts to any other Member shall fund the amount required to true-up such Member, and the Company shall make a one-time special distribution in the amount of the true-up to the Member who is owed such true-up amount.

“ Permitted Unbudgeted Expenses ” has the meaning set forth in Section 4.02(b).

“ Person ” means any individual, partnership, corporation, limited liability company, limited liability partnership, trust or other entity.

“ PGPC ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Pinnacle 1 Joint Venture ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Pinnacle 1 Leases ” has the meaning set forth in Section 13.01(c)(iv) .

“ Pinnacle 1 Lender ” has the meaning set forth in Section 4.05(a) .

“ Pinnacle 1 Loan ” has the meaning set forth in Section 4.05(a) .

“ Pinnacle 1 Non-Recourse Carveout Obligations ” has the meaning set forth in Section 4.05(b) .

“ Pinnacle 1 Operating Agreement ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Pinnacle 1 Property ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Pinnacle 1 Property Owner ” means P1 MC Hudson Partners, LLC, a Delaware limited liability company (the Property Owner LLC that will directly acquire, own and hold title to the Pinnacle 1 Property).

“ Pinnacle 1 Property Owner LLC Agreement ” means that certain Limited Liability Company Agreement of P1 MC Hudson Partners, LLC, dated substantially concurrently herewith and made by the Company as its sole member.

“ Pinnacle 1 Sponsor ” has the meaning set forth in the Recitals hereto.

“ Pinnacle 2 Closing Date ” means the date of the closing under the Pinnacle 2 Contribution Agreement pursuant to the terms thereof and the terms of this Agreement (assuming that such closing occurs).

“ Pinnacle 2 Contribution Agreement ” means that certain Acquisition and Contribution Agreement, of even date herewith, between the Company and Pinnacle 2 Sponsor Affiliate, governing Pinnacle 2 Sponsor Affiliate’s agreement to cause 3300 West Olive, LLC to contribute to the Company the Pinnacle 2 Property, as the same may be amended, modified and/or supplemented pursuant to the terms of this Agreement. A copy of the Pinnacle 2 Contribution Agreement is attached hereto as Exhibit C .

“ Pinnacle 2 Joint Venture ” has the meaning set forth in the Recitals hereto.

“ Pinnacle 2 Loan ” has the meaning set forth in Section 4.05(c) .

“ Pinnacle 2 Loan Documents ” has the meaning set forth in Section 4.05(c) .

“ Pinnacle 2 Loan Assumption ” has the meaning set forth in Section 4.05(c) .

“ Pinnacle 2 Loan Assumption Documents ” has the meaning set forth in Section 4.05(c) .

“ Pinnacle 2 Property ” means certain real property and the improvements thereon located in Burbank, California commonly known as 3300 West Olive Avenue and more particularly described in Exhibit D attached hereto.

“ Pinnacle 2 Property Allocated Value ” means One Hundred and Thirty Million and No/100ths Dollars (\$130,000,000.00).

“ Pinnacle 2 Property Owner ” means P2 MC Hudson Partners, LLC, a Delaware limited liability company (the Property Owner LLC that will directly acquire, own and hold title to the Pinnacle 2 Property in the event of a closing under the Pinnacle 2 Contribution Agreement).

“ Pinnacle 2 Non-Recourse Carveout Obligations ” has the meaning set forth in Section 4.05(c).

“ Pinnacle 2 Replacement Guaranties ” has the meaning set forth in Section 4.05(c).

“ Pinnacle 2 Sponsor Affiliate ” means Media Center Development, LLC, a Delaware limited liability company.

“ Post-Closing Liabilities ” has the meaning set forth in Section 4.02(e).

“ Pre-Closing Liabilities ” has the meaning set forth in Section 4.02(e).

“ Profit ” means, for each taxable year or other period, an amount equal to the Company’s items of taxable income and gain for such year or other period, determined in accordance with Section 703 (a) of the Code (including all items of income and gain required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

- (a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profit will be added to Profit;
- (b) Gain resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;
- (c) Any items of income and gain specially allocated pursuant to Section 6.02 or otherwise shall not be considered in determining Profit;
- (d) Any increase to Capital Accounts as a result of any adjustment to the Book Basis of Company Property pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) or (g) shall constitute an item of Profit; and
- (e) To the extent an adjustment to the adjusted tax basis of any Company property pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, and such adjustment increases the adjusted tax basis of the property, the amount of such adjustment shall be treated as an item of gain from the disposition of the property and shall be taken into account for purposes of computing Profit.

“ Project ” means (a) the Pinnacle 1 Property, (b) from and after the Pinnacle 2 Closing Date, the Pinnacle 2 Property, and (c) any other real property assets acquired (directly or indirectly) by the Company in accordance with the terms of this Agreement.

“ Property Management Agreement ” has the meaning set forth in Section 7.04(a) of this Agreement.

“ Property Manager ” means Hudson (or an Affiliate of Hudson), or any other Person who is engaged as property manager for any Company Property and approved by the Executive Committee (it being acknowledged and agreed that, in the event the Property Management Agreement is terminated pursuant to the terms thereof or pursuant to any assignment of management agreement for the benefit of any Lender, then, as between the Members, Worthe Real Estate Group is pre-approved as a replacement property manager provided the same shall be acceptable to such Lender), whose services will include those specified in the applicable Property Management Agreement.

“ Property Owner LLC ” has the meaning set forth in Section 2.07.

“ Proposed Price ” has the meaning set forth in Section 9.05.

“ Proposed Offered Interest Price ” has the meaning set forth in Section 9.06.

“ Proposed Terms ” has the meaning set forth in Section 9.05.

“ Proposition 13 Protection Amount ” has the meaning set forth in Section 4.06

“ Proposition 13 Reserve Account ” has the meaning set forth in Section 4.06

“ Proposition 13 Reserve Amount ” has the meaning set forth in Section 4.06.

“ Proposition 13 Shortfall ” has the meaning set forth in Section 4.06

“ Purchase Notice ” has the meaning set forth in Section 9.05.

“ Put Closing ” has the meaning set forth in Section 9.07(b).

“ Put Deposit ” has the meaning set forth in Section 9.07(b).

“ Put Notice ” has the meaning set forth in Section 9.07(a).

“ Put Response Notice ” has the meaning set forth in Section 9.07(b).

“ Put Response Period ” has the meaning set forth in Section 9.07(b).

“ Qualified Organization ” has the meaning set forth in Section 514(c)(9)(C) of the Code or any successor provision of similar import.

“ Reassessment ” has the meaning set forth in Section 4.06.

“ Reasonable Period ” means, with respect to any defaulting member, a period of thirty (30) calendar days after such defaulting Member receives written notice of its default from a non-defaulting Member; provided, however, that if such breach can be cured but cannot reasonably be cured within such 30-day period, the period shall continue, if such defaulting Member commences to cure the breach within such 30-day period, for so long as such defaulting Member diligently prosecutes the cure to completion at all times during such period, up to a maximum of the lesser of (a) sixty (60) consecutive calendar days, provided that in no event shall the sum of the initial 30-day period plus the additional 60-day period set forth in this clause (a) exceed ninety (90) calendar days in the aggregate, or (b) the period of time allowed for such performance under any deed of trust encumbering all or any part of the Company Property.

“ Recourse Obligations ” means, individually and collectively as the context may require, the Pinnacle 1 Non-Recourse Carveout Obligations, the Pinnacle 2 Recourse Obligations and the Non-Recourse Carveout Obligations.

“ Redemption Payment ” has the meaning set forth in Section 4.01(e).

“ Regulatory Allocations ” has the meaning set forth in Section 6.02(g).

“ Reimbursement Agreement ” means, individually and collectively as the context may require, any Reimbursement and Indemnity Agreement entered into by Hudson, Sponsor, the other Sponsor Loan Parties, the other Hudson Loan parties and/or the Company in accordance with Section 4.05.

“ REIT ” has the meaning set forth in Section 2.06.

“ Rent Roll ” means the Rent Roll attached hereto for the Pinnacle 1 Property attached hereto as Exhibit K.

“ Revenues ” means, for any period, the total cash receipts of the Company and all Property Owner LLC’s during such period, from whatever source, including, without limitation, any withdrawals from the Company’s or any such Property Owner LLC’s reserve accounts (to the extent such amounts were not previously treated as Revenues), and all excess cash from Capital Contributions that were not used as contemplated by the Executive Committee for the purpose of funding the Shortfall giving rise to the need for such Capital Contributions or such other Shortfall as the Executive Committee may determine. Without limiting the generality of the foregoing, if proceeds of a loan are used to pay for Expenses of the Company or of any Property Owner LLC, then such proceeds and the corresponding Expenses shall net out, so there shall be no Net Cash Flow resulting therefrom.

“ RREEF ” has the meaning set forth in the recital paragraphs to this Agreement.

“ RREEF Buyout Documents ” means, collectively, the Pinnacle 1 Operating Agreement and those certain letter agreements dated July 6, 2012 and July 12, 2012 by and between Sponsor and RREEF regarding Sponsor’s acquisition of RREEF’s Interest pursuant to Section 7.9 of the Pinnacle 1 Operating Agreement, copies of which are attached hereto as Exhibit E.

“ RREEF’s Interest ” has the meaning set forth in the recital paragraphs to this Agreement.

“ RREEF Buyout ” has the meaning set forth in the recital paragraphs to this Agreement.

“ Sale Notice ” has the meaning set forth in Section 9.05 .

“ Sale Right ” has the meaning set forth in Section 9.05 .

“ Senior Foreign Political Figure ” means a senior official of a major non-United States political party or a senior executive of a government-owned corporation not organized within the United States. In addition, a “Senior Foreign Political Figure” includes any corporation, business or other entity that has been formed by or for the benefit of a Senior Foreign Political Figure.

“ Shortfall ” has the meaning set forth in Section 4.02(b) .

“ Shortfall Loans ” has the meaning set forth in Section 4.02(d) .

“ Shortfall Loan Election ” has the meaning set forth in Section 4.02(d) .

“ Special Contributions ” has the meaning set forth in Section 4.02(e) .

“ Specified Valuation Amount ” has the meaning set forth in Section 9.07(a) .

“ Sponsor ” means, (i) between the effective date of this Agreement and the Pinnacle 2 Closing Date, Pinnacle 1 Sponsor, and (ii) from and after the Pinnacle 2 Closing Date and the consummation of the transactions contemplated by the Pinnacle 2 Contribution Agreement and this Agreement, individually and/or collectively, on a joint and several basis, Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate.

“ Sponsor’s Knowledge ” means the present, actual (and not imputed) knowledge, as of the date of this Agreement, without any duty of inquiry or investigation, of Jeff Worthe and/or Leo Divinsky.

“ Sponsor Loan Parties ” has the meaning set forth in Section 4.05(d) .

“ Sponsor Offer Notice ” has the meaning set forth in Section 9.06 .

“ Sponsor Offered Interest ” has the meaning set forth in Section 9.06 .

“ SRO ” means a self-regulatory organization.

“ Subject Property ” has the meaning set forth in Section 9.05 .

“ Substituted Capital Contribution ” has the meaning set forth in Section 4.02(c) .

“ Transfer ” has the meaning set forth in Section 9.01 .

“ Treasury Regulation ” or “ Regulation ” means, with respect to any referenced provision, such provision of the regulations of the United States Department of the Treasury or any successor provision.

“ Unrelated Project ” has the meaning set forth in Section 7.05(c) .

“ WB Lease ” means that certain Office Lease, dated August 8, 2005, by and between, Media Center Development, LLC, a Delaware limited liability company, as “Landlord”, and Warner Bros.

Entertainment Inc., a Delaware corporation, as “Tenant”, for a portion of or space within the Pinnacle 2 Property (as amended, restated, supplemented or otherwise modified).

“ Worthe Real Estate Group ” means Worthe Real Estate Group, Inc., a California corporation.

- 1.02. **OTHER DEFINED TERMS** : As used in this Agreement, unless otherwise specified, (a) all references to Sections, Articles or Exhibits are to Sections, Articles or Exhibits of this Agreement, and (b) each accounting term has the meaning assigned to it in accordance with GAAP.

ARTICLE II. ORGANIZATION

- 2.01. **CONTINUATION** : The Company was formed as a limited liability company under the Delaware Act by the filing of the Certificate of Formation. The Members hereby agree to continue the Company as a limited liability company under the Delaware Act, upon the terms and subject to the conditions set forth in this Agreement. Hudson is hereby authorized to file and record any amendments to the Certificate of Formation, as authorized by the Members, and such other documents as may be reasonably required or appropriate under the Delaware Act or the laws of any other jurisdiction in which the Company may conduct business or own property.

- 2.02. **NAME AND PRINCIPAL PLACE OF BUSINESS** : (a) The name of the Company is set forth on the cover page to this Agreement. The Executive Committee may change the name of the Company or adopt such trade or fictitious names for use by the Company as the Executive Committee may from time to time determine. All business of the Company shall be conducted under such name, and title to all Company Property shall be held in such name or in the name of the relevant Property Owner LLC.

(b) The principal place of business and office of the Company shall be located at c/o Hudson Pacific Properties, Inc., 11601 Wilshire Blvd., Suite 1600 Los Angeles, CA 90025, or at such other place or places as the Executive Committee may from time to time designate.

- 2.03. **TERM** :

The term of the Company commenced on the date of the filing of the Certificate of Formation pursuant to the Delaware Act, and shall continue in perpetuity, unless sooner terminated pursuant to the provisions of this Agreement.

- 2.04. **REGISTERED AGENT AND REGISTERED OFFICE** :

The name of the Company’s registered agent for service of process shall be Corporation Service Company, and the address, of the Company’s registered agent and the address of the Company’s registered office in the State of Delaware shall be 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. Such agent and such office may be changed from time to time by the Executive Committee with written notice to all Members.

2.05. PURPOSE :

The purpose of the Company shall be to (i) own all of the membership interests in Pinnacle 1 Property Owner, Pinnacle 2 Property Owner and of any other Property Owner LLC's formed by the Company pursuant to the terms hereof, and (ii) indirectly thereby to acquire, own, manage, operate, improve, renovate, finance, refinance, market, lease, sell and otherwise deal with and dispose of all Company Property and (iii) to conduct all activities reasonably necessary or desirable to accomplish the foregoing purposes.

2.06. CERTAIN REIT MATTERS :

(a) Notwithstanding any provision of this Agreement to the contrary, each Member acknowledges that HPP, Hudson's indirect equity owner, is qualified and operates, and intends to continue to qualify and operate, as a real estate investment trust within the meaning of Section 856 et. seq. of the Code (a "REIT.") for federal income tax purposes, and that HPP's ability to continue to qualify and operate as a REIT and to avoid being subject to corporate-level income and certain excise taxes will depend to some extent upon the nature of the Company's income, assets and operations. Accordingly, the business and activities of the Company (including the business and activities of any subsidiary of the Company) are intended to be conducted as if the Company were itself a REIT. To this end, the Executive Committee will use its commercially reasonable efforts to cause the Company to operate in a manner such that the Company, assuming it were a REIT, would continue to qualify as a REIT and would not be subject to any taxes under Section 857 or 4981 of the Code, determined without regard to the distributions required in order to maintain REIT status or to avoid income and excise taxes imposed on a REIT. For purposes of determining whether the Company has met the requirements set forth in this Section 2.06, the Company may rely on the advice of its counsel and accountants.

(b) Notwithstanding any provision of this Agreement to the contrary, during the time Hudson, HPP or any Affiliate thereof owns a direct or indirect beneficial interest in the Company, without the consent of Hudson (which consent shall not be unreasonably withheld) neither the Company nor its Affiliates shall take, or refrain from taking, any action which, in the reasonable judgment of Hudson, is inconsistent with the requirements of Section 2.06(a), including, without limitation, taking any of the following actions:

(i) entering into any lease that provides for rent based in whole or in part on the income or profits of any Person;

(ii) entering into any lease with a Person unless Hudson has confirmed in writing that such Person is not a "prohibited tenant." A "prohibited tenant" is (A) any Person in which HPP owns, directly or indirectly (taking into account applicable constructive ownership rules): (x) in the case of any Person which is a corporation, stock of such Person possessing 10% or more of the total combined voting power of all classes of stock entitled to vote, or 10% or more of the total value of shares of all classes of stock of such Person; or (y) in the case of any Person which is not a corporation, an interest of 10% or more in the assets or net profits of such Person or (B) any Person required to be treated as an independent contractor from which HPP may not receive any income;

(iii) entering into any lease of space for a term of less than 30 days;

(iv) leasing personal property, except a lease of personal property that is entered into in connection with a lease of real property where the rent attributable to the personal property is less than 15% of the total rent provided for under the lease, determined as set forth in Section 856(d)(1) of the Code;

(v) providing any services or amenities to tenants, other than services that are (A) customarily furnished or rendered in connection with the rental of space for occupancy only (as opposed to rendered primarily for the convenience of the tenant); (B) customarily furnished or rendered by or on behalf of landlords in connection with the rental of real property of a similar class in the geographic areas in which the real property is located and provided by an independent contractor from which the Company, HPP and any Affiliate thereof derive no income; or (C) provided by a “taxable REIT subsidiary” (as defined in Section 856(l) of the Code) of HPP. In the event that Hudson determines that in order for income derived by HPP with respect to its indirect interest in the Company to constitute “rents from real property” under Section 856(d) of the Code, any services or amenities performed or to be performed with respect to the Project or for tenants of the Company or any activities or business operations of the Company should be restructured such that such services, amenities, activities or business operations are performed through a taxable REIT subsidiary of HPP, Sponsor and Hudson agree to restructure such services, amenities, activities or business operations (i) such that they are performed by a corporation owned by the Company that is a taxable REIT subsidiary of HPP or an entity treated as a partnership for U.S. federal income tax purposes owned by Sponsor and a taxable REIT subsidiary of HPP in accordance with Sponsor’s and Hudson’s Percentage Interests in the Company, respectively, or (ii) in such other manner as reasonably proposed by Hudson (in each case, a “Restructuring”). The Company and Sponsor will reasonably cooperate with such Restructuring; provided that any and all costs and expenses (including, without limitation, reasonable attorneys’ fees and disbursements) associated with or incurred as a result of effecting any such Restructuring shall be paid (or promptly reimbursed to the Person originally incurring the same) solely by Hudson and neither the Company nor the Sponsor shall have any responsibility therefor. In the event that there is a Restructuring and it involves the provision of services to a tenant or licensee of the Company by or on behalf of another entity (a “Service Provider”), the Company shall, upon Hudson’s request, assign its rights and obligations to provide such services to the Service Provider or cause the applicable tenant or licensee to contract directly with the Service Provider for such services, in each case, as determined by Hudson. Any costs or expenses associated with or incurred in connection with the Company’s compliance with this Section 2.06(b)(v) shall be borne and paid by Hudson;

(vi) owning or acquiring any stock, loan or other debt or equity securities of, or making any advances to, another issuer (including an Affiliate of the Company), other than any other entity that is treated as disregarded from the Company for tax purposes;

(vii) owning more than \$250,000 of property except real property, furniture, fixtures and equipment associated with such real property, cash, bank time deposits and receivables which arise in the ordinary course of its rental business, such as rent from leases;

(viii) deriving more than \$50,000 of income in any calendar year other than from rent or interest on bank time deposits and sale of properties that satisfy the requirements of clause (ix) below; or

(ix) selling, disposing, conveying or otherwise transferring real property (or interests therein) in a manner that fails to satisfy the requirements of the prohibited transaction safe-harbor set forth in Section 857(b)(6)(C) of the Code with respect to Hudson.

So long as Hudson, HPP or any Affiliate thereof owns a direct or indirect beneficial interest in the Company, the Company shall, promptly upon the request of Hudson, make available to Hudson all data and information in the possession of the Company which is reasonably determined by Hudson to be necessary or helpful to (1) determine the tax treatment of Hudson, HPP or any Affiliate thereof, or (2) monitor HPP's compliance with the requirements relating to HPP's status as a REIT.

(c) In furtherance of the foregoing, without the need for the consent of Sponsor or the Executive Committee:

(i) Hudson may direct the Executive Committee to cause the Company to refrain from taking any action which, in Hudson's reasonable judgment, (1) could adversely affect the ability of HPP to continue to qualify as a REIT, or (2) could subject HPP to any taxes under Section 857 or Section 4981 of the Code, assuming, in each case, that Hudson's only asset and income were attributable to the Company.

(ii) Hudson may direct the Executive Committee to cause the Company to take, or refrain from taking, any action if, in Hudson's reasonable judgment, such action or inaction, as applicable (1) would permit the Company to make distributions to its Members pursuant to the then-applicable distribution provisions of this Agreement in such amounts as will permit Hudson to make sufficient distributions to its equity holders to permit HPP to maintain REIT status and avoid the payment of any federal income tax (including, for this purpose, any corporate tax pursuant to Section 857(b) of the Code or any excise tax pursuant to Section 4981 of the Code), (2) would permit HPP to satisfy the REIT gross income tests, and (3) would permit HPP to satisfy the REIT asset tests, assuming, in each case, that Hudson's only asset and income were attributable to the Company.

(iii) Any action of the Company or any decision to refrain from acting on behalf of the Company undertaken following the direction of Hudson in the reasonable, good faith belief that such action or omission is necessary or advisable in order (1) to protect the ability of HPP to continue to qualify as a REIT, (2) to allow HPP to avoid incurring any liability for taxes under Section 857 or Section 4981 of the Code, (3) to otherwise protect the status of HPP as a REIT, or (4) to comply with the provisions of Section 2.06(a) or subparagraphs (i) or (ii) above, assuming, in each case, that Hudson's only asset and income were attributable to the Company, is expressly authorized under this Agreement and is deemed approved by all of the Members.

(d) The provisions of this Section 2.06 are solely for the benefit of Hudson, HPP and, to the extent provided in Section 2.06(b)(v) with respect to the payment of certain costs by Hudson, Sponsor and no other Person shall have the right to enforce, or be the beneficiary of, the provisions of this Section 2.06 (other than the allocation of responsibility for Restructuring related cost and expenses pursuant to Section 2.06(b)(v) which is expressly for the benefit of the Company and the other Members and may be enforced against Hudson by the other Members). The limitations of this Section 2.06 shall be applicable even if they require the Company to forgo an otherwise advantageous business opportunity and/or affect the profitability of the Company and/or otherwise preclude the Company from taking an action, or require the Company to take an action which it would not have otherwise taken, even though

the taking of such action or not taking such action, respectively, might otherwise be advantageous to the Company and/or to one or more of the Members.

- (e) In the event of any conflict or inconsistency between the terms of this Section 2.06 and any other provision of this Agreement, the terms of this Section 2.06 shall control.

2.07. PROPERTY OWNER:

The Executive Committee intends to cause the Company to form, from time to time, wholly owned Delaware limited liability companies (each, a “Property Owner LLC”) to own all or any part of the Company Property. As of the date hereof, the Company has formed two Property Owner LLCs, the Pinnacle 1 Property Owner and the Pinnacle 2 Property Owner. In each such case, it is expressly understood that the Company shall conduct its business through each Property Owner LLC, and it is the intent of the Members that the organizational documents relating to the formation of each Property Owner LLC shall be interpreted together with the provisions of this Agreement to have substantially the same effect to the Members as would be the case if all business of the Property Owner LLC were conducted by the Company pursuant to the terms of this Agreement. Administrative Member shall perform, for no compensation, substantially identical services for each Property Owner LLC as Administrative Member performs for the Company, subject to the terms, conditions, limitations and restrictions set forth in this Agreement. Administrative Member agrees to perform such duties, and in such circumstances and with regard to such duties, Administrative Member shall be subject to the same standards of conduct and shall have the same rights and obligations with regard to such duties performed or to be performed on behalf of any such Property Owner LLC as are set forth in this Agreement with regard to substantially identical services to be performed for or on behalf of the Company. The Members agree to make such changes as any Lender(s) may reasonably require to this Agreement and to the organizational documents of each Property Owner LLC, including, without limitation, the addition of one or more springing members, a non-member manager and/or independent director to the structure of the Company and/or any Property Owner LLC. The Company has acquired the Pinnacle 1 Property through Pinnacle 1 Property Owner on the date hereof pursuant to the terms of the RREEF Buyout Documents, the Escrow Instructions, the Pinnacle 1 Property Owner LLC Agreement and the terms and conditions of this Agreement. The Members intend that the Company will acquire the Pinnacle 2 Property through the Pinnacle 2 Property Owner pursuant to the Pinnacle 2 Contribution Agreement and Pinnacle 2 Property Owner (which will be governed pursuant to an operating agreement substantially identical in form and substance to the Pinnacle 1 Property Owner LLC Agreement, subject to any changes Pinnacle 2 Lender may reasonably require), shall assume the Pinnacle 2 Loan, substantially concurrently with the acquisition of the Pinnacle 2 Property pursuant to the terms of this Agreement.

**ARTICLE III.
MEMBERS**

3.01. MEMBERS:

(a) Effective as of the date of this Agreement, the Members of the Company shall be Hudson and Pinnacle 1 Sponsor. Effective as of the closing of the contribution of the Pinnacle 2 Property pursuant to the Pinnacle 2 Contribution Agreement, Pinnacle 2 Sponsor Affiliate shall be admitted as an additional Member and the Company and Pinnacle 2 Sponsor Affiliate shall execute the acknowledgement attached hereto as Exhibit F, pursuant to which, among other things, Pinnacle 2 Sponsor Affiliate agrees to be bound by each and every covenant and obligation of Sponsor hereunder

and to each other term of this Agreement (and all references herein to Pinnacle 2 Sponsor Affiliate in the capacity of a Member shall be effective immediately upon, but not prior to, the closing of the contribution of the Pinnacle 2 Property pursuant to the Pinnacle 2 Contribution Agreement). Concurrently with the execution of the Acknowledgement, Pinnacle 2 Sponsor shall (1) execute its counterpart signature to the Joinder attached hereto, for purposes of acknowledging and agreeing only to the waivers enumerated therein and (2) execute the joinder to the Reimbursement and Indemnity Agreement for the Pinnacle 1 Non-Recourse Carveout Obligations as contemplated by Section 4.05. Except as expressly permitted by this Agreement, no other Person shall be admitted as a member of the Company and no additional Interest shall be issued, without the approval of all of the Members.

(b) It is the intent of the Members that, following the admission of Pinnacle 2 Sponsor Affiliate as a Member of the Company pursuant to the terms of Section 3.01(a) and otherwise pursuant to this Agreement, that Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate shall, for all intents and purposes, act collectively as Sponsor. Without limiting the generality of the foregoing, the Members intend that (1) the obligations of Pinnacle 1 Sponsor shall be the obligations of Pinnacle 2 Sponsor Affiliate and vice versa (with the exception of obligations to fund Additional Capital Contributions, and consequences for failure to fund, in respect of which it is understood and agreed that the Percentage Interests of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor are not identical), (2) any Event of Default or For Cause event caused by Pinnacle 1 Sponsor and/or by Pinnacle 2 Sponsor Affiliate shall constitute an Event of Default or For Cause event, as applicable, with respect to Sponsor, (3) Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate shall act jointly for all purposes, including, without limitation, voting on any Major Decision, granting or withholding any consent or approval or taking any similar action hereunder, and (4) in connection with the exercise of any rights pursuant to Section 9.05, Section 9.06 and/or Section 9.07, Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate shall act collectively (and do not have rights to sell and/or to purchase either the Property or any Interest under any of the foregoing sections on an individual basis). In the event of any inconsistency between the terms of this Section 3.01(b) and any other term or provision of this Agreement, it is the intent of the Members that the terms of this Section 3.01(b) shall control.

(c) The Members, and the members of the Executive Committee, shall have no fiduciary duties toward each other or towards the Company.

3.02. LIMITATION ON LIABILITY :

Except as otherwise expressly provided in the Delaware Act or as expressly set forth in this Agreement, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company. Except as otherwise expressly provided in the Delaware Act, the liability of each Member shall be limited to the amount of Capital Contributions required to be made by such Member in accordance with the provisions of this Agreement, but only when and to the extent the same shall become due pursuant to the provisions of this Agreement.

**ARTICLE IV.
CAPITAL**

4.01. INITIAL CAPITAL CONTRIBUTIONS :

(a) On the date hereof, Hudson and Pinnacle 1 Sponsor shall have made Initial Capital Contributions to the Company in the amounts set forth opposite such Member's name on Schedule A attached hereto.

(b) Hudson and its Affiliates and Pinnacle 1 Sponsor and its Affiliates (including Pinnacle 2 Sponsor Affiliate), have heretofore incurred third party out-of-pocket costs and expenses in connection with the transactions contemplated hereby and its due diligence analyses, other evaluations and indirect acquisition of the Pinnacle 1 Property and the Pinnacle 2 Property including, without limitation, site visits, audits of leases, engineering and feasibility costs and expenses, costs and expenses related to or associated with analyzing the Pinnacle 1 Property and/or the Pinnacle 2 Property and payment of broker and other acquisition fees and expenses in connection with the acquisition of the Pinnacle 1 Property and the contemplated acquisition of the Pinnacle 2 Property (including, without limitation, attorneys' fees) incurred by Hudson and Sponsor (and their respective Affiliates) in reviewing and analyzing the Pinnacle 1 Property and/or the Pinnacle 2 Property) (collectively, the "Contract and Due Diligence Costs") and third-party costs and expenses incurred in good faith and associated with or related to the negotiation and execution of this Agreement and the Property Management Agreement (collectively, "Member Negotiation Expenses"). The Members acknowledge and agree that all Contract and Due Diligence Costs in connection with the Pinnacle 1 Property and the Pinnacle 2 Property, and Member Negotiation Expenses, shall be borne by such Member or its Affiliates and shall not be paid or reimbursed by the Company.

(c) In connection with any future Project to be acquired, directly or indirectly, by the Company pursuant to the terms of this Agreement, it is acknowledged and agreed that costs and expenses associated with (1) the negotiation and/or execution of documents as between the Members (as opposed to as between the Members, the Company and/or any Property Owner, LLC, on the one hand, and a third party on the other hand) shall be borne by Hudson (and/or its Affiliates) and Sponsor (and/or its Affiliates) individually and shall not be paid or reimbursed by the Company, and (2) any and all loan application fees, deposits, rate lock costs, or other costs and/or expenses set forth in any term sheet for any Loan in connection with the acquisition of any new Project, legal fees associated with the execution and/or delivery of any purchase and sale, contribution or similar agreements and transaction documents by and between the Company, any Member (or its applicable Affiliate) and/or any Project Owner LLC, on the one hand, and any third party, on the other hand, in connection with any new Project and all other costs and/or expenses benefitting the Project Owner LLC in connection with the acquisition of any new Project (all of the costs and expenses referred to in this clause (2), collectively, "New Project Acquisition/Financing Costs") shall be reimbursed or paid by the Company such that the Members shall have funded New Project Acquisition/Financing Costs in accordance with their respective Percentage Interests (or such other arrangement as may have been agreed to by the Members in connection with such Project).

4.02. Additional Capital Contributions:

(a) If the Company closes under the Pinnacle 2 Contribution Agreement pursuant to the terms of this Agreement and Pinnacle 2 Sponsor Affiliate causes the Pinnacle 2 Property to be contributed to the Company, which the Company shall contribute to Pinnacle 2 Property Owner substantially concurrently therewith, in each case, pursuant to the Pinnacle 2 Contribution Agreement and/or the terms of this Agreement, then, on the Pinnacle 2 Closing Date, Pinnacle 2 Sponsor Affiliate shall, provided no adjustment has been made pursuant to the terms of Section 4.02(c), be deemed to have made an Initial Capital Contribution to the Company in an amount equal to (1) the positive difference

between the Pinnacle 2 Property Allocated Value and the Pinnacle 2 Loan in exchange for Pinnacle 2 Sponsor Affiliate's contribution of the Pinnacle 2 Property pursuant to the Pinnacle 2 Contribution Agreement minus (2) the Proposition 13 Reserve Amount, as the same may be adjusted pursuant to Section 4.06.

(b) If at any time or from time to time after any of the Initial Capital Contributions have been contributed, Hudson reasonably determines that additional funds (a "Shortfall") are required for any Company (or any Property Owner LLC) expense that (i) is expressly set forth in the then effective Budget and Operating Plan or is otherwise expressly approved in writing in advance by all Members, each acting in its sole discretion (each, a "Budgeted Expense"), or (ii) constitutes (A) a Non-Discretionary Expense not reflected in the then effective Budget and Operating Plan, but permitted to be incurred under Section 7.03(b)(ii), and/or (B) a variance, Emergency Expenditure or other amount permitted to be incurred under Section 8.06 (each of the foregoing, a "Permitted Unbudgeted Expense" and, collectively, "Permitted Unbudgeted Expenses"), then all Members shall make further capital contributions in an amount, in the aggregate, equal to such Shortfall. If so requested by Hudson each Member shall, within ten (10) Business Days after receipt of Hudson's written request therefor (which request shall state the amount of the subject Shortfall and shall provide a reasonably detailed explanation of the purpose for which such additional funds are being requested), contribute its pro rata share of such Shortfall based on such Member's Percentage Interest.

(c) If any Member (the "Non-Contributing Member") fails to timely make the Capital Contributions (or any portions thereof) required by 4.02(b), then one or more of the other Members that is not an Affiliate of the Non-Contributing Member (each being a "Contributing Member") may, but shall not be obligated to, fund to the Company an amount equal to such capital contribution (i.e., the Non-Contributing Member's share, in addition to such Contributing Member's share; provided that if there is more than one Contributing Member who wishes to so contribute the Non-Contributing Member's share, such Contributing Member(s), in the aggregate, must contribute the entire amount of such share in proportion to their thenexisting Percentage Interests relative to one another), and the Contributing Member(s) shall have the following option: (X) to treat such amount so contributed (i.e., the Contributing Member's share and, if applicable, the Non-Contributing Member's share) as a Shortfall Loan by making the "Shortfall Loan Election" (as provided in Section 4.02(d)), or, if no Shortfall Loan Election is made, (Y) whether or not the Contributing Member contributes the Non-Contributing Member's share, electing to dilute the Percentage Interest of the Non-Contributing Member, in which case the Percentage Interest of each of the Members shall be adjusted to equal the percentage equivalent of the quotient determined by dividing (1) the positive difference, if any, between (a) the sum of (i) 100% of the aggregate Capital Contributions (excluding Substituted Capital Contributions (as hereinafter defined)) then or therefore made by such Member to the Company, plus (ii) 150% of the Substituted Capital Contributions then or theretofore made by such Member to the Company (the excess of 150% of such Member's Substituted Capital Contributions over such Member's Substituted Capital Contributions is referred to herein as the "Excess Amounts"), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by the other Member to the Company, by (2) 100% of the aggregate Capital Contributions (including without limitation Substituted Capital Contributions) then or theretofore made by all of the Members to the Company. As used herein, the term "Substituted Capital Contribution" shall mean an Additional Capital Contribution made by the Contributing Member equal to the amount that the Non-Contributing Member failed to timely contribute pursuant to Section 4.02(b). An example of the operation of such calculation is set forth on Exhibit G attached hereto. If a Contributing Member's Percentage Interest is increased pursuant to this Section 4.02(c), then (A) its Capital Contributions, as

previously adjusted, shall, in addition to being increased by the amount of Capital Contributions (including without limitation ordinary Capital Contributions and Substituted Capital Contributions) made by such Member, also be increased by an amount equal to an additional 100% of the Substituted Capital Contributions made by such Member, and the Capital Contributions of the other Member shall be adjusted so that the ratios of the Member's Capital Contributions immediately after such adjustment are equal to their Percentage Interests immediately after such adjustment.

(d) The “Shortfall Loan Election” shall be made by notice from the Contributing Member to the Non-Contributing Member within thirty (30) days of the date on which the applicable Additional Capital Contribution was required to be made hereunder or the date on which the Contributing Members funded any amount that the Non-Contributing Member failed to contribute (whichever is later). The Shortfall Loans shall accrue interest at an annual rate, compounded monthly, equal to the lesser of (i) twenty percent (20%) per annum and (ii) the maximum rate of interest permitted by applicable law, until repaid in full, and all amounts remaining due thereunder (after application of Section 6.03(a)) shall be due and payable in full five (5) years from the date such loans are made or, if sooner, upon an event giving rise to the liquidation of the Company. Nothing in this Section 4.02(d) shall limit the application of any portion of Section 4.02(c). A Shortfall Loan shall not be treated as a Capital Contribution or a Substituted Capital Contribution, and a Member's Capital Contributions shall in no event be increased by a Shortfall Loan. The Members agree that, in the event a Shortfall Loan is made by Hudson or an Affiliate thereof, they will use their commercially reasonable efforts to cause such Shortfall Loan to be secured by a mortgage (including a second mortgage) on real property owned by the Company and to otherwise structure such Shortfall Loan in a manner that it constitutes a qualifying asset for purposes of the REIT asset test set forth in Section 856(c)(4)(B)(iii)(III) of the Code.

(e) In the event that the Company, Pinnacle 1 Property Owner, Pinnacle 2 Property Owner, Hudson or any Affiliate thereof (other than Pinnacle 1 Sponsor, Pinnacle 2 Sponsor or their respective Affiliates) suffer or incurs any costs, expenses, liabilities, claims, demands, damages, or judgments (collectively, “Losses”) as a result of or incidental to its direct or indirect ownership of the Pinnacle 1 Property or the Pinnacle 2 Property, to the extent that such Losses relate to or arise out of (A) any personal injury, property damage or any other liability related to the ownership, operation or maintenance of (i) the Pinnacle 1 Property existing or occurring before the date hereof, or (ii) the Pinnacle 2 Property existing or occurring before the date on which the Pinnacle 2 Property Owner acquires fee title to the Pinnacle 2 Property (including, without limitation, in each case, with respect to power outages at the premises demised to the tenant known as Warner Music Group at the Pinnacle 1 Property of which Pinnacle 1 Sponsor and Hudson have been made aware), (B) any breach of any representation or warranty (i) made by Sponsor pursuant to the terms of Section 13.01(c) hereof (subject to the limitations on survival set forth in Section 13.01(e) hereof), or (ii) made by Pinnacle 2 Sponsor Affiliate under the Pinnacle 2 Contribution Agreement (subject to the limitations on survival expressly set forth therein), (C) with respect to the Pinnacle 1 Property, any cost or expense which would typically be prorated among buyers and sellers of real property and which is allocable to Pinnacle 1 Joint Venture's period of ownership, consistent with the proration categories/items and methodology/adjustments set forth in the Closing Statement and/or (D) in the event any governmental or other taxing authority determines that any additional transfer taxes are owed on account of the transactions described in the recitals to this Agreement, (any such Losses are referred to herein collectively as, “Pre-Closing Liabilities”), Sponsor (as opposed to Hudson or the Company) shall be liable for one hundred percent (100%) of all such Pre-Closing Liabilities. For the avoidance of doubt, nothing herein contained shall derogate, limit

or otherwise modify any obligations of Pinnacle 2 Sponsor Affiliate pursuant to the Pinnacle 2 Contribution Agreement, including, without limitation, the survival of any representations and warranties expressly made therein (but subject to any limitations set forth therein). In the event that Pinnacle 1 Sponsor, Pinnacle 2 Sponsor Affiliate (provided Pinnacle 2 Property Owner shall have acquired the Pinnacle 2 Property pursuant to the terms of this Agreement) or any Affiliate of either of them (except Pinnacle 1 Property Owner, Pinnacle 2 Property Owner, or the Company) suffers or incurs any Losses as a result of or incidental to its direct or indirect ownership of the Pinnacle 1 Property or, provided Pinnacle 2 Property Owner shall have acquired the Pinnacle 2 Property pursuant to the terms of this Agreement, the Pinnacle 2 Property, to the extent that such Losses relate to or arise out of (X) any personal injury, property damage or any other liability related to the ownership, operation or maintenance of (i) the Pinnacle 1 Property first arising or occurring after date hereof, or (ii) the Pinnacle 2 Property first arising or occurring after the date on which the Pinnacle 2 Property Owner acquires fee title to the Pinnacle 2 Property, (Y) any breach of any representation or warranty made by the Company under the Pinnacle 2 Contribution Agreement (subject to the limitations on survival set forth therein), and/or (Z) with respect to the Pinnacle 1 Property, any cost or expense which would typically be prorated among buyers and sellers of real property and which is allocable to Pinnacle 1 Property Owner's period of ownership, consistent with the proration categories/items and methodology/adjustments set forth in the Closing Statement (any such Losses are referred to herein collectively as, "Post-Closing Liabilities"), the Company shall be solely liable for one hundred percent (100%) of all such Post-Closing Liabilities (but without amendment, expansion, limitation or derogation of any other term or provision of this Agreement, including, without limitation, Article X, and/or of any Reimbursement or Indemnity Agreement).

Sponsor shall either cause any such Pre-Closing Liabilities to be paid or otherwise satisfied (or, alternatively, shall contribute to the Company, within thirty (30) days of Hudson's demand therefor or such earlier date as may be required to satisfy the applicable Pre-Closing Liability or prevent delinquency of same, cash in the aggregate amount of any such then unsatisfied Pre-Closing Liabilities (in such case, a "Special Contribution"), to enable the Company to satisfy the applicable Pre-Closing Liability). Any income tax deductions attributable to such Pre-Closing Liabilities shall be for the account of Sponsor (and if considered a deduction of the Company for income tax purposes, the Sponsor's payment, other satisfaction or Special Contribution shall be treated solely for income tax purposes as a capital contribution (and in no event as a Capital Contribution under this Agreement) and such deduction shall be specially allocated to Sponsor. Notwithstanding anything to the contrary herein (1) no Special Contribution (or other payment or satisfaction of any Pre-Closing Liability) by Sponsor or any Affiliate thereof (including, without limitation, the Joinder Party or any amounts paid by Pinnacle 2 Sponsor Affiliate pursuant to the Pinnacle 2 Contribution Agreement) shall be treated as a Capital Contribution and Sponsor's Capital Account shall not be credited with the amount thereof, and (2) no payment by the Company of any amount due with respect to any Post-Closing Liabilities shall be treated as a distribution to Sponsor and Sponsor's Capital Account shall not be debited in the amount thereof. The obligations of Sponsor and the Joinder Party under this Section 4.02(e) shall survive the termination of this Agreement and the removal or withdrawal of Sponsor as a Member of the Company. In the event Sponsor fails to make any Special Contribution, or, in the event Pinnacle 2 Sponsor Affiliate fails to comply with any surviving obligations under the Pinnacle 2 Contribution Agreement (including, without limitation, any payment of any 12 Month Reconciliation Amounts as defined therein or any payment on account of any breach of any representations and/or warranties set forth therein, but subject to the limitations set forth in the Pinnacle 2 Contribution Agreement), then Hudson shall have the right, in addition to the rights and remedies set forth in this Agreement and/or the Joinder annexed hereto and

to the remedies of Transferee under the Pinnacle 2 Contribution Agreement, to treat such failure as a failure to make an Additional Capital Contribution in such amount, in which event, Hudson shall have the rights and remedies set forth in Section 4.02(c) above.

(f) Each Member acknowledges and agrees that the other Members would not be entering into this Agreement were it not for (i) the Members agreeing to make the Capital Contributions provided for in Section 4.01 and this Section 4.02 and (ii) the remedy provisions set forth above in this Section 4.02 (including, without limitation, the ability to make Shortfall Loans). Each Member acknowledges and agrees that if any Member fails to make its Capital Contributions pursuant to this Agreement, the other Members will suffer substantial damages and the remedy provisions set forth above are fair, just and equitable in all respects.

(g) All other Capital Contributions shall be made by wire transfer of funds to accounts of the Company designated by the Executive Committee from time to time.

(h) If for any reason other than a Hudson Default, the closing under the Pinnacle 2 Contribution Agreement has not occurred by the earliest to occur of (1) six (6) months following the date hereof, or (2) the date upon which Pinnacle 2 Lender delivers written notice to the Company and/or Pinnacle 2 Sponsor Affiliate (or any Affiliate or representative of either of them) advising that Pinnacle 2 Lender will not approve the Pinnacle 2 Loan Assumption pursuant to the Pinnacle 2 Loan Assumption Documents, or (3) a default (subject to all applicable notice and cure periods expressly set forth in the Pinnacle 2 Contribution Agreement) on the part of Pinnacle 2 Sponsor Affiliate pursuant to the Pinnacle 2 Contribution Agreement, Hudson shall have the right, exercisable in Hudson's sole and absolute discretion to redeem Sponsor's entire Interest, by (collectively, the "Sponsor Redemption") by paying to Sponsor the Redemption Payment. For purposes of this Agreement, the term "Redemption Payment" shall mean (A) in the event the closing under the Pinnacle 2 Contribution Agreement has not been consummated notwithstanding the discharge by Pinnacle 2 Sponsor Affiliate of each of its material obligations thereunder (by way of example, if, notwithstanding the efforts required under the Pinnacle 2 Contribution Agreement, Pinnacle 2 Lender does not approve the Pinnacle 2 Loan Assumption), an amount equal to Sponsor's aggregate Capital Contributions as of the date of the Sponsor Redemption, or (B) in the event the closing under the Pinnacle 2 Contribution Agreement has not been consummated due to a default (subject to all applicable notice and cure periods expressly set forth in the Pinnacle 2 Contribution Agreement) on the part of Pinnacle 2 Sponsor Affiliate under the Pinnacle 2 Contribution Agreement, an amount equal to the greater of (1) \$1,500,000.00 or (2) an amount equal to eighty percent (80%) of Sponsor's aggregate Capital Contributions as of the date of the Sponsor Redemption. Concurrently with the Sponsor Redemption, Sponsor shall be automatically deemed to have withdrawn as a Member of the Company and shall have no further right, title or interest in and to the Company, to any Property Owner LLC and/or all or any portion of the Company Property whatsoever, except for any indemnification provisions which are expressly deemed to survive the withdrawal of a Member pursuant to the terms of this Agreement; provided however, that if requested by Hudson, Sponsor shall promptly execute and deliver to Hudson an instrument withdrawing from the Company and otherwise evidencing the Sponsor Redemption' provided, further, that no Sponsor Redemption shall be effectuated hereunder until and unless Hudson either (1) causes the Pinnacle 1 Lender to deliver to Sponsor an executed agreement (in form and substance reasonably acceptable to Sponsor) releasing Sponsor (and its Affiliates, if applicable) from any and all liability with respect to the Pinnacle 1 Non-Recourse Carveout Obligations and/or under any other agreements, guarantees or indemnities (if any) pursuant to which Sponsor and/or any of its Affiliates is liable in connection with the Pinnacle 1 Loan to the

extent first arising or occurring after the Sponsor Redemption, or (2) in the event Hudson is unable to cause Pinnacle 1 Lender to release Sponsor and/or its Affiliates under any Pinnacle 1 Non-Recourse Carveout Obligations, provides Sponsor (and its Affiliates, if applicable) with an indemnity from a creditworthy Affiliate of Hudson reasonably acceptable to Sponsor, indemnifying Sponsor (and/or its Affiliates, if applicable) from and against any Pinnacle 1 Non-Recourse Carveout Obligations to the extent first arising or occurring after the Sponsor Redemption. Notwithstanding anything to the contrary herein, Sponsor's and the Joinder Party's obligations to Hudson under Section 4.02(e), and the obligations of any Sponsor Loan Parties under any Reimbursement and Indemnity Agreement executed prior to the Sponsor Redemption in respect of the period of time prior to the Sponsor Redemption, shall survive any Sponsor Redemption. A "Hudson Default," shall be deemed to have occurred for purposes of this Section 4.02(h) only if all of the conditions precedent to the closing under the Pinnacle 2 Contribution Agreement (other than those that are the responsibility of the Company to satisfy) have been satisfied and the closing thereunder does not occur solely as a result of Hudson's or its appointed Executive Committee members' failure to cause the Company to close thereunder.

(i) For the avoidance of doubt, nothing contained in this Section 4.02 or elsewhere in this Agreement shall modify, limit, affect or otherwise derogate the rights of Hudson to, on behalf of the Company, exercise any rights and/or remedies under the Pinnacle 2 Contribution Agreement, or from exercising any other rights and/or remedies of Hudson set forth in this Agreement, in the event Pinnacle 2 Sponsor Affiliate fails to contribute the Pinnacle 2 Property.

4.03. CAPITAL ACCOUNTS:

A separate Capital Account will be maintained for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). Consistent therewith, the Capital Account of each Member will be determined and adjusted as follows:

- (a) Each Member's Capital Account will be credited with:
 - (i) Any Capital Contributions made by such Member to the Company plus the gross fair market value of any property contributed by such Member to the capital of the Company;
 - (ii) The Member's allocated share of Net Profit and any items in the nature of income or gain specially allocated to such Member pursuant to Section 6.02;
 - (iii) Any other increases required by Treasury Regulation Section 1.704-1(b)(2)(iv); and
 - (iv) The amount of any Company liabilities assumed by such Member or that are secured by any Company property distributed to such Member.
- (b) Each Member's Capital Account will be debited with:
 - (i) Any distributions of cash made from the Company to such Member plus the gross fair market value of any property distributed in kind to such Member;
 - (ii) The Member's allocated share of Net Loss and any items in the nature of expenses or losses specially allocated to such Member pursuant to Section 6.02; and

(iii) Any other decreases required by Treasury Regulation Section 1.704-1(b)(2)(iv); and

(iv) The amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) The estimated initial Capital Account balance of each Member is set forth in Schedule A, which balances have been determined in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f). Upon any adjustment to Initial Capital Contributions, Schedule A shall be revised as determined by the Executive Committee.

(d) Upon the Transfer of an Interest permitted under this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent of the Interest so Transferred.

The provisions of this Section 4.03 and any other provisions of this Agreement relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Treasury Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those provisions. In the event that the Executive Committee shall determine that it is necessary or prudent to modify the manner in which the Capital Accounts, or any additions thereto or subtractions therefrom, are computed in order to comply with such Treasury Regulations, the Executive Committee may make such modification.

4.04. NO FURTHER CAPITAL CONTRIBUTIONS :

Except as expressly provided in this Agreement or with the prior written consent of the Members, and subject to the provisions of this Agreement, no Member shall be required or entitled to contribute any other or further capital to the Company, nor shall any Member be required or entitled to loan any funds to the Company. No Member will have any obligation to restore any negative balance in its Capital Account at any time including upon liquidation or dissolution of the Company.

4.05. LOANS: GUARANTIES :

(a) Concurrently herewith, Pinnacle 1 Property Owner has obtained a mortgage loan in the original principal amount of \$129,000,000.00 (the "Pinnacle 1 Loan") from Jefferies LoanCore LLC, a Delaware limited liability company ("Pinnacle 1 Lender"), pursuant to the terms of that certain Loan Agreement made by and between Pinnacle 1 Property Owner, as borrower, and Pinnacle 1 Lender (the "Pinnacle 1 Loan Agreement"), which Pinnacle 1 Loan is evidenced by that certain Promissory Note in the original principal amount of the Pinnacle 1 Loan made by Pinnacle 1 Property Owner as maker thereunder and is secured by that certain Deed of Trust, Security Agreement, Assignment of Leases and Fixture Filing encumbering the Pinnacle 1 Property (the "Pinnacle 1 Deed of Trust"), and, together with the Pinnacle 1 Note, the Pinnacle 1 Loan Agreement and the other documents and instruments executed and delivered in connection with the Pinnacle 1 Loan and set forth on Schedule 4.05 attached hereto, in each case, as amended, modified and/or supplemented pursuant to the terms of this Agreement, collectively, the "Pinnacle 1 Loan Documents"). The Company hereby approves Pinnacle 1 Property Owner's obtaining the Pinnacle 1 Loan and approves the terms of the Pinnacle 1 Loan Documents in all respects.

(b) As a condition to making the Pinnacle 1 Loan, Pinnacle 1 Lender has required that each of the Company, Hudson LP, Pinnacle 1 Sponsor and MDP Ventures enter into, on a joint and several basis (i) that certain Guaranty of Recourse Obligations and (ii) that certain Environmental Indemnity Agreement, in each case, for the benefit of Pinnacle 1 Lender (collectively, the “Pinnacle 1 Non-Recourse Documents”; the obligations set forth therein, collectively, the “Pinnacle 1 Non-Recourse Carveout Obligations”). To the extent the Company incurs any Pinnacle 1 Non-Recourse Obligations, then the following shall apply: (1) in the event that the Company incurs any Pinnacle 1 Non-Recourse Obligations that are attributable solely to the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or knowing and willful act or omissions taken (or not taken, as the case may be) with the intent in each case to cause a breach under the Pinnacle 1 Loan Documents, of Hudson, Hudson LP or any Affiliate thereof, then Hudson shall be liable for 100% of such Pinnacle 1 Non-Recourse Obligations; (2) in the event that the Company incurs any Pinnacle 1 Non-Recourse Obligations that (A) are attributable solely to the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or knowing and willful act or omissions taken (or not taken, as the case may be) with the intent in each case to cause a breach under the Pinnacle 1 Loan Documents of Sponsor, MDP Ventures or any Affiliate thereof or (B) are on account of any breach by the Pinnacle 1 Property Owner of any real property specific representations and warranties made to Pinnacle 1 Lender concurrently with the making of the Pinnacle 1 Loan, then Sponsor shall be responsible for 100% of such Pinnacle 1 Non-Recourse Obligations, and (3) in the event that the Company incurs any Pinnacle 1 Non-Recourse Obligations that are not covered by clauses (1) or (2) of this Section 4.05(b), then Hudson and Sponsor shall be responsible for their pro rata share of such Pinnacle 1 Non-Recourse Obligations, based on their respective Percentage Interests. Any failure on the part of Hudson or Sponsor to fund to the Company the amounts required pursuant to this Section 4.05(b) shall be treated as a failure on the part of such Member to fund required Additional Capital Contributions hereunder. Notwithstanding the foregoing, any amounts funded by Hudson or Sponsor pursuant to Section 4.05(b)(1), in the case of Hudson, or Section 4.05(b)(2) in the case of Sponsor, shall, in no event, constitute an Additional Capital Contribution on the part of Hudson or Sponsor, as applicable, and Hudson, or Sponsor, as applicable, shall, in no event, receive credit to its Capital Account in such amount. Concurrently with the execution hereof, Pinnacle 1 Sponsor and MDP Ventures on the one hand, and Hudson LP on the other hand, have entered into that certain Reimbursement and Indemnity Agreement in the form attached hereto as Exhibit H-1, to memorialize their agreements with respect to allocation of responsibility with respect to any Pinnacle 1 Non-Recourse Carveout Obligations to the extent incurred by either Hudson LP or MDP Ventures. The obligations of all parties under such Reimbursement and Indemnity Agreement shall survive any Sponsor Redemption. In the event that the Pinnacle 2 Property is contributed to Pinnacle 2 Property Owner pursuant to the terms of this Agreement, then, concurrently with the execution of the acknowledgement attached hereto as Exhibit F, Pinnacle 2 Sponsor Affiliate shall execute such documents as are reasonably necessary to evidence the joinder of Pinnacle 2 Sponsor Affiliate to such Reimbursement and Indemnity Agreement (effective as of the date of the execution of the Pinnacle 1 Non-Recourse Obligations), jointly and severally, with Pinnacle 1 Sponsor and MDP Ventures.

(c) The Members acknowledge and agree that the Pinnacle 2 Property is currently encumbered by a mortgage loan in the original principal amount of \$90,800,000 (and with an approximate outstanding principal balance as of the date hereof of \$89,755,808.30) (the “Pinnacle 2 Loan”) made by Greenwich Capital Financial Products, Inc., a Delaware corporation (together with its successors-in-interest with respect to the Pinnacle 2 Loan, “Pinnacle 2 Lender”) pursuant to the loan documents set forth on Schedule 4.05 attached hereto (as amended, modified and/or supplemented pursuant to the Pinnacle 2 Assumption Documents, and/or as may be further amended, modified and/

or supplemented pursuant to the terms of this Agreement, the “Pinnacle 2 Loan Documents”). In the event that the closing occurs under the Pinnacle 2 Contribution Agreement pursuant to the terms thereof and the terms of this Agreement, then in connection therewith (and as a condition to closing thereunder), the Pinnacle 2 Property Owner shall assume the Pinnacle 2 Loan and the Pinnacle 2 Loan Documents pursuant to assumption and/or amendment documents reasonably required by the Pinnacle 2 Lender and approved by Hudson and without the consent of Sponsor or its Affiliates, it being understood and agreed that Hudson shall not have the right, without the consent of Sponsor or the applicable Affiliate of Sponsor, to enter (or to cause to be entered) into any assumption and/or amendment documents that (1) amends the terms of the Pinnacle 2 Loan Documents in a manner that is inconsistent with the Financing Guidelines and/or is materially adverse to the Company or (2) is in violation of the other terms of this Section 4.05(c) (collectively, the “Pinnacle 2 Loan Assumption Documents”; the transactions contemplated thereby, collectively, the “Pinnacle 2 Loan Assumption”). The Members agree to make such reasonable changes to this Agreement as may be reasonably requested by the Pinnacle 2 Lender (including, without limitation, single purpose entity requirements and/or independent director requirements substantially similar to the terms of the Pinnacle 1 Property Owner LLC Agreement); provided that such changes shall not alter the economic terms, or any fundamental rights of the Members, set forth herein. M. David Paul Development LLC, a California limited liability company (“MDP Development”) and Hudson LP shall provide to Pinnacle 2 Lender replacement guaranties, on a joint and several basis (collectively, the “Pinnacle 2 Replacement Guaranties”), it being understood and agreed that Hudson shall have the right (subject to reasonable consultation with Sponsor) to negotiate the form and substance of the Pinnacle 2 Replacement Guaranties, and MDP Development and Hudson LP each shall be obligated to provide the Pinnacle 2 Replacement Guaranties, so long as the same are substantially similar to the recourse provided under the Pinnacle 2 Loan Documents and do not expand recourse thereunder in a manner inconsistent with the Financing Guidelines, and otherwise subject to the terms of Section 4.05(d). For the sake of clarity and notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that no Member, nor any creditworthy Affiliate or principal of such Member, shall be required to provide any recourse or other credit enhancement in respect of the Pinnacle 2 Loan which is inconsistent with the Financing Guidelines without such Member’s (or the applicable Affiliate of principal of such Member’s) consent, in its sole and absolute discretion. The obligations of MDP Development and Hudson LP under such Pinnacle 2 Replacement Guaranties shall be referred to herein as the “Pinnacle 2 Non-Recourse Carveout Obligations”. In connection with any Pinnacle 2 Non-Recourse Carveout Obligations, Hudson LP, Sponsor and MDP Ventures shall enter into a Reimbursement and Indemnity Agreement in form and substance substantially similar to the form attached hereto as Exhibit H-2.

(d) In connection with any Loan (other than the Pinnacle 1 Loan and the Pinnacle 2 Loan), or in any refinancing of the Pinnacle 1 Loan, the Pinnacle 2 Loan or any other Loan, in each case, in accordance with the terms of this Agreement, the creditworthy Affiliates and principals of Sponsor (collectively, the “Sponsor Loan Parties”) and the one or more creditworthy Affiliates of Hudson (collectively, the “Hudson Loan Parties”), shall each provide such guaranties and/or indemnities required by the applicable Lender for the carveouts set forth in the Financing Guidelines (the obligations under such guaranties and/or indemnities, collectively, the “Non-Recourse Carveout Obligations”), on a joint and several basis, and otherwise in form and substance acceptable to the Sponsor Loan Parties and the Hudson Loan Parties, it being understood and agreed that, in no event, shall any Member, nor any creditworthy Affiliate or principal thereof be required to provide any recourse or other credit enhancement which is any greater or broader than the recourse expressly set forth in the Financing Guidelines. In connection with any Non-Recourse Carveout Obligations, the Hudson Loan Parties,

Sponsor, and the Sponsor Loan Parties shall enter into a Reimbursement and Indemnity Agreement pursuant to which (1) Hudson Loan Parties shall reimburse any Sponsor Loan Party for recourse actually incurred by such Sponsor Loan Party under the Non-Recourse Carveout Obligations solely as a direct result of any gross negligence, fraud, bad faith, intentional misrepresentation, intentional misappropriation of funds, willful misconduct or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any then applicable Loan Documents, by the Hudson Loan Parties, and (2) Sponsor Loan Parties shall reimburse any Sponsor Loan Party for recourse actually incurred by any Hudson Loan Party under the Non-Recourse Obligations solely as a direct result of any gross negligence, fraud, bad faith, intentional misrepresentation, intentional misappropriation of funds, willful misconduct or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any then applicable Loan Documents, by a Sponsor Loan Party, and (3) for all other recourse under the Non-Recourse Carveout Obligations, the Sponsor Loan Parties and Hudson Loan Parties shall be liable for an amount equal to, respectively, Hudson's and Sponsor's aggregate Percentage Interests hereunder and otherwise in in form and substance substantially similar to the form attached hereto as Exhibit H-1/H-2. Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 4.05(c) or this Section 4.05(d), the Members shall use diligent, good faith efforts to minimize/obtain best available terms for recourse (including, without limitation, attempting to cause any Lender to approve the Company as a guarantor/indemnitor) and/or the scope of any and all recourse carveouts (including, without limitation, attempting to cause any Lender to accept environmental insurance in lieu of an environmental indemnity).

4.06. PROPOSITION 13 PROTECTION AMOUNT :

The Members acknowledge that, with respect to the Pinnacle 2 Property only, the tenant under the WB Lease is not obligated to pay (i) the extent of any increase in Tax Expenses (as defined in the WB Lease) resulting from any reassessments due to a sale of all or any portion of the Pinnacle 2 Property (a "Reassessment") during the initial eighty-four months of the initial term of the WB Lease and (ii) fifty percent (50%) of the extent of any increase in Tax Expenses (as defined in the WB Lease) resulting from any reassessments due to a sale of all or any portion of the Pinnacle 2 Property during the period from the first day of the eighty-fifth month of the initial term of the WB Lease until the expiration of the initial term thereof (the amount that the tenant under the WB Lease is not obligated to pay under clauses (i) or (ii) above, as applicable, is referred to herein as, the "Proposition 13 Protection Amount"). Concurrently with the acquisition of the Pinnacle 2 Property by Pinnacle 2 Property Owner pursuant to the terms of the Pinnacle 2 Contribution Agreement and the terms of this Agreement, (1) Hudson shall fund an additional Capital Contribution in cash to the Company in an amount equal to the Proposition 13 Reserve Amount (defined below), and (2) the Proposition 13 Reserve Amount shall be funded into a reserve account maintained by the Company (the "Proposition 13 Reserve Account") to be disbursed in accordance with the terms of this Section 4.06. For purposes of this Agreement, the "Proposition 13 Reserve Amount" shall mean the Proposition 13 Protection Amount as reasonably determined by Hudson in good faith assuming a sale price of the Pinnacle 2 Property equal to the sale price set forth in the Pinnacle 2 Contribution Agreement and otherwise in accordance with the formula set forth in Section 6(vi) of the WB Lease. Notwithstanding the foregoing, if, after giving effect to the immediately preceding sentences and the terms of Section 4.02(a), the aggregate Percentage Interests of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate are less than thirty-five percent (35%), then for purposes of determining

the Capital Account balances and Percentage Interests of the Members only (and not, for the avoidance of doubt, affecting either Hudson's obligation to make a Capital Contribution in the amount of the entire Proposition 13 Reserve Amount or Sponsor's obligation to pay (or cause to be paid) any Proposition 13 Shortfall (as defined below)), the Proposition 13 Reserve Amount shall be deemed to be reduced by the lesser of (i) Two Million and No/100ths Dollars (\$2,000,000.00) or (ii) the amount necessary to cause the Percentage Interests of the Members, after giving effect to the Capital Contribution made by Hudson following the funding of the Proposition 13 Reserve Amount, to be sixty-five percent (65%) for Hudson and thirty-five (35%) percent, in the aggregate, for Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate. In the event that, following the adjustment described in the immediately preceding sentence, the Percentage Interests of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor shall be less than thirty five percent (35%), Sponsor shall have the right (but not the obligation) to make a one-time special Capital Contribution to the Company in an amount necessary to cause Pinnacle 1 Sponsor and Pinnacle 2 Sponsor's Percentage Interests to equal, but, in no event to exceed, thirty-five percent (35%). In the event that the Company indirectly acquires the Pinnacle 2 Property in accordance with this Agreement and same, at any point thereafter, triggers a Reassessment that results in any increase in Tax Expenses, the Company shall disburse the Proposition 13 Reserve Amount for purposes of paying the Proposition 13 Protection Amount actually owed to the tenant (re-calculated at the time of Reassessment) under the WB Lease. In the event the Proposition 13 Reserve Amount exceeds the actual Proposition 13 Protection Amount actually owed to the tenant pursuant to the WB Lease, then the procedures set forth in the third paragraph of the definition of Percentage Interests shall apply. In the event the Proposition 13 Reserve Amount is insufficient to pay the Proposition 13 Protection Amount actually owed to the tenant pursuant to the WB Lease and to satisfy all of Landlord's obligations pursuant to Section 6(vi) of the WB Lease in full (the "Proposition 13 Shortfall"), then Sponsor shall be exclusively responsible for paying (or causing to be paid) such Proposition 13 Shortfall (in the time and manner required pursuant to the WB Lease) and the same shall, in no event, be deemed a Capital Contribution on the part of Sponsor or otherwise increase Sponsor's Capital Account balance hereunder. The obligations of Sponsor pursuant to this Section 4.06 shall be guaranteed by the Joinder Party pursuant to the Joinder attached hereto. Notwithstanding the foregoing, and without limiting Hudson's remedies pursuant to the immediately preceding sentence, in the event Sponsor does not pay the Proposition 13 Shortfall then Hudson may, at its election, elect to treat the same as a failure to make an Additional Capital Contribution on the part of Sponsor, in which event, Hudson shall have the remedies set forth in Section 4.02(c).

**ARTICLE V.
INTERESTS IN THE COMPANY**

5.01. PERCENTAGE INTEREST :

The Percentage Interests of the Members may be adjusted only as set forth in this Agreement.

5.02. RETURN OF CAPITAL :

No Member shall be liable for the return of the Capital Contributions (or any portion thereof) of any other Member, it being expressly understood that any such return shall be made solely from the assets of the Company. No Member shall be entitled to withdraw or receive a return of any part of its Capital Contributions or Capital Account, to receive interest on its Capital Contributions or Capital Account or to receive any distributions from the Company, except as expressly provided for in this

Agreement or under applicable law. No Member shall have any obligation to restore any negative balance in its Capital Account.

5.03. OWNERSHIP :

All Company Property shall be owned by the Company or, as provided in Section 2.07, by one or more Property Owner LLC's, subject to the terms and provisions of this Agreement. Title to Company Property shall be held by the Company in the Company's name or, as provided in Section 2.07, by one or more Property Owner LLC's in the name of such Property Owner LLC's.

5.04. WAIVER OF PARTITION; NATURE OF INTERESTS IN THE COMPANY :

Except as otherwise expressly provided for in this Agreement, each of the Members hereby irrevocably waives any right or power that such Member might have (provided that nothing in the foregoing shall affect the ability of the Executive Committee to compel the Company to sell all or any portion of the Company Property, subject only to Section 7.01(e)(1)(iii)):

- (a) To cause the Company or any of its assets to be partitioned;
- (b) To cause the appointment of a receiver for all or any portion of the assets of the Company;
- (c) To compel any sale of all or any portion of the assets of the Company pursuant to any applicable law; or
- (d) To file a complaint, or to institute any proceeding at law or in equity, to cause the termination, dissolution or liquidation of the Company.

Each of the Members has been induced to enter into this Agreement in reliance upon the waivers set forth in this Section 5.04, and without such waivers no Member would have entered into this Agreement. No Member shall have any interest in any specific Company Property. The interests of all Members in this Company are personal property.

**ARTICLE VI.
ALLOCATIONS AND DISTRIBUTIONS**

6.01. ALLOCATIONS :

(a) Net Profit and Net Loss of the Company shall be determined and allocated with respect to each taxable year as of the end of each such year, at such times as the Book Basis of any Company property is adjusted pursuant to the definition of "Book Basis" and at such other times as may be required or permitted pursuant to this Agreement, the Code or the Treasury Regulations. Subject to the other provisions of this Agreement, an allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation to such Member of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss.

(b) Subject to the provisions of Section 6.02, for purposes of adjusting the Capital Accounts of the Members, the Net Profit and Net Loss for any taxable year or other period shall be allocated among the Members in a manner such that the Adjusted Capital Account of each Member, immediately

after making such allocation, is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Member if the Company were dissolved, its affairs wound up and its properties sold for cash equal to their Book Basis, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Book Basis of the property securing such liability), and the net assets of the Company were distributed in accordance with Section 6.03 to the Members immediately after making such allocation.

6.02. ALLOCATIONS AND COMPLIANCE WITH SECTION 704(B):

The following special allocations shall, except as otherwise provided, be made in the following order:

(a) If there is a net decrease in Company Minimum Gain or in any Member Minimum Gain during any taxable year or other period, prior to any other allocation pursuant hereto, such Member shall be specially allocated items of income and gain for such year (and, if necessary, subsequent years) in an amount and manner required by Treasury Regulation Sections 1.704-2(f) or 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Treasury Regulation Section 1.704-2. This Section 6.02(a) is intended to comply with the minimum gain chargeback and partner non-recourse debt minimum chargeback requirements of Treasury Regulation Section 1.704-2 and shall be interpreted consistently therewith.

(b) Nonrecourse Deductions for any taxable year or other period shall be allocated (as nearly as possible) under Treasury Regulation Section 1.704-2 to the Members, pro rata in proportion to their respective Percentage Interests.

(c) Any Member Nonrecourse Deductions for any taxable year or other period shall be allocated to the Member that made or guaranteed or otherwise bears the economic risk of loss with respect to the loan to which such Member Nonrecourse Deductions are attributable in accordance with principles under Treasury Regulation Section 1.704-2(i).

(d) Any Member who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which causes or increases an Adjusted Capital Account Deficit shall be allocated items of Profit sufficient to eliminate such increase or negative balance caused thereby, as quickly as possible, to the extent required by such Treasury Regulation. This Section 6.02(d) is intended to comply with the “qualified income offset” provisions of the Treasury Regulation Section 1.704-1(b)(2)(ii) and shall be interpreted consistently therewith.

(e) No allocation of loss or deduction shall be made to any Member if, as a result of such allocation, such Member would have an Adjusted Capital Account Deficit. Any such disallowed allocation shall be made to the Members entitled to receive such allocation under Treasury Regulation Section 1.704-1(b)(2)(iv) in proportion to their respective Percentage Interests. If losses or deductions are reallocated under this Section 6.02(e), subsequent allocations of income and losses (and items thereof) shall be made so that, to the extent possible, the net amount allocated under this Section 6.02(e) equals the amount that would have been allocated to each Member if no reallocation had occurred under this Section 6.02(e).

(f) To the extent that an adjustment to the adjusted tax basis of any Company property pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Treasury Regulation

Section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the adjusted tax basis of the property) or loss (if the adjustment decreases the adjusted tax basis of the property) and such gain or loss shall be specially allocated among the Members in proportion to their relative Percentage Interests in the event that Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members to whom such distribution was made in the event that Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4) applies.

(g) The allocations contained in Sections 6.02(a), 6.02(b), 6.02(c), 6.02(d), 6.02(e) and 6.02(f) (the “Regulatory Allocations.”) are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1 and 1.704-2. The Regulatory Allocations shall be taken into account in allocating Profits, Losses, Net Profit and Net Loss and other items of income, gain, loss and deduction among the Members so that to the extent possible, the aggregate of (i) the allocations made to each Member under this Agreement other than the Regulatory Allocations and (ii) the Regulatory Allocations made to each Member shall equal the net amount that would have been allocated to each Member had the Regulatory Allocations not occurred as necessary to effect the intent of Section 6.05. The Executive Committee shall take account of the fact that certain of the Regulatory Allocations will occur at a period in the future for purposes of applying this Section 6.02(g).

(h) For purposes of Section 752 of the Code and the Treasury Regulations thereunder, excess nonrecourse liabilities (within the meaning of Treasury Regulations Section 1.752-3(a)(3)) shall be allocated to the Members in accordance with Treasury Regulations Section 1.752-3.

6.03. DISTRIBUTIONS:

Except as provided in Section 6.05, the Company shall, as soon as reasonably practical (but no less often than quarterly), make distributions of Net Cash Flow to the Members in the following manner and order of priority:

(a) *First*, to Contributing Members pro rata in proportion to the amounts outstanding under the Shortfall Loans held by each Contributing Member, which amounts shall be applied to the repayment of any amounts outstanding under Shortfall Loans (principal and interest), provided that such repayments shall not reduce the Capital Account balances of the Members under this Agreement. The parties agree that distributions under this Section 6.03(a) with respect to Shortfall Loans will be applied first to the interest on Shortfall Loans, to the extent accrued as of the date of distribution, and then to the return of principal on such Shortfall Loans. The parties further agree that the interest on Shortfall Loans represents a commercially reasonable rate of return on such Shortfall Loans and the parties will report interest on Shortfall Loans as interest for tax purposes, unless otherwise required by applicable law; and

(b) *Second*, to the Members in proportion to their respective Percentage Interests.

6.04. SPECIAL DISTRIBUTIONS:

(a) In the event there is any Excess Net Cash Flow (defined below) in any given fiscal quarter, then the Company shall distribute to the Members (pro rata, in accordance with their Percentage Interests) with respect to each such fiscal quarter an amount equal to the lesser of (i) the Excess Net Cash Flow available and (ii) the amount necessary to cause Sponsor to have received, following

distribution of such amount to the Members (pro rata, in accordance with their then applicable Percentage Interests) an amount equal to the product of (A) the amount of taxable income allocable to Sponsor in respect of such fiscal quarter (net of taxable tax losses allocated to Sponsor in respect of prior fiscal quarters and not previously taken into account under this [Section 6.04](#)), taking into account for the avoidance of doubt, allocations of items if applicable under the "remedial allocation method" under Code Section 704(c) and the Treasury Regulations thereunder and (B) the Assumed Tax Rate. For purposes of this Section 6.04(b) only, the term "Excess Cash Flow" shall mean Net Cash Flow available for distribution, less any reasonable additional reserves determined by Administrative Member (by way of example only, if necessary to reflect any interim leasing activity, capital expenditures or other mid-year adjustments in the interim period between approval of the Budget and Operating Plan for any Project). Each Tax Distribution pursuant to this [Section 6.04](#) shall be treated as a prepayment to such Member of amounts to which it is otherwise entitled under [Section 6.03](#) in that any such distribution shall reduce distributions otherwise to be made to a recipient Member under this Agreement. Distributions made to a Member pursuant to [Section 6.03](#) during any taxable year shall reduce distributions otherwise to be made under this [Section 6.04](#) for such taxable year. The Company shall, in no event, be required to make a capital call to make a Tax Distribution or sell assets or borrow money for purposes of making any Tax Distribution.

6.05 . DISTRIBUTIONS IN LIQUIDATION :

Notwithstanding the provisions of [Section 6.03](#) , upon the dissolution and winding-up of the Company, the proceeds of sale and other assets of the Company distributable to the Members under [Section 11.02\(c\)\(iii\)](#) shall be distributed, not later than the latest time specified for such distributions pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2) to the Members in accordance with [Section 6.03](#) . With the approval of the Executive Committee, a pro rata portion of the distributions that would otherwise be made to the Members under the preceding sentence may be distributed to a trust reasonably established, for a reasonable period of time, for the benefit of the Members for the purposes of liquidating Company Property, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company. The assets of any trust established under this [Section 6.05](#) will be distributed to the Members from time to time by the trustee of the trust upon approval of the Executive Committee in the same proportions as the amount distributed to the trust by the Company would otherwise have been distributed to the Members under this Agreement.

6.06. TAX MATTERS :

(a) The Members intend for the Company to be treated as a partnership for federal and, if applicable, state and local income tax purposes. The Executive Committee shall have the right to make all applicable elections, determinations and other decisions under the Code and applicable Treasury Regulations, including, without limitation, the deductibility of a particular item of expense and the positions to be taken on the Company's tax return, and shall approve the settlement or compromise of all audit matters raised by the Internal Revenue Service affecting the Members generally, except as provided in [Section 7.01\(e\)\(xi\)](#) , [Section 7.01\(e\)\(xxiii\)](#) and [Section 6.08\(b\)](#) or as otherwise expressly provided in this Agreement. The Members shall each take reporting positions on their respective federal, state and local income tax returns consistent with the positions determined for the Company by the Executive Committee except as otherwise required by law. Administrative Member shall cause all federal, state and local income and other tax returns to be timely filed by the Company and shall, after

receiving the Executive Committee's approval of such returns, be authorized to execute such returns (provided that Administrative Member shall, for so long as it diligently performs its obligations hereunder, not be responsible for the delays of any other Member or reputable accountants or auditors retained by Administrative Member or at the request of the Executive Committee on behalf of the Company).

(b) The Members further hereby agree that the payment of cash for interests in Pinnacle 1 Joint Venture pursuant to the RREEF Buyout Documents shall be treated as a sale of such interests in the Pinnacle 1 Joint Venture by PCPG and RREEF, and a purchase of such interests in the Pinnacle 1 Joint Venture by the Company, for cash paid pursuant to the RREEF Buyout Documents for U.S. federal income tax purposes. The Members hereto and the Company consent to such treatment and agree to report, and to cause their respective Affiliates to report, the transactions contemplated in the RREEF Buyout Documents and in this Agreement consistent with such treatment on tax returns. The parties agree that Pinnacle 1 Sponsor's credit to its Capital Account in the amount set forth opposite Pinnacle 1 Sponsor's name on Schedule A attached hereto is solely in exchange for Pinnacle 1 Sponsor's equity in the Pinnacle 1 Property and shall be treated, for federal income tax purposes or otherwise in connection with taxes, as a tax-free transfer under Section 721 of the Code. The Company and the Members shall not take a position inconsistent with the foregoing on their respective tax returns unless there is a contrary determination within the meaning of Section 1313 of the Code.

6.07. TAX MATTERS PARTNER:

Hudson (or any Affiliate of Hudson treated as owning the Interest owned by Hudson) shall be the tax matters partner within the meaning of Section 6231(a)(7) of the Code and, subject to Section 6.06, shall exercise all rights, obligations and duties of a tax matters partner under the Code; provided, however, that Hudson shall not have any right to settle or compromise any matter raised by the Internal Revenue Service without the approval of the Executive Committee, and the other Members shall be kept reasonably informed of, and given an opportunity to participate in a non-binding manner in, all such matters which the tax matters partner deems to be material; provided, however, (i) that if a tax settlement would have a disproportionate material adverse impact on one of the other Members, such Member shall be given a reasonable period of time to approve the proposed settlement, which approval shall not be unreasonably withheld, conditioned or delayed; and (ii) Hudson shall not enter into an agreement extending the period of limitations as contemplated in Section 6229(b)(1)(B) of the Code without the approval of all of the Members, which approval shall not be unreasonably withheld, conditioned or delayed.

6.08. ALLOCATIONS FOR TAX PURPOSES:

(a) Except as provided in Section 6.08(b) or otherwise as required under Section 704(b) of the Code and the related Treasury Regulations, each item of income, gain, loss or deduction of the Company for federal income tax purposes shall be allocated to the Members in the same manner that the corresponding item of Net Profit, Net Loss or other item of income, gain, loss or deduction that affect the Capital Accounts of the Members was allocated pursuant to Sections 6.01 and 6.02.

(b) In accordance with Section 704(c) of the Code and the applicable Treasury Regulations thereunder, income, gain, loss, deduction and tax depreciation with respect to any property contributed to the capital of the Company, or with respect to any property which has a Book Basis different than its adjusted tax basis, shall, solely for federal income tax purposes, be allocated among the Members so as

to take into account any variation between the adjusted tax basis of such property to the Company and the Book Basis of such property. Any elections, accounting conventions or other decisions relating to such allocations shall be made by the Executive Committee in a manner that reasonably reflects the purposes and intention of this Agreement, and complies with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder. For such allocations, the Executive Committee may select any method permitted in the Treasury Regulations under Code Section 704(c) with respect to such allocations, including the “traditional method,” or the “remedial allocation method”, but not the “traditional method with curative allocations”.

6.09. WITHHOLDING :

All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, local or other tax law shall be treated as amounts actually distributed to the Members for all purposes under this Agreement. If the Executive Committee determines that the Company has insufficient liquid assets to satisfy such withholding obligation, the Member as to which withholding applies shall contribute cash to the Company in an amount sufficient to satisfy such withholding obligation (which amounts shall not be treated as Capital Contributions and the related payment of tax shall not be treated as a distribution).

**ARTICLE VII.
MANAGEMENT**

7.01. MANAGEMENT :

Except as otherwise expressly provided in this Agreement, the business and affairs of the Company shall be vested in and controlled by the Executive Committee as provided below.

(a) The Company and the Members shall act by means of and through a committee of persons appointed in writing pursuant to Section 7.02 (the “Executive Committee”). Each person appointed by a Member to the Executive Committee shall act at the exclusive direction of, be the agent of, and shall be free to represent the views and positions of such appointing Member. The Executive Committee shall have responsibility for establishing the policies and operating procedures with respect to the business and affairs of the Company and for making all decisions as to all matters which the Company has authority to perform, as fully as if all the Members were themselves making such decisions in lieu thereof. All decisions made with respect to the management and control of the Company and approved by the Executive Committee (except for such decisions which by the express terms of Section 7.01(e) require the approval of all Members) shall be binding on the Company and all Members. The Executive Committee may elect officers of the Company to implement the decisions (including, without limitation, executing documents) of the Executive Committee from time to time.

(b) Notwithstanding anything to the contrary herein, except as expressly set forth in Section 7.01(e) below, the Executive Committee shall have the authority to act and make decisions on behalf of the Company to the extent materially consistent with any applicable Budget and Operating Plan.

(c) The Company may employ, engage or retain any Persons (including any Affiliate of any Member) to act as brokers, accountants, attorneys, engineers or in such other capacities as the Executive Committee may determine are reasonably necessary or desirable in connection with the Company’s business, and the members of the Executive Committee, Administrative Member and each Property

Manager shall be entitled to rely in good faith upon the recommendations, reports and advice given them by any such Persons in the course of their professional engagement.

(d) Except as set forth in Section 7.01(c) above and subject to Administrative Member's rights pursuant to Section 7.03 below, only the Executive Committee shall have the right or power to make decisions on behalf of and exercise control over the Company's business, affairs or operations; provided, however, that the Executive Committee may elect to implement those decisions through any Member it selects in writing, including without limitation through Administrative Member pursuant to the terms hereof, and/or through one or more officers it elects in writing.

(e) Notwithstanding the generality of the foregoing, provided that Sponsor shall not have committed any For Cause conduct, or an Event of Default hereunder (that has not been cured at the time any Major Decision is to be made), the Executive Committee shall not, without the written consent or ratification of the specific act by all the Members or by other written instrument executed and delivered by all the Members subsequent to the date of this Agreement, cause or permit the Company to take any of the following actions (each, a "Major Decision"), except to the extent provided in any applicable Budget and Operating Plan (and subject to the permitted variance rights set forth in Section 7.03(d) and, without duplication, any Permitted Unbudgeted Expenses):

(i) subject to Administrative Member's rights under Section 7.03 and Section 8.06, the approval of any Budget and Operating Plan, and any amendments or modifications thereto;

(ii) any sale, assignment, transfer or other disposition of Company Property (except for personal property incidental to the operation of the Company Property consistent with the then current Budget or Operating Plan) or any part thereof during the Lockout Period (without derogation, for the avoidance of doubt, of Sponsor's rights pursuant to Section 9.05 in the event of any proposed sale of the Company Property or any portion thereof following the Lockout Period);

(iii) entering into any lease of any portion of or space within Company Property;

(iv) except for the Pinnacle 2 Loan Assumption and the Pinnacle 1 Loan (each of which is hereby approved by the Members), borrowing money, refinancing, recasting, modifying, amending, extending, compromising or otherwise dealing with any such secured loan, and in connection therewith, issuing evidences of indebtedness and securing the same by mortgages, deeds of trust, security agreements or other similar documents affecting the assets of the Company;

(v) except for the Pinnacle 1 Property Management Agreement, the Pinnacle 2 Property Management Agreement, the Pinnacle 1 Sub Management/Leasing Agreement, the Pinnacle 2 Sub Management/Leasing Agreement and/or any replacement of the foregoing in connection with any termination of any Sub Management/Leasing Agreement pursuant to Section 7.04, entering into any contract for the operation, improvement or rehabilitation of the Company Property pursuant to which the Company is obligated to (1) pay or expend more than \$50,000.00 in any fiscal year, or (2) more than \$200,000.00 in the aggregate;

(vi) instituting, or settling, any legal action in the name of the Company, which are either (A) outside of the ordinary course of business of the Company (except routine tenant

enforcement and collection activities including, without limitation, the institution of any eviction suits for breach of tenant leases), or (B) for legal matters in an amount in excess of \$50,000 that are not covered by insurance;

(vii) causing the Company to undertake a merger, consolidation or other form of reorganization;

(viii) except as otherwise expressly provided in this Agreement, admitting any additional Member into the Company;

(ix) except as otherwise expressly provided in this Agreement, appointing any Person (other than an Affiliate of the Person then-serving as Administrative Member) as the Administrative Member of the Company;

(x) modifying or amending the Certificate of Formation or this Agreement, except pursuant to Sections 2.06 or 2.07 (provided that all Members hereby agree to make such amendments as may be reasonably requested from time to time by any lender, if any, to the Company, to the extent the same have been approved by the Executive Committee);

(xi) except pursuant to Sections 2.06, 2.07 or 6.08(b), electing or implementing, and once elected or implemented, changing in any material respect, the accounting, tax treatment, tax election and/or related matters pertaining to the Company in a manner that has a disproportionate material adverse effect on the rights and/or obligations of Sponsor under this Agreement and/or that causes a disproportionate increase in the tax liabilities or other payment or reporting obligations to third parties of Sponsor ;

(xii) except for the Pinnacle 1 Property Management Agreement, the Pinnacle 2 Property Management Agreement, the Pinnacle 1 Sub Management/Leasing Agreement and the Pinnacle 2 Sub Management/Leasing Agreement or any replacement of the foregoing in connection with any termination of any Sub Management/Leasing Agreement pursuant to Section 7.04, entering into or consummating any transaction or arrangement with any Member or any Affiliate of any Member including the payment of any compensation to such Member or any Affiliate of any Member, all of which shall require the approval of the non-interested Member(s) notwithstanding anything contained herein to the contrary;

(xiii) entering into any guaranty by the Company, or causing any Member or any Affiliate of any Member to provide any recourse or other credit enhancement of any kind (without derogation of the obligations set forth in Section 4.05);

(xiv) granting any general power of attorney on behalf of the Company;

(xv) (A) the filing of any voluntary petition in bankruptcy on behalf of the Company, (B) the consenting to the filing of any involuntary petition in bankruptcy against the Company, (C) the filing of any petition seeking, or consenting to, the reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (D) the consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (E) the making of any assignment for the benefit of creditors, (F) the admission in writing of the Company's inability to pay its debts

generally as they become due or (G) the taking of any action by the Company in furtherance of any such action;

(xvi) doing any act in contravention of this Agreement, or doing any act which is not in the ordinary course of the Company's business;

(xvii) except for the Pinnacle 1 Property Management Agreement, the Pinnacle 2 Property Management Agreement, the Pinnacle 1 Sub Management/Leasing Agreement and the Pinnacle 2 Sub Management/Leasing Agreement or any replacement of the foregoing in connection with any termination of any Sub Management/Leasing Agreement pursuant to Section 7.04, entering into any asset or property management agreement, property operating agreement or leasing agreement (but subject to the terms of Section 7.05(c));

(xviii) causing the Company to make any distribution of Net Cash Flow that is inconsistent with any Operating Plan or this Agreement;

(xix) except as expressly permitted in this Agreement, the Transfer by any Member of its Interest in the Company;

(xx) modifying or amending the Financing Guidelines;

(xxi) any purchase or other acquisition of any new Project or any other new, material real or personal Company Property (except for personal property incidental to the operation of the then existing Company Property consistent with the then current Budget or Operating Plan);

(xxii) the taking of any of the actions set forth in clauses (i) through (xxi) inclusive by or on behalf of any Property Owner LLC;

(xxiii) changing the tax classification of the Company or any subsidiary of the Company (other than any TRS formed pursuant to Section 2.06) from that of a partnership to that of a C-corporation.

(f) Notwithstanding anything to the contrary set forth herein, with respect to any agreement, contract or transaction (each, an "Affiliate Agreement") entered into between the Company and any Affiliate of any Member (including, without limitation, the Property Management Agreement and the Leasing Agreement), the Member that is not affiliated with the Affiliate (excluding the Company) that is party to the relevant Affiliate Agreement shall have the unilateral right to declare that a "default" or an "Event of Default" by such Affiliate party has occurred thereunder and the unilateral right to enforce the rights and remedies available to the Company in connection therewith (including, without limitation, the right to terminate the relevant Affiliate Agreement). Without limiting the generality of the foregoing, it is understood and agreed that Hudson shall have the sole right, without the consent of Sponsor (or the vote or approval of any Executive Committee member appointed by Sponsor) to take any and all action on behalf of the Company and/or any Property Owner LLC in respect of the Pinnacle 2 Contribution Agreement and the Pinnacle 2 Loan Assumption, including, without limitation, making the election on behalf of the Company to consummate the transactions contemplated by the Pinnacle 2 Contribution Agreement, the exercise of any rights and/or remedies thereunder (including, without limitation, in respect of any obligations that survive the closing thereunder), the negotiation, execution

and/or delivery of the Pinnacle 2 Loan Assumption Documents (subject to, for the avoidance of doubt, the provisions of Section 4.05(b)).

(g) Subject to the terms of this Agreement, and the limitations imposed by law, Hudson (acting through the Executive Committee, and subject to all applicable limitations on the authority of the Executive Committee set forth herein) shall have all of the same powers as, but not the duties of, a general partner of a general partnership under the laws of the State of Delaware.

(h) Notwithstanding anything to the contrary contained herein, wherever the consent of Sponsor is required in connection with a Major Decision (a “Major Decision Consent Request”), then Sponsor shall provide either Sponsor’s approval or disapproval in writing (and, in the case of any disapproval, shall endeavor to provide reasonable detail as to the reason(s) for Sponsor’s disapproval) within ten (10) Business Days of receipt of the Major Decision Consent Request (the “Major Decision Response Deadline”). If Sponsor shall not have responded on or before the Major Decision Response Deadline and, provided that Hudson shall have delivered a second notice to Sponsor, indicating, in bold, conspicuous font that a failure to respond to such second notice shall result in a deemed approval on the part of Sponsor pursuant to the terms of this Agreement, then, any failure on the part of Sponsor to provide its approval or disapproval in writing (and, in the case of any disapproval, reasonable detail as to the reason(s) for Sponsor’s disapproval) within five (5) Business Days following receipt of such second notice, then the matter set forth in the Major Decision Consent Request shall be deemed approved by Sponsor.

7.02. MEMBERS OF THE EXECUTIVE COMMITTEE:

(a) The Executive Committee shall initially consist of five (5) members. The initial members of the Executive Committee shall be Alex Vouvalides, Chris Barton and Mark Lammas, appointed by Hudson, and Jeff Worthe, and Leo Divinsky appointed by Sponsor. Notwithstanding any other provision of this Agreement to the contrary, Hudson will at all times have the right to appoint a majority in number of the members of the Executive Committee, and a majority in number of the members of the Executive Committee shall represent and shall have been appointed by Hudson. Each Member may, by written notice to the others, remove any person appointed by such Member and appoint a substitute therefor; provided, however, that any new person appointed to the Executive Committee by any Member must either (i) be a partner, managing member, officer, director or employee of such Member or of an Affiliate of such Member, or (ii) be approved by the Executive Committee members appointed by the other Members, such approval not to be unreasonably withheld. Any Member may, by written notice delivered to the other Members, delegate any or all of the duties of such Member’s representatives on the Executive Committee to another of its representatives on the Executive Committee or to any employee of Hudson or any of its respective Affiliates, on the one hand, or Sponsor or any of its Affiliates, on the other hand, as the case may be (and such delegate shall also be an agent of and operate at the sole direction of the appointing Member), and any decisions or actions taken by such delegate shall be fully binding upon the Company and the Members as if taken by such member of the Executive Committee.

(b) The number of members of the Executive Committee may be increased or decreased from time to time by the Executive Committee, so long as a majority in number of the members of the Executive Committee shall represent and shall have been appointed by Hudson.

(c) Regular meetings of the Executive Committee shall be held at such times and places as shall be designated from time to time by resolution of the Executive Committee, provided the Executive

Committee shall meet no less frequently than quarterly and provided such regular meetings of the Executive Committee shall be as often as necessary or desirable to carry out its management functions.

(d) Special meetings of the Executive Committee may be called by or at the request of any Member. The person or persons authorized to call the special meeting of the Executive Committee may fix any reasonable place as the place for holding the special meeting of the Executive Committee, or such meeting may occur telephonically with any member of the Executive Committee electing to participate telephonically.

(e) Notice of any meeting of the Executive Committee shall be given to each Member no fewer than two (2) days and no more than thirty (30) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Section 13.03. The attendance of a member of the Executive Committee at a meeting of the Executive Committee shall constitute a waiver of notice of such meeting, except where a member of the Executive Committee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Executive Committee need be specified in the notice or waiver of notice of such meeting.

(f) Provided that notice of a meeting has been given to each Member as called for by clause (e), above, a majority (in number) of the members of the Executive Committee shall constitute a quorum for transaction of business at any meeting of the Executive Committee, provided that, subject to the proviso set forth in clause (g), below, if less than a majority of such number of members of the Executive Committee are present at said meeting, a majority of the members of the Executive Committee present may adjourn the meeting at any time without further notice; provided, however, that, subject to Sections 7.02(m), 7.02(n) and 7.02(o), a quorum may not be deemed established without the presence of at least one Executive Committee member appointed by Hudson, and in connection with any Major Decision, a quorum may not be deemed established without the presence of at least one Executive Committee member appointed by Sponsor.

(g) Provided that notice of a meeting has been given to each Member as called for by clause (e), above, the act of a majority (in number) of the members of the Executive Committee present shall be the act of the Executive Committee, unless the act of a greater number is required by this Agreement; and no action shall be deemed to have taken place unless a majority of the members of the Executive Committee shall have approved the same provided; however, that no Major Decision or other Executive Committee matter may be decided, nor may any Executive Committee action be taken, without the attendance at the applicable meeting of, and the vote of, an Executive Committee member appointed by Hudson. Notwithstanding anything to the contrary herein, if there is a disagreement between the Executive Committee members appointed by Sponsor and the Executive Committee members appointed by Hudson with respect to any matter requiring the vote, consent or approval of the Executive Committee (other than a Major Decision), the Hudson members of the Executive Committee shall have the right to cast the deciding vote and thus the decision made by Hudson shall be deemed the decision of the Executive Committee, irrespective of the actual number of members of the Executive Committee appointed by Hudson that are present at such meeting (or taking part in any Executive Committee action by written consent), or of the number of contrary votes cast by the members of the Executive Committee not appointed by Hudson.

(h) Any action required to be taken at a meeting of the Executive Committee or any other action which may be taken at a meeting of the Executive Committee may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by a majority in number of the members of the Executive Committee entitled to vote with respect to the subject matter thereof. Any such consent signed by a majority in number of the members of the Executive Committee shall have the same effect as an act of a majority (in number) of the members of the Executive Committee at a properly called and constituted meeting of the Executive Committee at which a quorum were present and voting. Notwithstanding the foregoing, or anything to the contrary provided elsewhere herein, no Major Decision or other Executive Committee matter may be decided, nor may any Executive Committee action be taken, by written consent or otherwise, without the attendance at the applicable meeting of, and the vote of, an Executive Committee member appointed by Hudson, and, in the case of any Major Decision, without the vote of the Executive Committee Member appointed by Sponsor.

(i) The members of the Executive Committee may participate in and act at meetings of the Executive Committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meetings shall constitute attendance in person at the meeting of the person or persons so participating.

(j) Except as otherwise determined by the Executive Committee or as approved as part of any Budget (except that the consent of all disinterested Members shall be required in the case of salaries or remuneration), no member thereof, nor officer of the Company, nor employee, agent or contractor of any Member or any Affiliate thereof (other than the Company), shall be entitled to receive any salary or any remuneration or expense reimbursement from the Company for his or her services as a member of the Executive Committee or for his or her services to the Company or with respect to Company Property.

(k) The Executive Committee may, by resolution, designate one or more individuals as employees or agents of the Company in furtherance of its business and exclusive purposes. No such employee or agent need be a Member of the Company. Each employee or agent shall have the authority and shall perform the duties as designated by the Executive Committee from time to time. Any employee or agent so appointed by the Executive Committee may be removed by the Executive Committee whenever in their judgment the best interests of the Company would be served.

(l) Subject to Section 7.01(e)(i), the approval of any Budget and Operating Plan will be evidenced by the signing or initialing of a copy of the approved version by at least a majority (in number) of the members of the Executive Committee. Minutes and/or resolutions of the Executive Committee when initialed or signed by a majority (in number) of the members of the Executive Committee shall be binding and conclusive evidence of the decisions reflected therein and any authorizations granted thereby.

(m) Each of Hudson and Sponsor may, at any time as set forth in a notice to the other Member, remove, for any reason or no reason, its own representative from the Executive Committee and may designate a replacement person to act as its representative. Any representative appointed pursuant to this Section 7.02(m) shall satisfy the requirements of Sections 7.02(a)(i) or (a)(ii). Notwithstanding anything else to the contrary in this Article VII or any other provision of this Agreement, and without limiting the generality of any of the foregoing (i) Hudson, acting alone and without the approval of Sponsor or the Executive Committee, shall have the right (x) to declare that Sponsor has committed For

Cause conduct and (y) after the expiration of the Lockout Period, to cause the Company to sell the Company Property and to control such sale process, subject to Sponsor's rights under Section 9.05, and (ii) Sponsor acting alone and without the approval of Hudson or the Executive Committee, shall have the right to declare that a Hudson Removal Event has occurred.

(n) If Sponsor has committed For Cause conduct, then (i) the members appointed by Sponsor to the Executive Committee shall be automatically removed from the Executive Committee without any further action by any Member or the Executive Committee, (ii) Sponsor shall have no right to have any members on the Executive Committee or to make any decisions hereunder, including, without limitation, any Major Decisions or any decision to cause the Company to sell the Company Property, pursuant to Section 9.05 or otherwise, (iii) Sponsor shall be deemed to have forfeited its right of first offer under Section 9.05 and shall have no right to exercise same, and (iv) all members of the Executive Committee shall be appointed by Hudson.

(o) If a Hudson Removal Event has occurred, then (i) the members appointed by Hudson to the Executive Committee shall be automatically removed from the Executive Committee and Sponsor shall replace Hudson as the Administrative Member hereunder without any further action by any Member or the Executive Committee, (ii) Hudson shall have no right to have any members on the Executive Committee or to make any decisions hereunder, including, without limitation, any Major Decisions (except pursuant to Section 2.06, to the limited extent necessary, if applicable, to protect HPP's continued REIT status) or any decision to cause the Company to sell the Company Property, pursuant to Section 9.05 or otherwise, and (iii) all members of the Executive Committee shall be appointed by Sponsor.

7.03. ADMINISTRATIVE MEMBER: DEADLOCKS:

(a) The Executive Committee shall designate one of the Members to act as the administrative member of the Company (the "Administrative Member") and implement the decisions of the Executive Committee. Administrative Member may (i) conduct the business of the Company on a day-to-day basis, (ii) retain any Property Manager, or another person or entity approved by the Executive Committee, to perform the Company Management Services for the Company, (iii) perform the duties assigned to it hereunder, and (iv) carry out all decisions and resolutions of the Executive Committee. The initial Administrative Member shall be Hudson, which shall remain Administrative Member until changed by action of the Executive Committee. If Hudson or any other Person retires or resigns as Administrative Member, then the Executive Committee shall be under no obligation to appoint a replacement thereof. Subject to the limitations set forth in this Agreement and the guidelines adopted by the Executive Committee, Administrative Member, on behalf of the Company, shall have the power and authority to take any action and/or to make any decision on behalf of the Company that is materially consistent with any Budget and Operating Plan, subject to the terms of Section 7.03, Section 8.06 and Sponsor's rights with respect to Major Decisions. Administrative Member may rely on written instructions from the Executive Committee. Subject to Administrative Member's right to charge certain matters to the Company as provided in Sections 8.01 and 8.03, Administrative Member shall not be entitled to receive any fees or other compensation in respect of its activities as Administrative Member, and will not receive reimbursement for compensation payable to any of its employees or other direct or indirect overhead which may be attributable to the performance of its duties as Administrative Member.

(b) Notwithstanding anything to the contrary contained herein, if at the beginning of any calendar year any Budget and Operating Plan or any item or portion thereof shall not have been approved by the Members, then, and without derogation of the terms of Section 8.06 :

(i) Any items or portions of any such Budget and Operating Plan and amounts of expenses provided therein which have been so approved shall become operative immediately and Administrative Member shall be entitled to expend funds solely in accordance with those operative portions;

(ii) Administrative Member may expend funds in respect of debt service on the Company's financing (including the reasonable expense of curing any defaults thereunder) utilities, real estate taxes and assessments, insurance deductibles, increases in insurance premiums necessary to maintain any insurance policies in effect (to the extent such policies are included in the approved Budget and Operating Plan), and any final orders, judgments, or other proceedings and all reasonable costs and expenses related thereto, regardless of whether any Budget has been approved or whether such expenditures exceed the amounts provided for in any Budget (all of the foregoing, collectively, "Non-Discretionary Expenses").

(c) In addition to and without limiting any rights set forth in this Agreement, Administrative Member may, subject to the availability of adequate funds therefor in any Budget and from Revenues, Capital Contributions or other sources, and provided that Administrative Member may delegate such tasks to any Property Manager or any other third parties with whom the Company may contract pursuant to the terms hereof:

(i) Oversee, coordinate and process the operations and the management on a day-to-day basis of any and all of the assets which comprise Company Property, and prepare all communications with relevant third parties;

(ii) Subject to the availability of funds therefor, cause the Company and all third parties at all times to perform and comply with the provisions (including, without limitation, any provisions requiring the expenditure of funds by the Company) of any loan commitment, agreement, mortgage, lease, or other contract, instrument or agreement, including but not limited to any Purchase Agreement, to which the Company is a party or which affects any Company Property or the operation thereof;

(iii) Subject to the availability of funds therefor, pay in a timely manner all non-disputed operating expenses of the Company in accordance with the terms of any Budget and Operating Plan or as otherwise provided herein;

(iv) To the extent available, and subject to the availability of the funds therefor, obtain and maintain insurance coverage on Company Properties as required by the Executive Committee and pay all non-disputed taxes, assessments, charges and fees payable in connection with the ownership, entitlement, development and construction, use and occupancy of the Company Properties (provided that if the Executive Committee requires that the Company maintain insurance as part of Hudson's blanket policy, the Company's allocable share of deductibles and premiums under the liability insurance policy shall be no greater than those under such policies previously maintained by the Property Manager of the relevant Company Property);

(v) If required by the Executive Committee, manage and administer the process of selling and refinancing Company Property; and

(vi) Subject to Section 7.01(e), execute and deliver agreements, certificates and similar documents which are necessary to obtain loans, as well as manage any approved financing or refinancing, on terms as approved by the Executive Committee.

(d) If the Members cannot not reach agreement with respect to a matter which requires the unanimous consent of the Members pursuant to Section 7.01(e) (other than Section 7.01(e)(iv), which is dealt with at Section 7.03(e) below) of this Agreement (a “Deadlock Decision”), then either Member may, following thirty (30) days of unresolved good faith negotiations, serve written notice on the other Member electing that such dispute (and no other matters) shall be submitted to final and binding arbitration (without appeal or review) to a three member panel. The Member requesting arbitration shall do so by giving notice to that effect to the other Member specifying the name and address of the person designated to act as an arbitrator on its behalf. Within five (5) Business Days after the service of such notice, the other Member shall give notice to the first Member specifying the name and address of the person designated to act as an arbitrator on its behalf. If the other Member fails to timely notify the first party of the appointment of its arbitrator, then the appointed arbitrators shall in writing immediately notify by personal delivery the AAA in Los Angeles County (or any successor organization thereto) and request that the AAA appoint such arbitrator within three (3) Business Days of receipt of the notice. The appointment of such arbitrator shall be on an expedited basis and shall be made within such three (3) Business Day period. Once both Members’ arbitrators have been appointed, the third arbitrator shall be selected in accordance with the Commercial Expedited Arbitration Rules of the AAA (or any successor provision thereto), and thereafter such arbitrators shall comprise the three member panel that is referenced above. Each arbitrator appointed pursuant to this Section 7.03(d) shall have a minimum of ten (10) years of experience in the operation, ownership, leasing and finance of office and/or commercial real estate in Los Angeles County. Each arbitrator appointed by a Member pursuant to this Section 7.03(d) shall be deemed non-neutral and need not meet any standards to the contrary in the Commercial Expedited Arbitration Rules of the AAA (or any successor provision thereto). The arbitration proceeding shall be held in Los Angeles, California and in the English language. The arbitrators appointed shall commence and conduct the arbitration hearing as promptly as possible and shall determine the issues in accordance with the terms and provisions of this Agreement. Said hearing, shall it be necessary to be continued, shall be conducted on successive and continuous days exclusive of Sunday and Federal holidays, until the taking of testimony and evidence is completed and the hearing is closed by the arbitrators. The arbitrators must render a written decision no later than ten (10) days after the close of the hearing. The arbitrators may conduct the arbitration process informally and without strict adherence to the rules of evidence and may, applying the experience of the arbitrators (but otherwise consistent with the terms of this Section 7.03(d) and (e)), consider such matters as such arbitrator deems appropriate to reach a determination as to the Deadlock Decision, provided that each party shall be entitled to make written submissions to the arbitration panel and, if requested by either party, the arbitration panel shall hold at least one hearing at which each party may be heard. Each party may make a submission to the arbitration panel, and such party shall also provide a copy of its submission to the other party and the other party shall have the right to respond in writing to such submission. Each party will cooperate with the arbitration panel and will provide to the arbitration panel all data and information reasonably requested by such arbitration to the end that the arbitration panel may reach a decision on the Deadlock Decision as rapidly as possible. Within ten (10) days after their respective appointment, the arbitration panel shall resolve the Deadlock Decision, by choosing one of the positions advocated

by the Members, and deliver a written report to the Members stating such decision. The decision, made in writing and signed by any two of such three arbitrators, shall determine such dispute. The decision of the arbitrators shall be final and conclusive with respect to such submitted matter(s) and no arbitrator shall have any right or power to consider, determine or resolve any other issue or dispute between the parties, or to alter, modify or amend any of the provisions of this Agreement. The Members and the Company shall be bound by the decision of the arbitration panel, and agree that such determination shall be binding and non-appealable. The fees and charges of the arbitration panel shall be split 50:50 between the Members. Each Member shall pay the fees and charges of any expert designated separately by it.

(e) If the Members cannot, following diligent, good faith negotiation efforts, reach agreement with respect to any matter which requires the unanimous consent of each Member pursuant to Section 7.01(e)(iv), and, in the case of any proposed replacement financing, on or before the date which is six (6) months prior to the maturity date of any such Loan, then either Member may seek, but shall in no event bind the Company to obtain, financing from potential lenders. The Members shall continuously consult with one another while they are seeking such financing so that their efforts will be conducted in a coordinated manner, intended to minimize disruption and unnecessary cost and to encourage efficiency. In addition, each Member shall submit to the arbitration panel selected in accordance with the procedures set forth in Section 7.03(d) above, a financing proposal, which may include a detailed term sheet or commitment letter, or comparable indication of interest, and which shall set forth the proceeds level, interest rate, other material economic terms and material non-economic terms, including, without limitation, any proposed recourse (each, a “ Financing Proposal”). The provisions of Section 7.03(d) shall govern the arbitration of such dispute in all respects; provided, however, in evaluating each Member’s Financial Proposals, the arbitration panel shall determine which of the proposals submitted best serves the interest of the Company based on (1) the Company’s Financing Guidelines and (2) the arbitrators’ determination of the best interests of the Company within the boundaries of the Company’s Financing Guidelines, it being understood and agreed that, in no event, shall any arbitrator have any right to select any Financing Proposal containing any recourse term to, or requiring any other credit enhancement by any Member or any Affiliate of any Member which are not specifically set forth in the Financing Guidelines. Notwithstanding the foregoing, or anything to the contrary contained in this Agreement, in the event that, notwithstanding the procedures set forth in this Section 7.03(e), the Members are unable to obtain replacement Financing Proposals, or to otherwise resolve any dispute with respect to any replacement Financing Proposals, in each case, in time reasonably sufficient to enable the Company to, following resolution of any such dispute, actually close upon the Loan contemplated by the winning Financing Proposal, then Hudson shall have the right, but not the obligation, to provide bridge financing to the Company in order to prevent any maturity default, upon reasonable terms and conditions and otherwise pursuant to documents in form and substance reasonably acceptable to Hudson and the Company.

7.04. SERVICES AND FEES:

(a) Concurrently with the execution hereof, Pinnacle 1 Property Owner and Property Manager have entered into that certain Property Management Agreement in the form attached hereto as Exhibit I-1 (the “ Pinnacle 1 Property Management Agreement”) pursuant to which Property Manager shall provide the services, and shall earn the management and/or leasing fees set forth therein, in each case, upon the terms and conditions more particularly set forth in the Pinnacle 1 Property Management Agreement. In addition, concurrently herewith, Property Manager and Leasing/Construction Manager have entered into that certain Sub Management and Leasing Agreement in the form attached hereto as

Exhibit I-2 (the “ Pinnacle 1 Sub Management/Leasing Agreement ”) pursuant to which Leasing/Construction Manager shall provide the services, and earn the leasing/construction management fees set forth therein, in each case, upon the terms and conditions more particularly set forth in the Pinnacle 1 Sub Management/Leasing Agreement. Provided no For Cause event shall have occurred and subject to the terms of Section 7.04(c), upon the Pinnacle 2 Closing Date and the contribution of the Pinnacle 2 Property in accordance with the terms of the Pinnacle 2 Contribution Agreement and the terms hereof, the Company shall cause Pinnacle 2 Property Owner to enter into a property management agreement with Property Manager in form and substance substantially similar to the Pinnacle 1 Property Management Agreement (the “ Pinnacle 2 Property Management Agreement ”) and shall cause Property Manager to enter into a sub management agreement with Leasing/Construction Manager in form and substance substantially similar to the Pinnacle 1 Sub Management/Leasing Agreement (the “ Pinnacle 2 Sub Management/Leasing Agreement ”). The Pinnacle 1 Property Management Agreement, the Pinnacle 2 Property Management Agreement and/or any other property management agreement entered into in accordance with the terms of this Agreement is sometimes referred to herein individually as a “ Property Management Agreement ”). The Pinnacle 1 Sub Management/Leasing Agreement, the Pinnacle 2 Sub Management/Leasing Agreement and/or any other sub property management, leasing and/or construction management agreement entered into in accordance with the terms of this Agreement is sometimes referred to herein individually as a “ Sub Management/Leasing Agreement ”. The leasing fees payable to Leasing/Construction Manager pursuant to the Sub Management/Leasing Agreement are sometimes referred to herein as the “ Leasing Fees ” and the construction management fees payable to Leasing/Construction Manager pursuant to the Sub/Management Leasing Agreement are sometimes referred to herein as the “ Construction/Management Fees ”.

(b) Intentionally Omitted.

(c) Except as set forth in this Section 7.04 or elsewhere in this Agreement, any agreements with an Affiliate of any Member must be approved by the non-Affiliated Members, and no other fees or compensation will be paid by the Company to any Member or any of its Affiliates. Neither Hudson, Sponsor nor any of their respective Affiliates will be entitled to any leasing, management or other fees associated with the management or leasing of any of the Company Property except as set forth in the applicable Property Management Agreement and Sub Management/Leasing Agreement and will not be entitled to any reimbursement for its employees or other direct or indirect overhead, except as set forth in the applicable Property Management Agreement, the Sub Management/ Leasing Agreement or this Agreement, or as otherwise expressly set forth in any Budget. Notwithstanding anything to the contrary herein, upon the occurrence of any For Cause event, or in connection with any sale of all of the Company Property or Sponsor's Interest in accordance with this Agreement, Hudson shall have the unilateral right to terminate all Sub Management/Leasing Agreements and any other Affiliate Agreement between the Company or any Property Owner LLC on the one hand, and an Affiliate of Sponsor, on the other hand. In addition, without limiting the foregoing, in the event of any Transfer of any direct or indirect interests in Sponsor (without derogation of any other term herein with respect to Transfers, including, without limitation, Article IX hereof) following which, Jeff Worthe no longer owns at least twenty percent (20%) of the interests in Pinnacle 1 Sponsor (and, indirectly thereby, by operation of Pinnacle 1 Sponsor's status as managing member of Pinnacle 2 Sponsor), directly or indirectly, including, without limitation, through Family Trusts, and/or no longer continues to be actively involved in the management and operation of Pinnacle 1 Sponsor (and, indirectly thereby, by operation of Pinnacle 1 Sponsor's status as managing member of Pinnacle 2 Sponsor), then Hudson shall have the unilateral right to terminate

all Sub Management/Leasing Agreements and to either perform, or to delegate, the functions of the Leasing/Construction Manager pursuant thereto.

7.05. DUTIES AND CONFLICTS:

(a) The Members and their respective officers, employees, appointed members of the Executive Committee and Affiliates shall devote such time to the Company business as they deem to be necessary or desirable in connection with their respective duties and responsibilities hereunder. Except as provided hereunder or as otherwise agreed to in writing by the Executive Committee and all disinterested Members, no Member nor any member, partner, shareholder, officer, director, employee, agent or representative of any Member shall receive any salary or other remuneration for its services rendered pursuant to this Agreement.

(b) Each of the Members recognizes that each of the other Members and its members, managers, partners, shareholders, officers, directors, employees, agents, representatives, appointed members of the Executive Committee and Affiliates, have or may have other business interests, activities and investments, some of which may be in conflict or competition with the business of the Company and that each of the other Members and its members, managers, partners, shareholders, officers and directors, employees, agents, representatives, appointed members of the Executive Committee and Affiliates, are entitled to carry on such other business interests, activities and investments. Each of the Members may engage in or possess an interest in any other business or venture of any kind, independently or with others, including, without limitation, owning, financing, acquiring, leasing, promoting, developing, improving, operating, managing and servicing real property and mortgage loans on its own behalf or on behalf of other entities with which any of the Members is affiliated or otherwise, and each of the Members may engage in any such activities, whether or not competitive with the Company, without any obligation to offer any interest in such activities to the Company or to the other Members. Neither the Company nor the other Members shall have any right, by virtue of this Agreement, in or to such activities, or the income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

(c) The Members acknowledge and agree that Sponsor and/or its Affiliates own other projects in the Burbank, California area (each, individually, an “Unrelated Project”). In the event any potential tenant is considering leasing space at both (1) either the Pinnacle 1 Property and/or the Pinnacle 2 Property and (2) an Unrelated Project (including, for the avoidance of doubt, in the event of a vacancy described in the immediately succeeding sentence), Sponsor agrees that, at Administrative Member’s election, notwithstanding anything to the contrary set forth in the Sub Management/Leasing Agreement, Leasing/Construction Manager shall not broker or otherwise act as the leasing agent for the Company with respect to any leasing activity in respect of such tenant, provided, however, that all amounts that would be due and payable to Leasing/Construction Manager under the Sub Management/Leasing Agreement if such tenant should execute a lease shall be payable to Leasing/Construction Manager (i.e. as if Leasing/Construction Manager had acted as the leasing broker). Further, without limiting the foregoing, in the event the tenants known as Clear Channel (AM/FM), Warner Music Group, and/or Warner Brothers Entertainment vacate their respective premises, or, in the event the leases pursuant to which space is demised to such tenants expire, or are sooner terminated, in each case, pursuant to their respective terms, then Administrative Member shall have the right to engage a third party broker on behalf of the Company for the purpose of leasing all such space without the consent of the Sponsor (or of any representative of Sponsor appointed to the Executive Committee), notwithstanding the terms of

Section 7.01(e). In the event Administrative Member elects to engage a third party broker as set forth in the preceding sentence, then the terms of the Sub Management/Leasing Agreement with respect to payment (e.g., any leasing split and/or leasing override fee) shall govern.

7.06. COMPANY EXPENSES :

Except as otherwise provided in this Agreement or the Property Management Agreement, except for costs which are to be borne by Property Manager pursuant to the terms of the Property Management Agreement, and except for any costs to be borne by any third party under any agreement with the Company, the Company shall be responsible for paying, and shall pay, all direct costs and expenses related to the business of the Company and of acquiring, holding, owning, developing, servicing, collecting upon and operating the Company Property. Subject to the preceding sentence, all fees and expenses payable under Section 7.04, costs and expenses relating to any employees, staff or other personnel approved by the Executive Committee to provide day-to-day operations and financial reporting to oversee the operations of the Company Property, costs of financing, fees and disbursements of attorneys, financial advisors, accountants, appraisers, brokers and engineers, travel expenses and all other fees, costs and expenses directly attributable to the business and operations of the Company shall be borne by the Company. If any such costs and expenses are or have been paid by any Member, such Member shall be entitled to be reimbursed for such payment so long as such payment is reasonably necessary for Company business or operations and has been approved by the Executive Committee or is expressly authorized in this Agreement or the appropriate Budget or Operating Plan (including any permitted variance hereunder). Notwithstanding the foregoing, and without affecting any contrary terms (if any) in the Property Management Agreement, in no event shall the Company have any obligation to pay or reimburse any Member for any general overhead expense of such Member.

**ARTICLE VIII.
BOOKS AND RECORDS**

8.01. BOOKS AND RECORDS :

(a) Administrative Member shall maintain, or cause to be maintained, at the expense of the Company, in a manner customary and consistent with generally accepted accounting principles, practices and procedures, a system of office records, books and accounts (which records, books and accounts shall be and remain the property of the Company) in which shall be entered fully and accurately each and every financial transaction with respect to the ownership and operation of Company Property. Bills, receipts and vouchers shall be maintained on file by Administrative Member. Administrative Member shall maintain or cause to be maintained said books and accounts in a safe manner and separate from any records not having to do directly with the Company or any Company Property. Such books and records of account shall be prepared and maintained by Administrative Member at the principal place of business of Administrative Member or such other place or places as may from time to time be reasonably determined by the Executive Committee. Each Member or its duly authorized representative, and so long as Hudson is a Member, HPP or its duly authorized representative, shall have the right to inspect, examine and copy such books and records of account at Administrative Member's office during reasonable business hours.

8.02. ACCOUNTING AND FISCAL YEAR :

The books of the Company shall be kept on the accrual basis in accordance with GAAP. The Company also shall report its operations for tax purposes on the accrual method. The fiscal year and tax year of the Company shall end on December 31 of each year, unless a different tax year shall be required by the Code.

8.03. REPORTS :

(a) Administrative Member will prepare, or cause to be prepared, at the expense of the Company, and furnish to each Member (provided that Administrative Member shall, for so long as it diligently performs its obligations hereunder, not be responsible for the delays of any other non-Affiliated Member or reputable accountants or auditors retained by Administrative Member or at the request of the Executive Committee on behalf of the Company) within sixty (60) days after the end of each fiscal quarter of the Company, unless such fiscal quarter is the last fiscal quarter of any fiscal year of the Company, (i) an unaudited balance sheet of the Company dated as of the end of such fiscal quarter, (ii) an unaudited related income statement of the Company for such fiscal quarter, (iii) an unaudited statement of each Member's Capital Account for such fiscal quarter, and (iv) an unaudited statement of cash flows of the Company for such fiscal quarter.

(b) Administrative Member will prepare, or cause to be prepared, at the expense of the Company, and furnish to each Member, no later ninety (90) days after the end of each fiscal year of the Company (i) an unaudited balance sheet of the Company dated as of the end of such fiscal year, (ii) an unaudited related income statement of the Company for such fiscal year, (iii) an unaudited statement of each Member's Capital Account for such fiscal year, and (iv) an unaudited statement of cash flows of the Company as of the end of the fiscal year.

(c) As soon as reasonably practicable after the end of each fiscal year, Administrative Member will cause the Company Accountant to prepare and deliver to each Member such information and documentation as will enable each Member to prepare its federal, state and local income tax returns in accordance with applicable laws, rules and regulations. Administrative Member will cause the Company Accountant to prepare all federal, state and local tax returns required of the Company, and will file, or cause to be filed, such tax returns after they have been approved by the Executive Committee. If the Executive Committee shall not have approved any such tax return prior to the date required for the filing thereof (including any extensions granted), Administrative Member will timely obtain an extension of such date to the extent such an extension is available.

(d) All decisions as to accounting principles shall be made by the Executive Committee, subject to the provisions of this Agreement.

(e) It is understood and agreed that the financial information for each Property Owner LLC will each be contained in the consolidated financial statements for the Company.

8.04. THE COMPANY ACCOUNTANT :

The Company shall retain as the regular accountant and auditor for the Company (the "Company Accountant") any nationally-recognized accounting firm designated by the Executive Committee. The fees and expenses of the Company Accountant shall be a Company expense. The Executive Committee and each of the Members hereby approves Ernst & Young as the initial Company Accountant.

8.05. INTENTIONALLY OMITTED

8.06. THE BUDGET AND OPERATING PLAN :

The Members have approved the Budget and Operating Plan (the “Interim Budget and Operating Plan.”) for the Pinnacle 1 Property through December 31, 2012 attached hereto as Exhibit J. Within thirty (30) days following the date hereof, the Members shall agree upon a final budget and operating plan for the Pinnacle 1 Property through December 31, 2013 , which sets forth all anticipated revenue, operating expenses, all reasonable reserves relating to the Company Property anticipated to be required during the subject period and capital expenditures for the Pinnacle 1 Property, together with an exit valuation/strategy and projected capital contributions/returns, all of which is based on the strategic and comprehensive business plan designed to maximize the Company’s returns on the Pinnacle 1 Property, and all of which shall be consistent with preliminary projections previously provided to Hudson by Sponsor (such budget and operating plan, once approved, shall thereafter become the “ Initial Budget and Operating Plan ” for the Company). In the event the Members cannot agree upon an Initial Budget and Operating Plan, then the terms of this Agreement shall apply with respect to resolution of such dispute, and the ability of Administrative Member to incur certain costs and expenses as expressly set forth in this Agreement until such time as the Initial Budget and Operating Plan is approved. At least thirty (30) days prior to the Company’s acquisition (directly or indirectly) of any Project (including, without limitation, the Pinnacle 2 Property) in accordance with this Agreement, Administrative Member shall prepare and submit an independent Budget and Operating Plan for such Project to the Members for approval. Administrative Member shall prepare and submit a revised Budget and Operating Plan for each Project annually to the Members for approval at least sixty (60) calendar days prior to the end of each fiscal year with respect to the following fiscal year (provided if Administrative Member should fail to timely prepare and submit in proposed form any such Budget and Operating Plan, the Executive Committee shall be authorized to prepare such Budget and Operating Plan). Each proposed or revised independent Budget and Operating Plan for a Project submitted to the Members for approval shall include all anticipated revenue, operating expenses, all reasonable reserves relating to the Company Property anticipated to be required during the subject period and capital expenditures for the Project. The Members may review any Budget and Operating Plan and make such amendments or modifications thereto as the Members shall determine appropriate or necessary in its reasonable discretion. Without limiting Administrative Member’s rights under Section 7.03(b), until an updated Budget for any Project for any applicable fiscal year has been approved by the Members, the Budget for such Project for the preceding fiscal year shall continue to be operative (subject to increase equal to the greater of (1) 3.5% or (2) the increase in the CPI over the CPI as of January 1 of the previous fiscal year) after giving effect to any applicable adjustment for CPI; provided, however, all non-recurring capital expenditures shall be deemed removed from such Budget (unless the work with respect to any such capital items is in process in which event any amount remaining in the line item from such Budget for the previous year shall be included in the operative Budget); provided, further, however, that Administrative Member and/or Property Manager may incur and pay non-capital recurring expenses after giving effect to any non-discretionary increases thereto, but without adjustment for CPI, relating to taxes, insurance, utilities, vendors under existing contracts or emergencies in excess of amounts allocated to such amounts in the approved Budget for any Project for the previous calendar year. Additionally, without limitation of the rights set forth in Section 7.03(b) , Administrative Member may incur any cost or expense by or on behalf of the Company (i) in excess of the amount set forth on a monthly basis or on an annual basis in the

Budget for such expenditure on a line item basis by less than 10% of the line item or 5% of the applicable Budget, whichever is less, for such period, or (ii) that is an Emergency Expenditure; provided, however, that the Administrative Member shall notify the Executive Committee of any such expenditure as soon as reasonably practical after incurring the same (and in all events within two (2) Business Days thereafter).

8.07. ACCOUNTS:

All funds of the Company shall be deposited in such checking accounts, savings accounts, time deposits, or certificates of deposit in the Company's name or shall be invested in the Company's name, in such manner as shall be reasonably designated by the Executive Committee from time to time. Company funds shall not be commingled with those of any other person or entity. Company funds shall be used only for the business of the Company.

**ARTICLE IX.
TRANSFER OF INTERESTS**

9.01. NO TRANSFER:

Except as expressly permitted or contemplated by this Agreement, no Member may sell, assign, give, hypothecate, pledge, encumber or otherwise transfer (" Transfer ") all or any portion of its Interest, whether directly or indirectly, without the written consent of the other Members. Any Transfer in contravention of this Article IX shall be null and void. No Member, without the prior written consent of the other Members, shall resign from the Company except as a result of such Member's involuntary dissolution or final adjudication as a bankrupt or in connection with a Transfer permitted by this Article IX. Without limitation of the foregoing and notwithstanding anything in Section 9.02 to the contrary, Sponsor shall in no event Transfer all or any portion of its Interest if the effect would be to cause a Qualified Organization to have a direct or indirect interest in the Company.

9.02. PERMITTED TRANSFERS:

(a) Hudson may from time to time and in its sole discretion without the consent of any other Member or the Company, Transfer (directly or indirectly) its Interest in whole or in part to any Person, provided, that, after giving effect to any such transfer, (i) (A) such transferee is subject to the same representations and warranties made by Hudson herein, including, without limitation, those relating to compliance with OFAC and the Patriot Act, and (B) to the extent applicable, in connection with a direct Transfer, such transferee shall comply with the requirements of Section 9.03, and (ii) in all events, such Transfer shall not cause a breach of any of the terms and conditions of the documents evidencing any Loan.

(b) Sponsor may from time to time cause or permit the Transfer to any Person of any direct or indirect interest in Sponsor (but not the Interests held directly by Sponsor other than among Pinnacle 1 Sponsor and Pinnacle 2 Sponsor) without the consent of any other Member or the Company, provided, that, after giving effect to any such transfer, (i) there is no Change In Control or Key Person Event, it being understood and agreed that Pinnacle 1 Sponsor shall remain the managing member of Pinnacle 2 Sponsor at all times, (ii) (A) such transferee is subject to the same covenants, representations and warranties made by Sponsor herein, including, without limitation, those relating to compliance with OFAC and the Patriot Act, and (B) to the extent applicable in connection with a direct Transfer, such

transferee shall comply with the requirements of Section 9.03, and (iii) such Transfer shall not cause a breach of any of the terms and conditions of the documents evidencing any Loan.

(c) Any permitted Transfer shall not relieve the transferor of any of its obligations prior to such Transfer. The parties hereto agree to amend the transfer provisions of Article IX if the Executive Committee reasonably determines that such amendment is necessary for the Company to be treated as a partnership for Federal and applicable state income tax purposes. Nothing contained in this Article IX shall prohibit a Transfer indirectly of any interest in the Company if a direct Transfer would otherwise be permitted under this Section 9.02. Subject to Section 9.03, any transferee pursuant to this Section 9.02 may become a Member of the Company.

9.03. TRANSFEREES:

Notwithstanding anything to the contrary contained in this Agreement, no transferee of all or any portion of any Interest shall be admitted as a Member unless (a) such Interest is transferred in compliance with the applicable provisions of this Agreement, (b) such transferee shall have furnished evidence of satisfaction of the requirements of Section 9.02 reasonably satisfactory to the remaining Members, and (c) such transferee shall have executed and delivered to the Company such instruments as the remaining Members reasonably deem necessary or desirable to effectuate the admission of such transferee as a Member and to confirm the agreement of such transferee to be bound by all of the terms and provisions of this Agreement with respect to such Interest. In connection with any Transfer of a direct Interest in the Company and the admission of the applicable Transferee as a Member, at the request of the remaining Members, each such transferee shall also cause to be delivered to the Company, at the transferee's sole cost and expense, an opinion (in form and substance reasonably acceptable to the Company) of legal counsel reasonably acceptable to the Company, to the effect that such Transfer does not violate any federal or state securities laws and will not cause the Company to become subject to the Investment Company Act of 1940, as amended. As promptly as practicable after the admission of any Person as a Member, the books and records of the Company shall be changed to reflect such admission. All reasonable costs and expenses incurred by the Company in connection with any Transfer of any Interest and, if applicable, the admission of any transferee as a Member shall be paid by such transferee.

9.04. SECTION 754 ELECTION:

In the event of a Transfer of all or part of the Interest of a Member, at the request of the transferee or if in the best interests of the Company (as determined by the Executive Committee), the Company shall elect pursuant to Section 754 of the Code to adjust the basis of Company Property as provided by Sections 734 and 743 of the Code. .

9.05. HUDSON SALE RIGHT; ROFO:

From and after the date which is two (2) years after the date of this Agreement (the "Lockout Period"), Hudson shall have the right (the "Sale Right") to cause one or more sales of all or any portion of the Company Property by the Company or any Property Owner LLC, as applicable, (a "Forced Sale") on any terms, and to any Person subject to first complying with the terms of this Section 9.05. If Hudson desires to conduct a Forced Sale, it shall provide written notice thereof to Sponsor, which notice (each, a "Sale Notice") shall identify the Company Property that is the subject of the applicable Forced Sale (the "Subject Property") and shall also set forth the price at which the Subject Property is to be offered for sale (the "Proposed Price") and other material business and economic terms of the proposed sale

(the “ Proposed Terms ”). So long as no Event of Default exists on the part of Sponsor hereunder and no For Cause event shall have occurred with respect to Sponsor, Sponsor may, at its option, deliver written notice (the “ Purchase Notice ”) to Hudson, within fifteen (15) days of its receipt of a Sale Notice, indicating Sponsor’s agreement to buy the Subject Property at the Proposed Price and on the Proposed Terms. If Hudson has not received a Purchase Notice from Sponsor prior to the expiration of such 15-day period, Hudson shall be free to cause the Company to sell the Subject Property to any Person in accordance with the terms of this Section 9.05. If within such 15-day period, Sponsor delivers to Hudson a Purchase Notice that satisfies the requirements set forth in the immediately preceding sentence, then within two (2) Business Days after delivery of such Purchase Notice, Sponsor shall deposit in an escrow established by the parties a non-refundable cash deposit equal to five percent (5%) of the Proposed Price (to be applied to the purchase price at closing). Sponsor’s failure to make such deposit within such 2-Business Day period shall be deemed to be the equivalent of Sponsor’s failure to deliver a Purchase Notice and Hudson shall thereafter have the right to sell the Subject Property as otherwise provided herein. If the deposit is timely made, the parties shall enter into a purchase and sale agreement incorporating the Proposed Terms, on the form proposed by Hudson and mutually acceptable to the parties (each acting in good faith), it being understood that the applicable Company Property will be sold on an as-is, where-is basis without any representations and warranties (other than organizational representations and warranties) on the part of Hudson, as seller, and that the purchase and sale agreement will not provide for any credit enhancement or other seller holdback. The purchase and sale agreement shall provide for a closing thereunder within ninety (90) days of the date on which Sponsor made its 5% deposit. If a default on the part of Sponsor occurs under such purchase and sale agreement and is not cured prior to the expiration of all applicable cure periods (it being understood and agreed that there shall be no cure period for the failure of the buyer to deliver the purchase price or any conveyance documents at the closing thereunder), then (i) Sponsor shall be deemed to have forfeited its 5% deposit which shall be retained by Hudson as its sole remedy (other than the right to enforce the following clause (ii)) against Sponsor as a result of such default, and (ii) Sponsor shall have no further rights under this Section 9.05. If Sponsor does not deliver a Purchase Notice within the applicable 15-day period required hereunder, Hudson shall be free to market the Subject Property and consummate a sale of the Subject Property for a price that is equal to or greater than 95% of the Proposed Price and on other material business and economic terms that, taken as a whole, are not materially less favorable to Hudson than the Proposed Terms and on such other terms that are consistent with a customary form of purchase and sale agreement, together with market changes thereto and changes which do not have a material adverse effect on the Company (other than as permitted pursuant to the 5% variance allowed above) but in either case without regard to considerations of timing; provided, however, that (1) if Hudson is unable to sell the Subject Property within one hundred eighty (180) days from the date the applicable Purchase Notice was required to be delivered by Sponsor, or (2) if Hudson desires to sell the Subject Property for a price that is less than 95% of the Proposed Price and/or on other material business and economic terms that, taken as a whole, are materially less favorable to Hudson than the Proposed Terms, Hudson shall, in each case, re-offer the Subject Property for purchase to Sponsor in accordance with this Section 9.05 prior to consummating any sale of the Subject Property to any other Person. Notwithstanding the foregoing or anything to the contrary contained herein, if the Members unanimously agree to sell all or any portion of the Company Property at any time, then the terms of this Section 9.05 shall not apply to such sale. Nothing in this Section 9.05 or elsewhere herein shall limit the authority of the Executive Committee to compel a sale of all or any portion of the Company Property, subject to Sponsor’s rights pursuant to this Section 9.05.

9.06. SPONSOR SALE RIGHT; ROFO :

From and after the expiration of the Lockout Period, Sponsor, (acting together but not individually for the avoidance of doubt), shall have the right to cause the sale of Sponsor's then outstanding aggregate Interests (collectively, the "Sponsor Offered Interest") on any terms, and to any Person subject to first complying with the terms of this Section 9.06. If Sponsor desires to sell the Sponsor Offered Interest pursuant to this Section 9.06, Sponsor shall first provide written notice thereof to Hudson, which notice (a "Sponsor Offer Notice") shall set forth the price (the "Proposed Offered Interest Price") at which the Sponsor Offered Interest is proposed to be sold together with such other material and economic terms upon which the Sponsor Offered Interest is proposed to be sold (the "Proposed Offered Interest Terms"). So long as no Hudson Removal Event shall have occurred, Hudson may, at its option, deliver written notice (the "Acceptance Notice") to Sponsor and Pinnacle 2 Sponsor Affiliate, within fifteen (15) days of its receipt of a Sponsor Offer Notice, indicating Hudson's agreement to buy the Sponsor Offered Interest at the Proposed Offered Interest Price and otherwise upon the Proposed Offered Interest Terms. If Sponsor has not received an Acceptance Notice from Hudson prior to the expiration of such 15-day period, Sponsor shall be free to sell the Sponsor Offered Interest to any Person in accordance with the terms of this Section 9.06. If within such 15-day period, Hudson delivers to Sponsor an Acceptance Notice that satisfies the requirements set forth in the immediately preceding sentence, then within two (2) Business Days after delivery of such Acceptance Notice, Hudson shall deposit in an escrow established by the parties a non-refundable cash deposit equal to five percent (5%) of the Proposed Offered Interest Price (to be applied to the purchase price at closing). Hudson's failure to make such deposit within such 2-Business Day period shall be deemed to be the equivalent of Hudson's failure to deliver an Acceptance Notice and Sponsor and Pinnacle 2 Sponsor Affiliate shall thereafter have the right to sell the Sponsor Offered Interest as otherwise provided in this Section 9.06. If the deposit is timely made, the parties shall enter into a purchase and sale agreement on the form proposed by Sponsor and mutually acceptable to the parties (each acting in good faith), it being understood that the Sponsor Offered Interest will be sold on an as-is, where-is basis without any representations and warranties (other than organizational representations and warranties and representation and warranties confirming that Sponsor owns 100% of the Sponsor Offered Interest, has not assigned any portion thereof to any Person, and that the Sponsor Offered Interest will be conveyed unencumbered) on the part of Sponsor as seller, and that the purchase and sale agreement will not provide for any credit enhancement or other seller holdback for any property level representations or warranties (as opposed to representations regarding membership interests). The purchase and sale agreement shall provide for a closing thereunder within ninety (90) days of the date on which Hudson made its 5% deposit. If a default on the part of Hudson occurs under such purchase and sale agreement and is not cured prior to the expiration of all applicable cure periods, then (i) Hudson shall be deemed to have forfeited its 5% deposit which shall be retained by Sponsor as their sole remedy against Hudson as a result of such default, and (ii) Hudson shall have no further rights under this Section 9.06. If Hudson does not deliver an Acceptance Notice within the applicable 15-day period required hereunder, Sponsor shall be free to market the Sponsor Offered Interest and consummate a sale thereof for a price that is equal to or greater than 95% of the Proposed Offered Interest Price and on other material business and economic terms that, taken as a whole, are not materially less favorable to Sponsor than the Proposed Offered Interest Terms and on such other terms that are consistent with a customary form of purchase and sale agreement, together with market changes thereto and changes which do not have a material adverse effect on the Company (other than as permitted pursuant to the 5% variance allowed above) but in either case without regard to considerations of timing; provided, however, that (1) if Sponsor is unable to sell the Sponsor Offered Interest within one hundred eighty (180) days from the date the applicable Acceptance Notice was required to be delivered by

Hudson, or (2) if Sponsor desire to sell the Sponsor Offered Interest for a price that is less than 95% of the Proposed Offered Interest Price or otherwise upon material business and economic terms that, taken as a whole, are materially less favorable to Sponsor than the Proposed Offered Interest Terms, Sponsor shall, in each case, re-offer the Sponsor Offered Interest for purchase to Hudson in accordance with this [Section 9.06](#) prior to consummating any sale of the Sponsor Offered Interest to any other Person. Notwithstanding the foregoing or anything to the contrary contained herein, Sponsor hereby acknowledges and agrees that any sale of the Sponsor Offered Interest pursuant to this [Section 9.06](#) to any Person other than Hudson (or its Affiliates) shall expressly exclude the Non-Transferable Sponsor Rights (all of which shall become null and void and of no further force or effect automatically upon the closing of any such sale transaction) and the admission of any such transferee of the Sponsor Offered Interest shall be subject to the condition (in addition to the requirements of [Section 9.03](#)) that such transferee execute and deliver an amendment to this Agreement removing the Non-Transferable Sponsor Rights. If Hudson exercises its rights pursuant to this [Section 9.06](#) and acquires the Sponsor Offered Interest, then Hudson shall attempt to cause the applicable Lender to release the applicable Sponsor Loan Parties from any Non-Recourse Carveout Obligations with respect to matters first arising after the closing of the sale of the Sponsor Offered Interest to Hudson, or, alternatively, creditworthy Affiliates of Hudson reasonably acceptable to Sponsor shall provide an indemnity to the Sponsor Loan Parties indemnifying the Sponsor Loan Parties from and against any Non-Recourse Carveout Obligations first arising or occurring following the closing of the Sponsor Offered Interest to Hudson. In the event that Hudson shall not exercise its rights pursuant to this [Section 9.06](#) and Sponsor shall desire to sell the Sponsor Offered Interest to another Person in accordance with the terms of this Section 9.06, then, as a condition to such sale, (1) the proposed transferee and its creditworthy Affiliates and/or principals shall provide a replacement guaranty to any then applicable Lender in form and substance substantially identical to any Non-Recourse Carveout Obligations then provided by the Sponsor Loan Parties and otherwise in form reasonable acceptable to Lender, and (2) the proposed transferee and its creditworthy Affiliates and/or principals acceptable to Hudson shall enter into a form of reimbursement and indemnity agreement as required pursuant to [Section 4.05](#), in each case, with respect to matters first arising or occurring prior to the date of the sale of the Sponsor Offered Interest. Notwithstanding anything to the contrary contained in this [Section 9.06](#), the obligations of the Sponsor Loan Parties under any Reimbursement and Indemnity Agreement then in effect shall survive any sale of the Sponsor Offered Interest with respect to matters first arising or occurring prior to the date of the sale of the Sponsor Offered Interest, provided, however, that, if the proposed transferee and its creditworthy Affiliates and/or principals acceptable to Hudson and to Lender agree to assume all of the Sponsor Loan Parties obligations (on both a historical and going forward basis) with respect to all then applicable Non-Recourse Carveout Obligations, the Sponsor Loan Parties shall be released from such surviving liability under the applicable Reimbursement and Indemnity Agreement.

9.07. SPONSOR PUT RIGHT:

(a) If at any time a transaction constituting a Hudson Transfer Event is announced (including, without limitation, prior to the expiration of the Lockout Period), and, provided no For Cause or other Event of Default on the part of Sponsor shall have occurred, Hudson shall, within two (2) Business Days following such announcement deliver written notice of such announcement to Sponsor and Sponsor (acting together but not individually for the avoidance of doubt) shall have the right to require Hudson to acquire the Sponsor Offered Interest in accordance with this [Section 9.07](#) by delivering written notice (the "[Put Notice](#)") to Hudson on or before the fifteenth (15th) day after Sponsor shall have received Hudson's notice of the initial public announcement with respect to such transaction. The Put Notice

shall (i) contain a statement of irrevocable intent to utilize the procedures set forth in this Section 9.07 and (ii) contain a statement of the aggregate dollar amount for which Sponsor is willing to sell all of the assets of the Company and all Property Owner LLC's (the "Specified Valuation Amount") as of the date of the Put Notice. Hudson, after receiving the Put Notice shall have the option either to (A) sell Hudson's entire Interest (the "Hudson Offered Interest") to Sponsor for an amount equal to the amount Hudson would be entitled to receive if the Company sold all of its (and all of any Property Owner LLC's) assets and business for the Specified Valuation Amount on the date of the Put Notice and immediately thereafter, the Company paid all liabilities and obligations of the Company (and/or of any Property Owner LLC) and deducted customary closing costs (excluding brokerage fees and commissions) that would be associated with a third party sale, and distributed the net proceeds and any other Company assets to each Member in liquidation of the Company pursuant to the terms of this Agreement (excluding, however, reserves described in Section 11.02); or (B) to purchase the entire Sponsor Offered Interest for an amount equal to the amount that Sponsor would be entitled to receive if the Company sold all of its (and all of any Property Owner LLC's) assets and business for the Specified Valuation Amount on the date of the Put Notice and immediately thereafter, the Company paid all liabilities and obligations of the Company (and/or of any Property Owner LLC) and deducted customary closing costs (excluding brokerage fees and commissions) that would be associated with a third party sale, and distributed the net proceeds and any other Company assets to each Member in liquidation of the Company pursuant to the terms of this Agreement (excluding, however, reserves described in Section 11.02).

(b) Hudson shall give written notice (the "Put Response Notice") to Sponsor of its election within thirty (30) days after receiving the Put Notice (the "Put Response Period"). If Hudson does not send its Put Response Notice within the Put Period, Hudson shall be deemed conclusively to have elected to sell Hudson's Interest. The Member obligated to purchase under this Section 9.07 shall fix a closing date not later than forty-five (45) days following the date of the earlier of the delivery of the Put Response Notice or the expiration of such Put Response Period (the "Put Closing") and shall deposit an amount equal to five percent (5%) of the amount for the Sponsor Offered Interest or the Hudson Offered Interest, as applicable, calculated pursuant to the terms of Section 9.07(a) (the "Put Deposit") in the escrow established for the closing of the sale. At the Put Closing, the selling Member shall execute and deliver to the purchasing Member assignments of interest, deeds, bills of sale, instruments of conveyance, as applicable, and such other instruments as the purchasing Member may reasonably require to give the purchasing Member good and marketable title to all of the right, title and interest in and to the selling Member's Interest (it being understood and agreed, however, that such sale shall be made on an as-is, where-is basis other than organizational representations and warranties and representation and warranties confirming that the selling Member owns 100% of the Interest being sold, has not assigned any portion thereof to any Peron, and that the Interest being sold will be conveyed unencumbered). Each Member shall pay its own legal, accounting and other consultant fees and expenses in connection with consummating a transaction under this Section 9.07, and all other closing costs shall be allocated 50% to the selling Member and 50% to the purchasing Member. The purchasing Member hereby irrevocably constitutes and appoints the selling Member as its attorney-in-fact to execute, acknowledge and deliver such instruments as may be necessary or appropriate to carry out and enforce the provisions of this Section 9.07 following the failure of the purchasing Member to execute, acknowledge and deliver such instruments as and when required herein, after written request to do so. If the purchasing Member defaults in the performance of its obligations under this Section 9.07 the selling Member may, as its exclusive remedy (except for the purchasing Member's loss of rights described in the next sentence), either (i) retain the Put Deposit as liquidated damages, or (ii) acquire the purchasing Member's Interest at a ten percent (10%) discount to the price that would otherwise have been applicable

to an acquisition of such Member's Interest under this Section 9.07 and with an extra sixty (60) days (from the time of default) to make such decision, and an extra sixty (60) days (from the time of such election) to close, but otherwise on the terms described in this Section 9.07. If the selling Member defaults, the purchasing Member may enforce its rights by specific performance (and damages incidental to a specific performance action which are allowed as part of such action as well as a dollar amount equal to the Deposit as agreed upon liquidated damages), as its exclusive remedy. If the Member defaulting under this Section is the Sponsor, then Sponsor shall have no further rights under this Section 9.07, including, without limitation, to trigger the procedures set forth herein.

(c) The purchasing Member shall use commercially reasonable efforts to cause any applicable Lender to release the selling Member and/or its creditworthy Affiliates from any Non-Recourse Carveout Obligations to the extent first arising from and after the date of the sale of such selling Member's Interest pursuant to the terms of this Section 9.07, provided; however, if Lender is unwilling to provide such release, the purchasing Member shall provide an indemnity from its creditworthy Affiliates reasonably acceptable to the selling Member with respect to any Non-Recourse Carveout Obligations to the extent first arising from and after the date of the sale of such selling Member's Interest. For the avoidance of doubt, no Sponsor Loan Party (if Sponsor is the selling Member) and no Hudson Loan Party (if Hudson is the selling Member) shall be released from any obligation under any Reimbursement and Indemnity Agreement then in effect for such Loan with respect to Non-Recourse Carveout Obligations arising out of or relating to the period prior to the sale of the selling Member's interest, and the same shall survive any sale contemplated by this Section 9.07.

(d) The amount to be paid for the selling Member's Interest in the Company shall be adjusted as follows: There shall be determined, as of the date of the Put Closing (i) the aggregate amount of all Capital Contributions made by the selling Member between the date of the Put Notice and the date of the Closing, and (ii) the aggregate amount of all distributions of capital made to the selling Member during such period pursuant to Sections 6.03(a) and 6.03(b). If (A) the amount determined under (i) exceeds the amount determined under (ii), then the amount to be received by the selling Member shall be increased by the amount of such excess, and (B) if the amount determined under (ii) exceeds the amount determined under (i), then the amount to be received by the selling Member shall be decreased by the amount of such excess.

ARTICLE X. EXCULPATION AND INDEMNIFICATION

10.01. EXCULPATION:

No Member, member of the Executive Committee, general or limited partner of any Member, shareholder or member or other holder of an equity interest of any Member or manager, officer or director of any of the foregoing, shall be liable to the Company, any Property Owner LLC or to any other Member for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it and arising out of or in connection with this Agreement or the Company's business or affairs; provided, however, that such act or omission was taken in good faith, was reasonably believed to be in the best interests of the Company and was within the scope of authority granted to such Person, and in the case of a Member or related Person (including in its capacity as Property Manager), was not attributable to such Member's or Person's fraud, gross negligence, bad faith (i.e., intentional dishonest conduct meant to disadvantage the other Member), willful misconduct or

intentional misrepresentations. No general or limited partner of any Member, shareholder, member or other holder of an equity interest in such Member or manager, officer or director of any of the foregoing shall be personally liable for the performance of any such Member's obligations under this Agreement, but the foregoing shall not relieve any partner or member of any Member from its obligations to such Member. Notwithstanding anything to the contrary contained herein, under no circumstances shall any liability or obligation of Hudson to the Company or any Member hereunder be recourse to any asset of Hudson other than its Interest. For the avoidance of doubt, this Section 10.01 shall not limit, derogate or otherwise affect the obligations of any Person under any Reimbursement Agreement or of the Joinder Party pursuant to the Joinder attached hereto.

10.02. INDEMNIFICATION :

(a) The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Member, each member of the Executive Committee and each general or limited partner of any Member or such Member's Affiliate, shareholder, member or other holder of any equity interest in such Member or its Affiliate, or any manager, officer or director of any of the foregoing (collectively, the "Indemnitees."), from and against any losses, claims, demands, liabilities, costs, damages, expenses and causes of action to which such Indemnitee may become subject in connection with any matter arising out of or incidental to any act performed or omitted to be performed by any such Indemnitee in connection with this Agreement or the Company's business or affairs; provided, however, that such act or omission was taken in good faith, was reasonably believed by the applicable Indemnitee to be in the best interest of the Company and within the scope of authority granted to such member or applicable Indemnitee, and in the case of a Member or related Indemnitee (including in its capacity as Property Manager), was not attributable to such Indemnitee's fraud, gross negligence, bad faith (i.e., intentional dishonest conduct meant to disadvantage the other Member), willful misconduct or intentional misrepresentations. Any indemnity under this Section 10.02 shall be paid solely out of and to the extent of Company Property and shall not be a personal obligation of any Member and in no event will any Member be required, or permitted without the consent of all of the Members, to contribute additional capital under Section 4.02 to enable the Company to satisfy any obligation under this Section 10.02; provided, however, that the foregoing shall have no effect on Sponsor's obligation to make Special Contributions as required under Section 4.02(e). All judgments against the Company and the Members, or any one or more thereof, wherein such Member (or Members) is entitled to indemnification, must first be satisfied from Company Property before the Members shall be responsible therefor.

(b) The Company and the other Members shall be indemnified and held harmless by each Member from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever arising out of or attributable to (i) the fraud, gross negligence, bad faith (i.e., intentional dishonest conduct meant to disadvantage the other Member), willful misconduct or misrepresentations of such Member, its designated Executive Committee member or, if Property Manager is an Affiliate of such Member, such Property Manager and (ii) the breach by the Company of any of its representations and warranties made under any purchase, loan or other agreement entered into in connection with the acquisition of Company Property, which breach was the result of an intentional misstatement or intentional withholding of information by any Member or, if Property Manager is an Affiliate of such Member, such Property Manager.

(c) The provisions of this Section 10.02 shall survive for a period of four (4) years from the date of dissolution of the Company, provided that, if at the end of such period there are any actions,

proceedings or investigations then pending, any Indemnitee may so notify the Company and the other Members at such time (which notice shall include a brief description of each such action, proceeding or investigation and the liabilities asserted therein) and the provisions of this Section 10.02 shall survive with respect to each such action, proceeding or investigation set forth in such notice (or any related action, proceeding or investigation based upon the same or similar claim) until such date that such action, proceeding or investigation is finally resolved.

(d) Notwithstanding anything to the contrary contained in this Agreement, the obligations of the Company or any Member under this Section 10.02 shall (i) be in addition to any liability which the Company or such Member may otherwise have and (ii) inure to the benefit of such Indemnitee, its Affiliates and their respective members, managers, directors, officers, employees, agents and Affiliates and any successors, assigns, heirs and personal representatives of such Persons.

(e) Notwithstanding the foregoing or anything to the contrary herein, under no circumstances shall Sponsor or any Affiliate of Sponsor be indemnified by the Company or any Member or any Affiliate thereof for a breach by Sponsor of its obligations under Section 4.02(e), Section 4.06, for any obligation of Sponsor guaranteed by the Joinder Party or for any obligations of Pinnacle 2 Sponsor Affiliate which survive pursuant to the Pinnacle 2 Contribution Agreement.

ARTICLE XI. DISSOLUTION AND TERMINATION

11.01. DISSOLUTION :

The Company shall be dissolved and its business wound up upon the earliest to occur of any of the following events, unless the majority-in-interest of the remaining Members vote to continue the life of the Company upon the occurrence of such an event:

- (a) The sale, condemnation or other disposition of all Company Property and the receipt of all consideration therefor;
- (b) The written determination of all the Members to terminate the Company; or

(c) The resignation, expulsion, bankruptcy or dissolution of any Member (which shall not include the occurrence of such an event with respect to any Member's underlying members or partners which does not cause such an event to occur with respect to the Member itself) or the occurrence of any other event that terminates the continued membership of any Member in the Company, unless, within ninety (90) days after such event, each of the remaining Members elects in writing (i) to continue the business of the Company and (ii) if at such time there exists only one remaining Member, effective as of the date of such event, to admit at least one additional Member to the Company.

Without limitation on, but subject to, the other provisions hereof, the assignment of all or any part of a Member's Interest permitted hereunder will not result in the dissolution of the Company. Except as otherwise specifically provided in this Agreement, each Member agrees that, without the consent of the other Members, any Member may not withdraw from or cause a voluntary dissolution of the Company. If any Member withdraws from or causes a voluntary dissolution of the Company in contravention of this Agreement, such withdrawal or the causing of a voluntary dissolution shall not affect such Member's liability for obligations of the Company.

11.02. TERMINATION :

In all cases of dissolution of the Company, the business of the Company shall be wound up and the Company terminated as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Member shall cause to be prepared a statement setting forth the assets and liabilities of the Company as of the date of dissolution, a copy of which statement shall be furnished to all of the Members.

(b) The Company Property shall be liquidated by the Liquidating Member as promptly as possible, but in an orderly and businesslike and commercially reasonable manner and subject to the provisions of the Operating Plan then in effect or a liquidating plan approved by the Executive Committee. The Liquidating Member may distribute the Company Property in kind only with the consent of all of the Members.

(c) The proceeds of sale and all other assets of the Company shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of (A) the debts and liabilities of the Company (including any outstanding amounts due on any indebtedness encumbering the Company Property, or any part thereof and any Shortfall Loans) and (B) the expenses of liquidation.

(ii) To the setting up of any reserves which the Liquidating Member and the Executive Committee shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Company or any Member arising out of or in connection with the Company. Such reserves may, in the discretion of the Liquidating Member, be paid over to a national bank or national title company selected by it and authorized to conduct business as an escrow agent to be held by such bank or title company as escrow agent for the purposes of disbursing such reserves to satisfy the liabilities and obligations described above, and at the expiration of such period as the Liquidating Member may reasonably deem advisable, distributing any remaining balance as provided in Section 11.02(c)(iii); provided, however, that, to the extent that it shall have been necessary, by reason of applicable law or regulation, to create any reserves prior to any and all distributions which would otherwise have been made under Section 11.02(c)(i) and, by reason thereof, a distribution under Section 11.02(c)(i) has not been made, then any balance remaining shall first be distributed pursuant to Section 11.02(c)(i).

(iii) The balance, if any, to the Members in accordance with Section 6.05.

11.03. LIQUIDATING MEMBER : The Liquidating Member is hereby irrevocably appointed as the true and lawful attorney in the name, place and stead of each of the Members, such appointment being coupled with an interest, to make, execute, sign, acknowledge and file with respect to the Company all papers which shall be necessary or desirable to effect the dissolution and termination of the Company in accordance with the provisions of this Article XI. Notwithstanding the foregoing, each Member, upon the request of the Liquidating Member or the Executive Committee, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Member or the Executive Committee shall reasonably request to effectuate the proper dissolution and termination of the Company, including the winding up of the business of the Company.

11.04. CLAIMS OF THE MEMBERS :

Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

**ARTICLE XII.
INTENTIONALLY OMITTED**

**ARTICLE XIII.
MISCELLANEOUS**

13.01. REPRESENTATIONS AND WARRANTIES OF THE MEMBERS :

(a) Each Member represents and warrants to the other Member(s) as follows:

(i) It is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Company.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Member enforceable in accordance with its terms.

(iii) No consents or approvals are required from any governmental authority or other person or entity for the Member, other than those whose consent has been secured, to enter into this Agreement or to take any action or grant any consent or approval under this Agreement. All limited liability company, corporate or partnership action on the part of the Member necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, has been duly taken.

(iv) The execution and delivery of this Agreement by the Member, and the consummation of the transactions contemplated hereby, does not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or

its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) No Member has retained any broker, finder or other commission or fee agent, and no such person has acted on its behalf in connection with the acquisition of the Initial Company Property or the execution and delivery of this Agreement, except that Sponsor has engaged Eastdil Secured pursuant to a separate agreement in connection the transactions contemplated by this Agreement and Sponsor shall be solely liable for the payment of any broker's commissions, finder's fees and/or any other costs payable to Eastdil Secured in connection therewith.

(vi) It understands that (A) an investment in the Company involves substantial and a high degree of risk, (B) no federal or state agency has passed on the offer and sale of the Interest in the Company to such Person, (C) it must bear the economic risk of such Person's investment in the Company for an indefinite period of time, since such Person's Interest in the Company has not been registered for sale under the Securities Act of 1933 and, therefore, cannot be sold or otherwise transferred unless subsequently registered under the Securities Act of 1933 or an exemption from such registration is available, and the Interest in the Company of such Person cannot be sold or otherwise transferred unless registered under applicable state securities or blue sky laws or an exemption from such registration is available, (D) there is no established market for the Interest of such Person in the Company and no public market will develop and (E) such Person's principals have such knowledge and experience in real estate and, other financial and business matters that they are capable of evaluating the merits and risks of an investment in the Company.

(vii) It is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act ("BSA"), as amended by the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the "Patriot Act"), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations, and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance (it being understood and agreed, that, with respect to Hudson, Hudson does not make any representation or warranty in respect of any limited partner or passive investor in Hudson only to Hudson's knowledge, and does not make any such representation or warranty with respect to any holder of any publicly traded stock).

(viii) Neither (A) such Member, any Affiliate of such Member nor, to such Member's knowledge, any Person controlled by such Member; nor (B) to such Member's knowledge, any Person who owns a controlling interest in or otherwise controls such Member; nor (C) if such Member is a privately held entity, to such Member's knowledge, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in such Member; nor (D) any Person for whom such Member is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization or entity named on an OFAC List, nor is a prohibited country, territory, Person, organization or entity under any economic sanctions program administered or maintained by OFAC.

(b) In addition to the representations and warranties in Section 13.01(a), Sponsor represents, warrants, and covenants to Hudson as follows:

(i) To Sponsor's Knowledge, the offer and sale of interests in Sponsor has been undertaken in full compliance with all applicable federal and state securities laws and no interests in Sponsor have been offered or sold to any person who was not at the time of such offer or sale an "accredited investor" as defined in Section 2(15) of the Securities Act of 1933 and Rule 501 promulgated thereunder and under the securities laws of various states.

(ii) Sponsor is not a Qualified Organization, and no Qualified Organization has or will have a direct or indirect ownership interest in Sponsor.

(iii) To Sponsor's Knowledge, the issuance of all ownership interests in Sponsor was accomplished in accordance with all applicable laws, including, without limitation, all applicable securities laws.

(iv) It is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, that it is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and that, to Sponsor's Knowledge, none of the direct or indirect owners of Sponsor (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure.

(v) Sponsor agrees that any breach of these representations, warranties and covenants that causes a breach or violation or failed condition (beyond any applicable cure periods) under any documents by which the Company is bound (such as loan documents) could result in liability to Hudson and the Company.

(vi) Sponsor agrees that, upon receiving a request from Hudson or the Executive Committee, Sponsor shall (to the extent the same is within Sponsor's possession or control or otherwise readily available to Sponsor) provide information reasonably required by Hudson or the Executive Committee to confirm that the representations, warranties and covenants continue to be true in all material respects and to comply with all applicable anti-money laundering and anti-terrorist laws, regulations and executive orders. Sponsor consents to the disclosure to United States regulators and law enforcement authorities by Hudson and its Affiliates and the Executive Committee of such information about Sponsor that Hudson or the Executive Committee reasonably deems necessary or appropriate to comply with applicable anti-money laundering and anti-terrorist laws, regulations, and executive orders.

(vii) Sponsor agrees that as a condition of any Transfer of any of its direct or indirect interest in the Company, Hudson and the Executive Committee have the right to require compliance, in all material respects, with these representations, warranties and covenants, with respect to any transferee and any Person who owns or otherwise controls the transferee. Notwithstanding anything herein to the contrary, the representation and warranty made by Sponsor in this paragraph shall not be interpreted as meaning or implying that Sponsor has any right to Transfer any direct or indirect interest in the Company other than as expressly granted to Sponsor herein.

(viii) Sponsor agrees to notify Hudson and the Executive Committee promptly if Sponsor obtains Knowledge (as defined below) of any material adverse change with respect to the representations provided herein.

(ix) Sponsor is a “United States person” for United States federal income tax purposes.

(x) To Sponsor’s Knowledge, no representation or warranty made by Sponsor in this Agreement or any information, statement or certificate furnished by Sponsor or at Sponsor’s direction pursuant to this Agreement or in connection with the transactions contemplated hereby, contains any materially untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not materially misleading. To Sponsor’s Knowledge, there is no material misstatement or omission in the copies of contracts, agreements and other documents delivered by Sponsor in connection with the transactions contemplated hereby.

(xi) Prior to the admission of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate to the Company, Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate have not, do not and shall not own any assets other than, respectively, (1) 100% of the partnership interests in the Pinnacle 1 Joint Venture and (2) 100% of the membership interests in the Pinnacle 2 Joint Venture.

(c) In addition to the representations and warranties in Sections 13.01(a) and 13.01(b), Sponsor represents, warrants, and covenants to Hudson as follows:

(i) True, correct and complete copies of the RREEF Buyout Documents have been delivered to Hudson, the same constitute the entire agreement with respect to the transactions contemplated by the RREEF Buyout Documents and there are no other agreements in respect thereof, and the RREEF Buyout Documents have not been modified or amended;

(ii) Sponsor has all requisite power and authority to enter into the RREEF Buyout Documents and to consummate the transactions contemplated thereby. The RREEF Buyout Documents constitute the legal, valid and binding obligation of Sponsor enforceable against Sponsor in accordance with its terms. No consents or approvals are required from any governmental authority or other Person, other than those whose consent has been secured, required of Sponsor to enter into the RREEF Buyout Documents and the transactions contemplated thereby and all limited liability company, corporate or partnership action on the part of Sponsor, necessary for the authorization, execution and delivery of the RREEF Buyout Documents, has been taken. The execution and delivery of the RREEF Buyout Documents, and the consummation of the transactions contemplated thereby, do not conflict with or contravene the provisions of the organizational documents of Sponsor, or to Sponsor’s Knowledge of RREEF, or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(iii) Neither Sponsor nor any Affiliate of Sponsor has engaged or dealt with any broker or finder in connection with the transactions contemplated by the RREEF Buyout Documents, the Pinnacle 2 Contribution Agreement or this Agreement except for Eastdil Secured. Sponsor shall pay a brokerage commissions to Eastdil Secured in accordance with a separate agreement, and Sponsor shall indemnify, defend and hold harmless Hudson and the Company from any claims, costs, damages or liabilities (including attorneys’ fees) arising from any breach of the foregoing representation or if the

same shall be based on any statement, representation or agreement by Sponsor or any Affiliate of Sponsor with respect to the payment of any brokerage commissions or finder's fees.

(iv) To Sponsor's Knowledge, there are no legal actions, suits or similar proceedings pending, or threatened in writing, against the Pinnacle 1 Property.

(v) Neither Sponsor, nor, to Sponsor's Knowledge, the Pinnacle 1 Joint Venture has received any written condemnation notice from a Governmental Entity with respect to all or part of the Pinnacle 1 Property and, to Sponsor's Knowledge, no Governmental Entity is contemplating condemning or taking all or any portion of the Pinnacle 1 Property.

(vi) Except as disclosed in (i) that certain Phase I Report Environmental Site Assessment dated as of September 21, 2012 and prepared by Global Realty Services Group, and (ii) that certain Phase I Environmental Site Assessment Report Project Number 5113.1066.0 dated as of October 25, 2012 and prepared by Citadel Environmental Services, Inc. , to Sponsor's Knowledge, all operations or activities at, on, in, under or about, or use or occupancy of, the Pinnacle 1 Property, or any portion thereof, by Pinnacle 1 Joint Venture and any other party, at all times have been, in all respects in compliance with all Environmental Laws, and Pinnacle 1 Joint Venture has not, nor has any prior owner or prior or current tenant or occupant of the Pinnacle 1 Property, or any portion thereof, engaged in or permitted any dumping, discharge, disposal, spillage, use or leakage of Hazardous Materials in violation of Environmental Law, at, on, in, under or about the Pinnacle 1 Property, or any portion thereof. To Sponsor's Knowledge, except as disclosed in the foregoing reports, there is not present at, on, in, under or about the Pinnacle 1 Property, or any portion thereof, any Hazardous Materials, underground storage tanks, asbestos, or any structures, fixtures, equipment or other objects or materials containing Hazardous Materials or asbestos.

(vii) Neither Sponsor, nor, to Sponsor's Knowledge, Pinnacle 1 Joint Venture has received written notice with respect to the Pinnacle 1 Property from any Governmental Authority alleging, and neither it nor Pinnacle 1 Joint Venture has any knowledge of, any material violation of any law, ordinance, rule or regulation, easement, covenant or restriction encumbering the Pinnacle 1 Property.

(viii) To Sponsor's Knowledge, Pinnacle 1 Joint Venture owns all of the personal property at the Pinnacle 1 Property (other than the personal property of tenants pursuant to the terms of the Pinnacle 1 Leases) free and clear of all encumbrances.

(ix) The rent roll for the Pinnacle 1 Property attached hereto as Exhibit K (the "Rent Roll") has been prepared in the ordinary course of business and, to Sponsor's Knowledge, is true, correct and complete in all material respects and accurately represents the subject matter thereof as of the date thereof.

(x) The Rent Roll sets forth a true, correct and complete list of leases (the "Pinnacle 1 Leases") and Sponsor has delivered to Hudson true, correct and complete copies of the Pinnacle 1 Leases. Except as set forth in the Rent Roll, neither Sponsor nor, to Sponsor's Knowledge, Pinnacle 1 Joint Venture has received or delivered any written notices from or to any of the tenants under the Pinnacle 1 Leases, asserting that Pinnacle 1 Joint Venture or any such tenant is in default under any of the Pinnacle 1 Leases (other than defaults that have been cured). To Sponsor's Knowledge, no tenant

has exercised any audit, reconciliation or similar right with respect to, or is otherwise disputing payment of percentage rent, operating expenses, or similar CAM charges under the Pinnacle 1 Leases.

(xi) To Sponsor's Knowledge, the Schedule attached hereto as Schedule 13.01(c)(xi) sets forth the security deposits, letters of credit and like documents actually held by Pinnacle 1 Joint Venture and no security deposits have been applied except as set forth in such Schedule.

(xii) Sponsor has provided Hudson with a true, correct and complete copy of that certain Declaration of Reciprocal Easement Agreements made by and between the predecessor in interest to Pinnacle 1 Joint Venture and Pinnacle 2 Sponsor Affiliate and dated as of November 21, 2003 (the "REA"), and the REA has not been amended or modified. The REA is in full force and constitutes the entire agreement regarding cost and maintenance sharing among the Pinnacle 1 Property and Pinnacle 2 Property. The REA is in full force and effect and all costs and/or other amounts to be paid by Pinnacle 1 Joint Venture pursuant to the REA have been paid current. No party to the REA is in default of its obligations thereunder.

(xiii) To Sponsor's Knowledge, Sponsor has provided Hudson with true, correct and complete copies of all material contracts affecting the Pinnacle 1 Property. Except for that certain Music Services Agreement with DMX Services dated March 19, 2003, to Sponsor's Knowledge, no contracts will encumber the Pinnacle 1 Property following the closing of the transactions contemplated hereby which cannot be terminated upon thirty (30) days' notice without penalty or other premium.

(xiv) No property management or similar agreement with a property manager at the Pinnacle 1 Property will survive the consummation of the RREEF Buyout and the contribution of the Pinnacle 1 Property to the Company (other than the Property Management Agreement) and Sponsor shall cause all such property management arrangements to be terminated, and to pay all amounts associated therewith.

(xv) Pinnacle 1 Joint Venture has no employees, and all employees are employed by the existing property manager. There are no collective bargaining, union or other labor agreements affecting the Pinnacle 1 Property.

(xvi) Except for the rent abatement owed to the tenant known as Warner Music Group pursuant to the express terms of its Lease, there are no leasing commissions, brokerage commissions or other tenant improvement costs, tenant allowance, free rent or other tenant inducements or costs in connection with any Pinnacle 1 Lease (collectively, "Tenant Costs") which are due and payable in connection with the execution or delivery of any Pinnacle 1 Lease, or in connection with the exercise of any extension, renewal, expansion or extension right under any Pinnacle 1 Lease which has been exercised as of the date hereof. There are no leasing commission, brokerage commissions or other Tenant Costs which will become due and payable in connection with the exercise of any extension, renewal, expansion or otherwise pursuant to any Pinnacle 1 Lease after the date hereof. There are no landlord work, landlord base building work or similar landlord capital expenses (collectively, "Landlord Work Expenses") which are outstanding and which may become due and payable following the date hereof under the Pinnacle 1 Leases. .

(xvii) Except as may be set forth in the Leases, and except as set forth in the title policy described in the Escrow Instructions, neither Sponsor nor, to Sponsor's Knowledge, Pinnacle 1 Joint Venture has entered into any letter of intent or other verbal or written agreement for the lease of all or

any portion of the Pinnacle 1 Property, and, except as may be set forth in the Pinnacle 1 Leases and the RREEF Buyout Documents, there are no rights of first offer, rights of first refusal, or similar rights to purchase or occupy all or any portion of the Pinnacle 1 Property.

(xviii) Pinnacle 1 Joint Venture is not a foreign person or foreign corporation, as defined in the Internal Revenue Code of 1986, as amended, or under any regulations promulgated thereunder.

(xix) Neither Sponsor nor, to Sponsor's Knowledge, Pinnacle 1 Joint Venture has commenced, nor is any of the foregoing the subject of, a Bankruptcy Proceeding.

(xx) The representations and warranties made by Pinnacle 1 Joint Venture to the title company in the Owner's Affidavit contemplated by the Escrow Instructions are true, correct and complete.

(xxi) The representations and warranties made by Pinnacle 2 Sponsor Affiliate in the Pinnacle 2 Contribution Agreement are true, correct and complete (subject to the limitations expressly set forth therein).

(d) Each Member agrees to indemnify and hold harmless the Company and each other Member and their officers, directors, shareholders, partners, members, employees, successors and assigns from and against any and all loss, damage, liability or expense (including costs and attorneys' fees) which they may incur by reason of, or in connection with, any breach of the representations and warranties made by such Member in Section 13.01(a) and all such representations and warranties shall survive the execution and delivery of this Agreement and the termination and dissolution of Sponsor and/or the Company or any other Member.

(e) Sponsor agrees to indemnify and hold harmless the Company and each other Member and their officers, directors, shareholders, partners, members, employees, successors and assigns from and against any and all loss, damage, liability or expense (including costs and attorneys' fees) which they may incur by reason of, or in connection with, any breach of the representations and warranties made by Sponsor in Sections 13.01(b) and (c) and all such representations and warranties shall survive the execution and delivery of this Agreement and the termination and dissolution of Sponsor and/or the Company or any other Member; provided, however, that, notwithstanding anything to the contrary contained in this Agreement, with respect to the representations and warranties set forth in Section 13.01(c), such representations and warranties shall survive for a period of one (1) year after the date of this Agreement.

13.02. TRANSFERABLE DEVELOPMENT RIGHTS/FURTHER ASSURANCES :

(a) Each Member agrees to execute, acknowledge, deliver, file, record and publish such further instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Sponsor shall, at no material cost to Sponsor, cooperate with Hudson and/or its Affiliates to provide Hudson access to such factual information concerning the operation of any Company Property as may be reasonably requested by Hudson, and in the possession or control of Sponsor or its Affiliates, or its previous property manager or accountants, to enable Hudson or its Affiliates to prepare audited

financial statements as may be required by the Securities and Exchange Commission (“SEC”). At Hudson’s sole cost and expense, Hudson or its designated independent or other auditor may audit Sponsor’s (or Sponsor’s previous property manager’s) operating statements of any Company Property, and Sponsor will cooperate in the preparation of the audit, including by providing a customary representations letter to such auditor; provided, however, that the foregoing obligations of Sponsor under this subsection shall be limited to providing such information or documentation as may be in the possession of, or reasonably obtainable by, Sponsor, its property manager or accountants, at no material cost to Sponsor, and in the format that Sponsor (or its property manager or accountants) have maintained such information in the ordinary course of its business.

(b) The Members acknowledge and agree that, pursuant to the terms of that certain Development Rights Deed and Agreement, made by and between National Broadcasting Company, a Delaware corporation, as Grantor, and NBC Plaza, L.P., a California limited partnership, as Grantee, dated September 26, 1991 and recorded in the Official Records of the County Recorder for Los Angeles County as Document Number 91-1534540 (the “Development Rights Deed”), certain transferable development rights were transferred from the Donor Site (as defined in the Development Rights Deed) to the Project Site (as defined in the Development Rights Deed), upon which the Pinnacle 1 Property and Pinnacle 2 Property were constructed (such development rights, collectively, the “TDR”). To the extent that Hudson determines, in its reasonable discretion, that all or any portion of the TDR’s are not required for the existing or reasonably foreseeable access, use, operation or enjoyment of the Pinnacle 1 Property and/or the Pinnacle 2 Property (such portion of the TDR’s, the “Excess TDR”), then Hudson shall reasonably cooperate with Sponsor to cause such Excess TDR to be transferred to a project site unrelated to any Company Property in accordance with Section 10-1-2017(A)(5)(v) of the Burbank Municipal Code; provided, that (i) the same shall be at no expense to Hudson, the Company or any Property Owner LLC, including, without limitation, any TDR fee, impact fee or other fee required by the City of Burbank or any entitling authority (the “City”) in connection with the transfer of such Excess TDR, (ii) Hudson shall have the right to participate, at Hudson’s election, in any hearing or other meeting with the City and any applications and/or other materials prepared by Sponsor to be submitted to the City shall be prepared in reasonable consultation with Hudson, (iii) any approval by the City to transfer such Excess TDR does not result in any new conditions or restrictions being imposed by the City against the Pinnacle 1 Property, the Pinnacle 2 Property, the Company and/or any Property Owner, LLC, and (iv) the transfer of such Excess TDR and all documents and/or other instruments evidencing and/or implementing such transfer shall have been approved by any applicable Lender to the extent required pursuant to any then applicable Loan Documents . For the avoidance of doubt, no failure to achieve the transfer of any Excess TDR, other than to the extent the same shall constitute a failure to reasonably cooperate where such efforts are required pursuant to this Section 13.02, shall constitute a breach or default of any kind on the part of Hudson under this Agreement.

13.03. NOTICES :

All notices, demands, consents, approvals, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder (collectively, “ Notices ”) shall be in writing and shall be given by (a) personal delivery, (b) facsimile transmission or (c) a reputable overnight courier service, fees prepaid, addressed as follows:

If to Hudson to:

Hudson Pacific Properties, Inc.
11601 Wilshire Boulevard., Suite 1600
Los Angeles, CA 90025
Attn: Alex Vouvalides
Facsimile No.: (310) 445-5710

With a copy to:

Hudson Pacific Properties, Inc.
11601 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
Attn: Chris Barton
Facsimile No.: (310) 445-5710

and a copy to:

Gibson, Dunn & Crutcher LLP
2029 Century Park East
Los Angeles, CA 90067
Attn: Jesse Sharf
Facsimile No.: (213) 229-6638

If to Sponsor, to:

Media Center Partners, LLC and/or Media Center Development, LLC
c/o M. David Paul Ventures, LLC
100 Wilshire Boulevard, Suite 1600
Santa Monica, California 90401
Attn: Jeffrey M. Worthe
Facsimile No.: (310) 458-2644

Any Member may designate another addressee (and/or change its address) for Notices hereunder by a Notice given pursuant to this Section 13.03. A Notice sent in compliance with the provisions of this Section 13.03 shall be deemed given on the date of receipt.

13.04. GOVERNING LAW :

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed wholly within that State.

13.05. ATTORNEY FEES :

If the Company or any Member obtains a judgment against any other Member by reason of the breach of this Agreement or the failure to comply with the terms hereof, reasonable attorneys' fees and costs as fixed by the court shall be included in such judgment.

13.06. CAPTIONS :

All titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision in this Agreement.

13.07. PRONOUNS :

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, and neuter, singular and plural, as the identity of the party or parties may require.

13.08. SUCCESSORS AND ASSIGNS :

This Agreement shall be binding upon the parties hereto and their respective executors, administrators, legal representatives, heirs, successors and assigns, and shall inure to the benefit of the parties hereto and, except as otherwise provided herein, their respective executors, administrators, legal representatives, heirs, successors and assigns.

13.09. EXTENSION NOT A WAIVER :

No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Member or the Company shall impair or affect the right of such Member or the Company thereafter to exercise the same. Any extension of time or other indulgence granted to a member hereunder shall not otherwise alter or affect any power, remedy or right of any other Member or of the Company, or the obligations of the Member to whom such extension or indulgence is granted.

13.10. CREDITORS NOT BENEFITED :

Nothing contained in this Agreement is intended or shall be deemed to benefit any creditor of the Company or any Member, and no creditor of the Company shall be entitled to require the Company or the Members to solicit or accept any Additional Capital Contribution for the Company or to enforce any right which the Company or any Member may have against any Member under this Agreement or otherwise or under any guaranty.

13.11. RECALCULATION OF INTEREST :

If any applicable law is ever judicially interpreted so as to deem any distribution, contribution, payment or other amount received by any Member or the Company under this Agreement as interest and so as to render any such amount in excess of the maximum rate or amount of interest permitted by applicable law, then it is the express intent of the Members and the Company that all amounts in excess of the highest lawful rate or amount theretofore collected be credited against any other distributions, contributions, payments or other amounts to be paid by the recipient of the excess amount or refunded to the appropriate Person, and the provisions of this Agreement immediately be deemed reformed, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the payment of the fullest amount otherwise required hereunder. All sums paid or agreed to be paid that are judicially determined to be interest shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the term of such obligation so that the rate or amount of interest on account of such obligation does not exceed the maximum rate or amount of interest permitted under applicable law.

13.12. SEVERABILITY :

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and other application thereof shall not in any way be affected or impaired thereby.

13.13. ENTIRE AGREEMENT :

This Agreement, together with all exhibits attached hereto, including without limitation, the Escrow Instructions and the Pinnacle 2 Contribution Agreement, contains the entire agreement between the parties relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. Amendments, variations, modifications or changes herein may be made effective and binding upon the Members by, and only by, the setting forth of same in a document duly executed by each Member, and any alleged amendment, variation, modification or change herein which is not so documented shall not be effective as to any Member.

13.14. PUBLICITY :

The parties agree that no Member shall issue any press release or otherwise publicize or disclose the terms of this Agreement or the proposed terms of any acquisition of the Initial Company Property, without the consent of each of the other Members, except as such disclosure may be made in the course of normal reporting practices by any Member to its members, shareholders or partners or as otherwise required by law.

13.15. COUNTERPARTS :

This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same agreement. Electronically transmitted signatures shall serve as the functional equivalent of manually executed signatures for all purposes.

13.16. CONFIDENTIALITY :

(a) The terms of this Agreement, the identity of any person with whom the Company may be holding discussions with respect to any investment, acquisition, disposition or other transaction, and all other business, financial or other information relating directly to the conduct of the business and affairs of the Company or the relative or absolute rights or interests of any of the Members (collectively, the “Confidential Information”) that is not already publicly available or that has not been publicly disclosed pursuant to authorization by all of the Members is confidential and proprietary information of the Company, the disclosure of which would cause irreparable harm to the Company and the Members. Accordingly, each Member represents that it has not and agrees that it will not, and will direct its shareholders, partners, directors, officers, agents, advisors and Affiliates not to, disclose to any Person any Confidential Information or confirm any statement made by third Persons regarding Confidential Information until the Company has publicly disclosed the Confidential Information pursuant to authorization by the Executive Committee and has notified each Member that it has done so; provided, however, that any Member (or its Affiliates) may disclose such Confidential Information if required by law (it being specifically understood and agreed that anything set forth in a registration statement or any other document filed pursuant to law will be deemed required by law), if necessary for it to perform any of its duties or obligations hereunder or in any management agreement to which it is a party covering any Company Property, and to its attorneys and advisors who agree to maintain a similar confidence.

(b) Subject to the provisions of Section 13.16(a), each Member agrees not to disclose any Confidential Information to any Person (other than a Person (including, without limitation, an attorney or advisor) agreeing to maintain all Confidential Information in strict confidence or a judge, magistrate or referee in any action, suit or proceeding relating to or arising out of this Agreement or otherwise), and to keep confidential all documents (including, without limitation, responses to discovery requests) containing any Confidential Information. Each Member hereby consents in advance to any motion for

any protective order brought by any other Member represented as being intended by the movant to implement the purposes of this Section 13.16; provided that, if a Member receives a request to disclose any Confidential Information under the terms of a valid and effective order issued by a court or governmental agency and the order was not sought by or on behalf of or consented to by such Member, then such Member may disclose the Confidential Information to the extent required if the Member as promptly as practicable (i) notifies each of the other Members of the existence, terms and circumstances of the order, (ii) consults in good faith with each of the other Members on the advisability of taking legally available steps to resist or to narrow the order, and (iii) if disclosure of the Confidential Information is required, exercises its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the portion of the disclosed Confidential Information that any other Member designates. The cost (including, without limitation, attorneys' fees and expenses) of obtaining a protective order covering Confidential Information designated by such other Member will be borne by the Company.

(c) The covenants contained in this Section 13.16 will survive the Transfer of the Interest of any Member and the termination of the Company.

13.17. VENUE:

Each of the Members consents to the jurisdiction of any court in Wilmington, Delaware for any action arising out of matters related to this Agreement. Each of the Members waives the right to commence an action in connection with this Agreement in any court outside of Wilmington, Delaware.

13.18. WAIVER OF JURY TRIAL:

EACH OF THE MEMBERS HEREBY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF MATTERS RELATED TO THIS AGREEMENT, WHICH WAIVER IS INFORMED AND VOLUNTARY.

13.19. LIMITATION OF LIABILITY:

Except as otherwise expressly provided by Delaware law, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. Except as otherwise expressly provided by this Agreement (with respect to liability among Members) or by Delaware law, the liability of each Member shall be limited to the amount of Capital Contributions, if any, required to be made by such Member in accordance with this Agreement, but only when and to the extent the same shall become due pursuant to the provisions of this Agreement.

13.20. ATTORNEY REPRESENTATION:

Each Member hereby acknowledges and agrees that: (i) in the negotiation and preparation of this Agreement and with respect to the matters contemplated hereby Hudson has been independently represented by the law firm of Gibson, Dunn & Crutcher LLP ("Gibson Dunn") and Sponsor has been independently represented by the law firm of Skadden Arps Slate Meagher & Flom LLP; (ii) Gibson Dunn has represented both Hudson and Affiliates (including, without limitation, HPP) in other related and unrelated matters; (iii) each Member hereby waives any potential conflict of interest resulting from

Gibson Dunn’s representation of Hudson and Hudson’s Affiliates with respect to this Agreement and the Company with respect to other related and unrelated matters; and (iv) Sponsor agrees and acknowledges that in the event of a default on the part of Sponsor under this Agreement, Gibson Dunn shall be free to represent the Company, Hudson and Hudson’s Affiliates in the enforcement of this Agreement.

13.21 **LIMITATION ON USE OF NAME :**

Notwithstanding anything contained in this Agreement or otherwise to the contrary, Sponsor agrees that neither it nor any of its Affiliates, agents, or representatives is granted a license to use or shall use the name of Hudson or any of Hudson’s Affiliates under any circumstances whatsoever, without the prior written consent of Hudson. Without the prior written consent of Hudson, the name “Hudson Pacific Properties” may not be used or appear in any press release or any marketing materials of the Company.

13.22 **1031 EXCHANGE :**

Notwithstanding anything to the contrary contained in this Agreement, in connection with the acquisition of any Company Property, any Member may elect by notice to the other Members to cause the Company (or any applicable Property Owner LLC) to effect a tax-deferred exchange (each, an “ Exchange.”) in accordance with Section 1031 of the Internal Revenue code of 1986, as amended, which Exchange will involve an exchange of another property or properties, and any Company Property, so long as (a) same does not postpone any closing date for any acquisition, or any closing date for any Loan, (b) the Company and the other Members shall not incur any cost, expense or liability in connection with such Exchange, (c) the Member electing to cause the Company to effect an Exchange shall indemnify, defend and hold the Company and the other Members harmless from and against any and all cost, loss, liability and expenses arising out of or in connection with such Exchange, (d) such Exchange is carried out in accordance with all applicable laws and all documentation concerning the Exchange shall be reasonably satisfactory to the Company and the other Members, (e) such Exchange does not adversely affect the Company or the other Members in any material respect, regarding the terms and conditions of the applicable transaction, and (f) such Exchange does not have an adverse effect on title to the applicable Company Property. The Company and the other Members shall use commercially reasonable efforts to accommodate an electing Member in effecting the Exchanges subject to the terms of this Section 13.22.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the introductory paragraph hereof.

[SIGNATURE PAGE FOLLOWS]

SPONSOR:

MEDIA CENTER PARTNERS, LLC ,
a California limited liability company

By: /s/ Jeffery M. Worthe _____
Name: Jeffery M. Worthe
Its: Vice President

HUDSON:

HUDSON JW, LLC ,
a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: ___/s/ Mark T. Lammas _____
Name: Mark T. Lammas
Its: Chief Financial Officer

Joinder:

M. David Paul Ventures, LLC, a California limited liability company (“ **MDP Ventures** ”) joins in the execution of this Agreement solely for the purpose of (i) guaranteeing Sponsor’s obligations under Sections 4.02(e) and 4.06 and Sponsor’s obligations to indemnify the Company, Hudson or any Affiliate thereof for any costs, expenses, losses, claims, liabilities, damages or judgments incurred or suffered as a result of Sponsor’s breach of the representations and warranties set forth in Section 13.01(c), (ii) making the covenants to provide guarantees and indemnities specified in and in accordance with the terms of Section 4.05, and (iii) agreeing to the waivers enumerated below. Each of Pinnacle 1 Sponsor and Pinnacle 2 Sponsor, following its admission to the Company pursuant to the terms of the Agreement to which this Joinder is annexed, join in the execution of this Agreement for purpose of agreeing to the waivers enumerated below. TO THE EXTENT THAT MDP VENTURES IS DEEMED TO BE A GUARANTOR OR SURETY OF SPONSOR, THEN THE WAIVERS SET FORTH BELOW SHALL APPLY. With respect to the undersigned’s obligations under any portion of this Agreement, each of the undersigned is referred to herein as an “ **Obligated Party** ” and collectively, the “ **Obligated Parties** .”

Each of the Obligated Parties waives any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of any or all of the Obligated Parties against the other. Each of the Obligated Parties waives any defense arising by reason of any disability or other defense of any of the other Obligated Parties or any other Person whose action or actions results in a For Cause event. Each of the Obligated Parties respectively waives any defense arising by reason of the cessation from any cause whatsoever (including, without limitation, any intervention or omission by the Company or Hudson) of the liability, either in whole or in part, of the other to the Company or Hudson for the obligations set forth herein. Each of the Obligated Parties expressly acknowledges that each of them will be and remain fully liable for its respective obligations set forth herein even if, as a result of any election of remedies by the Company or Hudson or for any other reason, any rights of reimbursement, contribution or subrogation on the part of any or all of the Obligated Parties, against the other has been destroyed or impaired. Each of the Obligated Parties expressly acknowledges that it, and each of the other Obligated Parties, could, in the absence of the waivers and agreements set forth herein, have one or more defenses to or otherwise be exonerated from the obligations set forth herein as a result of any such election of remedies by the Company or Hudson, and each of the Obligated Parties hereby knowingly, expressly and irrevocably waives each and every such defense to its respective liability hereunder, and expressly acknowledges the reliance hereon of the Company and Hudson. Each of the Obligated Parties respectively assumes the responsibility for being and keeping itself informed of the financial condition of the other and of all other circumstances bearing upon the risk of nonpayment or nonperformance of the obligations set forth herein which diligent inquiry would reveal, and agrees that neither the Company nor Hudson shall have any duty to advise any or all of the Obligated Parties of information known to the Company or Hudson regarding such condition or any such circumstances. Each of the Obligated Parties irrevocably and unconditionally waives any and all rights of subrogation, indemnity, contribution or reimbursement, and any and all benefits of and rights to enforce any power, right or remedy that the Company or Hudson may now or hereafter have in respect of the obligations set forth herein against the other Obligated Parties, any other obligor upon any of the obligations covered herein, any and all benefits of and rights to participate in any collateral, whether real or personal property, now or hereafter held by the Company or Hudson,

and any and all other rights and claims (as defined in the Bankruptcy Code) any or all of the Obligated Parties have against the other Obligated Parties upon or in respect of the obligations set forth herein, under applicable law or otherwise, at law or in equity, by reason hereof, unless and until the obligations set forth herein shall have been indefeasibly paid and performed in full.

Without limiting the generality of the foregoing, each of the Obligated Parties hereby waives: (a) any defense based upon any legal disability or other defense of any other Obligated Party or any other Person, or by reason of the cessation or limitation of the liability of any other Obligated Party from any cause; (b) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of any Obligated Party or any principal of Sponsor or any defect in the formation of Sponsor or any principal of Sponsor; (c) any defense based upon the application by any Obligated Party of funds for purposes other than the purposes represented by such Obligated Party or intended or understood by such Obligated Party; (d) any and all rights and defenses arising out of an election of remedies by Hudson, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed such Obligated Party's rights of subrogation and reimbursement against any other Obligated Party by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (e) any defense based upon Hudson's failure to disclose to such Obligated Party any information concerning any other Obligated Party's or Sponsor's financial condition or any other circumstances bearing on any other Obligated Party's or Sponsor's ability to pay all sums payable by it to Hudson; (f) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (g) any defense based upon Hudson's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (h) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (i) until such Obligated Party's obligations hereunder are performed in full, any right of subrogation, any right to enforce any remedy which Hudson may have against any other Obligated Party or Sponsor and any right to participate in, or benefit from, any security now or hereafter held by Hudson; (j) presentment, demand, protest and notice of any kind; and (k) the benefit of any statute of limitations affecting the liability of such Obligated Party hereunder or the enforcement hereof. Each Obligated Party further waives any and all rights and defenses that such Obligated Party may have because the Sponsor or any other Obligated Party's obligations may, in the future, be secured by real property; this means, among other things, that: (i) Hudson may collect from such Obligated Party without first foreclosing on any real or personal property collateral pledged by Sponsor or any other Obligated Party; (ii) if Hudson forecloses on any real property collateral pledged by Sponsor or any other Obligated Party, then (A) the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (B) Hudson may collect from such Obligated Party even if Hudson, by foreclosing on the real property collateral, has destroyed any right such Obligated Party may have to collect from the Sponsor or any other Obligated Party. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses such Obligated Party may have because the Sponsor's debt may be or may in the future be secured by real property. These rights and defenses being waived by such Obligated Party include, but are not limited to (i) any rights or defenses based upon Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure, (ii) to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution until the obligations of Sponsor hereunder are fully discharged, which might otherwise be available to such Obligated Party under

California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any of such sections. Without limitation, none of the Obligated Parties shall exercise any voting rights, shall file any claim or participate or appear in any bankruptcy or insolvency case involving the other with respect to the obligations set forth herein whether or not such obligations shall have been paid and performed in full.

IN WITNESS WHEREOF, each of the undersigned has executed this Joinder as of the date and year first written above.

M. DAVID PAUL VENTURES, LLC,
a California limited liability company

By: ___/s/ Jeffery M. Worthe_____
Name: Jeffery M. Worthe
Its: Manager

SCHEDULE A

INITIAL CAPITAL CONTRIBUTIONS

Member	Initial Capital Contribution
Hudson	\$83,037,717.88
Sponsor	\$1,478,130.61

SCHEDULE 4.05

PINNACLE 1 LOAN DOCUMENTS

1. Loan Agreement, dated as of November __, 2012, between Pinnacle 1 Lender and Pinnacle 1 Property Owner.
2. Promissory Note, dated as of November __, 2012, made by Pinnacle 1 Property Owner in favor of Pinnacle 1 Lender.
3. Deed of Trust, Security Agreement, Assignment of Leases and Fixture Filing, dated as of November __, 2012, by Pinnacle 1 Property Owner, as grantor, to Chicago Title Company, a California corporation, as trustee, for the benefit of Pinnacle 1 Lender.
4. Assignment of Leases and Rents, dated as of November __, 2012, from Pinnacle 1 Property Owner, as assignor, to Pinnacle 1 Lender, as assignee,
5. Environmental Indemnity Agreement (Unsecured), dated as of November __, 2012, by Pinnacle 1Property Owner, Hudson LP, MDP Ventures, Pinnacle 1 Sponsor as Guarantor, in favor of Pinnacle 1 Lender.
6. Assignment of Management Agreement and Subordination of Management Fees, dated as of November __, 2012, by the Company to Lender, and consented and agreed to by Property Manager.
7. Guaranty of Recourse Obligations (Unsecured), dated as of November __, 2012, by Hudson LP, MDP Ventures and Pinnacle 1 Sponsor , for the benefit of Lender.
8. Deposit Account Control Agreement, dated as of November __, 2012, by and among the Pinnacle 1 Property Owner, Pinnacle 1 Lender, and Wells Fargo Bank, National Association.
9. Deposit Account Agreement, dated as of November __, 2012, by and among Wells Fargo Bank, National Association, Pinnacle 1 Property Owner and Pinnacle 1 Lender.

PINNACLE 2 LOAN DOCUMENTS

1. Loan Agreement, dated as of August 18, 2006, between Greenwich Capital Financial Products, Inc., a Delaware corporation, as lender, and 3300 West Olive, LLC, a Delaware limited liability company, as borrower.
 2. Promissory Note, dated as of August 18, 2006, made by 3300 West Olive, LLC, a Delaware limited liability company, as maker, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation, as holder.
 3. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Trustor, to Chicago Title Company, a California corporation, as Trustee, for the benefit of Greenwich Capital Financial Products, Inc., a Delaware Corporation, as Beneficiary.
 4. Assignment of Leases and Rents, dated as of August 18, 2006, between 3300 West Olive, LLC, as Assignor, and Greenwich Capital Financial Products, Inc., a Delaware corporation, as Assignee.
-

5. Collateral Assignment of Contracts, Licenses, Permits, Agreements, Warranties, and Approvals, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Borrower, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as Lender.
 6. Environmental Indemnity Agreement, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Indemnitor, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation, as Indemnitee.
 7. Guaranty of Recourse Obligations and Limited Payment Guaranty, dated as of August 18, 2006, made by M. David Paul Development LLC, as guarantor, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation.
 8. Consent and Agreement of Property Manager and Subordination of Property Management Agreement, dated as of August 18, 2006, made by The Worthe Real Estate Group, Inc., a California corporation, as Manager, for the benefit of Greenwich Capital Financial Products, Inc., a Delaware corporation, as Lender, and consented to by 3300 West Olive, LLC, a Delaware limited liability company, as Borrower.
 9. Deposit Account Control Agreement (Lockbox – With Activation), dated as of August 18, 2006, by and among 3300 West Olive, LLC, Greenwich Capital Financial Products, Inc., and Bank of America, N.A.
 10. UCC Financing Statement, listing 3300 West Olive, LLC, as Debtor, and Greenwich Capital Financial Products, Inc., as Secured Party.
-

EXHIBIT A

PINNACLE 1 PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 17 TO 19 INCLUSIVE, 48 TO 64 INCLUSIVE AND PORTIONS OF LOTS 15, 16, 20, 21, 45, 46, 47, 65, 66 AND THAT PORTION OF VACATED LIMA STREET, ALL IN TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF SAID LOTS 57 TO 64 INCLUSIVE TO AND ALONG THE NORTHWESTERLY LINE OF PARCEL 12 OF THE RELINQUISHMENT DEED RECORDED NOVEMBER 18, 1964 AS INSTRUMENT NUMBER 5197 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER, SOUTH 22° 59' 37" EAST 611.34 FEET; THENCE CONTINUING ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 12, SOUTH 11° 37' 43" EAST 16.92 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 272.00 FEET, SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17° 22' 48" AN ARC DISTANCE OF 82.51 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL 12, SAID CORNER BEING IN THE NORTHEASTERLY LINE OF THE I-134 (VENTURA) FREEWAY; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE THROUGH ITS VARIOUS DEEDS, NORTH 69° 30' 15" WEST 142.73 FEET, NORTH 69° 35' 04" WEST 69.76 FEET, NORTH 72° 39' 12" WEST 110.70 FEET TO THE NORTHEASTERLY LINE OF VACATED LIMA STREET; THENCE ALONG SAID NORTH EASTERLY LINE, NORTH 22° 59' 10" WEST 1.52 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 11 OF SAID RELINQUISHMENT DEED; THENCE ALONG SAID LINE, NORTH 71° 43' 21" WEST 79.82 FEET TO THE SOUTHWESTERLY LINE OF SAID VACATED LIMA STREET; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 22° 59' 10" WEST 0.22 FEET TO SAID NORTHEASTERLY LINE OF THE I-134 (VENTURA) FREEWAY; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE, NORTH 76° 44' 20" WEST 15.58 FEET, NORTH 77° 29' 18" WEST 150.46 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 20; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE OF SAID FREEWAY, NORTH 63° 12' 07" WEST 4.16 FEET, NORTH 57° 21' 13" WEST 21.44 FEET, NORTH 74° 53' 41" WEST 38.46 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 16, AND ALONG SAID LINE, SOUTH 23° 00' 49" EAST 0.21 FEET AND CONTINUING ALONG THE SOUTHEASTERLY LINE OF SAID FREEWAY, NORTH 74° 01' 44" WEST 22.11 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 10.00 FEET OF SAID LOT 15; THENCE ALONG SAID SOUTHEASTERLY LINE, NORTH 40° 10' 20" EAST 19.26

FEET TO SAID SOUTHWESTERLY LINE OF LOT 16; THENCE ALONG SAID LINE, NORTH 23° 00' 49" WEST 11.20 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 16; THENCE ALONG THE NORTHWESTERLY LINES OF LOTS 16, 17, 18 AND 19, NORTH 40° 10' 20" EAST 201.89 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 19; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 19, SOUTH 22° 59' 10" EAST 11.21 FEET TO THE NORTHWESTERLY LINE OF SAID VACATED LIMA STREET; THENCE ALONG SAID LINE NORTH 40° 10' 20" EAST 67.25 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID LINE, NORTH 22° 59' 10" WEST 11.21 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 52; THENCE ALONG THE NORTHWESTERLY LINES OF SAID LOTS 52 THROUGH 57, NORTH 40° 10' 20" EAST 302.67 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LOTS LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 1 ON THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6" DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-448

EXHIBIT B

FINANCING GUIDELINES

1. Maximum LTV: 60%
 2. Recourse: Non-recourse except for customary “bad boy” carveouts.
 3. Collateral: To be limited to the real property and improvements constituting the applicable Project (and only subject Project, excluding, by way of example and not limitation, any cross-collateralization of Projects or any pledge of membership interests).
 4. Interest Rate: Fixed or variable, depending on market conditions at the time of financing.
 5. Amortization: Interest Only
 6. Prepayment: Customary prepayment structures for fixed or variable rate debt at the time of financing.
 7. Transfers: Loan must allow direct and indirect transfers of (1) interest in and by Hudson, and (2) by and among Hudson and Sponsor, as provided for in the LLC Agreement to which this Exhibit B is annexed from time to time (by way of example, and not limitation, any rights following a For Cause Event or in connection with any buy/sell, ROFO, redemption or similar mechanism).
-

EXHIBIT C

PINNACLE 2 CONTRIBUTION AGREEMENT

EXHIBIT D

PINNACLE 2 PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6" DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-452

EXHIBIT E

RREEF BUYOUT DOCUMENTS

**AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
DB REAL ESTATE THE PINNACLE L.P.**

Made and Entered into
As of November __, 2003

7.9. **Sale Right** .

(a) **DBRE Sale Right** . DBRE shall have the right to exercise the sale right described in this Section 7.9 at any time after the date hereof. If DBRE desires to invoke the provisions of this Section 7.9, DBRE shall deliver to the other Partners written notice that DBRE desires to cause the Partnership to pursue the sale of the Property and invoke the provisions of this Section 7.9 (the “ **Sale Notice** ”). The Sale Notice shall set forth a price (the “ **Proposed Sale Price** ”), which shall be all cash, at which DBRE would be willing to sell the Property, in an “as is” condition (including no representations, warranties, indemnifications or guaranties by or from the Partnership (or the Partners) in favor of the prospective buyer relating to the condition of the Property, or the nature or quality of construction of any improvements thereon) taking into account the cost of any transfer and recordation taxes, real estate commissions, attorney’s fees, post-closing obligations, loan prepayment fees and charges and other closing costs to be paid by the Partnership (the “ **Seller Transaction Costs** ”). The amount of cash proceeds distributable to a Partner pursuant to Section 10.3 hereof upon the sale of the Property at the Proposed Sale Price and the closing of the transactions described in the Sale Notice, after payment of (a) all debts and liabilities of the Partnership not to be assumed by a purchaser and (b) the Seller Transaction Costs, is herein referred to as the “ **Net Equity** ”. The Sale Notice shall constitute (i) a notice by DBRE to cause the Partnership to sell the Property pursuant to a transaction that will generate Net Equity distributable to the MDP Partner Group in an amount not less than ninety-seven percent (97%) of the Net Equity distributable to the MDP Partner Group pursuant to the transaction described in the Sale Notice (“ **97% of the Net Equity** ”), and, in the alternative, (ii) an irrevocable Offer by the DBRE Partner Group to sell its entire interest (and to cause the General Partner to sell its interest) in the Partnership (“ **DB Partner Group Interest** ”) to the MDP Partner Group for an aggregate price (the “ **DB Partner Payment** ”) equal to the Net Equity distributable to the DB Partner Group pursuant to the transaction described in the Sale Notice (but for purposes of determining the deduction for Seller Transaction Costs in calculating the DB Partner Payment, only the Seller Transaction Costs to be actually incurred in connection with such sale of the DB Partner Group Interest to the MDP Partner Group shall be deducted). If DBRE invokes the sale right described in this Section 7.9, the provisions of this Section 7.9 shall control and be binding on the Partners and, if the Property is sold to a third party pursuant to the procedure described in Section 7.9(b) hereof, such a sale of the Property shall not require the approval of the General Partner or any other Limited Partner hereof and the General Partner, at the direction of DBRE, will enter into a contract on behalf of the Partnership to effect such a sale of the Property and will close and consummate such sale.

(b) **Election** . Upon receipt of the Sale Notice, the MDP Partner Group shall elect either (i) to approve, authorize and permit the Property to be sold pursuant to a transaction that will generate at least 97% of the Net Equity or (ii) to purchase the DB Partner Group Interest at a price equal to the DB Partner Payment and on the terms set forth in the Sale Notice. The MDP Partner Group shall give notice of its election hereunder to DBRE within thirty (30) days after the MDP Partner Group’s receipt of the Sale Notice; provided, however, that in the event the MDP Partner Group shall fail to give DBRE notice of its election within such thirty (30) day period, the MDP Partner Group shall be conclusively deemed to have elected that the Property be

sold as provided in clause (i) of this Section 7.9(6). In the event the MDP Partner Group elects or is deemed to have elected so to permit the Property to be sold, DBRE shall have nine (9) months (commencing with the date upon which DBRE receives such written election or the date it is deemed to have occurred) to market the Property on terms which would generate at least 97% of the Net Equity. If within such nine (9) month period, the Partnership shall receive a bona fide all cash written offer from a buyer to purchase the Property (which may include assumption by the prospective buyer of the debt then encumbering the Property, provided such assumption is allowable under the terms of such debt and related security) which the DB Partner Group desires to accept (a “ **Purchase Offer** ”) pursuant to a transaction that will generate at least 97% of the Net Equity and close within 120 days after the date of the Purchase Offer, then, at the direction of DBRE, the General Partner, on behalf of the Partnership, shall accept such Purchase Offer and the sale of the Property shall thereafter be closed in accordance with the terms of such Purchase Offer. The closing of such a sale of the Property shall take place at such time, date and place, and on such terms, as are agreed between DBRE and the buyer, subject to the provisions of this Section 7.9; provided, however, that so long as the transaction will generate at least 97% of the Net Equity, the DB Partner Group will not be required to submit a new Sale Notice to the MDP Partner Group in the event such terms include representations, warranties, guaranties or indemnities regarding the condition of the Property or the nature or quality of construction thereof as described in Section 7.9(a). Notwithstanding the foregoing, the DB Partner Group will be required to submit a new Sale Notice if any of the aforementioned agreed upon terms between DBRE and the buyer include direct or indirect income guaranties or indemnifications which will benefit the buyer to a greater extent than that which is described in the then existing Sale Notice. If the Property is sold pursuant to a Sale Notice, the Partnership shall pay all Seller Transaction Costs required to be paid by the Partnership as the seller pursuant to such transaction,

(c) **Expiration** . If (i) the Partnership shall not receive a Purchase Offer which DBRE desires to accept within said nine (9) month period after the MDP Partner Group’s election or deemed election to sell the Property or (ii) the sale of the Property pursuant to a Purchase Offer fails to close in accordance with its terms, then the Sale Notice shall be deemed to be ineffective, and the Partners shall thereupon be subject to all the provisions of this Section 7.9 as if no Sale Notice had been given; provided, however, DBRE shall have the right to subsequently invoke the sale right provisions of this Section 7.9.

(d) **Earnest Money** . If the MDP Partner Group elects to purchase the DB Partner Group Interest pursuant to clause (ii) of Section 7.9(b), then, as a condition to the effectiveness of such election, the MDP Partner Group shall be required to deposit in escrow with a title insurance company (“ **Escrow Holder** ”) reasonably acceptable to DBRE, within ten (10) Business Days after the date the MDP Partner Group makes such election, a cash earnest money deposit of four percent (4%) of the DB Partner Payment (but in no event greater than \$1 million) payable to the Escrow Holder. On the Partner Closing Date (as hereafter defined), subject to the conditions to closing, such earnest money, together with all interest earned thereon, shall be paid by the Escrow Holder to the DB Partner Group and such amount shall be credited against the DB Partner Payment.

(e) **Partner Closing** . If the MDP Partner Group elects to purchase the DB Partner Group Interest pursuant to Section 7.9(b) hereof, then the sale of the DB Partner Group Interest and the withdrawal of the DB Partner Group from the Partnership shall be closed and consummated through Escrow Holder on the date (the “ **Partner Closing Date** ”) designated by the MDP Partner Group in a notice to the DB Partner Group, which date shall be within one hundred twenty (120) days after the election made by the MDP Partner Group. Effective as of the Partner Closing Date, (i) the Partners in the DB Partner Group shall release any and all claims (of any nature whatsoever) against the Partnership and the Partners, (ii) the Partnership and the Partners in the MDP Partner Group shall release any and all claims (of any nature whatsoever) against the Partners in the DB Partner Group arising from and after the Partner Closing Date, (iii) the Partners in the DB Partner Group shall cease to be Partners of the Partnership and (iv) the provisions of this Section 7.9(e) shall apply. The balance of the DB Partner Payment, after credit for the earnest money deposited with the Escrow Holder, shall be deposited with the Escrow Holder by the MDP Partner Group in cash on or prior to the Partner Closing Date. On or prior to the Partner Closing Date, the Partners in the DB Partner Group shall execute, seal, swear to and deliver for and on their behalf all assignment and other documents that may be necessary or appropriate, in the reasonable opinion of counsel to the MDP Partner Group, to transfer the DB Partner Group Interest to the MDP Partner Group free and clear of all liens and encumbrances, provided that an Affiliate of the MDP Partner Group (selected by MDP in its sole and absolute discretion) shall agree to assume the known General Partner’s obligations related to the Partnership, and the MDP Partner Group shall thereafter indemnify, hold harmless and defend the DB Partner Group from and against any and all such liabilities accruing from and after the Partner Closing Date. If the MDP Partner Group purchases the DB Partner Group Interest pursuant to this Section 7.9, since the Seller Transaction Costs actually incurred in connection with such transaction shall be deducted in determining the DB Partner Payment, the Partnership shall pay such Seller Transaction Costs, Notwithstanding the foregoing, the MDP Partner Group and DBRE shall each pay the fees and expenses of its own legal counsel incurred pursuant to the exercise of the sale right described in this Section 7.9; provided, however, if the Property is sold to a third party pursuant to a Sale Notice, then the Partnership shall pay the legal fees and expenses incurred in connection with the sale of the Property,

(f) **Default** .

(i) In the event DBRE defaults in the performance of its obligations under the sale right procedures described in this Section 7.9, the MDP Partner Group shall have the right to receive a return of its earnest money deposit or exercise the remedy of specific performance. DBRE acknowledges that monetary damages in favor of the MDP Partner Group as a result of DBRE’s default will not be an adequate remedy to the MDP Partner Group, at law or in equity.

(ii) IN THE EVENT THE MDP PARTNER GROUP FAILS TO CLOSE THE PURCHASE OF DB PARTNER GROUP INTEREST BY REASON OF MDP PARTNER GROUP’S DEFAULT UNDER THE SALE RIGHT PROCEDURES DESCRIBED IN THIS SECTION 7.9, THEN DBRE

SHALL HAVE THE RIGHT, AS ITS SOLE AND EXCLUSIVE RIGHT AND REMEDY FOR MDP PARTNER GROUP'S DEFAULT, TO BE PAID AND RETAIN THE EARNEST MONEY DEPOSIT DESCRIBED IN SECTION 7.9(d) HEREOF AS LIQUIDATED DAMAGES FOR SUCH DEFAULT OF THE MDP PARTNER GROUP. THE PARTNERS ACKNOWLEDGE THE DIFFICULTY OF ESTABLISHING THE ACTUAL DAMAGES TO DBRE IN THE EVENT OF A DEFAULT BY THE MDP PARTNER GROUP UNDER

THIS SECTION 7.9 AND AGREE THAT THE AMOUNT OF THE EARNEST MONEY DEPOSIT CONSTITUTES A REASONABLE ESTIMATE OF SUCH DAMAGES AND AN AGREED AMOUNT OF LIQUIDATED DAMAGES FOR THE DEFAULT OF THE MDP PARTNER GROUP

DBRE's Initials

MDP Initials

(g) **Group Allocation** . In the event the MDP Partner Group elects to purchase the DB Partner Group's Interest, the MDP Partner Group shall acquire the DB Partner Group Interest (and pay the DB Partner Payment) in proportion to their respective Percentage Interests in the Partnership or as they may otherwise agree.

7.10 **Depository Bank Approval** . The Partners acknowledge that in accordance with the KAGG and the KAGG Investment Agreement, the Bank must approve any Transfer of DBRE's interest in the Partnership and/or any sale or encumbrance of the Property. In the event that DBRE is the Transferring Partner pursuant to Section 7.4 above or issues a Sale Notice pursuant to Section 7.9 above, DBRE shall be required to obtain the provisional approval of the Bank pursuant to the KAGG Investment Agreement prior to issuing a ROFO Notice or Sale Notice, as applicable. MDP understands that in the event MDP elects to acquire the ROFO Interest or the interest of DBRE for the price and on the terms set forth in such ROFO Notice or Sale Notice (including, without limitation, the terms of any assignment and assumption agreement or purchase and sale agreement, as applicable, that may be included in the ROFO Notice or Sale Notice, as applicable) the review and final approval of such transaction by the Bank cannot be arbitrarily withheld and will be limited in scope to confirming that the final terms of the transaction are not materially different from those for which provisional approval is granted. However, any material changes to the terms set forth in such ROFO Notice or Sale Notice will require further Bank approval.

RREEF

Media Center Partners, LLC
c/o M. David Paul Development LLC
233 Wilshire Boulevard, Suite 990
Santa Monica, CA 90401
Attention: M. David Paul
Phone No: 310-393-9653
Fax No: 310-458-2644

(current street address understood to be
100 Wilshire Boulevard Suite 1600:
MDP, please confirm when responding)

2012-06-07

Dear Partners in DB Real Estate The Pinnacle L.P.:

With reference to that certain Amended and Restated Limited Partnership Agreement (the “LPA”) of DB Real Estate The Pinnacle L.P. (the “Partnership”), the undersigned, RREEF Investment GmbH, formerly known as DB Real Estate Investment GmbH (“DBRE”), hereby delivers to you, as the other Partners in the Partnership, written notice (the “Sale Notice”) as required in Section 7.9 of the LPA that DBRE desires to cause the Partnership to pursue the sale of the Property and invoke the provisions of said Section 7.9.

The price (the “Proposed Sale Price”) required to be set forth in the Sale Notice is \$ 212,500,000, and has been determined by DBRE in accordance with the third sentence of Section 7.9 (a) of the LPA, among other things taking into account Seller Transaction Costs, as required in that sentence.

As provided in Section 7.9 (a), this Sale Notice shall constitute “(i) a notice by DBRE to cause the Partnership to sell the Property pursuant to a transaction that will generate Net Equity [as defined in Section 7.9 (a)] distributable to the MDP Partner Group [Media Center Partners, LLC] in an amount not less than ninety-seven percent (97%) of the Net Equity distributable to the MDP Partner Group pursuant to the transaction described in the Sale Notice (“97% of the Net Equity”), and, in the alternative, (ii) an irrevocable offer by the DBRE Partner Group to sell its entire interest (and to cause the General Partner to sell its interest) in the Partnership (“DB Partner Group Interest”) to the MDP Partner Group for an aggregate price (the “DB Partner Payment”) equal to the Net Equity distributable to the DB Partner Group pursuant to the transaction described in the Sale Notice (but for purposes of determining the deduction for Seller Transaction Costs in calculating the DB Partner Payment, only the Seller Transaction Costs to be actually incurred in connection with such sale of the DB Partner Group Interest to the MDP Partner Group shall be deducted).”

As provided in Section 7.9 (b), Media Center Partners, LLC, as the MDP Partner Group, has thirty (30) days after its receipt of this Sale Notice to elect by notice to DBRE either “(i) to approve, authorize and permit the Property to be sold pursuant to a transaction that will generate at least 97% of the Net Equity or (ii) to purchase the DB Partner Group Interest at a price equal to the DB Partner Payment and on the terms set forth in this Sale Notice.”

As you know, with respect to the election or failure to elect by the MDP Partner Group, the remainder of Section 7.9 and the remainder of the LPA shall apply.

This Sale Notice shall also constitute a notice under Section 14.12 of the LPA of the change of address for notices to DBRE to the following:

RREEF Investment GmbH
Mainzer Landstrasse 178-190
60327 Frankfurt am Main
Germany
Attention: Martin Scharpey
Phone No: +49 69 71704 6493
Fax No: +49 69 71704 6934

Yours truly,

RREEF Investment GmbH

By:
Name: Dr. Georg Allendorf

Title: Managing Director

By:
Name: Martin Scharpey
Title: Director with Proxy

MEDIA CENTER PARTNERS, LLC
c/o M. David Paul Development LLC
100 Wilshire Boulevard, Suite 1600
Santa Monica, California 90401

July 6, 2012

VIA FAX AND EMAIL

RREEF Investment GmbH
Mainzer Landstrasse 178-190
60327 Frankfurt am Main
Germany
Attention: Martin Scharpey
Phone: +49 69 71704 6493
Fax: +49 69 71704 6934
Email: martin.scharpey@rreef.com

Re: Pinnacle I — Election Notice

Dear Martin:

Thank you for your letter, dated and received by us on June 7, 2012, constituting your “Sale Notice” under Section 7.9 of the Amended and Restated Limited Partnership Agreement of DB Real Estate The Pinnacle L.P., dated November 2003 (the “LPA”), among Media Center Partners, LLC (“MDP”), RREEF Investment GmbH (formerly known as DB Real Estate Investment GmbH), and The Pinnacle General Partner Corp. All capitalized terms used and not otherwise defined herein shall have the meanings set forth for the same in the LPA.

Please be advised that pursuant to Section 7.9(b) of the LPA, MDP hereby elects to purchase the DB Partner Group Interest. This election is premised and conditioned upon our understanding that, as discussed, the Property will be free of all debt as of the Partner Closing Date.

We understand that pursuant to Section 7.9(d) of the LPA, MDP is required to deposit in escrow with a title insurance company reasonably acceptable to DBRE (“Escrow Holder”), within ten (10) Business Days after the date on which MDP makes such election, a cash earnest money deposit of 4% of the DB Partner Payment (but in no event greater than \$1 million). We intend to use Chicago Title Insurance Company as the Escrow Holder (attention Maggie G. Watson, Senior Vice President National Projects Group, 24300 Town Center Drive, Suite 320, Valencia, CA 91355, (661) 753- 5701, maggie.watson@ctt.com). Unless we hear otherwise from you, we will assume that Chicago Title Insurance Company is acceptable as the Escrow Holder and we will deposit \$1,000,000 with Chicago Title Insurance Company within ten (10) Business Days of the date hereto (i.e., on or before Friday, July 20, 2012).

In addition, we have had discussions regarding certain agreements, clarifications and/or modifications relating to the terms of the closing of this transaction. It is our understanding based on these prior discussions that the Partners have agreed that (i) notwithstanding anything to the contrary contained in Section 7.9(e) of the LPA, the Partner Closing Date shall occur on November 6, 2012, provided that MDP has the right to extend the Partner Closing Date to either December 17, 2012 or January 15, 2012 by delivering a written notice of such extension to DBRE on or before October 5, 2012, (ii) upon such closing, the Property will be free of all debt, and all Seller Transaction Costs (including, without limitation, loan prepayment and/or defeasance fees) shall be deducted in determining the DB Partner Payment and the Partnership shall pay such Seller Transaction Costs (as per the penultimate sentence of Section 7.9(e) of the LPA), and (iii) the Partners will enter into a letter agreement evidencing the foregoing prior to July 20, 2012.

Please contact us immediately if you believe we have misunderstood anything. Thank you.

Sincerely,

MEDIA CENTER PARTNERS, LLC, a California limited liability company

By: M. DAVID PAUL DEVELOPMENT, LLC,

a California limited liability company,
its managing member

By: _____
Name: M. David Paul
Title: Managing Member

cc: Jonathan Richter (via email to jonathansichter@rreef.com)

MEDIA CENTER PARTNERS, LLC
c/o M. David Paul Development LLC
100 Wilshire Boulevard, Suite 1600
Santa Monica, California 90401

July 12, 2012

VIA FAX AND EMAIL

RREEF Investment GmbH
Mainzer Landstrasse 178-190
60327 Frankfurt am Main
Germany
Attention: Martin Scharpey
Phone: +49 69 71704 6493
Fax: +49 69 71704 6934
Email: martin.scharpey@rreef.com

Re: Pinnacle 1— Let Agreement

Dear Martin:

Please refer to that certain Amended and Restated Limited Partnership Agreement of DB Rea] Estate The Pinnacle L.P., dated November 2003 (the “LPA”), among Media Center Partners, LLC (“MDP”), RREEF Investment GmbH (formerly known as 013 Real Estate Investment GmbH), and The Pinnacle General Partner Corp. and, in particular, Section 7.9 thereof. All capitalized terms used and not otherwise defined herein shall have the meanings set forth for the same in the LPA.

As a follow up to our “election notice” letter, dated and delivered to you on July 6, 2012, whereby we notified you of our election to purchase the DB Partner Group Interest, we are sending this letter to confirm our understanding based on subsequent conversations that the Partners have agreed as follows:

- (i) Chicago Title Insurance Company shall be the Escrow Holder;
 - (ii) upon such closing, the Property will be free of all debt, the Partnership will pay all Seller Transaction Costs pursuant to the penultimate sentence of Section 7.9(e) of the LPA (including, without limitation, all loan prepayment and/or defeasance fees, but subject to the terms of clause (iii)(2) below), and the 013 Partner Payment shall be equal to the Net Equity that would be distributable to the 013 Partner Group after payment of such Seller Transaction Costs (i.e., 95% of the net proceeds); and
 - (iii) notwithstanding anything to the contrary contained in Section 7.9(e) of the LPA, the Partner Closing Date shall occur on November 6, 2012, provided that (a) MDP has the right to extend the Partner Closing Date to December 17, 2012 by delivering a written
-

notice of such extension to DBRE on or before September 21, 2012, and (b) MDP has the right to accelerate the Partner Closing Date to a date prior to November 6, 2012 if, and only if, (1) MDP delivers written notice identifying the accelerated Partner Closing Date to DBRE (which accelerated Partner Closing Date cannot be earlier than the 45th calendar day after MDP delivers such written notice to DBRE) and (2) in the event of such an acceleration, MDP is responsible, at its sole cost and expense, for the payment of all debt prepayment/defeasance expenses to the extent relating to the period between such accelerated Partner Closing Date and November 6, 2012.

Please acknowledge that the foregoing reflects your understanding and agreement by signing this letter in the space provided below. If you have any questions, please contact us.
Thank you.

Sincerely,

MEDIA CENTER PARTNERS, LLC, a California limited liability company

By: M. DAVID PAUL DEVELOPMENT, LLC,

a California limited liability company,
its managing member

By: _____
Name: M. David Paul
Title: Managing Member

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST ABOVE WRITTEN

RREEF INVESTMENT GMBH

By:
Name: Dr. Georg Allendorf
Title: Managing Director

By:
Name: Bernd Ebert
Title: Director with Proxy

cc: Jonathan Richter (via email to jonathansichter@rreef.com)

EXHIBIT F

ACKNOWLEDGMENT OF (PINNACLE 2 SPONSOR AFFILIATE ADMISSION)

**ACKNOWLEDGMENT AND ACCEPTANCE
OF ADMISSION OF MEMBER**

THIS ACKNOWLEDGMENT AND ACCEPTANCE OF ADMISSION OF MEMBER, is made and entered into as of _____, 20__ (this “ **Acknowledgment** ”), by and between HUDSON JW, LLC, a Delaware limited liability company (“ **Administrative Member** ”), and MEDIA CENTER PARTNERS, LLC, a California limited liability company (“ **Sponsor** ”, and together with Administrative Member, the “ **Existing Members** ”), and MEDIA CENTER DEVELOPMENT, LLC, a Delaware limited liability company (the “ **Admitted** ”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in that certain Limited Liability Company Agreement of Hudson MC Partners, LLC, dated as of November __, 2012 (as amended to date, the “ **JV Agreement** ”).

WHEREAS, the Existing Members are the Members of Hudson MC Partners, LLC, a Delaware limited liability company (the “ **Joint Venture** ”), under the JV Agreement;

WHEREAS, the Admitted has contributed to the Joint Venture certain assets in exchange for the Membership Interests (as defined in that certain Acquisition and Contribution Agreement, of even date herewith, by and between Admitted, as “Transferor”, and P2 Hudson MC Partners, LLC, a Delaware limited liability company, as “Transferee”); and

WHEREAS, each of the Existing Members desires to evidence the admission of the Admitted as a Member in the Joint Venture, and the Admitted desires to evidence acceptance of such admission to the Joint Venture.

NOW, THEREFORE, in consideration of the foregoing and the covenants of the parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to the terms and conditions set forth herein, the parties hereby agree as follows:

1. **Schedule A** to the JV Agreement is hereby amended and supplemented by the addition of the line items set forth in **Schedule A** attached to this Acknowledgment.
 2. In accordance with the terms of the JV Agreement, each of the Existing Members hereby approves the admission of the Admitted as a Member of the Joint Venture with the interests in the Joint Venture set forth in **Schedule A** attached to this Acknowledgment.
 3. Each of the Existing Members hereby certifies that a true and correct copy of the JV Agreement has been delivered to the Admitted prior to the date hereof.
-

4. This Acknowledgment shall be binding upon the parties hereto and their respective successors, assigns, heirs and legal representatives and may be relied upon by them and by other third parties.

5. By its signature below, the Admitted hereby accepts admission to the Joint Venture as a Member and agrees to be bound by all of the provisions of the JV Agreement, which are incorporated herein by this reference, and to perform each and all of the obligations as Pinnacle 2 Sponsor Affiliate (as defined in the JV Agreement) and as a Member and Sponsor thereunder.

(Remainder of Page Intentionally Blank)

IN WITNESS WHEREOF, the parties hereto have executed this Acknowledgment and the attachment counterpart signature page to the JV Agreement effective as of the date first written above.

EXISTING MEMBERS :

HUDSON JW, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

MEDIA CENTER PARTNERS, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

THE ADMITTED :

MEDIA CENTER DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE A TO
ACKNOWLEDGMENT AND ACCEPTANCE OF ADMISSION OF MEMBER
MEMBERS, CONTRIBUTIONS AND MEMBERSHIP INTEREST

Name and Address of Additional Member	Net Agreed Value of Contributed Property	Membership Interest
Name: Media Center Development, LLC Address: Media Center Development, LLC c/o M. David Paul Development LLC 100 Wilshire Boulevard, Suite 1600 Santa Monica, California 90401 Attention: Jeffrey M. Worthe		

EXHIBIT G

EXAMPLE OF DILUTION CALCULATION

By way of example only, and without limitation, assume that on the Effective Date, the Members made Capital Contributions aggregating \$1,000,000, of which \$650,000 was made by Hudson, with a Percentage Interest of sixty five percent (65%), \$50,000 was made by Pinnacle 1 Sponsor, with a Percentage Interest of five percent (5%), and \$300,000 was made by Pinnacle 2 Sponsor Affiliate with a Percentage Interest of thirty percent (30%). Subsequent to the Effective Date, the Executive Committee calls for Additional Capital Contributions of \$500,000 in the aggregate (the "Additional Capital Call"), of which Hudson is responsible for \$325,000, Pinnacle 1 Sponsor is responsible for \$25,000 and Pinnacle 2 Sponsor Affiliate is responsible for \$150,000.

A. Assume further that Hudson and Pinnacle 1 Sponsor make their respective shares of the Additional Capital Call, but Pinnacle 2 Sponsor Affiliate does not. Pinnacle 1 Sponsor may not elect to make contributions on behalf of Pinnacle 2 Sponsor Affiliate. Hudson elects to make contributions on behalf of Pinnacle 2 Sponsor Affiliate in the amount of \$150,000, which amount is a "Substituted Capital Contribution" equal to Pinnacle 2 Sponsor Affiliate's share of the Additional Capital Call. After the Additional Capital Call is funded, the Members' Percentage Interests shall have been adjusted as follows, in accordance with Section 4.02(c):

1. Pinnacle 1 Sponsor: The adjusted Percentage Interest of Pinnacle 1 Sponsor, in the aggregate, is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Pinnacle 1 Sponsor to the Company (\$75,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Pinnacle 1 Sponsor to the Company (\$0), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Pinnacle 1 Sponsor's failure to make any Additional Capital Contribution (\$0), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including without limitation Substituted Capital Contributions) then or theretofore made by all of the Members to the Company (\$1,500,000). This results in a Percentage Interest for Pinnacle 1 Sponsor of (i) the sum of \$75,000 divided by (ii) \$1,500,000 = 5%.

2. Pinnacle 2 Sponsor Affiliate: Pinnacle 2 Sponsor Affiliate's adjusted Percentage Interest is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Pinnacle 2 Sponsor Affiliate to the Company (\$300,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Pinnacle 2 Sponsor Affiliate to the Company (\$0), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Pinnacle 2 Sponsor Affiliate's failure to make any Additional Capital Contribution (\$75,000), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including without limitation Substituted Capital Contributions) then or theretofore made by all of the Members to the Company (\$1,500,000). This results in a Percentage Interest for Pinnacle 2 Sponsor Affiliate of (i) the difference between \$300,000 minus \$75,000, divided by (ii) \$1,500,000 = 15%.

3. Hudson: The adjusted Percentage Interest of Hudson, in the aggregate, is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Hudson to the Company (\$975,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Hudson to the Company (\$225,000), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Hudson's failure to make any Additional Capital Contribution (\$0), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including without limitation Substituted Capital Contributions) then or theretofore made by all of the Members to the Company (\$1,500,000). This results in a Percentage Interest for Hudson of (i) the sum of \$975,000 plus \$225,000 divided by (ii) \$1,500,000 = 80%.

B. Using the same example, assume instead that Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate contribute their respective shares of the Additional Capital Call, but Hudson does not. Pinnacle 1 Sponsor and Pinnacle 2 Sponsor both elect to make the contributions on behalf of Hudson. In that case, Pinnacle 1 Sponsor would contribute 14.28% (Pinnacle 1 Sponsor's proportionate share based on its Percentage Interest relative to Pinnacle 2 Sponsor Affiliate's (5 divided by 35)) of Hudson's \$325,000 = \$46,410, which amount is a "Substituted Capital Contribution" of Pinnacle 1 Sponsor; and Pinnacle 2 Sponsor Affiliate would contribute 85.72% (Pinnacle 2 Sponsor Affiliate's proportionate share based on its Percentage Interest relative to Pinnacle 1 Sponsor (30 divided by 35)) of Hudson's \$325,000 = \$278,590, which amount is a "Substituted Capital Contribution" of Pinnacle 2 Sponsor Affiliate, such that the aggregate amount of the Substituted Capital Contributions by Pinnacle 1 Sponsor and Pinnacle 2 Sponsor Affiliate equals Hudson's share of the Additional Capital Call. After the Additional Capital Call is funded, the Members' Percentage Interests shall have been adjusted as follows, in accordance with Section 4.02(c):

1. Pinnacle 1 Sponsor: The adjusted Percentage Interest of Pinnacle 1 Sponsor, in the aggregate, is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Pinnacle 1 Sponsor to the Company (\$75,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Pinnacle 1 Sponsor to the Company (\$69,615), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Pinnacle 1 Sponsor's failure to make any Additional Capital Contribution (\$0), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including, without limitation, Substituted Capital Contributions) then or theretofore made by all of the Members to the Company (\$1,500,000). This results in a Percentage Interest for Pinnacle 1 Sponsor of (i) the sum of \$75,000 plus \$69,615, divided by (ii) \$1,500,000 = 9.641%

2. Hudson: Hudson's adjusted Percentage Interest is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Hudson to the Company (\$650,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Hudson to the Company (\$0), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Hudson failure to make any Additional Capital Contribution (\$162,500), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including, without limitation, Substituted Capital Contributions) then or theretofore made by all of the Members

to the Company (\$1,500,000). This results in a Percentage Interest for Hudson of (i) the difference between \$650,000 minus \$162,500, divided by (ii) \$1,500,000 = 32.5%

3. Pinnacle 2 Sponsor Affiliate: Pinnacle 2 Sponsor Affiliate's adjusted Percentage Interest is calculated by dividing (1) the positive difference, if any, between (a) the sum of (i) one hundred percent (100%) of the aggregate Capital Contributions (excluding Substituted Capital Contributions) then or theretofore made by Pinnacle 2 Sponsor Affiliate to the Company (\$450,000), plus (ii) one hundred and fifty percent (150%) of the Substituted Capital Contributions then or theretofore made by Pinnacle 2 Sponsor Affiliate to the Company (\$417,885), minus (b) the Excess Amounts attributable to the Substituted Capital Contributions then or theretofore made by any other Member to the Company on account of Pinnacle 2 Sponsor Affiliate's failure to make any Additional Capital Contribution (\$0), by (2) one hundred percent (100%) of the aggregate Capital Contributions (including, without limitation, Substituted Capital Contributions) then or theretofore made by all of the Members to the Company (\$1,500,000). This results in a Percentage Interest for Pinnacle 2 Sponsor Affiliate of (i) the sum of \$450,000 plus \$417,885, divided by (ii) \$1,500,000 = 57.859%

REIMBURSEMENT AND INDEMNITY AGREEMENT (PINNACLE 1 LOAN)

This REIMBURSEMENT AND INDEMNITY AGREEMENT (this “ **Agreement** ”) is made and entered into as of November __, 2012, by and among **Hudson Pacific Properties, L.P., a Maryland limited partnership** (“ **HPP** ”) on the one hand, and, on the other hand, Media Center Partners, LLC, a California limited liability company (“ **MCP** ”), and M. David Paul Ventures, LLC, a California limited liability company (“ **MDP Ventures** ” and, together with MCP , collectively, and jointly and severally, the “ **Sponsor Parties** ”).

WHEREAS, HPP’s wholly owned subsidiary, Hudson JW, LLC, a Delaware limited liability company (“ **Hudson** ”), and MCP are members of Hudson MC Partners, LLC, a Delaware limited liability company (the “ **Company** ”), which was formed pursuant to that certain Certificate of Formation filed with the Secretary of State of Delaware on October 16, 2012, and which is governed by that certain Limited Liability Company Agreement of the Company dated as of November __, 2012 (as amended, the “ **Operating Agreement** ”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Operating Agreement;

WHEREAS, concurrently herewith, the Company’s wholly owned subsidiary, P1 MC Hudson Partners, LLC, a Delaware limited liability company (“ **Pinnacle 1 Borrower** ”), is obtaining that certain mortgage loan in the original principal amount of \$129,000,000 (the “ **Pinnacle 1 Loan** ”) pursuant to those certain documents and other instruments evidencing, securing and/or otherwise being executed and delivered in connection with the Pinnacle 1 Loan and set forth on Exhibit A attached hereto (collectively, the “ **Pinnacle 1 Transaction Documents** ”);

WHEREAS, in connection with the making of the Pinnacle 1 Loan, Lender is requiring that each of the Company, HPP, and MDP Ventures execute and deliver, on a joint and several basis, that certain Guaranty of Recourse Obligations (Unsecured) in the form attached hereto as Exhibit B-1 (the “ **Pinnacle 1 Guaranty** ”) and that certain Environmental Indemnity Agreement (Unsecured) in the form attached hereto as Exhibit B-2 (the “ **Pinnacle 1 Environmental Indemnity** ”, and, together with the Pinnacle 1 Guaranty, collectively, the “ **Pinnacle 1 Recourse Documents** ”; the obligations and matters described in the Pinnacle 1 Recourse Documents, collectively, the “ **Obligations** ”);

WHEREAS, the parties hereto wish to allocate their respective maximum obligations for the responsibilities for the Obligations;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Reimbursement Obligations.

(a) Pursuant to the Pinnacle 1 Recourse Documents, HPP, the Company and MDP Ventures are liable, on a joint and several basis, for 100% of the Obligations. The parties hereto agree that each of HPP and the Sponsor Parties hereto shall have liability with respect to the Obligations (with respect to each party, its “ **Maximum Obligation** ”), regardless of any contrary language in the Operating Agreement, the Pinnacle 1 Recourse Documents or any of the other Pinnacle 1 Transaction Documents, as follows:

(i) In the event that either HPP or MDP incurs any Obligations (including enforcement expenditures) that are attributable solely to (a) the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any Pinnacle 1 Transaction Documents, of any Sponsor Party or their respective Affiliates, or (b) on account of any breach by the Pinnacle 1 Borrower of any real property specific representations and warranties made to Pinnacle 1 Lender concurrently with the making of the Pinnacle 1 Loan, then the Sponsor Parties shall be liable for 100% of such Obligations;

(ii) In the event that either HPP or MDP Ventures incurs any Obligations (including enforcement expenditures) that are attributable solely to the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any Pinnacle 1 Transaction Documents, of HPP, Hudson or any of their respective Affiliates, then HPP shall be liable for 100% of such Obligations;

(iii) In the event that either HPP or MDP Ventures incur any Obligations under the Pinnacle 1 Recourse Documents that are not covered by Section 1(a)(i) or Section 1(a)(ii) above, then HPP and the Sponsor Parties shall be liable for their pro rata share of such Obligations, based on, respectively, Hudson's and MCP's Percentage Interests as defined in the Operating Agreement and without regard to any application of Section 4.02 of the Operating Agreement.

Notwithstanding anything to the contrary contained in this Agreement, nothing in this Agreement shall affect the rights of any party under Article X of the Operating Agreement, or the obligations of the Members of the Company pursuant to Section 4.05(b) of the Operating Agreement.

(b) If HPP, on the one hand, or any of the Sponsor Parties, on the other hand, is called upon to pay and actually does pay amounts under or pursuant to any of the Obligations in excess of such parties' respective Maximum Obligation as determined pursuant to Section 1(a) above (an "**Overage Guarantor** ") in such Overage Guarantor's discretion, the Sponsor Parties or HPP, respectively, hereby absolutely, irrevocably and unconditionally agrees to reimburse the Overage Guarantor upon demand an amount such that after giving effect to such reimbursement the Overage Guarantor, in the aggregate, shall have borne only its Maximum Obligation with respect to the Obligations owed to that date.

(c) This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of each party, provided; however, that the sale, assignment or other transfer (each, a "**Transfer** "), directly or indirectly, of all or any portion of any Interest in the Company shall not result in a release of any party of its liability under this Agreement, except that if any Member makes a Transfer of its entire direct or indirect interest in the Company in accordance with the terms and conditions of the Operating Agreement, then such party shall have no liability under this Agreement with respect to Obligations which arise from events occurring after the date of such Transfer. Notwithstanding the foregoing, it is acknowledged and agreed that if Hudson sells or assigns its direct interest in the Company, in part, to any Person, and such Person is admitted as a Member of the Company, then Hudson and such Person shall re-apportion Hudson's liability hereunder among themselves pursuant to a separate written agreement, and there shall be a corresponding release of liability, but if Hudson sells or assigns its direct interest in the Company in whole to one Person, and such Person is admitted as a Member of the Company, then, as a condition of Hudson's release, such Person shall assume the obligations of Hudson hereunder.

2. Remedies. In the event that HPP or the Sponsor Parties fail to reimburse the other as required hereunder within five (5) business days following written demand therefor, the party who is entitled to but does not receive payment (the “**Aggrieved Party**”) may exercise any right or remedy available to it at law or in equity, including the right to sue for specific performance hereof, and the Aggrieved Party shall additionally be entitled to interest on the unpaid amount accrued at a rate equal to the lower of twenty percent (20%) per annum and the highest rate permitted by applicable law, and to recover from the other party the Aggrieved Party's out-of-pocket costs incurred in connection with the enforcement of this Agreement, including reasonable attorneys' fees and expenses incurred before and at trial, at all levels, and whether or not suit is instituted. Without limiting the foregoing, in the event that HPP or any Sponsor Party fails to reimburse the other as required hereunder for any amount funded by HPP (or, as applicable Sponsor Party) on behalf of the other party in accordance with this Agreement, shall be treated as a failure to contribute Additional Capital pursuant to the terms of Section 4.02 of the Operating Agreement on the part of Hudson or, as applicable, Sponsor and Hudson (or, as applicable, Sponsor) shall have the rights and remedies set forth in Section 4.02 of the Operating Agreement.

3. Guarantor Waivers. If and to the extent that any Sponsor Party or HPP or any of them (for the purposes of this Section 3 only, being individually and collectively referred to herein as “**Guarantor**”) would be deemed or construed to be a guarantor or surety under applicable law with respect to its obligations hereunder, Guarantor hereby agrees as follows:

(a) Guarantor expressly agrees that until each and every term, covenant and condition of this Agreement is fully performed, Guarantor shall not be released by any act or event which might be deemed a legal or equitable discharge or exoneration of a surety, or because of any waiver, extension, modification, forbearance or delay or other act or omission of any Sponsor Party or HPP, as applicable, or its failure to proceed promptly or otherwise as against HPP or Sponsor Party, respectively, or Guarantor, or because of any action taken or omitted or circumstance which might vary the risk or affect the rights or remedies of Guarantor as against HPP or any Sponsor Party, as applicable, or because of any further dealings between any Sponsor Party or HPP, as applicable, whether relating to this Agreement or otherwise. Guarantor hereby expressly waives and surrenders any defense to Guarantor's liability under this Agreement based upon any of the foregoing acts, omissions, things, agreements, waivers or any of them, except to the extent expressly provided in Section 1 hereof. It is the purpose and intent of this Agreement that the obligations of Guarantor under it shall be absolute and unconditional under any and all circumstances, subject to and in accordance with the terms and conditions of this Agreement.

(b) Each Guarantor waives:

(i) all statutes of limitations as a defense to any action or proceeding brought against any Sponsor Party or HPP, or by Guarantor, as applicable, to the fullest extent permitted by law;

(ii) any right it may have to require any Sponsor Party or HPP, to proceed against HPP or Sponsor Party, respectively, or pursue any other remedy in any Sponsor Party's or HPP's, as applicable, power to pursue, it being acknowledged and agreed that the obligations of Guarantor hereunder are independent of the obligations of HPP and the Sponsor Parties, as applicable, hereunder, and neither any Sponsor Party, nor HPP, shall be required to make any demand upon, exercise any right to declare a default by, or proceed against, HPP or any Sponsor Party, respectively, prior to proceeding against Guarantor to the full extent of Guarantor's obligations hereunder;

(iii) any defense based on any legal disability of HPP or any Sponsor Party and any discharge, release or limitation of the liability of Hudson to any Sponsor Party, or of Sponsor Party to HPP, as applicable, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor relief proceeding, or from any other cause, or any claim that Guarantor's obligations exceed or are more burdensome than those of HPP or Sponsor Parties, as applicable;

(iv) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Agreement and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind, except to the extent expressly provided herein;

(v) any defense based on or arising out of any defense that HPP or any Sponsor Party, as applicable, may have to the payment or performance of any obligation set forth in this Agreement;

(vi) until all obligations under this Agreement have been paid and performed in full, all rights of subrogation and all rights to enforce any remedy that Guarantor may have against HPP or any Sponsor Party, as applicable, all regardless of whether Guarantor may have made any payments to Sponsor Party or HPP, as applicable;

(c) Guarantor assumes full responsibility for keeping informed of the financial condition and business operations of HPP and the Sponsor Parties, as applicable, and all other circumstances affecting HPP and Sponsor Party's ability to pay for and perform its Obligations and/or its obligations to Sponsor Parties or HPP, respectively, and agrees that the Sponsor Parties and HPP, respectively, shall have no duty to disclose to Guarantor any information which Sponsor Parties, on the one hand, HPP on the other hand, may receive about HPP or the Sponsor Parties' respective financial condition, business operations, or any other circumstances bearing on its ability to perform.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to conflicts of laws principles.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, incorporates all prior negotiations and understandings with respect to such subject matter and may be amended solely by an instrument in writing executed by all of the parties.

6. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same agreement.

7. Waiver of Jury. EACH OF SPONSOR AFFILIATE AND HPP, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT.

8. Third Parties Not Benefited. Nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any person or entity other than the parties and their respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation

or liability of any third person to any party to this Agreement, nor shall any provision of this Agreement give any third person any right of subrogation or action over or against any party to this Agreement.

9. Attorneys' Fees. If any action is brought hereunder or to enforce rights hereunder, the prevailing party(ies) shall be entitled to recover its attorneys' fees and costs from the other party(ies).

10. Pinnacle 2 Contribution. Pursuant to the terms of the Pinnacle 1 Transaction Documents, in the event that the Pinnacle 2 Property (as defined in the Operating Agreement) is contributed to the Company pursuant to the terms of the Pinnacle 2 Contribution Agreement, then Pinnacle 1 Lender shall release each of HPP and MDP Ventures from any Obligations under the Pinnacle 1 Recourse Documents, in each case, to the extent first occurring or arising from and after the date the Pinnacle 2 Property is so contributed (the date upon which the Pinnacle 1 Lender so releases HPP and MDP Ventures from any Obligations under the Pinnacle 1 Recourse Documents, the "Pinnacle 1 Guaranty Release Date"). In such event, then, the obligations of the parties hereunder shall terminate with respect to any Obligations under the Pinnacle 1 Recourse Guaranties to the extent first arising from and after the Pinnacle 1 Guaranty Release Date, it being understood and agreed that the obligations of the parties hereunder shall continue following the Pinnacle 1 Guaranty Release Date to the extent any Obligations are incurred by HPP or MDP Ventures hereunder in respect of any Obligations first arising or occurring prior to the Pinnacle 1 Guaranty Release Date. For the avoidance of doubt, in no event shall the terms of this Section 10 affect the obligations of the Members pursuant to Section 4.05(b), regardless of when arising.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

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HUDSON PACIFIC PROPERTIES, L.P.,
a Maryland limited partnership

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: _____
Name:
Its:

M. David Paul Ventures LLC,
a California limited liability company

By: _____
Name: Jeffery M. Worthe
Its: Manager

EXHIBIT A

PINNACLE 1 TRANSACTION DOCUMENTS

10. Loan Agreement, dated as of November __, 2012, between Pinnacle 1 Lender and Pinnacle 1 Property Owner.
 11. Promissory Note, dated as of November __, 2012, made by Pinnacle 1 Property Owner in favor of Pinnacle 1 Lender.
 12. Deed of Trust, Security Agreement, Assignment of Leases and Fixture Filing, dated as of November __, 2012, by Pinnacle 1 Property Owner, as grantor, to Chicago Title Company, a California corporation, as trustee, for the benefit of Pinnacle 1 Lender.
 13. Assignment of Leases and Rents, dated as of November __, 2012, from Pinnacle 1 Property Owner, as assignor, to Pinnacle 1 Lender, as assignee,
 14. Environmental Indemnity Agreement (Unsecured), dated as of November __, 2012, by Pinnacle 1Property Owner, Hudson LP, MDP Ventures, Pinnacle 1 Sponsor as Guarantor, in favor of Pinnacle 1 Lender.
 15. Assignment of Management Agreement and Subordination of Management Fees, dated as of November __, 2012, by the Company to Lender, and consented and agreed to by Property Manager.
 16. Guaranty of Recourse Obligations (Unsecured), dated as of November __, 2012, by Hudson LP, MDP Ventures and Pinnacle 1 Sponsor, for the benefit of Lender.
 17. Deposit Account Control Agreement, dated as of November __, 2012, by and among the Pinnacle 1 Property Owner, Pinnacle 1 Lender, and Wells Fargo Bank, National Association.
 18. Deposit Account Agreement, dated as of November __, 2012, by and among Wells Fargo Bank, National Association, Pinnacle 1 Property Owner and Pinnacle 1 Lender.
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EXHIBIT B-1

FORM OF PINNACLE 1 GUARANTY

GUARANTY OF RECOURSE OBLIGATIONS
(UNSECURED)

This GUARANTY OF RECOURSE OBLIGATIONS (UNSECURED) (this “**Guaranty**”) is made as of November 8, 2012 by **HUDSON PACIFIC PROPERTIES, L.P.**, a Maryland limited partnership (“**Hudson LP**”), having an address at 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025, **M. DAVID PAUL VENTURES LLC**, a California limited liability company (“**MDP**”), having an address at 100 Wilshire Boulevard, Suite 1600, Santa Monica, California 90401, and **HUDSON MC PARTNERS, LLC**, a Delaware limited liability company (“**MC Partners**”), having an address at 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025 (each, a “**Guarantor**” and collectively, “**Guarantors**”), for the benefit of **JEFFERIES LOANCORE LLC**, a Delaware limited liability company having an address at c/o LoanCore Capital, 80 Field Point Road, Greenwich, Connecticut 06830 (“**Lender**”).

RECITALS:

A. Pursuant to that certain Promissory Note, dated of even date herewith, executed by P1 Hudson MC Partners, LLC, a Delaware limited liability company (“**Borrower**”), and payable to the order of Lender in the original principal amount of One Hundred Twenty Nine Million and No/100 Dollars (\$129,000,000.00) (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Note**”), Borrower has become indebted, and may from time to time be further indebted, to Lender with respect to a loan (“**Loan**”) made pursuant to that certain Loan Agreement, of even date herewith between Borrower and Lender (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Loan Agreement**”), which Loan is secured by that certain Deed of Trust, Security Agreement, Assignment of Leases and Fixture Filing of even date herewith (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Security Instrument**”), and further evidenced, secured or governed by other instruments and documents executed in connection with the Loan (together with the Note, the Loan Agreement and Security Instrument, collectively, the “**Loan Documents**”).

B. Lender is not willing to make the Loan, or otherwise extend credit, to Borrower unless Guarantors unconditionally guarantee payment and performance to Lender of the Guaranteed Obligations (as herein defined).

C. Each Guarantor is the owner of a direct or indirect interest in Borrower, and each Guarantor will directly benefit from Lender’s making the Loan to Borrower.

D. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

NOW, THEREFORE, as an inducement to Lender to make the Loan to Borrower, and to extend such additional credit as Lender may from time to time extend under the Loan Documents, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

Section 1.1 **Guaranty of Guaranteed Obligations**. Guarantors hereby irrevocably and unconditionally guarantee to Lender and its successors and assigns the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Each Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. Notwithstanding the foregoing or anything contained herein to the contrary, in no event shall Hudson LP and MDP's collective liability for the Guaranteed Obligations hereunder exceed \$20,000,000 in the aggregate.

Section 1.2 **Definition of Guaranteed Obligations**. As used herein, the term "*Guaranteed Obligations*" means:

(a) losses, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against Lender, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)), costs, expenses, liabilities (including, without limitation, strict liability), claims, obligations, settlement payments, penalties, fines, assessments, citations, litigation, demands, defenses, judgments, suits, proceedings or other expenses of any kind whatsoever incurred or suffered by Lender (including reasonable attorneys' fees and expenses and court costs) arising out of or in connection with the following:

- (i) fraud or intentional misrepresentation by or on behalf of Borrower, Guarantor, or any Affiliate of any of them in connection with the Loan or the Property;
 - (ii) willful misconduct of Borrower, Guarantors or any Affiliate of any of them in connection with the Loan or the Property;
 - (iii) breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity, the Loan Agreement or the Security Instrument concerning Environmental Statutes or Hazardous Substances;
 - (iv) intentional physical waste of the Property by any Restricted Party;
 - (v) the intentional removal or disposal of any portion of the Property after an Event of Default by Borrower, Guarantors, or any Affiliate of either of the foregoing entities;
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(vi) breach of any Legal Requirement (including RICO) mandating the forfeiture by Borrower of the Property, or any portion thereof, because of the conduct or purported conduct of criminal activity by Borrower or any Restricted Party in connection therewith;

(vii) any misrepresentation, misleading or incorrect certification or breach of any representation, warranty or certification contained in this Guaranty or any other Loan Document or in any document executed in connection therewith, pursuant to any of the Loan Documents or otherwise to induce Lender to make the Loan, or any advance thereof, or to release monies from any account held by Lender (including any reserve or escrow) or to take other action with respect to the Collateral;

(viii) misapplication, misappropriation or conversion by or on behalf of Borrower of (A) any Insurance Proceeds, (B) any Awards, (C) any Rents, (D) any Rents paid more than one (1) month in advance, or (E) any other monetary collateral for the Loan;

(ix) failure to pay charges for Taxes, Other Charges, labor or materials or judgments that can create Liens on any portion of the Property, unless such charges are the subject of a bona fide dispute in which Borrower is contesting the amount or validity thereof in accordance with the terms of the Loan Agreement; provided, however, there shall be no recourse liability pursuant to this clause (ix) for any losses of Lender first arising after the Applicable Date (as defined below) to the extent (a) such loss arises due to the failure of the Property to produce sufficient cash flow to pay for such amounts, and (b) there are insufficient funds in the applicable Reserve Account to pay such amounts;

(x) failure to deliver to Lender any security deposits, advance deposits or any other deposits collected with respect to the Property upon a foreclosure of the Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof;

(xi) failure by Borrower to obtain and maintain, from time to time, the fully paid for insurance policies in accordance with the terms hereof; provided, however, there shall be no recourse liability pursuant to this clause (xi) for any losses of Lender first arising after the Applicable Date (as defined below) to the extent (a) such loss arises due to the failure of the Property to generate sufficient income to maintain the insurance policies required by the Loan Agreement in force and (b) there are insufficient funds in the applicable Reserve Account to pay the premiums for such insurance policies;

(xii) Any Restricted Party shall contest, or direct any other Person to contest, the validity or enforceability of any Loan Document or any portion thereof, or the Lender's security interest in the Property and/or shall assert any defense or take any action for the purpose of delaying, hindering or impairing Lender's enforcement of its rights or remedies under Loan Documents or the realization on any security provided for the Loan, other than a successful good faith assertion of a defense of full payment and/or full performance of an Obligation;

(xiii) Borrower failing to comply (other than a failure described in Section 1.2 (b) (H) of this Guaranty) with any representation, warranty or covenant set forth in Section 4.1.30 of the Loan Agreement or failure by Borrower to maintain its status as a Special Purpose Entity (unless such failure is de minimis and promptly cured), as required by, and in accordance with, the terms and provisions of the Loan Agreement or the Security Instrument; provided, however, that notwithstanding the foregoing, there shall be no liability to Borrower or Guarantors resulting from Borrower's failure to comply with clause (xxxiv) of the definition of Special Purpose Entity as set forth in the Loan Agreement, solely to the extent there is insufficient cash flow from the Property to pay the taxes required to be paid by Borrower pursuant to such clause (xxxiv); or

(xiv) Borrower's indemnifications of Lender set forth in Section 9.2 of the Loan Agreement.

As used in clauses (ix) and (xi) above, "Applicable Date" shall mean the date on which (A) Borrower tenders to Lender (whether or not Lender accepts such tender) an unconditional deed-in-lieu of foreclosure for the Property together with evidence reasonably satisfactory to Lender that (i) there are no Liens on the Property that do not constitute Permitted Encumbrances and (ii) the Property is in compliance with the Environmental Indemnity, or (B) Lender acquires title to the Property through completion of a foreclosure action and Borrower has surrendered possession of the Property to Lender.

(b) the entire amount of the Debt in the event of: (A) Borrower or a Guarantor filing a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law; (B) the filing of an involuntary petition against Borrower or a Guarantor under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, in which any Restricted Party (by way of example, but not limitation, such Person seeks the appointment of a receiver or files a bankruptcy petition), consents to, aids, solicits, supports, or otherwise cooperates or colludes to cause such condition or event; (C) any Restricted Party filing an answer consenting to or otherwise acquiescing or joining in any involuntary petition filed against Borrower or a Guarantor, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (D) any Restricted Party consenting to or otherwise acquiescing or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for Borrower or any portion of the Property; (E) Borrower or a Guarantor making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding (unless failure to make such admission would be a violation of law), its insolvency or inability to pay its debts as they become due; (F) Borrower failing to obtain Lender's prior written consent to any Indebtedness or voluntary Lien encumbering the Property as required by the Loan Agreement or the Security Instrument; (G) Borrower failing to obtain Lender's prior written consent to any Transfer, as required by the Loan Agreement or the Security Instrument; (H) (i) Borrower failing to comply with any representation, warranty or covenant set forth in Section 4.1.30 of the Loan Agreement or failing to maintain its status as a Single Purpose Entity, as required by, and in accordance with, the terms and provisions of the Loan Agreement or the Security Instrument, and (ii) the substantive consolidation of Borrower or the Property into the bankruptcy estate of another Person; provided, however, that notwithstanding the foregoing, there shall be no liability to Borrower or Guarantors resulting from Borrower's failure to comply with clause (xxxiv) of the definition of Special Purpose Entity as set forth in the Loan

Agreement, solely to the extent there is insufficient cash flow from the Property to pay the taxes required to be paid by Borrower pursuant to such clause (xxxiv); (I) the first Monthly Debt Service Payment Amount is not paid when due.

Notwithstanding anything to the contrary in this Guaranty or in any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506 (a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Debt or to require that all collateral shall continue to secure all of the Debt owing to Lender in accordance with the Loan Documents. Each Guarantor expressly waives any defense or benefits arising out of any voluntary or involuntary filing by or on behalf of Borrower for protection under any federal or state bankruptcy, insolvency, or debtor relief laws, including without limitation under Sections 364 or 1111(b)(2) of the Bankruptcy Code.

Section 1.3 **Nature of Guaranty**. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantors and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by a Guarantor and after (if Guarantor is a natural person) such Guarantor's death (in which event this Guaranty shall be binding upon such Guarantor's estate and such Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantors to Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

Section 1.4 **Guaranteed Obligations Not Reduced by Offset**. The Guaranteed Obligations and the liabilities and obligations of Guarantors to Lender hereunder, shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower, or any other party, against Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 1.5 **Payment By Guarantor**. If all or any part of the Guaranteed Obligations shall not be paid when due, whether at demand, maturity, acceleration or otherwise, Guarantors shall, immediately upon demand by Lender, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity, or any other notice whatsoever (except for notices expressly provided for in this Guaranty or in any of the other Loan Documents, which shall not be waived), all such notices being hereby waived by Guarantors pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Lender at Lender's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations, and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.6 **No Duty To Pursue Others**. It shall not be necessary for Lender (and each Guarantor hereby waives any rights which such Guarantor may have to require Lender),

in order to enforce the obligations of Guarantors hereunder, first to (a) institute suit or exhaust its remedies against Borrower or others liable on the Loan or the Guaranteed Obligations or any other Person, (b) enforce Lender's rights against any collateral which shall ever have been given to secure the Loan, (c) enforce Lender's rights against any other guarantors of the Guaranteed Obligations, (d) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (e) exhaust any remedies available to Lender against any collateral which shall ever have been given to secure the Loan, or (f) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.7 **Waivers**. Each Guarantor agrees to the provisions of the Loan Documents, and hereby waives to the fullest extent now or hereafter not prohibited by applicable law (I) notice of (a) any loans or advances made by Lender to Borrower, (b) acceptance of this Guaranty, (c) any amendment or extension of the Note, the Loan Agreement or any other Loan Document, (d) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Property, (e) the occurrence of (X) any breach by Borrower of any of the terms or conditions of the Loan Agreement or any other Loan Documents, or (Y) an Event of Default, (f) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (g) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (h) protest, proof of non-payment or default by Borrower, and (i) any other action at any time taken or omitted by Lender, and, generally, all demands and notices of every kind in connection with this Guaranty, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and/or the obligations hereby guaranteed (except for notices expressly provided for in this Guaranty or in any of the other Loan Documents), (II) all suretyship defenses and defenses in the nature thereof, (III) any right or claim of right to cause a marshalling of the assets of Borrower or of any collateral for the Loan, or to cause Lender to proceed against any of the other security for the Recourse Obligations or the Obligations of Borrower before proceeding under this Guaranty against such Guarantor, or, if there shall be more than one Guarantor, to require Lender to proceed against any other Guarantor or any of the Guarantors in any particular order, (IV) the right to assert a counterclaim, other than a mandatory or compulsive counterclaim, in any action or proceeding brought against or by such Guarantor, (V) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons, (VI) any defense based upon an election of remedies by Lender, (VII) any duty on the part of Lender to disclose to Guarantors any facts Lender may now or hereafter know about Borrower, any Tenant, or the Property, regardless of whether Lender has reason to believe that any such facts materially increase the risk beyond that which Guarantors intend to assume or has reason to believe that such facts are unknown to Guarantors or has a reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors are fully responsible for being and keeping informed of the financial condition of Borrower, any Tenant or of the condition of the Property and of any and all circumstances bearing on the risk that liability may be incurred by Guarantors hereunder; (VIII) any lack of notice of disposition or of manner of disposition of any collateral for the Loan, (IX) any invalidity, irregularity or unenforceability, in

whole or in part, of any one or more of the Loan Documents, (X) any lack of commercial reasonableness in dealing with the collateral for the Loan, (XI) any deficiencies in the collateral for the Loan or any deficiency in the ability of Lender to collect or to obtain performance from any persons or entities now or hereafter liable for the payment and performance of any obligation hereby guaranteed, (XII) an assertion or claim that the automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of Borrower) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any of its rights, whether now or hereafter required, which Lender may have against a Guarantor or the collateral for the Loan, and (XIII) any modifications of the Loan Documents or any obligation of Borrower relating to the Loan by operation of law or by action of any court, whether pursuant to the Bankruptcy Code, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, or otherwise.

Section 1.8 **No Impairment**. The liability of Guarantors hereunder shall in no way be limited, expanded or impaired by, and Guarantors hereby assent to and agree to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor or any person who succeeds Borrower as owner of the Property. In addition, the liability of Guarantors under this Guaranty and the other Loan Documents shall in no way be limited, expanded or impaired by:

- A. any acceleration of the Loan or any extensions of time for performance required by any of the Loan Documents;
 - B. any amendment to or modification of any of the Loan Documents;
 - C. any sale or assignment of the Loan or any sale, assignment or foreclosure of the Security Instrument or any sale, transfer or exchange of all or part of the Property;
 - D. any exculpatory, or nonrecourse, or limited recourse, provision in any of the Loan Documents limiting Lender's recourse to the Property encumbered by the Security Instrument or to any other property or limiting Lender's rights to a deficiency judgment against Borrower or any other person or entity;
 - E. the accuracy or inaccuracy of the representations and warranties made by or on behalf of each Guarantor herein or by or on behalf of Borrower, or any affiliate or successor of Borrower in any of the Loan Documents;
 - F. the release of Borrower, any affiliate or successor of Borrower or of any other person or entity from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act or otherwise;
 - G. the filing of any bankruptcy or reorganization proceeding by or against Borrower, any affiliate or successor of Borrower or any subsequent owner of the Property;
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- H. the release or substitution in whole or in part of any collateral or security for the Obligations or the Recourse Obligations;
- I. Lender's failure to record the Security Instrument or file any UCC financing statements, or Lender's improper recording or filing of any thereof, or Lender's failure to otherwise perfect, protect, secure, or insure any security interest or lien given as security for the Obligations;
- J. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents;
- K. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity;
- L. any change in the composition of Borrower, including, without limitation, the withdrawal or removal of the beneficial owner from any current or future position of ownership, management or control of Borrower; or
- M. the taking or failure to take any action of any type whatsoever.

Any of the foregoing may be accomplished with or without notice to Borrower or Guarantors (except as may be expressly required pursuant to the Loan Documents) and with or without consideration.

Section 1.9 **Payment of Expenses**. In the event that a Guarantor should breach or fail to timely perform any provisions of this Guaranty, such Guarantor shall, immediately upon demand by Lender, pay Lender all costs and expenses (including court costs and attorneys' fees and costs) incurred by Lender in the enforcement hereof or the preservation of Lender's rights hereunder together with interest thereon at the Default Rate from the date requested by Lender until the date of payment to Lender. The covenant contained in this Section 1.9 shall survive the payment and performance of the Guaranteed Obligations.

Section 1.10 **Effect of Bankruptcy**. In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Lender must rescind or restore any payment, or any part thereof, received by Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantors by Lender shall be without effect, and this Guaranty shall remain (or shall be reinstated to be) in full force and effect. It is the intention of Borrower and Guarantors that Guarantors' obligations hereunder shall not be discharged except by Guarantors' performance of such obligations and then only to the extent of such performance.

Section 1.11 **Waiver of Subrogation, Reimbursement and Contribution**. Notwithstanding anything to the contrary contained in this Guaranty, each Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating such Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for

payment of any or all of the Guaranteed Obligations for any payment made by Guarantors under or in connection with this Guaranty or otherwise.

Section 1.12 **Delay Not Waiver**. No delay on Lender's part in exercising any right, power or privilege hereunder or under any of the Loan Documents shall operate as a waiver of any such privilege, power or right. No waiver by Lender in any instance shall constitute a waiver in any other instance

Section 1.13 **Borrower/Guarantor**. The term "Borrower" or "Guarantor" as used herein shall include any new or successor corporation, association, partnership (general or limited), limited liability company, joint venture, trust or other individual or organization formed as a result of any merger, reorganization, sale, transfer, devise, gift or bequest of Borrower or Guarantor, as the case may be, or any interest in Borrower or a Guarantor, as the case may be.

Section 1.14 **Release of Guarantors**. Hudson LP and MDP shall be automatically released from their obligations under this Guaranty on the date that each of the following conditions are satisfied (such date, the "***Guarantor Release Date***"): (x) MC Partners completes, whether directly or through one or more subsidiaries, the acquisition of certain real property and the improvements thereon located in Burbank, California commonly known as 3300 West Olive Avenue (the "***Pinnacle II Property***") and (y) Lender reasonably determines, based on the receipt of, amongst other things, a certificate signed by an officer of MC Partners that, following the acquisition of the Pinnacle II Property, the Net Worth of MC Partners (including any Net Worth attributable to the direct or indirect ownership of the Property) is at least \$20,000,000 and that MC Partners shall have Liquid Assets of at least \$4,000,000 (provided that for purposes hereof, the Liquid Assets of Borrower, including any amounts constituting the Reserve Funds, shall constitute Liquid Assets of MC Partners). Lender shall confirm in writing that Hudson LP and MDP are released from their obligations hereunder upon satisfaction of the conditions of the foregoing sentence pursuant to Lender's then standard form of release agreement with such changes as are requested by Hudson LP and MDP and are reasonably satisfactory to Lender. In the event that Hudson LP and MDP are released from their obligations hereunder, MC Partners hereby acknowledges and agrees that it is liable as Guarantor hereunder solely in accordance with the terms and conditions hereof, whether or not such liability arises as a result of the action or inaction of either of Hudson LP or MDP.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantors hereby consents and agrees to each of the following, and agrees that Guarantors' obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable, statutory or other rights (including without limitation rights to notice, except notices expressly provided for in this Guaranty or in any other Loan Document) which a Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 **Modifications/Sales**. Any renewal, extension, increase, modification, alteration or rearrangement, made pursuant to the terms of the Loan Documents, of all or any part of the Guaranteed Obligations, the Note, the Security Instrument, the Loan Agreement, the other Loan Documents or any other document, instrument, contract or understanding between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations, or any sale, assignment or foreclosure of the Note, the Loan Agreement, the Security Instrument, or any other Loan Documents or any sale or transfer of the Property, or any failure of Lender to notify Guarantors of any such action.

Section 2.2 **Adjustment**. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or Guarantors.

Section 2.3 **Condition of Borrower or Guarantors**. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantors or any other Person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantors, or any sale, lease or transfer of any or all of the assets of Borrower or Guarantors, or any changes in the shareholders, partners or members, as applicable, of Borrower or Guarantors; or any reorganization of Borrower or Guarantors.

Section 2.4 **Invalidity of Guaranteed Obligations**. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations, or any document or agreement executed in connection with the Guaranteed Obligations, for any reason whatsoever, including without limitation the fact that (a) the Guaranteed Obligations, or any part thereof, exceed the amount permitted by Legal Requirements, (b) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (c) the officers or representatives executing the Note, the Security Instrument, the Loan Agreement or the other Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (d) the Guaranteed Obligations violate applicable usury laws, (e) the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, (f) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations, or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (g) the Note, the Security Instrument, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantors shall remain liable hereon regardless of whether Borrower or any other Person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 **Release of Obligors**. Any full or partial release of the liability of Borrower for the Guaranteed Obligations, or any part thereof, or of any co-guarantors, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantors that a Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other

Person, and Guarantors have not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other Persons (including Borrower) will be liable to pay or perform the Guaranteed Obligations, or that Lender will look to other Persons (including Borrower) to pay or perform the Guaranteed Obligations.

Section 2.6 **Other Collateral**. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 **Release of Collateral**. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

Section 2.8 **Care and Diligence**. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of Lender (a) to take or prosecute any action for the collection of any of the Guaranteed Obligations or (b) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (c) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

Section 2.9 **Unenforceability**. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by each Guarantor that Guarantors are not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the collateral for the Guaranteed Obligations.

Section 2.10 **Representation**. The accuracy or inaccuracy of the representations and warranties made by each Guarantor herein or by Borrower in any of the Loan Documents.

Section 2.11 **Offset**. The Note, the Guaranteed Obligations and the liabilities and obligations of Guarantors to Lender hereunder shall not be reduced, discharged or released by reason of any existing or future right of offset, claim or defense of Borrower against Lender, or any other Person, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 2.12 **Merger**. The reorganization, merger or consolidation of Borrower or Guarantors into or with any Person.

Section 2.13 **Preference**. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws, or for any reason Lender is required to refund such payment or pay such amount to Borrower or to any other Person.

Section 2.14 **Other Actions Taken or Omitted**. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices Guarantors or increases the likelihood that Guarantors will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantors that Guarantors shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

Section 2.15 **Ability to Enforce Certain Environmental Claims**. Nothing contained in this Guaranty shall prevent or in any way diminish or interfere with any rights or remedies, including, without limitation, the right to contribution, which Lender may have against Borrower, Guarantors or any other party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified at Title 42 U.S.C. §9601 et seq.) as it may be amended from time to time, or any other applicable federal, state or local laws, all such rights being hereby expressly reserved.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into the Loan Documents and extend credit to Borrower, Guarantor represents and warrants to Lender as follows:

Section 3.1 **Benefit**. Each Guarantor is an Affiliate of Borrower, is the owner of a direct or indirect interest in Borrower, and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 **Familiarity and Reliance**. Each Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of the Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Note or Guaranteed Obligations; however, Guarantors are not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

Section 3.3 **No Representation By Lender**. Neither Lender nor any other party has made any representation, warranty or statement to Guarantors in order to induce the Guarantors to execute this Guaranty.

Section 3.4 **Guarantors' Financial Condition**. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, each Guarantor is, and will be, solvent, and has and will have assets which, fairly valued, exceed its obligations,

liabilities (including contingent liabilities) and debts, and has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations. In addition, true and complete copies of the financial statements of each Guarantor have been delivered to Lender and each of the same are true, accurate and complete in all material respects and fairly present such Guarantor's financial condition as of the dates thereof and no material and adverse change has occurred in such Guarantor's financial condition or business since the respective dates thereof; and each financial statement of each Guarantor submitted in the future shall be true, accurate and complete in all material respects and shall fairly present such Guarantor's financial condition as of the dates thereof.

Section 3.5 **Legality**. The execution, delivery and performance by each Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not, and will not, contravene or conflict with any law, statute or regulation whatsoever to which such Guarantor is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, deed of trust, charge, lien, or any material contract, agreement or other instrument to which Guarantor is a party or which may be applicable to such Guarantor. This Guaranty is a legal and binding obligation of each Guarantor and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.6 **No Violation**. The payment and performance by each Guarantor of such Guarantor's obligations under the Loan Agreement and this Guaranty do not and shall not constitute a violation of any law, order, regulation, or material contract or agreement to which such Guarantor is a party or by which such Guarantor or such Guarantor's property may be bound.

Section 3.7 **No Litigation**. There is no material litigation now pending or, to the best of each Guarantor's knowledge threatened in writing, against such Guarantor which, if adversely decided would materially impair the ability of such Guarantor to pay and perform Guarantor's obligations under the Loan Agreement or this Guaranty. There is no litigation (whether or not material) pending, or threatened in writing, against a Guarantor in which the amount in controversy exceeds \$250,000 which is not either: (i) covered by adequate insurance, or (ii) previously disclosed in writing to Lender together with a written explanation of why such litigation is not material.

Section 3.8 **Entity Matters**. Hudson Pacific Properties, L.P. is a duly formed, validly existing limited partnership organized and in good standing under the laws of Maryland, and duly qualified to do business and in good standing under the laws of each jurisdiction where such qualification is required based on Hudson Pacific Properties, L.P.'s business, has all requisite power and authority to conduct its business and to own its property as now conducted or owned, and is qualified to do business in all jurisdictions where the nature and extent of its business is such that qualification is required by law. M. David Paul Ventures LLC is a duly formed, validly existing limited liability company organized and in good standing under the laws of California, and duly qualified to do business and in good standing under the laws of each jurisdiction where such qualification is required based on M. David Paul Ventures LLC's business, has all requisite power and authority to conduct its business and to own its property as now conducted or owned, and is qualified to do business in all jurisdictions where the nature and extent of its business is such that

qualification is required by law. Hudson MC Partners, LLC is a duly formed, validly existing limited liability company organized and in good standing under the laws of Delaware, and duly qualified to do business and in good standing under the laws of each jurisdiction where such qualification is required based on Hudson MC Partners, LLC's business, has all requisite power and authority to conduct its business and to own its property as now conducted or owned, and is qualified to do business in all jurisdictions where the nature and extent of its business is such that qualification is required by law

Section 3.9 **Material Economic Benefit**. The granting of the Loan to Borrower will constitute a material economic benefit to Guarantor.

Section 3.10 **Survival**. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE IV

SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.1 **Subordination of All Guarantor Claims**. As used herein, the term “ *Guarantor Claims* ” shall mean all debts and liabilities of Borrower to Guarantors, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantors. The Guarantor Claims shall include without limitation all rights and claims of each Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of such Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as any portion of the Debt or the Guaranteed Obligations remain outstanding, Guarantors shall not receive or collect, directly or indirectly, from Borrower or any other Person any amount upon the Guarantor Claims.

Section 4.2 **Claims in Bankruptcy**. In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceeding involving a Guarantor as a debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Each Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application against the Guaranteed Obligations, any such dividend or payment which is otherwise payable to a Guarantor, and which, as between Borrower and Guarantor, shall constitute a credit against the Guarantor Claims, then upon payment to Lender in full of the Guaranteed Obligations, such Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

Section 4.3 **Payments Held in Trust**. Notwithstanding anything to the contrary in this Guaranty, in the event that a Guarantor shall receive any funds, payments, claims or distributions which are prohibited by this Guaranty, such Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims and/or distributions so received except to pay such funds, payments, claims and/or distributions promptly to Lender, and such Guarantor covenants promptly to pay the same to Lender.

Section 4.4 **Liens Subordinate**. Each Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, no Guarantor shall (a) exercise or enforce any creditor's rights it may have against Borrower, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or the joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Borrower held by such Guarantor.

ARTICLE V

COVENANTS

Section 5.1 **Definitions**. As used in this Article 5, the following terms shall have the respective meanings set forth below:

(a) “***Consolidated Subsidiaries***” shall mean each Subsidiary of each Guarantor, the financial statements of which shall be (or should have been) consolidated with the financial statements of Guarantor in accordance with GAAP.

(b) “***GAAP***” shall mean generally accepted accounting principles, consistently applied.

(c) “***Liquid Assets***” shall mean assets in the form of cash, cash equivalents, obligations of (or fully guaranteed as to principal and interest by) the United States or any agency or instrumentality thereof (provided the full faith and credit of the United States supports such obligation or guarantee), certificates of deposit issued by a commercial bank having net assets of not less than \$500 million, securities listed and traded on a recognized stock exchange or traded over the counter and listed in the National Association of Securities Dealers Automatic Quotations, or liquid debt instruments that have a readily ascertainable value and are regularly traded in a recognized financial market.

(d) “ **Net Worth** ” shall mean, as of a given date, (x) the total assets of a Guarantor as of such date less (y) such Guarantor’s total liabilities as of such date, determined in accordance with GAAP.

(e) “ **Subsidiary** ” shall mean any Affiliate of Guarantor that is controlled by Guarantor.

Section 5.2 **Covenants**.

(a) From and after the date hereof, through, but not including the Guarantor Release Date (or in the event that the Guarantor Release Date does not occur, until all of the Obligations and the Guaranteed Obligations have been paid in full), (i) Guarantors shall collectively at all times maintain a Net Worth of at least \$20,000,000 (excluding any Net Worth attributable to the direct or indirect ownership of the Property), (ii) Guarantors shall collectively at all times maintain Liquid Assets of at least \$4,000,000, (iii) Guarantors shall deliver to Lender within ten (10) Business Days of receipt, copies of any default notices received by a Guarantor in respect of any Indebtedness of such Guarantor and (iv) Guarantors shall deliver to Lender, concurrently with the delivery of each quarterly or annual financial statement required to be delivered by each Guarantor hereunder, a certificate signed by an officer of such Guarantor setting forth in reasonable detail such Guarantor’s Net Worth and Liquid Assets, based on such financial statement.

(b) From and after the Guarantor Release Date and until all of the Obligations and the Guaranteed Obligations have been paid in full, (i) MC Partners shall at all times maintain a Net Worth of at least \$20,000,000 (including any Net Worth attributable to the direct or indirect ownership of the Property), (ii) MC Partners shall at all times maintain Liquid Assets in an amount equal to \$4,000,000, less the amount of Liquid Assets (which, for the purpose hereof, shall include any amounts constituting the Reserve Funds) of Borrower, (iii) MC Partners shall deliver to Lender within ten (10) Business Days of receipt, copies of any default notices received by MC Partners in respect of any Indebtedness of MC Partners and (iv) MC Partners shall deliver to Lender, concurrently with the delivery of each quarterly or annual financial statement required to be delivered by MC Partners hereunder, a certificate signed by an officer of MC Partners setting forth in reasonable detail (y) MC Partners’ Net Worth and Liquid Assets, based on such financial statement, and (z) the Borrower’s Liquid Assets based on the Borrower’s financial statements delivered pursuant to the Loan Agreement.

(c) Notwithstanding the foregoing, if at any time Hudson Pacific Properties, Inc. does not own, directly or indirectly, at least twenty percent (20%) of the ownership interests in Borrower, the provisions of Section 5.2(a) and (b) above shall continue to apply, but with a Net Worth threshold of \$50,000,000 instead of the \$20,000,000 threshold set forth in Section 5.2(a) and (b) above and a Liquid Assets threshold of \$7,000,000 instead of the \$4,000,000 threshold set forth in Section 5.2(a) and (b) above.

Section 5.3 **Prohibited Transactions**. No Guarantor shall, at any time while a default in the payment of the Guaranteed Obligations has occurred and is continuing, either (i) enter into or effectuate any transaction with any Affiliate, including the payment of any dividend or distribution to a shareholder, or the redemption, retirement, purchase or other acquisition for

consideration of any stock in such Guarantor or (ii) sell, pledge, mortgage or otherwise transfer to any Person any of such Guarantor's assets, or any interest therein, in either case, which could reasonably be expected to have the effect of reducing the collective Net Worth of Guarantors below the level required in Section 5.2 hereof.

ARTICLE VI

MISCELLANEOUS

Section 6.1 **Waiver**. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor consent to departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 6.2 **Notices**. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "***Notice***") required, permitted or desired to be given hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier, addressed to the party to be so notified at its address hereinafter set forth, or to such other addresses as such party may hereafter specify in accordance with the provisions of this Section 6.2. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (c) on date of delivery if sent by an overnight commercial courier, in each case addressed to the parties as follows:

Guarantor:	Hudson Pacific Properties, L.P. 11601 Wilshire Boulevard, Suite 1600 Los Angeles, California 90025 Attention: Alex Vouvalides and Mark Lammas Facsimile No.: (310) 445-5710
with a copy to :	Gibson, Dunn & Crutcher, LLP 2029 Century Park East Los Angeles, California 90067 Attention: Jesse Sharf Facsimile No.: (213) 229-6638
and:	Hudson MC Partners, LLC 11601 Wilshire Boulevard, Suite 1600 Los Angeles, California 90025 Attention: Alex Vouvalides and Mark Lammas Facsimile No.: (310) 445-5710

with a copy to : Gibson, Dunn & Crutcher, LLP
2029 Century Park East
Los Angeles, California 90067
Attention: Jesse Sharf
Facsimile No.: (213) 229-6638

and: M. David Paul Ventures LLC
100 Wilshire Boulevard, Suite 1600

Santa Monica, California 90401
Attention: Jeffrey M. Worthe
Facsimile No.: (310) 458-2644

with copy to: Skadden, Arps, Slate, Meagher & Flom, LLP

300 South Grand Avenue
Los Angeles, California 90071
Attention: Meryl K Chae
Facsimile No.: (213) 621-5035

Lender: Jefferies LoanCore LLC
c/o LoanCore Capital
80 Field Point Road
Greenwich, Connecticut 06830
Attention: Perry Gershon
Facsimile No. (203) 861-6006
E-Mail: PGershon@LoanCoreCapital.com

with a copy to: Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attention: Stephen Gliatta, Esq.
Facsimile No. (212) 836-8689
E-mail: Steve.Gliatta@kayescholer.com

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section 6.2. Notices shall be deemed to have been given on the date set forth above, even if there is an inability to actually deliver any Notice because of a changed address of which no Notice was given or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Lender may also be given by any servicer which Lender empowers to send such Notices on its behalf.

Section 6.3 **Governing Law**. (a) This Guaranty shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

(b) WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THIS GUARANTY (EACH, A “***PROCEEDING***”), EACH GUARANTOR

IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF NEW YORK, COUNTY OF NEW YORK AND STATE OF NEW YORK, AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. NOTHING IN THIS GUARANTY SHALL PRECLUDE LENDER FROM BRINGING A PROCEEDING IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A PROCEEDING IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A PROCEEDING IN ANY OTHER JURISDICTION. EACH GUARANTOR FURTHER AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY PROCEEDING IN ANY NEW YORK STATE OR UNITED STATES COURT SITTING IN THE CITY OF NEW YORK AND COUNTY OF NEW YORK MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO BORROWER AT THE ADDRESS INDICATED IN THIS GUARANTY, AND SERVICE SO MADE SHALL BE COMPLETE UPON RECEIPT; EXCEPT THAT IF BORROWER SHALL REFUSE TO ACCEPT DELIVERY, SERVICE SHALL BE DEEMED COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

Section 6.4 **Invalid Provisions**. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 6.5 **Amendments**. This Guaranty may be amended only by an instrument in writing executed by the party or an authorized representative of the party against whom such amendment is sought to be enforced.

Section 6.6 **Parties Bound; Assignment; Joint and Several**. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. Lender may sell, assign, pledge, participate, transfer or delegate, as applicable to one or more Persons all or a portion of its rights and obligations under this Guaranty in connection with any assignment, sale, pledge, participation or transfer of the Loan and the Loan Documents. Any assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Guaranty, no Guarantor shall have the right to delegate, assign or transfer its rights or obligations under this Guaranty without the prior written consent of Lender, and any attempted assignment, delegation or transfer without such consent shall be null and void. If a Guarantor consists of more than one Person or party, the obligations of each such Person or party under this Guaranty shall be joint and several.

Section 6.7 **Headings**. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 6.8 **Recitals**. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 6.9 **Counterparts**. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all Persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

Section 6.10 **Rights and Remedies**. If a Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against such Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 6.11 **Entirety**. THIS GUARANTY EMBODIES THE FINAL AND ENTIRE AGREEMENT OF GUARANTORS AND LENDER WITH RESPECT TO GUARANTORS' GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTORS AND LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THIS GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTORS AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTORS AND LENDER.

Section 6.12 **Judicial Reference**. GUARANTORS AND LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ANY ACTION TO RESOLVE A DISPUTE RELATING TO OR ARISING OUT OF THIS GUARANTY SHALL BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO SECTION 638, ET SEQ., OF THE CALIFORNIA CODE OF CIVIL PROCEDURE AND GUARANTORS AND LENDER SHALL ATTEMPT TO SELECT AND PROPOSE JOINTLY TO THE COURT A MUTUALLY AGREEABLE RETIRED JUDGE AS A REFEREE AND, FAILING THAT, EACH OF

GUARANTOR AND LENDER SHALL RECOMMEND TO THE COURT A LIST OF RETIRED JUDGES WHO MAY SERVE AS THE REFEREE. GUARANTORS AND LENDER KNOWINGLY AND IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION TO RESOLVE ANY DISPUTE RELATING TO OR ARISING OUT OF THIS GUARANTY OR ANY PART THEREOF; AND IN CONNECTION WITH THIS GUARANTY, EACH OF GUARANTOR AND LENDER REPRESENTS THAT IT HAS DISCUSSED SUCH WAIVER WITH ITS OWN INDEPENDENT COUNSEL AND HAS RELIED ON ADVICE OF ITS COUNSEL AND MAKES SUCH WAIVER KNOWINGLY AND VOLUNTARILY.

Section 6.13 Cooperation. Guarantors acknowledge that Lender and its successors and assigns may (i) sell this Guaranty, the Note and the other Loan Documents to one or more investors as a whole loan, (ii) participate the Loan secured by this Guaranty to one or more investors, (iii) deposit this Guaranty, the Note and the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (iv) otherwise sell the Loan or one or more interests therein to investors (the transactions referred to in clauses (i) through (iv) are hereinafter each referred to as “ **Secondary Market Transaction** ”). Subject to Sections 9.2 and 9.4 of the Loan Agreement, each Guarantor shall cooperate with Lender in effecting any such Secondary Market Transaction and shall cooperate to implement all requirements imposed by any Rating Agencies involved in any Secondary Market Transaction. Each Guarantor shall provide such information and documents relating to such Guarantor, Borrower, the Property and any tenants of the Property as Lender may reasonably request in connection with such Secondary Market Transaction. In addition, each Guarantor shall make available to Lender all information concerning its business and operations that Lender may reasonably request. Lender shall be permitted to share all such information with the investment banking firms, Rating Agencies, accounting firms, law firms and other third-party advisory firms involved with the Loan and the Loan Documents or the applicable Secondary Market Transaction. It is understood that the information provided by Guarantors to Lender including any and all financial statements provided to Lender pursuant to Section 5.2 hereof may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors or potential investors may also see some or all of the information. Lender and all of the aforesaid third-party advisors and professional firms shall be entitled to rely on the information supplied by, or on behalf of, each Guarantor in the form as provided by such Guarantor. Lender may publicize the existence of the Loan in connection with its marketing for a Secondary Market Transaction or otherwise as part of its business development.

Section 6.14 Reinstatement in Certain Circumstances. If at any time any payment of the principal of or interest under the Note or any other amount payable by the Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, the Guarantors' obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 6.15 Gender; Number; General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this

Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, (c) the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or interest therein", (d) the word "Lender" shall mean "Lender and any subsequent holder of the Note", (e) the word "Note" shall mean "the Note and any other evidence of indebtedness secured by the Loan Agreement, as amended, restated or otherwise modified", (f) the word "Property" shall include any portion of the Property and any interest therein, and (g) the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Lender in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder.

Section 6.16 **No Waiver: Time of Essence**. The failure of any party hereto to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not constitute a waiver thereof nor give rise to any estoppel against such party nor excuse any of the parties hereto from their respective obligations hereunder. Any waiver of such right or remedy must be in writing and signed by the party to be bound. This Guaranty is subject to enforcement at law or in equity, including actions for damages or specific performance. Time is of the essence hereof.

Section 6.17 **Legal Fees, Costs and Expenses**. Each Guarantor further agrees to pay upon demand all costs and expenses reasonably incurred by Lender or its successors or assigns in connection with enforcing any of the rights or remedies of Lender, or such successors or assigns, under or with respect to this Guaranty including, but not limited to, attorneys' fees and the out-of-pocket expenses and disbursements of such attorneys. Any such amounts which are not paid within fifteen (15) days of demand therefor shall bear interest at the Default Rate from the date of demand until paid.

Section 6.18 **Assignments By Lender**. Lender may at its sole cost and expense, without notice to, or consent of, Guarantors, sell, assign or transfer to or participate with any entity or entities all or any part of the indebtedness evidenced by the Note and secured by the Security Instrument, and each such entity or entities shall have the right to enforce the provisions of this Guaranty and any of the other Loan Documents as fully as Lender, provided that Lender shall continue to have the unimpaired right to enforce the provisions of this Guaranty and any of the other Loan Documents as to so much of the Loan that Lender has not sold, assigned or transferred. Lender shall give notice to Guarantors of the name, address, telephone number and contact person of any assignee of Lender within a reasonable period of time after the effective date of the assignment, provided, that failure to provide such notice shall in no way affect the validity or effect of the assignment or Guarantors' obligations hereunder. In particular, Guarantors acknowledge and agree that Lender and its successors and assigns may (i) sell the Loan, this Guaranty and each of the other Loan Documents to one or more investors as a whole loan in a rated or unrated public offering or private placement, (ii) grant participation interests in the Loan, to one or more investors in a rated or unrated public offering or private placement, (iii) deposit this Guaranty and each of the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership in the trust assets in a rated or unrated public offering or private placement, or (iv) otherwise sell the Loan or any interest therein to investors in a rated or unrated public offering or private placement.

Section 6.19 **California Specific Provisions.**

(a) Each Guarantor specifically agrees that such Guarantor shall not be released from liability hereunder by any action taken by Lender including, without limitation, a nonjudicial sale under the Security Instrument that would afford Borrower a defense based on California's anti-deficiency laws, in general, and California Code of Civil Procedure Section 580d, in specific. Without limiting the foregoing, each Guarantor expressly understands, acknowledges and agrees as follows:

(i) In the event of a non-judicial foreclosure (through the exercise of the power of sale under the Security Instrument): (A) Borrower would not be liable for any deficiency on the Note under California Code of Civil Procedure Section 580d, (B) Guarantor's subrogation rights against the Borrower would thereby be destroyed, (C) Guarantor would be solely liable for any deficiency to Lender (without recourse against Borrower), and (D) Guarantor would thereby be deprived of the anti-deficiency protections of said Section 580d;

(ii) Were it not for Guarantor's knowing and intentional waivers contained herein, the destruction of Guarantor's subrogation rights and anti-deficiency protections would afford Guarantor a defense to an action against Guarantor hereunder; and

(iii) Notwithstanding the foregoing, Guarantor expressly waives any such defense to any action against Guarantor hereunder following a nonjudicial foreclosure sale or in any other circumstance under which Guarantor's subrogation rights against Borrower have been destroyed.

(b) In the event of any default hereunder, Lender may maintain an action upon this Guaranty whether or not action is brought against Borrower and whether or not Borrower is joined in any such action. Lender may maintain successive actions for other defaults, and Lender's rights hereunder shall not be exhausted or waived, and Lender shall not be estopped to proceed against each Guarantor pursuant to this Guaranty by the exercise of any of Lender's rights or remedies or by any such action or by any number of successive actions, until and unless the credit hereby guaranteed has been paid in full and each of Guarantors' obligations hereunder has been fully performed or otherwise satisfied.

(c) Each Guarantor expressly waives any and all benefits, rights and/or defenses which might otherwise be available to such Guarantor under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899, 2953 and 3433.

(d) Each Guarantor expressly waives any and all benefits, rights and/or defenses which might otherwise be available to such Guarantor under California Code of Civil Procedure Sections 580a, 580b, 580d and 726. In specific, but not by way of limitation, each Guarantor expressly waives any and all fair value rights under California Code of Civil Procedure Section 580a.

(e) Any action, whether judicial or non-judicial or in pursuit of any provisional remedy, taken by Lender against Borrower or against any collateral or security held by Lender

which shall impair or destroy any rights a Guarantor may have against Borrower shall not act as a waiver or an estoppel of Lender's rights to proceed against and initiate any action against such Guarantor to enforce the terms of this Guaranty.

(f) Each Guarantor acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, each Guarantor agrees to waive all suretyship rights and defenses described in Civil Code Sections 2856(a) and (b). Without limiting any other waivers herein, each Guarantor hereby gives the following waiver pursuant to Section 2856(b) of the California Civil Code: Guarantor waives all rights and defenses arising out of an election of remedies by Lender even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Guarantor's rights of subrogation and reimbursement against the Borrower by the operation of Section 580d of the California Code of Civil Procedure or otherwise.

(g) As provided in California Civil Code Section 2856, each Guarantor waives all rights and defenses that such Guarantor may have because the Borrower's debt is secured by real property. This means, among other things:

(i) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower.

(ii) If Lender forecloses on any real property collateral pledged by Borrower:

(A) The amount of the debt may be reduced only by the price at which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the same price.

(B) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower.

The foregoing is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based on Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure.

(h) The benefit of any statute of limitations affecting the liability of the Guarantors hereunder or the enforcement thereof, including, without limitation, any rights arising under Section 359.5 of the California Code of Civil Procedure;

(i) Each Guarantor assumes the responsibility for keeping informed of the financial condition of the Borrower and of all other circumstances bearing upon the risk of nonpayment of the Costs, and agrees that the Lender shall have no duty to advise the Guarantors of any information known to the Lender regarding any such financial condition or circumstances. Each Guarantor hereby irrevocably waives any defense which, absent this waiver, such Guarantor would have that its obligations under this Guaranty could be exonerated based upon Lender's failure to inform such Guarantor of the existing or ongoing financial condition of the Borrower or of any other circumstances bearing upon the risk of nonpayment of any amount guaranteed hereunder.

(j) Without limiting the generality of any of the foregoing or any other provision hereof, each Guarantor further expressly waives, to the extent permitted by law, any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to such Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any of such sections.

Section 6.20 **Consent to Waiver by Borrower**. Each Guarantor consents to the waiver by Borrower of all of its rights under California Civil Code Section 2822, which provides as follows, "(a) the acceptance, by a creditor, of anything in partial satisfaction of an obligation, reduces the obligation of a surety thereof, in the same measure as that of the principal, but does not otherwise affect it. However, if the surety is liable upon only a portion of an obligation and the principal provides partial satisfaction of the obligation, the principal may designate the portion of the obligation that is to be satisfied; and (b) For the purposes of this Section and Section 2819, an agreement by a creditor to accept from the principal debtor a sum less than the balance owed on the original obligation, without the prior consent of the surety and without any other change to the underlying agreement between the creditor and principal debtor, shall not exonerate the surety for the lesser sum agreed upon by the creditor and principal debtor."

Section 6.21 **Unsecured Obligations**. Each Guarantor acknowledges that, notwithstanding any other provision of this Guaranty or any of the Loan Documents to the contrary (including without limitation any non-recourse provision under the Loan Documents) the obligations of Guarantors under this Guaranty are unlimited personal obligations of Guarantors which are not secured by the Security Instrument or any other security instrument. In this regard, Lender's appraisal of the value of the Property is such that Lender is not willing to accept the consequences, under California's "One Form of Action" Rule (i.e., Section 726 of the California Code of Civil Procedure) and "Anti-Deficiency Rules" (i.e., Sections 580a, 580b and 580d of the California Code of Civil Procedure), of inclusion of this Guaranty among the obligations secured by the Security Instrument. Each Guarantor acknowledges that Lender is unwilling to accept such consequences and that Lender would not make the Loan but for the personal unsecured liability undertaken by Guarantors.

[The Remainder of the Page is Intentionally Blank]

IN WITNESS WHEREOF, each Guarantor has executed this Guaranty the day and year first above written.

GUARANTORS :

HUDSON PACIFIC PROPERTIES, L.P. a Maryland limited partnership

By: Hudson Pacific Properties, Inc., a Maryland corporation, its general partner

By: _____
Name:

Title:

[Signatures continue on the following page]

M. DAVID PAUL VENTURES LLC ,
a California limited liability company

By: _____
Name: Jeffery M. Worthe
Title: Manager

[Signatures continue on the following page]

HUDSON MC PARTNERS, LLC ,
a Delaware limited liability company

By: _____
Name:
Title:

FORM OF PINNACLE 1 ENVIRONMENTAL INDEMNITY

ENVIRONMENTAL INDEMNITY AGREEMENT
(UNSECURED)

This ENVIRONMENTAL INDEMNITY AGREEMENT (UNSECURED) (as amended, restated, supplemented or otherwise modified from time to time, this “**Agreement**”), is made jointly and severally as of November 8, 2012, by **P1 HUDSON MC PARTNERS, LLC**, a Delaware limited liability company (together with its permitted successors and assigns, collectively, “**Borrower**”), having an address at c/o Hudson Pacific Properties, L.P., 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025, and **HUDSON PACIFIC PROPERTIES, L.P.**, a Maryland limited partnership (“**Hudson LP**”), having an address at 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025, **HUDSON MC PARTNERS, LLC**, a Delaware limited liability company (“**MC Partners**”), having an address at c/o Hudson Pacific Properties, L.P., 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025 and **M. DAVID PAUL VENTURES LLC**, a California limited liability company (“**MDP**”), having an address at 100 Wilshire Boulevard, Suite 1600, Santa Monica, California 90401 (MDP, Hudson LP and MC Partners are each referred to herein as a “**Principal**” and collectively, “**Principals**”; and together with Borrower, each of Borrower and Principal an “**Indemnitor**” and collectively, the “**Indemnitors**”), in favor of **JEFFERIES LOANCORE LLC**, a Delaware limited liability company (together with its successors and assigns, collectively, “**Indemnitee**”), having an address at c/o LoanCore Capital, 80 Field Point Road, Greenwich, Connecticut 06830 and other Indemnified Parties (defined below).

RECITALS:

A. Indemnitee is prepared to make a loan (the “**Loan**”) to Borrower in the principal amount of One Hundred Twenty Nine Million and No/100 Dollars (\$129,000,000.00) pursuant to a Loan Agreement of even date herewith between Borrower and Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), which Loan shall be evidenced by that certain Promissory Note of even date herewith given by Borrower in favor of Indemnitee (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Note**”) and secured by, among other things, that certain Deed of Trust, Security Agreement, Assignment of Leases and Fixture Filing of even date herewith, given by Borrower in favor of Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Security Instrument**”) encumbering the real property more particularly described therein (said real property being referred to as the “**Land**”; the Land, together with all structures, buildings and improvements now or hereafter located on the Land, being herein collectively referred to as the “**Property**”).

B. Each Principal acknowledges that it has a direct or indirect ownership interest in Borrower and will receive substantial economic and other benefits from Indemnitee’s making the Loan to Borrower.

C. Indemnitee is unwilling to make the Loan unless Indemnitors agree to provide the indemnification, representations, warranties, covenants and other matters described in this Agreement for the benefit of the Indemnified Parties.

D. Indemnitors are entering into this Agreement to induce Indemnitee to make the Loan.

E. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitors hereby, jointly and severally, represent, warrant, covenant and agree for the benefit of the Indemnified Parties as follows:

1. **Environmental Representations and Warranties** . Except as otherwise disclosed by that certain Phase I Environmental Site Assessment dated as of September 21, 2012 by Global Realty Services Group with respect to the Property delivered to Indemnitee by Indemnitors in connection with the origination of the Loan (hereinafter referred to as the “ ***Environmental Reports*** ”), a copy of which has been provided to Indemnitee, and based upon Indemnitors’ actual knowledge, (A) there are no Hazardous Substances (defined below) or underground storage tanks in, on, or under the Property, except those that are both (i) in compliance with all Environmental Laws (defined below) and with permits issued pursuant thereto and (ii) fully disclosed to Indemnitee in writing pursuant to the Environmental Report(s); (B) there are no past, present or threatened Releases (defined below) of Hazardous Substances in, on, under or from the Property which have not been fully remediated in accordance with Environmental Law; (C) there is no past or present non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Property which has not been fully remediated in accordance with Environmental Laws; (D) Each Indemnitor does not know of, and has not received, any written notice or other written communication from any Person (including, but not limited to, a Governmental Authority) relating to the threat of any Release of Hazardous Substances migrating to the Property; (E) no Indemnitor knows of, nor has received, any written notice or other written communication from any Person (including, but not limited to, a Governmental Authority) relating to Hazardous Substances or Remediation (defined below) thereof, of possible liability of any Person pursuant to any Environmental Law, any other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing; (G) each Indemnitor has truthfully and fully delivered to Indemnitee, in writing, any and all information relating to conditions in, on, under or from the Property that is known to such Indemnitor and all information that is contained in the files and records of such Indemnitor regarding the same, including, but not limited to, any reports relating to Hazardous Substances in, on, under or from the Property and/or to the environmental condition of the Property; and (H) no Mold (as defined below) is present in the indoor air of the Property at concentrations exceeding ambient air levels and no visible Mold is present on any building materials or surfaces at the Property for which any Governmental Authority recommends or requires removal thereof by remediation professionals, and Indemnitors are not aware of any conditions at the Property that are likely to result in the presence of Mold in the indoor air at concentrations that exceed ambient air levels or on building

materials or surfaces that would require such removal, (I) to each Indemnitors' knowledge, the Property has not been designated as Border Zone Property and there has been no occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be designated as Border Zone Property. As used in this Agreement, the term "**Mold**" means fungi that reproduces through the release of spores or the splitting of cells or other means, including, but not limited to, mold, mildew, fungi, fungal spores, fragments and metabolites such as mycotoxins and microbial organic compounds.

2. **Environmental Covenants.** Each Indemnitor covenants and agrees that: (A) all uses and operations on or of the Property, whether by Indemnitors or any other Person, shall be in compliance with all Environmental Laws and permits issued pursuant thereto; (B) there shall be no Releases of Hazardous Substances in, on, under or from the Property, except those that are both (i) in compliance with all Environmental Laws and with permits issued pursuant thereto and (ii) disclosed to Indemnitee in writing; (C) there shall be no Hazardous Substances in, on, or under the Property, except those that are both (i) in compliance with all Environmental Laws and with permits issued pursuant thereto and (ii) disclosed to Indemnitee in writing; (D) Indemnitors shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Indemnitors or any other Person (the "**Environmental Liens**"); (E) Indemnitors shall, at their sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Section 4 of this Agreement, including, but not limited to, providing all relevant information and making knowledgeable Persons available for interviews; (F) Indemnitors shall, at their sole cost and expense, subject to the rights of Tenants under Leases, perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, by an environmental consultant approved by Indemnitee pursuant to any reasonable written request of Indemnitee (including, but not limited to, sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), and share with Indemnitee the reports and other results thereof, and Indemnitee and the other Indemnified Parties shall be entitled to rely on such reports and other results thereof; provided that any such assessments or investigations shall be at Indemnitee's sole cost and expense, unless (x) an Event of Default has occurred and is continuing, or (y) Indemnitee has reasonable cause to believe Hazardous Substances are present at the Property in violation of Environmental Laws; (G) Indemnitors shall, at their sole cost and expense, comply with all reasonable written requests of Indemnitee to (i) effectuate Remediation of any Hazardous Substances present at the Property in violation of Environmental Laws or obtain a no further action letter for any condition (including, but not limited to, a Release of any Hazardous Substances) in, on, under or from the Property, in full compliance of Environmental Laws or reasonably required by Indemnitee based upon recommendations and observations of an independent environmental consultant reasonably approved by Indemnitee, (ii) comply with any Environmental Law, (iii) comply with any directive from any Governmental Authority, and (iv) take any other reasonable action necessary or appropriate for protection of human health or the environment; (H) Indemnitors shall not do, or allow any Tenant or other user of the Property to do, any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any Person (whether on or off the Property), materially impairs or may be reasonably expected to impair the value of the Property, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Property; (I) each

Indemnitor shall use commercially reasonable efforts to enforce the applicable provisions of the Leases in order to prevent Tenants or other users of the Property from taking any action that violates any applicable Environmental Law, materially impairs or may be reasonably expected to impair the value of the Property, as contrary to any requirement of any Issuer, constitutes a public or private nuisance, constitutes waste or violates any covenant, condition, agreement or easement applicable to the Property; and (J) each Indemnitor shall, upon any Indemnitor's receipt of notice of the same, promptly notify Indemnitee in writing of (i) any presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Property, (ii) any non-compliance with any Environmental Laws related in any way to the Property, (iii) any actual or potential imposition of an Environmental Lien, (iv) any required or proposed Remediation of environmental conditions relating to the Property, and/or (v) any written or oral notice or other communication of which any Indemnitor becomes aware from any source whatsoever (including, but not limited to, a Governmental Authority) relating in any way to Hazardous Substances or Remediation thereof at the Property, possible liability of any Person pursuant to any Environmental Law related to the Property, other environmental conditions in connection with the Property, the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any portion thereof to be designated as Border Zone Property or any actual or potential administrative or judicial proceedings in connection with the Property or Hazardous Substances in, on, under, or around the Property.

3. **Indemnified Rights/Cooperation and Access**. In the event the Indemnified Parties have reason to believe that an environmental hazard exists on the Property that does not, in the sole discretion of the Indemnified Parties, (i) endanger any tenants or other occupants of the Property or their guests or the general public or (ii) materially and adversely affect the value of the Property, upon reasonable notice from the Indemnitee, Indemnitors shall, at Indemnitors' sole cost and expense, subject to the rights of Tenants under Leases, promptly cause an engineer or consultant reasonably satisfactory to the Indemnified Parties to conduct an environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and take any samples of soil, groundwater or other water, air, or building materials or any other invasive testing requested by Indemnitee and promptly deliver to Indemnitee the results of any such assessment, audit, sampling or other testing; *provided, however*, if such results are not delivered to the Indemnitee within a reasonable period or if the Indemnified Parties have reason to believe that an environmental hazard exists on the Property that, in the sole judgment of the Indemnified Parties, endangers any Tenant or other occupant of the Property or their guests or the general public or may be reasonably expected to materially and adversely affect the value of the Property, upon reasonable notice to Borrower, the Indemnified Parties and any other Person designated by the Indemnified Parties, including, but not limited to, any receiver, any representative of a Governmental Authority, and/or any environmental consultant, shall have the right, but not the obligation, to enter upon the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including, but not limited to, conducting any environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and taking samples of soil, groundwater or other water, air, or building materials, and reasonably conducting other invasive testing. Indemnitors shall cooperate with and provide the Indemnified Parties and any such Person designated by the Indemnified Parties with access to the Property, subject to the rights of Tenants under Leases.

4. **Indemnification.** Each Indemnitor covenants and agrees, at its sole cost and expense, to protect, defend, indemnify, release and hold the Indemnified Parties harmless from and against any and all Losses (defined below) imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of any one or more of the following: (a) any presence of any Hazardous Substances in, on, above, or under the Property in violation of Environmental Laws; (b) any past, present or threatened Release of Hazardous Substances in, on, above, under or from the Property in violation of Environmental Laws; (c) any activity by any Indemnitor, any Person affiliated with any Indemnitor, and/or any Tenant or other occupant or user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time located in, under, on or above the Property in violation of Environmental Laws; (d) any activity by any Indemnitor, any Person affiliated with any Indemnitor, and/or any Tenant or occupant or other user of the Property in connection with any actual or proposed Remediation of any Hazardous Substances at any time located in, under, on or above the Property, whether or not such Remediation is voluntary or pursuant to court or administrative order, including, but not limited to, any removal, remedial or corrective action; (e) any past, present or threatened non-compliance or violation of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including, but not limited to, any failure by any Indemnitor, any Person affiliated with any Indemnitor, and/or any Tenant or occupant or other user of the Property to comply with any order of any Governmental Authority in connection with any Environmental Laws; (f) the imposition, recording or filing, or the threatened imposition, recording or filing, of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with Hazardous Substances in, on, under or about the Property; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including, but not limited to, costs to investigate and assess such injury, destruction or loss; (i) any acts of any Indemnitor, any Person affiliated with any Indemnitor, and/or any Tenant or occupant or other user of the Property in arranging for the disposal or treatment, or arranging with a transporter for transport for the disposal or treatment, of the Hazardous Substances at any facility or incineration vessel containing such or similar Hazardous Substances; (j) any acts of any Indemnitor, any Person affiliated with any Indemnitor, and/or any tenant or occupant or other user of the Property in accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substance which causes the incurrence of costs for Remediation; (k) any personal injury, wrongful death, or property or other damage arising under any statutory or common law or tort law theory, including, but not limited to, damages assessed for private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Property, and in each case relating to Hazardous Substances in, on, under or about the Property; and (l) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure by Indemnitor to perform any covenants or other obligations pursuant to this Agreement; provided that the indemnity provided for herein shall not apply to any matters or circumstances that Indemnitors prove to a court of competent jurisdiction, evidenced by a final non-appealable order from such court, to have first arisen after the date (i) Lender or any affiliate or designee thereof acquires title to the Property through foreclosure, deed-in-lieu of foreclosure or otherwise, or takes possession or control of the

Property through receivership or otherwise, and (ii) Borrower has surrendered possession of the Property.

5. **Duty to Defend and Attorneys and Other Fees and Expenses.** Upon written request by any Indemnified Party, Indemnitors shall defend any action or inquiry commenced in respect of the presence or alleged presence of any Hazardous Substances located in, on or near the Property (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, any Indemnified Parties may, in their sole and absolute discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of the Indemnified Parties, their attorneys shall control the resolution of any claim or proceeding, providing that no compromise or settlement shall be entered without Indemnitors' consent, which consent shall not be unreasonably withheld. Upon demand, Indemnitors shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of the reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

6. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

(a) The term “ ***Environmental Laws*** ” means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, and/or relating to liability for or costs of other actual or threatened danger to human health or the environment. The term “ ***Environmental Laws*** ” includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues governing the use, ownership or operation of the Property: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; the Oil Pollution Act of 1990; and the River and Harbors Appropriation Act, Sections 25115, 25117, 25122.7, 25140, 25249.8, 25281, 25501 and 25316 of the California Health and Safety Code, Section 2782.6(d) of the California Civil Code and Chapter 11 of Title 22 of the California Code of Regulations, and those relating to lead based paint. The term “ ***Environmental Laws*** ” also includes, but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations, permits or authorizations and the like, as well as common law, that: (a) conditions transfer of property upon a negative declaration or other approval of a Governmental Authority of the environmental condition of the Property; (b) requires notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any Governmental Authority or other Person, whether or not in connection with any transfer of title to or interest in such property; (c) imposes conditions or requirements in connection with

permits or other authorization for lawful activity relating in any way to Hazardous Materials; (d) relates to nuisance, trespass or other causes of action related to the Property and Hazardous Materials; or (e) relates to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property, in each case solely to the extent same relates in any way to Hazardous Materials.

(b) The term “ **Hazardous Substances** ” includes, but is not limited to, (i) any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, mold, radioactive materials, flammables and explosives, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Property for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws, and (ii) mold, mycotoxins, microbial matter, and/or airborne pathogens (naturally occurring or otherwise) which pose an imminent threat to human health or the environment or adversely affect the Property.

(c) The term “ **Indemnified Parties** ” includes Indemnitee, any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved with the servicing of the Loan, any Person in whose name the encumbrance created by the Security Instrument is or will have been recorded, Persons who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, Investors (defined below) in the Securities (defined below), as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to, any other Person who holds or acquires, or will have held, a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as a part of, or following, a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Indemnitee’s assets and business).

(d) The term “ **Investors** ” means collectively, any purchaser, transferee, assignee, servicer, Rating Agency rating the Securities, participant or investor of, or in, the Loan or the Securities (defined below).

(e) The term “ **Legal Action** ” means any claim, suit or proceeding, whether administrative or judicial in nature.

(f) The term “ **Losses** ” includes any actual losses, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against Lender, and other than any diminution in value or lost revenues which are in any way related to Hazardous Substances or Environmental Laws), costs, expenses, liabilities (including, without limitation, strict liability), fees, claims, suits, judgments, awards, obligations, debts, fines, penalties, charges (but solely to the extent such fines, penalties and/or

charges are imposed upon the Lender for any reason other than Lender's gross negligence or willful misconduct), costs of Remediation (whether or not performed voluntarily), amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, reasonable attorneys' fees, engineers' fees, environmental consultants' fees, and investigation costs (including, but not limited to, costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards.

(g) The term “ **Release** ” with respect to any Hazardous Substance includes, but is not limited to, any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing (including the abandonment or discharging of barrels, containers or other closed receptacles containing Hazardous Materials) into the environment or other movement of Hazardous Substances.

(h) The term “ **Remediation** ” includes, but is not limited to, any response, remedial, removal, or corrective action; any activity to clean up, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance; any actions to prevent, cure or mitigate any Release of any Hazardous Substance; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, or laboratory or other analysis, or evaluation relating to any Hazardous Substances or to anything referred to herein.

(i) The term “ **Securities** ” includes, but is not limited to, mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement.

(j) The term “ **Border Zone Property** ” means any property designated as “border zone property” under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith.

7. **Unimpaired Liability**. The liability of Indemnitors under this Agreement shall in no way be limited or impaired by, and each Indemnitor hereby consents to and agrees to be bound by, any amendment or modification of the provisions of the Note, the Loan Agreement, the Security Instrument or any other Loan Document to or with Indemnitee by Borrower or any Person who succeeds Borrower, Principals or any Person as owner of the Property. In addition, the liability of Indemnitors under this Agreement shall in no way be limited or impaired by: (a) any extensions of time for performance required by the Note, the Loan Agreement, the Security Instrument or any of the other Loan Documents; (b) any sale or transfer of all or part of the Property; (c) except as provided herein, any exculpatory provision in the Note, the Loan Agreement, the Security Instrument, or any of the other Loan Documents limiting Indemnitee's recourse to the Property or to any other security for the Note, or limiting Indemnitee's rights to a deficiency judgment against any Indemnitor; (d) the accuracy or inaccuracy of the representations and warranties made by Indemnitors herein and by Borrower and/or Principals under the Note, the Loan Agreement, the Security Instrument or any of the other Loan Documents or herein; (e) the release of any Indemnitor or any other Person from performance or observance of any of the agreements, covenants, terms

or conditions contained in any of the other Loan Documents by operation of law, Indemnitee's voluntary act, or otherwise; (f) the release or substitution in whole or in part of any security for the Note; or (g) Indemnitee's failure to record the Security Instrument or file any UCC financing statements (or Indemnitee's improper recording or filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in any or all of the foregoing cases, whether with or without notice to any Indemnitor (except for notices expressly required to be given pursuant to the terms of this Agreement or of any of the other Loan Documents) and with or without consideration.

8. **Enforcement**. Indemnified Parties may enforce the obligations of each Indemnitor without first resorting to, or exhausting any security or collateral under, or without first having recourse pursuant to, the Note, the Loan Agreement, the Security Instrument, or any other Loan Documents or any of the Property, through foreclosure proceedings or otherwise; *provided, however*, that nothing herein shall inhibit or prevent Indemnitee from suing on the Note, foreclosing, or exercising any power of sale under, the Security Instrument, or exercising any other rights and remedies thereunder. This Agreement is not collateral or security for the Obligations of Borrower pursuant to the Loan Agreement, unless Indemnitee expressly elects in writing to make this Agreement additional collateral or security for the Obligations of Borrower pursuant to the Loan Agreement, which Indemnitee is entitled to do in its sole and absolute discretion. It is not necessary for an Event of Default to have occurred pursuant to and as defined in the Security Instrument or the Loan Agreement for the Indemnified Parties to exercise their rights pursuant to this Agreement. Notwithstanding any provision of the Loan Agreement to the contrary (including without limitation, Section 9.4 thereof), the obligations of each Indemnitor pursuant to this Agreement are exceptions to any non-recourse or exculpation provision of the Loan Agreement and each Indemnitor expressly acknowledges and agrees that it is fully and personally liable for such obligations, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.

9. **Survival**. The obligations and liabilities of Indemnitors under this Agreement shall fully survive indefinitely notwithstanding any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Security Instrument.

10. **Interest**. Any amounts payable to any Indemnified Parties under this Agreement shall become immediately due and payable on demand and, if not paid within ten (10) Business Days of such demand therefor, shall bear interest at the Default Rate.

11. **Waivers**. (a) Each Indemnitor hereby waives and relinquishes: (i) any right or claim of right to cause a marshaling of such Indemnitor's assets or to cause Indemnitee or other Indemnified Parties to proceed against any of the security for the Loan before proceeding under this Agreement against such Indemnitor; (ii) all rights and remedies accorded by Legal Requirements to indemnitors or guarantors, except any rights of subrogation which any Indemnitor may have, provided that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights, including, without limitation, any claim that such subrogation rights were abrogated by any acts of

Indemnatee or other Indemnified Parties; (iii) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against or by Indemnatee or other Indemnified Parties; (iv) notice of acceptance hereof and of any action taken or omitted in reliance hereon (unless notice is expressly required to be given pursuant to the terms of this Agreement or of any of the other Loan Documents); (v) presentment for payment, demand of payment, protest or notice of nonpayment or failure to perform or observe, or other proof, or notice or demand (unless notice expressly is required to be given pursuant to the terms of this Agreement or of any of the other Loan Documents); and (vi) all homestead exemption rights against the obligations hereunder and the benefits of any statutes of limitations or repose. Notwithstanding anything to the contrary contained herein, each Indemnitor hereby agrees to postpone the exercise of any rights of subrogation with respect to any collateral securing the Loan until the Loan shall have been paid in full.

(b) EACH INDEMNITOR AND LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ANY ACTION TO RESOLVE A DISPUTE RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO SECTION 638, ET SEQ., OF THE CALIFORNIA CODE OF CIVIL PROCEDURE AND EACH INDEMNITOR AND LENDER SHALL ATTEMPT TO SELECT AND PROPOSE JOINTLY TO THE COURT A MUTUALLY AGREEABLE RETIRED JUDGE AS A REFEREE AND, FAILING THAT, EACH OF EACH INDEMNITOR AND LENDER SHALL RECOMMEND TO THE COURT A LIST OF RETIRED JUDGES WHO MAY SERVE AS THE REFEREE. EACH INDEMNITOR AND LENDER KNOWINGLY AND IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION TO RESOLVE ANY DISPUTE RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY PART THEREOF; AND IN CONNECTION WITH THIS AGREEMENT, EACH INDEMNITOR AND LENDER REPRESENTS THAT IT HAS DISCUSSED SUCH WAIVER WITH ITS OWN INDEPENDENT COUNSEL AND HAS RELIED ON ADVICE OF ITS COUNSEL AND MAKES SUCH WAIVER KNOWINGLY AND VOLUNTARILY.

12. **Subrogation**. Each Indemnitor hereby agrees to take any and all reasonable actions, including institution of legal action against third parties, necessary or appropriate to obtain reimbursement, payment or compensation from such Persons responsible for the presence of any Hazardous Substances at, in, on, under or near the Property or otherwise obligated by law to bear the cost. The Indemnified Parties shall be and hereby are subrogated to all of Indemnitors' rights now or hereafter in such claims.

13. **Indemnitors' Representations and Warranties**. Each Indemnitor represents and warrants that:

(a) (i) it has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, (ii) the execution, delivery and performance of this Agreement by such Indemnitor has been duly and validly authorized, and (iii) all requisite action has been taken by such Indemnitor to make this Agreement valid and binding upon such Indemnitor, enforceable in accordance with its terms;

(b) its execution of, and compliance with, this Agreement is in the ordinary course of business of such Indemnitor and will not result in the breach of any term or provision of the charter, by-laws, partnership, operating or trust agreement, or other governing instrument of such Indemnitor or result in the breach of any term or provision of, or conflict with or constitute a default under, or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which such Indemnitor or the Property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which such Indemnitor or the Property is subject;

(c) to the best of such Indemnitor's knowledge, there is no action, suit, proceeding or investigation pending or threatened against it which, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of such Indemnitor, or in any material impairment of the right or ability of such Indemnitor to carry on its business substantially as now conducted, or in any material liability on the part of such Indemnitor, or which would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of such Indemnitor contemplated herein, or which would be likely to impair materially the ability of such Indemnitor to perform under the terms of this Agreement;

(d) it does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(e) to the best of such Indemnitor's knowledge, no approval, authorization, order, license or consent of, or registration or filing with, any Governmental Authority or other Person, and no approval, authorization or consent of any other Person is required in connection with this Agreement; and

(f) this Agreement constitutes a valid, legal and binding obligation of such Indemnitor, enforceable against it in accordance with the terms hereof.

14. **No Waiver**. No delay by any Indemnified Party in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

15. **Notice of Legal Actions**. Each party hereto shall, within five (5) Business Days of receipt thereof, give written notice to the other party hereto of (a) any written notice, advice or other communication to such party from any Governmental Authority or any source whatsoever with respect to Hazardous Substances on, from or affecting the Property, and (b) any legal action brought against such party or related to the Property, with respect to which Indemnitors may have liability under this Agreement. Such notice shall comply with the provisions of **Section 19** hereof.

16. **Examination of Books and Records**. The Indemnified Parties and their accountants and other representatives shall have the right to examine the records and books of any Indemnitor which reflect upon its financial condition, at the Property or at the office regularly maintained by such Indemnitor where the books and records are located. The Indemnified Parties and their accountants and other representatives shall have the right to make copies and extracts from

the foregoing records. In addition, at reasonable times and upon reasonable notice (which may be given verbally), the Indemnified Parties and their accountants and other representatives shall have the right to examine and audit the books and records of each Indemnitor pertaining to the income, expenses and operation of the Property during reasonable business hours at the office of such Indemnitor where the books and records are located.

17. **Transfer of Loan.** (a) Indemnitee may, at any time, sell, transfer, pledge or assign its rights under the Note, the Loan Agreement, the Security Instrument, this Agreement and the other Loan Documents to any Person, and any or all servicing rights with respect thereto, or grant participations therein or issue Securities. Indemnitee may forward to each Investor and prospective Investor, all documents and information which Indemnitee now has or may hereafter acquire relating to each Indemnitor and the Property, whether furnished by such Indemnitor, any other guarantor or otherwise, as Indemnitee determines reasonably necessary or desirable. Each Indemnitor agrees to cooperate, subject to Sections 9.2 and 9.4 of the Loan Agreement, with Indemnitee in connection with any transfer made or Securities issued pursuant to this Section 17, including, without limitation, the delivery of an estoppel certificate required in accordance with the Loan Agreement and such other documents as may be reasonably requested by Indemnitee. Indemnitors shall also furnish, and each Indemnitor hereby consents to Indemnitee furnishing to such Investors or such prospective Investors, any and all information concerning the financial condition of such the Indemnitor and any guarantor and any and all information concerning the Property and the Leases as may be reasonably requested by Indemnitee, any Investor or any prospective Investor in connection with any sale, transfer or participation interest.

(b) Upon any transfer or proposed transfer contemplated above and by Section 9.1 of the Loan Agreement, at Indemnitee's request, Indemnitor shall provide an estoppel certificate to the Investor or any prospective Investor in such form, substance and detail as Indemnitee, such Investor or prospective Investor may reasonably require.

18. **Taxes.** Each Indemnitor has filed, and shall, throughout the Term, file all federal, state, county, municipal, and city income and other tax returns required to have been filed by it and has paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it, subject to the right, if any, to contest any such taxes pursuant to the terms of the Loan Agreement. No Indemnitor has knowledge of any basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

19. **Notices.** All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "**Notice**") required, permitted or desired to be given hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier, addressed to the party to be so notified at its address hereinafter set forth, or to such other addresses as such party may hereafter specify in accordance with the provisions of this Section 19. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (c) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

Borrower: c/o Hudson Pacific Properties, L.P.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025
Attention: Alex Vouvalides / Mark Lammas

Facsimile No.: (310) 445-5710

with a copy to : Gibson, Dunn & Crutcher LLP

2029 Century Park East
Los Angeles, CA 90067
Attention: Jesse Sharf
Facsimile No.: (213) 229-6638

Principals: Hudson Pacific Properties, L.P.
11601 Wilshire Boulevard, Suite 1600,
Los Angeles, California 90025
Attention: Alex Vouvalides and Mark Lammas

Facsimile No.: (310) 445-5710

with a copy to : Steckbauer Weinhart Jaffe, LLP
333 South Hope Street, 36th Floor

Los Angeles, California 90071
Attention: Robert D. Jaffe
Facsimile No.: (213) 229-2870

and: Hudson MC Partners, LLC
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025
Attention: Alex Vouvalides and Mark Lammas

Facsimile No.: (310) 445-5710

with a copy to : Gibson, Dunn & Crutcher, LLP

2029 Century Park East
Los Angeles, California 90067
Attention: Jesse Sharf
Facsimile No.: (213) 229-6638

and: M. David Paul Ventures LLC
100 Wilshire Boulevard, Suite 1600

Santa Monica, California 90401
Attention: Jeffrey M. Worthe
Facsimile No.: (310) 458-2644

with copy to: Skadden, Arps, Slate, Meagher & Flom, LLP

300 South Grand Avenue
Los Angeles, California 90071

Attention: Meryl K Chae
Facsimile No.: (213) 621-5035

Indemnatee: Jefferies LoanCore LLC
c/o LoanCore Capital

80 Field Point Road
Greenwich, Connecticut 06830
Attention: Perry Gershon
Facsimile No. (203) 861-6006

with a copy to: Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attention: Stephen Gliatta, Esq.

Facsimile No. (212) 836-8689

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section 19. Notices shall be deemed to have been given on the date set forth above, even if there is an inability to actually deliver any Notice because of a changed address of which no Notice was given or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Indemnatee may also be given by any servicer which Indemnatee empowers to send such Notices on its behalf.

20. **Duplicate Originals; Counterparts**. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

21. **No Oral Change**. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Indemnitors or any Indemnified Party, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

22. **Headings, Etc.** The headings and captions of various sections of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

23. **Number and Gender/Successors and Assigns**. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons referred to may require. Without limiting the effect of specific references in any provision of this Agreement, the term "***Indemnitor***" shall be deemed to refer to each and every Person comprising an Indemnitor from time to time, as the sense of a particular

provision may require, and to include the heirs, executors, administrators, legal representatives, successors and assigns of such Indemnitor, all of whom shall be bound by the provisions of this Agreement, provided that no obligation of any Indemnitor may be assigned except with the written consent of Indemnitee. Each reference herein to Indemnitee shall be deemed to include its successors and assigns. This Agreement shall inure to the benefit of the Indemnified Parties and their respective successors, permitted assigns, heirs and legal representatives forever. The Indemnified Parties shall have the right to assign or transfer their rights under this Agreement in connection with any assignment of the Loan and the Loan Documents. Any assignee or transferee of any Indemnified Party shall be entitled to all the benefits afforded to any Indemnified Party under this Agreement. No Indemnitor shall have the right to assign or transfer its rights or obligations under this Agreement without the prior written consent of Indemnitee, and any attempted assignment without such consent shall be null and void.

24. **Release of Liability**. Any one or more parties liable upon or in respect of this Agreement may be released without affecting the liability of any party not so released.

25. **Rights Cumulative**. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Indemnitee has under the Note, the Security Instrument, the Loan Agreement or the other Loan Documents or would otherwise have at law or in equity.

26. **Inapplicable Provisions**. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provision of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, unless such continued effectiveness of this Agreement, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein

27. **Governing Law**. (a) This Agreement shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

(b) WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THIS AGREEMENT (EACH, A “ ***PROCEEDING*** ”), EACH INDEMNITOR IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF NEW YORK, COUNTY OF NEW YORK AND STATE OF NEW YORK, AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. NOTHING IN THIS AGREEMENT SHALL PRECLUDE INDEMNITEE FROM BRINGING A PROCEEDING IN ANY OTHER JURISDICTION NOR WILL THE BRINGING OF A PROCEEDING IN ANY ONE OR MORE JURISDICTIONS PRECLUDE THE BRINGING OF A PROCEEDING IN ANY OTHER

JURISDICTION. EACH INDEMNITOR FURTHER AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY PROCEEDING IN ANY NEW YORK STATE OR UNITED STATES COURT SITTING IN THE CITY OF NEW YORK AND COUNTY OF NEW YORK MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO ANY INDEMNITOR AT THE ADDRESS INDICATED IN THIS AGREEMENT, AND SERVICE SO MADE SHALL BE COMPLETE UPON RECEIPT; EXCEPT THAT IF ANY INDEMNITOR SHALL REFUSE TO ACCEPT DELIVERY, SERVICE SHALL BE DEEMED COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

28. **Miscellaneous**. (a) Wherever pursuant to this Agreement: (i) Indemnitee (or any other Indemnified Party) exercises any right given to it to approve or disapprove any matter; (ii) any arrangement or term is to be satisfactory to Indemnitee (or any other Indemnified Party); or (iii) any other decision or determination is to be made by Indemnitee (or any other Indemnified Party), the decision of Indemnitee (or such other Indemnified Party) to approve or disapprove such matter, all decisions that arrangements or terms are satisfactory to Indemnitee (or such other Indemnified Party) or not satisfactory and all other decisions and determinations made by Indemnitee (or such other Indemnified Party), shall be in the sole and absolute discretion of Indemnitee (or such other Indemnified Party) and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Agreement it is provided that Indemnitors pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Indemnitee, whether retained firms, the reimbursements for the expenses of the in-house staff or otherwise.

29. **Joint and Several Liability**. The obligations and liabilities of Indemnitors hereunder shall be joint and several.

30. **Release of Hudson LP and MDP**. Hudson LP and MDP shall be automatically released from their obligations under this Agreement on the Guarantor Release Date (as such term is defined in the Guaranty). Lender shall confirm in writing that Hudson LP and MDP are released from their obligations hereunder upon satisfaction of the conditions of the foregoing sentence pursuant to Lender's then standard form of release agreement with such changes as are requested by Hudson LP and MDP and are reasonably satisfactory to Lender. In the event that Hudson LP and MDP are released from their obligations hereunder, MC Partners hereby acknowledges and agrees that it is liable as Indemnitor hereunder solely in accordance with the terms and conditions hereof, whether or not such liability arises as a result of the action or inaction of either of Hudson LP or MDP.

31. **State Specific Provisions**. In the event of any inconsistencies between the other terms and conditions of this Agreement and this **Section 31**, the terms and conditions of this **Section 31** shall control and be binding.

(a) Waiver of California Rights.

(i) Indemnitors specifically agree that Indemnitors shall not be released from liability hereunder by any action taken by Lender including, without limitation, a nonjudicial sale under the Security Instrument that might afford Borrower a defense based on California's anti-deficiency laws, in general, and California Code of Civil Procedure Section 580d, in specific.

(ii) In the event of any default hereunder, Lender may maintain an action upon this Agreement whether or not such action is brought against Borrower and whether or not Borrower is joined in any such action. Lender may maintain successive actions for other defaults, and Lender's rights hereunder shall not be exhausted or waived, and Lender shall not be estopped to proceed against Indemnitors pursuant to this Agreement, by the exercise of any of Lender's rights or remedies or by any such action or by any number of successive actions, until and unless all Costs have been paid in full and each of Indemnitors' obligations hereunder has been fully performed or otherwise satisfied.

(iii) Indemnitors expressly waive any and all benefits, rights and/or defenses which might otherwise be available to Indemnitor under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899, 2953 and 3433.

(iv) Indemnitors expressly waive any and all benefits, rights and/or defenses which might otherwise be available to Indemnitors under California Code of Civil Procedure Sections 580a, 580b, 580d and 726. In specific, but not by way of limitation, Indemnitors expressly waive any and all fair value rights under California Code of Civil Procedure Section 580a.

(v) Any action, whether judicial or non-judicial or in pursuit of any provisional remedy, taken by Lender against Borrower or against any collateral or security held by Lender which shall impair or destroy any rights Indemnitors may have against Borrower shall not act as a waiver or an estoppel of Lender's rights to proceed against and initiate any action against Indemnitor to enforce the terms of this Agreement.

(vi) Indemnitors expressly waive any defense or benefits arising out of any voluntary or involuntary filing by or on behalf of Borrower for protection under any federal or state bankruptcy, insolvency, or debtor relief laws, including without limitation under Sections 364 or 1111(b)(2) of the United States Bankruptcy Code.

(vii) Indemnitors acknowledge that they have been made aware of the provisions of California Civil Code Section 2856, have read and understand the provisions of that statute, have been advised by their respective counsel as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, Indemnitors agree to waive all suretyship rights and defenses described in Civil Code Sections 2856(a) and (b). Without limiting any other waivers herein, Indemnitors hereby give the following waiver pursuant to Section 2856(b) of the California Civil Code: Indemnitors waive all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for an indemnified obligation, has destroyed the Indemnitors' rights of subrogation

and reimbursement against the Borrower by the operation of Section 580d of the California Code of Civil Procedure or otherwise.

(viii) As provided in California Civil Code Section 2856, Indemnitors waive all rights and defenses that the Indemnitors may have because the Borrower's debt is secured by real property. This means, among other things:

(A) Lender may collect from Indemnitors without first foreclosing on any real or personal property collateral pledged by Borrower.

(B) If Lender forecloses on any real property collateral pledged by Borrower:

(1) The amount of the debt may be reduced only by the price of which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the same price.

(2) Lender may collect from Indemnitor even if Lender, by foreclosing on the real property collateral, has destroyed any right Indemnitor may have to collect from Borrower.

(ix) This is an unconditional and irrevocable waiver of any rights and defenses Indemnitors may have because the Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based on Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure.

(x) Indemnitors waive the benefit of any statute of limitations affecting the liability of the Indemnitors hereunder or the enforcement thereof, including, without limitation, any rights arising under Section 359.5 of the California Code of Civil Procedure;

(xi) Indemnitors assume the responsibility for keeping informed of the financial condition of the Borrower and of all other circumstances bearing upon the risk of nonpayment of the Costs, and agrees that the Lender shall have no duty to advise the Indemnitors of any information known to the Lender regarding any such financial condition or circumstances. Indemnitors hereby irrevocably waive any defense which, absent this waiver, Indemnitors would have that its obligations under this Agreement could be exonerated based upon Lender's failure to inform Indemnitors of the existing or ongoing financial condition of the Borrower or of any other circumstances bearing upon the risk of nonpayment of the Costs.

(xii) Without limiting the generality of the foregoing or any other provision hereof, Indemnitors further expressly waive, to the extent permitted by law, any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to

Indemnitors under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or any such Sections.

(b) Independent and Unsecured Obligations. Indemnitors acknowledge that, notwithstanding any other provision of this Agreement or any of the Loan Documents to the contrary (including without limitation any non-recourse provision under the Loan Documents) the obligations of Indemnitor under this Agreement are unlimited personal obligations of Indemnitors which are not secured by the Security Instrument or any other security instrument. In this regard, Lender's appraisal of the value of the Property is such that Lender is not willing to accept the consequences, under California's "One Form of Action" Rule (i.e., Section 726 of the California Code of Civil Procedure) and "Anti-Deficiency Rules" (i.e., Sections 580a, 580b and 580d of the California Code of Civil Procedure) of inclusion of this Agreement among the obligations secured by the Security Instrument. Indemnitors acknowledge that Lender is unwilling to accept such consequences and that Lender would not make the Loan but for the personal unsecured liability undertaken by Indemnitors.

(c) California Code Sections. Solely to the extent that, and despite the express intent of the Indemnitors and Lender that the laws of the State of New York govern this Agreement, a court of competent jurisdiction finds that the laws of the State of California apply to this Agreement, this Agreement is intended to be cumulative of any rights of Lender under California Code of Civil Procedure Sections 564, 726.5 and 736 and under California Civil Code Section 2929.5. Indemnitors hereby waive any restrictions or limitations which such statutes may impose on Indemnitors' liability or Lender's rights or remedies under this Agreement.

[The Remainder of the Page is Intentionally Blank]

IN WITNESS WHEREOF, this Environmental Indemnity Agreement has been executed by Indemnitors and is effective as of the day and year first above written.

INDEMNITORS :

P1 HUDSON MC PARTNERS, LLC , a Delaware limited liability company

By: Hudson MC Partners, LLC, a Delaware limited liability company, its Sole Member

By: _____

Name:

Title:

[Signatures continue on the following page]

HUDSON PACIFIC PROPERTIES, L.P. a Maryland limited partnership

By: Hudson Pacific Properties, Inc., a Maryland corporation, its general partner

By: _____
Name:

Title:

[Signatures continue on the following page]

M. DAVID PAUL VENTURES LLC ,
a California limited liability company

By: _____
Name: Jeffery M. Worthe
Title: Manager

[Signatures continue on the following page]

HUDSON MC PARTNERS, LLC ,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT H-2

FORM OF REIMBURSEMENT AND INDEMNITY AGREEMENT (PINNACLE 2 LOAN)

This REIMBURSEMENT AND INDEMNITY AGREEMENT (this “ **Agreement** ”) is made and entered into as of **[** Date of Pinnacle 2 Loan Assumption to be inserted **]** , by and among **Hudson Pacific Properties, L.P., a Maryland limited partnership** (“ **HPP** ”) on the one hand, and, on the other hand, Media Center Partners, LLC, a California limited liability company (“ **MCP** ”), Media Center Development, LLC, a Delaware limited liability company (“ **MCD** ”) and M. David Paul Ventures, LLC, a California limited liability company (“ **Sponsor Affiliate** ” and, together with MCP and MCD, collectively, and jointly and severally, the “ **Sponsor Parties** ”).

WHEREAS, HPP’s wholly owned subsidiary, Hudson JW, LLC, a Delaware limited liability company (“ **Hudson** ”), and each of MCP and MCD are members of Hudson MC Partners, LLC, a Delaware limited liability company (the “ **Company** ”), which was formed pursuant to that certain Certificate of Formation filed with the Secretary of State of Delaware on October 16, 2012, and which is governed by that certain Limited Liability Company Agreement of the Company dated as of November __, 2012 (as amended, the “ **Operating Agreement** ”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Operating Agreement;

WHEREAS, on or about August 18, 2006, 3300 West Olive, LLC, a Delaware limited liability company and an affiliate of the Sponsor Parties obtained a loan in the original principal amount of \$90,800,000 (the “ **Original Pinnacle 2 Loan** ”) from Greenwich Capital Financial Products, Inc., a Delaware corporation (the “ **Original Pinnacle 2 Lender** ”) pursuant to the terms of those certain documents evidencing, securing and/or otherwise delivered in connection with the making of the Original Pinnacle 2 Loan and set forth on Exhibit A hereof (the “ **Original Pinnacle 2 Loan Documents** ”);

WHEREAS, as a condition to making the Original Pinnacle 2 Loan, the Original Pinnacle 2 Lender required that M. David Paul Development LLC, a California limited liability company (“ **MDP Development** ”) execute and deliver that certain Guaranty of Recourse Obligations and Limited Payment Guaranty (the “ **Original Pinnacle 2 Guaranty** ”);

WHEREAS, concurrently herewith, the Company’s wholly owned subsidiary, P2 MC Hudson Partners, LLC, a Delaware limited liability company (“ **Pinnacle 2 Borrower** ”), is assuming the Original Pinnacle 2 Loan with an outstanding principal balance of **[** Current balance, including amortization, to be inserted at time of the Loan Assumption **]** (hereinafter, the “ **Pinnacle 2 Loan** ”) pursuant to the terms of that certain **[** Assumption and/or Amendment Documents finalized pursuant to the terms of the JV Agreement to be inserted **]** (the “ **Pinnacle 2 Loan Assumption** Agreement”; the transactions contemplated by the Pinnacle 2 Loan Assumption Agreement, collectively, the “ **Pinnacle 2 Loan Assumption** ”);

WHEREAS, in connection with the Pinnacle 2 Loan Assumption, Lender is requiring that each of HPP and MDP Development execute and deliver, on a joint and several basis, that certain **[** Amended and Restated] Guaranty of Recourse Obligations **]** (the “ **Pinnacle 2 Replacement Guaranty** ”) in the form attached hereto as Exhibit B to secure the obligations and matters described therein (collectively, the “ **Obligations** ”);

WHEREAS, the Pinnacle 2 Assumption Agreement, the Pinnacle 2 Replacement Guaranty and the Original Pinnacle 2 Loan Documents as the same may have been amended or modified by the Pinnacle 2 Assumption Agreement are collectively referred to hereinafter as the “ **Pinnacle 2 Transaction Documents** ”;

WHEREAS, the parties hereto wish to allocate their respective maximum obligations for the responsibilities for the Obligations;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Reimbursement Obligations.

(a) Pursuant to the Pinnacle 2 Replacement Guaranties, HPP and MDP Development are liable, on a joint and several basis, for 100% of the Obligations. The parties hereto agree that each of the parties hereto shall have liability with respect to the Obligations (with respect to each party, its “ **Maximum Obligation** ”), regardless of any contrary language in the Operating Agreement, the Pinnacle 2 Replacement Guaranty, or any of the other Pinnacle 2 Transaction Documents, as follows:

(i) In the event that HPP at any time incurs Obligations, including enforcement expenditures, under the Pinnacle 2 Replacement Guaranty or any of the Pinnacle 2 Transaction Documents that are attributable to any breach of the Original Pinnacle 2 Guaranty or any of the Pinnacle 2 Transaction Documents which, in each case, arises or arose prior to the date of the Pinnacle 2 Loan Assumption and the execution of the Pinnacle 2 Replacement Guaranty, or is a result of the breach by Pinnacle 2 Borrower of any representations or warranties made to Lender prior to, or any real property specific representations and warranties made to Pinnacle 1 Lender concurrently with, the Pinnacle 2 Loan Assumption (collectively, the “ **Historical Obligations** ”), then the Sponsor Parties shall be 100% liable for such Obligations;

(ii) In the event that either HPP or MDP Development at any time incurs Obligations, including enforcement expenditures, under the Pinnacle 2 Replacement Guaranty that are attributable to any breach of the Pinnacle 2 Replacement Guaranty or of any Pinnacle 2 Transaction Document which, in each case, first arises after the date of the Pinnacle 2 Loan Assumption and the execution of the Pinnacle 2 Replacement Guaranties (“ **Going Forward Obligations** ”), the parties hereto agree as follows:

(A) In the event that either HPP or MDP Development incurs any Going Forward Obligations (including enforcement expenditures) that are attributable solely to the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any Pinnacle 2 Transaction Documents, of Sponsor, MDP Development or any of their respective Affiliates, then the Sponsor Parties shall be liable for 100% of such Going Forward Obligations;

(B) In the event that either HPP or MDP Development incurs any Going Forward Obligations (including enforcement expenditures) that are attributable solely to the fraud, bad faith, willful misconduct, intentional misrepresentation or gross negligence, or the knowing and willful act or omission, taken (or not taken, as the case may be) with the intent in each case, to cause a breach under any Pinnacle 2 Transaction Documents, of HPP, Hudson or

any of their respective Affiliates, then HPP shall be liable for 100% of such Going Forward Obligations;

(C) In the event that either HPP or MDP Development incur any Going Forward Obligations under the Pinnacle 2 Replacement Guaranty that are not covered by Section 1(a)(ii)(A) or Section 1(a)(ii)(B) above, then HPP and the Sponsor Parties shall be liable for pro rata share of such Going Forward Obligations, based on, respectively, Hudson's and, collectively, MCP and MDP's aggregate Percentage Interests as defined in the Operating Agreement and without regard to any application of Section 4.02 of the Operating Agreement.

Notwithstanding anything to the contrary contained in this Agreement, nothing in this Agreement shall affect the rights of any party under Article X of the Operating Agreement.

(b) If HPP, on the one hand, or any of the Sponsor Parties, on the other hand, is called upon to pay and actually does pay amounts under or pursuant to any of the Obligations in excess of such parties' respective Maximum Obligation as determined pursuant to Section 1(a) above (an "**Overage Guarantor**") in such Overage Guarantor's discretion, the Sponsor Parties or HPP, respectively, hereby absolutely, irrevocably and unconditionally agrees to reimburse the Overage Guarantor upon demand an amount such that after giving effect to such reimbursement the Overage Guarantor, in the aggregate, shall have borne only its Maximum Obligation with respect to the Obligations owed to that date.

(c) This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of each party, provided; however, that the sale, assignment or other transfer (each, a "**Transfer**"), directly or indirectly, of all or any portion of any Interest in the Company shall not result in a release of any party of its liability under this Agreement, except that if any Member makes a Transfer of its entire direct or indirect interest in the Company in accordance with the terms and conditions of the Operating Agreement, then such party shall have no liability under this Agreement with respect to Obligations which arise from events occurring after the date of such Transfer. Notwithstanding the foregoing, it is acknowledged and agreed that if Hudson sells or assigns its direct interest in the Company, in part, to any Person, and such Person is admitted as a Member of the Company, then Hudson and such Person shall re-apportion Hudson's liability hereunder among themselves pursuant to a separate written agreement, and there shall be a corresponding release of liability, but if Hudson sells or assigns its direct interest in the Company in whole to one Person, and such Person is admitted as a Member of the Company, then, as a condition of Hudson's release, such Person shall assume the obligations of Hudson hereunder.

2. Remedies. In the event that HPP or the Sponsor Parties fail to reimburse the other as required hereunder within five (5) business days following written demand therefor, the party who is entitled to but does not receive payment (the "**Aggrieved Party**") may exercise any right or remedy available to it at law or in equity, including the right to sue for specific performance hereof, and the Aggrieved Party shall additionally be entitled to interest on the unpaid amount accrued at a rate equal to the lower of twenty percent (20%) per annum and the highest rate permitted by applicable law, and to recover from the other party the Aggrieved Party's out-of-pocket costs incurred in connection with the enforcement of this Agreement, including reasonable attorneys' fees and expenses incurred before and at trial, at all levels, and whether or not suit is instituted. Without limiting the foregoing, in the event that HPP or any Sponsor Party fails to reimburse the other as required hereunder for any amount funded by HPP (or, as applicable Sponsor Party) on behalf of the other party in accordance with this Agreement, then the same shall be treated as a failure to contribute Additional Capital pursuant to the terms of Section 4.02 of the Operating Agreement on the part of Hudson or, as applicable, Sponsor and Hudson (or, as

applicable, Sponsor) shall have the rights and remedies set forth in Section 4.02 of the Operating Agreement.

3. Guarantor Waivers. If and to the extent that any Sponsor Party or HPP or any of them (for the purposes of this Section 3 only, being individually and collectively referred to herein as “**Guarantor**”) would be deemed or construed to be a guarantor or surety under applicable law with respect to its obligations hereunder, Guarantor hereby agrees as follows:

(a) Guarantor expressly agrees that until each and every term, covenant and condition of this Agreement is fully performed, Guarantor shall not be released by any act or event which might be deemed a legal or equitable discharge or exoneration of a surety, or because of any waiver, extension, modification, forbearance or delay or other act or omission of any Sponsor Party or HPP, as applicable, or its failure to proceed promptly or otherwise as against HPP or such Sponsor Party, respectively, or Guarantor, or because of any action taken or omitted or circumstance which might vary the risk or affect the rights or remedies of Guarantor as against HPP or any such Sponsor Party, as applicable, or because of any further dealings between any Sponsor Party or HPP, as applicable, whether relating to this Agreement or otherwise. Guarantor hereby expressly waives and surrenders any defense to Guarantor's liability under this Agreement based upon any of the foregoing acts, omissions, things, agreements, waivers or any of them, except to the extent expressly provided in Section 1 hereof. It is the purpose and intent of this Agreement that the obligations of Guarantor under it shall be absolute and unconditional under any and all circumstances, subject to and in accordance with the terms and conditions of this Agreement.

(b) Each Guarantor waives:

(i) all statutes of limitations as a defense to any action or proceeding brought against any Sponsor Party or HPP, or by Guarantor, as applicable, to the fullest extent permitted by law;

(ii) any right it may have to require any Sponsor Party or HPP to proceed against HPP or any Sponsor Party, respectively, or pursue any other remedy in any Sponsor Party's or HPP's, as applicable, power to pursue, it being acknowledged and agreed that the obligations of Guarantor hereunder are independent of the obligations of the HPP and the Sponsor Parties, as applicable, hereunder, and neither any Sponsor Party, nor HPP, shall be required to make any demand upon, exercise any right to declare a default by, or proceed against, HPP or any Sponsor Party, respectively, prior to proceeding against Guarantor to the full extent of Guarantor's obligations hereunder;

(iii) any defense based on any legal disability of HPP or any Sponsor Party and any discharge, release or limitation of the liability of HPP to any Sponsor Party, or of Sponsor Party to HPP, as applicable, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor relief proceeding, or from any other cause, or any claim that Guarantor's obligations exceed or are more burdensome than those of HPP or Sponsor Parties, as applicable;

(iv) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Agreement and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind, except to the extent expressly provided herein;

(v) any defense based on or arising out of any defense that HPP or Sponsor Party, as applicable, may have to the payment or performance of any obligation set forth in this Agreement; and

(vi) until all obligations under this Agreement have been paid and performed in full, all rights of subrogation and all rights to enforce any remedy that Guarantor may have against HPP or Sponsor Party, as applicable, all regardless of whether Guarantor may have made any payments to Sponsor Party or HPP, as applicable.

(c) Guarantor assumes full responsibility for keeping informed of the financial condition and business operations of HPP and the Sponsor Parties, as applicable, and all other circumstances affecting HPP and Sponsor Party's ability to pay for and perform its Obligations and/or its obligations to Sponsor Parties or HPP, respectively, and agrees that the Sponsor Parties and HPP, respectively, shall have no duty to disclose to Guarantor any information which Sponsor Parties, on the one hand, and HPP, on the other hand, may receive about the HPP or Sponsor Parties' respective financial condition, business operations, or any other circumstances bearing on its ability to perform.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to conflicts of laws principles.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, incorporates all prior negotiations and understandings with respect to such subject matter and may be amended solely by an instrument in writing executed by all of the parties.

6. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same agreement.

7. Waiver of Jury. EACH OF SPONSOR AFFILIATE AND HPP, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT.

8. Third Parties Not Benefited. Nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any person or entity other than the parties and their respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision of this Agreement give any third person any right of subrogation or action over or against any party to this Agreement.

9. Attorneys' Fees. If any action is brought hereunder or to enforce rights hereunder, the prevailing party(ies) shall be entitled to recover its attorneys' fees and costs from the other party(ies).

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

[_____]
By: _____
Name:
Title:

[_____]
a [_____]
By: _____

Name:
Title:

EXHIBIT A
Pinnacle 2 Transaction Documents

EXHIBIT B
Pinnacle 2 Replacement Guaranty
[Attached]

EXHIBIT I-1

PINNACLE 1 PROPERTY MANAGEMENT AGREEMENT

PROPERTY MANAGEMENT AGREEMENT

For reference purposes only this Property Management Agreement (this “ **Agreement** ”) is dated as of November __, 2012. This Agreement is entered into between P1 Hudson MC Partners, LLC, a Delaware limited liability company(“ **Owner** ”), and Hudson OP Management, LLC, a Delaware limited liability company (“ **Manager** ”), who hereby agree as follows:

ARTICLE 1

APPOINTMENT AND TERM

Section 1.1 **Appointment** . Owner hereby appoints Manager to manage the office building (and related land and other improvements) located at 3400 West Olive Avenue, Burbank, California and commonly referred to as The Pinnacle 1 (herein after referred to as the “ **Property** ”). Without limiting the generality of the foregoing, Manager (or a designee thereof) shall act as the Maintenance Director for the Property and for the Property commonly known as 3300 West Olive Avenue, Burbank, California and adjacent to the Property, pursuant to, and as such term is defined in, that certain Agreement for Grant of Easements and Establishment of Covenants, Conditions and Restrictions which recorded November 24, 2003 (as amended, the “ **REA** ”).

Section 1.2 **Term** . This Agreement is for a term (the “ **Term** ”) of approximately ten (10) years commencing on the date hereof and ending on November __, 2022. This Agreement shall then automatically renew and continue in full force and effect for successive periods of twelve (12) months, unless sooner terminated pursuant to **Section 1.3** below.

Section 1.3 **Termination** . Both Owner and Manager agree that this Agreement shall terminate upon the earlier of (a) the closing of a sale, transfer or exchange by Owner (including foreclosure) of Owner’s entire interest in the Property or it’s right to collect the income therefrom, unless the transferee elects prior to such closing and by written notice consented to by Manager, to assume the obligations of Owner pursuant to this Agreement accruing subsequent to such closing, or (b) thirty (30) days prior written notice of such termination from either party.

Section 1.4 **Independent Contractor** . Owner retains Manager as an independent contractor to manage the Property. Manager shall be responsible for hiring employees and determining methodology for management in accordance with this Agreement. Except in emergency situations, Manager’s authority to act on behalf of Owner is limited to that which is expressly delegated herein.

Section 1.5 **Owner LLC Agreement** . Capitalized terms used herein and not otherwise defined shall be used herein with the meaning ascribed to such term in that certain Limited Liability Company Agreement of Hudson MC Partners, LLC, a Delaware limited liability company and the sole member of Owner, dated substantially concurrently herewith and made by and between Hudson JW, LLC, a Delaware limited liability company and Media Center Partners, LLC, a California limited liability company (as amended, the “ **JV Agreement** ”).

ARTICLE 2
MANAGEMENT

Section 2.1 Manager's Duties . With regard to management of the Property, Manager agrees, at the cost and expense of Owner, to:

- (a) manage and operate the Property in a commercially reasonable manner consistent with local industry practices;
- (b) enforce all leases with tenants of the Property in accordance with their terms (provided that Owner shall execute all leases);
- (c) enforce any "lock-box" or other lender requirements pursuant to any Property Financings (hereafter defined);
- (d) execute service and other agreements which Manager deems necessary to provide for the maintenance and operation of the Property subject to the Budgetary Limitations (hereafter defined) and Major Decisions (hereinafter defined), it being understood and agreed that all such service and other agreements shall be executed by Owner;
- (e) notify Owner of any matter, which in the opinion of Manager is material to the operation of the Property;
- (f) supervise the repair and maintenance of the Property subject to the Budgetary Limitations and Major Decisions; and
- (g) provide for the normal maintenance and repair as provided in the then current Budget.

Section 2.2 Budgetary Process . With regard to budgetary matters and Property expenditures, Manager agrees, for Owner's account, to:

- (a) Prepare and submit to Owner for approval, in the time and manner set forth in Section 8.06 of the JV Agreement. Once the budget and/or operating plan has been approved for a particular calendar year pursuant to the terms of the JV Agreement, it shall be referred to herein as the "**Budget and Operating Plan**"; and
- (b) implement and incur the obligations and expenditures provided for in the Budget and Operating Plan. Manager shall not incur any obligation or expend any sum which would exceed that provided for in any approved Operating Budget except to the extent permitted pursuant to the JV Agreement, including, without limitation, Section 7.03(b) and Section 8.06 thereof (collectively, the "**Budgetary Limitations**").

Section 2.3 Accounting and Reporting . Manager agrees to:

- (a) keep and maintain books of accounts and records with regard to management of the Property. Such records and accounts shall be Owner's property; and
 - (b) provide the reports in the time and manner set forth in Section 8.01 and Section 8.03 of the JV Agreement.
-

Section 2.4 Collection and Disbursements . Manager agrees to:

(a) subject to Section 2.1(c) above, collect all rents, security deposits and other revenues from the Property and deposit all such collections in an operating account (the “ **Operating Account** ”) with a bank approved by Owner. Manager shall not commingle funds from the Property with other funds of Manager; and

(b) disburse funds from the Operating Account to pay expenditures incurred in accordance with the terms of this Agreement, including compensation as provided for in Article 3. A working capital balance shall be maintained in the Operating Account of not less than three (3) month’s operating expenses for the Property unless Owner otherwise specifies. Sums in the Operating Account from time to time in excess of such minimum balance shall be disbursed to Owner. If funds on hand are insufficient to pay expenses, Manager shall notify Owner and Owner will deposit the required funds in the Operating Account promptly.

Section 2.5 General Standards .

(a) Manager shall perform its duties hereunder in a commercially reasonable manner consistent with local industry practices. With regard to handling of funds, Manager shall account to Owner for all funds received and disbursed in accordance with this Agreement; and

(b) Owner shall have the right to inspect and make copies of all books and records pertaining to the Property upon forty eight (48) hours prior written notice to Manager during the normal business hours of Manager.

Section 2.6 Related Party Service . If any service provided with respect to the Property is to be provided by a party affiliated with Manager, Manager shall notify Owner thereof prior to acquiring such service and shall obtain Owner’s express approval before proceeding with such service.

ARTICLE 3

LEASING

Section 3.1 Leasing . Manager shall be responsible to assist Owner and/or any outside broker engaged by Owner in leasing available space at the Property (including with respect to renewals of existing leases). Manager also shall be responsible for administering all leases relating to the Properties. Manager’s specific leasing duties shall be established by Owner from time to time. Manager may, and Owner and Manager hereby acknowledge and agree that Manager has, delegated the duties of Manager pursuant to this Section 3.1 to Worthe Real Estate Group, Inc. a California corporation (“ **Leasing/Construction Manager**”) pursuant to that certain Sub Management and Leasing Agreement of even date herewith made by and between Manager and Leasing/Construction Manager (the “ **Sub-Management Agreement** ”).

ARTICLE 4

COMPENSATION

Section 4.1 Management Fee . For management services hereunder, Manager shall be paid three percent (3%) of Gross Receipts (the “ **Management Fee** ”) actually collected in respect of the Property during the applicable month. The term “ **Gross Receipts** ” as used herein means all rents, reimbursement of operating expenses, electricity and common area maintenance charges, any percentage rents actually collected in cash b

y Owner or by Manager from tenants of the Property, including but not limited to late fees, parking fees and proceeds of business interruption insurance, but excluding: security deposits (until such time as the security deposits are applied to rent), interest income from managed bank accounts, any sales of assets, condemnation proceeds, payments for physical installations or finish-out work, payments in the nature of indemnification or compensation for loss, damage, or liability sustained (including, without limitation, insurance proceeds except as expressly addressed above), and all purchase discounts.

Section 4.2 Leasing Fee. For so long as the Sub-Management Agreement has not been terminated pursuant to the terms thereof, Manager acknowledges that leasing services shall be provided by Leasing/Construction Manager pursuant to the terms of the Sub-Management Agreement and that Manager shall receive no compensation therefor. In the event the Sub-Management Agreement is terminated pursuant to the terms thereof, the Manager may either (1) perform the leasing services previously delegated to the Leasing/Construction Manager, or (2) delegate such leasing services to a replacement Leasing/Construction Manager, but, in all events, subject to the terms of the JV Agreement (including, without limitation, any applicable Major Decision limitations). For any leasing services as rendered by Manager according to Article 3 hereto, Manager shall be paid by Owner according to the provisions of Schedule 1 attached to this Agreement.

Section 4.3 Reimbursable Expenses. Manager may deduct from the Operating Account or, if the Operating Account is deficient, Owner shall reimburse Manager for all costs incurred by Manager in performing its duties related directly to any Property, including, (a) reasonable wages, salaries and benefits of all employees of Manager engaged in and necessary to the management of the Property subject to the then current Budget and Operating Plan approved pursuant to Section 2.2 of this Agreement (and if any employee is not engaged full-time in the management of a Property, then such employee's wages, salaries and benefits shall be allocated to such Property on a reasonable basis based upon the amount of time such employee devoted to such Property and the amount of time such employee devoted to all other properties managed by Manager), (b) bookkeeping and record keeping fees and administrative costs specific to the performance of duties related to any Property (i.e., management information systems services, human resources services, accounting services, telephone charges, utilities charges, internet services, postage, delivery charges, stationery, and other direct office materials and costs associated with any on-site management office), and (c) rental amounts paid by Manager to Owner in connection with any space leased by Manager from Owner in the Property in connection with the management of the Property. The total amount of reimbursable administrative costs shall be subject to the Budgetary Limitations and shall, in all events, not exceed the amount comprising the Property Level Expense Portion from time to time (as defined in the Sub-Management Agreement). Notwithstanding anything to the contrary contained in this Agreement, including this Section 4.3, Manager shall have the right to reasonably allocate costs among employees subject to approval of Owner, not to be unreasonably withheld, conditioned or delayed.

Section 4.4 Construction Management Fee. For so long as the Sub-Management Agreement has not been terminated pursuant to the terms thereof, Manager acknowledges that construction management services shall be provided by Leasing/Construction Manager pursuant to the terms of the Sub-Management Agreement and that Manager shall receive no compensation therefor. In the event the Sub-Management Agreement is terminated pursuant to the terms thereof, the Manager may either (1) perform the construction management services previously delegated to the Leasing/Construction Manager, or (2) delegate such construction management services to a replacement Leasing/Construction Manager, but, in all events, subject to the terms of the JV Agreement (including, without limitation, any applicable Major Decision limitations). If and to the extent Manager supervises the performance of any construction activities of any kind for the Property (but not regular repair and maintenance), Manager shall be paid a fee (the "Construction

Management Fee”) Manager shall be paid by Owner according to the provisions of Schedule 1 attached to this Agreement.

Section 4.5 **Payment**. Compensation for the Management Fee and reimbursable expenses shall be payable monthly. Any Leasing Fee or Construction Management Fee shall be paid as specified in Schedule 1. All such Fees shall be payable out of the Operating Account or to the extent not paid out of the Operating Account, paid by Owner to Manager on demand.

ARTICLE 5

INSURANCE AND INDEMNITY

Section 5.1 **Insurance**. Owner shall insure the Property. In addition to property insurance, Owner shall also maintain general liability insurance and umbrella liability insurance in reasonable amounts naming Manager as an additional insured (it being understood and agreed that such insurance shall not cover the errors and/or omissions of Manager). To the extent that Owner will require Manager to pay the insurance premiums, the cost of insurance shall be included in the Operating Budget.

Section 5.2 **Indemnity**. Owner shall indemnify, defend, and hold Manager harmless from and against all loss, costs, expenses, claims, demands, or legal proceedings (including costs, expenses, and reasonable attorneys fees) of any kind or nature related to the Property and the management of the Property, except with respect to claims arising out of Manager’s gross negligence, or willful and/or intentional misconduct. Manager shall indemnify, defend and hold Owner harmless from and against all loss, cost, expenses, claims, demands, or legal proceedings (including costs, expenses, and reasonable attorney’s fees) due to the gross negligence and/or willful or intentional misconduct of Manager. The terms and conditions of this Section 5.2 shall survive the termination or expiration of this Agreement.

ARTICLE 6

DEFAULT AND REMEDIES

Section 6.1 If either party defaults in performance of any of its obligations hereunder, which default continues for a period of ten (10) days after receipt of written notice thereof, then the non-defaulting party may immediately terminate this Agreement by written notice to the other party and the non-defaulting party may seek an action against the defaulting party for actual damages only (and not for consequential damages, special damages, punitive damages or lost profits). If within the ten (10) day period noted above, the defaulting party diligently pursues a cure of the default, the non-defaulting party will grant a thirty (30) day extension during which it will not terminate this Agreement, so long as defaulting party continues to diligently pursue a cure.

ARTICLE 7

DUTIES UPON TERMINATION OR EXPIRATION

Section 7.1 **Manager’s Duties**. Upon termination or expiration of this Agreement, Manager shall promptly deliver to Owner complete copies of all books and records maintained by Manager for the Property and all funds in possession of Manager belonging to Owner or received by Manager with regard to the Property. Any unpaid obligations incurred by Manager during the term of this Agreement and related to the operation of the Property shall become the obligation of and be payable by Owner.

Section 7.2 Owner's Duties. Owner shall compensate Manager for all fees earned hereunder (in accordance with Article 3 hereof) through the date of termination.

ARTICLE 8

MISCELLANEOUS PROVISIONS

Section 8.1 Notices. All notices given hereunder shall be made in writing and given to the addressee at the address specified on the signature pages hereof or such other address specified by notice given pursuant to this Section 8.1. Notices shall be given by certified mail, return receipt requested, by hand delivery, or by facsimile transfer and shall be effective upon receipt at the address of the addressee.

Section 8.2 Assignment. Neither Manager nor Owner may assign its rights nor delegate its duties hereunder without the prior written consent of Owner or Manager, as applicable, which consent shall not be unreasonably withheld, conditioned, or delayed. Upon any such assignment, the assigning party shall be relieved of all obligation and liability accruing after the date of such assignment. Notwithstanding the foregoing, this Agreement may be collaterally assigned by Owner to any lender or subsequent purchaser in a foreclosure transfer.

Section 8.3 Subordination. This Agreement, and any and all rights of Manager hereunder, are and shall be subject and subordinate to any financing (whether senior financing, mezzanine level financing, or preferred equity) respecting the Property (or any portion thereof) (collectively, "Property Financings"), and any ground or master lease with respect to the Property or any portion thereof (collectively, "Ground Leases"), and all renewals, extensions, modifications, consolidations and replacements thereof, and to each and every advance made or hereafter to be made under any such Property Financings or Ground Leases. This section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Manager shall promptly execute, acknowledge and deliver any instrument that Owner, the landlord under any of the Ground Leases or the holder of any such Property Financings or the trustee or beneficiary of any deed of trust or any of their respective successors in interest may reasonably request to evidence such subordination. At any time and from time to time, upon not less than ten (10) business days prior notice from Manager or Owner, the certifying party shall furnish to the requesting party, or a designee thereof, an estoppel certifying that this Agreement is unmodified and in full force and effect (or that this Agreement is in full force and effect as modified and setting forth the modifications), the date to which Manager has been paid hereunder, that to the knowledge of the certifying party, no default or an event of default has occurred and is continuing or, if a default or an event of default shall exist, specifying in reasonable detail the nature thereof and the steps being taken to remedy the same, and such additional information as the requesting party may reasonably request. Any subordination or estoppel furnished pursuant to this Section 8.3 may be relied upon by Owner, and its affiliates, lenders, and any prospective landlord or lender of the Property or any portion thereof. Manager shall not unreasonably withhold its consent to any amendment to this Agreement reasonably required by such lender or lessor, provided that such amendment does not (i) increase Manager's financial obligations hereunder, or (ii) have a material adverse effect upon Manager's rights hereunder, or (iii) materially increase Manager's non-economic obligations hereunder.

Section 8.4 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California. All obligations of the parties under this Agreement are to be performed in the county where the Property is located.

Section 8.5 Waiver of Subrogation. To the extent that Owner or Manager are compensated by insurance for damages sustained by them as a result of any damage to the Property, each party waives its right of recovery against the other and agrees that no party shall have any right of recovery against the other by way of subrogation or assignment, so long as the insurance policy provides for same.

Section 8.6 Entire Agreement, Beneficiaries. This Agreement represents the entire agreement between Owner and Manager with regard to management of the Property and all prior agreements are superseded hereby. This Agreement is for the sole benefit of Owner and Manager and no other party is benefited hereby.

Section 8.7 Parties Bound. This Agreement will bind and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors and assigns except as this Agreement states otherwise.

Section 8.8 Time of Essence. Time is of the essence with respect to this Agreement.

Section 8.9 Non-Waiver. No delay or failure to exercise the right under this Agreement, nor a partial or single exercise of a right under this Agreement, will waive that right or any other right under this Agreement.

Section 8.10 Modification. No modification of this Agreement is valid unless in writing and signed by both parties.

Section 8.11 Counterparts. This Agreement and all other copies of it are considered one Agreement. This Agreement may be executed concurrently in one or more counterparts, each of which will be considered an original, but all of which together constitute one instrument.

Section 8.12 Legal Construction. If a court of competent jurisdiction holds any one or more of the provisions of this Agreement to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, which will be construed as if it had never contained the invalid, illegal, or unenforceable provision.

Section 8.13 Attorneys Fees. If any action at law or in equity, including any action for declaratory relief, is brought to enforce or interpret this Agreement, the prevailing party is entitled to recover reasonable attorneys' fees and costs from the other party in addition to any other relief that may be awarded. The court may award attorneys fees and costs in a trial of the action or in a separate action brought to litigate the issue of attorney's fees and costs.

In witness whereof, Owner and Manager have executed this Agreement as of the date first above written.

[Signature Page Follows]

OWNER:

P1 HUDSON MC PARTNERS, LLC, a Delaware
limited liability company

By: Hudson MC Partners, LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Its: _____

Address: 11601 Wilshire Boulevard
Suite 1600
Los Angeles, California 90025
Phone: (310) 445-5700
Fax: (310) 445-5710

MANAGER:

HUDSON OP MANAGEMENT, LLC,
a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Title: _____

Address: 11601 Wilshire Boulevard
Suite 1600
Los Angeles, California 90025
Phone: (310) 445-5700
Fax: (310) 445-5710

SCHEDULE "2"

Leasing and Construction Management Fee

1. Basic Terms:

1.1 Local Leasing Standards. For purposes of this Agreement, "Local Leasing Standards" shall mean leasing commissions based on fair-market terms customary for the leasing, renewal and/or expansion of space in first class office buildings comparable to the Property in the Burbank, California area.

1.2 Leasing Fee.

(a) For New Leases, Renewals, Extensions or Expansions of Existing Leases: Two percent (2.0%) of the total base rent payable throughout the initial term (or the applicable renewal, extension or expansion term) of the lease, provided, however, if Manager is the sole broker (and the applicable tenant does not utilize a tenant broker), then the Leasing Fee for new leases (or, as applicable, any renewal, extension or expansion) shall be three percent (3.0%) of the total base rent payable throughout the initial term (or the applicable renewal, extension or expansion term) of the lease.

(b) Notwithstanding the foregoing, if a lease term (or any renewal, extension or expansion term) is in excess of five (5) years, then the Leasing Fee(s) payable under this Paragraph 1.2 shall reduce by 50% for years six (6) through ten (10). The Leasing Fee payable with respect to terms beyond ten (10) years shall be reasonably negotiated by the parties and shall be consistent with Local Leasing Standards.

1.3 Leasing Override Fee. Notwithstanding the foregoing, in the event Owner determines that Owner desires to employ a third party broker in connection with any leasing activity at the Property (and subject to the terms of the JV Agreement), and Manager is not able to agree, following diligent, good faith efforts to negotiate same, upon a leasing fee split with such third party broker (provided, however, that Manager shall not reject any split of leasing fees which is consistent with the then applicable Local Leasing Standards), then Manager shall receive a leasing override fee, not to exceed 1.0% of the total base rent payable throughout the initial term of the lease procured by such third party broker or, as applicable, of the extension, renewal or expansion term (the "Leasing Override Fee"), provided, further, however, if a lease term (or any renewal or expansion term) is in excess of five (5) years, then the Leasing Override Fee(s) payable under this Paragraph 1.2 shall reduce by fifty percent (50%) for years six (6) through ten (10). The Leasing Override Fee payable with respect to terms beyond ten (10) years shall be reasonably negotiated by the parties, and shall be consistent with Local Leasing Standards.

1.4 Construction Management Fee. For construction projects either approved by Owner, or set forth in Leases approved by Owner, in each case, pursuant to the terms of the JV Agreement (including, without limitation, any applicable Major Decisions):

- (a) Five percent (5.0%) of the costs actually incurred, up to \$500,000;
 - (b) Three percent (3.0%) of the costs actually incurred which are in excess of \$500,000;
-

(c) For construction projects, where the applicable tenant pursuant to the terms of the applicable lease manages such construction project by, e.g., directly engaging consultants and/or contractors, a general oversight fee in the amount of (1) three percent (3.0%) of the first \$500,000 of the total design and construction costs of the applicable tenant improvement project, but excluding any tenant FF&E (collectively, "Tenant Improvement Project Costs"), and (2) two percent (2.0%) of Tenant Improvement Project Costs in excess of \$500,000.

2. Payment. This paragraph 2 sets forth Owner's and Manager's agreements concerning payment(s) of Leasing Fees, the Leasing Override Fees, Construction Management Fees, and the terms and conditions thereto.

2.1 Payment Schedule of Leasing Fee/Leasing Override Fee.

- (a) One-half (1/2) of the Leasing Fee or of any applicable Leasing Override Fee shall be payable upon the full execution and delivery of the lease by landlord and tenant.
- (b) The remaining one-half (1/2) of the Leasing Fee or of any applicable Leasing Override Fee shall be payable upon the date that the term of the lease has commenced.

2.2 Payment Schedule of Construction Management Fee.

- (a) One hundred percent (100%) of the Construction Management Fee shall be payable upon completion of the applicable construction projects, following application for payment showing all costs and calculated fees derived therefrom, together with such back-up information substantiating same as may be reasonably requested by Owner.
-

EXHIBIT I-2

PINNACLE 1 SUB MANAGEMENT/LEASING AGREEMENT

SUB MANAGEMENT AND LEASING AGREEMENT

For reference purposes only this Sub Management and Leasing Agreement (this “ Agreement ”) is dated as of November __, 2012. This Agreement is entered into between Hudson OP Management, LLC, a Delaware limited liability company (“ Master Manager ”) and Worthe Real Estate Group, Inc. a California corporation (“ Leasing/Construction Manager ”) , who hereby agree as follows:

ARTICLE 1

APPOINTMENT AND TERM

Section 1.1 Appointment of Manager . Concurrently herewith, P1 Hudson MC Partners, LLC, a Delaware limited liability company and owner (“ Owner ”) of that certain office building (and related land and other improvements) located at 3400 West Olive Avenue, Burbank, California and commonly referred to as “The Pinnacle 1”(herein after referred to as the “ Property ”) and Master Manager entered into that certain Property Management Agreement (the “ Master Agreement ”) pursuant to which Owner appointed Master Manager to manage the Property upon the terms and conditions more particularly set forth in the Master Management Agreement.

Section 1.2 Delegation of Certain Duties to Leasing/Construction Manager . Master Manager now desires to delegate, and Leasing/Construction Manager desires to assume, certain of the obligations of Master Manager under the Master Management Agreement with respect to leasing activity and construction management/oversight of tenant improvements pursuant to the leases at the Property, in each case, upon terms and conditions more particularly set forth in this Agreement.

Section 1.3 Term . This Agreement is for a term (the “ Term ”) of approximately ten (10) years commencing on the date hereof and ending on November __, 2022. This Agreement shall then automatically renew and continue in full force and effect for successive periods of twelve (12) months, unless sooner terminated pursuant to Section 1.4 below.

Section 1.4 Termination . Both Master Manager and Leasing Construction/Manager agree that this Agreement shall terminate upon the earlier of (a) the closing of a sale, transfer or exchange by Owner (including foreclosure) of Owner’s entire interest in the Property or it’s right to collect the income therefrom, unless the transferee elects prior to such closing and by written notice consented to by Manager, to assume the obligations of Owner pursuant to this Agreement accruing subsequent to such closing, (b) in connection with a “For Cause” event, as such term is defined in that certain Limited Liability Company Agreement of Hudson MC Partners, LLC of even date herewith (as amended, the “ JV Agreement ”), or (c) in the event the Master Management Agreement is terminated by any lender in connection with any Project Financings. .

Section 1.5 Independent Contractor . Master Manager retains Leasing/Construction Manager as an independent contractor for the purposes expressly set forth in this Agreement. Leasing/Construction Manager’s authority to act on behalf of Master Manager is limited to that which is expressly delegated herein. Leasing/Construction Manager shall have no right to delegate any of the rights, duties or obligations of Leasing/Construction Manager to any person without the consent of Manager.

ARTICLE 2
MANAGEMENT

Section 2.1 Master Manager's Duties . Leasing/Construction Manager acknowledges and agrees that Master Manager shall have the exclusive authority to manage the Property upon the terms and conditions more particularly set forth in the Master Management Agreement and that Leasing/Construction Manager shall have no authority to manage any aspect of the Property, or to receive any compensation therefor, other than as expressly set forth in Section 3 and/or Section 4 of this Agreement and Leasing/Construction Manager hereby expressly disclaims any right thereto.

ARTICLE 3
LEASING/CONSTRUCTION MANAGEMENT

Section 3.1 Leasing . Leasing/Construction Manager shall be responsible to assist Master Manager (on behalf of Owner) and/or any outside broker engaged by Owner (or Manager on behalf of Owner consistent with the terms of the JV Agreement) in leasing available space at the Property (including with respect to renewals, expansions and/or amendments of existing leases), in all events, subject to the terms of the JV Agreement, including, without limitation, all Major Decisions as defined therein, a copy of which Leasing/Construction Manager agrees it has received and reviewed. In connection with the performance of such services, Leasing/Construction Manager shall have the right to engage a third party leasing broker pursuant to a sub-leasing agreement between Leasing/Construction Manager and such third party broker, it being understood and agreed that (1) such arrangements shall provide that Owner shall be responsible for payment of all such third party broker fees and/or commissions, and (2) all such arrangements and the terms, form and substance of any agreements memorializing the same shall be subject to the approval of Owner.

Section 3.2 Construction Management . If and to the extent any construction activities of any kind (including, without limitation, any tenant improvements in connection with any leases at the Property but excluding, in all events, regular repair and maintenance) are commenced, in each case, for the avoidance of doubt, in Owner's determination, Leasing/Construction Manager shall be responsible for the preparation of any project budgets, cash flow projections, consultant and contractor payment application for processing, and similar documents and/or other instruments in connection with such projects, for processing by Master Manager. Without limiting the generality of the foregoing, Leasing/Construction Manager shall provide Master Manager with such information regarding the Property, to the extent in Leasing/Construction Manager's possession or control, as reasonably necessary to enable Master Manager to prepare the Budget, the Operating Plan and/or the preparation of any other books and/or records that Master Manager may be required to provide pursuant to the Master Management Agreement.

ARTICLE 4
COMPENSATION

Section 4.1 Management Fee . Notwithstanding the foregoing, for so long as this Agreement is in effect and the Master Management Agreement has not been terminated pursuant to the terms thereof or of Section 1.4(c) hereof Master Manager acknowledges and agrees that (1) a portion of the Management Fee paid to Master Manager pursuant to Section 4.1 of the Master Management Agreement not to exceed \$250,000 per annum (but subject to upward adjustment in the same manner as other expense items may be adjusted pursuant to the terms of the JV Agreement) (the "Property Level Expense Portion") shall be used

by Master Manager to pay certain expenses of the Property more particularly set forth in the Budget and Operating Plan (as defined in the Master Management Agreement) for the Property, and (2) fifty percent (50%) of the excess (i.e. the Management Fee paid to Master Manager pursuant to Section 4.1 of the Master Management Agreement above the Property Level Expense Portion) shall be paid to Leasing/Construction Manager. For the avoidance of doubt, Leasing/Construction Manager acknowledges and agrees that the fees payable to Leasing/Construction Manager are derivative of, and shall only be payable to Leasing/Construction Manager, to the extent the Management Fee is actually paid to Master Manager.

Section 4.2 Leasing Fee. For so long as this Agreement is in effect, leasing services, as rendered by Leasing/Construction Manager according to Article 3 hereto, Leasing/Construction Manager shall be paid by Owner according to the provisions of Schedule 1 attached to this Agreement.

Section 4.3 Construction Management Fee. If and to the extent any construction activities of any kind (including, without limitation, any tenant improvements in connection with any leases at the Property but excluding, in all events, regular repair and maintenance) are commenced, in each case, for the avoidance of doubt, in Owner's determination, Leasing/Construction Manager shall have the right to supervise the performance of any such construction activities and shall be paid a fee (the "Construction Management Fee") as set forth in Schedule 1 of this Agreement .

Section 4.4 Payment. Compensation for Leasing/Construction Manager's share of the Management Fee and reimbursable expenses, subject to the terms of Section 4.1, shall be payable monthly. The Leasing Fee (and/or any Leasing Override Fee) shall be paid in accordance with Schedule 1 attached hereto. The Construction Management Fee shall be paid as specified in Schedule 1 attached hereto . All such Fees shall be payable out of the Operating Account or to the extent not paid out of the Operating Account, paid by Owner to Leasing/Construction Manager within ten (10) days of demand.

ARTICLE 5

INSURANCE AND INDEMNITY

Section 5.1 Insurance. Leasing/Construction Manager shall, at Leasing/Construction Manager's expense, provide professional liability insurance in an amount no less than \$1,000,000, naming each of Owner and Master Manager as additional insured (it being understood and agreed that such insurance shall not cover the errors and/or omissions of either Owner or Master Manager).

Section 5.2 Indemnity. Leasing/Construction Manager shall indemnify, defend, and hold each of Manager and Owner harmless from and against all loss, costs, expenses, claims, demands, or legal proceedings (including costs, expenses, and reasonable attorneys fees) of any kind or nature related to the leasing activity and/or construction management activities of Leasing/Construction Manager pursuant to the terms of this Agreement, except with respect to claims arising out of Owner's or Master Manager's gross negligence, willful and/or intentional misconduct. Master Manager shall indemnify, defend and hold Owner harmless from and against all loss, cost, expenses, claims, demands, or legal proceedings (including costs, expenses, and reasonable attorney's fees) due to the gross negligence and/or willful or intentional misconduct of Master Manager. The terms and conditions of this Section 5.2 shall survive the termination or expiration of this Agreement.

ARTICLE 6

DEFAULT AND REMEDIES

If either party defaults in performance of any of its obligations hereunder, which default continues for a period of ten (10) days after receipt of written notice thereof, then the non-defaulting party may immediately terminate this Agreement by written notice to the other party and the non-defaulting party may seek an action against the defaulting party for actual damages only (and not for consequential damages, special damages, punitive damages or lost profits). If within the ten (10) day period noted above, the defaulting party diligently pursues a cure of the default, the non-defaulting party will grant a thirty (30) day extension during which it will not terminate this Agreement, so long as defaulting party continues to diligently pursue a cure.

ARTICLE 7

DUTIES UPON TERMINATION OR EXPIRATION

Section 7.1 **Leasing/Construction Manager's Duties** . Upon termination or expiration of this Agreement, Leasing/Construction Manager shall promptly deliver to Master Manager complete copies of all books and records maintained by Leasing/Construction Manager in connection with any leasing and/or construction activity for the Property, if any, in connection with this Agreement and all funds in possession of Leasing/Construction Manager belonging to Owner or received by Leasing/Construction Manager, if any, with regard to the Property.

Section 7.2 **Owner's Duties** . Owner shall compensate Leasing/Construction Manager for all fees actually earned hereunder (in accordance with Article 3 hereof) through the date of termination.

ARTICLE 8

MISCELLANEOUS PROVISIONS

Section 8.1 **Notices** . All notices given hereunder shall be made in writing and given to the addressee at the address specified on the signature pages hereof or such other address specified by notice given pursuant to this **Section 8.1** . Notices shall be given by certified mail, return receipt requested, by hand delivery, or by facsimile transfer and shall be effective upon receipt at the address of the addressee.

Section 8.2 **Assignment** . Leasing/Construction Manager may neither assign its rights nor delegate its duties hereunder without the prior written consent of Master Manager or Owner . Upon any such assignment, the assigning party shall be relieved of all obligation and liability accruing after the date of such assignment.

Section 8.3 **Subordination** . This Agreement, and any and all rights of Leasing/Construction Manager hereunder, are and shall be subject and subordinate to any financing (whether senior financing, mezzanine level financing, or preferred equity) respecting the Property (or any portion thereof) (collectively, “ **Property Financings** ”), and any ground or master lease with respect to the Property or any portion thereof (collectively, “ **Ground Leases** ”), and all renewals, extensions, modifications, consolidations and replacements thereof, and to each and every advance made or hereafter to be made under any such Property Financings or Ground Leases. This section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Leasing/Construction Manager shall promptly execute, acknowledge and deliver any instrument that Master Manager, Owner, the landlord under any of the Ground Leases or the holder of any such Property Financings or the trustee or beneficiary of any deed of trust or any of their respective successors in interest may reasonably request to evidence such subordination. At any time and from time to time, upon not less than ten (10) business days prior notice from Master Manager or Owner, Leasing/Construction Manager shall furnish to the requesting party, or a designee thereof, an

estoppel certifying that this Agreement is unmodified and in full force and effect (or that this Agreement is in full force and effect as modified and setting forth the modifications), the date to which Leasing/Construction Manager has been paid hereunder, that to the knowledge of the certifying party, no default or an event of default has occurred and is continuing or, if a default or an event of default shall exist, specifying in reasonable detail the nature thereof and the steps being taken to remedy the same, and such additional information as the requesting party may reasonably request. Any subordination or estoppel furnished pursuant to this Section 8.3 may be relied upon by Owner, and its affiliates, lenders, and any prospective landlord or lender of the Property or any portion thereof. Leasing/Construction Manager shall not unreasonably withhold its consent to any amendment to this Agreement reasonably required by such lender or lessor, provided that such amendment does not (i) increase Leasing/Construction Manager's financial obligations hereunder, or (ii) have a material adverse effect upon Leasing/Construction Manager's rights hereunder, or (iii) materially increase Leasing/Construction Manager's non-economic obligations hereunder.

Section 8.4 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California. All obligations of the parties under this Agreement are to be performed in the county where the Property is located.

Section 8.5 Waiver of Subrogation. To the extent that Master Manager or Leasing/Construction Manager are compensated by insurance for damages sustained by them as a result of any damage to the Property, each party waives its right of recovery against the other and agrees that no party shall have any right of recovery against the other by way of subrogation or assignment, so long as the insurance policy provides for same.

Section 8.6 Entire Agreement, Beneficiaries. This Agreement represents the entire agreement between Master Manager, Leasing/Construction Manager and Owner, for the limited purposes set forth in this Agreement, with regard to the leasing and construction management activities of the Property and all prior agreements are superseded hereby. This Agreement is for the sole benefit of Master Manager and Leasing/Construction Manager and no other party is benefited hereby. Notwithstanding the foregoing, Owner is an intended third party beneficiary of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of the Hudson MC Partners Operating Agreement, the terms of the Hudson MC Partners Operating Agreement shall govern and control in all respects.

Section 8.7 Parties Bound. This Agreement will bind and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors and assigns except as this Agreement states otherwise.

Section 8.8 Time of Essence. Time is of the essence with respect to this Agreement.

Section 8.9 Non-Waiver. No delay or failure to exercise the right under this Agreement, nor a partial or single exercise of a right under this Agreement, will waive that right or any other right under this Agreement.

Section 8.10 Modification. No modification of this Agreement is valid unless in writing and signed by both parties.

Section 8.11 Counterparts. This Agreement and all other copies of it are considered one Agreement. This Agreement may be executed concurrently in one or more counterparts, each of which will be considered an original, but all of which together constitute one instrument.

Section 8.12 Legal Construction. If a court of competent jurisdiction holds any one or more of the provisions of this Agreement to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, which will be construed as if it had never contained the invalid, illegal, or unenforceable provision.

Section 8.13 Attorneys Fees. If any action at law or in equity, including any action for declaratory relief, is brought to enforce or interpret this Agreement, the prevailing party is entitled to recover reasonable attorneys' fees and costs from the other party in addition to any other relief that may be awarded. The court may award attorneys fees and costs in a trial of the action or in a separate action brought to litigate the issue of attorney's fees and costs.

In witness whereof, Master Manager and Leasing/Construction Manager have executed this Agreement as of the date first above written.

[Signature Page Follows]

MANAGER:

HUDSON OP MANAGEMENT, LLC,
a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Title: _____

Address: 11601 Wilshire Boulevard
Suite 1600
Los Angeles, California 90025
Phone: (310) 445-5700
Fax: (310) 445-5710

Address: 11601 Wilshire Boulevard
Suite 1600
Los Angeles, California 90025
Phone: (310) 445-5700
Fax: (310) 445-5710

LEASING/CONSTRUCTION MANAGER:

WORTHE REAL ESTATE GROUP, INC.,
a California corporation

By: _____
Name:
Its:

Acknowledged and agreed to by Owner, for purposes of approving the delegation of Master Manager’s duties to Leasing/Construction Manager pursuant to the terms of this Agreement, for purposes of agreeing to pay the Leasing Fees, Leasing Override Fees and Construction Management Fees set forth on Schedule 1, and for purposes of binding Owner to this Agreement to the extent of any express obligations and/or rights inuring to the benefit of Owner:

OWNER:

P1 HUDSON MC PARTNERS, LLC,
a Delaware limited liability company

By: Hudson MC Partners, LLC,
a Delaware limited liability company,
its sole member

By: _____
Name:
Its:

SCHEDULE "1"

Leasing and Construction Management Fee

1. Basic Terms:

1.1 Local Leasing Standards. For purposes of this Agreement, "Local Leasing Standards" shall mean leasing commissions based on fair-market terms customary for the leasing, renewal and/or expansion of space in first class office buildings comparable to the Property in the Burbank, California area.

1.2 Leasing Fee.

(a) For New Leases, Renewals, Extensions or Expansions of Existing Leases: Two percent (2.0%) of the total base rent payable throughout the initial term (or the applicable renewal, extension or expansion term) of the lease, provided, however, if Leasing/Construction Manager is the sole broker (and the applicable tenant does not utilize a tenant broker), then the Leasing Fee for new leases (or, as applicable, any renewal, extension or expansion) shall be three percent (3.0%) of the total base rent payable throughout the initial term (or the applicable renewal, extension or expansion term) of the lease.

(b) Notwithstanding the foregoing, if a lease term (or any renewal, extension or expansion term) is in excess of five (5) years, then the Leasing Fee(s) payable under this Paragraph 1.2 shall reduce by 50% for years six (6) through ten (10). The Leasing Fee payable with respect to terms beyond ten (10) years shall be reasonably negotiated by the parties and shall be consistent with Local Leasing Standards.

1.3 Leasing Override Fee. Notwithstanding the foregoing, in the event Owner determines that Owner desires to employ a third party broker in connection with any leasing activity at the Property (and subject to the terms of the JV Agreement), and Leasing/Construction Manager is not able to agree, following diligent, good faith efforts to negotiate same, upon a leasing fee split with such third party broker (provided, however, that Leasing/Construction Manager shall not reject any split of leasing fees which is consistent with the then applicable Local Leasing Standards), then Leasing/Construction Manager shall receive a leasing override fee, not to exceed 1.0% of the total base rent payable throughout the initial term of the lease procured by such third party broker or, as applicable, of the extension, renewal or expansion term (the "Leasing Override Fee"), provided, further, however, if a lease term (or any renewal or expansion term) is in excess of five (5) years, then the Leasing Override Fee(s) payable under this Paragraph 1.2 shall reduce by fifty percent (50%) for years six (6) through ten (10). The Leasing Override Fee payable with respect to terms beyond ten (10) years shall be reasonably negotiated by the parties, and shall be consistent with Local Leasing Standards.

1.4 Construction Management Fee. For construction projects either approved by Owner, or set forth in Leases approved by Owner, in each case, pursuant to the terms of the JV Agreement (including, without limitation, any applicable Major Decisions):

(a) Five percent (5.0%) of the costs actually incurred, up to \$500,000;

(b) Three percent (3.0%) of the costs actually incurred which are in excess of \$500,000;

(c) For construction projects, where the applicable tenant pursuant to the terms of the applicable lease manages such construction project by, e.g., directly engaging consultants and/or contractors, a general oversight fee in the amount of (1) three percent (3.0%) of the first \$500,000 of the total design and

construction costs of the applicable tenant improvement project, but excluding any tenant FF&E (collectively, “ Tenant Improvement Project Costs ”), and (2) two percent (2.0%) of Tenant Improvement Project Costs in excess of \$500,000

2. Payment. This paragraph 2 sets forth Owner’s and Leasing/Construction Manager’s agreement concerning payment(s) of Leasing Fees and Construction Management Fees, and the terms and conditions thereto.

2.1 Payment Schedule of Leasing Fee/Leasing Override Fee.

- (a) One-half (1/2) of the Leasing Fee or of any applicable Leasing Override Fee shall be payable upon the full execution and delivery of the lease by landlord and tenant.
- (b) The remaining one-half (1/2) of the Leasing Fee or of any applicable Leasing Override Fee shall be payable upon the date that the term of the lease has commenced.

2.2 Payment Schedule of Construction Management Fee.

(a) One hundred percent (100%) of the Construction Management Fee shall be payable upon completion of the applicable construction projects, following application for payment showing all costs and calculated fees derived therefrom, together with such back-up information substantiating same as may be reasonably requested by Owner.

EXHIBIT J

PINNACLE 1 INTERIM BUDGET AND OPERATING PLAN

12/02/11 RRF2
11:05:11 QPADEV0005

T H E R R E E F F U N D S

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V970826 RRFKHAM1

Report BUACCO01B0
Number 002

BUDGETED DETAIL INC/EXP STMT BY COMPANY
B85 THE PINNACLE
Twelve Months Ending December 31, 2012

% (\$) FISCAL 100 %
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
INCOME														
5011 Base Rent Income	1176522-	1165164-	1165164-	1165164-	1092104-	1106648-	1106648-	1093509-	1093509-	1093509-	1095532-	1095736-	13449209-	34.19
Total Base Rent	1176522-	1165164-	1165164-	1165164-	1092104-	1106648-	1106648-	1093509-	1093509-	1093509-	1095532-	1095736-	13449209-	34.19
5052 Parking	156003-	151003-	151003-	156003-	152583-	152583-	152583-	151823-	151823-	151348-	148893-	148893-	1824540-	4.64
5053 TeleCom Revenue	430-	430-	430-	430-	430-	430-	430-	430-	430-	430-	443-	443-	5191-	.01
5054 Storage Rent	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	100608-	.26
5430 Misc Income - Non-Tenant	0	0	250-	0	0	250-	0	0	250-	0	0	250-	1000-	.00
5450 Fitness Center Income	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	64800-	.16
Total Misc. Rental Income	170217-	165217-	165467-	170217-	166797-	167047-	166797-	166037-	166287-	165562-	163120-		163370- 1996139-	5.07
5511 Real Estate Tax Recovery	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	337964-	.86
5531 CAM Recovery	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	780014-	1.98
Total Recoveries	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-		93165- 1117978-	2.84
5552 Utilities Reimbursements	49540-	44570-	47036-	50441-	55643-	51858-	52020-	55322-	53917-	53917-	49971-	50941-	615177-	1.56
5553 HVAC Reimbursements	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	21000-	.05
Total Reimbursements	51290-	46320-	48786-	52191-	57393-	53608-	53770-	57072-	55667-	55667-	51721-	52691-	636177-	1.62
INCOME	1491195-	1469866-	1472582-	1480738-	1409459-	1420468-	1420380-	1409783-	1408628-	1407903-	1403538-	1404962-	17199503-	43.72
OPERATING EXPENSES														
6311 Electricity	47805	45387	47344	50191	56892	52246	53157	56451	55017	55017	50991	51981	622480	1.58
6331 Water and Sewer	9	12	8	19	8	11	13	12	12	12	12	12	143	.00
Total Utilities	47814	45400	47352	50210	56901	52258	53170	56464	55030	55030	51003	51993	622624	1.58

Report BUACCO01B0
Number 002

BUDGETED DETAIL INC/EXP STMT BY COMPANY
B85 THE PINNACLE
Twelve Months Ending December 31, 2012

% (\$) FISCAL 100 %
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
7017 Adv. & Promotions	0	200	1180	0	200	0	900	4880	0	0	200	7000	14560	.04
7051 Legal	0	500	0	0	500	0	0	500	0	0	500	0	2000	.01
7060 Bank Fees	800	800	800	800	800	800	800	800	800	800	800	800	9600	.02
7061 Accounting	225	225	225	225	225	225	225	225	225	225	225	225	2700	.01
7063 Professional Fees	0	0	0	0	0	0	0	1500	1500	0	0	0	3000	.01
7074 Leasing and Vacancy Prep	0	600	0	0	600	0	0	600	0	0	600	0	2400	.01
Total Administration Expenses	1025	2325	2205	1025	2325	1025	1925	8505	2525	1025	2325	8025	34260	.09
7008 Bad Debt Expense	7406	7299	7312	7354	6995	7048	7049	6996	6989	6986	6964	6970	85368	.22
Total Bad Debt Expense	7406	7299	7312	7354	6995	7048	7049	6996	6989	6986	6964	6970	85368	.22
8001 General Insurance	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	32932	.93
Total Insurance Expense	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	32932	.93
8111 Real Estate Taxes	138574	138324	138324	138433	138324	138324	141091	141091	141091	141091	141091	141091	1676849	4.26
8145 Sales & Use Tax	1991	1441	1441	1991	1991	1991	1991	1991	1991	1991	1815	1815	22440	.06
Total Taxes	140565	139765	139765	140424	140315	140315	143082	143082	143082	143082	142906	142906	1699289	4.32
7237 Fitness Center Expense	2707	2075	3167	1707	3075	2917	2707	2075	3167	2207	3075	2167	31046	.08
Total Maint. & Repair Interior	2707	2075	3167	1707	3075	2917	2707	2075	3167	2207	3075	2167	31046	.08
OPERATING EXPENSES	229731	227077	230015	230933	239824	233776	238146	247335	241006	238543	236486	244993	2837864	7.21
8703 Telephone / Internet	537	537	537	537	537	537	537	537	537	537	537	537	6438	.02
8705 Electricity	78788	76244	62644	87591	70489	81483	80848	101162	106370	102116	87375	87375	1022483	2.60
8706 Gas and Oil	3286	2712	2349	2400	1712	1639	2508	1061	1030	2163	2987	4326	28173	.07
8707 Water and Sewer	1921	1889	1879	2881	2254	2020	2352	3187	2526	2425	2521	2486	28339	.07

BUDGETED DETAIL INC/EXP STMT BY COMPANY

Report BUACCO01B0
Number 002

B85 THE PINNACLE
Twelve Months Ending December 31, 2012

% (\$) FISCAL 100 %
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
8709 Electrical M & R	4057	2768	4042	4459	2768	2768	4057	3170	2768	4057	4868	4297	44081	.11
8710 Electrical Supplies	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	21521	.05
8713 Plumbing Supplies	260	260	260	260	260	260	260	260	260	260	260	260	3120	.01
8714 Plumbing M & R	2545	1020	0	2145	0	1000	1145	1000	1611	3775	322	1000	15563	.04
8717 HVAC-M & R	11250	30437	8868	25	5859	3416	25	9526	14144	25	47183	8016	138775	.35
8719 HVAC Supplies	573	500	573	500	573	500	573	500	573	500	10573	500	16440	.04
8722 HVAC-Contract	700	700	2167	3212	700	2167	700	700	4223	700	700	2167	18836	.05
8723 Security Supplies	2578	0	625	2578	0	0	2578	0	625	2578	0	0	11564	.03
8724 Security Contract	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	85783	.22
8725 Fire Sprinkler M & R	0	500	0	0	500	0	0	500	0	0	500	0	2000	.01
8726 Fire & Life Safety	0	1400	400	0	2700	400	0	1400	575	1116	2500	400	10891	.03
8728 Alarm M & R	125	0	0	125	0	0	125	0	0	125	0	0	500	.00
8729 Alarm Contract Services	175	70	70	175	70	70	175	70	70	175	70	70	1260	.00
8730 Pest Control	210	210	589	210	210	460	210	210	589	210	210	460	3775	.01
8731 Dues, License and Permit	7071	0	0	86-	422	0	97	0	0	0	0	2680	10183	.03
8735 Signs	500	0	0	193	0	0	500	0	0	193	0	0	1386	.00
8736 Office Supplies	309	309	309	309	309	309	309	309	309	309	309	309	3713	.01
8739 Third Party Management F	44424	43784	43858	44110	41972	42295	42299	41981	41939	41925	41794	41829	512211	1.30
8741 Building M & R Interior	400	1800	2200	2500	1800	0	400	1800	0	2500	4000	4000	21400	.05
8742 Building M & R Exterior	3295	1059	1501	13445	16059	3139	6445	1059	4050	1945	1510	1510	55019	.14
8743 Paint-Exterior	322	0	838	322	0	0	322	1976	0	322	0	0	4103	.01
8745 Elevator M & R	5171	607	349	1171	349	349	1171	607	349	1171	1986	349	13627	.03
8752 Landscape Supplies	0	177	0	177	0	177	0	177	0	177	0	177	1064	.00
8753 Landscape Contract	2297	3586	2297	2297	3586	2297	2651	3940	2651	2651	4327	2651	35230	.09
8754 Landscape M & R	719	1167	4825	10517	845	445	1170	1135	5150	719	1296	445	28431	.07
8755 Landscape M&R-Interior	688	688	688	688	688	688	688	688	688	688	688	688	8256	.02
8756 Engineering Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1200	.00
8757 Trash Removal	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	25200	.06
8758 Parking Lot Sweeping	435	435	435	435	435	435	435	435	435	435	435	435	5221	.01
8759 Engineering Contract	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	64102	.16
8761 Elevator Contract Servic	4104	4104	4104	4268	4268	4268	4268	4268	4268	4268	4268	4268	50722	.13
8762 Janitorial Supplies	3697	3600	3697	3600	3697	3600	3697	3600	3697	3600	3697	3600	43780	.11
8763 Janitorial Contract	30925	31175	31977	30925	30925	31727	30925	30925	32227	30925	30925	31727	375312	.95

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V970826 RRFKHATMA1

% (\$) FISCAL 100 %
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
8522 Amort Exp-Acq Lease Orig	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	424274	1.08
8612 Deprec-Furn, Fixtures, &	256	256	256	256	256	256	256	256	256	256	256	256	3070	.01
8615 Depreciation Expense-Bld	489	489	489	489	489	489	489	489	489	489	489	489	5865	.01
8616 Depreciation - Building	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	3165505	8.05
8616.4 Depreciation-Bldg Acq Le	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	152739-	3.89
8627 Amortization Exp Lease C	4983	4983	4983	1700	2103	2103	2552	2048	2419	2419	2419	2419	35132	.09
8629 Amort. Expense - Legal F	123	100	100	38	38	38	32	32	32	32	32	32	628	.00
8630 Amort Exp-Const Admin Fe	1209	1149	1149	173	173	173	145	145	145	145	145	145	4898	.01
Total Amortization Expense	315302	312659	312659	294294	294697	294697	295348	293106	293477	293477	293477	293477	3586669	9.12
NON-OPERATING EXPENSES	315302	312659	312659	294294	294697	294697	295348	293106	293477	293477	293477	293477	3586669	9.12
NET INCOME	309440-	316715-	317748-	310879-	259902-	294736-	269774-	230821-	232859-	205741-	202236-	238013-	3188864-	8.11

EXHIBIT K

RENT ROLL

DB REAL ESTATE THE PINNACLE L.P.
 3400 W. Olive Avenue, Burbank, CA
 The Pinnacle – Rent Roll (10/2/12)

					Monthly		Rent Escalation			Monthly	Unreserved	Monthly	
Tenant	Suite #	Commencement	Expiration	Rentable Sq. Ft.	Base Rent	PSF/Mo.	Date	Amount/Mo.	PSF/Mo.	Min. Parking	Pass Rate/Mo.	Storage Space	Comments
Warner Music Group Inc.	100	01/01/03	12/31/19	195,166	\$ 565,981.40	\$ 2.90				\$ 46,800.00	\$ 80.00		1, 2, 3, 4, 5, 6
							01/01/04	\$ 571,641.21	\$ 2.93	\$ 46,800.00	\$ 80.00		
							01/01/05	\$ 577,357.63	\$ 2.96	\$ 46,800.00	\$ 80.00		
							01/01/06	\$ 583,131.20	\$ 2.99	\$ 46,800.00	\$ 80.00		
							01/01/07	\$ 588,962.51	\$ 3.02	\$ 46,800.00	\$ 80.00		
							01/01/08	\$ 594,852.14	\$ 3.05	\$ 52,650.00	\$ 90.00		
							01/01/09	\$ 606,749.18	\$ 3.11	\$ 52,650.00	\$ 90.00		
							01/01/10	\$ 618,884.17	\$ 3.17	\$ 52,650.00	\$ 90.00		
							01/01/11	\$ 631,261.85	\$ 3.23	\$ 52,650.00	\$ 90.00		
							01/01/12	\$ 643,887.09	\$ 3.30	\$ 52,650.00	\$ 90.00		
							01/01/13	\$ 656,764.83	\$ 3.37	\$ 58,500.00	\$ 100.00		
							01/01/14	\$ 669,900.12	\$ 3.43	\$ 58,500.00	\$ 100.00		
							01/01/15	\$ 683,298.13	\$ 3.50	\$ 64,350.00	\$ 110.00		
							01/01/16	\$ 696,964.09	\$ 3.57	\$ 64,350.00	\$ 110.00		
							01/01/17	\$ 710,903.37	\$ 3.64	\$ 64,350.00	\$ 110.00		
							01/01/18	\$ 725,121.44	\$ 3.72	\$ 64,350.00	\$ 110.00		
							01/01/19	\$ 739,623.87	\$ 3.79	\$ 64,350.00	\$ 110.00		
Sony Pictures Television Inc.	170/315	01/01/04	10/31/13	9,005	\$ 23,927.90	\$ 2.90				\$ 1,445.00	\$ 85.00		7, 8, 9, 10
							01/01/05	\$ 23,927.90	\$ 2.90	\$ 1,445.00	\$ 85.00		
							01/01/06	\$ 24,406.46	\$ 2.96	\$ 1,445.00	\$ 85.00		
							01/01/07	\$ 24,894.59	\$ 3.02	\$ 1,445.00	\$ 85.00		
							01/01/08	\$ 25,392.48	\$ 3.08	\$ 1,530.00	\$ 90.00		
							01/01/09	\$ 25,900.33	\$ 3.14	\$ 1,530.00	\$ 90.00		
							05/01/09	\$ 33,768.75	\$ 3.75	\$ 1,530.00	\$ 90.00		
							05/01/10	\$ 35,119.50	\$ 3.90	\$ 1,530.00	\$ 90.00		
							11/01/11	\$ 33,768.75	\$ 3.75	\$ 1,620.00	\$ 95.00		
							11/01/12	\$ 34,781.81	\$ 3.86	\$ 1,620.00	\$ 95.00		

						Monthly		Rent Escalation				Monthly	Unreserved	Monthly					
Arnie Martin's of Chicago/Burbank LLC	180	11/04/02	11/03/17	8,257 *	\$	22,706.75	\$	2.75							11, 12, 13, 14, 15				
									11/04/07	\$	24,771.00	\$	3.00						
Vacant (Restaurant)	190			7,612 *					11/04/12	\$	26,835.25	\$	3.25						
Vacant (Office)	220			17,928															
NBC Enterprises	250/600	01/01/03	12/31/14	17,942	\$	52,031.80	\$	2.90				\$	2,700.00	\$	75.00	16, 17, 18, 19, 20, 21			
				19,124	\$	55,459.60	\$	2.90	01/01/04	\$	108,532.04	\$	2.93	\$	6,290.00	\$	85.00		
									01/01/05	\$	110,702.68	\$	2.99	\$	6,290.00	\$	85.00		
									01/01/06	\$	112,916.73	\$	3.05	\$	6,290.00	\$	85.00		
									01/01/07	\$	115,175.07	\$	3.11	\$	6,290.00	\$	85.00		
									01/01/08	\$	117,478.57	\$	3.17	\$	6,660.00	\$	90.00		
									01/01/09	\$	119,828.14	\$	3.23	\$	6,660.00	\$	90.00		
									01/01/10	\$	122,224.70	\$	3.30	\$	6,660.00	\$	90.00		
									01/01/11	\$	124,669.20	\$	3.36	\$	7,030.00	\$	95.00		
									01/01/12	\$	127,162.58	\$	3.43	\$	7,030.00	\$	95.00		
									01/01/13	\$	129,705.83	\$	3.50	74 x Prevailing	Prevailing				
									01/01/14	\$	132,299.95	\$	3.57	74 x Prevailing	Prevailing				
Vacant (Office)	320			3,413															
Starz Entertainment LLC (Assignee from Starz Media, LLC)	330	10/01/10	04/30/14	4,040	\$	14,544.00	\$	3.60				\$	720.00	\$	90.00		22, 23, 24		
									11/01/10	\$	14,544.00	\$	3.60	\$	720.00	\$	90.00		
									05/01/11	\$	14,544.00	\$	3.60	\$	760.00	\$	95.00		
									05/01/12	\$	14,948.00	\$	3.70	\$	760.00	\$	95.00		
									05/01/13	\$	15,396.44	\$	3.81	8 x Prevailing	Prevailing				
AMFM (On-Line & Music)	340	06/01/05	09/30/16	2,217	\$	6,694.00	\$	3.02				\$	560.00	\$	80.00	\$	1,440.75	25, 26, 27, 28, 29, 30	
									01/01/06	\$	6,694.00	\$	3.02	\$	560.00	\$	80.00	\$	1,469.57
									01/01/07	\$	6,827.44	\$	3.08	\$	630.00	\$	90.00	\$	1,498.96
									01/01/08	\$	6,963.99	\$	3.14	\$	630.00	\$	90.00	\$	1,528.94
									01/01/09	\$	7,103.27	\$	3.20	\$	630.00	\$	90.00	\$	1,559.51
									01/01/10	\$	7,245.33	\$	3.27	\$	630.00	\$	90.00	\$	1,590.70
									01/01/11	\$	7,390.24	\$	3.33	\$	665.00	\$	95.00	\$	1,622.52
									01/01/12	\$	7,538.04	\$	3.40	\$	665.00	\$	95.00	\$	1,654.97
									01/01/13	\$	7,688.81	\$	3.47	7 x Prevailing	Prevailing	\$	1,688.07		

[illegible]

[illegible]

EXHIBIT L
CLOSING STATEMENT

Pinnacle 1
HPP / Media Center Partners, LLC – Equity Split Calculation

Media Center Partners LLC Retained Equity(1)	4,448,230.00	
<u>1. HPP / Media Center Partners Initial Equity (Before Credits and Abatements @ \$212.5 million purchase price)</u>		
Purchase Price	212,500,000.00	
Less Debt:	129,000,000.00	
Equity Value	83,500,000.00	
Media Center Partners, LLC	4,448,230.00	5.3%
HPP	79,051,770.00	94.7%
	83,500,000.00	100.0%
<u>2. HPP / Media Center Partners Equity After WMG Rent Abatement Credit</u>		
Media Center Partners, LLC Equity	4,448,230.00	
Less: WMG Rent Abatement Credit to Buyer (Pro rated)	(4,568,168.860)	
Plus: \$2.5 million equity credit (\$215.0 million PP vs. \$212.5 million PP)	2,500,000.00	
Revised Media Center Partners, LLC Equity	2,380,061.14	2.9%
Revised HPP Equity	81,119,938.86	97.1%
	83,500,000.00	100.0%
<u>3. HPP / Media Center Partners Equity After HPP Credit for funding JV closings costs</u>		
HPP Equity	81,119,938.86	
JV Costs funded by HPP(2)	1,015,848.49	
Media Center Partners, LLC Equity	2,380,061.14	2.8%
Revised HPP Equity	82,135,787.35	97.2%
	84,515,848.49	100.0%
<u>4. HPP / Media Center Partners Equity After Prorations</u>		
Prorations: Net Credit to Buyer(3)	928,065.90	
HPP's Pro Rata Share of Proration Credit	901,930.53	
<u>FINAL EQUITY SPLITS @ PINNACLE 1 CLOSING</u>		
HPP Equity	83,037,717.88	98.25%
Media Center Partners Equity	1,478,130.61	1.75%
	84,515,848.49	100.0%

HPP EQUITY CHECK CALCULATION

Total Equity Funded by Hudson at Closing	82,599,700.00
Less Loan Reserves	(3,355,863.750)
Less: HPP Transaction Expenses	(466,217.760)
Less: HPP Funded JV Costs	(1,015,848.490)
Plus: Rate Lock Deposit Credit	<u>1,290,000.00</u>
Hudson Initial Equity	79,051,770.00
Check:	

Media Center Partners, LLP – Share of Reserves Owed to HPP

Total Loan Reserves at Closing	3,355,863.75
Media Center Partners, LLP % Percentage	<u>1.7%</u>
Pro Rata Share of Loan Reserves Owed to HPP	58,692.01

Notes :

1. Number from Chicago Title Settlement Statement;
2. Represents costs funded at closing by HPP that were for the benefit of the joint-venture, including loan fees;
3. Represents prorations between Buyer & Seller including rents, operating expenses, taxes, etc.

ACQUISITION AND CONTRIBUTION AGREEMENT

BETWEEN

MEDIA CENTER DEVELOPMENT, LLC

AND

P2 HUDSON MC PARTNERS, LLC

FOR

**PINNACLE 2 PROPERTY
LOCATED AT
3300 WEST OLIVE AVENUE
BURBANK, CALIFORNIA**

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ACQUISITION AND CONTRIBUTION AGREEMENT

THIS ACQUISITION AND CONTRIBUTION AGREEMENT (this “**Agreement**”) is made as of November __, 2012 (the “**Effective Date**”), by and between MEDIA CENTER DEVELOPMENT, LLC, a Delaware limited liability company, having an address at c/o M. David Paul Development LLC, 100 Wilshire Boulevard, Suite 1600, Santa Monica, California 90401 (“**Transferor**”), and P2 HUDSON MC PARTNERS, LLC, a Delaware limited liability company, having an address at c/o Hudson Pacific Properties, Inc., 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025 (“**Transferee**”).

RECITALS

WHEREAS, Transferor desires to cause its wholly owned subsidiary 3300 West Olive, LLC, a Delaware limited liability company (“**Property Owner**”), to transfer, assign, contribute and convey to Transferee all of Property Owner’s right, title and interest in and to the Property (as hereinafter defined) including, without limitation, the office building (the “**Building**”) located at 3300 West Olive Avenue, in the City of Burbank, County of Los Angeles, State of California, and which is more particularly described on **Schedule A** attached hereto and made a part hereof, commonly known as “Pinnacle 2”, and Transferee desires to accept all of Property Owner’s right, title and interest in and to the Property including, without limitation, the Building, upon the terms and covenants and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

AGREEMENT

ARTICLE I
DEFINITIONS

- 1.1 “**12-Month Reconciliation Amounts**” has the meaning set forth in **Section 12.1(c)**.
- 1.2 “**12-Month Reconciliation Date**” has the meaning set forth in **Section 12.1(c)**.
- 1.3 “**Acknowledgment**” has the meaning set forth in **Section 11.2(h)**.
- 1.4 “**Agreement**” has the meaning set forth in the introductory paragraph.
- 1.5 “**Assignment of Leases and Contracts**” has the meaning set forth in **Section 11.2(c)**.
- 1.6 “**Bill of Sale**” has the meaning set forth in **Section 11.2(b)**.
- 1.7 “**BSA**” has the meaning set forth in **Section 6.25**.
- 1.8 “**Building**” has the meaning set forth in the Recitals.
- 1.9 “**Business Day**” means each day of the year other than Saturdays, Sundays, legal holidays and days on which banking institutions are generally authorized or obligated by Law to close in the state in which Escrow Agent is located or the state in which the Real Property is located.
- 1.10 “**City**” has the meaning set forth in **Section 15.20**.
- 1.11 “**Closing**” has the meaning set forth in **Section 11.1**.
- 1.12 “**Closing Date**” has the meaning set forth in **Section 11.1**.
- 1.13 “**Closing Documents**” means those documents required to be delivered by Transferor or Transferee at the Closing pursuant to **Sections 11.2** and **11.3**, respectively, or pursuant to or in connection with any other provision of this Agreement.
- 1.14 “**Closing Statement**” has the meaning set forth in **Section 11.2(k)**.
- 1.15 “**Code**” means the Internal Revenue Code of 1986, as amended.
- 1.16 “**Commission**” has the meaning set forth in **Section 15.1**.
- 1.17 “**Contracts**” means all right, title and interest of Property Owner in and to all contracts, agreements or commitments, oral or written, binding upon or relating to the Property, other than contracts, agreements or commitments (i) that, pursuant to their respective terms, expire prior to the Closing and/or (ii) that are terminated in accordance with their respective terms and the terms of this Agreement prior to the Closing; provided, however, that the term “**Contracts**” shall not include Leases.

1.18 “ **Contribution Value** ” means \$130,000,000.00, subject to adjustments for prorations under **Article XII** hereof.

1.19 “ **Cut-Off Time** ” has the meaning set forth in **Section 12.1(a)**.

1.20 “ **DBRE** ” has the meaning set forth in **Section 2.4**.

1.21 “ **Deed** ” has the meaning set forth in **Section 11.2(a)**.

1.22 “ **Development Rights Deed** ” has the meaning set forth in **Section 15.20**. “ ”

1.23 “ **Effective Date** ” has the meaning set forth in the introductory paragraph.

1.24 “ **Environmental Laws** ” means all federal, state and local environmental laws, rules, statutes, directives, binding written interpretations, binding written policies, ordinances and regulations issued by any Governmental Entity and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Real Property, or any portion thereof, the use, ownership, occupancy or operation of the Real Property, or any portion thereof, or Property Owner, and as the same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), any and all comparable state and local laws, including, without limitation, Sections 25115, 25117, 25122.7, 25140, 25249.8, 25281, 25501 and 25316 of the California Health and Safety Code, Section 2782.6(d) of the California Civil Code and Chapter 11 of Title 22 of the California Code of Regulations, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the aforementioned laws.

1.25 “ **Escrow Agent** ” means Chicago Title Insurance Company, having an address of 26415 Carl Boyer Drive, Suite 255, Santa Clarita, California, 91350, Attention: Maggie G. Watson, Senior Vice President, having a phone number of 661-753-5701 and a facsimile number of 661-753-5730.

1.26 “ **Excess TDR** ” has the meaning set forth in **Section 15.20**.

1.27 “ **Exchange** ” has the meaning set forth in **Section 15.21**.

1.28 “ **Existing Survey** ” has the meaning set forth in **Section 3.1**.

1.29 “ **Final Closing Statement** ” has the meaning set forth in **Section 12.1(b)**.

1.30 “ **Governmental Entity** ” means the various governmental and quasi- governmental bodies or agencies having jurisdiction over Transferor, Property Owner, the Real Property or any portion thereof.

1.31 “ **Hazardous Materials** ” means any pollutants, contaminants, hazardous or toxic substances, materials or wastes (including petroleum, petroleum by-products, methane, radon, asbestos and asbestos containing materials, polychlorinated biphenyls (“ **PCB’s** ”), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde), as such terms are used in any Environmental Laws (excluding solvents, cleaning fluids and other lawful substances used in the ordinary operation and maintenance of the Property, to the extent in closed containers.

1.32 “ **Hudson** ” means Hudson JW, LLC, a Delaware limited liability company.

1.33 “ **Improvements** ” means any and all buildings, improvements, structures, parking facilities and fixtures now or hereafter placed, constructed, installed or located on the Land, including the Building and all apparatus, equipment and appliances affixed to and used in connection with the operation or occupancy of the Land or the Building (such as heating, air conditioning, and mechanical systems).

1.34 “ **Intangible Property** ” means all right, title and interest of Property Owner in and to any and all intangible property, goodwill, rights, privileges, and appurtenances in any way related to, or used in connection with, the ownership, operation, maintenance, use or occupancy of the Property (other than the Contracts and the Leases) to the extent that they are assignable, including the Permits, Plans and Records, guaranties, warranties, all escrow accounts and reserves maintained by Property Owner or any lender or regulatory body in connection with the Loan Obligation, websites, e-mail addresses, trade names, trademarks, telephone and facsimile numbers assigned to the Property or to the Property’s management office and the name “Pinnacle 2”, and all rights, claims and recoveries under insurance policies related to the Real Property and/or the Personal Property.

1.35 “ **Land** ” means the real property described on **Schedule A**, together with all of Property Owner’s right, title and interest in and to all reversions, remainders, privileges, easements, rights-of-way, appurtenances, agreements, rights, licenses, tenements and hereditaments appertaining to or otherwise benefiting or used in connection with said real property or the Improvements, together with all of Property Owner’s right, title and interest in and to any open or proposed strips and gores of land, streets, alleys, public ways or rights-of-way abutting, adjoining, adjacent, connected or appurtenant to such real property, and together with all of Property Owner’s right, title and interest in and to all minerals and mineral rights, oil, gas, and oil and gas rights, other hydrocarbon substances and rights, development rights, air rights, water and water rights, wells, well rights and well permits, water and sewer taps (or their equivalents), and sanitary or storm sewer capacity appertaining to or otherwise benefiting or used in connection with said real property or the Improvements.

1.36 “ **Landlord Work Expenses** ” has the meaning set forth in **Section 6.16**.

1.37 “ **Laws** ” means all federal, state and local laws, statutes, codes, regulations, rules, ordinances, orders, policy directives, binding written interpretations, binding written policies, judgments or decrees (including common law), including those of judicial and administrative bodies.

1.38 “ **Leases** ” means all leases, licenses, tenancies or occupancy arrangements (whether written or oral), including any Tenant guaranties delivered in connection with any of the foregoing, and any and all amendments thereto, and all right, title and interest of Property Owner as landlord thereunder, affecting any portion of the Real Property, if any, in each case, (i) effective as of the Effective Date or (ii) entered into during the period from the Effective Date to (but not including) the Closing Date with Transferee’s prior written consent and otherwise in accordance with this Agreement.

1.39 “ **Lender** ” means Greenwich Capital Financial Products, Inc., a Delaware corporation (together with its successors and/or assigns).

1.40 “ **Liens** ” means any and all claims, covenants, conditions, restrictions, easements, rights-of-way, judgments, mortgages, pledges, hypothecations, assignments, deposits, arrangements, encumbrances, liens (statutory or other), charges, security interests, options, pledges, preferences, priorities or other security interests of any kind or nature whatsoever, including any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the Uniform Commercial Code or any other similar recording or notice statute, and any lease or other arrangement having substantially the same effect as any of the foregoing.

1.41 “ **Loan Documents** ” means the documents set forth on **Schedule B**, as amended, modified and/or supplemented prior to the Effective Date.

1.42 “ **Loan Obligation** ” means that loan in the original principal amount of \$90,800,000 evidenced by the Loan Documents and secured by, *inter alia* , that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 16, 2006, and recorded August 18, 2006 as Instrument No. 06-1851945 in the Official Records, for the benefit of Greenwich Capital Financial Products, Inc., a Delaware corporation, as assigned to Bank of America, N.A. pursuant to that certain Assignment of Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing and Assignment of Assignment of Leases and Rents, dated July 6, 2009, and recorded November 9, 2009 as Instrument No. 2009-1686903 in the Official Records.

1.43 “ **Losses** ” means all damages, losses, liabilities, claims, actions, interest, deficiencies, penalties, demands, obligations, judgments, expenses, costs or fees (including reasonable attorneys’ fees, charges and disbursements, including those of in-house counsel and those related to appeals, and expert witness fees).

1.44 “ **Material Change** ” has the meaning set forth in **Section 8.2**.

1.45 “ **Material Event Termination Notice** ” has the meaning set forth in **Section 8.2**. “”

1.46 “ **MCP** ” means Media Center Partners, LLC, a California limited liability company.

1.47 “ **Membership Interest** ” means membership interests in the Joint Venture equal to Transferor’s Percentage Interest (as defined in the Operating Agreement) upon the Closing.

1.48 “ **Notices** ” has the meaning set forth in **Section 15.14**.

1.49 “ **Official Records** ” means the Official Records of Los Angeles County, California.

1.50 “ **Operating Agreement** ” means that certain Limited Liability Company Agreement of Hudson MC Partners, LLC, of even date herewith, between MCP and Hudson, as amended, restated, supplemented or modified in accordance with the terms thereof.

1.51 “ **Overage Rent** ” has the meaning set forth in **Section 12.1(a)**.

1.52 “ **Patriot Act** ” has the meaning set forth in **Section 6.25**.

1.53 “ **Permits** ” means all governmental or quasi-governmental permits, agreements, licenses, certificates, authorizations, applications, approvals, entitlements, variances and waivers, including building permits and certificates of occupancy, relating to the construction, ownership, development, use, operation, maintenance or repair of the Real Property, to the extent that they are assignable.

1.54 “ **Permitted Exceptions** ” has the meaning set forth in **Section 5.1**.

1.55 “ **Person** ” means any individual, partnership, corporation, limited liability company, limited liability partnership, trust or other entity.

1.56 “ **Personal Property** ” means all of the right, title and interest of Property Owner in and to all tangible personal property, machinery, apparatus, appliances, equipment and supplies used exclusively in connection with all or any portion of the Land and/or the Improvements (excluding, however, any tangible personal property and fixtures which are owned by Tenants pursuant to the terms of their respective Leases), and all of Property Owner’s right, title and interest in and to any and all escrow and reserve accounts maintained by Property Owner, or any lender in connection with the Loan Obligation. Notwithstanding anything to the contrary herein, “Personal Property” shall also include the following works of art at, on or about the Property (each identified by title of work, date thereof and name of artist): (i) Block on Blocks, Putter and Two Balls, 2002, by Fletcher Benton; (ii) Untitled Yello, 2010, by Joel Morrison; (iii) Cloud Tree and Coxcomb, 2010, by Neha Choksi; and (iv) Pastures of Imagination, 2006, by William Attaway.

1.57 “ **Pinnacle 1 Property** ” has the meaning set forth in the Operating Agreement.

1.58 “ **Plans and Records** ” means, to the extent in Transferor’s Possession or Reasonable Control, all reports, studies, financial or other records, books or documents existing and relating to the ownership, use, operation, construction, fabrication, repair or maintenance of, or otherwise to, the Real Property or the Loan Obligation, including the following: all of the Loan Documents; all surveys, maps, plats and street improvement specifications of the Real Property; all soil, substratus, environmental, engineering, structural and geological studies, reports and assessments; all architectural drawings, as-built plans, engineer’s drawings and specifications; all appraisals;

all title reports or policies together with copies of all documents referenced therein; all condominium documents and maps, association documents and other development-related documents; all documents related to reciprocal easements or other multi-party agreements to which the all or any portion of the Real Property is a part including, without limitation, the REA; and all booklets, manuals, files, records, correspondence contained in lease files, tenant lists, tenant files, logos, tenant prospect lists, other mailing lists, sales brochures and other materials, and leasing brochures and advertising materials and similar items.

1.59 “**Post-Effective Date Transferor Encumbrance**” has the meaning set forth in **Section 5.1**.

1.60 “**Preliminary Closing Statement**” has the meaning set forth in **Section 12.1(b)**.

1.61 “**Prohibited Person**” means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the “**Executive Order**”); (b) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a “specially designated national” or “blocked person” on the most current list published by the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (d) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (e) a person or entity that is affiliated with any person or entity identified in clause (a), (b), (c) and/or (d) above.

1.62 “**Property**” means, collectively, the Real Property, Personal Property, Leases, Contracts, and Intangible Property.

1.63 “**Property Owner**” has the meaning set forth in the Recitals.

1.64 “**REA**” means that certain Agreement for Grant of Easements and Establishment of Covenants, Conditions and Restrictions, dated as of November 21, 2003, by and between DB Real Estate the Pinnacle L.P., a Delaware limited partnership, and Transferor, recorded on November 24, 2003, as Instrument Number 03-3535733 in the Official Records, and any and all amendments thereto.

1.65 “**REA Estoppel**” means an estoppel in substantially the form attached hereto as **Exhibit A** executed by DB Real Estate the Pinnacle L.P., a Delaware limited partnership, with respect to the REA.

1.66 “**Real Property**” means, collectively, the Land and Improvements.

1.67 “**Rentals**” has the meaning set forth in **Section 12.1(a)**.

1.68 “**Rent Audit**” has the meaning set forth in **Section 12.1(a)(iv)**.

1.69 “**Rent Roll**” means the listing of all Leases attached in **Schedule C**, and as updated pursuant to **Section 11.2(g)**.

1.70 “ **SRO** ” means a self-regulatory organization.

1.71 “ **Survey** ” has the meaning set forth in **Section 3.1**.

1.72 “ **Taxes** ” has the meaning set forth in **Section 12.1(a)**.

1.73 “ **TDR** ” has the meaning set forth in **Section 15.20**.

1.74 “ **Tenants** ” means all Persons leasing, renting or occupying space within the Property pursuant to written or oral agreements.

1.75 “ **Tenants Costs** ” has the meaning set forth in **Section 6.16**.

1.76 “ **Tenant Deposits** ” means all security deposits and prepaid rentals (whether cash or non-cash), and all cleaning fees and other fees and deposits, plus any interest accrued on any of the foregoing, paid by any Tenant to Transferor or Property Owner, to any affiliate of Transferor or Property Owner or to any third-party property manager, in each case, relating to the Property.

1.77 “ **Tenant Inducement Costs** ” has the meaning set forth in **Section 12.1(a)(vii)**.

1.78 “ **Tenant Notification Letter** ” has the meaning set forth in **Section 11.4(c)**.

1.79 “ **Title Commitment** ” has the meaning set forth in **Section 3.2**.

1.80 “ **Title Company** ” means Chicago Title Insurance Company, having an address of 26415 Carl Boyer Drive, Suite 255, Santa Clarita, California, 91350, Attention: Maggie G. Watson, Senior Vice President, having a phone number of 661-753-5701 and a facsimile number of 661-753-5730.

1.81 “ **Title Documents** ” means, collectively, the Title Commitment and the Survey.

1.82 “ **Title Policy** ” has the meaning set forth in **Section 5.3**.

1.83 “ **Transferee** ” has the meaning set forth in the introductory paragraph.

1.84 “ **Transferee’s Objections** ” has the meaning set forth in **Section 5.1**.

1.85 “ **Transferor** ” has the meaning set forth in the introductory paragraph.

1.86 “ **Transferor’s Deliveries** ” has the meaning set forth in **Article III**.

1.87 “ **Transferor’s Knowledge** ” means the actual knowledge, without any duty of diligence, investigation or inquiry, of Jeffrey M. Worthe and Leo Divinsky.

1.88 “ **Transferor’s Possession or Reasonable Control** ” means within the possession or reasonable control of Transferor, Property Owner or any of their respective affiliates, or Transferor’s or Property Owner’s property manager or its affiliates, employees, agents, or representatives, or

Transferor's, Property Owner's or any of their respective affiliate's employees, agents, representatives or third party consultants or contractors, including attorneys.

1.89 “**Treasury Regulations**” means the regulations of the United States Department of the Treasury.

1.90 “**Utility Costs**” has the meaning set forth in **Section 12.1(a)**.

1.91 “**Warner Bros. Estoppel**” means an estoppel in substantially the form attached hereto as **Exhibit B** and satisfying the requirements set forth in **Section 11.2(e)**, executed by Warner Bros. Entertainment Inc., a Delaware corporation, as the “Tenant” under the WB Lease (as defined in the Operating Agreement), subject to such changes as may be suggested by Tenant under the WB Lease and approved by Transferee (which approval shall not be unreasonably withheld).

ARTICLE II

ACQUISITION AND CONTRIBUTION OF THE PROPERTY

2.1 **Transfer, Contribution and Conveyance**. For the consideration hereinafter set forth, but subject to the terms, provisions, covenants and conditions contained herein, Transferor hereby agrees to cause Property Owner to transfer, contribute, assign and convey to Transferee, and Transferee agrees to accept, all of Property Owner's right, title and interest in and to the Property.

2.2 **Loan Obligation**. At the Closing, Transferee shall, subject to any restrictions on the assumption of the Loan Obligation imposed by Law or set forth in the Loan Documents, assume the Loan Obligation in accordance with the terms set forth in **Section 9.2**.

2.3 **Contribution Value/Membership Interest**. In consideration of Transferor causing Property Owner to transfer, contribute, assign and convey all of Property Owner's right, title and interest in and to the Property to Transferee at the Closing, Transferor shall receive capital contribution credit in the Joint Venture, the sole member of Transferee, pursuant to Section 4.02(a) of the Operating Agreement, and Transferee shall transfer or cause to be transferred to Transferor the Membership Interests (which transfer shall be deemed satisfaction of Transferee's obligation to deliver the Contribution Value).

2.4 **Other Consideration; Material Inducement**. Substantially concurrently herewith, MCP and Hudson are entering into the Operating Agreement, pursuant to which MCP will cause DB Real Estate The Pinnacle L.P., a Delaware limited partnership (“**DBRE**”), to transfer, assign, contribute and convey to P1 MC Hudson Partners, LLC, a Delaware limited liability company, substantially concurrent with the execution of the Operating Agreement and in accordance with the terms thereof, all of DBRE's right, title and interest in and to the Pinnacle 1 Property (as defined in the Operating Agreement) in exchange for Hudson's Initial Capital Contribution (as defined in the Operating Agreement) to the Joint Venture. Transferor acknowledges and agrees that its entering into this Agreement and agreeing to cause Property Owner to transfer, assign, contribute and convey to Transferee all of Property Owner's right, title and interest in and to the

Property pursuant to the terms hereof at Closing, together with the other covenants and terms of this Agreement, constitute additional material consideration for, and a material inducement to, Hudson's agreeing to enter into the Operating Agreement and to make its Initial Capital Contribution (or deemed Initial Capital Contribution) to the Joint Venture, and that Hudson would not have agreed to enter into the Operating Agreement and/or to make its Initial Capital Contribution (or deemed Initial Capital Contribution) to the Joint Venture in the absence of same. Accordingly, the parties hereto acknowledge and agree that Hudson's entering into the Operating Agreement and making its Initial Capital Contribution to the Joint Venture substantially concurrent herewith, in addition to the mutual covenants and agreements contained herein, constitute good and valuable consideration for Transferor's execution of this Agreement and covenant to cause Property Owner to transfer, assign, contribute or convey all of Property Owner's right, title and interest in and to the Property to Transferee pursuant to the terms hereof at Closing.

2.5 Indivisible Economic Package. Transferee has no right to acquire, and Transferor has no obligation to contribute or cause to be contributed, less than all of the Property it being the express agreement and understanding of Transferee and Transferor that, as a material inducement to Transferee and Transferor to enter into this Agreement, Transferee has agreed to acquire and Transferor has agreed to contribute or cause to be contributed, all of the Property, subject to and in accordance with the terms and conditions of hereof.

2.6 Consideration Allocation. Transferee and Transferor agree that the aggregate value of all of the Personal Property is *de minimis* and that no portion of the Contribution Value shall be allocated to all or any portion of the Personal Property.

ARTICLE III **TRANSFEROR'S DELIVERIES**

Prior to the Effective Date, Transferor has delivered or made available, or caused to be delivered or made available, to Transferee, and Transferee hereby acknowledges receipt of, the documents set forth in **Sections 3.1** through **3.5** below (collectively, the "**Transferor's Deliveries**");

3.1 Survey. An existing survey of the Property (the "**Existing Survey**") has been delivered to Transferee. Transferee may, at its sole cost and expense, order a new or updated survey of the Property (such new or updated survey together with the Existing Survey is referred to herein as the "**Survey**").

3.2 Title Insurance Commitment. A pro forma owner's title policy of insurance with respect to the Real Property issued by the Title Company in the form attached hereto as **Exhibit C**, including all endorsements thereto and legible copies of all recorded exceptions to title referred to therein (collectively, the "**Title Commitment**"). Transferee may at any time and from time to time prior to the Closing Date order one or more updated title reports with respect to the Real Property.

3.3 Plans and Records, Permits, Contracts and Tax Records. Copies of all Plans and Records; Contracts; the Loan Documents and all other documents related to the Loan Obligation;

and copies of the *ad valorem* and other property tax statements and assessments covering the Real Property or Personal Property for the current year.

3.4 Leases. Copies of all of the Leases currently in effect, including all amendments and modifications thereto.

3.5 Insurance Policies. Copies of all hazard, rent loss, liability, worker's compensation and other insurance policies, maintained by Transferor and/or Property Owner, currently in effect with respect to the Property.

Notwithstanding anything to the contrary herein, during the period from the Effective Date to (but not including) the Closing Date, Transferor shall provide any and all materials, documents and reports in any way related to the Property that are reasonably requested by Transferee to the extent in Transferor's Possession or Reasonable Control.

ARTICLE IV **INVESTIGATION OF THE PROPERTY**

4.1 Inspection of Property. Except as expressly set forth in this Agreement, Transferee acknowledges that, prior to the Effective Date, it has had sufficient opportunity to investigate and evaluate the Property, all Transferor's Deliveries and all other aspects and characteristics of the Property, and has determined that the Property is acceptable. Except as expressly set forth in this Agreement, Transferee shall have no right to terminate this Agreement on account of the condition of the Property, the Transferor's Deliveries, or any other aspects or characteristics of the Property.

ARTICLE V **TITLE**

5.1 Transferee's Review of Title. Except as expressly set forth in this Agreement, Transferee acknowledges that, prior to the Effective Date, it has had sufficient opportunity to investigate and evaluate the Title Documents, and has determined that they are acceptable in the form received by Transferee prior to the Effective Date. Except as expressly set forth in this Agreement, Transferee shall have no right to terminate this Agreement on account of the Title Documents or otherwise. In the event of any updates to the Title Documents after the Effective Date, Transferee shall have five (5) Business Days following Transferee's receipt of any such update and legible copies of all documents referenced therein to notify Transferor in writing of any objection (" **Transferee's Objections** ") which Transferee may have to any matters reported or shown in such update. All exceptions and matters disclosed in the Title Documents and any updates thereto delivered to Transferee pursuant to the terms hereof (other than (a) those exceptions and matters in any updated Title Documents not approved in writing by Transferee, (b) any Post-Effective Date Transferor Encumbrance, and (c) any standard printed exceptions), shall be the " **Permitted Exceptions** " hereunder. As a condition to Closing, Transferor shall take all reasonable action necessary to remove from title to the Property any exceptions and matters objected to by Transferee in Transferee's Objections. Alternatively, and if acceptable to

Transferee in Transferee's reasonable discretion, Transferor shall obtain for Transferee title insurance from Title Company insuring over such exceptions or matters, provided that such insurance shall be in a form and substance reasonably satisfactory to Transferee. If, prior to the Closing, Transferor is unable to remove or insure over (to Transferee's satisfaction) all of Transferee's Objections (other than Post-Effective Date Transferor Encumbrances, which Transferor shall be obligated to cure), then Transferee may: (a) terminate this Agreement (in which case, the parties shall share equally the cancellation charges, if any, of Escrow Agent and Title Company, and neither party thereafter shall have any rights or obligations to the other hereunder, other than pursuant to any provision hereof which expressly survives the termination of this Agreement); or (b) proceed to a timely Closing whereupon such objected to exceptions or matters shall be deemed to be Permitted Exceptions. Notwithstanding anything in this Agreement to the contrary, Transferor shall be obligated at Closing to cause the release of any liens or encumbrances encumbering the Property affirmatively placed or caused to be placed on the Property by Transferor on or after the Effective Date including, without limitation, any lien encumbering the Property after the Effective Date that may be removed by the payment of a sum of money (each, a "**Post-Effective Date Transferor Encumbrance**").

5.2 **Status of Title**. At the Closing, Transferor shall cause Property Owner to transfer, contribute and convey to Transferee fee simple title to the Property, free and clear of all Liens and subject only to the Permitted Exceptions.

5.3 **Issuance of Title Policy**. At the Closing, Transferor shall cause the Title Company to issue to Transferee (with an effective date not earlier than the Closing Date), at Transferor's expense (including the expense of providing the endorsements specified in the Title Commitment), an owner's policy of title insurance in the form of the Title Commitment and insuring that fee simple title to the Real Property is vested in Transferee, subject only to the Permitted Exceptions (the "**Title Policy**").

ARTICLE VI

TRANSFEROR'S REPRESENTATIONS AND WARRANTIES

Except, in all cases, for any fact, information or condition disclosed in the Title Documents, the Permitted Exceptions, the Contracts, the Plans and Records, or the Leases, Transferor represents, warrants and covenants to Transferee as follows as of the Effective Date and Closing; provided, however, that (i) if any such representations and/or warranties are untrue as of the Closing Date, Transferee's remedies shall be limited to those set forth in **Article 9**, and (ii) notwithstanding anything to the contrary herein, if any representation and/or warranty on the part of Transferor herein is untrue as of the Closing Date as a result of any act or omission on the part of Transferor, Transferee's remedies shall include those set forth in **Article 13**.

6.1 **Status: Authority**. Transferor is a limited liability company duly organized or formed, validly existing and in good standing under the laws of the State of Delaware. Property Owner is a limited liability company duly organized or formed, validly existing and in good standing under the laws of the state of Delaware and is qualified to transact business in the State of California. Transferor has the full right, power and authority to enter into this Agreement and

all documents contemplated hereby, and consummate the transaction contemplated by this Agreement. All requisite action has been taken by Transferor in connection with entering into this Agreement, and will be taken by Transferor prior to the Closing in connection with the execution and delivery of the instruments referenced herein, and the consummation of the transaction contemplated hereby. The transfer of all right, title and interest of Property Owner in and to the Property to Transferee has been or will be duly authorized by all necessary action on the part of Property Owner. Each of the persons and entities signing this Agreement and the other documents contemplated by this Agreement on behalf of Transferor has the legal right, power and authority to bind Transferor.

6.2 Consents; Binding Obligations. Other than any consent or approval that may be required in connection with the assumption of the Loan Obligation as described in **Section 9.1(i)**, no approval or consent is required from any person (including any partner, shareholder, member, creditor, investor or governmental body) for Transferor to execute, deliver or perform its obligations under this Agreement or the other instruments contemplated hereby or for Transferor and Property Owner to consummate the transaction contemplated hereby. This Agreement and all documents required hereby to be executed by Transferor or Property Owner are and shall be valid, legally binding obligations of and enforceable against Transferor and/or Property Owner, as applicable, in accordance with their terms.

6.3 No Bankruptcy. No petition in bankruptcy (voluntary or otherwise), attachment, execution proceeding, assignment for the benefit of creditors, or petition seeking reorganization or insolvency, arrangement or other action or proceeding under federal or state bankruptcy law is pending against or contemplated (or, to Transferor's Knowledge, threatened) by or against Transferor or Property Owner or any general partner or managing member of Transferor or Property Owner.

6.4 No Legal Actions. There are no legal actions, suits or similar proceedings pending, or, to Transferor's Knowledge, threatened in writing, against the Property.

6.5 No Condemnation. Neither Transferor nor Property Owner has received any written condemnation notice from a Governmental Entity with respect to all or part of the Property and, to Transferor's knowledge, no Governmental Entity is contemplating condemning or taking all or any portion of the Property.

6.6 Environmental. Except as disclosed in (i) that certain Phase I Report Environmental Site Assessment dated as of September 21, 2012 and prepared by Global Realty Services Group, and (ii) that certain Phase I Environmental Site Assessment Report Project Number 5113.1066.0 dated as of October 25, 2012 and prepared by Citadel Environmental Services, Inc. , to Transferor's Knowledge, all operations or activities at, on, in, under or about, or use or occupancy of, the Property, or any portion thereof, by Property Owner and any other party, at all times have been, in all respects in compliance with all Environmental Laws, and Property Owner has not, nor has any prior owner or prior or current tenant or occupant of the Property, or any portion thereof, engaged in or permitted any dumping, discharge, disposal, spillage, use or leakage of Hazardous Materials in violation of any Environmental Law, at, on, in, under or about the Property, or any portion thereof. Except as disclosed in the foregoing reports,

to Transferor's Knowledge, there is not present at, on, in, under or about the Property, or any portion thereof, any Hazardous Materials, underground storage tanks, asbestos, or any structures, fixtures, equipment or other objects or materials containing Hazardous Materials or asbestos.

6.7 No Violations. Neither Transferor nor Property Owner has received written notice with respect to the Property from any Governmental Authority alleging, and to Transferor's Knowledge, neither it nor Property Owner is aware of, any material violation of any law, ordinance, rule or regulation, easement, covenant or restriction encumbering the Property.

6.8 Personal Property. Property Owner owns all of the Personal Property at the Pinnacle 1 Property (other than the personal property of tenants pursuant to the terms of the Leases) free and clear of all encumbrances, other than the lien created by the Loan Documents.

6.9 Rent Roll. The Rent Roll has been prepared in the ordinary course of business and is true, correct and complete in all material respects and accurately represents the subject matter thereof as of the date thereof.

6.10 Leases. The Rent Roll sets forth a true, correct and complete list of all Leases and Transferor (or Property Owner) has delivered to Transferee true, correct and complete copies of all Leases. Except as set forth in the Rent Roll, neither Transferor nor Property Owner has received or delivered any written notices from or to any of the Tenants under the Leases, asserting that Property Owner or any such Tenant is in default under any of the Leases (other than defaults that have been cured) . To Transferor's Knowledge, no tenant has exercised any audit, reconciliation or similar right with respect to, or is otherwise disputing payment of percentage rent, operating expenses, or similar CAM charges under the Leases.

6.11 Security Deposits. There are no security deposits, letters of credit or like documents held by Property Owner and no security deposits have been applied by Property Owner.

6.12 REA. Transferor has provided Transferee with a true, correct and complete copy of the REA, and the REA has not been amended or modified. The REA is in full force and constitutes the entire agreement regarding cost and maintenance sharing among the Pinnacle 1 Property and the Property. The REA is in full force and effect and all costs and/or other amounts to be paid by Property Owner pursuant to the REA have been paid current. No party to the REA is in default of its obligations thereunder.

6.13 Material Contracts. Transferor has provided Hudson with true, correct and complete copies of all material contracts affecting the Property. No contracts (other than the Leases) will encumber the Property following the closing of the transactions contemplated hereby which cannot be terminated upon thirty (30) days' notice without penalty or other premium.

6.14 Termination of Existing Property Management Agreements. No property management or similar agreement with a property manager at the Property will survive the Closing and Transferor shall cause all such property management arrangements to be terminated, and to pay all amounts associated therewith.

6.15 Employee Matters. Neither Transferor nor Property Owner has any employees, and all employees are employed by the existing property manager. There are no collective bargaining, union or other labor agreements affecting the Property.

6.16 Tenants Costs; Landlord Work Expenses. There are no leasing commissions or other tenant improvement costs, tenant allowance, free rent or other tenant inducements or costs in connection with any Lease (collectively, “ **Tenant Costs** ”) which are due and payable in connection with the execution or delivery of any Lease, or in connection with the exercise of any extension, renewal, expansion or extension right under any Lease which has been exercised as of the date hereof. There are no leasing commission or other Tenant Costs which will become due and payable in connection with the exercise of any extension, renewal, expansion or otherwise pursuant to any Lease after the date hereof. There are no landlord work, landlord base building work or similar landlord capital expenses (collectively, “ **Landlord Work Expenses** ”) which are outstanding and which may become due and payable following the date hereof under the Leases.

6.17 No ROFO's, ROFR's or Similar Rights to Purchase the Property. Except as may be set forth in the Leases, and except as set forth in the Title Commitment, neither Transferor nor Property Owner has entered into any letter of intent or other verbal or written agreement for the lease of all or any portion of the Property, and, except as may be set forth in the Leases, there are no rights of first offer, rights of first refusal, or similar rights to purchase or occupy all or any portion of the Property.

6.18 Not a Foreign Person. Property Owner is not a foreign person or foreign corporation, as defined in the Internal Revenue Code of 1986, as amended, or under any regulations promulgated thereunder.

6.19 Title Representations and Warranties. The representations and warranties made by Property Owner to the Title Company in the Owner's Affidavit are true, correct and complete.

6.20 Insurance. True, correct and complete copies of all insurance policies maintained by Transferor and/or Property Owner with respect to the Property have been made available to Transferee pursuant to Section 3.5. All premiums due on such insurance policies have been paid.

6.21 Non-Foreign Status. Transferor is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in (a) the Code and the corresponding income tax regulations, and (b) similar provisions of state and local law. Property Owner is an entity disregarded as separate from its owner for federal income tax purposes. Transferee has no duty to collect withholding taxes for Transferor or Property Owner pursuant to the Foreign Investors Real Property Tax Act of 1980, as amended, or any applicable foreign, state, or local law.

6.22 Not a Prohibited Person.

(a) Neither Transferor nor Property Owner is a Prohibited Person.

(b) To Transferor's Knowledge, none of its or Property Owner's investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person.

(c) The assets Transferor and/or Property Owner will transfer to Transferee under this Agreement are not the property of, and are not beneficially owned, directly or, to Transferor's Knowledge, indirectly, by a Prohibited Person.

(d) The assets Transferor and/or Property Owner will transfer to Transferee under this Agreement are not, to Transferor's Knowledge, the proceeds of specified unlawful activity as defined by 18 U.S.C. §1956(c)(7).

6.23 Loan Obligation. All installments of interest and principal and all other sums required to be paid prior to the Effective Date under the terms of the Loan Documents have been paid. To Transferor's Knowledge, the Loan Obligation is in good standing and the Loan Documents are in full force and effect, and Property Owner is not in default thereunder, and there is no event or circumstance which, with or without the giving of notice, the passage of time or both, may constitute a default under the Loan Documents.

6.24 As-Is. Except for Transferor's representations, warranties and covenants in this Agreement, the Property is expressly purchased and sold "AS IS," "WHERE IS," and "WITH ALL FAULTS." The Contribution Value and the terms and conditions set forth herein are the result of arm's-length bargaining between entities familiar with transactions of this kind, and said price, terms and conditions reflect the fact that Transferee shall have the benefit of, and is not relying upon any information provided by Transferor or any broker or statements, representations or warranties, express or implied, made by or enforceable directly against Transferor or any broker, including, without limitation, any relating to the value of the Property, the physical or environmental condition of the Property, any state, federal, county or local law, ordinance, order or permit; or the suitability, compliance or lack of compliance of the Property with any regulation, or any other attribute or matter of or relating to the Property (other than any covenants of title contained in the Deed conveying the Property and the representations, warranties and covenants in this Agreement). Except as expressly set forth herein, Transferee agrees that neither Transferor nor Property Owner shall be responsible or liable to Transferee or anyone claiming by, through or under Transferee for any defects, errors or omissions, or on account of any conditions affecting the Property. Transferee, its successors and assigns, and anyone claiming by, through or under Transferee, hereby fully releases Transferor and Property Owner from, and irrevocably waives its right to maintain, any and all claims and causes of action that it or they may now have or hereafter acquire against Transferor and/or Property Owner with respect to any and all Losses arising from or related to any defects, errors, omissions or other conditions affecting the Property, except to the extent such Losses are attributable to a breach by Transferor of any term or provision of this Agreement (including, without limitation, a breach of any representation and/or warranty made by Transferor herein, but subject to the survival limits on any such representation and/or warranty set forth in Section 15.4 hereof). Notwithstanding anything to the contrary set forth herein, the foregoing release shall not apply to any claims or causes of action that Transferee may now have or hereafter acquire against Transferor and/or

Property Owner relating to Losses that Transferee has the right to be indemnified by Transferor under **Section 15.18(a)** of this Agreement. Transferee represents and warrants that, as of the date hereof and as of the Closing Date, it has and shall have reviewed and conducted such independent analyses, studies (including, without limitation, environmental studies and analyses concerning the presence of lead, asbestos, water intrusion and/or fungal growth and any resulting damage, PCBs and radon in and about the Property), reports, investigations and inspections as it deems appropriate in connection with the Property. If Transferor provides or has provided any documents, summaries, opinions or work product of consultants, surveyors, architects, engineers, title companies, governmental authorities or any other person or entity with respect to the Property, including, without limitation, the offering prepared by any broker, Transferee and Transferor agree that Transferor has done so or shall do so only for the convenience of both parties, Transferee shall not rely thereon and the reliance by Transferee upon any such documents, summaries, opinions or work product shall not create or give rise to any liability of or against Transferor or Property Owner. Transferee shall rely only upon any title insurance obtained by Transferee with respect to title to the Property. Except for the representations and warranties made by Transferor in this Agreement, Transferee acknowledges and agrees that no representation has been made and no responsibility is assumed by Transferor or Property Owner with respect to current and future applicable zoning or building code requirements or the compliance of the Property with any other laws, rules, ordinances or regulations. Transferee acknowledges and agrees, that except as expressly set forth in this Agreement, no representation has been made and no responsibility is assumed by Transferor or Property Owner with respect to the financial earning capacity or expense history of the Property, the continuation of contracts, continued occupancy levels of the Property, or any part thereof, or the continued occupancy by tenants of any Leases or, without limiting any of the foregoing, occupancy at Closing. Prior to Closing, Transferor and/or Property Owner shall have the right, but not the obligation, to enforce its rights against any and all Property occupants, guests or tenants. Except as expressly set forth herein, Transferee agrees that the departure or removal, prior to Closing, of any of such guests, occupants or tenants shall not be the basis for, nor shall it give rise to, any claim on the part of Transferee, nor shall it affect the obligations of Transferee under this Agreement in any manner whatsoever; and Transferee shall close title and accept delivery of the Deed with or without such tenants in possession and without any allowance or reduction in the Contribution Value under this Agreement. Transferee hereby releases Transferor and Property Owner from any and all claims and liabilities relating to the foregoing matters. The provisions of this **Section 6.24** shall survive the Closing and delivery of the Deed to Transferee.

6.25 **Patriot Act**. Each of Transferor and Property Owner is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act (“**BSA**”), as amended by the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the “**Patriot Act**”), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

6.26 **Encumbrances on Personal Property**. None of the Personal Property is subject to

any Liens.

ARTICLE VII
TRANSFeree'S REPRESENTATIONS AND WARRANTIES

Transferee represents and warrants to Transferor the following as of the Effective Date and as of the Closing Date:

7.1 Authority. Transferee is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its organization. Transferee has the full right, power and authority to enter into this Agreement and all documents contemplated hereby, and to perform the obligations of Transferee hereunder and thereunder. All requisite action has been taken by Transferee in connection with entering into this Agreement, and will be taken by Transferee prior to the Closing in connection with the execution and delivery of the instruments referenced herein, and the consummation of the transaction contemplated thereby. Each of the Persons signing this Agreement and the other documents contemplated by this Agreement on behalf of Transferee has the legal right, power and authority to bind Transferee.

7.2 No Conflicts. The execution, delivery and performance by Transferee of this Agreement and the instruments referenced herein and the transaction contemplated hereby will not, to Transferee's knowledge, conflict with, or with or without notice or the passage of time or both, result in a breach of, violate any term or provision of, or constitute a default under any articles of formation, bylaws, partnership agreement, operating agreement, indenture, deed of trust, mortgage, contract, agreement (oral or written), judicial or administrative order, or any Law to which Transferee is bound.

7.3 Consents; Binding Obligations. Other than any consent that may be required in connection with the assumption of the Loan Obligation as described in Section 9.1(i), no approval or consent from any person (including any partners, shareholder, member, creditor, investor or governmental body) is required for Transferee to execute, deliver or perform its obligations under this Agreement or to execute and deliver the other instruments contemplated hereby or for Transferee to consummate the transaction contemplated hereby. This Agreement and all documents required hereby to be executed by Transferee are and shall be valid, legally binding obligations of and enforceable against Transferee in accordance with their terms.

7.4 No Bankruptcy. No petition in bankruptcy (voluntary or otherwise), attachment, execution proceeding, assignment for the benefit of creditors, or petition seeking reorganization or insolvency, arrangement or other action or proceeding under federal or state bankruptcy law is pending against or contemplated (or, to Transferee's knowledge, threatened) by or against Transferee or any general partner or managing member of Transferee.

7.5 Not a Prohibited Person.

(a) Transferee is not a Prohibited Person.

(b) To Transferee's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person.

(c) The assets Transferee will transfer to Transferor under this Agreement are not the property of, and are not beneficially owned, directly or, to Transferee's knowledge, indirectly, by a Prohibited Person.

(d) The assets Transferee will transfer to Transferor under this Agreement are not, to Transferee's knowledge, the proceeds of specified unlawful activity as defined by 18 U.S.C. §1956(c)(7).

ARTICLE VIII **ADDITIONAL UNDERTAKINGS**

8.1 Operation of the Property. Until the earlier of the Closing or the termination of this Agreement, Transferor undertakes and agrees as follows:

(a) Transferor shall cause Property Owner to operate the Property in the ordinary course of business and substantially consistent with present practice, and (i) Transferor shall not make or allow to be made any material alterations to the Property without the prior written consent of Transferee, and (ii) except as necessary in Transferor's reasonable discretion to address (A) any life or safety issue at the Property or (B) any other matter, which in Transferor's reasonable discretion, the failure to address would be reasonably likely to have a material adverse effect on the use, operation or value of the Property, Transferor will not remove or allow to be removed any material Personal Property (except in connection with any necessary replacements of items of Personal Property), without the prior written consent of Transferee which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Transferor covenants that it will not voluntarily create or cause or allow Property Owner or any Tenant to voluntarily create or cause any lien or encumbrance to attach to the Property unless Transferee approves in writing such lien or encumbrance, which approval shall not be unreasonably withheld, conditioned or delayed. If Transferee approves any such subsequent lien or encumbrance in accordance with the immediately preceding sentence, the same shall be deemed a Permitted Exception for all purposes hereunder.

(c) Transferor shall not, and shall not permit Property Owner to take any of the following actions without Transferee's prior written consent in each instance, which consent may be granted or withheld by Transferee in its sole discretion: (i) terminate, amend or modify, or permit the surrender of, or consent to the assignment or subletting under any Lease (except as required pursuant to its terms and except for any consent to assignment or subletting where, under the terms of the applicable Lease, Property Owner's approval is not required or is not to be unreasonably withheld and Transferor or Property Owner, as applicable, determines in good faith that Property Owner's consent is reasonably required), (ii) enter into any new lease, license, tenancy or occupancy agreement (whether written or oral) for all or any portion of or space within the Property; (iii) enter

into any agreement with any Person pursuant to which Transferor and/or Property Owner is obligated to pay any brokerage or leasing commissions; (iv) collect rent under any Lease more than thirty (30) days in advance; (v) apply or return to any Tenant all or any portion of any security deposit or prepaid rent (except to the extent required by applicable law); (v) exercise any remedy including, without limitation, the delivery of a notice of default or removal of a Tenant under any Lease, whether by summary proceedings or otherwise, or waive any right under any Lease. Transferor shall furnish Transferee with a written notice of the proposed action which shall contain information regarding the proposed action that Transferor believes is reasonably necessary to enable Transferee to make informed decisions with respect to the advisability of the proposed action. If Transferee fails to consent in writing to any such proposed action within three (3) Business Days after receipt of the aforementioned information, Transferee shall be deemed to have denied its approval to the proposed action.

(d) Transferor shall not and shall not allow Property Owner to (i) following the Effective Date, enter into any new contracts, agreements or commitments, oral or written, binding upon or relating to any portion of the Property or (ii) terminate, extend, amend, renew or replace any contracts, agreements, or commitments, oral or written, binding upon or relating to the Property, in each case, that cannot be terminated by the owner of the Property without penalty upon thirty (30) days' (or less) prior notice, without Transferee's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

(e) Transferor (i) shall make or cause Property Owner to make all regular payments of interest and principal (and cause to be funded any required tax, insurance, and other replacement reserves and escrow accounts) on the Loan Obligation which become due and payable on or prior to the Closing Date, (ii) shall comply or cause Property Owner to comply with all terms of the Loan Documents in all material respects, and (iii) shall not (A) modify, amend, terminate or cancel or permit Property Owner to modify, amend, terminate or cancel any of the Loan Documents, (B) waive or permit Property Owner to waive (or request or permit Property Owner to request the waiver of) any term of any of the Loan Documents or (C) exercise or permit Property Owner to exercise any right or remedy under any of the Loan Documents without, in each instance, Transferee's prior written approval in its sole discretion.

(f) Transferor will maintain or cause Property Owner to maintain fire, extended coverage and other insurance policies on the Property which are at least equivalent in all respects to the insurance policies for the Property as of the Effective Date.

(g) Promptly following the Effective Date and in regular consultation with Transferee and with Hudson on behalf of Transferee, Transferor shall inform Lender (or any servicer of the Loan) in writing that Transferee intends to assume the Loan Obligation in, which shall be undertaken in accordance with the terms of the this Agreement, the Operating Agreement (including, without limitation, Section 4.05(c) thereof) and the applicable Loan Documents (collectively, the "Loan Assumption ") and shall request from Lender a written list of all of the conditions precedent to Lender's consent thereto (including, without limitation, any and all information, materials and/or documents that are required to be furnished to Lender in connection with the Loan Assumption), which Transferor shall promptly provide to Transferee. Transferor shall use diligent and good faith

efforts in coordinating the process of obtaining Lender's consent to the Loan Assumption and shall endeavor to obtain Lender's consent thereto and to consummate the Loan Assumption promptly following the Effective Date. In connection with the foregoing, Transferor and, to the extent any such conditions must be satisfied by Transferee (or any Affiliate of Transferee) in connection with the Loan Assumption pursuant to the terms of the Operating Agreement, Transferee shall use diligent and good faith efforts to comply with any conditions precedent imposed by Lender as a condition to its consent to the Loan Assumption. Transferor shall cause the applicable Sponsor Loan Parties (as defined in the Operating Agreement), and Transferee shall cause the Hudson Loan Parties (as defined in the Operating Agreement) to execute the Pinnacle 2 Replacement Guaranties (to the extent required by and as defined in the Operating Agreement). In the event that the parties hereto are unable to obtain Lender's consent to the Loan Assumption in accordance with the terms of this Agreement as a result of the failure to satisfy any condition precedent to obtaining Lender's consent thereto, then (i) if the condition precedent that was not satisfied is one that is within Transferor's reasonable control to satisfy, the failure to satisfy such condition precedent shall be a default by Transferor hereunder and, in connection therewith, Transferee shall be entitled to exercise the rights and remedies available to it under **Section 13.1**, (ii) if the condition precedent that was not satisfied is one that must be satisfied by Transferee pursuant to the terms of the Operating Agreement, the failure to satisfy such condition precedent shall constitute a default by Transferee hereunder and (iii) if the condition precedent that was not satisfied is covered by neither clauses (i) nor (ii) immediately above, the failure to satisfy such condition precedent shall not be a default by Transferor hereunder, but the same shall constitute a failure of a condition precedent for the benefit of Transferee hereunder and Transferee shall be entitled to exercise the rights and remedies available to it under **Section 9.3**. Transferee shall reasonably cooperate with Transferor in connection with the foregoing. Notwithstanding anything to the contrary herein, Hudson, on behalf of Transferee, shall have the right to approve, in its sole discretion and without the consent of Transferor or any affiliate of Transferor, the form and substance of the assumption and/or amendment documents reasonably required by Lender to the extent such assumption and/or amendment documents do not amend the terms of the Loan Documents in a manner that is inconsistent with the Financing Guidelines (as defined in the Operating Agreement) or that is materially adverse to the Joint Venture and do not violate the terms of Section 4.05(c) of the Operating Agreement (such documents approved by Hudson in accordance with the **Section 8.1(g)** of this Agreement and Section 4.05(c) of the Operating Agreement are referred to herein collectively as the "**Loan Assumption Documents**"). Transferor acknowledges the rights of Hudson pursuant to the Operating Agreement in respect of the Loan Assumption and the Loan Assumption Documents and further agrees that all actions taken by Transferor, for itself (or on behalf of the Property Owner) in respect of the Loan Assumption shall be taken in accordance with the terms of the Operating Agreement and, in the event of any inconsistency between the terms of this Agreement and the terms of the Operating Agreement in respect of the Loan Assumption and/or the Loan Assumption Documents, the Operating Agreement shall control.

(h) Transferor shall not, and shall not cause or permit any broker or other Person to, actively negotiate any back-up offers or enter into any back-up agreements for the purchase and sale, assignment, transfer, conveyance, contribution or other disposition of the Property.

(i) Transferor shall (i) promptly notify Transferee in writing in the event that Transferor obtains knowledge of any event or circumstance that would result in any of Transferor's representations and warranties herein being untrue, (ii) deliver copies of any material correspondence received or delivered by Transferor or Property Owner relating to the Property including, without limitation, any material correspondence received from or delivered to any Tenant and (iii) otherwise keep Transferee reasonably informed of all material issues relating to the Property.

8.2 Casualty Damage/Condemnation. Notwithstanding anything to the contrary set forth in this Agreement, if, prior to Closing, either (a) \$2,000,000.00 or more of damage is caused to the Property as a result of any earthquake, hurricane, tornado, flood, landslide, fire, act of war, terrorism, terrorist activity or other casualty on any portion of the Property equal to or greater than such amount is taken (or is threatened to be taken) under the power or threat of eminent domain (temporarily or permanently), (b) material access to the Property or a material portion of the parking is destroyed as a result of a casualty or is taken (or is threatened to be taken) under the power or threat of eminent domain (temporarily or permanently), (c) any portion of the Property is rendered untenantable or is taken (or threatened to be taken) under the power or threat of eminent domain (temporarily or permanently) such that, with respect to this subsection (c) the use of the balance of the Property is materially impaired, (d) as a result of a casualty or a taking (or threat thereof) under the power or threat of eminent domain (temporarily or permanently), the balance of the Property ceases to comply with the terms and provisions of the REA, or (e) as a result of a casualty or a taking (or threat thereof) under the power or threat of eminent domain (temporarily or permanently), any Tenant is permitted to terminate its Lease pursuant to the terms thereof (any event under this Section 8.2 being a "Material Change"), then, in any such event, Transferee may elect to terminate this Agreement by giving written notice to Transferor of its election to terminate this Agreement (a "Material Event Termination Notice") on or before the 30th day after Transferee receives written notice of such destruction, taking or threatened taking. If Transferee does not give (or has no right to give) a Material Event Termination Notice within such 30-day period, then (i) this transaction shall close as set forth in this Agreement, (ii) Transferee shall deliver the full Contribution Value (subject to clause (iii) below), and (iii) at Closing, (A) Transferor shall pay or cause to be paid to Transferee the proceeds of any insurance policies and condemnation awards received by Transferor and/or Property Owner (or, if such proceeds or awards have not been received by Transferor or Property Owner as of the Closing Date, then Transferor shall assign or caused to be assigned to Transferee all of Transferor's and/or Property Owner's rights to such proceeds and awards) and (B) there shall be a credit against the Contribution Value equal to the amount of any insurance deductible. If Transferee timely delivers a Material Event Termination Notice pursuant to this section, the parties shall share equally the cancellation charges, if any, of Escrow Agent and Title Company, and this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision which expressly survives the termination of this Agreement). Transferor shall not, and shall not allow Property Owner to, settle or compromise any insurance claim or condemnation action without the prior written consent of Transferee, and Transferee shall have the option to participate in any such claim or action.

8.3 Risk of Loss. Transferor shall maintain risk of loss of the Property until

11:59 p.m. on day before the Closing Date, after which time the risk of loss shall pass to Transferee and Transferee shall be responsible for maintaining the insurance policies in place as of the Effective Date or obtaining its own insurance thereafter.

ARTICLE IX
TRANSFEE'S OBLIGATION TO CLOSE

9.1 Transferee's Conditions. Transferee shall not be obligated to close hereunder unless each of the following conditions shall exist on the Closing Date:

(a) Receipt of Escrowed Documents; Title Policy. Escrow Agent shall have received all of the documents required to be delivered by Transferor under Section 11.2 and the Title Company shall issue (or shall be prepared and irrevocably and unconditionally committed to issue) the Title Policy as described in Section 5.3;

(b) Accuracy of Representations. All of the representations and warranties made by Transferor in this Agreement or any of the Closing Documents shall be true, correct and complete in all material respects when made and on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and, at the Closing, Transferor shall provide a bringdown certificate evidencing that the representations and warranties of Transferor under this Agreement are true, correct and complete in all material respects as of the Closing Date;

(c) Transferor's Performance. Transferor shall have, in all material respects, (i) performed all covenants and obligations, and (ii) complied with all conditions, required by this Agreement to be performed or complied with by Transferor on or before the Closing Date or Transferee shall have waived, in its sole and absolute discretion, prior to the Closing each such covenant, obligation and condition that Transferor has failed to perform or comply with on or before the Closing Date;

(d) No Violations. There shall be no notice issued of any violation or alleged violation of any Law with respect to any portion of the Property which has not been corrected to the satisfaction of the issuer of the notice;

(e) No Change. No Laws affecting any portion of the Property shall have changed or been enacted, issued or pending which would materially and adversely affect the ownership, development, maintenance, repair, operation, use or value of any portion of the Property, such as zoning changes or a building moratorium;

(f) Material Change. Subject to Section 8.2, the Property shall be in substantially the same condition as of the Effective Date, reasonable use and wear excepted, and there shall have been no material adverse change in the financial condition of the Property or of Transferor or Property Owner or any general partners or managing members of either of the foregoing Persons;

(g) No Liens. The Property, including the Personal Property, shall be conveyed free and clear of all Liens, except Permitted Exceptions;

(h) Consents. All consents required to effect the transaction contemplated by this Agreement shall have been obtained by Transferor;

(i) Loan Obligation. All of the conditions precedent to Lender's approval of the Loan Assumption shall have been satisfied, Transferor shall have caused to be delivered the Pinnacle 2 Replacement Guaranties executed by the Sponsor Loan Parties and Lender shall have approved or consented to the Loan Assumption pursuant to the Loan Assumption Documents;

(j) Estoppels. Transferee shall have received originals of the Warner Bros. Estoppel and, if reasonably requested by Transferee prior to the Closing Date, an updated REA Estoppel;

(k) Terminations. Transferor shall have terminated or caused Property Owner to terminate any existing agreement between Transferor and/or Property Owner and any Person relating to the management, operation, and/or leasing of all or any portion of the Property and shall have delivered to Transferee written evidence of any such termination reasonably requested by Transferee.

(l) Other Conditions. Any other condition set forth in this Agreement to Transferee's obligation to close hereunder shall have been satisfied by the applicable date.

9.2 Loan Obligation. Transferor, MCP and Transferee shall comply with their respective obligations under Section 8.1(g). If Transferee is unable to assume the Loan Obligation and to obtain Lender's consent thereto pursuant to the Loan Assumption Documents, then Transferee may, at its option, in its sole and absolute discretion, terminate this Agreement as set forth in Section 9.2(c).

(a) Transferee and Transferor shall each pay one-half of all fees, charges and related costs in connection with the Loan Assumption (including any assumption fees), which fees, charges and costs (other than the outstanding balance (including, without limitation, the outstanding principal balance, all accrued and unpaid interest and any other amounts outstanding under any of the Loan Documents) of the Loan Obligation) shall not be credited against the Contribution Value and the Contribution Value shall not be reduced on account thereof.

(b) Notwithstanding anything to the contrary contained herein, if, (a) Transferee is unable to assume the Loan Obligation in accordance with the terms of this Agreement, and (b) Transferee elects, in its sole and absolute discretion, to terminate this Agreement, then upon delivery of written notice thereof by Transferee to Transferor, this Agreement shall terminate (in which event the parties shall share equally the cancellation charges, if any, of Escrow Agent and Title Company, and this Agreement shall terminate and be of no further force or effect and neither party shall have any rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement); provided, however, in the event that Transferee is unable to assume the Loan Obligation in accordance with the terms of this Agreement and the terms of the Operating Agreement as a result of a breach by Transferor or MCP of this Agreement or the Operating Agreement and Transferee elects to terminate this Agreement in accordance with this

Section 9.2(c), then, without limiting any other rights or remedies of Transferee hereunder or of Hudson pursuant to the Operating Agreement, Transferor shall be responsible for one hundred percent (100%) of the cancellation charges, if any, of Escrow Agent and Title Company.

9.3 **Failure of Conditions**. If any condition specified in **Section 9.1** is not satisfied on or before the Closing Date, Transferee may, at its option, and in its sole and absolute discretion, (a) extend the date for Closing to allow Transferor a sufficient time (not to exceed 60 days) within which to cure or satisfy such condition, and, if so elected by Transferee, Transferor shall immediately commence prosecution of such cure or satisfaction and diligently pursue the same to completion, at which time a new date for Closing shall be scheduled on or before the 10th day after Transferee's acceptance of such cure or satisfaction, (b) waive any such condition which can legally be waived either at the time originally established for Closing or at any time on or before the 60th day thereafter and proceed to Closing without adjustment or abatement of the Contribution Value, or (c) terminate this Agreement by written notice thereof to Transferor, in which case Transferor shall pay for all of the cancellation charges, if any, of Escrow Agent and Title Company. In addition to (and notwithstanding) the foregoing, if the failure of the condition is due to a breach by Transferor hereunder, Transferee may pursue any of its remedies under **Section 13.1**.

ARTICLE X
TRANSFEROR'S OBLIGATION TO CLOSE

10.1 **Transferor's Conditions**. Transferor shall not be obligated to close hereunder unless each of the following conditions shall exist on the Closing Date:

(c) **Accuracy of Representations**. All of the representations and warranties made by Transferee in this Agreement or any of the Closing Documents shall be true, correct and complete in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and, at the Closing, Transferee shall provide a bringdown certificate evidencing that the representations and warranties of Transferee under this Agreement are true, correct and complete in all material respects as of the Closing Date;

(d) **Loan Obligation**. Transferee (or the applicable Affiliate(s)) of Transferee shall have delivered such documents or other information as is expressly required of Transferee (or such Affiliate) in connection with the Loan Assumption pursuant to the terms of this Agreement and the Operating Agreement; and

(e) **Transferee's Performance**. Transferee shall have, in all material respects, (i) performed all covenants and obligations and (ii) complied with all conditions, required by this Agreement to be performed or complied with by Transferee on or before the Closing Date or each such covenant, obligation and condition shall have been waived by Transferor in writing and in its sole and absolute discretion prior to Closing.

10.2 **Failure of Conditions**. If any condition specified in **Section 10.1** is not satisfied

on or before the Closing Date, Transferor may, at its option, and in its sole and absolute discretion, (a) waive any such condition which can legally be waived and proceed to Closing without adjustment or abatement of the Contribution Value, or (b) terminate this Agreement by written notice thereof to Transferor in which case Transferee shall pay for all of the cancellation charges, if any, of Escrow Agent and Title Company. Notwithstanding the foregoing, if the failure of the condition is due to a breach by Transferee hereunder, Transferor may pursue any of its remedies under **Section 13.2**.

ARTICLE XI **CLOSING**

11.1 **Time of Closing**. Subject to the provisions of this Agreement, the closing of the transactions contemplated hereby (the “**Closing**”) shall take place on the Closing Date through an escrow with Escrow Agent, whereby Transferor, Transferee and their attorneys need not be physically present and may deliver documents by overnight air courier or other means. The “**Closing Date**” shall be the fifteenth (15th) Business Day after Transferee obtains the last approval necessary in connection with Transferee’s assumption of the Loan Obligation, or such earlier date as may be mutually acceptable to the parties; provided, however, that the Closing shall not be later than the first anniversary of the Effective Date, subject to extension under **Section 9.3** hereof).

11.2 **Deliveries at Closing by Transferor**. On or before the Closing (or such other time as specified below), Transferor, at its sole cost and expense, shall deliver or cause to be delivered to Escrow Agent the following, each dated as of the Closing Date (except as specified below), in addition to all other items and payments required by this Agreement to be delivered by Transferor at the Closing:

(a) **Deed**. Transferor shall deliver an original grant deed (the “**Deed**”) duly executed and acknowledged by Property Owner, in the form attached hereto as **Exhibit D**, conveying fee simple title to the Property to Transferee free of all Liens and subject only to the Permitted Exceptions.

(b) **Bill of Sale and General Assignment**. Transferor shall deliver two originals of a bill of sale and general assignment, in the form attached hereto as **Exhibit E** (the “**Bill of Sale**”), duly executed by Property Owner, conveying title to the Personal Property, Permits, Plans and Records and Intangible Property, to Transferee free and clear of all Liens and subject only to the Permitted Exceptions.

(c) **Assignment of Leases and Contracts**. Transferor shall deliver two counterparts of an assignment and assumption of leases and contracts in the form attached hereto as **Exhibit F** (the “**Assignment of Leases and Contracts**”), duly executed by Property Owner, assigning to Transferee all of Transferor’s and Property Owner’s right, title and interest in and to the Leases and Contracts.

(d) **Proof of Authority**. Transferor shall provide such proof of authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof

of the power and authority of the individual(s) executing or delivering any documents or certificates on behalf of Transferor and/or Property Owner as may be reasonably required by Title Company, Transferee or both.

(e) Estoppel Certificates. On or before the fifth (5th) Business Day prior to the Closing Date, Transferor shall deliver to Transferee one (1) original of the executed Warner Bros. Estoppel, which shall not include any material, adverse disclosure and, if reasonably requested by Transferor prior to the fifth (5th) Business Day prior to the Closing Date, one (1) original of an executed update to the REA Estoppel.

(f) Title Affidavits. Transferor shall execute and deliver or cause Property Owner to execute and deliver to the Title Company such agreements, statements and/or affidavits as may be reasonably required by the Title Company in order to issue the Title Policy as described in **Section 5.3**, including an Owner's Affidavit in the form attached hereto as **Exhibit G**, a Non-Imputation Endorsement Affidavit in the form attached hereto as **Exhibit H**, and as may be reasonably required by the Title Company in order to issue the endorsements set forth in the Title Commitment and to delete all standard exceptions to the Title Policy.

(g) Updated Rent Roll. Transferor shall deliver an updated Rent Roll. If the updated Rent Roll includes Tenants or terms which are not permitted hereunder or such change otherwise results from a breach by Transferor of its obligations hereunder, Transferor shall be in default of this Agreement. The updating of the Rent Roll (shall not cure any default of Transferor in originally certifying the Rent Roll pursuant to **Section 6.9**).

(h) Acknowledgment. Transferor shall deliver two duly executed counterparts of an acknowledgment in the form of **Exhibit I** attached hereto (the "**Acknowledgment**"), executed by Transferor, pursuant to which Transferor accepts its membership interest in, and is admitted as a member of, the Joint Venture, and agrees to be bound by the terms and provisions of the Operating Agreement.

(i) Security Deposits. Transferor shall deliver or cause Property Owner to deliver to Escrow Agent for delivery to Transferee the cash security deposits (together with interest accrued thereon to the extent that such accrued interest is the property of Property Owner under the applicable Lease), but only to the extent relating to Tenants occupying space in the Building on the Closing Date pursuant to Leases then in effect.

(j) Cash. To the extent that the sum of all cash or credits to which Transferee is entitled pursuant to the terms of this Agreement exceeds any cash or credits to which Transferor is entitled pursuant to the terms of this Agreement, at least one (1) Business Day prior to the Closing, Transferor shall deliver to Escrow Agent for delivery to Transferee cash, in an amount equal to the amount of such excess.

(k) Closing Statement. Transferor shall deliver two duly executed counterparts of a settlement statement of all prorations, allocations, closing costs and payments of moneys related to the Closing of the transactions contemplated by this Agreement (the "**Closing Statement**").

(l) Loan Obligation. Transferor shall deliver duly executed counterparts of all of the Loan Assumption Documents and the Pinnacle 2 Replacement Guaranties (as defined in the Operating Agreement).

(m) Non-Foreign Status Affidavit. Transferor shall deliver a certificate of non-foreign status duly executed by Property Owner and in substantially the form attached hereto as Exhibit J and otherwise in compliance with Section 1445 of the Internal Revenue Code.

(n) Other Documents. Transferor shall, as reasonably requested by Transferee, the Title Company or the Escrow Agent, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, assignments and all other instruments and documents as may be reasonably necessary in order to complete the transactions herein provided and to carry out the intent and purposes of this Agreement.

11.3 Deliveries at Closing by Transferee. On or before the Closing (or such other time as specified below), Transferee, at its sole cost and expense, shall deliver or cause to be delivered to Escrow Agent the following, each dated as of the Closing Date, in addition to all other items and payments required by this Agreement to be delivered by Transferee at the Closing:

(a) Cash. To the extent that the sum of all cash or credits to which Transferor is entitled pursuant to the terms of this Agreement exceeds the sum of all cash or credits to which Transferee is entitled pursuant to the terms of this Agreement, at least one (1) Business Day prior to the Closing, Transferee shall deliver to Escrow Agent for delivery to Transferor cash, in an amount equal to the amount of such excess. In addition, at least one (1) Business Day prior to the Closing, Transferee shall deliver to Escrow Agent for delivery to Lender cash, in an amount necessary to assume the Loan Obligation in accordance with the terms hereof.

(b) Bill of Sale and General Assignment. Transferee shall deliver two duly executed counterparts of the Bill of Sale.

(c) Assignment of Leases and Contracts. Transferee shall deliver two duly executed counterparts of the Assignment of Leases and Contracts.

(d) Proof of Authority. Transferee shall provide such proof of authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any documents or certificates on behalf of Transferee as may be reasonably required by Title Company, Transferor or both.

(e) Acknowledgment. Transferee shall deliver two duly executed counterparts of the Acknowledgment, executed by the Members (as defined in the Operating Agreement) of the Joint Venture, which Acknowledgment shall have been approved by the Executive Committee (as defined in the Operating Agreement) of the Joint Venture.

(f) Closing Statement. Transferee shall deliver two duly executed counterparts of the Closing Statement.

(g) Other Documents. Transferee shall, as reasonably requested by Transferor, the Title Company or the Escrow Agent, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, assignments and all other instruments and documents as may be reasonably necessary in order to complete the transaction herein provided and to carry out the intent and purposes of this Agreement.

(h) Proposition 13 Reserve Amount. Transferor shall have received evidence reasonably acceptable to Transferor that Hudson shall have funded the Proposition 13 Reserve Amount as defined in and otherwise in accordance with the Operating Agreement.

11.4 Deliveries Outside of Escrow. Transferor shall deliver or cause to be delivered possession of the Property, subject only to the Permitted Exceptions, to Transferee upon the Closing. Further, Transferor hereby covenants and agrees to deliver to Transferee, as of the Closing (or, where such delivery is not reasonably practicable as of the Closing, promptly following the Closing), the following items:

(a) Intangible Property. Transferor shall deliver or cause to be delivered the originals of the Plans and Records, Leases, Contracts, Permits and Intangible Property to the extent in Transferor's Possession or Reasonable Control or, if not, true, correct and complete copies thereof.

(b) Personal Property. Transferor shall deliver or cause to be delivered the Personal Property, including any and all keys, pass cards, remote controls, security codes, computer software and other devices relating to access to the Land and/or the Improvements.

(c) Tenant Notification Letter. Transferor shall deliver or cause to be delivered a tenant notification letter in the form attached hereto as **Exhibit K** (the "**Tenant Notification Letter**"), duly executed by Property Owner, notifying each Tenant under a Lease that the Property has been conveyed to Transferee and directing each Tenant to make all payments of rent and to send any notices or other correspondence regarding their respective Leases to the persons and addresses to be determined by Transferee and specified in each such letter, on and after the Closing Date.

(d) Letters to Contractors. Transferor shall deliver or cause to be delivered a letter to each vendor and each utility company serving the Property, in a form reasonably satisfactory to Transferee, duly executed by Property Owner, advising them of the transfer of the Property to Transferee and directing them to send to Transferee all bills for the services provided to the Property for the period from and after the Closing Date.

11.5 Actions by Escrow Agent. Provided that Escrow Agent shall not have received written notice from Transferee or Transferor of the failure of any condition to the Closing or of the termination of this Agreement, when Transferee and Transferor have deposited into escrow the documents and funds required by this Agreement and Title Company is irrevocably and unconditionally committed to issue the Title Policy effective as of the Closing Date, Escrow Agent shall, in the order and manner herein below indicated, take the following actions:

(a) Recording. Cause the Deed and any other documents which Transferee and Transferor mutually may direct to be recorded in the Official Records and obtain conformed copies thereof for distribution to Transferee and Transferor.

(b) Funds. Upon receipt of confirmation of the recordation of the Deed and such other documents as were recorded pursuant to Section 11.5(a), disburse all funds deposited with it by Transferee as follows:

(i) pursuant to the Closing Statement, retain for Escrow Agent's own account all escrow fees and costs, disburse to Title Company the fees and expenses incurred in connection with the issuance of the Title Policy, and disburse to any other persons or entities entitled thereto, as expressly stated on the Closing Statement, the amount of any other closing costs;

(ii) disburse to Lender funds necessary to discharge and release any and all Liens against the Property (other than the Permitted Exceptions and the Lien(s) created by any of the Loan Documents to the extent the Loan Obligation is assumed by Transferee);

(iii) deliver to Transferor or Transferee, as applicable, any cash owed to such party pursuant to the terms of this Agreement;

(iv) disburse to Transferee or Transferor, as the case may be, any remaining funds in the possession of Escrow Agent after payments pursuant to Sections 11.5(b)(i, ii and iii) have been completed.

(c) Delivery of Documents. Deliver: (i) to Transferor, (A) one original of each document deposited into escrow (other than the Deed and the estoppel certificates required to be delivered to Escrow Agent hereunder on or prior to Closing) and (B) one conformed copy of each document recorded pursuant to the terms hereof; and (ii) to Transferee, (A) one original of each document deposited into escrow (other than the Deed), and (B) one conformed copy of each document recorded pursuant to the terms hereof.

(d) Title Policy. Cause the Title Company to issue and deliver the Title Policy to Transferee.

(e) Recorded Deed. Cause the original recorded Deed to be delivered to Transferee.

11.6 Actions by Escrow Agent. Notwithstanding anything to the contrary herein, and without limitation the terms of Section 15.8 of this Agreement, the parties hereto agree that the terms and provisions of this **Article XI** may be modified, amended and/or supplemented pursuant to separate escrow instructions reasonably approved by Transferor and Transferee and acknowledged to and agreed to by Escrow Agent.

ARTICLE XII

PRORATIONS AND CLOSING EXPENSES

12.1 Prorations.

(o) (i) Rentals (including, prepaid rents, fixed rents, additional rents, operating expense escalation payments and real estate tax escalation payments payable pursuant to the Leases), revenues, and other income, if any, from the Property (including, without limitation, any and all revenues collected by Transferor or Property Owner from or attributable to parking operations at the Property, and all fees or other compensation paid to Transferor or Property Owner or to the property manager, if any, under any Contract, Lease or other agreement relating to the Property, whether paid monthly, upon contract execution or otherwise, as consideration for Transferor or Property Owner entering into such Contract, Lease or other agreement) (collectively, “Rentals.”), (ii) real estate taxes, sewer rents and taxes, water rates and charges (to the extent not accounted for above), vault charges and taxes, business improvement district taxes and assessments, and any other governmental taxes charged, assessed or levied against the Real Property, including, without limitation, any supplemental taxes assessed or levied against the Real Property (collectively, “Taxes.”), (iii) amounts due and payable under the Loan Documents (to the extent that the Loan Obligation is assumed by Transferee in accordance with the terms and provisions of this Agreement), (iv) all charges for all electricity, steam, gas and other utility services at the Property (collectively, “Utility Costs.”) and (v) all other expenses affecting the Property (including, without limitation, all other maintenance and/or operating expenses with respect to the Property), shall be prorated between Transferee and Transferor as of the Closing Date based on a 365-day year. For purposes of calculating prorations, Transferee shall be deemed to be title holder of the Property, and therefore entitled to the income and responsible for the expenses, after 12:01 a.m. on the Closing Date (the “Cut-Off Time”).

(ii) In the event that Transferee assumes the Loan Obligation in accordance with this Agreement and takes title to the Property subject to the Lien of the Loan Obligation and any amounts are held in escrow or reserve by or on behalf of Lender pursuant to the terms of the Loan Documents, the amounts held in such escrows or reserves shall be prorated by (a) Transferor assigning or causing to be assigned such escrows or reserves to Transferee and (b) Transferee reimbursing Transferor for the amounts held in such escrows or reserves (other than amounts held for obligations relating to the period prior to the Cut-Off Time). Without limiting the foregoing, Transferor shall make a one-time true up payment to Hudson as necessary to cause any rent abatement reserve required under the Pinnacle 1 Loan (as defined in the Operating Agreement) to have been borne by Hudson and Sponsor, collectively, (as defined in the Operating Agreement) in accordance with their Membership Interests as of the Closing Date.

(iii) Rentals (other than amounts constituting Overage Rent which are dealt with in Section 12.1(a)(iv) below) delinquent as of the Cut-Off Time shall not be prorated, but when received by Transferee or Transferor, if ever, shall be applied as follows: (1) first, in payment of Rentals for the calendar month in which the Closing Date occurs; (2) second, in payment of Rentals for all periods after the Closing Date which are due and payable; and (3) third, after Rentals for all periods after the Closing Date have been paid in full, in payment of Rentals for periods prior to the Closing Date and not paid pursuant to clause (2) above. Each amount of delinquent Rentals received, less reasonable collection costs, shall be adjusted and prorated as provided in the immediately

preceding sentence, and the party receiving such amount shall, within five (5) Business Days, pay to the other party the portion thereof to which it is entitled, if any. Notwithstanding anything to the contrary herein, Transferee shall have no obligation to commence any actions or proceedings to collect any delinquent Rentals. After the Closing, neither Transferor nor Property Owner shall have any right to proceed in any manner or make any claim against Tenants or any other Person (excluding Transferee in connection with a claim by Transferor against Transferee for delinquent Rentals retained by Transferee in violation of this Agreement) for Rentals that were delinquent as of the Cut-Off Time or for other matters relating to the contract or agreement pursuant to which such Rentals were due including, without limitation, any Lease until such time that, in the case of a Lease, such Tenants have vacated the Property and Transferee, in its capacity as landlord, has elected, in its sole and absolute discretion, to terminate such Lease or, in the case of any other contract or agreement, Transferee has elected, in its sole and absolute discretion, to terminate the same.

(iv) With respect to any Lease that provides for the payment of additional or escalation rent based upon increases in real estate taxes, labor costs, costs of living indices or other operating expenses (collectively, “**Overage Rent**”), such Overage Rent shall be adjusted and prorated on an if, as and when collected basis. Overage Rent payable for the accounting period in which the Closing Date occurs shall be apportioned between Transferor and Transferee based upon the ratio that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period. Any payment by Tenants of Overage Rent shall be applied to Overage Rents then due and payable in the following order of priority: (A) first, in payment of Overage Rents for the period preceding the accounting period in which the Closing Date occurs; (B) second, in payment of Overage Rents for the accounting period in which the Closing Date occurs and (C) third, in payment of Overage Rents for the accounting period following the one in which the Closing Date occurs. To the extent any portion of Overage Rent is required to be paid monthly by Tenants on account of estimated amounts for the current period, and at the end of each calendar year (or, if applicable, at the end of each lease year or tax year or any other applicable accounting period), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar (lease or tax) year, with the appropriate adjustments being made with such Tenants, then such portion of the Overage Rent shall be prorated between Transferor and Transferee on the Closing Date based on such estimated payments (i.e., with (x) Transferor entitled to retain all monthly installments of such amounts with respect to periods prior to the calendar month in which the Closing Date occurs, to the extent such amounts are as of the Closing Date estimated to equal the amounts ultimately due to Transferor for such periods, (y) Transferee entitled to receive all monthly installments of such amounts with respect to periods following the calendar month in which the Closing Date occurs, and (z) Transferor and Transferee apportioning all monthly installments of such amounts with respect to the calendar month in which the Closing Date occurs). At the time(s) of final calculation and collection from (or refund to) Tenants of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts have been prorated, there shall be a re-proration between Transferor and Transferee, with the net credit resulting from such re-proration, after accounting for amounts required to be refunded to tenants, being payable to the appropriate party (i.e., to Transferor if the recalculated amounts exceed the estimated amounts paid to Transferee if the recalculated amounts are less than the estimated amounts). To the extent that any Tenant, pursuant to a right contained in an existing Lease, conducts an audit respecting an Overage Rent calculation (a “**Rent Audit**”) for an accounting period that expired prior to the Closing

Date, or otherwise becomes entitled to a refund of Overage Rent with respect to a period prior to the Closing Date, Transferor shall be liable for any refunds due to such Tenant or shall be entitled to receive and retain any additional payments due from such Tenant as the result of such Rent Audit. The results of any Rent Audit for any other accounting period shall be apportioned in the same manner as Overage Rent. Rent Audits for accounting periods that expire prior to the Closing Date shall be settled by Transferor in accordance with the applicable existing Lease, subject to Transferee's approval, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that Transferee's consent to any such settlement shall not be required if the Tenant as part of such settlement agrees that such settlement shall not be binding on the landlord in calculating similar amounts for subsequent years and that such Tenant will not introduce any such settlement statement in challenging amounts due in any such subsequent year. Rent Audits for accounting periods prior to the Closing Date but extending after the Closing Date shall be settled by Transferee in accordance with the applicable existing Lease, but Transferor shall receive notice of all negotiations or proceedings in connection therewith, shall have the right to participate and/or intervene therein and shall be entitled to approve all matters to be approved by the landlord under the applicable existing Lease in connection therewith, which approval shall not be unreasonably withheld, delayed or conditioned.

(v) All non-delinquent Taxes on the Building shall be prorated based on the actual current tax bill, but if such tax bill has not yet been received by Transferor or Property Owner by the Cut-Off Time or if supplemental taxes are assessed after the Cut-Off Time for the period prior to the Cut-Off Time, the parties shall make any necessary adjustment after the Cut-Off Time by cash payment to the party entitled thereto so that Transferor and/or Property Owner shall have borne all Taxes, including all supplemental taxes, allocable to the period prior to the Cut-Off Time and Transferee shall bear all Taxes, including all supplemental taxes, allocable to the period from and after the Cut-Off Time.

(vi) All Utility Costs shall be billed to the Property Owner's account up to the Closing Date and from and after the Closing Date, all Utility Costs shall be billed to Transferee's account. If for any reason such changeover in billing is not practicable as of the Closing Date as to any utility, the Utility Costs related thereto shall be apportioned on the basis of actual current readings or, if such readings have not been made, on the basis of the most recent bills that are available. If any apportionment is not based on an actual current reading, then upon the taking of a subsequent actual reading, the parties shall, within ten (10) Business Days following notice of the determination of such actual reading, readjust such apportionment and Transferor shall promptly deliver to Transferee, or Transferee shall promptly deliver to Transferor, as the case may be, the amount determined to be due upon such adjustment.

(vii) Notwithstanding anything to the contrary set forth herein and without limiting the representations and/or warranties made by Transferor herein regarding the Leases, Transferor shall be responsible for all leasing commissions and/or Tenant Inducements Costs due and payable in connection with the execution of any Lease and/or the exercise by any Tenant of any renewal or expansion option under its Lease prior to the Closing Date and Transferee shall be responsible for all leasing commissions and/or Tenant Inducements Costs due and payable in connection with any Lease and/or the exercise by any Tenant of any renewal or expansion option under its Lease after

the Closing Date. “ **Tenant Inducement Costs** ” means any out-of-pocket payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the Tenant thereunder which is in the nature of a tenant inducement or concession, including, without limitation, tenant improvement costs, design, refurbishment and other work allowances, lease buyout costs and moving allowances; provided, however, that “ **Tenant Inducement Costs** ” shall not include loss of income resulting from any free rental period (it being agreed that Transferor shall bear such loss resulting from any free rental period with respect to the period prior to the Closing Date and the Transferee shall bear such loss with respect to the period from and after the Closing Date).

(viii) No insurance premiums or other costs shall be prorated, it being understood and agreed that Transferor intends to or intends to cause Property Owner to terminate its existing insurance at the Closing and thereafter Transferee shall be responsible for obtaining insurance at its sole cost and expense.

(ix) No fees, commissions or other amounts due and payable by Property Owner under any existing property management agreement or leasing agreement shall be prorated, it being understood and agreed that Transferor is obligated to terminate or cause Property Owner to terminate the same prior to the Closing Date and that the termination of all such agreements is a condition precedent to Transferee’s obligation to close hereunder.

(b) At or prior to the Closing, Transferor and Transferee and/or their respective agents or designees will jointly prepare a preliminary closing statement (the “ **Preliminary Closing Statement** ”) which will show the net amount due either to Transferor or to Transferee as a result of the adjustments and prorations provided for in this Agreement, and such net due amount will be added to or subtracted from the Contribution Value at Closing. Not later than the first anniversary of the Closing Date, Transferor and Transferee will jointly prepare a final closing statement reasonably satisfactory to Transferor and Transferee in form and substance (the “ **Final Closing Statement** ”) setting forth the final determination of the adjustments and prorations provided for herein and setting forth any items which are not capable of being determined at such time (and the manner in which such items shall be determined and paid). The net amount due Transferor or Transferee, if any, by reason of adjustments to the Preliminary Closing Statement as shown in the Final Closing Statement, shall be paid in cash by the party obligated therefor within five (5) Business Days following that party’s receipt of the approved Final Closing Statement. The adjustments, prorations and determinations agreed to by Transferor and Transferee in the Final Closing Statement shall be conclusive and binding on the parties hereto except for any items which are not capable of being determined at the time the Final Closing Statement is agreed to by Transferor and Transferee, which items shall be determined and paid in the manner set forth in the Final Closing Statement and except for other amounts payable hereunder pursuant to provisions which survive the Closing. Prior to and following the Closing Date, each party shall provide the other with such information as the other shall reasonably request (including, without limitation, access to the books, records, files, ledgers, information and data with respect to the Property during normal business hours upon reasonable advance notice) in order to make the preliminary and final adjustments and prorations provided for herein.

(c) The provisions of this **Section 12.1** shall survive the Closing for a period of twelve (12) months, provided that the parties' obligations pursuant to this **Section 12.1(c)** to pay any amounts determined to be owed within such twelve (12) month period pursuant to this **Section 12.1** shall survive the Closing until the earlier to occur of (x) the 12-Month Reconciliation Date, if paid on such date, or (y) the applicable statute of limitations. Notwithstanding the foregoing, on the date which is 365 days following the Closing (the "**12- Month Reconciliation Date**"), Transferee and Transferor shall endeavor in good faith to reconcile all amounts which are to be prorated pursuant to this **Section 12.1** and which can be conclusively known as of the 12-Month Reconciliation Date, and, following payment thereof by the applicable party in accordance with this **Section 12.1**, those provisions of **Section 12.1** pertaining to amounts to be prorated pursuant to this **Section 12.1** and which can be conclusively known as of the 12-Month Reconciliation Date shall terminate, and neither Transferor nor Transferee shall have any further liability therefor. Amounts to be paid by Transferor and/or Transferee, as applicable, on the 12-Month Reconciliation Date following application of the terms of this **Section 12.1** and as approved by Transferor and Transferee in good faith are sometimes referred to herein as the "**12-Month Reconciliation Amounts**". Any 12-Month Reconciliation Amounts owed by Transferor or Transferee, as applicable, shall be, at the discretion of the party entitled to receive such 12-Month Reconciliation Amounts, either paid to an account specified by such party or offset against such party's obligations to pay any 12-Month Reconciliation Amounts. Following the 12-Month Reconciliation Date, and the payment of any 12-Month Reconciliation Amounts determined to be owed pursuant to this **Section 12.1** by Transferor and/or Transferee, neither Transferee nor Transferor shall have any further liability pursuant to this **Section 12.1**.

(d) It is the intent of the parties hereto that the prorations and/or adjustments pursuant to this **Section 12.1** be allocated among Transferor and Transferee in the manner set forth above without duplication on account of the fact that, following the consummation of the transactions contemplated hereby, Transferor shall be an indirect owner in Transferee and, indirectly thereby (A) entitled to its pro rata share (based on its Membership Interest) of any net charges to Transferor/net credits to Transferee and (B) required to fund its pro rata share (based on its Membership Interest) of any net credits to Transferor/net charges to Transferee. In particular, (1) in the event of any net charges to Transferor/net credits to Transferee, neither Transferor (nor any Affiliate thereof) shall be entitled to any portion of such net credits to Transferee and (2) in the event of any net charges to Transferee/net credits to Transferor, neither Transferor (nor any Affiliate thereof) shall be responsible for any portion of such net charges to Transferee.

12.2 **Closing Expenses**. Each party shall pay its own costs and expenses arising in connection with the Closing (including its own attorneys' and advisors' fees, charges and disbursements), except the costs set forth in this **Section 12.2** which shall be allocated between the parties as set forth herein.

(i) **Transferor**. Transferor shall pay (i) the premium for the Title Policy (and all endorsements to such Title Policy for which Transferor is responsible pursuant to this Agreement or which Transferor has agreed to provide and Transferee in its reasonable discretion has agreed to accept in satisfaction of a Transferee's Objection), (ii) all documentary, transfer, stamp, sales, use, gross receipts or similar taxes related to the transfer of the Property, (iii) except as otherwise expressly

set forth herein, one-half of the customary closing costs of the Escrow Agent and the Title Company related to the transfer of the Property, (iv) one-half of all assumption or other amounts due and payable under the Loan Documents in connection with the Loan Assumption and obtaining Lender's consent thereto, and (v) the cost of discharging any Liens against the Property other than the Loan Obligation, if assumed by Transferor or Transferee in accordance with this Agreement and the Loan Documents, and recording any instruments in connection therewith.

(j) Transferee. Transferee shall pay for (i) recording the Deed, (ii) except as otherwise expressly set forth herein, one-half of the customary closing costs of the Escrow Agent and the Title Company related to the transfer of the Property, (iii) one-half of all assumption or other amounts due and payable under the Loan Documents in connection with the Loan Assumption and obtaining Lender's consent thereto, and (iv)) the cost of any update to the Existing Survey or any new survey of the Property.

ARTICLE XIII

REMEDIES

13.1 Breach by Transferor. Transferor shall be in default hereunder if: (a) any representation or warranty made by Transferor herein or in any of the Closing Documents is or becomes false in any material respect; (b) Transferor fails to cure (within the time frame set forth below) any breach of any obligation of Transferor under this Agreement; (c) there is a failure or defect of title that is not cured by Transferor or waived in writing by Transferee after the Effective Date; or (d) Transferor refuses to convey or cause to be conveyed title to the Property in accordance herewith. If Transferor defaults on any provision hereof, Transferee, as a condition precedent to the exercise of its remedies or termination of this Agreement, shall be required to give Transferor written notice of the same. Transferor shall have 10 Business Days from the receipt of such notice to cure the default; provided, however, if such default is susceptible of cure but cannot be cured within such 10 Business Day period and Transferor has commenced such cure within such 10 Business Day period and diligently prosecutes the same to completion, such cure period shall be extended for as long as is reasonably necessary to cure such default, provided, that such additional cure period shall not exceed thirty (30) consecutive calendar days; and further provided, notwithstanding anything to the contrary herein, Transferor shall not have the right to notice and/or any cure period in connection with Transferor's failure to deliver any of the closing deliverables required to be delivered by Transferor under **Section 11.2**. If Transferor timely cures the default to Transferee's reasonable satisfaction, the default shall be deemed waived and this Agreement shall continue in full force and effect. In connection with any default by Transferor hereunder (subject to notice and/or the applicable cure period set forth herein, if any), Transferee, at Transferee's option, shall be entitled to any or all of the following remedies: (i) terminate this Agreement, in which event (A) Transferor shall reimburse Transferee for Transferee's reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees, costs and disbursements) related to the negotiation of this Agreement and the transactions contemplated hereby and Transferee's due diligence, (B) Transferor shall pay any and all cancellation charges of Escrow Agent and Title Company, and (C) both parties shall be discharged from all duties and performance hereunder, except for any obligations which by their

terms survive any termination of this Agreement; and/or (ii) pursue and obtain any relief provided at law or in equity, including specific performance and damages. Notwithstanding anything to the contrary herein, the remedies available to Transferee in connection with any default by Transferor under this Agreement shall in no way limit, vitiate or derogate the remedies available to Hudson under the Operating Agreement in the event that the Closing does not occur for any reason and regardless of the party at fault, if any, it being understood and agreed that all such remedies are cumulative and not exclusive.

13.2 Breach by Transferee. Transferee shall be in default hereunder if: (a) any representation or warranty made by Transferee herein or in any of the Closing Documents is or becomes false in any material respect; or (b) Transferee fails to cure (within the time frame set forth below) any breach of any obligation of Transferee under this Agreement. If Transferee defaults on any provision hereof, Transferor, as a condition precedent to the exercise of its remedies or termination of this Agreement, shall be required to give Transferee written notice of the same. Transferee shall have 10 Business Days from the receipt of such notice to cure the default; provided, however, if such default is susceptible of cure but cannot be cured within such 10-Business Day period and Transferee has commenced such cure within such 10-Business Day period and diligently prosecutes the same to completion, such cure period shall be extended for as long as is reasonably necessary to cure such default, provided, that such additional cure period shall not exceed thirty (30) consecutive calendar days; and further provided, notwithstanding anything to the contrary herein, Transferee shall not have the right to notice and/or any cure period in connection with Transferee's failure to deliver any of the closing deliverables required to be delivered by Transferee under Section 11.3. If Transferee timely cures the default, the default shall be deemed waived and this Agreement shall continue in full force and effect. In connection with any default by Transferee hereunder (subject to notice and/or the applicable cure period set forth herein, if any), Transferor, at Transferor's option, shall be entitled to any or all of the following remedies: (i) terminate this Agreement, in which event (A) Transferee shall reimburse Transferor for Transferor's reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees, costs and disbursements) related to the negotiation of this Agreement and the transaction contemplated hereby, (B) Transferee shall pay any cancellation charges of Escrow Agent and Title Company, and (C) both parties shall be discharged from all duties and performance hereunder, except for any obligations which by their terms survive any termination of this Agreement; and/or (ii) pursue and obtain any relief provided at law or in equity; provided, however, the remedy of specific performance shall only be available to Transferor in the event that all of the conditions precedent to Transferee's obligation to close hereunder have been fully satisfied and the Closing does not occur solely as a result of Transferee's failure to deliver all of the closing deliverables required to be delivered by Transferee under Section 11.3 on the Closing Date.

ARTICLE XIV ESCROW

14.1 Escrow.

(e) Escrow Agent is hereby appointed and designated to act as Escrow Agent hereunder and is instructed to hold and deliver, pursuant to the terms of this Agreement, the documents and funds to be deposited into escrow as herein provided.

(f) The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that Escrow Agent shall not be deemed to be the agent of either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Agreement or in gross negligence. Transferor and Transferee jointly and severally shall indemnify, protect, defend and hold Escrow Agent harmless from and against all Losses incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Agreement or in gross negligence on the part of the Escrow Agent or any of its employees, representatives or agents.

(g) The parties shall deliver to Escrow Agent an executed copy of this Agreement, which shall constitute their instructions to Escrow Agent. Escrow Agent shall execute the signature page for Escrow Agent attached hereto with respect to the provisions of this Section 14.1; provided, however, that (i) Escrow Agent's signature hereon shall not be a prerequisite to the binding nature of this Agreement on Transferee and Transferor, and the same shall become fully effective upon execution by Transferee and Transferor, and (ii) the signature of Escrow Agent will not be necessary to amend any provision of this Agreement other than this Section 14.1.

(h) Escrow Agent, as the person responsible for closing the transaction within the meaning of Section 6045(e)(2)(A) of the Code, shall file all necessary information reports, returns, and statements regarding the transaction required by the Code including the tax reports required pursuant to Section 6045 of the Code. Further, Escrow Agent agrees to indemnify, protect, defend and hold Transferee, Transferor, and their respective attorneys and brokers harmless from and against any Losses resulting from Escrow Agent's failure to file the reports Escrow Agent is required to file pursuant to this section.

(i) The parties hereto shall execute such additional escrow instructions (not inconsistent with this Agreement as determined by counsel for Transferee and Transferor) as Escrow Agent shall deem reasonably necessary for its protection, including Escrow Agent's general provisions (as may be modified by Transferee, Transferor and Escrow Agent). In the event of any inconsistency between the provisions of this Agreement and such additional escrow instructions, the provisions of this Agreement shall govern.

ARTICLE XV

MISCELLANEOUS

15.1 Brokers. Transferor represents, warrants to and agrees with Transferee that other than Eastdil Secured, which Transferor has engaged pursuant to a separate agreement in connection with the transactions contemplated by this Agreement and shall be solely liable for the payment of any broker's fee, finder's fee, commission or similar compensation

(“ **Commission** ”) to Eastdil Secured in connection therewith, Transferor has not had, and it shall not have, any dealings with (and it has not engaged and it will not engage) any third party to whom the payment of any Commission shall or may become due or payable in connection with the transactions contemplated hereby. Transferee hereby represents, warrants to and agrees with Transferor that it has not had, and it shall not have, any dealings with (and it has not engaged and it will not engage) any third party to whom the payment of any Commission shall or may become due or payable in connection with the transactions contemplated hereby. Transferor and Transferee each hereby agree to indemnify, hold harmless, protect and defend each other from any Losses arising from any breach of any of its representations under this **Section 15.1**).

15.2 **Expenses**. Subject to the payment of Closing costs pursuant to **Section 12.2** and any other provision of this Agreement, whether or not the transactions contemplated by this Agreement are consummated, all fees and expenses incurred by any party hereto in connection with this Agreement shall be borne by such party.

15.3 **Further Assurances**. Each of the parties hereto agrees to perform, execute and deliver such documents, writings, acts and further assurances as may be necessary to carry out the intent and purpose of this Agreement. Without limiting the generality of the foregoing, Transferor shall, at no material cost to Transferor, cooperate with Hudson and/or its affiliates to provide Hudson access to such factual information concerning the operation of the Property as may be reasonably requested by Hudson, and in the possession or control of Transferor or its Affiliates, or its previous property manager or accountants, to enable Hudson or its affiliates to prepare audited financial statements as may be required by the Securities and Exchange Commission. At Hudson’s sole cost and expense, Hudson or its designated independent or other auditor may audit Transferor’s (or Transferor’s previous property manager’s) operating statements of the Property, and Transferor will cooperate in the preparation of the audit, including by providing a customary representations letter to such auditor in substantially the form attached hereto as **Exhibit L**; provided, however, that the foregoing obligations of Transferor under this subsection shall be limited to providing such information or documentation as may be in the possession of, or reasonably obtainable by, Transferor, its property manager or accountants, at no material cost to Transferor, and in the format that Transferor (or its property manager or accountants) have maintained such information in the ordinary course of its business.

15.4 **Survival of Representations and Warranties**. All of Transferor’s and Transferee’s respective representations, warranties, covenants and indemnities set forth in this Agreement, and the provisions of **Article XIV**, shall survive the delivery of the Deed and the Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing; provided, however, and notwithstanding anything to the contrary herein, the Property-level representations and warranties set forth in **Sections 6.4** through **6.19** shall only survive until the first anniversary of the Closing Date. Subject to the foregoing, any provision of this Agreement which requires observance or performance subsequent to the Closing, whether or not there is an express survival provision, shall continue in force and effect following such Closing.

15.5 **Partial Invalidity**. If any provision of this Agreement is determined to be unenforceable, such provision shall be reformed and enforced to the maximum extent permitted by Law. If it cannot be reformed, it shall be stricken from and construed for all purposes not to

constitute a part of this Agreement, and the remaining portions of this Agreement shall remain in full force and effect and shall, for all purposes, constitute this entire Agreement.

15.6 Time of Essence. Time shall be of the essence with respect to all matters contemplated by this Agreement.

15.7 Construction of Agreement. All parties hereto acknowledge that they have had the benefit of independent counsel with regard to this Agreement and that this Agreement has been prepared as a result of the joint efforts of all parties and their respective counsel. Accordingly, all parties agree that the provisions of this Agreement shall not be construed or interpreted for or against any party hereto based upon authorship.

15.8 Amendments/Waiver. Except as set forth in **Section 14.1(c)**, no amendment, change or modification of this Agreement shall be valid unless the same is in writing and signed by the party or parties to be bound. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced. No waiver of any provision shall be deemed a continuing waiver of such provision or of this Agreement.

15.9 Entire Agreement. This Agreement, together with the Exhibits and Schedules attached hereto, and the Operating Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all prior negotiations, agreements, understandings, letters of intent and discussions (whether oral or written) between the parties, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as expressly herein set forth.

15.10 Counterparts: Facsimile/PDF. This Agreement may be executed in one or more counterparts, each of which will constitute an original, and all of which together shall constitute one and the same agreement. Executed copies hereof may be delivered by facsimile, PDF or email, and, upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile, PDF or email, the parties will use their best efforts to deliver originals as promptly as possible after execution.

15.11 Dates. If any date set forth in this Agreement for the delivery of any document or the happening of any event (such as, for example, the Closing Date) should, under the terms hereof, fall on a non-Business Day, then such date shall be extended automatically to the next succeeding Business Day.

15.12 Governing Law/Jurisdiction. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the internal laws of the State of California, without regard to the conflicts of laws principles thereof. Any action brought to interpret or enforce this Agreement shall be brought in a court of competent jurisdiction in the State of California and each party hereto hereby consents to jurisdiction and venue in such court.

15.13 Intentionally Omitted.

15.14 Notices. All notices, consents, reports, demands, requests and other

communications required or permitted hereunder (“ **Notices** ”) shall be in writing, and shall be: (a) personally delivered with a written receipt of delivery; (b) sent by a nationally recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by confirmed facsimile transmission, PDF or email with an original copy thereof transmitted to the recipient by one of the means described in **subsections (a)** through **(c)** no later than 3 Business Days thereafter. All Notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the Notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this section, then the first attempted delivery shall be deemed to constitute delivery; and provided further, however, that Notices given by facsimile, PDF or email shall be deemed given when received by facsimile, PDF or email, as the case may be. Each party shall be entitled to change its address for Notices from time to time by delivering to the other party Notice thereof in the manner herein provided for the delivery of Notices. All Notices shall be sent to the addressee at its address set forth following its name below:

To Transferor:

Media Center Development, LLC
c/o M. David Paul Development LLC
100 Wilshire Boulevard, Suite 1600
Santa Monica, California 90401
Attention: Jeffrey M. Worthe
Telephone: 310-393-9653
Facsimile: 310-458-2644
Email: JeffW@mdpa.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071
Attention: Meryl K. Chae
Telephone: 213-687-5035
Facsimile: 213-621-5035
Email: Meryl.Chae@skadden.com

To Transferee:

P2 Hudson MC Partners, LLC
c/o Hudson Pacific Properties, Inc.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025

Attention: Alex Vouvalides
Telephone: 310-445-5706
Facsimile: 310-445-5710
Email: Alex@hudsonppi.com

with a copy to:

Gibson, Dunn & Crutcher LLP
2029 Century Park East
Los Angeles, California 90067
Attention: Jesse Sharf
Telephone: 310-552-8512
Facsimile: 213-229-6638
Email: JSharf@gibsondunn.com

Any notice required hereunder to be delivered to the Escrow Agent shall be delivered in accordance with the above provisions as follows:

Chicago Title Insurance Company
26415 Carl Boyer Drive, Suite 255
Santa Clarita, California 91350
Attention: Maggie G. Watson
Telephone: 661-753-5701
Facsimile: 661-753-5730
Email: Maggie.Watson@ctt.com

Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Agreement, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

15.15 Headings/Use of Terms/Exhibits. The paragraph and section headings that appear in this Agreement are for purposes of convenience of reference only and are not to be construed as modifying, explaining, restricting or affecting the substance of the paragraphs and sections in which they appear. Wherever the singular number is used, and when the context requires, the same shall include the plural and the masculine gender shall include the feminine and neuter genders. The term “including” means “including, but not limited to” and “such as” means “such as, but not limited to.” and similar words are intended to be inclusive. All references to Sections and articles mean the Sections and articles in this Agreement. All Exhibits and Schedules attached hereto are hereby incorporated herein by reference as though set out in full herein.

15.16 Assignment. Transferor shall not assign this Agreement or any rights hereunder, or delegate any of its obligations, without the prior written Approval of Transferor. Transferor shall not assign this Agreement or any rights hereunder, or delegate any of its obligations, without the prior written approval of Transferee. Subject to the provisions of this section, this

Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and permitted assigns. Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

15.17 Attorney's Fees. If litigation or arbitration is required by either party to enforce or interpret the terms of this Agreement, the substantially prevailing party of such action or arbitration shall, in addition to all other relief granted or awarded by the court or arbitrator, be awarded costs and reasonable attorneys' fees, charges and disbursements and reasonable fees of expert witnesses and costs incurred by reason of such action or arbitration and those incurred in preparation thereof at both the trial or arbitration and appellate levels.

15.18 Indemnification.

(a) In addition to any other indemnity under this Agreement, Transferor agrees to indemnify, protect, hold harmless and, if requested by Transferee in Transferee's sole and absolute discretion, defend (with counsel of Transferee's choosing) Transferee and its permitted successors and permitted assigns, from any and all Losses to the extent arising out of or in connection with (i) the willful misconduct or gross negligence of Transferor, Property Owner, any of their respective affiliates and/or any employee, representative or agent of any of the foregoing Persons, (ii) any personal injury, property damage or any other liability related to the ownership, operation or maintenance of the Property existing or occurring before the Closing, or (iii) any breach of any of Transferor's representations, warranties, covenants or agreements herein or any of the Closing Documents (subject to the survival limitations set forth in **Section 15.4** hereof).

(b) In addition to any other indemnity under this Agreement, Transferee agrees to indemnify, protect, hold harmless and, if requested by Transferor in Transferor's sole and absolute discretion, defend (with counsel of Transferor's choosing) Transferor, its permitted successors and permitted assigns, from any and all Losses to the extent arising out of or in connection with (i) the willful misconduct or gross negligence of Transferee, any of Transferee's affiliates and/or any employee, representative or agent of any of the foregoing Persons, (ii) any personal injury, property damage or any other liability related to the ownership or operation of the Property first existing or occurring after the Closing, or (iii) any breach of any of Transferee's representations, warranties, covenants or agreements herein or the Closing Documents (subject to the survival limitations set forth in **Section 15.4** hereof).

15.19 Post-Closing Access to Records. Upon receipt by Transferor of Transferee's reasonable written request at any time and from time to time within a period of 3 years after the Closing, Transferor shall, at Transferor's principal place of business, during Transferor's normal business hours, make all of Transferor's records relating to the Property available to Transferee for inspection and copying (at Transferee's sole cost and expense).

15.20 Transfer Development Rights. The parties hereto acknowledge and agree that, pursuant to the terms of that certain Development Rights Deed and Agreement, made by and

between National Broadcasting Company, a Delaware corporation, as Grantor, and NBC Plaza, L.P., a California limited partnership, as Grantee, dated September 26, 1991 and recorded in the Official Records of the County Recorder for Los Angeles County as Document Number 91-1534540 (the “**Development Rights Deed**”), certain transferable development rights were transferred from the Donor Site (as defined in the Development Rights Deed) to the Project Site (as defined in the Development Rights Deed), upon which the Pinnacle 1 Property and the Property were constructed (such development rights, collectively, the “**TDR**”). Following the Closing, to the extent that Hudson, on behalf of Transferee, determines, in its reasonable discretion, that all or any portion of the TDR’s are not required for the existing and/or reasonably foreseeable access, use, operation or enjoyment of the Pinnacle 1 Property and/or the Property (such portion of the TDR’s, the “**Excess TDR**”), then Transferee shall reasonably cooperate with MCP to cause such Excess TDR to be transferred to a project site unrelated to any Company Property (as defined in the Operating Agreement) in accordance with Section 10-1-2017(A)(5)(v) of the Burbank Municipal Code, provided, that (i) the same shall be at no expense to Hudson, the Joint Venture or any Property Owner LLC (as defined in the Operating Agreement), including, without limitation, any TDR fee, impact fee or other fee required by the City of Burbank or any entitling authority (the “**City**”) in connection with the transfer of such Excess TDR, (ii) Hudson shall have the right to participate, at Hudson’s election, in any hearing or other meeting with the City and any applications and/or other materials prepared by MCP to be submitted to the City shall be prepared in reasonable consultation with Hudson, (iii) any approval by the City to transfer such Excess TDR does not result in any new conditions or restrictions being imposed by the City against the Pinnacle 1 Property, the Property, the Joint Venture and/or any Property Owner, LLC (as defined in the Operating Agreement), and (iv) the transfer of such Excess TDR and all documents and/or other instruments evidencing and/or implementing such transfer shall have been approved by any applicable Lender (as defined in the Operating Agreement) in accordance with and to the extent required under any then applicable Loan Documents (as defined in the Operating Agreement) (the conditions referred to in clauses (i) through (iv) are referred to herein collectively as the “**Cooperation Conditions**”). The parties hereto acknowledge that the obligation of Transferee under this **Section 15.20** is a post-Closing obligation of Transferee that will survive the Closing. For the avoidance of doubt, no failure to achieve the transfer of any Excess TDR, other than to the extent the same shall constitute a failure to reasonably cooperate where such efforts are required pursuant to this **Section 15.20**, shall constitute a breach or default of any kind on the part of Transferee (or any Affiliate thereof, including Hudson) under this Agreement.

15.21 **1031 Exchange.** Notwithstanding anything to the contrary contained in this Agreement, the parties hereto acknowledge and agree that in connection with the Transferee’s acquisition of the Property, any Member (as defined in the Operating Agreement) of the Joint Venture may elect by notice to the other Members to cause the Joint Venture to cause the Transferee to effect a tax-deferred exchange (each, an “**Exchange**”) in accordance with Section 1031 of the Internal Revenue code of 1986, as amended, which Exchange will involve an exchange of another property or properties, and the Property, so long as (a) same does adversely affect the ability to obtain Lender’s approval of the Loan Assumption on or before the first anniversary of the Effective Date, (b) neither the Joint Venture nor its Members shall incur any cost, expense or liability in connection with such Exchange, (c) the Member electing to cause the

Joint Venture to cause the Transferee to effect an Exchange shall indemnify, defend and hold the Joint Venture and the other Members harmless from and against any and all cost, loss, liability and expenses arising out of or in connection with such Exchange, (d) such Exchange is carried out in accordance with all applicable laws and all documentation concerning the Exchange shall be reasonably satisfactory to the Joint Venture and the other Members, (e) such Exchange does not adversely affect the Joint Venture or the other Members in any material respect, regarding the terms and conditions of the applicable transaction, and (f) such Exchange does not have an adverse effect on title to the Property. The Joint Venture and the other Members shall use commercially reasonable efforts to accommodate an electing Member in effecting the Exchanges subject to the terms of this **Section 15.21** .

15.22 Third-Party Beneficiaries. This Agreement does not and is not intended to confer any rights or remedies upon any Person other than the parties hereto, except that it is expressly agreed that Hudson is an intended third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

(Remainder of Page Intentionally Bank)

TRANSFEROR :

MEDIA CENTER DEVELOPMENT, LLC,
a Delaware limited liability company

By: /s/ Jeffery M. Worthe_____
Name: Jeffery M. Worthe_____
Title: Vice President_____

TRANSFeree :

P2 HUDSON MC PARTNERS, LLC,
a Delaware limited liability company

By: __/s/ Mark T. Lammas_____
Name: __Mark T. Lammas_____
Title: _Chief Financial Officer_____

By: /s/ Jeffery M. Worthe
Name:
Its: Vice President

SIGNATURE PAGE
ESCROW AGENT

The undersigned hereby accepts the foregoing Acquisition and Contribution Agreement and executes this Agreement for the purpose of agreeing to the provisions of Section 14.1 (and agreeing to act as Escrow Agent in strict accordance with the terms thereof), and hereby establishes the Effective Date as the date of opening of escrow and designates 1A6744216-X70 as the escrow number assigned to this escrow.

ESCROW AGENT :

CHICAGO TITLE INSURANCE COMPANY

By: _____
Name: Maggie G. Watson
Title: Senior Vice President

LIST OF SCHEDULES AND EXHIBITS

SCHEDULE A	–	LEGAL DESCRIPTION	
SCHEDULE B	–	LOAN DOCUMENTS	
SCHEDULE C	–	RENT ROLL	
EXHIBIT A		FORM OF REA ESTOPPEL	
EXHIBIT B		FORM OF WARNER BROS. ESTOPPEL	
EXHIBIT C	–	TITLE COMMITMENT	
EXHIBIT D	–	GRANT DEED	
EXHIBIT E	–	BILL OF SALE AND GENERAL ASSIGNMENT	
EXHIBIT F	–	ASSIGNMENT AND ASSUMPTION OF LEASES AND	CONTRACTS
EXHIBIT G	–	FORM OF OWNER’S AFFIDAVIT	
EXHIBIT H	–	FORM OF NON-IMPUTATION ENDORSEMENT AFFIDAVIT	
EXHIBIT I	–	ACKNOWLEDGMENT AND ACCEPTANCE OF ADMISSION	OF MEMBER
EXHIBIT J	–	FORM OF CERTIFICATE OF NON-FOREIGN STATUS	
EXHIBIT K	–	TENANT NOTIFICATION LETTER	
EXHIBIT L	–	FORM OF AUDIT LETTER	

SCHEDULE A

LEGAL DESCRIPTION

(3300 West Olive Avenue, Burbank, CA)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT)

Schedule A-1

AMENDMENT TO PLANNED DEVELOPMENT 89-6" DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-452

Schedule A-2

SCHEDULE B

LOAN DOCUMENTS

1. Loan Agreement, dated as of August 18, 2006, between Greenwich Capital Financial Products, Inc., a Delaware corporation, as lender, and 3300 West Olive, LLC, a Delaware limited liability company, as borrower.
2. Promissory Note, dated as of August 18, 2006, made by 3300 West Olive, LLC, a Delaware limited liability company, as maker, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation, as holder.
3. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Trustor, to Chicago Title Company, a California corporation, as Trustee, for the benefit of Greenwich Capital Financial Products, Inc., a Delaware Corporation, as Beneficiary.
4. Assignment of Leases and Rents, dated as of August 18, 2006, between 3300 West Olive, LLC, as Assignor, and Greenwich Capital Financial Products, Inc., a Delaware corporation, as Assignee.
5. Assignment of Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing and Assignment of Assignment of Leases and Rents to Bank of America, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8, as Assignee, from Wells Fargo Bank, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8, as Assignor, dated July 6, 2009.
6. Collateral Assignment of Contracts, Licenses, Permits, Agreements, Warranties, and Approvals, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Borrower, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as Lender
7. Environmental Indemnity Agreement, dated as of August 18, 2006, by 3300 West Olive, LLC, a Delaware limited liability company, as Indemnitor, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation, as Indemnitee.
8. Guaranty of Recourse Obligations and Limited Payment Guaranty, dated as of August 18, 2006, made by M. David Paul Development LLC, as guarantor, in favor of Greenwich Capital Financial Products, Inc., a Delaware corporation.
9. Consent and Agreement of Property Manager and Subordination of Property Management Agreement, dated as of August 18, 2006, made by The Worthe Real Estate Group, Inc., a California corporation, as Manager, for the benefit of Greenwich Capital Financial Products, Inc., a Delaware corporation, as Lender, and consented to by 3300 West Olive, LLC, a Delaware limited liability company, as Borrower.
10. Deposit Account Control Agreement (Lockbox – With Activation), dated as of August 18, 2006, by and among 3300 West Olive, LLC, Greenwich Capital Financial Products, Inc., and Bank of America, N.A.

11. UCC Financing Statement, listing 3300 West Olive, LLC, as Debtor, and Greenwich Capital Financial Products, Inc., as Secured Party.
12. UCC Financing Statement Amendment, listing Wells Fargo Bank, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8, as assignee, and Greenwich Capital Financial Products, Inc., as assignor.
UCC Financing Statement Amendment, listing Bank of America, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8, as assignee, and Wells Fargo Bank, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8, as assignor.

Schedule B-2

SCHEDULE C

RENT ROLL

3300 West Olive, LLC
3300 W. Olive Avenue
Burbank, California

Pinnacle II - Rent Roll

Tenant	Suite #	Commencement	Expiration	Rentable Sq. Ft.	Monthly Base Rent	PSF/Mo.	Rent Escalation		PSF/Mo.	Monthly Min. Parking	Unreserved Pass Rate/Mo.	Comments
							Date	Amount/Mo.				
Warner Bros. Entertainment Inc.	100	01/01/07	12/31/21	230,000	\$668,150.00	\$2.91				\$47,437.50	\$82.50	1,2,3,4,5,6
							01/01/08	\$674,831.50	\$2.93	\$47,437.50	\$82.50	
							01/01/09	\$681,579.82	\$2.96	\$47,437.50	\$82.50	
							01/01/10	\$688,395.61	\$2.99	\$47,437.50	\$82.50	
							01/01/11	\$695,279.57	\$3.02	\$47,437.50	\$82.50	
							01/01/12	\$707,446.96	\$3.08	\$53,187.50	\$92.50	
							01/01/13	\$719,827.28	\$3.13	\$53,187.50	\$92.50	
							01/01/14	\$732,424.26	\$3.18	\$53,187.50	\$92.50	
							01/01/15	\$745,241.69	\$3.24	\$53,187.50	\$92.50	
							01/01/16	\$758,283.42	\$3.30	\$53,187.50	\$92.50	
							01/01/17	\$773,449.08	\$3.36	\$60,375.00	\$105.00	

01/01/18	\$788,918.07	\$3.43	\$60,375.00	\$105.00
01/01/19	\$804,696.43	\$3.50	\$66,125.00	\$115.00
01/01/20	\$820,790.35	\$3.57	\$66,125.00	\$115.00
01/01/21	\$837,206.16	\$3.64	\$66,125.00	\$115.00

Schedule C-2

EXHIBIT A

FORM OF REA ESTOPPEL

ESTOPPEL CERTIFICATE

P1 Hudson MC Partners, LLC
c/o Hudson Pacific Properties, L.P.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, CA 90025
Attn: Alex Vouvalides / Mark Lammass

P2 Hudson MC Partners, LLC
c/o Hudson Pacific Properties, L.P.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, CA 90025
Attn: Alex Vouvalides / Mark Lammass

Jefferies LoanCore LLC
c/o LoanCore Capital
80 Field Point Road
Greenwich, Connecticut 06830

Re: REA affecting Pinnacle I located at 3400 West Olive Avenue, Burbank, California (“Pinnacle I Parcel”) and Pinnacle II located at 3300 West Olive Avenue, Burbank, California (“Pinnacle II Parcel”)

Ladies and Gentlemen:

This estoppel certificate is made in connection with that certain “Agreement for Grant of Easements and Establishment of Covenants, Conditions and Restrictions” dated as of November 21, 2003, by and between DB Real Estate The Pinnacle L.P., a Delaware limited partnership (“Phase I Owner”), and Media Center Development, LLC, a Delaware limited liability company, predecessor in interest to 3300 West Olive, LLC, a Delaware limited liability company (“Phase II Owner”), which recorded on November 24, 2003, as Instrument No. 03-353733 in the Official Records of Los Angeles County, California (the “Agreement”).

All terms used but not otherwise defined in this estoppel certificate shall have the meanings given them in the Agreement. Each of Phase I Owner and Phase II Owner are sometimes referred to herein as “Owner” and, with respect to each Owner, the other Owner is sometimes referred to herein as the “Other Owner”. Each of Media Center Partners, LLC, a California limited liability company (on behalf of itself and Phase I Owner), and Phase II Owner hereby certifies and confirms, on behalf of itself and its successors and assigns, for the benefit of the

Exhibit A-1

Other Owner, such Other Owner's prospective lenders, Jefferies LoanCore LLC and together with each of their respective successors and assigns, that:

1. The Agreement is in full force and effect as of the date hereof and constitutes the valid and binding obligations of Owner enforceable in accordance with the terms thereof, and there are no other agreements or amendments to the Agreement between the Owners with respect to the subject matter of the Agreement.
2. Phase I Owner has fulfilled all of its obligations under the Agreement to date and there is no default under the Agreement on the part of Phase I Owner, nor does any fact or condition exist which, to the knowledge of Phase I Owner, with the passage of time or the giving of notice, or both, would ripen into any such default, and the undersigned has no offset, charge, lien, claim, termination right, or defense which currently exists (or with the passage of time or the giving of notice, or both, will exist) under the Agreement.
3. Phase II Owner has fulfilled all of its obligations under the Agreement to date and there is no default under the Agreement on the part of Phase II Owner, nor does any fact or condition exist which, with the passage of time or the giving of notice, or both, would ripen into any such default, and the undersigned has no offset, charge, lien, claim, termination right, or defense which currently exists (or with the passage of time or the giving of notice, or both, will exist) under the Agreement.
4. Owner confirms that (a) as permitted under § 3(i), no Generator Use Right Termination Date has been declared, (b) as permitted under § 3(j), no Central Plant Use Right Termination Date has been declared and (c) as permitted by § 3(g), no Support Easement Termination Date has been declared.
5. Owner confirms the date of the Capacity Increase Date is May 18, 2006 and that Phase II Owner's Central Plant Capacity Share is 33.33%. Owner hereby confirms that the Fitness Facility Use Right Termination Date has not yet occurred. Finally, the Owner hereby confirms that the Management Office Use Right Termination Date has not yet occurred and that Phase II Owner currently occupies 700 square feet within the Management Office and pays to Phase I Owner a Monthly Management Office Use Fee in the amount of \$2,411.14 which has been paid current through October 31, 2012.
6. Owner confirms that a true, correct and complete copy of the most recent approved Budget showing Shared Costs is attached hereto as Exhibit A.
7. Phase I Owner confirms that its Pro Rata Share of Shared Costs are as follows: (1) with respect to the Central Plant, 66.67%, (2) with respect to the Generator, 79.60%, and (3) with respect to all other Shared Costs, 64.46%. Phase II Owner confirms that its Pro Rata Share of Shared Costs are as follows: (1) with respect to the Central Plant, 33.33%, (2) with respect to the Generator, 20.40% and (3) with respect to all other Shared Costs, 35.54% and that Phase II Owner's Estimated Shared Costs Payments have been paid current through October 31, 2012.

Exhibit A-2

8. Each Owner confirms that, to its knowledge, there are no amounts unpaid and outstanding as of the date hereof following any reconciliation of Shared Costs conducted pursuant to Section 4(c) of the Agreement and that such Owner has not disputed and does not as of the date hereof intend to dispute or request any inspection of the Maintenance Director's records for all Shared Costs for calendar years prior to 2012. The foregoing shall not constitute a waiver of any future reconciliation rights or obligations of the Owners pursuant to the Agreement following any future delivery of any Annual Statement within 120 days of the end of the 2012 calendar year, or within three (3) years following future delivery of any Annual Statement for any prior calendar year.
9. Phase I Owner confirms that its Parking Space Share is 64.46% and that the number of reserved and unreserved parking spaces for Phase I Owner is, respectively, 49 spaces and 1,148 spaces, for a total of 1,197 spaces. Phase II Owner confirms that its Parking Space Share is 35.54% and that the number of reserved and unreserved parking spaces for Phase I Owner is, respectively, 59 spaces and 601 spaces, for a total of 660 spaces.
10. Phase II Owner confirms that Phase II Owner has installed a minimum two hundred fifty (250) ton chiller in the Central Plant to increase the capacity of the Central Plant, and that there is currently sufficient capacity at the Central Plant to accommodate current use at both the Pinnacle I Parcel and the Pinnacle II Parcel.
11. Pursuant to § 9 of the Agreement, Phase II Owner agrees to send a copy of any notice of default under the Agreement delivered to Phase I Owner, to Phase I Owner's lender at the following address:

Jefferies LoanCore LLC
c/o LoanCore Capital
80 Field Point Road
Greenwich, Connecticut 06830
Attn: Perry Gershon

Upon written notice by Phase II Owner of the address of any mortgagee or lender of Phase II Owner, pursuant to § 9 of the Agreement, Phase I Owner shall send a copy of any notice of default under the Agreement delivered to Phase II Owner to Phase II Owner's lender at the address specified in writing.

12. Owner does not intend to file an Assessment Lien as permitted under § 10.
13. Owner has not assigned, encumbered or transferred any of its rights or obligations under the Agreement.
14. There is no arbitration pending or overtly threatened relating to or arising under the Agreement.
15. Owner and the person or persons executing this estoppel on behalf of the undersigned have the power and authority to render this estoppel certificate.

Exhibit A-3

16. Owner recognizes that Jefferies LoanCore LLC, and its successors and assigns, the Other Owner and any lender providing financing to such Other Owner with respect to the Phase I Parcel or Phase II Parcel, as applicable, are relying, and their respective affiliates, successors and assigns may rely, upon this estoppel certificate and the accuracy of the information contained herein.

Executed on _____, 2012.

[Signatures Follow on Next Page]

Exhibit A-4

DB REAL ESTATE THE PINNACLE L.P. ,
a Delaware limited partnership

By: Media Center Partners, LLC,
a California limited liability company,
its general partner

By: _____
Name: Jeffery M. Worthe
Its: Vice President

3300 WEST OLIVE, LLC ,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A
SEE BUDGET ATTACHED HERETO

Exhibit A-1

EXHIBIT B

FORM OF WARNER BROS. ESTOPPEL

TENANT ESTOPPEL CERTIFICATE

_____, 201__

P2 Hudson MC Partners, LLC
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025

Re: Lease between 3300 West Olive, LLC, a Delaware limited liability company, as Landlord (“ **Landlord** ”) and _____ as Tenant (“ **Tenant** ”) dated _____, for approximately _____ square feet of space in the building located at 3300 West Olive Avenue, Burbank, California (the “ **Property** ”), as amended, assigned, supplemented and/or modified by the amendments, assignments, modifications, side letters, guaranties, letters of credit and other documents listed on Schedule 1 attached hereto (as so amended, assigned, supplemented and/or modified, the “ **Lease** ”)

Gentlemen:

The undersigned Tenant understands and acknowledges that this certificate is being made to P2 Hudson MC Partners, LLC in connection with a prospective purchase by P2 Hudson MC Partners, LLC of the Property or its nominee (“ **Purchaser** ”) and that Purchaser has assumed or is in the process of assuming a mortgage loan (“ **Loan** ”) from _____ (together with its successors and assigns, “ **Lender** ”), which Loan is secured by a mortgage upon the Property (“ **Mortgage** ”) and that Purchaser and Lender are relying upon Tenant’s certification herein.

Tenant hereby certifies to Landlord and Lender that:

The Lease has commenced pursuant to its terms and is in full force and effect. Tenant has not given Landlord any notice of termination under the Lease.

There are no amendments, supplements or modifications of any kind to the Lease except as set forth on Schedule 1. The Lease represents the entire agreement between Tenant and Landlord with respect to the leasing and occupancy of the premises leased under the Lease; there are no other promises, agreements, understandings, or commitments of any kind between Landlord

Exhibit B-1

and Tenant with respect thereto. A true, correct and complete copy of the Lease together with all amendments thereto set forth on Schedule 1 is attached hereto as Exhibit A. The Lease constitutes the valid and binding obligations of Tenant, enforceable against Tenant pursuant to the terms thereof.

There has not been and is now no subletting of the leased premises, or any part thereof, or assignment by Tenant of the Lease, or any rights therein, to any party, other than pursuant to the following documents: (list or, if none, say "None"): _____, true, correct and complete copies of which have been attached hereto and which have not been amended, modified and/or supplemented except as attached hereto.

Except as otherwise set forth in the Lease, the Tenant has no right to vacate the leased premises or cease to operate its business therefrom.

No uncured default, event of default, or breach by Tenant or, to Tenant's knowledge, by Landlord, exists under the Lease, and no facts or circumstances exist that, with the passage of time or giving of notice, will or could constitute a default, event of default, or breach by Tenant, or, to Tenant's knowledge, by Landlord under the Lease. Tenant has not received from the Landlord, nor has Tenant made any claim against Landlord alleging, Tenant or Landlord's default under the Lease.

Tenant has accepted full possession of its leased premises at the Property and is the actual person in occupancy at the leased premises. All of the construction obligations of the Landlord under the Lease relating to tenant improvements, base building work or similar Landlord capital expenses have been duly performed and completed including, without limitation, any obligations of the Landlord to make or to pay the Tenant for any improvements, alterations or work done on the leased premises, and the improvements described in the Lease have been constructed in accordance with the plans and specifications therefor and have been accepted by Tenant. All common areas of the Property (including, without limitation, parking areas, sidewalks, access ways and landscaping) are in compliance with the Lease and are satisfactory for Tenant's purposes. Tenant has completed in a good and lien free manner and in accordance with the plans and specifications therefor all construction obligations of Tenant under the Lease relating to tenant improvements, if any.

Tenant has not entered into any agreement for the payment of, and to the best of Tenant's knowledge and belief, there are no rental, lease, or similar commissions payable with respect to the Lease, except as may be expressly set forth therein.

The term of the Lease commenced on _____ and terminates on _____, unless sooner terminated in accordance with the terms of the Lease. Tenant has no option to renew or extend the lease term or to expand or reduce the premises demised by the Lease except as follows (list or, if none, say "None"):

The minimum base rent in the monthly amount of \$_____ and a monthly operating expense and real estate tax estimate in the amount of \$_____ are currently

payable under the Lease. The date of Tenant's last rental payment for each of the above was _____, 20___. Tenant is current with respect to, and is paying the full rent and other charges stipulated in the Lease. Tenant is currently obligated to pay [additional rent/percentage rent] in the amount of \$_____ on a [monthly/annual] basis, and installments of [additional rent/percentage rent] have been paid through _____. Tenant's share of [Reimbursable/Operating Expenses/CAM] is currently [___% of the building and ___% of the project], and [Reimbursable/Operating Expenses/CAM] have been paid through [_____]. No fixed, percentage, additional or any other rent or other amount has been paid more than one month in advance. Tenant is not currently exercising any audit, reconciliation or similar right with respect to, or is otherwise disputing payment of percentage rent, operating expenses or similar CAM charges under the Lease.

As of the date hereof, Tenant is not entitled to any credits, reductions, offsets, defenses, free rent, rent concessions or abatements of rent under the Lease or otherwise against the payment of rent or other charges under the Lease. Tenant is not entitled to any future credits, reductions, offsets, defenses, free rent, rent concessions or abatements of rent under the Lease or otherwise against the payment of rent or other charges under the Lease.

Tenant will deliver to Lender a copy of all notices it serves on or receive from the Landlord to:

Tenant has no claims to any security deposit under the terms of, or with respect to, the Lease.

Tenant acknowledges that the acquisition of the Property by Purchaser (which is an affiliate of Landlord) does not give rise to any rights of Tenant to exercise any purchase right, preference or option or right of first refusal or negotiation under Section 33 of the Lease or otherwise.

Tenant has not at any time and does not presently use the leased premises for the generation, manufacture, refining, transportation, treatment, storage or disposal of any hazardous substance or waste or for any purpose which poses a substantial risk of imminent damage to public health or safety or to the environment. As of the date hereof, there is no generator and/or diesel tank at, in, on or about the leased premises and Tenant has never installed and/or removed from the leases premises any generator and/or storage tank.

The undersigned representative of Tenant is duly authorized and fully qualified to execute this instrument on behalf of Tenant thereby binding Tenant.

Neither Tenant nor any guarantor of the Lease is presently the subject of, nor does Tenant nor any guarantor of the Lease intend to file, nor has Tenant nor any guarantor of the Lease received written notice of any threat to file, any proceeding pursuant to the United States Bankruptcy Code of 1978, as amended or similar bankruptcy laws.

Tenant acknowledges that it currently subleases space in the building located at 3400 W. Olive Avenue, Burbank, California, pursuant to that certain [Sublease Agreement], dated as of

[] (as amended, supplemented and/or modified, the “ Pinnacle I Sublease ”), by and between Tenant, as [sublessee/subtenant] (“ Subtenant ”), and [], as [sublessor/sublandlord] (“ Sublandlord ”). No uncured default, event of default, or breach by Subtenant or, to Subtenant’s knowledge, by Sublandlord, exists under the Pinnacle I Sublease, and no facts or circumstances exist that, with the passage of time or giving of notice, will or could constitute a default, event of default, or breach by Subtenant, or, to Subtenant’s knowledge, by Sublandlord under the Pinnacle I Sublease. Subtenant has not received from the Sublandlord, nor has Subtenant made any claim against Sublandlord alleging, Subtenant or Sublandlord’s default under the Lease.

Tenant acknowledges and agrees that Purchaser, Lender, co-lenders or participant lenders of the Loan and their respective successors and assigns shall be entitled to rely on Tenant’s certifications set forth herein.

Exhibit B-4

TENANT

(please type or print name of Tenant)

By: _____

Name:

Title:

Schedule 1

**Amendments, Modifications, Side Letters, Guaranties, Letters of Credit
or other Modifications**

(List or, if none, say “None”)

Exhibit B-6

EXHIBIT C

TITLE COMMITMENT

[Exhibit begins on following page]



OWNER'S POLICY OF TITLE INSURANCE

Issued by

Chicago Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

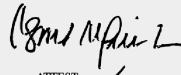
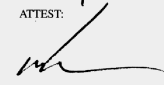
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
 7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
 8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
 9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
 10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
- The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

Chicago Title Insurance Company

Issued by:
CHICAGO TITLE COMPANY
700 SOUTH FLOWER STREET, SUITE 800
LOS ANGELES, CA 90017
(213) 488-4300



By: 
ATTEST: 
President
Secretary

Countersigned: _____
Authorized Signature

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters :
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to

Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters

not insured against by this policy. (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently. (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order. 6. DUTY OF INSURED CLAIMANT TO COOPERATE (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation. (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim. 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY In case of a claim under this policy, the Company shall have the following additional options: (a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation. (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant. (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were autho-	rized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation. 8. DETERMINATION AND EXTENT OF LIABILITY This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of (i) the Amount of Insurance; or (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy. (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured, (i) the Amount of Insurance shall be increased by 10%, and (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid. (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions. 9. LIMITATION OF LIABILITY (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured. (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured. (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company. 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. 11. LIABILITY NONCUMULATIVE The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy. 12. PAYMENT OF LOSS When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days. 13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss. (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at

Chicago Title Insurance Company
National Claims Administration
P.O. Box 45023
Jacksonville, Florida 32232-5023

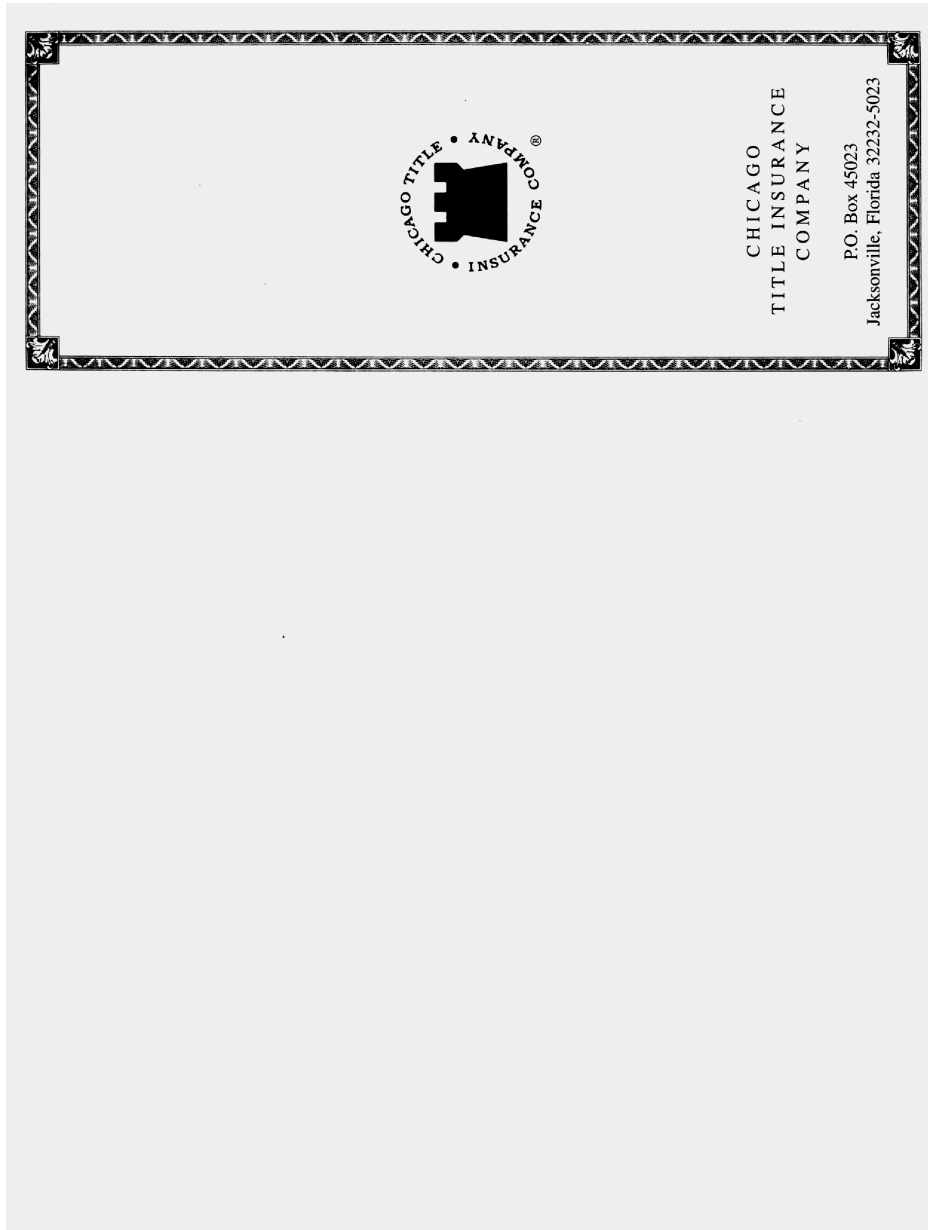


Exhibit C-6

SCHEDULE A

00000089-X49

THIS IS A PRO FORMA POLICY, IT IS NOT A POLICY OF TITLE INSURANCE AND DOES NOT REFLECT THE PRESENT CONDITION OF TITLE. NO LIABILITY IS ASSUMED HEREBY. THIS PRO FORMA POLICY IS FURNISHED TO THE PROPOSED INSURED ONLY.

THIS PRO FORMA POLICY INDICATES ONLY THE TYPE OF POLICY, TOGETHER WITH THE SCHEDULES AND ANY ENDORSEMENTS TO BE MADE A PART THEREOF WHICH THE COMPANY WOULD EXPECT TO ISSUE WHEN ALL NECESSARY DOCUMENTATION HAS BEEN FURNISHED AND ALL ACTS PERFORMED, ALL TO THE SATISFACTION OF THE COMPANY, IN ORDER THAT SUCH POLICY MAY BE ISSUED.

THIS PRO FORMA AND THE PREMIUM TO BE CHARGED ARE PRELIMINARY AND SUBJECT TO FINAL CORPORATE APPROVAL. SUCH APPROVAL MUST BE RECEIVED PRIOR TO CLOSING.

Amount of Insurance: \$130,000,000.00

Premium: \$(To be determined)

Date of Policy: Pro Forma Policy Dated October 29, 2012 v1 Pro Forma Policy Dated October 29, 2012 v1 at 8:00 am

1. Name of Insured:

P2 Hudson MC Partners, LLC, a Delaware limited liability company

2. The estate or interest in the land which is covered by this policy is:

A Fee as to Parcel 1

An Easement more fully described below as to Parcels 2 and 3

3. Title is vested in:

P2 Hudson MC Partners, LLC, a Delaware limited liability company

4. The land referred to in this policy is described on the attached exhibit:

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-8

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CA-FBSC-WRD-72-PRO FORMA POLICY DATED OCTOBER 29, 2012 V1 -00000089-X49



LEGAL DESCRIPTION

EXHIBIT “A”

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

- PARCEL 1:
-
- LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BO OK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:
-
- BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.
-
- EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248 , MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.
-
- SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.
- PARCEL 2:
-
- ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED “DEVELOPMENT RIGHTS DEED AND AGREEMENT”, BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION (“GRANTOR”), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP (“GRANTEE”), AND CITY OF BURBANK, A MUNICIPAL CORPORATION (“CITY”), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED “FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6” DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.
- PARCEL 3:
-

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-9



LEGAL DESCRIPTION
(continued)

- NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-452

END OF LEGAL DESCRIPTION

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-10



SCHEDULE B**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

Property taxes, including any assessments collected with taxes, for the fiscal year 2012 - 2013

1st Installment: \$312,065.94 (Paid)
 2nd Installment: \$312,065.92 (Due and payable, but not yet delinquent)
 Penalty and Cost: \$31,216.59 (Due after April 10)
 Code Area: 0002542

Assessors Parcel Number: 2483-023-452

The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Part 0.5, Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring on or after the Date of Policy.

An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: public street
 Recorded: April 5, 1974 as Instrument No. 4545 of Official Records
 Affects: That portion of said land as described in the document attached hereto.

Reference is hereby made to said document for full particulars.

The fact that said land is included within the West Olive Redevelopment Project Area, and that proceedings for redevelopment have been instituted.

Recorded: December 31, 1976 as Instrument No. 5100 an amended by a document recorded July 24, 2001 as Instrument No. 01-1305317, both of Official Records

An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: public utilities
 Recorded: August 9, 1955 as Instrument No. 3285 in book 48599 page 435 of Official Records
 Affects: That portion of said land as described in the document attached hereto.

Reference is hereby made to said document for full particulars.

Said easement is shown on the survey prepared by JRN Civil Engineers, dated July 28, 2006 and last revised on _____, 2012, Job No. 8770

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-11

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CA-FBSC-WRD-72--PRO FORMA POLICY DATED OCTOBER 29, 2012 V1 -00000089-X49



SCHEDULE B
(continued)

A document subject to all the terms, provisions and conditions therein contained.

Entitled: NBC Plaza Development Agreement
Recorded: September 20, 1991 as Instrument No. 91-1491083, of Official Records

Reference is hereby made to said document for full particulars.

A document entitled "First Amendment to Development Agreement for the Olive-California Plaza Project (previously called The NBC Plaza Project) Amendment to Planned Development 89-6", dated December 20, 1996 executed by Snyder Properties Venture, L.P., a California limited partnership, as successor-in-interest to NBC Plaza L.P. and the City of Burbank, a municipal corporation of the State of California, subject to all the terms, provision(s) and conditions therein contained, recorded April 21, 1997 as Instrument No. 97-596882, Official Records.

This exception has been intentionally deleted.

This exception has been intentionally deleted.

An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: public street
Recorded: July 13, 2001 as Instrument No. 01-1217983 of Official Records
Affects: That portion of said land as described in the document attached hereto.

Reference is hereby made to said document for full particulars.

Said easement is shown on the survey prepared by JRN Civil Engineers, dated July 28, 2006 and last revised on _____, 2012, Job No. 8770

This exception has been intentionally deleted.

A document subject to all the terms, provisions and conditions therein contained.

Entitled: Agreement for Grant of Easements and Establishment of Covenants, Conditions and Restrictions
Recorded: November 24, 2003 as Instrument No. 03-3535733, of Official Records

This exception has been intentionally deleted.

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-12



SCHEDULE B
(continued)

A Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$90,800,000.00
Dated: August 18, 2006
Trustor: 3300 West Olive, LLC, a Delaware limited liability company
Trustee: Chicago Title Company, a California corporation
Beneficiary: Greenwich Capital Financial Products, Inc., a Delaware corporation
Recorded: August 21, 2006 as Instrument No. 06-1851945 of Official Records.
Original Loan No. not shown

An assignment of the beneficial interest under said Deed of Trust which names:

Assignee: Bank of America, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8
Loan No.: not shown
Recorded: November 9, 2009 as Instrument No. 2009-1686903, of Official Records

An Assignment and Assumption of Deed of Trust and Loan Documents was executed by and between P2 Hudson MC Partners, LLC, a Delaware limited liability company and _____, dated as of _____, 2013 and recorded on _____, 2013 as Instrument No. 2013-_____ of Official Records.

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-13

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CA-FBSC-WRD-72--PRO FORMA POLICY DATED OCTOBER 29, 2012 V1 -00000089-X49



SCHEDULE B
(continued)

An assignment of all monies due, or to become due as rent or otherwise from said land, as well as the lessor's interests under the leases referred to therein, to secure payment of an indebtedness, shown below and upon the terms and conditions therein

Amount: \$90,800,000.00
Assigned to: Greenwich Capital Financial Products, Inc.
By: 3300 West Olive, LLC, a Delaware limited liability company
Recorded: August 21, 2006 as Instrument No. 06-1851946 of Official Records.

An assignment of the Assignment of Rents which names:

Assignee: Bank of America, N.A., in its capacity as Trustee for the Registered Holders of GS Mortgage Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG8
Recorded: November 9, 2009 as Instrument No. 2009-1686903, of Official Records

An Assignment and Assumption of Deed of Trust and Loan Documents was executed by and between P2 Hudson MC Partners, LLC, a Delaware limited liability company and _____, dated as of _____, 2013 and recorded on _____, 2013 as Instrument No. 2013-_____ of Official Records.

A financing statement filed with the office of the county recorder, showing

Debtor: 3300 West Olive, LLC
Secured Party: Greenwich Capital Financial Products, Inc.
Recorded: August 21, 2006 as Instrument No. 06-1851947 of Official Records.

Reference is hereby made to said document for full particulars.

A change to the above financing statement was filed

Nature of Change: Assignment
Recorded: January 22, 2007 as Instrument No. 2007-01303 22 , of Official Records

A change to the above financing statement was filed

Nature of Change: Assignment
Recorded: November 5, 2009 as Instrument No. 2009-1672166, of Official Records

A change to the above financing statement was filed

Nature of Change: Continuation
Recorded: March 22, 2011 as Instrument No. 2011-0425831, of Official Records

A change to the above financing statement was filed

Nature of Change: Amendment
Recorded: _____, 2013 as Instrument No. 2013-_____ , of Official Records

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-14



SCHEDULE B
(continued)

This exception has been intentionally deleted.

An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: public street and sidewalk
Recorded: February 8, 2008 as Instrument No. 2008-0240253 of Official Records
Affects: That portion of said land as described in the document attached hereto.

Water rights, claims or title to water, whether or not disclosed by the public records.

Any rights, claims or interests that may exist or arise by reason of the following facts disclosed by an ALTA/ACSM Land Title Survey dated as of July 28, 2006 and last revised on _____, 2013, prepared by or under the direction of Daniel S. Cook, LS 4964, for JRN Civil Engineers, Job No. _____.

A. Two (2) traffic signal pull-boxes are located on the westerly portion of the subject property.

Rights of tenants as tenants only, without the option to purchase or right of first refusal to purchase all or any portion of the Land under unrecorded, unexpired leases.

END OF SCHEDULE B

ALTA Owner's Policy (6-17-06)

72-031-06 (6/06)

Exhibit C-15

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CA-FBSC-WRD-72-PRO FORMA POLICY DATED OCTOBER 29, 2012 V1 -00000089-X49





Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only,
 - a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. "Improvement" means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. Enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
 - c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
 - c. except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

ALTA 9.2-06 (Covenants, Conditions and Restrictions –

Improved Land – Owner's Policy)

(CLTA 100.10-06)

Revised 04-02-12

Exhibit C-16



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey dated as of July 28, 2006 and last revised on _____, 2012, prepared by or under the direction of Daniel S. Cook, LS 4964, for JRN Civil Engineers, Job No. _____.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 116.1-06 (10-16-08) - Same as Survey

ALTA Endorsement Form 25-06

ALTA - Owner or Lender

Exhibit C-17



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the Land does not abut and have both actual vehicular and pedestrian access to and from California Street (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 103.11-06 (06-17-06) - Access and Entry

ALTA Endorsement Form 17-06

ALTA or CLTA - Owner or Lender

Exhibit C-18



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States District Court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of the Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA ENDORSEMENT FORM 110.9.1-06 (10-16-08)

ALTA Endorsement Form 8.2-06

ALTA - Owner

(Environmental Protection Lien)

Exhibit C-19



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of

- (i) the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel (2483-023-452) for real estate taxes; or
- (ii) the easements, if any described in Schedule A being cut off or disturbed by the non-payment of real estate taxes or assessments imposed on the servient estate by a governmental authority.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 129-06 (06-17-06) - Single Tax Parcel

ALTA Endorsement Form 18-06

ALTA or CLTA - Owner or Lender

Exhibit C-20



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The policy is amended by deleting Paragraph 14 (Arbitration) of Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 110.1-06 (03-09-07) - Deletion of Item From Policy

ALTA - Owner or Lender

Exhibit C-21



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

1. The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy,
 - (a) According to applicable zoning ordinances and amendments thereto, the land is not classified Zone PD89-6 (Planned Development), located in the West Olive Redevelopment Project Area; all ground floor restaurant and retail uses subject to the Media District Specific Plan, further subject to the terms, covenants and conditions of that certain Development Rights Deed and Agreement recorded September 20, 1991 as Instrument No. 91-1491083 as amended by that certain First Amendment to development Agreement recorded April 21, 1997 as Instrument No. 97-596882 (collectively, the "Development Agreement").
 - (b) The following use or uses are not allowed under that classification:

Media related commercial, including professional offices relating to motion picture and television industries, retail commercial incidental to said offices, and eating establishments.
 - (c) There shall be no liability under paragraph 1.b. if the use or uses are not allowed as the result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 1.c. does not modify or limit the coverage provided in Covered Risk 5.
2. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction,
 - (a) prohibiting the use of the Land, with any existing structure, as insured in paragraph 1.b.; or
 - (b) requiring the removal or alteration of the structure on the basis that, at Date of Policy, the zoning ordinances and amendments have been violated with respect to any of the following matters:
 - (i) Area, width or depth of the land as a building site for the structure;
 - (ii) Floor space area of the structure;
 - (iii) Setback of the structure from the property lines of the Land;
 - (iv) Height of the structure; or
 - (v) Number of parking spaces.

CLTA Form 123.2-06 (06-17-06) - Zoning, Improved Land

ALTA Endorsement Form 3.1-06

ALTA - Owner or Lender

Exhibit C-22

ENDORSEMENT
(continued)

3. There shall be no liability under this endorsement based on,
- (a) the invalidity of the zoning ordinances and amendments until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses;
 - (b) the refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 123.2-06 (06-17-06) - Zoning, Improved Land
ALTA Endorsement Form 3.1-06
ALTA - Owner or Lender



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by reason of the failure of the Land described as Parcel 1 in Schedule A to constitute a lawfully created parcel according to the Subdivision Map Act (Section 66410, et seq., of the California Government Code) and local ordinances adopted pursuant thereto.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 116.7-06 (03-09-07) - Subdivision Map Act Compliance

ALTA 26-06

ALTA - Owner or Lender

Exhibit C-24



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

1. the failure of the land described in Schedule A to form one contiguous parcel of land; or
2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

ALTA Endorsement Form 19-06

Contiguity – Multiple Parcels (6/17/06)

Exhibit C-25



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

- (1) damage to an existing building located on the Land, or
- (2) enforced removal or alteration of an existing building located on the Land, as a result of the exercise of the right of use or maintenance of the easements referred to in Exceptions 1, 3, 7 and 15 of Schedule B for the purpose for which they were granted or reserved.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA ENDORSEMENT FORM 103.1-06 (10-16-08)

ALTA Endorsement Form 28-06

ALTA – Owner or Lender

(Easement – Damage or Enforced Removal)

Exhibit C-26



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of damage to existing improvements, including lawns, shrubbery or trees, resulting from the exercise of any right to use the surface of the Land for the extraction or development of water excepted from the description of the Land or shown as a reservation in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 103.5-06 (03-09 07) - Water Rights, Surface Damage

ALTA - Owner or Lender

Exhibit C-27



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

For purposes of the coverage provided by this endorsement, Hudson JW, LLC, a Delaware limited liability company ("Additional Insured") is added as an Insured under the policy. By execution below, the Insured named in Schedule A acknowledges that any payment made under this endorsement shall reduce the Amount of Insurance as provided in Section 10 of the Conditions.

The Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or Knowledge, as of Date of Policy, of Media Center Development, LLC, a Delaware limited liability company, together with all of its constituent members imputed to the Additional Insured by operation of law, to the extent of the percentage interest in the Insured acquired by Additional Insured as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

AGREED AND CONSENTED TO:

P2 Hudson MC Partners, LLC

A Delaware limited liability company,

By: Hudson MC Partners, LLC
A Delaware limited liability company
Its sole member, (the "Insured")

By: _____
Name: _____
Its: _____

Dated: _____, 2013

ALTA Endorsement Form 15.1-06

Nonimputation – Additional Insured (6/17/06)

Exhibit C-28



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of the lack of a right of access to the following utilities or services:

Water, gas, electric, telephone, storm water drainage, sanitary sewer either over, under or upon rights-of-way or easements for the benefit of the Land because of:

- (i) a gap or gore between the boundaries of the Land and the rights-of-way or easements;
- (ii) a gap between the boundaries of the rights-of-way or easements; or
- (iii) a termination by a grantor, or its successor, of the rights-of-way or easements.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of the failure of a commercial structure, known as 3300 West Olive Avenue, Burbank, California to be located on the Land at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 116.01-06 (06-17-06) - Location

ALTA Form 22-06

Exhibit C-30



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company hereby assures the Insured that the Company will not deny liability under the policy or any endorsements issued therewith solely on the grounds that the policy and/or endorsement(s) were issued electronically and/or lack signatures in accordance with Paragraph 15 (c) of the Conditions and Stipulations.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

Electronic Signature

Exhibit C-31



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures the Insured against loss which the Insured shall sustain by reason of damage to existing improvements, including lawns, shrubbery or trees resulting from the exercise of any right to use the surface of the Land for the extraction or development of the minerals excepted from the description of the Land or shown as a reservation in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Dated: Pro Forma Policy Dated October 29, 2012 v1

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CLTA ENDORSEMENT FORM 100.29 (Rev. 9-10-93)

ALTA or CLTA - Owner or Lender

(Minerals - Surface Damage)

Exhibit C-32



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company hereby insures the Insured against loss or damage which the Insured shall sustain by reason of the improvements located on the Land encroaching onto the easements shown in Paragraphs 1, 3, 7 and 15 of Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Dated: Pro Forma Policy Dated October 29, 2012 v1

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CLTA ENDORSEMENT FORM 103.6 (Rev. 6-14-96)

ALTA - Lender

(Encroachments - None Exist)

Exhibit C-33



Chicago Title Insurance Company

ENDORSEMENT

Attached to Policy No.: 00000089-X49

Issued by

CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the easement identified as Parcel 3 in Schedule A (the "Easement") does not provide that portion of the Land identified as Parcel 1 in Schedule A both actual vehicular and pedestrian access to and from Olive Avenue (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Easement.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: Pro Forma Policy Dated October 29, 2012 v1

CLTA Form 103.12-06 (06-17-06) - Indirect Access and Entry

ALTA Endorsement Form 17.1-06

ALTA or CLTA - Owner or Lender

Exhibit C-34

EXHIBIT D

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Gibson, Dunn & Crutcher LLP
2029 Century Park East
Los Angeles, California 90067
Attention: Jesse Sharf

MAIL TAX STATEMENTS TO:

P2 Hudson MC Partners, LLC
c/o Hudson Pacific Properties, Inc.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025
Attention: Alex Vouvalides

(Above Space for Recorder's Use Only)

GRANT DEED

The undersigned Grantor declares:

Documentary Transfer Tax is not shown pursuant to Section 11932 of the Revenue and Taxation Code, as amended, and

In the City of Los Angeles, County of Los Angeles, State of California:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 3300 WEST OLIVE, LLC, a Delaware limited liability company (" **Grantor** "), hereby grants to P2 HUDSON MC PARTNERS, LLC, a Delaware limited liability company (" **Grantee** "), all of Grantor's right, title and interest in and to the property described on **Exhibit A** attached hereto and incorporated herein by reference, located in the City of Burbank, County of Los Angeles, State of California (the " **Property** ").

(Remainder of Page Intentionally Blank)

Exhibit D-1

IN WITNESS WHEREOF, this Grant Deed has been executed as of the date acknowledged below, but is granted and made effective as of _____, 20__.

Grantor : 3300 WEST OLIVE, LLC,
 a Delaware limited liability company

By: _____
 Name:
 Title:

STATE OF CALIFORNIA }
COUNTY OF _____} S.S.

On _____, _____ before me, _____, a Notary Public in and for said County and State, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____
(Notary Seal)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

Title of Document Type:
Number of Pages ___including notary acknowledgement
Signors other than named above:
Date of Document:

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF PROPERTY

(3300 West Olive Avenue, Burbank, CA)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT)

Exhibit D-2

AMENDMENT TO PLANNED DEVELOPMENT 89-6" DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-452

Exhibit D-3

EXHIBIT E

BILL OF SALE AND GENERAL ASSIGNMENT

THIS BILL OF SALE AND GENERAL ASSIGNMENT (“ **Bill of Sale**.”) is made as of _____, 20__ by 3300 WEST OLIVE, LLC, a Delaware limited liability company (“ **Transferor**”), in favor of P2 HUDSON MC PARTNERS, LLC, a Delaware limited liability company (“ **Transferee**”).

WITNESSETH:

WHEREAS, Media Center Development, LLC, a Delaware limited liability company, and Hudson MC Partners, LLC, a Delaware limited liability company, entered into that certain Acquisition and Contribution Agreement dated as of _____, 2012 (“ **Agreement**.”) with respect to the transfer of certain Land identified on **Schedule A** attached hereto and the Improvements located thereon. (Any term with its initial letter capitalized and not otherwise defined herein shall have the meaning set forth in the Agreement.)

WHEREAS, pursuant to the Agreement, Transferor is obligated to transfer to Transferee title to the Personal Property, Permits, Plans and Records and Intangible Property, including all of Transferor’s rights, title and interest in and to any and all escrow and reserve accounts maintained by Transferor or Lender in connection with the Loan Obligation (collectively, the “ **Transferred Property**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor does hereby absolutely, irrevocably and unconditionally give, grant, bargain, transfer, set over, assign, convey, release, confirm and deliver to Transferee all of the Transferred Property.

Transferor hereby represents and warrants to Transferee that the Transferred Property is free and clear of all Liens, prior assignments and any other matters affecting title, other than the Permitted Exceptions.

This Bill of Sale and the obligations of the parties hereunder shall survive the closing of the transactions referred to in the Agreement, and shall be binding upon and inure to the benefit of Transferor and Transferee, their respective legal representatives, successors and assigns.

This Bill of Sale (a) may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument, (b) shall be governed by and construed in accordance with the laws of the State of California, and (c) may not be modified or amended except by written agreement signed by both Transferor and Transferee.

If any action or proceeding is commenced by either party to enforce its rights under this Bill of Sale, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs, in addition to any other relief awarded by the court.

Nothing in this Bill of Sale alters or amends any covenants, representations, warranties or indemnities set forth in the Agreement, all of which shall be independent of the terms and conditions of this Bill of Sale.

(Remainder of Page Intentionally Blank)

Exhibit E-2

IN WITNESS WHEREOF, the parties have executed this Bill of Sale on the day and year first above written.

TRANSFEROR :

3300 WEST OLIVE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TRANSFeree :

P2 HUDSON MC PARTNERS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE A TO
BILL OF SALE AND GENERAL ASSIGNMENT

LAND

(3300 West Olive Avenue, Burbank, CA)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED

Exhibit E-4

“FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6” DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN “AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor’s Parcel Number: 2483-023-452

EXHIBIT F

ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS (this “ **Assignment** ”) is made as of _____, 20____, by and between 3300 WEST OLIVE, LLC, a Delaware limited liability company (“ **Assignor** ”), and P2 HUDSON MC PARTNERS, LLC, a Delaware limited liability company (“ **Assignee** ”).

WITNESSETH :

WHEREAS, pursuant to that certain Acquisition and Contribution Agreement dated as of _____, 2012 (the “ **Agreement** ”), between Media Center Development, LLC, a Delaware limited liability company and Hudson MC Partners, LLC, a Delaware limited liability company (any term with its initial letter capitalized and not otherwise defined herein having the meaning set forth in the Agreement), Assignee has this date acquired from Assignor certain Land identified on **Schedule A** attached hereto and the Improvements thereon; and

WHEREAS, under the terms and conditions of the Agreement, it was contemplated that Assignor and Assignee would enter into this Assignment.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto do hereby agree as follows:

AGREEMENT :

1. Assignor hereby irrevocably transfers, sets over, conveys and assigns to Assignee the following described property:

(a) All right, title and interest of Assignor as landlord under the Leases which are identified on the rent roll attached hereto as **Schedule B** (the “ **Rent Roll** ”) and all Tenant Deposits made thereunder; and

(b) All right, title and interest of Assignor in and to the Contracts, to the extent assignable, and have not been excluded pursuant to the terms of the Agreement.

TO HAVE AND TO HOLD all of the foregoing unto the Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions contained herein.

2. Assignee hereby accepts the foregoing assignment of Leases (including Tenant Deposits made thereunder to the extent Assignee has received such Tenant Deposits in cash pursuant to the Agreement or has been credited with such Tenant Deposits pursuant to Article XII of the Agreement) and Contracts, in each case, from and after the date hereof, and assumes the obligations thereunder first arising from and after the date hereof.

3. This Assignment and the obligations of the parties hereunder shall survive the closing of the transactions referred to in the Agreement, and shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns.

4. This Assignment (a) may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument, (b) shall be governed by and construed in accordance with the laws of the State in which the Property is located, and (c) may not be modified or amended except by written agreement signed by both parties.

5. (a) Assignor agrees to indemnify, protect, hold harmless and, if requested by Assignee in Assignee's sole and absolute discretion, defend (with counsel of Assignee's choosing) Assignee and any of their respective successors and assigns, from any and all Losses to the extent arising out of or in connection with any personal injury, property damage or any other liability related to the ownership, operation or maintenance of the Property existing or occurring before the Closing.

(b) Assignee agrees to indemnify, protect, hold harmless and, if requested by Assignor in Assignor's sole and absolute discretion, defend (with counsel of Assignor's choosing) Assignor, its permitted successors and permitted assigns, from any and all Losses to the extent arising out of or in connection with any personal injury, property damage or any other liability related to the ownership or operation of the Property first existing or occurring after the Closing.

6. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys' fees and costs, in addition to any other relief awarded by the court.

7. Nothing in this Assignment alters or amends any covenants, representations, warranties or indemnities set forth in the Agreement, all of which shall be independent of the terms and conditions of this Assignment.

(Remainder of Page Intentionally Blank)

Exhibit F-2

IN WITNESS WHEREOF, the parties have executed this Assignment on the day and year first above written.

ASSIGNOR :

3300 WEST OLIVE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

ASSIGNEE :

P2 HUDSON MC PARTNERS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE A TO
ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

LAND

(3300 West Olive Avenue, Burbank, CA)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED

Exhibit F-4

“FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6” DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN “AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor’s Parcel Number: 2483-023-452

SCHEDULE B TO
ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

RENT ROLL

Exhibit F-6

EXHIBIT G

FORM OF OWNER'S AFFIDAVIT

Order No.	00000089-X49
County	Los Angeles
State	CA
Insured	P2 Hudson MC Partners, LLC

OWNER'S AFFIDAVIT

The undersigned, of legal age, being first duly sworn, deposes and says:

1. That Affiant is the _____ of _____, the managing member of 3300 West Olive, LLC, a Delaware limited liability company, which is the owner (the "Owner") of certain premises located in the County of Los Angeles, State of California, further described on Preliminary Title Report/Commitment No. 00000089-X49 (the "Land").

2. [FILL IN APPLICABLE PARAGRAPH A or B / STRIKE IF NOT APPLICABLE]

- A. That during the period of six (6) months immediately preceding the date of this affidavit, no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever; **OR**
- B. That during the period of six (6) months immediately preceding the date of this affidavit, certain work has been done and materials furnished in connection with _____

[STATE GENERAL NATURE OF THE WORK] upon the Land in the approximate total amount of \$ _____, but that no work whatever remains to be done and that no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____

Exhibit G-1

Owner, by the undersigned Affiant, agrees to indemnify and hold harmless Chicago Title Insurance Company against any and all claims arising therefrom.

3. That Owner has not previously conveyed the Land, is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy), and has not received notice of any pending court action affecting the title to the Land.
4. That, except as shown in the above referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied security deeds, mortgages, deeds of trust, UCC Financing Statements, there are no violations of covenants, conditions and restrictions, claims of lien, special assessments for water, sewage or street improvements, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. That the Land is currently in use as an office building.
6. That there are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. That there are no outstanding options to purchase or rights of first refusal affecting the Land.
8. That this affidavit is made with the intention that Chicago Title Insurance Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Affiant, agrees to indemnify the Company against loss or damage (including reasonable attorneys' fees, expenses and costs) incurred by the Company as a result of any untrue statement made herein.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Dated this _____ day of _____, 20__.

"OWNER"

3300 WEST OLIVE, LLC,
a Delaware limited liability company

Exhibit G-2

By: _____
Name: _____
Title: _____

EXHIBIT H

FORM OF NON-IMPUTATION ENDORSEMENT AFFIDAVIT

NON-IMPUTATION ENDORSEMENT AFFIDAVIT

Attached to Policy No. 00000089-X49

Issued By

CHICAGO TITLE INSURANCE COMPANY

County: Los Angeles

STATE OF CALIFORNIA }
COUNTY OF _____ } S.S.

The undersigned being duly sworn upon oath represents and affirms the following:

The undersigned has reviewed the attached Preliminary Report No. 00000089-X49 and that in reference to the land described therein, the undersigned has not done anything to create any lien, encumbrance, transfer of interest, constructive trust or other equity in said land not disclosed in said Preliminary Report, except for the following matters: (if none, so state) _____

nor, does the undersigned have any knowledge of any claim of an interest in or to said land not disclosed in the Preliminary Report, except for the following matters: (if none so state).

The undersigned gives this affidavit to induce Chicago Title Insurance Company to issue and attach its Non-Imputation Endorsement to the policy of title insurance when issued under the above order.

The undersigned acknowledges that Chicago Title Insurance Company, in issuing its Non-Imputation Endorsement, will rely upon the representation and affirmation of the undersigned set forth above.

[Signatures on Next Page]

Exhibit H-1

MEDIA CENTER DEVELOPMENT, LLC ,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

SUBSCRIBED AND SWORN TO (or affirmed) before me on this
_____ day of _____, _____, by
_____ proved to me on the basis
of satisfactory evidence to be the person(s) who appeared before me.

Notary Signature: _____

(Notary Seal)

EXHIBIT I

**ACKNOWLEDGMENT AND ACCEPTANCE
OF ADMISSION OF MEMBER**

THIS ACKNOWLEDGMENT AND ACCEPTANCE OF ADMISSION OF MEMBER, is made and entered into as of _____, 20____ (this “ **Acknowledgment** ”), by and between HUDSON JW, LLC, a Delaware limited liability company (“ **Administrative Member** ”), and MEDIA CENTER PARTNERS, LLC, a California limited liability company (“ **Sponsor** ”, and together with Administrative Member, the “ **Existing Members** ”), and MEDIA CENTER DEVELOPMENT, LLC, a Delaware limited liability company (the “ **Admitted** ”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in that certain Limited Liability Company Agreement of Hudson MC Partners, LLC, dated as of November __, 2012 (as amended to date, the “ **JV Agreement** ”).

WHEREAS, the Existing Members are the Members of Hudson MC Partners, LLC, a Delaware limited liability company (the “ **Joint Venture** ”), under the JV Agreement;

WHEREAS, the Admitted has contributed to the Joint Venture certain assets in exchange for the Membership Interests (as defined in that certain Acquisition and Contribution Agreement, of even date herewith, by and between Admitted, as “Transferor”, and P2 Hudson MC Partners, LLC, a Delaware limited liability company, as “Transferee”); and

WHEREAS, each of the Existing Members desires to evidence the admission of the Admitted as a Member in the Joint Venture, and the Admitted desires to evidence acceptance of such admission to the Joint Venture.

NOW, THEREFORE, in consideration of the foregoing and the covenants of the parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to the terms and conditions set forth herein, the parties hereby agree as follows:

1. **Schedule A** to the JV Agreement is hereby amended and supplemented by the addition of the line items set forth in **Schedule A** attached to this Acknowledgment.
2. In accordance with the terms of the JV Agreement, each of the Existing Members hereby approves the admission of the Admitted as a Member of the Joint Venture with the interests in the Joint Venture set forth in **Schedule A** attached to this Acknowledgment.
3. Each of the Existing Members hereby certifies that a true and correct copy of the JV Agreement has been delivered to the Admitted prior to the date hereof.
4. This Acknowledgment shall be binding upon the parties hereto and their respective successors, assigns, heirs and legal representatives and may be relied upon by them and by other third parties.

5. By its signature below, the Admitted hereby accepts admission to the Joint Venture as a Member and agrees to be bound by all of the provisions of the JV Agreement, which are incorporated herein by this reference, and to perform each and all of the obligations as Pinnacle 2 Sponsor Affiliate (as defined in the JV Agreement) and as a Member and Sponsor thereunder.

(Remainder of Page Intentionally Blank)

Exhibit I-2

IN WITNESS WHEREOF, the parties hereto have executed this Acknowledgment and the attachment counterpart signature page to the JV Agreement effective as of the date first written above.

EXISTING MEMBERS :

HUDSON JW, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

MEDIA CENTER PARTNERS, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

THE ADMITTED :

MEDIA CENTER DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE A TO
ACKNOWLEDGMENT AND ACCEPTANCE OF ADMISSION OF MEMBER
MEMBERS, CONTRIBUTIONS AND MEMBERSHIP INTEREST

Name and Address of Additional Member	Net Agreed Value of Contributed Property	Membership Interest
Name: Media Center Development, LLC Address: Media Center Development, LLC c/o M. David Paul Development LLC 100 Wilshire Boulevard, Suite 1600 Santa Monica, California 90401 Attention: Jeffrey M. Worthe	[_____]	[_____]

EXHIBIT J

FORM OF CERTIFICATE OF NON-FOREIGN STATUS

NON-FOREIGN AFFIDAVIT OF
MEDIA CENTER DEVELOPMENT, LLC

[_____], 20[__]

Section 1445 of the Internal Revenue Code of 1986, as amended (the “IRC”), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. In addition, Section 18662 of the California Revenue and Taxation Code provides that, subject to certain exceptions, a transferee of a California real property interest must withhold tax if the transferor is an individual, or is a non-individual that is not a California resident. To inform P2 Hudson MC Partners, LLC, a Delaware limited liability company (“Transferee”), that withholding of tax is not required upon the disposition of a U.S. or California real property interest, more particularly described on Exhibit A attached hereto, by Media Center Development, LLC, a Delaware limited liability company (“Transferor”), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the IRC and the regulations promulgated thereunder);
2. Transferor is not a disregarded entity as defined in §1.1445-2(b)(2)(iii) of the IRC;
3. Transferor’s U.S. taxpayer I.D. number is [_____];
4. Transferor’s office address is c/o [_____]; and
5. Transferor owns one hundred percent (100%) of the equity interests in 3300 West Olive, LLC, a Delaware limited liability company, which is an entity disregarded as separate from its owner for purposes of Treasury Regulation Section 1.1445-2(b)(2)(iii).

Transferor understands that this certification may be disclosed to the Internal Revenue Service and/or the California Franchise Tax Board by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I (the undersigned signatory signing on behalf of the Transferor below) declare that I have examined the foregoing certification and, to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

[Remainder of Page Intentionally Left Blank; Signature on Next Page]

Exhibit J-1

MEDIA CENTER DEVELOPMENT, LLC ,
a Delaware limited liability company,

By: Media Center Partners, LLC,
a California limited liability company,
its managing member

By: _____
Name: Jeffery M. Worthe
Its: Vice President

EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 55 TO 59 INCLUSIVE AND PORTIONS OF LOTS 50 TO 54 INCLUSIVE AND LOTS 60 TO 62 INCLUSIVE OF TRACT NO. 7553, IN THE CITY OF BURBANK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 99 PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 57; THENCE ALONG THE NORTHEASTERLY LINES OF LOTS 57 TO 62 INCLUSIVE, SOUTH 22° 59' 37" EAST 484.22 FEET; THENCE NORTH 70° 36' 36" WEST 148.83 FEET; THENCE NORTH 22° 51' 36" WEST 21.56 FEET; THENCE NORTH 70° 36' 36" WEST 88.37 FEET; THENCE NORTH 22° 51' 36" WEST 106.22 FEET; THENCE NORTH 70° 36' 36" WEST 103.14 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 52; THENCE ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINES OF LOTS 53 THROUGH 57 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEEDS RECORDED DECEMBER 3, 1965 AS INSTRUMENT NO. 4248, MARCH 11, 1964 AS INSTRUMENT NO. 3500 AND JUNE 23, 1964 AS INSTRUMENT NO. 2275.

SAID LAND IS SHOWN AS PROPOSED PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

PARCEL 2:

ALL RIGHTS AND BENEFITS OF THAT CERTAIN DOCUMENT ENTITLED "DEVELOPMENT RIGHTS DEED AND AGREEMENT", BY AND BETWEEN NATIONAL BROADCASTING COMPANY, A DELAWARE CORPORATION ("GRANTOR"), NBC PLAZA L.P., A CALIFORNIA LIMITED PARTNERSHIP ("GRANTEE"), AND CITY OF BURBANK, A MUNICIPAL CORPORATION ("CITY"), AS RECORDED SEPTEMBER 27, 1991 AS INSTRUMENT NO. 91-1534540 AND MODIFIED BY A DOCUMENT ENTITLED "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR THE OLIVE-CALIFORNIA PROJECT (PREVIOUSLY CALLED THE NBC PLAZA PROJECT) AMENDMENT TO PLANNED DEVELOPMENT 89-6" DATED DECEMBER 20, 1996 AND RECORDED APRIL 21, 1997 AS INSTRUMENT NO. 97-596882.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS CREATED BY THAT CERTAIN "AGREEMENT FOR GRANT OF EASEMENTS AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN THE OFFICIAL RECORDS ON NOVEMBER 24, 2003 AS INSTRUMENT NO. 03-3535733 ON, OVER, ACROSS AND THROUGH THOSE PORTIONS OF THE LAND SHOWN AS PROPOSED PARCEL 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 22, 2001 AS INSTRUMENT NO. 01-868383.

Assessor's Parcel Number: 2483-023-452

Exhibit J-4

EXHIBIT K

TENANT NOTIFICATION LETTER

Letterhead of Transferor

[Date]

RE: Lease (the “**Lease**”) for office space in the Pinnacle II Office Building, located at 3300 West Olive Avenue, Burbank, California (the “**Building**.”)

Dear Tenant of Pinnacle II Office Building:

Please be advised that, effective as of the date of this letter, P2 Hudson MC Partners, LLC, a Delaware limited liability company (“**Transferee**”), has acquired the Building, and in connection with the transfer, (i) 3300 West Olive, LLC, a Delaware limited liability company (“**Transferor**”), has conveyed to Transferee all of Transferor’s right, title, and interest under the Lease, (ii) Transferor has transferred to Transferee any and all unapplied and refundable portions of your security and/or other deposits, and (iii) Transferee has assumed all rights and obligations under the Lease arising from and after the date of this letter. From and after the date of this letter, you are advised to perform all of your duties under the Lease directly to Transferee. Please make all rent payments and provide all notices under the Lease to Transferee at the below address:

P2 HUDSON MC PARTNERS, LLC,
a Delaware limited liability company

c/o Hudson Pacific Properties, Inc.
11601 Wilshire Boulevard, Suite 1600
Los Angeles, California 90025

Sincerely,

3300 WEST OLIVE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Exhibit K-1

EXHIBIT L

FORM OF AUDIT LETTER

[Issuance Date]

Ernst & Young LLP

725 S. Figueroa Street
Los Angeles, CA 90017

In connection with your audit of the statements of revenues and certain expenses of the [**name of company or branch, division or department**] (“the Property”) for the year ended [**balance sheet date(s)**] and for the [**period(s) then ended**], we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the statements of revenues and certain expenses present fairly, in all material respects, the results of operations in conformity with U.S. generally accepted accounting principles as modified to conform with Regulation S-X, Rule 3-14 of the Securities and Exchange Commission (“Rule 3-14”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management’s Responsibilities

We recognize that, as members of management of the Property, we are responsible for the fair presentation of the statements of revenues and certain expenses. We believe the statements of revenues and certain expenses is fairly presented in conformity with U.S. generally accepted accounting principles as modified to conform with Rule 3-14, applied on a consistent basis. We have made available to your representatives all financial records and related data.

Unrecorded Audit Differences

There are no unrecorded audit differences identified during the current audit and pertaining to the latest period presented.

Minutes and Contracts

Exhibit L-1

We do not have formal meetings of the members or directors of the Company and we do not keep minutes of any meetings of the members or directors to the Company. Accordingly, we did not provide you with any minutes of meetings of members or directors. However, we have disclosed to you all significant matters discussed at those meetings.

We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the statements of revenues and certain operating expenses in the event of noncompliance.

Internal Control

There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the statements of revenues and certain expenses.

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

Risks and Uncertainties

There are no risks and uncertainties related to significant estimates and current vulnerabilities due to material concentrations that have not been disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 275, *Risks and Uncertainties*.

Presentation of Statements of Revenues and Certain Expenses

The presentation of the statements of revenues and certain expenses is being presented for the most recent fiscal year available instead of the three most recent years based on the following factors: (i) the Property were acquired from an unaffiliated party and (ii) based on due diligence of the Property, management is not aware of any material factors relating to the Property that would cause the financial information not to be necessarily indicative of future operating results.

Revenues

All revenue recognized during the year ended [for the [**period(s) then ended**] has been realized (or is realizable) and earned.

Contingent Liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with Accounting Standards Codification (ASC) 450-20, *Loss Contingencies* .

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the statements of revenues and certain expenses or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws

or regulations in any jurisdiction, or deficiencies in financial reporting practices, or other matters that could have a material effect on the statements of revenues and certain expenses.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by ASC 450, nor are there any gain contingencies reflected in earnings that are not in conformity with the provisions of ASC 450.

We have not consulted a lawyer concerning litigation, claims, or assessments.

Oral or Written Guarantees

There are no oral or written guarantees including guarantees of the debt of others.

Fraud

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Property’s internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the statements of revenues and certain expenses. We have disclosed to you all allegations of financial improprieties, including fraud or suspected fraud, coming to our attention (regardless of the source or form and including, without limitation, allegations by “whistle-blowers”) where such allegations could result in a misstatement of the statements of revenues and certain expenses or otherwise affect the financial reporting of the Property.

Independence and Conflicts of Interest

We are not aware of any capital lease, material cooperative arrangement, or other business relationship between the Property and Ernst & Young LLP or any other member firm of the global Ernst & Young organization.

We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Property’s audit.

There are no instances where any officer or employee of the Property has an interest in a property with which the Property do business that would be considered a “conflict of interest.” Such an interest would be contrary to Property’s policy.

Related Party Transactions

Transactions with related parties, as defined in ASC 850-10, *Related Party Disclosures* , and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been properly recorded and/or disclosed in the statements of revenues and certain expenses.

Subsequent Events

Subsequent to [**balance sheet date(s)**] , no events or transactions have occurred or are pending that would have a material effect on the statements of revenues and certain expenses at that date or for the period then ended, or that are of such significance in relation to the Property’s affairs to require

Exhibit L-3

mention in a note to the statements of revenues and certain expenses in order to make them not misleading regarding the results of operations of the Property.

We understand that your audit was conducted in accordance with the auditing standards generally accepted in the United States as established by the American Institute of Certified Public Accountants and was, therefore, designed primarily for the purpose of expressing an opinion on the statements of revenues and certain expenses of the Property taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

XX
Chief Executive Officer

XX
Chief Financial Officer

XX
Controller

LOAN AGREEMENT

Dated as of November 8, 2012

between

**P1 HUDSON MC PARTNERS, LLC,
as Borrower**

and

**JEFFERIES LOANCORE LLC,
as Lender**

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SCHEDULES

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LOAN AGREEMENT

This **LOAN AGREEMENT** , dated as of November 8, 2012 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this “ **Agreement** ”), between **JEFFERIES LOANCORE LLC** , a Delaware limited liability company (“ **Lender** ”), and **P1 HUDSON MC PARTNERS, LLC** , a Delaware limited liability company, having its principal place of business at c/o Hudson Pacific Properties, Inc., 11601 Wilshire Blvd., Suite 1600 Los Angeles, CA 90025 (“ **Borrower** ”).

W I T N E S S E T H:

WHEREAS, Borrower desires to obtain a loan in the original principal amount of ONE HUNDRED TWENTY-NINE MILLION and No/100 Dollars (\$129,000,000.00) from Lender pursuant to this Agreement (the “ **Loan** ”); and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms of this Agreement and the other Loan Documents (as hereinafter defined).

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent and warrant as follows:

Article I.

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly required or unless the context clearly indicates a contrary intent:

“ **Acceptable Appraisal** ” shall mean, an appraisal paid for by Borrower that is satisfactory to Lender and that is (i) dated not more than 60 days prior to the applicable date of calculation required pursuant to the terms of this Agreement, (ii) signed by a qualified, independent MAI appraiser retained by Lender, (iii) addressed to Lender and its successors and assigns, and (iv) made in compliance with the requirements of the Federal National Mortgage Association Company or Federal Home Loan Mortgage Corporation, or any successor thereto, and Title XI of the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 and the regulations promulgated thereunder. As used herein, an Acceptable Appraisal shall also mean any written supplement or update of a prior Acceptable Appraisal, that otherwise satisfies the conditions set forth in this definition.

“ **ACM Maintenance Program** ” shall have the meaning set forth in Section 5.1.28 hereof.

“ **ACM's** ” shall have the meaning set forth in Section 5.1.28 hereof.

“ **Additional Insolvency Opinion** ” shall have the meaning set forth in Section 5.2.12(b) hereof.

“ **Affiliate** ” shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

“ **Affiliated Manager** ” shall mean any Manager in which Borrower or Guarantor has, directly or indirectly, any legal, beneficial or economic interest.

“ **Aggregate Debt Service Coverage Ratio** ” shall mean, as of any date, the ratio calculated by Lender in its reasonable discretion for a given period in which:

- (i) the numerator is the Net Operating Income for the twelve (12) month period ending with the most recently completed calendar month, and
- (ii) the denominator is the sum of (x) the Debt Service with respect to such period, and (y) the Approved Mezzanine Loan Debt Service with respect to such period (assuming the Approved Mezzanine Loan is fully advanced), calculated as if the Approved Mezzanine Loan were outstanding for such period.

“ **Aggregate Debt Yield** ” shall mean, as of any date, the ratio (expressed as a percentage) calculated by Lender in its reasonable discretion of:

- (i) the Net Operating Income for the twelve (12) month period ending with the most recently completed calendar month, divided by
- (ii) the sum of (x) the unpaid Principal as of such date and (y) the fully advanced principal amount proposed for the Approved Mezzanine Loan.

“ **Agreement** ” shall mean this Loan Agreement, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **ALTA** ” shall mean American Land Title Association or any successor thereto.

“ **Annual Budget** ” shall mean the operating budget, including all planned Capital Expenditures, for the Property prepared by Borrower in accordance with Section 5.1.11(d) hereof for the applicable Fiscal Year or other period.

“ **Approved Annual Budget** ” shall have the meaning set forth in Section 5.1.11(d) hereof.

“ **Approved Bank** ” shall mean (a) an Eligible Institution or (b) a bank or other financial institution otherwise reasonably acceptable to Lender. Wells Fargo Bank, National Association is hereby designated as an Approved Bank.

“ **Approved Leasing Expenses** ” shall mean actual out-of-pocket expenses incurred by Borrower, on market terms and conditions, in leasing space at the Property pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (a) are (i) specifically approved by Lender in connection with approving the applicable Lease if Lender’s approval is required under the Loan Documents, (ii) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender’s approval under the Loan Documents, and with respect to which Lender shall have received a budget for such tenant improvement costs and a schedule of leasing commissions payments payable in connection therewith (which leasing commission payments shall be deemed “ **Approved Leasing Expenses** ” for purposes of this Agreement so long as same are comparable to existing local market rates), or (iii) otherwise reasonably approved in writing by Lender, and (b) are substantiated by executed Lease documents and brokerage agreements.

“ **Approved Mezzanine Lender** ” shall mean (i) any Qualified Mezzanine Lender, (ii) a successor holder of the Approved Mezzanine Loan that (A) has been approved by Lender acting reasonably and (B) after the occurrence of a Securitization, has obtained a Rating Agency Confirmation with respect to the transfer of the Approved Mezzanine Loan to such holder or (iii) the lender under any other Approved Mezzanine Loan that has been approved by Lender acting reasonably and the applicable Rating Agencies.

“ **Approved Mezzanine Loan** ” shall mean a loan from an Approved Mezzanine Lender to the holder or holders of the direct or indirect ownership interests in Borrower, which: (i) shall commence no earlier than the date that is second (2nd) anniversary of the first (1st) Payment Date hereunder, (ii) shall be in an amount such that, as of the closing date of such loan, (w) the Aggregate

Debt Yield shall be no less than 8.75%, (x) the Aggregate Debt Service Coverage Ratio (assuming for such purposes that the Debt Service and the Approved Mezzanine Debt Service shall be calculated on an interest only basis) shall be no less than 2.20:1.00, (y) the Aggregate Debt Service Coverage Ratio (assuming for such purposes that the Debt Service and the Approved Mezzanine Debt Service shall be calculated assuming a thirty-year amortization schedule) shall be no less than 1.50:1.00, and (z) the LTV Percentage shall not exceed 60%, (iii) is secured only by either (A) a pledge of all or a portion of the direct or indirect equity ownership interests in Borrower or any other collateral that is not collateral for the Loan or (B) customary preferred equity collateral, (iv) creates no obligations or liabilities on the part of Borrower and results in no Liens on any portion of the Property, (v) has a term expiring on November 7, 2022, (vi) is otherwise on terms and conditions reasonably acceptable to Lender and evidenced by loan documents which have been reasonably approved by Lender, (vii) after giving effect to such loan, Borrower shall have complied, and shall continue to comply, with the terms and provisions of Section 4.1.30 and 5.1.12 hereof, and (viii) if made after a Securitization, Borrower shall have obtained a Rating Agency Confirmation; provided further that the Approved Mezzanine Lender enters into an intercreditor agreement with Lender in form and substance reasonably acceptable to Lender and the applicable Rating Agencies (the “**Intercreditor Agreement**”), which Intercreditor Agreement shall, among other things, provide that such Approved Mezzanine Lender shall not transfer the Approved Mezzanine Loan or the collateral thereunder to another Person unless (A) such Approved Mezzanine Lender has first obtained the consent of Lender, which consent shall not be unreasonably withheld, and after a Securitization, a Rating Agency Confirmation or (B) such transfer is to a Qualified Mezzanine Lender (in which event, no Lender consent or Rating Agency Confirmation shall be required). The Intercreditor Agreement shall be substantially in the same form as the form of intercreditor agreement attached as Appendix VI to the US CMBS Legal and Structured Finance Criteria published by Standard & Poor’s (May 1, 2003), with such commercially reasonable negotiated changes as are acceptable to Lender, Approved Mezzanine Lender and, from and after a Securitization, the applicable Rating Agencies.

“**Approved Mezzanine Loan Debt Service**” shall mean, with respect to any particular period of time, scheduled principal (if any) and interest payments due under the Approved Mezzanine Loan in accordance with the Approved Mezzanine Loan Documents.

“**Approved Mezzanine Loan Documents**” shall mean all documents, agreements or instruments evidencing, securing or executed and delivered to Approved Mezzanine Lender, and reasonably approved by Lender in connection with the Approved Mezzanine Loan, as the same may be modified, amended and restated in accordance with the terms and conditions of the Intercreditor Agreement.

“**Approved Mezzanine Loan Liens**” shall mean the Liens in favor of the holder of the Approved Mezzanine Loan created pursuant to the Approved Mezzanine Loan Documents.

“**Approved Rating Agencies**” shall mean each of S&P, Moody’s, Fitch and Realpoint or any other nationally-recognized statistical rating agency which has been approved by Lender and designated by Lender to assign a rating to the Securities.

“ **Assignment of Leases** ” shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee, assigning to Lender all of Borrower’s interest in and to the Leases and Rents of the Property as security for the Loan, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Assignment of Management Agreement** ” shall mean that certain Assignment of Management Agreement and Subordination of Management Fees, dated as of the date hereof, among Lender, Borrower and Manager, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Award** ” shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or part of the Property.

“ **Bankruptcy Action** ” shall mean with respect to any Person (a) such Person filing a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (b) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (c) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (d) such Person consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, assignee, sequestrator (or similar official), liquidator, or examiner for such Person or any portion of the Property; (e) the filing of a petition against a Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code or any other applicable law, (f) under the provisions of any other law for the relief or aid of debtors, an action taken by any court of competent jurisdiction that allows such court to assume custody or Control of a Person or of the whole or any substantial part of its property or assets or (g) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding (unless failure to make such admission would be a violation of law), its insolvency or inability to pay its debts as they become due.

“ **Bankruptcy Code** ” shall mean Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.*, as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors’ rights or any other Federal or state bankruptcy or insolvency law.

“ **Basic Carrying Costs** ” shall mean, for any period, the sum of the following costs: (a) Taxes, (b) Other Charges and (c) Insurance Premiums.

“ **Borrower** ” shall have the meaning set forth in the introductory paragraph hereto, together with its successors and permitted assigns.

“ **Borrower’s Operating Account** ” shall have the meaning set forth in Section 2.7.1(c) hereof.

“ **Borrower’s Subaccount** ” shall have the meaning set forth in Cash Management Agreement.

“ **Business Day** ” shall mean any day other than a Saturday, Sunday or any other day on which any of the following institutions is not open for business: (i) banks and savings and loan institutions in New York, New York, (ii) the trustee under a Securitization (or, if no Securitization has occurred, Lender), (iii) any Servicer, (iv) the financial institution that maintains any collection account for or on behalf of any Servicer or any Reserve Funds, (v) the New York Stock Exchange or (vi) the Federal Reserve Bank of New York.

“ **Capital Expenditures** ” shall mean, for any period, the amount expended for items capitalized under GAAP (including expenditures for building improvements or major repairs, leasing commissions and tenant improvements).

“ **Cash Management Agreement** ” shall mean that certain Deposit Account Agreement, dated as of the date hereof, by and among Borrower, Manager, Deposit Bank and Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Cash Management Period** ” shall be deemed to (a) commence upon: (i) the commencement of any Cash Trap Period; (ii) the entry into of any Approved Mezzanine Loan; or (iii) the failure by Borrower, after the end of any calendar quarter, to maintain the Debt Service Coverage Ratio of at least 1.10 to 1.0; and (b) shall end upon Lender giving notice to Borrower and Clearing Bank that the Cash Management Period has ended, which notice Lender shall only be required to give if: (1) the Loan and all other obligations under the Loan Documents, other than those that, by their terms, survive the repayment in full of the Loan, have been indefeasibly repaid in full; (2) with respect to the matters described in clause (i) above, such Cash Trap Period shall have terminated in accordance with the definition of “Cash Trap Period” set forth below, (3) with respect to the matters described in clause (ii) above, the Approved Mezzanine Loan is repaid in full and no replacement Approved Mezzanine Loan is then outstanding, or (4) with respect to the matters described in clause (iii) above, for a period of two consecutive calendar quarters subsequent to the commencement of the existing Cash Management Period (A) no Default or Event of Default had occurred and is continuing or existed during such calendar quarters, (B) no event that would trigger another Cash Management Period had occurred during such calendar quarters, and (C) the Debt Service Coverage Ratio at the end of such two calendar quarters is at least equal to 1.15 to 1.0.

“ **Cash Trap Period** ” shall be deemed to (a) commence upon: (i) the occurrence of any Event of Default; or (ii) any Bankruptcy Action of Borrower, Guarantor or Manager has occurred; and (b) have terminated, if ever, as: (i) in the case of the foregoing clause (a)(i), Lender accepts a cure of the Event of Default giving rise to such Cash Trap Period and no other Event of Default has occurred which is continuing; or (ii) in the case of a Bankruptcy Action of Manager only, if Borrower replaces the Manager with a Qualified Manager under a Replacement Management Agreement; or (iii) in the case of a Bankruptcy Action of Borrower or Guarantor, such Bankruptcy Action is discharged, stayed or dismissed as provided in Section 8.1(a)(vii) or (viii) hereof, as applicable.

“ **Casualty** ” shall have the meaning set forth in Section 6.2 hereof.

“ **Casualty Consultant** ” shall have the meaning set forth in Section 6.4(b)(iii) hereof.

“ **Casualty/Condemnation Subaccount** ” shall have the meaning set forth in Section 6.4(b)(ii) hereof.

“ **Clear Channel** ” shall mean AMFM Operating Inc., a Delaware corporation, or any permitted successor or assignee under the Clear Channel Lease.

“ **Clear Channel Lease** ” shall mean that certain Office Lease, dated as of December 30, 2002, between Media Center Development, LLC, predecessor-in-interest to Borrower and AMFM Operating Inc., as amended by that certain First Amendment to Office Lease, dated as of June 25, 2003 and as further amended by that certain Second Amendment to Office Lease, dated as of March 14, 2005, that certain letter agreement, dated as of July 13, 2005 and that certain Third Amendment to Office Lease, dated as of December 5, 2005, as the same may be further amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement.

“ **Clear Channel Non-Renewal Premises** ” shall have the meaning set forth in Section 7.5.1 hereof.

“ **Clear Channel Reserve Subaccount** ” shall have the meaning set forth in Section 7.5.1 hereof.

“ **Clear Channel Reserve Monthly Deposit** ” shall have the meaning set forth in Section 7.5.1 hereof.

“ **Clear Channel Reserve Funds** ” shall have the meaning set forth in Section 7.5.1 hereof.

“ **Clear Channel Reserve Funds Cap** ” shall have the meaning set forth in Section 7.5.1 hereof.

“ **Clear Channel Re-tenanting Expenses** ” shall have the meaning set forth in Section 7.5.2 hereof.

“ **Clearing Account** ” shall have the meaning set forth in Section 2.7.1(a) hereof.

“ **Clearing Account Agreement** ” shall mean that certain Deposit Account Control Agreement, dated the date hereof among Borrower, Lender and Clearing Bank, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, relating to funds deposited in the Clearing Account.

“ **Clearing Bank** ” shall mean Wells Fargo Bank, National Association, or any successor or permitted assigns thereof.

“ **Closing Date** ” shall mean the date of the funding of the Loan.

“ **Code** ” shall mean the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

“ **Collateral** ” shall have the meaning ascribed to such term in the Security Instrument.

“ **Condemnation** ” shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

“ **Condemnation Proceeds** ” shall have the meaning set forth in Section 6.4(b) hereof.

“ **Control** ” shall mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of such Person, whether through ownership of voting securities, by contract or otherwise. “ **Controlled** ” and “ **Controlling** ” shall have correlative meanings.

“ **Covered Rating Agency Information** ” shall have the meaning set forth in Section 10.13(d) hereof.

“ **Debt** ” shall mean the Outstanding Principal Balance together with all interest accrued and unpaid thereon and all other sums (including any Yield Maintenance Premium) due to Lender in respect of the Loan under the Note, this Agreement, the Security Instrument or any other Loan Document.

“ **Debt Service** ” shall mean, with respect to any particular period of time, scheduled principal (if any) and interest payments due under this Agreement and the Note.

“ **Debt Service Coverage Ratio** ” shall mean, as of any date, the ratio calculated by Lender in its reasonable discretion for a given period in which:

- (i) the numerator is the Net Operating Income for such period ending with the most recently completed calendar month, and
- (ii) the denominator is the Debt Service with respect to such period.

If a period for calculation is not otherwise specified, Debt Service Coverage shall be calculated on a trailing twelve (12) month basis.

“ **Default** ” shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would be an Event of Default.

“ **Default Rate** ” shall mean a rate per annum equal to the lesser of (a) the Maximum Legal Rate and (b) five percent (5%) above the Interest Rate.

“ **Deposit Account** ” shall have the meaning set forth in Section 2.7.2(a) hereof.

“ **Deposit Bank** ” shall mean Wells Fargo Bank, National Association, or any successor Eligible Institution acting as “Deposit Bank” under the Cash Management Agreement.

“ **Disclosure Document** ” shall mean a prospectus, prospectus supplement, private placement memorandum, offering memorandum, offering circular, term sheet, road show presentation materials or other offering documents or marketing materials, in each case in preliminary or final form, used to offer Securities in connection with a Securitization.

“ **Dollars** ” and the sign “\$” shall mean lawful money of the United States of America.

“ **Downtime** ” shall be equal to, for a given portion of Clear Channel Non-Renewal Premises or Warner Music Non-Renewal Premises which is subject to a Qualified Lease, the lesser of (i) the amount of Rent which would have been payable under the Clear Channel Lease (if such space is Clear Channel Non-Renewal Premises) or the applicable Warner Music Lease (if such space is Warner Music Non-Renewal Premises), or (ii) the amount of Rent which would have been payable under the Qualified Lease for such space, in each case, for the period of time between the date of the expiration of the Clear Channel Lease (if such space is Clear Channel Non-Renewal Premises) or the applicable Warner Music Lease (if such space is Warner Music Non-Renewal Premises) and the date that the payment of Rent commences for such portion of Clear Channel Non-Renewal Premises or Warner Music Non-Renewal Premises, as applicable.

“ **Eligibility Requirements** ” means, with respect to any Person, that such Person (i) has total assets (in name or under management or advisement) in excess of \$600,000,000, and (except with respect to a pension advisory firm, asset manager or similar fiduciary) capital/statutory surplus or shareholder’s equity of \$250,000,000 and (ii) is regularly engaged in the business of making or owning (or, in the case of a pension advisory firm or similar fiduciary, regularly engaged in managing investments in) commercial real estate loans, participations or notes (including mezzanine loans to direct or indirect owners of commercial properties, which loans are secured by pledges of direct or indirect ownership interests in the owners of such commercial properties) or operating commercial properties

“ **Eligible Account** ” shall mean a separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a Federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (b) a segregated trust account or accounts maintained with a Federal or state chartered depository institution or trust company acting in its fiduciary capacity that has a Moody’s rating of at least “Baa3” and which, in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. § 9.10(b), having in either case a combined capital and surplus of at least \$50,000,000.00 and subject to supervision or examination by Federal and state authority, as applicable. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

“ **Eligible Institution** ” shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation, the short-term unsecured debt obligations or commercial paper of which are rated at least “A-1+” by S&P and “P-1” by Moody’s, in the case of accounts in which funds are held for thirty (30) days or less (or, in the case of accounts in which funds are held

for more than thirty (30) days, the long-term unsecured debt obligations of which are rated at least “A+” by S&P and “Aa3” by Moody’s. The parties acknowledge and agree that Wells Fargo Bank, National Association and Key Bank, N.A., each as currently rated on the date hereof, shall constitute an Eligible Institution, and shall be exempt from compliance with the foregoing definition of Eligible Institution, for so long as the foregoing institutions maintain such ratings.

“ **Embargoed Person** ” shall mean any person, entity or government subject to trade restrictions under U.S. law, including, but not limited to, The USA Patriot Act (including the anti terrorism provisions thereof), the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701, et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder including those related to Specially Designated Nationals and Specially Designated Global Terrorists, with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law.

“ **Environmental Indemnity** ” shall mean that certain Environmental Indemnity Agreement, dated as of the date hereof, executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Environmental Statutes** ” shall mean any present and future Federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, and/or relating to liability for or costs of other actual or threatened danger to human health or the environment. The term “Environmental Statutes” includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. The term “Environmental Statutes” also includes, but is not limited to, any present and future Federal, state and local laws, statutes ordinances, rules, regulations, permits or authorizations and the like, as well as common law, that (a) condition transfer of property upon a negative declaration or other approval of a Governmental Authority of the environmental condition of the Property; (b) require notification or disclosure of releases of Hazardous Substances or other environmental condition of a property to any Governmental Authority or other Person, whether or not in connection with any transfer of title to or interest in such property; (c) impose conditions or requirements in connection with permits or other authorization for lawful activity relating in any way to Hazardous Materials; (d) relate to nuisance, trespass or other causes of action related to the Property and Hazardous Materials; or (e) relate to wrongful death, personal injury, or property or

other damage in connection with any physical condition or use of the Property, in each case solely to the extent same relates in any way to Hazardous Materials.

“ **ERISA** ” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the ruling issued thereunder.

“ **ERISA Affiliate** ” shall mean each person (as defined in section 3(9) of ERISA) that together with Borrower would be deemed to be a “single employer” within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“ **Event of Default** ” shall have the meaning set forth in Section 8.1(a) hereof.

“ **Excess Cash** ” shall have the meaning set forth in Section 2.7.2(b)(ix) hereof.

“ **Excess Cash Reserve Subaccount** ” shall have the meaning set forth in Section 7.7 hereof.

“ **Excess Cash Reserve Funds** ” shall have the meaning set forth in Section 7.7 hereof.

“ **Exchange Act** ” shall mean the Securities Exchange Act of 1934, as the same may be amended, modified or replaced, from time to time.

“ **Exchange Act Filing** ” shall have the meaning set forth in Section 5.1.11(f) hereof.

“ **Extraordinary Expense** ” shall have the meaning set forth in Section 5.1.11(e) hereof.

“ **First Payment Date** ” shall have the meaning set forth in Section 2.3.2 hereof.

“ **Fiscal Year** ” shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during each year of the term of the Loan.

“ **Fitch** ” shall mean Fitch, Inc.

“ **Free Rent Period** ” shall have the meaning set forth in Section 7.4.1(a) hereof.

“ **Free Rent Reserve Subaccount** ” shall have the meaning set forth in Section 7.4.1(a) hereof.

“ **Free Rent Reserve Funds** ” shall have the meaning set forth in Section 7.4.1(a) hereof.

“ **Free Rent Reserve Monthly Deposit** ” shall mean the amount set forth on Schedule IV.

“ **Full Replacement Cost** ” shall have the meaning set forth in Section 6.1(a)(i).

“ **GAAP** ” shall mean generally accepted accounting principles in the United States of America as of the date of the applicable financial report.

“ **Governmental Authority** ” shall mean any court, board, agency, commission, office or other authority of any nature whatsoever for any governmental unit (Federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

“ **Gross Income from Operations** ” shall mean, for any period, all income, computed in accordance with GAAP, derived from the ownership and operation of the Property from whatever source during such period, including, but not limited to, Rents from Tenants, utility charges, escalations, forfeited security deposits, interest (if any) on credit accounts and on Reserve Funds, business interruption or other loss of income or rental insurance proceeds, service fees or charges, license fees, parking fees, rent concessions or credits, and other pass-through or reimbursements paid by Tenants under the Leases of any nature but **excluding** (i) Rents from month-to-month Tenants, from Tenants during a free rent period in excess of one month of free rent for each year of the base lease term, from any Tenant that has vacated, from any Tenant that is dark (unless such Tenant is rated investment grade or has successfully sublet the space at a minimum of five (5) years, or a term that is co-terminus with the underlying Lease, whichever is shorter), from any Tenant that has given notice of its intention to vacate, from any Tenant that is more than thirty (30) days delinquent on any rent payable under the underlying Lease, from any Tenant that has a valid right of offset against the Borrower relating to a default by Borrower under the underlying Lease (but only to the extent of such offset), or from Tenants that are the subject of any Bankruptcy Action, (ii) sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority, (iii) refunds and uncollectible accounts, (iv) proceeds from the sale of furniture, fixtures and equipment, (v) Insurance Proceeds and Condemnation Proceeds (other than business interruption or other loss of income insurance), and (vi) any disbursements to Borrower from any of the Reserve Funds.

“ **Guarantor** ” shall mean Hudson MC Partners, LLC, a Delaware limited liability company.

“ **Guaranty** ” shall mean that certain Guaranty of Recourse Obligations (Unsecured), dated as of the date hereof, from Guarantor in favor of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Hazardous Substances** ” shall include, but is not limited to, (a) any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Statutes, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Property for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Statutes, and (b) mold, mycotoxins, microbial matter, and/or airborne pathogens (naturally occurring or otherwise) which pose an imminent threat to human health or the environment or adversely affect the Property.

“ **Improvements** ” shall have the meaning set forth in the granting clause of the Security Instrument.

“ **Indebtedness** ” shall mean for any Person, on a particular date, the sum (without duplication) at such date of (a) all indebtedness or liability of such Person (including, without limitation, amounts for borrowed money and indebtedness in the form of mezzanine debt and preferred equity); (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for

the deferred purchase price of property or services (including trade obligations); (d) obligations under letters of credit; (e) obligations under acceptance facilities; (f) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person or entity, or otherwise to assure a creditor against loss; and (g) obligations secured by any Liens, whether or not the obligations have been assumed (other than Permitted Encumbrances).

“ **Indemnified Liabilities** ” shall have the meaning set forth in Section 10.13(b) hereof.

“ **Indemnified Parties** ” shall mean Lender and any Affiliate or designee of Lender that has filed any registration statement relating to the Securitization or has acted as the sponsor or depositor in connection with the Securitization, any Affiliate of Lender that acts as an underwriter, placement agent or initial purchaser of Securities issued in the Securitization, any other co-underwriters, co-placement agents or co initial purchasers of Securities issued in the Securitization, and each of their respective officers, directors, partners, employees, representatives, agents and Affiliates and each Person or entity who Controls any such Person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved in the servicing of the Loan secured hereby, any Person in whose name the encumbrance created by the Security Instrument is or will have been recorded, any Person who may hold or acquire or will have held a full or partial interest in the Loan secured hereby (including, but not limited to, investors or prospective investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan secured hereby for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to, any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to any successors by merger, consolidation or acquisition of all or a substantial portion of Lender’s assets and business).

“ **Indemnifying Person** ” shall mean Borrower and Guarantor, as applicable.

“ **Independent Director** ” shall mean (a) a natural Person who is not (at the time of initial appointment as director or manager, or at any time while serving as a director or manager), has never been, and will not be (at any time while serving as a director or manager): (i) a stockholder, partner, member or other equity owner, director (with the exception of serving as an Independent Director of Borrower), officer, employee, attorney or counsel of Borrower, Guarantor or any Affiliate of Borrower or Guarantor, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower, Guarantor or any Affiliate of Borrower or Guarantor, (iii) a Person Controlling or under common Control with any such stockholder, partner, member or other equity owner, director, officer, customer, supplier or other Person, (iv) a member of the immediate family of any such stockholder, partner, member, equity owner, director, officer, employee, manager, customer, supplier or other Person, or (v) otherwise affiliated with Borrower, Guarantor or any stockholder, member, partner, director, officer, employee, attorney or counsel of Borrower or any Guarantor, and (b) has (i) prior experience as an independent director or independent

manager for a corporation, a trust or a limited liability company whose charter documents required the unanimous consent of all independent directors or independent managers thereof before such corporation, trust or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable Federal or state law relating to bankruptcy and (ii) at least three (3) years of employment experience with one or more nationally-recognized professional service companies that provides, *inter alia*, professional independent directors or independent managers in the ordinary course of their respective business to issuers of securitization or structured finance instruments, agreements or securities or lenders originating commercial real estate loans for inclusion in securitization or structured finance instruments, agreements or securities and is at all times during his or her service as an Independent Director of Borrower an employee of such a company or companies. A natural Person who otherwise satisfies the foregoing definition other than subclause (a)(i) of this definition by reason of being an Independent Director of a Special Purpose Entity affiliated with Borrower shall not be disqualified from serving as an Independent Director of the Borrower, provided that the fees that such individual earns from serving as an Independent Director of affiliates of the Borrower in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

As used in this definition and in the definition of "Special Purpose Entity," the term "nationally recognized professional service company" shall mean Corporation Services Company, CT Corporation, National Registered Agents, Inc. and Wilmington Trust Company and any other Person approved in writing by Lender.

"**Initial Insurance Premiums Deposit**" shall mean the amount set forth on Schedule IV.

"**Initial Tax Deposit**" shall mean the amount set forth on Schedule IV.

"**Insolvency Opinion**" shall mean that certain substantive non-consolidation opinion letter, dated the date hereof, in connection with the Loan.

"**Insurance Escrow Funds Waiver Conditions**" shall have the meaning set forth in Section 7.2.1 hereof.

"**Insurance Premiums**" shall have the meaning set forth in Section 6.1(b) hereof.

"**Insurance Proceeds**" shall have the meaning set forth in Section 6.4(b) hereof.

"**Intercreditor Agreement**" shall have the meaning set forth in the definition of Approved Mezzanine Loan.

"**Interest Period**" shall mean (i) the period from the date hereof through and including the first day thereafter that is the 5th day of a calendar month and (ii) each period thereafter from the 6th day of each calendar month through and including the 5th day of the following calendar month; except that the Interest Period, if any, that would otherwise commence before and end after the Maturity Date shall end on the Maturity Date.

“ **Interest Rate** ” shall mean a fixed rate of 3.954% per annum.

“ **Investor** ” shall have the meaning set forth in Section 9.1 hereof.

“ **Lease** ” shall mean any lease, sublease or subsublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of any space in the Property by or on behalf of Borrower, and (a) every modification, amendment or other agreement relating to such lease, sublease, subsublease, or other agreement entered into in connection with such lease, sublease, subsublease, or other agreement, and (b) every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

“ **Legal Requirements** ” shall mean all Federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Property or any part thereof, or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, any Environmental Statutes, the Americans with Disabilities Act of 1990, as amended, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting Borrower, the Property or any part thereof, including, without limitation, any which may (a) require repairs, modifications or alterations in or to the Property or any part thereof, or (b) in any way limit the use and enjoyment thereof.

“ **Lender** ” shall have the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

“ **Letter of Credit** ” shall mean an irrevocable, auto-renewing, unconditional, transferable, clean sight draft standby letter of credit having an initial term of not less than one (1) year and with automatic renewals for one (1) year periods (unless the obligation being secured by, or otherwise requiring the delivery of, such letter of credit is required to be performed at least thirty (30) days prior to the initial expiry date of such letter of credit), for which Borrower shall have no reimbursement obligation and which reimbursement obligation is not secured by the Property or any other property pledged to secure the Note, in favor of Lender and entitling Lender to draw thereon in New York, New York and/or Los Angeles, California, based solely on a statement that Lender is drawing thereon executed by an officer or authorized signatory of Lender. A Letter of Credit must be issued by an Approved Bank. If at any time (a) the institution issuing any such Letter of Credit shall cease to be an Approved Bank or (b) if the Letter of Credit is due to expire prior to the termination of the event or events which gave rise to the requirement that Borrower deliver the Letter of Credit to Lender, Lender shall have the right to draw down the same in full and hold the proceeds thereof, unless Borrower shall deliver a replacement Letter of Credit from an Approved Bank within (i) as to (a) above, twenty (20) days after Lender delivers written notice to Borrower that the institution issuing the Letter of Credit has ceased to be an Approved Bank or (ii) as to (b) above, within ten (10) days prior to the expiration date of said Letter of Credit. Borrower's delivery of any Letter of Credit hereunder following the date of this Agreement shall,

if the issuance of such Letter of Credit would render untrue or otherwise violate any assumption (including but not limited to the assumption that any letter of credit shall not exceed fifteen percent of the amount of the Loan) of the Insolvency Opinion (or if an Additional Insolvency Opinion has already been issued with respect to the Loan, such Additional Insolvency Opinion), be conditioned upon Lender's receipt of an Additional Insolvency Opinion relating to such Letter of Credit.

" **Licenses** " shall have the meaning set forth in Section 4.1.22 hereof.

" **Liabilities** " shall have the meaning set forth in Section 9.2 hereof.

" **Lien** " shall mean any mortgage, deed of trust, deed to secure debt, indemnity deed of trust, lien (statutory or otherwise), pledge, hypothecation, easement, restrictive covenant, preference, assignment, security interest, or any other encumbrance, charge or transfer of, or any agreement to enter into or create any of the foregoing, on or affecting Borrower, the Property, or any portion thereof or any interest therein, or any direct or indirect interest in Borrower, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

" **Loan** " shall have the meaning set forth in the recitals hereof.

" **Loan Documents** " shall mean, collectively, this Agreement, the Note, the Security Instrument, the Assignment of Leases, the Environmental Indemnity, the Assignment of Management Agreement, the Guaranty, the Clearing Account Agreement, the Cash Management Agreement and all other documents executed and/or delivered in connection with the Loan.

" **Loan to Value Ratio** " shall mean, as of the date of its calculation, the ratio of (i) the sum of the outstanding principal amount of the Loan as of the date of such calculation to (ii) the fair market value of the Property, as determined, in Lender's sole discretion, by any commercially reasonable method permitted to a REMIC Trust.

" **LTV Percentage** " shall mean, as of any date, the calculation by Lender (expressed as a percentage) of:

- (i) the sum of (x) the unpaid Principal as of such date and (y) the proposed fully advanced principal balance of the Approved Mezzanine Loan, divided by
- (ii) the "as is" fair market value of the Property as reflected in an Acceptable Appraisal.

" **Major Lease** " shall mean (a) any Lease which, either individually or when taken together with any other Lease with the same Tenant or its Affiliates, demises in excess of 50,000 square feet of the Improvements, or (b) any Lease made with a Tenant that is paying base rent in an amount equal to or exceeding ten percent (10%) of the Gross Income from Operations.

" **Management Agreement** " shall mean the management agreement entered into by and between Borrower and Manager, pursuant to which Manager is to provide management and other

services with respect to the Property, or, if the context requires, the Replacement Management Agreement.

“ **Manager** ” shall mean Hudson OP Management, LLC, a Delaware limited liability company, or, if the context requires, a Qualified Manager who is managing the Property in accordance with the terms and provisions of this Agreement pursuant to a Replacement Management Agreement.

“ **Material Action** ” means, with respect to Borrower, to consolidate or merge Borrower with or into any Person, or sell all or substantially all of the assets of Borrower, or to institute a Bankruptcy Action or take action in furtherance of any such action, or, to the fullest extent permitted by law, to dissolve or liquidate Borrower.

“ **Material Adverse Change** ” shall mean the (i) business, operations, prospects, property, assets or liabilities and (ii) financial condition of any applicable Person and each of their subsidiaries, taken as a whole, or the ability of any such Person to perform its obligations under the Loan Documents has changed in a manner which would reasonably be expected to materially and adversely impair the value of Lender’s security for the Loan or prevent timely repayment of the Loan or otherwise prevent the applicable person or entity from timely performing any of its material obligations under the Loan Documents, as determined by Lender in its reasonable discretion.

“ **Material Agreements** ” shall mean each contract and agreement relating to the ownership, management, development, use, operation, leasing, maintenance, repair or improvement of the Property, other than the Management Agreement and the Leases, as to which either (a) there is an obligation of Borrower to pay more than \$300,000, in the aggregate, or (b) (i) the term thereof extends beyond one year (unless cancelable on thirty (30) days or less notice without requiring the payment of termination fees or payments of any kind) and (ii) there is an obligation of Borrower to pay more than \$100,000 in the aggregate.

“ **Maturity Date** ” shall mean November 7, 2022, or such other date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

“ **Maximum Legal Rate** ” shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or in the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

“ **MDP Entities** ” shall mean Media Center Partners, LLC, a California limited liability company and Media Center Development, LLC, a Delaware limited liability company.

“ **MDP Principals** ” shall mean Jeff Worthe and M. David Paul.

“ **Monthly Debt Service Payment Amount** ” shall mean (i) with respect to each Payment Date occurring on or prior to November 6, 2017, an amount equal to interest which has accrued on

the Loan through the end of the Interest Period immediately preceding such Payment Date and (ii) with respect to each Payment Date thereafter, a constant monthly payment amount of \$612,449.62.

“ **Moody’s** ” shall mean Moody’s Investors Service, Inc.

“ **Multiemployer Plan** ” shall mean a multiemployer plan, as defined in Section 4001(a)(3) of ERISA to which Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding three plan years made or accrued an obligation to make contributions.

“ **Net Cash Flow** ” shall mean, for any period, the amount obtained by subtracting Operating Expenses and Capital Expenditures for such period from Gross Income from Operations for such period.

“ **Net Operating Income** ” shall mean, for any period, the amount obtained by subtracting Operating Expenses for such period from Gross Income from Operations for such period.

“ **Net Proceeds** ” shall have the meaning set forth in Section 6.4(b) hereof.

“ **Net Proceeds Deficiency** ” shall have the meaning set forth in Section 6.4(b)(vi) hereof.

“ **New Mezzanine Loan** ” shall have the meaning set forth in Section 9.4(a) hereof.

“ **Note** ” shall mean that certain Promissory Note of even date herewith in the principal amount of ONE HUNDRED TWENTY-NINE MILLION and No/100 Dollars (\$129,000,000.00), made by Borrower in favor of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Obligations** ” shall mean, collectively, Borrower’s obligations for the payment of the Debt and the performance of the Other Obligations.

“ **OFAC** ” shall mean the Office of Foreign Asset Control of the Department of the Treasury of the United States of America.

“ **Officer’s Certificate** ” shall mean a certificate delivered to Lender by Borrower which is signed by an authorized officer of (i) the general partner or managing member of Borrower or (ii) Manager, provided Borrower agrees that such shall be deemed to be signed and bind Borrower.

“ **Open Prepayment Date** ” shall mean the date which is the Payment Date occurring three (3) months prior to the Maturity Date.

“ **Operating Expenses** ” shall mean, for any period, the total of all expenditures, computed in accordance with GAAP, of whatever kind relating to the operation, maintenance and management of the Property, which expenditures are incurred on a regular monthly or other periodic basis, including without limitation, utilities, ordinary repairs and maintenance, insurance, license fees, Taxes, Other Charges, advertising expenses, management fees, payroll and related taxes, computer processing charges, operational equipment or other lease payments as approved by Lender, and

other similar costs. Notwithstanding anything to the contrary in the foregoing, Operating Expenses shall not include depreciation, amortization and other non-cash items, debt service, Capital Expenditures, any contributions to any of the Reserve Funds, income taxes or other taxes in the nature of income taxes on sales, or use taxes required to be paid to any Governmental Authority, equity distributions, and other extraordinary and non-recurring items, and legal or other professional services fees and expenses unrelated to the operation of the Property.

“ **Other Charges** ” shall mean all ground rents, maintenance charges, impositions other than Taxes, any “common expenses” or expenses allocated to and required to be paid by Borrower under the REA, if any, and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof.

“ **Other Obligations** ” shall mean (a) the performance of all obligations of Borrower contained herein; (b) the performance of each obligation of Borrower or Guarantor contained in any other Loan Document; (c) the payment of all costs, expenses, legal fees and liabilities incurred by Lender in connection with the enforcement of any of Lender’s rights or remedies under the Loan Documents, or any other instrument, agreement or document which evidences or secures any other Obligations or collateral therefor, whether now in effect or hereafter executed; and (d) the payment, performance, discharge and satisfaction of all other liabilities and obligations of Borrower and/or Guarantor to Lender, whether now existing or hereafter arising, direct or indirect, absolute or contingent, and including, without limitation, each liability and obligation of Borrower and Guarantor under any one or more of the Loan Documents and any amendment, extension, modification, replacement or recasting of any one or more of the instruments, agreements and documents referred to herein or therein or executed in connection with the transactions contemplated hereby or thereby.

“ **Outstanding Principal Balance** ” shall mean, as of any date, the outstanding principal balance of the Loan.

“ **Payment Date** ” shall mean, commencing with the First Payment Date, the sixth (6th) day of each calendar month during the term of the Loan until and including the Maturity Date or, for purposes of making payments hereunder, but not for purposes of calculating Interest Periods, if such day is not a Business Day, the Business Day immediately following such date.

“ **Payment Reserve Subaccount** ” shall have the meaning set forth in Section 7.8 hereof.

“ **Payment Reserve Funds** ” shall have the meaning set forth in Section 7.8 hereof.

“ **Pension Plan** ” shall mean any “pension plan” (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, subject to Title IV of ERISA to which Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding FIVE plan years made or accrued an obligation to make contributions or otherwise has any liability with respect to.

“ **Permitted Encumbrances** ” shall mean, collectively (a) the Liens and security interests created by the Loan Documents, (b) all Liens, encumbrances and other matters disclosed in

“Schedule B-1” of the Title Insurance Policy, (c) Liens, if any, for Taxes imposed by any Governmental Authority which are not yet due or delinquent, and (d) Liens expressly permitted under the Loan Documents, (e) Liens being contested by or on behalf of Borrower in accordance with terms of this Agreement, (f) such other title and survey exceptions as Lender has approved or may approve in writing in Lender’s sole discretion, and (g) Approved Mezzanine Loan Liens.

“ **Permitted Investments** ” shall mean any one or more of the following obligations or securities acquired at a purchase price of not greater than par, including those issued by Servicer or the trustee under any Securitization or any of their respective Affiliates, payable on demand or having a maturity date not later than the Business Day immediately prior to the first Payment Date following the date of acquiring such investment and meeting one of the appropriate standards set forth below:

(i) obligations of, or obligations directly and unconditionally guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America and have maturities not in excess of one year;

(ii) Federal funds, unsecured certificates of deposit, time deposits, banker’s acceptances, and repurchase agreements having maturities of not more than 90 days of any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the short-term debt obligations of which are rated (a) “A-1+” (or the equivalent) by S&P and, if it has a term in excess of three months, the long-term debt obligations of which are rated “AAA” (or the equivalent) by S&P, and that (1) is at least “adequately capitalized” (as defined in the regulations of its primary Federal banking regulator) and (2) has Tier 1 capital (as defined in such regulations) of not less than \$1,000,000,000, (b) in one of the following Moody’s rating categories: (1) for maturities less than one month, a long-term rating of “A2” or a short-term rating of “P-1”, (2) for maturities between one and three months, a long-term rating of “A1” and a short-term rating of “P-1”, (3) for maturities between three months to six months, a long-term rating of “Aa3” and a short-term rating of “P-1” and (4) for maturities over six months, a long-term rating of “Aaa” and a short-term rating of “P-1”, or such other ratings as confirmed in a Rating Agency Confirmation;

(iii) deposits that are fully insured by the Federal Deposit Insurance Corp. (“ **FDIC** ”);

(iv) commercial paper rated (a) “A-1+” (or the equivalent) by S&P and having a maturity of not more than 90 days and (b) in one of the following Moody’s rating categories: (i) for maturities less than one month, a long-term rating of “A2” or a short-term rating of “P-1”, (ii) for maturities between one and three months, a long-term rating of “A1” and a short-term rating of “P-1”, (iii) for maturities between three months to six months, a long-term rating of “Aa3” and a short-term rating of “P-1” and (iv) for maturities over six months, a long-term rating of “Aaa” and a short-term rating of “P-1”;

(v) any money market funds that (a) has substantially all of its assets invested continuously in the types of investments referred to in clause (i) above, (b) has net assets of not less than \$5,000,000,000, and (c) has the highest rating obtainable from S&P and Moody's; and

(vi) such other investments as to which each Approved Rating Agency shall have delivered a Rating Agency Confirmation.

Notwithstanding the foregoing, "Permitted Investments" (i) shall exclude any security with the S&P's "r" symbol (or any other Approved Rating Agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; (iii) shall only include instruments that qualify as "cash flow investments" (within the meaning of Section 860G(a)(6) of the Code); and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index. No investment shall be made which requires a payment above par for an obligation if the obligation may be prepaid at the option of the issuer thereof prior to its maturity. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to the earlier of (x) three months from the date of their purchase and (y) the Business Day preceding the day before the date such amounts are required to be applied hereunder.

" **Permitted Transfer** " means any of the following: (a) any transfer, directly as a result of the death of a natural person, of stock, membership interests, partnership interests or other ownership interests previously held by the decedent in question to the Person or Persons lawfully entitled thereto, (b) any transfer, directly as a result of the legal incapacity of a natural person, of stock, membership interests, partnership interests or other ownership interests previously held by such natural person to the Person or Persons lawfully entitled thereto and (c) any transfer permitted pursuant to Section 5.2.10.

" **Person** " shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any Governmental Authority, and any fiduciary acting in such capacity on behalf of any of the foregoing.

" **Personal Property** " shall have the meaning set forth in the granting clause of the Security Instrument.

" **Physical Conditions Report** " shall mean a structural engineering report prepared by a company satisfactory to Lender regarding the physical condition of the Property, reasonably satisfactory in form and substance to Lender in its sole discretion, which report shall, among other things, (a) confirm that the Property and its use comply, in all material respects, with all applicable Legal Requirements (including zoning, subdivision and building codes and laws), and (b) include a copy of a final certificate of occupancy with respect to all improvements.

“ **Policies** ” shall have the meaning specified in Section 6.1(b) hereof.

“ **Prepayment Rate** ” shall mean the bond equivalent yield (in the secondary market) on the United States Treasury Security that as of the Prepayment Rate Determination Date has a remaining term to maturity closest to, but not exceeding, the remaining term to the Maturity Date as most recently published in the “Treasury Bonds, Notes and Bills” section in The Wall Street Journal as of such Prepayment Rate Determination Date. If more than one issue of United States Treasury Securities has the remaining term to the Maturity Date, the “Prepayment Rate” shall be the yield on such United States Treasury Security most recently issued as of the Prepayment Rate Determination Date. The rate so published shall control absent manifest error. If the publication of the Prepayment Rate in The Wall Street Journal is discontinued, Lender shall determine the Prepayment Rate on the basis of “Statistical Release H.15 (519), Selected Interest Rates,” or any successor publication, published by the Board of Governors of the Federal Reserve System, or on the basis of such other publication or statistical guide as Lender may reasonably select.

“ **Prepayment Rate Determination Date** ” shall mean the date which is five (5) Business Days prior to the date that such prepayment shall be applied in accordance with the terms and provisions of Section 2.4.1 hereof.

“ **Prohibited Transaction** ” shall mean any action or transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative exemption) prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

“ **Property** ” shall mean each parcel of real property, the Improvements thereon and all personal property owned by Borrower and encumbered by the Security Instrument, together with all rights pertaining to such property and Improvements, as more particularly described in the granting clause of the Security Instrument and referred to therein as the “Property”.

“ **Provided Information** ” shall mean any and all financial and other information provided at any time by, or on behalf of, any Indemnifying Person with respect to the Property, Borrower, Guarantor and/or Manager.

“ **Qualified Credit Facility** ” shall have the meaning specified in Section 5.2.10(d) hereof.

“ **Qualified Financial Institution** ” means a real estate investment trust, bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan that satisfies the Eligibility Requirements.

“ **Qualified Lease** ” shall mean an executed Lease which demises a portion of Clear Channel Non-Renewal Premises or Warner Music Non-Renewal Premises, and which: (i) has a minimum term of at least five (5) years, (ii) provides for base rent payable by the Tenant thereunder which is equal to or greater than ninety-five percent (95%) of the base rent payable by the applicable Tenant under the Clear Channel Lease (if such space is Clear Channel Non-Renewal Premises) or the

applicable Warner Music Lease (if such space is Warner Music Non-Renewal Premises), for such space, (iii) provides the Tenant thereunder no more than one (1) month of free rent for each year of the term of such Lease, and (iv) is not terminable by the Tenant thereunder, other than for cause, prior to the fifth year of the term of such Lease.

“**Qualified Manager**” shall mean either (a) Manager or an Affiliate thereof, (b) M. David Paul Ventures or an Affiliate thereof, or (c) in the reasonable judgment of Lender, a Person which is a reputable and experienced management organization (which may be an Affiliate of Borrower) possessing experience in managing properties similar in size, scope, use and value as the Property, provided, that (i) at Lender’s request, Borrower shall have obtained a Rating Agency Confirmation from each Approved Rating Agency with respect to the change of management of the Property, (ii) if such Person is an Affiliate of Borrower, Borrower shall have obtained an Additional Insolvency Opinion in form reasonably acceptable to Lender and each Approved Rating Agency, and (iii) such Person shall have entered into a Replacement Management Agreement and Assignment of Management Agreement.

Qualified Mezzanine Lender :

(i) Jefferies LoanCore LLC; or

(ii) one or more of the following (other than Borrower or an Affiliate thereof):

(A) a real estate investment trust, bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, provided that any such Person referred to in this clause (A) satisfies the Eligibility Requirements;

(B) an investment company, money management firm or “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, as amended, provided that any such Person referred to in this clause (B) satisfies the Eligibility Requirements;

(C) an institution substantially similar to any of the foregoing entities described in clauses (ii)(A), or (ii)(B) that satisfies the Eligibility Requirements;

(D) any entity Controlled by any of the entities described in clause (i) or clauses (ii)(A), (ii)(B) or (ii)(C) above;

(E) a Qualified Trustee in connection with a securitization of, the creation of collateralized debt obligations (“CDO”) secured by or financing through an “owner trust” of, the Approved Mezzanine Loan (collectively, “Securitization Vehicles”), so long as (x) the special servicer or manager of such Securitization Vehicle has the Required Special Servicer Rating and (y) the entire “controlling

class” of such Securitization Vehicle, other than with respect to a CDO Securitization Vehicle, is held by one or more entities that are otherwise Qualified Mezzanine Lenders under clause (ii)(A), (B), (C) or (D) of this definition; provided that the operative documents of the related Securitization Vehicle require that (1) in the case of a CDO Securitization Vehicle, the “equity interest” in such Securitization Vehicle is owned by one or more entities that are Qualified Mezzanine Lenders under clause (ii)(A), (B), (C) or (D) of this definition and (2) if any of the relevant trustee, special servicer, manager fails to meet the requirements of this clause (E), such Person must be replaced by a Person meeting the requirements of this clause (E) within thirty (30) days;

(F) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager (as defined in the Intercreditor Agreement) or an entity that is otherwise a Qualified Mezzanine Lender under clauses (ii)(A), (B), (C) or (D) of this definition investing through an fund with committed capital of at least \$250,000,000 acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Qualified Mezzanine Lenders under clauses (ii)(A), (B), (C) or (D) of this definition; or

(G) following the issuance of any securities (including all classes thereof) representing beneficial ownership interests in the Loan or in a pool of mortgage loans including the Loan issued in connection with a Securitization (“**Certificates**”), any entity that regularly engages in the business of making mezzanine loans, provided that at the time of the proposed transfer such entity is on an approved list (as confirmed in writing by Lender at the time of the proposed transfer) promulgated by each Rating Agency rating any Certificates as an approved mezzanine lender for loans of the size and type of the loan being transferred.

As used in this definition, (i) “**Control**” means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. “Controlled by,” “controlling” and “under common control with” shall have the respective correlative meaning thereto; (ii) “**Eligibility Requirements**” means, with respect to any Person, that such Person (A) has total assets (in name or under management) in excess of \$600,000,000 and (except with respect to a pension advisory firm or similar fiduciary) capital/statutory surplus or shareholder’s equity of \$250,000,000 and (B) is regularly engaged in the business of making or owning commercial real estate loans or operating commercial mortgage properties; (iii) “**Qualified Trustee**” means (A) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, having a combined capital and surplus of at least \$100,000,000 and subject to supervision or

examination by federal or state authority, (B) an institution insured by the Federal Deposit Insurance Corporation or (C) an institution whose long-term senior unsecured debt is rated either of the then in effect top two rating categories of each of the Rating Agencies; and (iv) “ **Required Special Servicer Rating** ” means (i) a rating of “CSS1” in the case of Fitch, (ii) on the S&P’s “Select Service List” as a U.S. Commercial Mortgage Special Servicer in the case of S&P and (iii) in the case of Moody’s, such special servicer is acting as special servicer in a commercial mortgage loan securitization that was rated by Moody’s within the twelve (12) month period prior to the date of determination, and Moody’s has not downgraded or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer of such commercial mortgage securities.

“ **Qualifying Warner Music Space** ” shall have the meaning specified in Section 7.6.1 hereof.

“ **Qualifying Clear Channel Space** ” shall have the meaning specified in Section 7.5.1 hereof.

“ **Rating Agencies** ” shall mean each of S&P, Moody’s, Fitch and Realpoint or any other nationally recognized statistical rating agency which has assigned a rating to the Securities.

“ **Rating Agency Confirmation** ” shall mean a written affirmation from a Rating Agency that the credit rating of the Securities issued by such Rating Agency immediately prior to the occurrence of the event with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency’s sole and absolute discretion.

“ **REA** ” shall mean that certain Grant of Easements and Establishment of Covenants, Conditions and Restrictions more specifically described on Schedule V hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms and provisions of this Agreement.

“ **Realpoint** ” shall mean Realpoint, LLC, a Pennsylvania limited liability company.

“ **Related Entities** ” shall have the meaning specified in Section 5.2.10(f)(v) hereof.

“ **Regulation AB** ” shall mean Regulation AB under the Securities Act and the Exchange Act, as such Regulation may be amended from time to time.

“ **Related Property** ” shall mean a parcel of real property, together with improvements thereon and personal property related thereto, that is “related” within the meaning of the definition of Significant Obligor, to the Property.

“ **REMIC Trust** ” shall mean a “real estate mortgage investment conduit” within the meaning of Section 860D of the Code that holds the Note.

“ **Rents** ” shall mean all rents (including additional rents of any kind and percentage rents), rent equivalents, moneys payable as damages (including payments by reason of the rejection of a Lease in a Bankruptcy Action) or in lieu of rent or rent equivalents, royalties (including, without

limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including security, utility and other deposits), escalation charges, Lease termination payments, accounts, cash, issues, profits, charges for services rendered, and other payments and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or any of their agents or employees from any and all sources arising from or attributable to the Property, and the Improvements, including charges for oil, gas, water, steam, heat, ventilation, air-conditioning, electricity, license fees, maintenance fees, charges for Taxes, operating expenses or other amounts payable to Borrower (or for the account of Borrower), revenues from telephone services, laundry, vending, television and all receivables, customer obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Property or rendering of services by Borrower, Manager, or any of their respective agents or employees and proceeds, if any, from business interruption or other loss of income insurance.

“ **Replacement Management Agreement** ” shall mean, collectively, (a) either (i) a management agreement with a Qualified Manager substantially in the same form and substance as the Management Agreement, or (ii) a management agreement with a Qualified Manager which is reasonably acceptable to Lender in form and substance, provided that, with respect to this subclause (ii), Lender, at its option, may require that Borrower obtain a Rating Agency Confirmation from each Approved Rating Agency with respect to each such management agreement; and (b) an assignment of management agreement and subordination of management fees substantially in the form then used by Lender (or of such other form and substance reasonably acceptable to Lender), executed and delivered to Lender by Borrower and such Qualified Manager at Borrower’s expense.

“ **Replacement Reserve Subaccount** ” shall have the meaning set forth in Section 7.3.1 hereof.

“ **Replacement Reserve Funds** ” shall have the meaning set forth in Section 7.3.1 hereof.

“ **Replacement Reserve Monthly Deposit** ” shall mean the amount set forth on Schedule IV.

“ **Replacements** ” shall have the meaning set forth in Section 7.3.1 hereof.

“ **Required Records** ” shall have the meaning set forth in Section 5.1.11(k) hereof.

“ **Required Repair Funds** ” shall have the meaning set forth in Section 7.1.1 hereof.

“ **Required Repairs** ” shall have the meaning set forth in Section 7.1.1 hereof.

“ **Required Repairs Amount** ” shall mean the amount set forth on Schedule IV.

“ **Required Repairs Subaccount** ” shall have the meaning set forth in Section 7.1.1 hereof.

“ **Reserve Funds** ” shall mean, collectively, the Tax and Insurance Escrow Funds, the Replacement Reserve Funds, the Free Rent Reserve Funds, the Required Repair Funds, the Excess Cash Reserve Funds, the Payment Reserve Funds, the Clear Channel Reserve Funds, the Warner Music Reserve Funds and any other escrow or reserve fund established pursuant to the Loan Documents.

“ **Reserve Subaccounts** ” shall mean, collectively, the Tax and Insurance Reserve Subaccount, the Replacement Reserve Subaccount, the Free Rent Reserve Subaccount, the Required Repairs Subaccount, the Excess Cash Reserve Subaccount, the Casualty/Condemnation Subaccount, the Payment Reserve Subaccount, the Clear Channel Reserve Subaccount, the Warner Music Reserve Subaccount and any other escrow or reserve account established pursuant to the Loan Documents.

“ **Restoration** ” shall mean the repair and restoration of the Property after a Casualty or Condemnation as nearly as possible to the condition the Property was in immediately prior to such Casualty or Condemnation, with such alterations as may be reasonably approved by Lender.

“ **Restricted Party** ” shall mean, collectively (a) Borrower, Guarantor and any Affiliated Manager, and (b) any non-member manager or direct or indirect legal or beneficial owner of, Borrower, Guarantor, any Affiliated Manager or any non-member manager.

“ **Retention Amount** ” shall have the meaning set forth in Section 6.4(b)(iv) hereof.

“ **RICO** ” shall mean the Racketeer Influenced and Corrupt Organizations Act.

“ **S&P** ” shall mean Standard & Poor’s Ratings Group, a division of the McGraw-Hill Companies.

“ **Sale or Pledge** ” shall mean a voluntary or involuntary sale, conveyance, assignment, transfer, encumbrance, pledge, grant of an option or other transfer or disposal of a legal or beneficial interest, whether direct or indirect.

“ **Securities** ” shall have the meaning set forth in Section 9.1 hereof.

“ **Securities Act** ” shall mean the Securities Act of 1933, as the same shall be amended from time to time.

“ **Securitization** ” shall have the meaning set forth in Section 9.1 hereof.

“ **Security Instrument** ” shall mean that certain first priority mortgage, deed of trust, deed to secure debt or similar security agreement, dated the date hereof, executed and delivered by Borrower as security for the Obligations which encumbers the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ **Servicer** ” shall have the meaning set forth in Section 9.3 hereof.

“ **Servicing Agreement** ” shall have the meaning set forth in Section 9.3 hereof.

“ **Severed Loan Documents** ” shall have the meaning set forth in Section 8.1.2(c) hereof.

“ **Significant Obligor** ” shall have the meaning set forth in Item 1101(k) of Regulation AB under the Securities Act.

“ **Special Purpose Entity** ” shall mean a corporation, limited partnership or limited liability company which at all times prior to, on and after the date hereof:

(i) was, is and will be organized solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property (and no other property), entering into this Agreement with Lender and performing its obligations under the Loan Documents, refinancing the Property in connection with a permitted repayment of the Loan, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(ii) has not been, is not, and will not be engaged, in any business unrelated to the acquisition, development, ownership, management or operation of the Property;

(iii) has not had, does not have, and will not have, any assets other than those related to the Property;

(iv) has not engaged, sought or consented to, and will not engage in, seek or consent to, any dissolution, winding up, liquidation, consolidation, merger, sale of all or substantially all of its assets, transfer of partnership or membership interests (if such entity is a general partner in a limited partnership or a member in a limited liability company) or amendment of its limited partnership agreement, articles of incorporation, articles of organization, certificate of formation or operating agreement (as applicable) with respect to the matters set forth in this definition;

(v) has been, now is, and will be a limited liability company organized in the State of Delaware that (A) has only one member, (B) has at least two (2) Independent Directors, (C) has not caused or allowed, and will not cause or allow the member of such entity to take any Bankruptcy Action with respect to itself unless the Independent Directors then serving as managers of the company shall have consented in writing to such action, (D) has and shall have either (1) a member which owns no economic interest in the company, has signed the company’s limited liability company agreement and has no obligation to make capital contributions to the company, or (2) two natural persons or one entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a member of the company immediately prior to the resignation or dissolution of the last remaining member of the company;

(vi) has been, is and intends to remain solvent and has paid and shall pay its debts and liabilities from its then available assets (including a fairly-allocated portion of any personnel and overhead expenses that it shares with any Affiliate) as the same shall become due, and has maintained and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(vii) has not failed, and will not fail, to correct any known misunderstanding regarding the separate identity of such entity and has not and shall not identify itself as a

division of any other Person (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(viii) has maintained and will maintain its accounts, books and records separate from any other Person and has filed and will file its own tax returns, except to the extent that it (i) is treated as a "disregarded entity" for tax purposes and has been filing consolidated tax returns or (ii) is required to file consolidated tax returns by law and, if it is a corporation, has not filed and shall not file a consolidated Federal income tax return with any other corporation, except to the extent that it is required by law to file consolidated tax returns;

(ix) has maintained and will maintain its own records, books, resolutions and agreements;

(x) (i) has not commingled, and will not commingle, its funds or assets with those of any other Person;

(xi) has held and will hold its assets in its own name;

(xii) has conducted and shall conduct its business in its name or in a name franchised or licensed to it by an entity other than an Affiliate of itself or of Borrower (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(xiii) has maintained and will maintain its books, bank accounts, balance sheets, financial statements, accounting records and other entity documents separate from any other Person and has not permitted, and will not permit, its assets to be listed as assets on the financial statement of any other entity except as required by GAAP or to the extent included on a consolidated statement with its Affiliate; *provided, however*, that an appropriate notation shall be made on any such consolidated statements to indicate its separateness from such Affiliate and to indicate that its assets and credit are not available to satisfy the debt and other obligations of such Affiliate or any other Person and such assets shall be listed on its own separate balance sheet;

(xiv) has paid and will pay its own liabilities and expenses, including the salaries of its own employees, only out of its own funds and assets (to the extent of such funds and assets), and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations;

(xv) has observed and will observe all partnership, corporate or limited liability company formalities, as applicable;

(xvi) as of the date hereof has no and will have no Indebtedness (including loans, whether or not such loans are evidenced by a written agreement) other than (i) the Loan, (ii) unsecured trade and operational debt incurred in the ordinary course of business relating to the ownership and operation of the Property and the routine administration of Borrower, which liabilities are not more than sixty (60) days past the date incurred (unless expressly

permitted to contest same pursuant to this Agreement and same are being contested in good faith by Borrower pursuant to the terms of this Agreement), are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, (iii) capitalized leases that are entered into in the ordinary course of business, for equipment or other items related to the ownership and the operation of the Property whose removal would not materially damage or impair the value of the Property and which is secured only by such financed equipment or other item, as applicable, and (iv) such other liabilities that are permitted pursuant to this Agreement; provided that the amount of aggregate Indebtedness permitted pursuant to sub-clauses (ii) and (iii) of this clause (xvi) (which, with respect to sub-clause (iii) of this clause (xvi) only, shall be limited to amounts then due and payable) is at all times less than three percent (3%) of the original principal amount of the Loan.

(xvii) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person except as permitted pursuant to this Agreement;

(xviii) has not acquired and will not acquire obligations or securities of its partners, members or shareholders or any other Affiliate;

(xix) has allocated and will allocate, fairly and reasonably, any overhead expenses that are shared with any Affiliate, including, but not limited to, paying for shared office space and services performed by any employee of an Affiliate;

(xx) has maintained and used, now maintains and uses, and will maintain and use, separate stationery, invoices and checks bearing its own name (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(xxi) except as pledged to Lender pursuant to the Loan Documents, has not pledged and will not pledge its assets for the benefit of any other Person;

(xxii) has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower and not as a division or part of any other Person (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(xxiii) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xxiv) has not made and will not make loans to any Person or hold evidence of indebtedness issued by any other Person or entity (other than cash and investment-grade

securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity);

(xxv) has not identified and will not identify its partners, members or shareholders, or any Affiliate of any of them, as a division or part of it, and has not identified itself, and shall not identify itself, as a division of any other Person (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(xxvi) other than capital contributions and distributions permitted under the terms of its organizational documents, has not entered into or been a party to, and will not enter into or be a party to, any transaction with its partners, members, shareholders or Affiliates except in the ordinary course of its business and on terms which are intrinsically fair, commercially reasonable and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(xxvii) intentionally left blank;

(xxviii) has never actually made any payment under any indemnity to its partners, officers, directors or members, as the case may be, and shall not have any obligation to, and, from and after the date hereof, shall not indemnify its partners, officers, directors or members, as the case may be, in each case unless such an obligation or indemnification is fully subordinated to the Debt and shall not constitute a claim against it in the event that its cash flow is insufficient to pay the Debt;

(xxix) if such entity is a corporation, it shall consider the interests of its creditors in connection with all corporate actions;

(xxx) does not and will not have any of its obligations guaranteed by any Affiliate except as set forth in the Guaranty and the Environmental Indemnity;

(xxxi) has conducted and shall conduct its business so that each of the assumptions made about it and each of the facts stated about it in the Insolvency Opinion are true;

(xxxii) has complied and will comply with all of the terms and provisions contained in its organizational documents and cause statements of facts contained in its organizational documents to be and to remain true and correct; and

(xxxiii) has not permitted and shall not permit any Affiliate or constituent party independent access to its bank accounts except as permitted under the Loan Documents and the Management Agreement;

(xxxiv) has paid and shall pay any taxes to be paid under applicable law; and

(xxxv) has not allowed and will not allow any other Person to act in its name, to the extent of its power to do so.

It is understood that nothing contained in this definition of “Special Purpose Entity” shall require Borrower or Guarantor or any direct or indirect equity owner in Borrower or Guarantor to make any additional capital contributions or loans or otherwise provide funds to Borrower or Guarantor.

“ **State** ” shall mean the State of California.

“ **Survey** ” shall mean a survey of the Property prepared by a surveyor licensed in the State and reasonably satisfactory to Lender and the company or companies issuing the Title Insurance Policy, and containing a certification of such surveyor satisfactory to Lender.

“ **Tax and Insurance Escrow Funds** ” shall have the meaning set forth in Section 7.2.1 hereof.

“ **Tax and Insurance Reserve Subaccount** ” shall have the meaning set forth in Section 7.2.1 hereof.

“ **Taxes** ” shall mean all taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against (a) the Property or part thereof, together with all interest and penalties thereon and (b) against the rents, issues, income or profits thereof or upon the lien or estate hereby created, whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or ad valorem real estate or personal property taxes or as income taxes.

“ **TDRs** ” shall have the meaning set forth in Section 2.5 hereof.

“ **Tenant** ” shall mean the lessee of all or any portion of the Property under a Lease.

“ **Third Party Manager** ” shall mean a Person which is reputable and experienced in management organization, possessing experience in managing properties similar in size, scope, class, use and value as the Property, as reasonably determined by Lender.

“ **Threshold Amount** ” shall have the meaning set forth in Section 5.1.21 hereof.

“ **Title Company** ” shall mean the title insurance company which issued the Title Insurance Policy.

“ **Title Insurance Policy** ” shall mean, an ALTA mortgagee title insurance policy in a form acceptable to Lender (or, if the Property is in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted in such State and acceptable to Lender) with respect to the Property and insuring the lien of the Security Instrument encumbering the Property.

“ **Transfer** ” shall have the meaning set forth in Section 5.2.10(b) hereof.

“ **Transferee** ” shall have the meaning set forth in Section 5.2.10(f)(iii) hereof.

“ **Transferee's Principals** ” shall mean collectively, (A) Transferee's managing members, general partners or principal shareholders and (B) such other members, partners or shareholders which directly or indirectly shall own a fifty-one percent (51%) or greater economic and voting interest in Transferee.

“ **UCC** ” shall mean the Uniform Commercial Code as in effect on the date hereof in the State in which the Property is located; *provided, however* , that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection or priority of the security interest in any item or portion of the collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State in which the Property is located (“ **Other UCC State** ”), “ **UCC** ” means the Uniform Commercial Code as in effect in such Other UCC State for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or priority.

“ **U.S. Obligations** ” shall mean non-redeemable securities evidencing an obligation to timely pay principal and/or interest in a full and timely manner that are (a) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, or (b) to the extent acceptable to the Approved Rating Agencies, other “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended.

“ **Warner Music Lease** ” shall mean that certain Office Lease, dated as of June 27, 2002, by and between Media Center Development, LLC, a Delaware limited liability company and predecessor-in-interest to Borrower, and Warner Music Group Inc., a Delaware corporation, as amended by that certain First Amendment to Office Lease, dated as of February 28, 2003, as the same may be further amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement.

“ **Warner Music Non-Renewal Premises** ” shall have the meaning set forth in Section 7.6.1 hereof.

“ **Warner Music Reserve Subaccount** ” shall have the meaning set forth in Section 7.6.1 hereof.

“ **Warner Music Reserve Monthly Deposit** ” shall have the meaning set forth in Section 7.6.1 hereof.

“ **Warner Music Reserve Funds** ” shall have the meaning set forth in Section 7.6.1 hereof.

“ **Warner Music Reserve Funds Cap** ” shall have the meaning set forth in Section 7.6.1 hereof.

“ **Warner Music Re-tenanting Expenses** ” shall have the meaning set forth in Section 7.6.2 hereof.

“ **Warner Music** ” shall mean Warner Music Group, Inc., a Delaware corporation, or any permitted successor or assignee under the Warner Music Lease.

“ **Yield Maintenance Premium** ” shall mean an amount equal to the greater of (a) one percent (1%) of the outstanding principal balance of the Loan to be prepaid or satisfied (the “ **Minimum Premium Amount** ”); provided that following the occurrence and during the continuance of an Event of Default, the Minimum Premium Amount shall be equal to three percent (3%) of the outstanding principal balance of the Loan to be prepaid or satisfied, and (b) the excess, if any, of (i) the sum of

the present values of all then-scheduled payments of principal and interest under the Note assuming that all scheduled payments are made timely and that the remaining outstanding principal and interest on the Loan is paid on the Open Prepayment Date (with each such payment and assumed payment discounted to its present value at the date of prepayment at the rate which, when compounded monthly, is equivalent to the Prepayment Rate when compounded semi-annually and deducting from the sum of such present values any short-term interest paid from the date of prepayment to the next succeeding Payment Date in the event such payment is not made on a Payment Date), over (ii) the principal amount being prepaid.

Section 1.2 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word “including” shall mean “including, without limitation” unless the context shall indicate otherwise. Unless otherwise specified, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

ARTICLE II.

GENERAL TERMS

Section 2.1 Loan Commitment; Disbursement to Borrower.

2.1.1 Agreement to Lend and Borrow. Subject to and upon the terms and conditions set forth herein, Lender hereby agrees to make, and Borrower hereby agrees to borrow, the Loan on the Closing Date.

2.1.2 Single Disbursement to Borrower. Borrower may request and receive only one disbursement hereunder in respect of the Loan and any amount borrowed and repaid hereunder in respect of the Loan may not be re-borrowed. Borrower acknowledges and agrees that the Loan has been fully funded as of the Closing Date.

2.1.3 The Note, Security Instrument and Loan Documents. The Loan shall be evidenced by the Note and secured by the Security Instrument, the Assignment of Leases and the other Loan Documents.

2.1.4 Use of Proceeds. Borrower shall use the proceeds of the Loan to (a) refinance the Property and/or repay and discharge any existing loans relating to the Property, if any, (b) pay all past-due Basic Carrying Costs, if any, with respect to the Property, (c) make deposits into the Reserve Funds on the Closing Date in the amounts provided herein, (d) pay costs and expenses incurred in connection with the closing of the Loan, as reasonably approved by Lender, (e) fund any working capital requirements of the Property, and (f) distribute the balance, if any, to Borrower.

Section 2.2 Interest Rate.

2.2.1 Interest Rate. Subject to Section 2.2.4 hereof, interest on the Outstanding Principal Balance shall accrue from the Closing Date to but excluding the Maturity Date at the Interest Rate.

2.2.2 Interest Calculation. With respect to any applicable period, interest on the Outstanding Principal Balance shall be calculated by multiplying (a) the actual number of days elapsed in the period for which the calculation is being made by (b) a daily rate based on the Interest Rate and a three hundred sixty (360) day year by (c) the average Outstanding Principal Balance in effect for the applicable period as calculated by Lender.

2.2.3 Default Rate. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the Outstanding Principal Balance and, to the extent permitted by law, all accrued and unpaid interest in respect thereof and any other amounts then due pursuant to the Loan Documents, shall accrue interest at the Default Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein.

2.2.4 Usury Savings. This Agreement, the Note and the other Loan Documents are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.3 Debt Service Payments.

2.3.1 Payments Generally. For purposes of making payments hereunder, but not for purposes of calculating Interest Periods, if the day on which such payment is due is not a Business Day, then amounts due on such date shall be due on the immediately preceding Business Day. All amounts due pursuant to this Agreement and the other Loan Documents shall be payable without setoff, counterclaim, defense or any other deduction whatsoever.

2.3.2 Monthly Debt Service Payment. On December 6, 2012 (the "**First Payment Date**"), Borrower shall make a payment of interest only for the period commencing on and including the Closing Date through and including December 5, 2012. On January 6, 2013 and each subsequent Payment Date up to and including the Maturity Date, Borrower shall make a payment to Lender of principal and interest in an amount equal to the Monthly Debt Service

Payment Amount, which payments shall be applied first to accrued and unpaid interest and the balance to principal.

2.3.3 Payment on Maturity Date. Borrower shall pay to Lender not later than 3:00 P.M., New York City time, on the Maturity Date the Outstanding Principal Balance, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Security Instrument and the other Loan Documents.

2.3.4 Late Payment Charge. If any principal, interest or any other sums due under the Loan Documents, other than the payment of principal due on the Maturity Date, is not paid by Borrower within two (2) days following the date on which it is due, Borrower shall pay to Lender upon demand an amount equal to the lesser of (a) five percent (5%) of such unpaid sum, and (b) the Maximum Legal Rate, in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Security Instrument and the other Loan Documents to the extent permitted by applicable law.

2.3.5 Method and Place of Payment. Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender not later than 1:00 P.M., New York City time, on the date when due and shall be made in Dollars in immediately available funds at Lender's office or as otherwise directed by Lender, and any funds received by Lender after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day. Any prepayments required to be made hereunder or under the Cash Management Agreement by Lender or Servicer out of the Deposit Account shall be deemed to have been timely made for purposes of this Section 2.3.5.

Section 2.4 Prepayments.

2.4.1 Voluntary Prepayments.

(a) Except as otherwise provided herein, Borrower shall not have the right to prepay the Loan in whole or in part prior to the Maturity Date.

(b) Permitted Prepayment. Borrower shall have the right to prepay in full, but not in part, the entire Outstanding Principal Balance on any Business Day beginning eighteen (18) months after the First Payment Date provided that Borrower gives Lender at least thirty (30) days prior written notice thereof and such prepayment is accompanied by (a) all accrued and unpaid interest on the Outstanding Principal Balance prepaid, (b) the Yield Maintenance Premium (if due) and (c) all other amounts due under the Note, this Agreement, or any of the other Loan Documents. In addition, if any such prepayment is not made on a Payment Date, Borrower shall also pay interest on the principal amount so prepaid through the next succeeding Payment Date.

(c) Open Prepayment. On the Open Prepayment Date, or on any Payment Date thereafter, so long as no Event of Default has occurred and is continuing, Borrower may, at its option and upon not less than thirty (30) days prior written notice to Lender, prepay the entire Outstanding Principal Balance provided that such prepayment is accompanied by (a) all accrued

and unpaid interest on the Outstanding Principal Balance prepaid and (b) all other amounts due under the Note, this Agreement, or any of the other Loan Documents, without payment of the Yield Maintenance Premium. In addition, if for any reason Borrower prepays the Loan on a day other than a Payment Date, Borrower shall also pay interest on the principal amount so prepaid through the next succeeding Payment Date. Borrower may rescind and revoke any notice of prepayment without cost or expense to Borrower so long as such rescission is made at least three (3) Business Days prior to the date of prepayment specified in the original notice of prepayment and provided that, in the event of such timely rescission or revocation, Borrower shall be obligated to promptly reimburse Lender for all of the actual of pocket reasonable costs and expenses (including legal fees and costs) incurred by Lender in connection with the anticipated prepayment.

2.4.2 Mandatory Prepayments. Following any Casualty or Condemnation, on the next occurring Payment Date following the date on which Lender actually receives any Net Proceeds, if Lender is not obligated to make such Net Proceeds available to Borrower for Restoration, Borrower shall prepay, or authorize Lender to apply Net Proceeds as a prepayment of, the Outstanding Principal Balance of the Note in an amount equal to one hundred percent (100%) of such Net Proceeds without the payment of the Yield Maintenance Premium or any other premium or penalty; provided, however, if an Event of Default has occurred and is continuing, Lender may apply such Net Proceeds to the Debt (until paid in full) in any order or priority in its sole discretion. Any partial prepayment under this Section 2.4.2 shall be applied to the last payments of principal due under the Loan and shall not in any event reduce or otherwise change the Monthly Debt Service Payment Amount.

2.4.3 Prepayments Made While an Event of Default Exists. If, following the occurrence and during the continuance of an Event of Default, payment of all or any part of the Debt is tendered by Borrower for any reason or otherwise recovered by Lender (including, without limitation, through acceleration or the application of any Reserve Funds or Net Proceeds), such tender or recovery shall include (a) interest at the Default Rate on the outstanding principal amount of the Loan from the date such Event of Default occurred through the end of the Interest Period related to the Payment Date next occurring following the date of such tender or recovery, or if such tender or recovery occurs on a Payment Date, through and including the Interest Period related to such Payment Date and (b) an amount equal to the applicable Yield Maintenance Premium.

Section 2.5 TDR Release. At any time after the date hereof, Borrower may transfer and obtain a release of and from the Lien of the Security Instrument upon at least thirty (30) days' prior written notice transferrable excess development rights which benefit the Property (" **TDRs** "), provided that any such release shall only be granted if the following conditions have been met or satisfied:

(a) Borrower shall reimburse Lender for any costs and expenses it reasonably incurs arising from the transfer of the TDRs and any release of the TDRs from the Lien of the Security Instrument (including, without limitation, reasonable attorneys' fees and expenses);

(b) At the time Borrower requests such release and at the time such release is granted there is no continuing Event of Default and no Event of Default would occur as a result of the release;

(c) Requirements under all laws, statutes, rules and regulations (including, without limitation, all zoning and subdivision laws, setback requirements, sideline requirements, parking ratio requirements, use requirements, building and fire code requirements, environmental requirements and wetlands requirements) applicable to the Property which are necessary to accomplish the transfer of the TDRs shall have been fulfilled and the Property shall, after giving effect to the release of the TDRs continue to comply with all such applicable Legal Requirements and Borrower shall have delivered to Lender such evidence thereof as Lender reasonably requires, which in form and substance is appropriate for the jurisdiction in which the Property is located;

(d) the representations and warranties made by Borrower in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such conveyance (and after giving effect to such conveyance);

(e) Borrower shall submit to Lender, not less than 10 days prior to the date of such release:

- (A) a release of Lien for the TDRs (for execution by Lender) in a form appropriate in the State and satisfactory to Lender in its reasonable discretion;
- (B) zoning opinions or other evidence reasonably satisfactory to Lender (which may include an appropriate endorsement to the title insurance policy) that after giving effect to the release and transfer, the Property complies with all applicable zoning requirements; and
- (C) an Officer's Certificate certifying that (i) the applicable documentation is in compliance, in all material respects, with all applicable Legal Requirements, (ii) the release of the TDR will not adversely affect the use, operations, economic value of, or the revenue produced by the Improvements located on the Property, (iii) cause any portion of the Property to be in violation, in any material respect, of any applicable Legal Requirements or (iv) violate any Leases, reciprocal easement agreements or operating agreements affecting the Property.

(f) Borrower shall execute such reasonable documents and instruments as are typical for similar transactions. If a Securitization shall have occurred if requested by Lender,

an opinion that the transfer and release of the TDRs will not be a “significant modification” of the Loan within the meaning of Section 1.860G 2 of the regulations of the United States Department of the Treasury and the release will not cause any REMIC, with respect to the Securitization, if any, holding the Loan to fail to qualify as a REMIC within the meaning of Section 1.860G 2 of the regulations of the United States Department of the Treasury and that all other requirements applicable, if any, to the Securitization, have been satisfied or have not otherwise been violated and if such TDRs are being transferred to an Affiliate of Borrower, a new Insolvency Opinion shall have been delivered to Lender; and

(g) If the Loan is included in a REMIC Trust, Lender shall not be required to release any TDRs if the ratio of the unpaid principal balance of the Loan to the value of the remaining Property after the proposed transfer and release of such TDRs shall be greater than 125% (such value to be determined, in Lender's sole discretion, by any commercially reasonable method permitted to a REMIC Trust; and which shall exclude the value of personal property or going concern value, if any), unless Lender receives an opinion of counsel that the applicable Securitization will not fail to maintain its status as a REMIC Trust as a result of the transfer and release of the TDRs from the Lien of the Security Instrument.

Section 2.6 Release of Property.

2.6.1 Release of Property. Except as set forth in Section 2.6.2 below, no repayment, prepayment or defeasance of all or any portion of the Note shall cause, give rise to a right to require, or otherwise result in, the release of the Lien of the Security Instrument.

2.6.2 Release on Payment in Full.

(a) Lender shall, upon the written request and at the expense of Borrower, upon payment in full of the Debt in accordance with the terms of this Agreement and the other Loan Documents, release the Lien of the Security Instrument and the other Loan Documents.

(b) In connection with the release of the Security Instrument, Borrower shall submit to Lender, concurrently with the request under Section 2.6.2(a) hereof, a release of Lien (and the related Loan Documents) for the Property for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located and that would be satisfactory to a prudent lender and contains standard provisions, if any, protecting the rights of the releasing lender.

Section 2.7 Cash Management.

2.7.1 Clearing Account.

(c) Borrower shall establish and maintain a segregated Eligible Account (the “**Clearing Account**”) with the Clearing Bank in trust for the benefit of Lender, which Clearing Account shall be under the sole dominion and control of Lender. The Clearing Account shall be entitled “P1 Hudson MC Partners, LLC, as trustor, for the benefit of JEFFERIES LOANCORE LLC, as Secured Party – Clearing Account,” or such other name as required by Lender from time to time. Borrower (i) hereby grants to Lender a first priority security interest in the Clearing Account

and all deposits at any time contained therein and the proceeds thereof, and (ii) will take all actions necessary to maintain in favor of Lender a perfected first priority security interest in the Clearing Account, including, without limitation, the execution of any account control agreement required by Lender. Borrower will not in any way alter, modify or close the Clearing Account and will notify Lender of the account number thereof. Except as may be expressly permitted in the Clearing Account Agreement, Lender and Servicer shall have the sole right to make withdrawals from the Clearing Account and all costs and expenses for establishing and maintaining the Clearing Account shall be paid by Borrower. All monies now or hereafter deposited into the Clearing Account shall be deemed additional security for the Debt. As of the date hereof, pursuant to the terms of the Clearing Account Agreement, the Clearing Account has been assigned the following number at Clearing Bank: 4945744787.

(d) Borrower shall, or shall cause Manager to, deliver written instructions to all Tenants under Leases to deliver all Rents payable thereunder directly to the Clearing Account. Borrower shall, and shall cause Manager to, deposit into the Clearing Account within three (3) Business Days after receipt all amounts received by Borrower or Manager constituting Rents. The Clearing Account Agreement and Clearing Account shall remain in effect until the Loan has been repaid in full.

(e) Prior to any Cash Management Period, Borrower shall cause Clearing Bank to transfer to Borrower's Operating Account in immediately available funds by Federal wire transfer all amounts on deposit in the Clearing Account (less any required minimum balance pursuant to the terms of the Clearing Account Agreement) once every Business Day. As of the date hereof, Borrower's Operating Account has been assigned the following number with Clearing Bank: 4945742112 ("**Borrower's Operating Account**").

(f) During any Cash Management Period, Lender shall cause the Clearing Bank to transfer to the Deposit Account in immediately available funds by Federal wire transfer all amounts on deposit in the Clearing Account (less any required minimum balance pursuant to the terms of the Clearing Account Agreement) once every Business Day.

(g) Upon the occurrence and during the continuance of an Event of Default, Lender may, in addition to any and all other rights and remedies available to Lender, direct Clearing Bank to immediately pay over all funds on deposit in the Clearing Account to Lender and to apply any such funds to the payment of the Debt in any order in its sole discretion.

(h) Funds deposited into the Clearing Account shall not be commingled with other monies held by Borrower, Manager or Clearing Bank.

(i) Borrower shall not further pledge, assign or grant any security interest in the Clearing Account or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 financing statements, except those naming Lender as the secured party, to be filed with respect thereto.

(j) Borrower shall indemnify Lender and Clearing Bank and hold Lender and Clearing Bank harmless from and against any and all actions, suits, claims, demands, liabilities,

losses, actual damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against an Indemnified Party, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)), obligations and costs and expenses (including litigation costs and reasonable attorneys' fees and expenses) arising from or in any way connected with the Clearing Account, the Clearing Account Agreement or the performance of the obligations for which the Clearing Account was established (unless arising from the gross negligence or willful misconduct of Lender or Clearing Bank, as applicable).

2.7.2 Deposit Account.

(a) Lender shall establish and maintain a segregated Eligible Account (the “ **Deposit Account** ”) to be held by Deposit Bank in trust for the benefit of Lender, which Deposit Account shall be under the sole dominion and control of Lender. The Deposit Account shall be entitled “P1 Hudson MC Partners, LLC Deposit Acct FBO Jefferies LoanCore LLC, Lender,” or such other name as required by Lender from time to time. Lender will also establish subaccounts of the Deposit Account which shall at all times be Eligible Accounts (and may be ledger or book entry accounts and not actual accounts) (such subaccounts are referred to herein as “ **Subaccounts** ”). Borrower (i) hereby grants to Lender a first priority security interest in the Deposit Account and the Subaccounts and all deposits at any time contained therein and the proceeds thereof, and (ii) will take all actions necessary to maintain in favor of Lender a perfected first priority security interest in the Deposit Account and the Subaccounts, including, without limitation, filing or authorizing Lender to file UCC-1 financing statements and continuations thereof. Borrower will not in any way alter, modify or close the Deposit Account and will notify Lender of the account number thereof. Lender and Servicer shall have the sole right to make withdrawals from the Deposit Account and the Subaccounts and all costs and expenses for establishing and maintaining the Deposit Account and the Subaccounts shall be paid by Borrower. All monies now or hereafter deposited into the Deposit Account and the Subaccounts shall be deemed additional security for the Debt.

(b) Provided no Event of Default shall have occurred and be continuing, on each Payment Date (or, if such Payment Date is not a Business Day, on the Business Day immediately following such date) all funds on deposit in the Deposit Account shall be applied by Lender (or by Deposit Bank at Lender's direction) to the payment of the following items in the order indicated:

(ii) First, payment to Lender (for deposit in the Tax and Insurance Reserve Subaccount) in respect of the Tax and Insurance Escrow Funds in accordance with the terms and conditions of Section 7.2 hereof, to be disbursed as set forth in this Agreement;

(iii) Second, payment to Deposit Bank of the fees and expenses of Deposit Bank then due and payable pursuant to the Cash Management Agreement;

(iv) Third, payment to Lender of the Monthly Debt Service Payment Amount, applied first to the payment of interest computed at the Interest Rate with the remainder applied to the reduction of the Outstanding Principal Balance;

(v) Fourth, payment to Lender (for deposit in the Replacement Reserve Subaccount) in respect of the Replacement Reserve Monthly Deposit in accordance with the terms and conditions of Section 7.3.1 hereof;

(vi) Fifth, payment to Lender of any other amounts then due and payable under the Loan Documents (other than the Outstanding Principal Balance);

(vii) Sixth, payment to Borrower in an amount equal to the aggregate of (A) operating expenses due and payable by Borrower during the succeeding month as set forth in the Approved Annual Budget, and (B) Extraordinary Expenses, if any, approved by Lender;

(viii) Seventh, payment to Lender (for deposit in the Clear Channel Reserve Subaccount) in respect of the Clear Channel Reserve Monthly Deposit, if any, in accordance with the terms and conditions of Section 7.5.1 hereof;

(ix) Eighth, payment to Lender (for deposit in the Warner Music Reserve Subaccount) in respect of the Warner Music Reserve Monthly Deposit, if any, in accordance with the terms and conditions of Section 7.6.1 hereof;

(x) Ninth, if a Cash Trap Period is then continuing, payment of all amounts then remaining after payment of items (i) through (viii) (all amounts then remaining after payment of items (i) through (viii) being hereinafter referred to as “ **Excess Cash** ”) to the Excess Cash Reserve Fund in accordance with the terms and conditions of Section 7.7 hereof; and

(xi) Lastly, if no Cash Trap Period is then continuing, all Excess Cash to Borrower (including any funds then held in the Borrower’s Subaccount).

(c) The insufficiency of funds on deposit in the Deposit Account shall not relieve Borrower of the obligation to make any payments, as and when due pursuant to this Agreement and the other Loan Documents, and such obligations shall be separate and independent, and not conditioned on any event or circumstance whatsoever.

(d) Notwithstanding Section 2.7.2(b) above, following the occurrence of an Event of Default and during the continuance thereof, all funds on deposit in the Deposit Account may be applied by Lender in such order and priority as Lender shall determine in its sole discretion until the Debt has been paid in full.

(e) Borrower hereby agrees to reasonably cooperate with Lender with respect to any requested modifications to the Cash Management Agreement for the purpose of establishing additional sub-accounts in connection with any payments otherwise required under this Agreement and the other Loan Documents.

2.7.3 Payments Prior to Cash Management Period. Prior to any Cash Management Period, on each Payment Date, Borrower shall cause the amounts described in

Section 2.7.2(b)(i) through (viii) to be paid to Lender in accordance with the terms and provisions of the Loan Documents.

2.7.4 Payments Received Under the Cash Management Agreement. Notwithstanding anything to the contrary contained in this Agreement and the other Loan Documents, and provided no Event of Default has occurred and is continuing, Borrower's obligations with respect to the payment of the Monthly Debt Service Payment Amount and amounts required to be deposited into the Reserve Funds shall be deemed satisfied to the extent sufficient amounts are deposited in the Deposit Account to satisfy such obligations on the dates each such payment is required, regardless of whether any of such amounts are so applied by Lender.

ARTICLE III.

EXCULPATION

Section 3.1 Exculpation.

(h) Subject to the qualifications below, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in the Note, this Agreement, the Security Instrument or the other Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under the Note, this Agreement, the Security Instrument and the other Loan Documents, or in the Property, the Rents, or any other collateral given to Lender pursuant to the Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Rents and in any other collateral given to Lender, and Lender, by accepting the Note, this Agreement, the Security Instrument and the other Loan Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding under, or by reason of, or in connection with, the Note, this Agreement, the Security Instrument or the other Loan Documents. The provisions of this Section 3.1 shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Security Instrument; (c) affect the validity or enforceability of or any Guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases; or (f) constitute a prohibition against Lender seeking a deficiency judgment against Borrower in order to fully realize the security granted by the Security Instrument or commencing any other appropriate action or proceeding in order for Lender to exercise its remedies against the Property.

(i) Nothing contained herein shall in any manner or way release, affect or impair the right of Lender to recover, and Borrower shall be fully and personally liable and subject to legal action, for any losses, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against Lender, and other

than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes), costs, expenses, liabilities (including, without limitation, strict liability), claims, obligations, settlement payments, penalties, fines, assessments, citations, litigation, demands, defenses, judgments, suits, proceedings or other expenses of any kind whatsoever incurred or suffered by Lender (including reasonable attorneys' fees and expenses and court costs) arising out of or in connection with the following:

- (i) fraud or intentional misrepresentation by or on behalf of Borrower, Guarantor, or any Affiliate of any of them in connection with the Loan or the Property;
- (ii) willful misconduct of Borrower, Guarantor or any Affiliate of any of them in connection with the Loan or the Property;
- (iii) breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity, the Loan Agreement or the Security Instrument concerning Environmental Statutes or Hazardous Substances;
- (iv) intentional physical waste of the Property by any Restricted Party;
- (v) the intentional removal or disposal of any portion of the Property after an Event of Default by Borrower, Guarantor, or any Affiliate of either of the foregoing entities;
- (vi) breach of any Legal Requirement (including RICO) mandating the forfeiture by Borrower of the Property, or any portion thereof, because of the conduct or purported conduct of criminal activity by Borrower or any Restricted Party in connection therewith;
- (vii) any misrepresentation, misleading or incorrect certification or breach of any representation, warranty or certification contained in this Agreement or any other Loan Document or in any document executed in connection therewith, pursuant to any of the Loan Documents or otherwise to induce Lender to make the Loan, or any advance thereof, or to release monies from any account held by Lender (including any reserve or escrow) or to take other action with respect to the Collateral;
- (viii) misapplication, misappropriation or conversion by or on behalf of Borrower of (A) any Insurance Proceeds, (B) any Awards, (C) any Rents, (D) any Rents paid more than one (1) month in advance, or (E) any other monetary collateral for the Loan;
- (ix) failure to pay charges for Taxes, Other Charges, labor or materials or judgments that can create Liens on any portion of the Property, unless such charges are the subject of a bona fide dispute in which Borrower is contesting the amount or validity thereof in accordance with the terms of this Agreement; provided, however, there shall be no recourse liability pursuant to this clause (ix) for any losses of Lender first arising after the Applicable Date (as defined below) to the extent (a) such loss arises due to the failure of the Property

to produce sufficient cash flow to pay for such amounts, and (b) there are insufficient funds in the applicable Reserve Subaccount to pay such amounts;

(x) failure to deliver to Lender any security deposits, advance deposits or any other deposits collected with respect to the Property upon a foreclosure of the Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof;

(xi) failure by Borrower to obtain and maintain, from time to time, the fully paid for insurance policies in accordance with the terms hereof; provided, however, there shall be no recourse liability pursuant to this clause (xi) for any losses of Lender first arising after the Applicable Date (as defined below) to the extent (a) such loss arises due to the failure of the Property to generate sufficient income to maintain the insurance policies required by this Agreement in force and (b) there are insufficient funds in the applicable Reserve Subaccount to pay the premiums for such insurance policies;

(xii) Any Restricted Party shall contest, or direct any other Person to contest, the validity or enforceability of any Loan Document or any portion thereof, or the Lender's security interest in the Property and/or shall assert any defense or take any action for the purpose of delaying, hindering or impairing Lender's enforcement of its rights or remedies under Loan Documents or the realization on any security provided for the Loan, other than a successful good faith assertion of a defense of full payment and/or full performance of an Obligation;

(xiii) Borrower failing to comply (other than a failure described in Section 3.1(c)(H) of this Agreement) with any representation, warranty or covenant set forth in Section 4.1.30 of this Agreement or failure by Borrower to maintain its status as a Special Purpose Entity (unless such failure is de minimis and promptly cured), as required by, and in accordance with, the terms and provisions of the Loan Agreement or the Security Instrument; provided, however, that notwithstanding the foregoing, there shall be no liability to Borrower resulting from Borrower's failure to comply with clause (xxxiv) of the definition of Special Purpose Entity as set forth herein, solely to the extent there is insufficient cash flow from the Property to pay the taxes required to be paid by Borrower pursuant to such clause (xxxiv); or

(xiv) Borrower's indemnifications of Lender set forth in Section 9.2 of this Agreement.

As used in clauses (ix) and (xi) above, "**Applicable Date**" shall mean the date on which (A) Borrower tenders to Lender (whether or not Lender accepts such tender) an unconditional deed-in-lieu of foreclosure for the Property together with evidence reasonably satisfactory to Lender that (i) there are no Liens on the Property that do not constitute Permitted Encumbrances and (ii) the Property is in compliance with the Environmental Indemnity, or (B) Lender acquires title to the Property through completion of a foreclosure action and Borrower has surrendered possession of the Property to Lender.

(j) Notwithstanding anything to the contrary in this Agreement, the Note or any of the Loan Documents, (i) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the Debt secured by the Security Instrument or to require that all collateral shall continue to secure all of the Obligations in accordance with the Loan Documents, and (ii) Borrower shall be personally liable for the payment of the Debt in the event of: (A) Borrower or Guarantor filing a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law; (B) the filing of an involuntary petition against Borrower or Guarantor under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, in which any Restricted Party (by way of example, but not limitation, such Person seeks the appointment of a receiver or files a bankruptcy petition), consents to, aids, solicits, supports, or otherwise cooperates or colludes to cause such condition or event; (C) any Restricted Party filing an answer consenting to or otherwise acquiescing or joining in any involuntary petition filed against Borrower or Guarantor, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (D) any Restricted Party consenting to or otherwise acquiescing or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for Borrower or any portion of the Property; (E) Borrower or Guarantor making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding (unless failure to make such admission would be a violation of law), its insolvency or inability to pay its debts as they become due; (F) Borrower failing to obtain Lender's prior written consent to any Indebtedness or voluntary Lien encumbering the Property as required by this Agreement or the Security Instrument; (G) Borrower failing to obtain Lender's prior written consent to any Transfer, as required by this Agreement or the Security Instrument; (H) (i) Borrower failing to comply with any representation, warranty or covenant set forth in Section 4.1.30 hereof or failing to maintain its status as a Single Purpose Entity, as required by, and in accordance with, the terms and provisions of this Agreement or the Security Instrument, and (ii) the substantive consolidation of Borrower or the Property into the bankruptcy estate of another Person; provided, however, that notwithstanding the foregoing, there shall be no liability to Borrower resulting from Borrower's failure to comply with clause (xxxiv) of the definition of Special Purpose Entity as set forth herein, solely to the extent there is insufficient cash flow from the Property to pay the taxes required to be paid by Borrower pursuant to such clause (xxxiv), or (I) the first Monthly Debt Service Payment Amount is not paid when due.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.1 Borrower Representations. As used in this Section 4.1, "knowledge" as it pertains to Borrower, shall not include any knowledge garnered by Borrower solely (i) constructively, or (ii) through imputation. Borrower represents and warrants as of the date hereof that:

4.1.6 Organization. Borrower has been duly organized and is validly existing and in good standing with requisite power and authority to own its properties and to transact the business in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, businesses and operations. Borrower possesses all rights, licenses, permits and

authorizations, governmental or otherwise, necessary to entitle it to own its properties and to transact the businesses in which it is now engaged, and the sole business of Borrower is the ownership, management and operation of the Property. The ownership interests of Borrower are as set forth on the organizational chart attached hereto as Schedule III. Borrower (a) has complied in all material respects with its certificate of formation and limited liability company operating agreement, as applicable; (b) has maintained complete books and records and bank accounts separate from those of its Affiliates; (c) has obeyed all limited liability company formalities required to maintain its status as, and at all times has held itself out to the public as, a legal entity separate and distinct from any other entity (including, but not limited to, any Affiliate thereof); and (d) has all requisite limited liability company and other power and authority to conduct its business and to own its property, as now conducted or owned, and as contemplated by this Agreement, including, without limitation, the power and authority to do business in the state in which the Property is located. The signatory hereto has all necessary power, authority and legal right to execute this Agreement, the Note and the other Loan Documents on Borrower's behalf to which Borrower is a party. Guarantor has the necessary limited liability company power, authority and legal right to execute, deliver and perform its obligations under the Guaranty.

4.1.7 Proceedings. Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents. This Agreement and the other Loan Documents have been duly executed and delivered by or on behalf of Borrower and constitute the legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.1.8 No Conflicts. The execution, delivery and performance of this Agreement and the other Loan Documents by Borrower and/or Guarantor, as applicable, will not conflict with or result in a material breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Lien, charge or encumbrance (other than pursuant to the Loan Documents) upon any of the property or assets of Borrower pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement or other material agreement or instrument to which Borrower is a party or by which any of Borrower's property or assets is subject, nor will such action result in any material violation of the provisions of any Legal Requirements of any Governmental Authority having jurisdiction over Borrower or any of Borrower's properties or assets, and any consent, approval, authorization, order, registration or qualification of or with any court or any such Governmental Authority required for the execution, delivery and performance by Borrower and/or Guarantor, as applicable, of this Agreement or any other Loan Documents has been obtained and is in full force and effect.

4.1.9 Litigation. There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority or other agency now pending or, to Borrower's knowledge, threatened in writing against or affecting Borrower, Guarantor or the Property, which

actions, suits or proceedings, if determined against Borrower, Guarantor or the Property, would materially adversely affect the condition (financial or otherwise) or business of Borrower, Guarantor or the condition or ownership of the Property.

4.1.10 Agreements. Borrower is not a party to any agreement or instrument or subject to any restriction which is reasonably likely to materially and adversely affect Borrower or the Property, or Borrower's business, properties or assets, operations or condition, financial or otherwise. Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower or the Property are bound. Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which Borrower is a party or by which Borrower or the Property is otherwise bound, other than (a) any obligations incurred in the ordinary course of the operation of the Property as permitted pursuant to clause (xvi) of the definition of "Special Purpose Entity" set forth in Section 1.1 hereof, and (b) the obligations under the Loan Documents.

4.1.11 Title. Borrower has good, marketable and insurable fee simple title to the real property comprising part of the Property and good title to the balance of the Property, free and clear of all Liens whatsoever except the Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. The Permitted Encumbrances in the aggregate do not materially and adversely affect the value, operation or use of the Property (as currently used) or Borrower's ability to repay the Loan. The Security Instrument and the Assignment of Leases, when properly recorded in the appropriate records, together with any UCC-1 financing statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on the Property, subject only to Permitted Encumbrances and the Liens created by the Loan Documents, and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. To Borrower's knowledge, there are no claims for payment for work, labor or materials affecting the Property which are or may become a Lien prior to, or of equal priority with, the Liens created by the Loan Documents.

4.1.12 Solvency. Borrower has (a) not entered into the transaction contemplated by this Agreement or executed the Note, this Agreement or any other Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under such Loan Documents. After giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and will, immediately following the making of the Loan, be greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted

or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts and liabilities as they mature (taking into account the timing and amounts of cash to be received by Borrower and the amounts to be payable on or in respect of the obligations of Borrower). No Bankruptcy Action exists against Borrower, and Borrower has never been a party to a Bankruptcy Action. Borrower is not contemplating either a Bankruptcy Action or the liquidation of all or a major portion of Borrower's assets or properties, and Borrower has no knowledge of any Person contemplating the filing of any petition against it.

4.1.13 Intentionally Omitted.

4.1.14 No Plan Assets. Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA or Section 4975 of the Code, and none of the assets of Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101. In addition, (a) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA, (b) transactions by or with Borrower are not subject to any state statute or regulation regulating investments of, or fiduciary obligations with respect to, governmental plans (within the meaning of Section 3(32) of ERISA), in any case, which is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code currently in effect, which prohibit or otherwise restrict the transactions contemplated by this Agreement, and (c) none of Borrower, Guarantor or their ERISA Affiliates is at the date hereof, or has been at any time within the two years preceding the date hereof, an employer required to contribute to any Multiemployer Plan or any Pension Plan, or a "contributing sponsor" (as such term is defined in Section 4001 of ERISA) in any Multiemployer Plan or Pension Plan; and none of Borrower, Guarantor or any ERISA Affiliate has any contingent liability with respect to any post-retirement "welfare benefit plan" (as such term is defined in ERISA) except as disclosed to the Lender in writing.

4.1.15 Compliance. Borrower and the Property (including the use thereof) comply in all material respects with all applicable Legal Requirements, including, without limitation, building and zoning ordinances and codes. Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority. There has not been committed by Borrower, or, to Borrower's knowledge, any other Person in occupancy of or involved with the operation or use of the Property, any act or omission affording any Governmental Authority the right of forfeiture as against the Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents. Neither the Improvements as constructed, nor the use of the Property by Tenants pursuant to the terms of the Leases, will violate in any material respects (a) any Legal Requirements (including subdivision, zoning, building, environmental protection and wetland protection Legal Requirements), or (b) any building permits, restrictions or records, or material agreements affecting the Property or any part thereof. Neither the zoning authorizations, approvals or variances nor any other right to construct or to use the Property is to any extent dependent upon or related to any real estate other than the Property, except as may be disclosed in any Permitted Encumbrance.

4.1.16 Financial Information. All financial data with respect to the Property and Guarantor, including, without limitation, the statements of cash flow and income and operating expense, that have been delivered by, on behalf of or at the direction of Lender or Guarantor to Lender in connection with the Loan (a) are true, complete and correct in all material respects as of the date thereof, (b) accurately represent the financial condition of the Property and Guarantor as of the date of such reports, and (c) to the extent prepared or audited by an independent certified public accounting firm, have been prepared in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) throughout the periods covered, except as disclosed therein. Except for Permitted Encumbrances, Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and reasonably likely to have a materially adverse effect on the Property or the operation thereof as an office building, except as referred to or reflected in said financial statements. Since the date of such financial statements, there has been no Material Adverse Change in the financial condition, operation or business of Borrower or Guarantor from that set forth in said financial statements.

4.1.17 Condemnation. No Condemnation or other similar proceeding has been commenced or, to Borrower's knowledge, is threatened or contemplated with respect to all or any portion of the Property or for the relocation of any roadway providing access to the Property.

4.1.18 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by any Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

4.1.19 Utilities and Public Access. The Property has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Property are located either in the public right-of-way abutting the Property (which are connected so as to serve the Property without passing over other property) or in recorded easements serving the Property and such easements are set forth in and insured by the Title Insurance Policy. All roads necessary for the use of the Property for its current purpose have been completed and dedicated to public use and accepted by all Governmental Authorities. There is no on-site sewage disposal system and the Property is served by a sewer system maintained by a Governmental Authority or property owners association.

4.1.20 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

4.1.21 Separate Lots. The Property is comprised of one (1) or more parcels which constitute a separate tax lot or lots and does not constitute a portion of any other tax lot not a part of the Property.

4.1.22 Assessments. There are no pending or, to Borrower's knowledge, proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to the Property that may result in such special or other assessments.

4.1.23 Enforceability. The Loan Documents are enforceable by Lender (or any subsequent holder thereof) in accordance with their respective terms, subject to principles of equity and bankruptcy, insolvency and other laws generally applicable to creditors' rights and the enforcement of debtors' obligations. The Loan Documents are, as of the Closing Date, not subject to any right of rescission, set-off, counterclaim or defense by Borrower or Guarantor, including the defense of usury, and Borrower and Guarantor have not asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

4.1.24 No Prior Assignment. There are no prior assignments of the Leases or any portion of the Rents due and payable or to become due and payable which are presently outstanding.

4.1.25 Insurance. Borrower has obtained and has delivered to Lender certified copies of all Policies, with all premiums paid thereunder, reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. No claims have been made or are currently pending, outstanding or otherwise remain unsatisfied under any such Policies, and no Person, including Borrower, has done, by act or omission, anything which would materially adversely impair the coverage of any such Policies.

4.1.26 Use of Property. The Property is used exclusively as a office building, television studio and production facility, amenity retail and other appurtenant and related uses.

4.1.27 Certificate of Occupancy; Licenses. All certifications, permits, licenses and approvals required to be maintained by Borrower or with respect to the Property, including without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Property as an office building (collectively, the "**Licenses**"), have been obtained and are in full force and effect (or, in connection with tenant or capital improvements at the Property after the date hereof, will be obtained). Borrower shall keep and maintain all Licenses necessary for the operation of the Property as a office building. The use being made of the Property is in conformity with the certificate of occupancy issued for the Property.

4.1.28 Flood Zone. None of the Improvements on the Property are located in an area as identified by the Federal Emergency Management Agency as an area having special flood hazards or, if so located, the flood insurance required pursuant to Section 6.1(a)(i) hereof is in full force and effect with respect to the Property.

4.1.29 Physical Condition. Except as may be disclosed in any environmental, property condition, title, zoning or other report respecting the Property received by Lender, the Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems,

electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components are in good condition, order and repair in all material respects. Except as may be disclosed in any environmental, property condition, title, zoning or other report respecting the Property received by Lender, there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

4.1.30 Boundaries. Except as may be disclosed in the Survey delivered prior to the Closing Date, all of the Improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances upon the Property encroach upon any of the Improvements, so as to adversely affect the value or marketability of the Property except those easements or other encumbrances with respect to which the Title Insurance Policy insures against any losses resulting therefrom.

4.1.31 Leases. The Property is not subject to any Leases other than the Leases described on the rent roll attached at Schedule I. Borrower is the owner and lessor of landlord's interest in the Leases. No Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases or the REA. The current Leases are in full force and effect and there are no defaults thereunder by Borrower, or to Borrower's knowledge, any Tenant and, to Borrower's knowledge, there are no conditions that, with the passage of time or the giving of notice, or both, would constitute defaults thereunder. The copies of the Leases and any related guaranty (including all amendments thereto) delivered to Lender are accurate, true and complete, and there are no oral agreements with respect thereto. No Rent (other than security deposits, if any, listed on Schedule I) has been paid more than one (1) month in advance of its due date. Except as may be expressly identified in the rent roll delivered to Lender prior to the date hereof, or any tenant estoppel certificate received by Lender prior to the date hereof, all work to be performed by the landlord under each Lease has been performed as required in such Lease and has been accepted by the applicable Tenant, and any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by the landlord under such Lease to any Tenant has already been received by such Tenant. There has been no prior sale, transfer or assignment, hypothecation or pledge of any Lease or of the Rents received therein which is still in effect. Except as listed on Schedule I, to Borrower's knowledge, no Tenant has assigned its Lease or sublet all or any portion of the premises demised thereby, no such Tenant holds its leased premises under assignment or sublease, nor does anyone except such Tenant and its employees occupy such leased premises. Except as may be expressly identified in the rent roll delivered to Lender prior to the date hereof, or any tenant estoppel certificate received by Lender prior to the date hereof, no Tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the Property of which the leased premises are a part. No Tenant under any Lease has any right or option for additional space in the Improvements.

4.1.32 Intentionally omitted.

4.1.33 Principal Place of Business; State of Organization. Borrower's principal place of business as of the date hereof is the address set forth in the introductory paragraph of this Agreement. Borrower is organized under the laws of the State of Delaware and its organizational identification number is 5228710.

4.1.34 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the transfer of the Property to Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the execution, delivery, recordation, filing, registration or perfection of any of the Loan Documents, including, without limitation, the Security Instrument, have been paid or are being paid simultaneously herewith.

4.1.35 Special Purpose Entity/Separateness.

(a) Since the Borrower's formation and until the Debt has been paid in full, Borrower hereby represents, warrants and covenants that Borrower has been, is, shall be and shall continue to be a Special Purpose Entity.

(b) The representations, warranties and covenants set forth in Section 4.1.30(a) shall survive for so long as any amount remains payable to Lender under this Agreement or any other Loan Document.

(c) Any and all of the stated facts and assumptions made in any Insolvency Opinion with respect to each Restricted Party, including, but not limited to, any exhibits attached thereto are on the date hereof and shall be true and correct in all material respects, and Borrower has and will comply with all of the stated facts and assumptions made with respect to it in any Insolvency Opinion. Each entity other than Borrower with respect to which an assumption is made or a fact stated in any Insolvency Opinion will have complied and will comply with all of the assumptions made and facts stated with respect to it in any such Insolvency Opinion; provided, however that Borrower shall not be required, pursuant to this Section 4.1.30(c) to have had an Independent Director prior to the date hereof. Borrower covenants that in connection with any Additional Insolvency Opinion delivered in connection with this Agreement it shall provide an updated certification regarding the compliance of Borrower and each Restricted Party with the facts and assumptions made therein.

(d) Borrower covenants and agrees that Borrower shall provide Lender with two (2) Business Days' prior written notice prior to the removal of an Independent Director of Borrower.

4.1.36 Management Agreement. The Management Agreement is in full force and effect and there is no monetary or material non-monetary default thereunder by any party thereto

and, to Borrower's knowledge, no event has occurred that, with the passage of time and/or the giving of notice would constitute a default thereunder.

4.1.37 Illegal Activity. No portion of the Property has been or will be purchased with proceeds of any illegal activity.

4.1.38 No Change in Facts or Circumstances; Disclosure. All information submitted by Borrower to Lender including, but not limited to, all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan or in satisfaction of the terms thereof and all statements of fact made by Borrower in this Agreement or in any other Loan Document, are accurate, complete and correct in all material respects and no such statement of fact omits any material fact necessary to make statements contained herein or therein not misleading. There has been no material adverse change in any condition, fact, circumstance or event that would make any such information inaccurate, incomplete or otherwise misleading in any material respect or that otherwise materially and adversely affects or might materially and adversely affect the use, operation or value of the Property or the business operations and/or the financial condition of Borrower or Guarantor. Borrower and Guarantor have disclosed to Lender all material facts and have not failed to disclose any material fact that could reasonably be expected to (i) cause any Provided Information or representation or warranty made herein to be materially misleading, or (ii) materially adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower or Guarantor.

4.1.39 Investment Company Act. Borrower is not (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 2005, as amended; or (c) subject to any other Federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

4.1.40 Embargoed Person. As of the date hereof and at all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, (a) none of the funds or other assets of Borrower and Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person; (b) no Embargoed Person has any interest of any nature whatsoever in Borrower or Guarantor, as applicable, with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower or Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Borrower makes no covenant or agreement under this Section 4.1.35 with respect to any Person whose indirect ownership of Borrower derives solely from (i) ownership (whether direct or indirect) of stock in Hudson Pacific Properties, Inc., provided such stock is listed on the New York Stock Exchange or any other nationally recognized stock exchange or (ii) indirect ownership of a limited partnership interest in Hudson Pacific Properties, L.P. solely to the extent that Hudson Pacific Properties,

Inc. does not have the right, pursuant to its organizational documents as same exist on the date hereof, to consent to such Person's indirect ownership of such limited partnership interest.

4.1.41 Deposit Account.

(a) This Agreement, together with the other Loan Documents, creates a valid and continuing security interest (as defined in the UCC) in the Clearing Account and Deposit Account in favor of Lender, as and when each such account may be established, which security interest is prior to all other Liens, other than Permitted Encumbrances, and is enforceable as such against creditors of and purchasers from Borrower. Other than in connection with the Loan Documents and except for Permitted Encumbrances, Borrower has not sold, pledged, transferred or otherwise conveyed its interest in the Clearing Account and Deposit Account;

(b) Each of the Clearing Account and Deposit Account shall constitute a "deposit accounts" within the meaning of the UCC;

(c) Clearing Bank is only required to comply with the instructions of Lender, without any further consent by Borrower, directing disposition of the Clearing Account and all sums at any time held, deposited or invested therein, together with any interest or other earnings thereon, and all proceeds thereof (including proceeds of sales and other dispositions), whether accounts, general intangibles, chattel paper, deposit accounts, instruments, documents or securities;

(d) the Clearing Account and Deposit Account are not held in the name of any Person other than Borrower, as pledgor, for the benefit of Lender, as secured party; and

(e) The Property is not subject to any cash management system (other than pursuant to the Loan Documents), and any and all existing tenant instruction letters issued in connection with any previous financing have been duly terminated prior to the date hereof.

4.1.42 Filing of Returns. Borrower and Guarantor have filed all Federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and have paid all material taxes and assessments payable by it that have become due, other than those not yet delinquent and except for those being contested in good faith. Borrower and Guarantor have each established on its books such charges, accruals and reserves in respect of taxes, assessments, fees and other governmental charges for all fiscal periods as are required by sound accounting principles consistently applied. Neither Borrower nor Guarantor knows of any proposed assessment for additional Federal, foreign or state taxes for any period, or of any basis therefor, that, individually or in the aggregate, taking into account such charges, accruals and reserves in respect thereof as such Person has made, could reasonably be expected to cause a Material Adverse Change with respect to Borrower, Guarantor or the Property.

4.1.43 REA. Borrower hereby represents and warrants to Lender with respect to the REA:

(a) Borrower is a party to the REA and the REA is in full force and effect and has not been amended or modified and Borrower's interest therein has not been assigned pursuant

to any assignment which survives the Closing Date except the assignment to Lender pursuant to the Loan Documents.

(b) Borrower is not in default under the REA and, to the best of Borrower's knowledge, (i) no other party to the REA is in default thereunder and (ii) there is no existing condition which, but for the passage of time or the giving of notice or both, could result in a default under the REA.

Section 4.2 Survival of Representations. Borrower agrees that all of the representations and warranties of Borrower set forth in Section 4.1 and elsewhere in this Agreement and in the other Loan Documents shall survive for so long as any amount remains owing to Lender under this Agreement or any of the other Loan Documents by Borrower provided such representations and warranties shall not survive the indefeasible repayment in full of the Debt. All representations, warranties, covenants and agreements made in this Agreement or in the other Loan Documents by Borrower shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE V.

BORROWER COVENANTS

Section 5.1 Affirmative Covenants. From the date hereof and until payment and performance in full of all Obligations, Borrower hereby covenants and agrees with Lender that:

5.1.4 Existence; Compliance with Legal Requirements. Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all Legal Requirements applicable to Borrower and the Property. There shall never be committed by Borrower, and Borrower shall not permit any other Person in occupancy of or involved with the operation or use of the Property to commit, any act or omission affording any Governmental Authority the right of forfeiture against the Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents. Borrower should not commit, knowingly permit or suffer to exist any act or omission affording such right of forfeiture. Borrower shall at all times maintain, preserve and protect all franchises and trade names, preserve all the remainder of its property used or useful in the conduct of its business as currently conducted, and shall keep the Property in good working order and repair, and from time to time make, or cause to be made, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto, all as more fully provided in the Security Instrument and this Agreement. Borrower shall keep the Property insured at all times by financially sound and reputable insurers, to such extent and against such risks, and maintain liability and such other insurance, as is more fully provided in this Agreement. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding promptly initiated and conducted in good faith and with due diligence, the validity of any Legal Requirement, the applicability of any Legal Requirement to Borrower or the Property or any alleged violation of any Legal

Requirement, provided, that: (a) no Default or Event of Default has occurred and remains uncured; (b) such proceeding shall be permitted under, and be conducted in accordance with, the provisions of any instrument to which Borrower is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all applicable statutes, laws and ordinances; (c) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (d) Borrower shall, upon final determination thereof, promptly comply with any such Legal Requirement determined to be valid or applicable or cure any violation of any Legal Requirement; (e) such proceeding shall suspend the enforcement of the contested Legal Requirement against Borrower and the Property, if applicable, or Borrower shall have complied with such Legal Requirement under protest, or the time to comply with such Legal Requirement shall otherwise not have expired; and (f) Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure compliance with such Legal Requirement, together with all interest and penalties payable in connection therewith. Lender may apply any such security, as necessary to cause compliance with such Legal Requirement at any time when, in the reasonable judgment of Lender, the validity, applicability or violation of such Legal Requirement is finally established or the Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost.

5.1.5 Taxes and Other Charges. Borrower shall pay, or shall cause its Tenant(s) to pay (to the extent any Tenant is obligated to make such payments under its Lease) all Taxes and Other Charges now or hereafter levied or assessed or imposed against the Property, or any part thereof, prior to delinquency; provided, however, Borrower's obligation to directly pay Taxes shall be suspended for so long as Borrower complies with the terms and provisions of Section 7.2 hereof. Borrower will deliver to Lender receipts for payment or other evidence satisfactory to Lender that the Taxes and Other Charges have been so paid or are not then delinquent no later than ten (10) days prior to the date on which the Taxes and/or Other Charges would otherwise be delinquent if not paid; provided, however, Borrower is not required to furnish such receipts for payment of Taxes in the event that such Taxes have been paid by Lender pursuant to Section 7.2 hereof. Borrower shall not suffer and shall promptly cause to be paid and discharged any Lien or charge whatsoever which may be or become a Lien or charge against the Property, and shall promptly pay for all utility services provided to the Property, provided cash flow from the Property is made available to Borrower to do so, as and to the extent expressly required pursuant to the terms of this Agreement. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any Taxes or Other Charges, provided that (a) no Default or Event of Default has occurred and remains uncured; (b) such proceeding shall be permitted under, and be conducted in accordance with, the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all applicable statutes, laws and ordinances; (c) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (d) Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (e) such proceeding shall suspend the collection of such contested Taxes or Other Charges from the

Property (except that if such Taxes or Other Charges must be paid sooner in order to avoid being delinquent, then Borrower shall cause the same to be paid prior to delinquency, and upon making such payment prior to delinquency Borrower may continue such contest); and (f) Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon. Lender may pay over any such cash deposit or part thereof held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is established or the Property (or part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Security Instrument being primed by any related Lien.

5.1.6 Litigation. Borrower shall give prompt notice to Lender of any litigation or proceedings by any Governmental Authority pending or threatened in writing against Borrower and/or Guarantor which might materially adversely affect Borrower's or Guarantor's condition (financial or otherwise) or business or the Property.

5.1.7 Access to Property. Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice (which may be given verbally), subject to the rights of Tenants under Leases.

5.1.8 Notice of Default. Borrower shall promptly advise Lender of any Material Adverse Change in Borrower's or Guarantor's condition, financial or otherwise, of the occurrence of any Default or Event of Default of which Borrower has knowledge, or of the discovery by Borrower that any certification made by Borrower to Lender under the Loan Documents or any information furnished by Borrower pursuant to the Loan Document or with respect to the Loan is or has become incorrect or incomplete in any material respect.

5.1.9 Cooperate in Legal Proceedings. Borrower shall cooperate with Lender with respect to any proceedings before any court, board or other Governmental Authority of which Borrower has knowledge and which may adversely affect, in any material respect, the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

5.1.10 Perform Loan Documents. Borrower shall observe, perform and satisfy all the terms, provisions, covenants and conditions of, and shall pay when due all costs, fees and expenses to the extent required under the Loan Documents executed and delivered by, or applicable to, Borrower. Payment of the costs and expenses associated with any of the foregoing shall be in accordance with the terms and provisions of this Agreement, including, without limitation, the provisions of Section 10.13 hereof.

5.1.11 Award and Insurance Benefits. Except as expressly set forth to the contrary in Article VI hereof, Borrower shall cooperate with Lender in obtaining for Lender the benefits of any Awards or Insurance Proceeds lawfully or equitably payable in connection with the Property, and Lender shall be reimbursed for any expenses incurred in connection therewith

(including reasonable attorneys' fees and disbursements, and the payment by Borrower of the expense of an appraisal on behalf of Lender in case of Casualty or Condemnation affecting the Property or any part thereof) out of such Insurance Proceeds.

5.1.12 Further Assurances. Borrower shall, at Borrower's sole cost and expense:

(a) furnish to Lender all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, appraisals, title and other insurance reports and agreements, and each and every other document, certificate, agreement and instrument required to be furnished by Borrower pursuant to the terms of the Loan Documents or which are reasonably requested by Lender in connection therewith;

(b) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Obligations under the Loan Documents, as Lender may reasonably require; and

(c) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Agreement and the other Loan Documents, as Lender shall reasonably require from time to time. In furtherance hereof, Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of protecting, perfecting, preserving and realizing upon the interests granted pursuant to this Agreement and to effect the intent hereof, all as fully and effectually as Borrower might or could do; and Borrower hereby ratifies all that Lender shall lawfully do or cause to be done by virtue hereof; provided, however, that Lender agrees not to utilize such power of attorney for the purposes stated in the foregoing clause unless (i) Lender has requested that Borrower take an action or execute a document for the purposes stated in the foregoing clause and, after five (5) days, Borrower has failed to do so, (ii) an Event of Default has occurred and is continuing, or (iii) Lender reasonably believes its rights under any Loan Document or the Collateral or the value of the Collateral are under an imminent threat of being impaired. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other applicable Loan Document and in the case of any such loss, theft or destruction, a lost note affidavit, Borrower will issue, in lieu thereof, a replacement Note or other applicable Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

5.1.13 Mortgage Taxes. Borrower shall simultaneously herewith pay all state, county and municipal recording and all other taxes imposed upon the execution and recordation of the Security Instrument.

5.1.14 Financial Reporting.

(a) Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis in accordance with GAAP (or such other accounting basis selected by Borrower and reasonably acceptable to Lender), and the requirements of Regulation AB, proper

and accurate books, records and accounts reflecting all of the financial affairs of Borrower and all items of income and expense in connection with the operation of the Property. Lender shall have the right from time to time at all times during normal business hours upon reasonable notice (which may be verbal) to examine such books, records and accounts at the office of Borrower or any other Person maintaining such books, records and accounts and to make such copies or extracts thereof as Lender shall desire. After the occurrence of an Event of Default, Borrower shall pay any reasonable costs and expenses incurred by Lender to examine Borrower's accounting records with respect to the Property, as Lender shall reasonably determine to be necessary or appropriate in the protection of Lender's interest. Upon Lender's reasonable request, Borrower shall furnish to Lender such other information reasonably necessary and sufficient to fairly represent the financial condition of Borrower and the Property.

(b) Borrower will furnish to Lender annually, within ninety (90) days following the end of each Fiscal Year of Borrower, (x) a complete copy of the annual financials of Hudson Pacific Properties, Inc. audited by a "Big Four" accounting firm or other independent certified public accountant in accordance with GAAP (or such other accounting basis acceptable to Lender) and (y) Borrower's and Guarantor's annual financial statements certified as true and correct by the party providing such statements and prepared in accordance with GAAP (or such other accounting basis acceptable to Lender) and the requirements of Regulation AB covering the Property for such Fiscal Year and containing statements of profit and loss for Borrower, Guarantor and the Property and a balance sheet for Borrower and Guarantor. Such statements of Borrower shall set forth the financial condition and the results of operations for the Property for such Fiscal Year, and shall include, but not be limited to, amounts representing annual Net Cash Flow, Net Operating Income, Gross Income from Operations and Operating Expenses. Borrower's annual financial statements shall be accompanied by (i) a comparison of the budgeted income and expenses and the actual income and expenses for the prior Fiscal Year, (ii) solely to the extent such information is not provided through the rent roll delivered pursuant to Section 5.1.11(c)(i), a list of Tenants, if any, occupying more than twenty (20%) percent of the total floor area of the Improvements, (iii) solely to the extent such information is not provided through the rent roll delivered pursuant to Section 5.1.11(c)(i), a breakdown showing the year in which each Lease then in effect expires and the percentage of total floor area of the Improvements and the percentage of base rent with respect to which Leases shall expire in each such year, each such percentage to be expressed on both a per year and cumulative basis, (iv) solely to the extent such information is not provided through the financial statements delivered pursuant to this Section 5.1.11(b), a schedule detailing Net Operating Income and Net Cash Flow (the "**Net Cash Flow Schedule**"), and (v) an Officer's Certificate certifying that each annual financial statement fairly presents the financial condition and the results of operations of Borrower and the Property subject to such reporting, and that such financial statements have been prepared in accordance with GAAP and as of the date thereof whether there exists an event or circumstance which constitutes a Default or Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower, and if such Default or Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same. Guarantor's annual financial statements shall be accompanied by an Officer's Certificate certifying that each annual financial statement presents fairly the financial condition and the results of operations of Guarantor being reported upon and that such financial statements have been prepared in accordance with GAAP (or such other accounting basis acceptable to Lender) and

as of the date thereof whether there exists an event or circumstance which constitutes a Default or Event of Default under the Loan Documents executed and delivered by, or applicable to, Guarantor, and if such Default or an Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same.

(c) Borrower will furnish, or cause to be furnished, to Lender on or before forty-five (45) days after the end of each calendar quarter (*provided* , that, prior to a Securitization, Borrower will make good faith efforts to so furnish or cause to be furnished on or before twenty (20) days after the end of each calendar quarter), on a quarterly basis, the following items, accompanied by an Officer's Certificate stating that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Borrower and the Property in all material respects as of the date thereof (subject to normal year-end adjustments) as applicable: (i) a rent roll for the most recently completed calendar month or quarter, as applicable; (ii) monthly, quarterly and year-to-date operating statements (including Capital Expenditures) prepared for each calendar month or quarter, as applicable, noting Net Operating Income, Gross Income from Operations, and Operating Expenses, and, upon Lender's reasonable request, other information necessary and sufficient to fairly represent the financial position and results of operation of the Property during the most recently completed calendar month or quarter, as applicable, and, if requested in writing by Lender (which may be through electronic mail), containing a comparison of budgeted income and expenses and the actual income and expenses together with, at Lender's request, a detailed explanation of any variances of five percent (5%) or more between budgeted and actual amounts for such periods, all in form reasonably satisfactory to Lender; and (iii) a calculation reflecting the annual Debt Service Coverage Ratio as of the last day of the most recently completed month or quarter, as applicable. In addition, such Officer's Certificate shall also state that the representations and warranties of Borrower set forth in Section 4.1.30 are true and correct as of the date of such certificate and that there are no trade payables outstanding for more than sixty (60) days, other than trade payables which are currently being contested in accordance with the terms and provisions of this Agreement.

(d) For the partial year period commencing on the date hereof, and for each Fiscal Year thereafter, Borrower shall submit to Lender an Annual Budget not later than forty-five (45) days prior to the commencement of such period or Fiscal Year in form reasonably satisfactory to Lender, *provided* , that the Annual Budget for Fiscal Year 2012 (attached hereto as Schedule VIII) is approved as the initial Approved Annual Budget for (as defined herein) and the Annual Budget for Fiscal Year 2013 shall be submitted to Lender not later than thirty (30) days prior to the commencement of such Fiscal Year. The Annual Budget shall be subject to Lender's approval (each such Annual Budget, an "**Approved Annual Budget**"). In the event that Lender objects to a proposed Annual Budget submitted by Borrower which requires the approval of Lender hereunder, Lender shall advise Borrower of such objections within fifteen (15) days after receipt thereof (and deliver to Borrower a reasonably detailed description of such objections) and Borrower shall promptly revise such Annual Budget and resubmit the same to Lender. Lender shall advise Borrower of any objections to such revised Annual Budget within ten (10) days after receipt thereof (and deliver to Borrower a reasonably detailed description of such objections) and Borrower shall promptly revise the same in accordance with the process described in this subsection until Lender approves the Annual Budget. Until such time that Lender approves a proposed Annual Budget

which requires the approval of Lender hereunder, the most recently Approved Annual Budget shall apply; provided that, such Approved Annual Budget shall be adjusted to reflect actual increases in Taxes, Insurance Premiums and Other Charges.

(e) In the event that Borrower must incur an extraordinary Operating Expense or Capital Expenditure not set forth in the Approved Annual Budget (each an “**Extraordinary Expense**”), then Borrower shall promptly deliver to Lender a reasonably detailed explanation of such proposed Extraordinary Expense for Lender’s approval, not to be unreasonably withheld.

(f) If, at the time a Disclosure Document is being prepared for a Securitization, Lender expects that Borrower alone or Borrower and one or more Affiliates of Borrower collectively, or the Property alone or the Property and Related Properties collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request (i) the selected financial data or, if applicable, Net Operating Income for Borrower and the Property for the most recent fiscal year and interim period (or such longer period as may be required by Regulation S-K if the Loan is not treated as a non-recourse loan under Instruction 3 for Item 1101(k) of Regulation AB) meeting the requirements and covering the time periods specified in Section 301 of Regulation S-K and Item 1112 of Regulation AB, if Lender expects that the principal amount of the Loan together with any Related Loans as of the cut-off date for such Securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such Securitization and at any time during which the Loan and any Related Loans are included in a Securitization does, equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the Securitization, or (ii) the financial statements required under Item 1112(b)(2) of Regulation AB, if Lender expects that the principal amount of the Loan together with any Related Loans as of the cut-off date for such Securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such Securitization and at any time during which the Loan and any Related Loans are included in a Securitization does, equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the Securitization. Such financial data or financial statements shall be furnished to Lender (A) within ten (10) Business Days after notice from Lender in connection with the preparation of Disclosure Documents for the Securitization, (B) not later than forty-five (45) days after the end of each fiscal quarter of Borrower and (C) not later than seventy-five (75) days after the end of each fiscal year of Borrower; *provided, however*, that Borrower shall not be obligated to furnish financial data or financial statements pursuant to clauses (B) or (C) of this sentence with respect to any period for which a filing pursuant to the Exchange Act in connection with or relating to the Securitization (an “**Exchange Act Filing**”) is not required. If requested by Lender, Borrower shall use commercially reasonable efforts to furnish to Lender financial data and/or financial statements for any tenant of the Property if, in connection with a Securitization, Lender reasonably expects there to be, with respect to such tenant or group of Affiliated tenants, a concentration within all of the mortgage loans included or expected to be included, as applicable, in the Securitization such that such tenant or group of affiliated tenants would constitute a Significant Obligor. All financial data and financial statements provided by Borrower hereunder pursuant to this Section 5.1.11(f) shall be prepared in accordance with GAAP, and shall meet the requirements of Regulation S-K or Regulation S-X, as

applicable, Regulation AB and other applicable legal requirements. All financial statements referred to in this Section 5.1.11(f) hereof shall be reviewed by independent accountants of Borrower reasonably acceptable to Lender in accordance with Regulation AB, Regulation S-K or Regulation S-X, as applicable, and all other applicable legal requirements, shall be accompanied by the manually executed report of the independent accountants thereon, which report shall meet the requirements of Regulation S-K or Regulation S-X, as applicable, Regulation AB and all other applicable legal requirements, and shall be further accompanied by a manually executed written consent of the independent accountants, in form and substance reasonably acceptable to Lender, to the inclusion of such financial statements in any Disclosure Document and any Exchange Act Filing and to the use of the name of such independent accountants and the reference to such independent accountants as "experts" in any Disclosure Document and Exchange Act Filing, all of which shall be provided at the same time as the related financial statements are required to be provided. All financial data and financial statements (audited or unaudited) provided by Borrower under this Section 5.1.11(f) shall be accompanied by an Officer's Certificate, which certification shall state that such financial statements meet the requirements set forth in this Section 5.1.11(f). If requested by Lender, Borrower shall provide Lender, promptly upon request, with any other or additional financial statements, or financial, statistical or operating information, as Lender shall reasonably determine to be required pursuant to Regulation S-K or Regulation S-X, as applicable, Regulation AB or any amendment, modification or replacement thereto or other legal requirements in connection with any Disclosure Document or any Exchange Act filing in connection with or relating to a Securitization or as shall otherwise be reasonably requested by the Lender. In the event Lender determines, in connection with a Securitization, that the financial data and financial statements required in order to comply with Regulation S-K or Regulation S-X, as applicable, Regulation AB or any amendment, modification or replacement thereto or other legal requirements are other than as provided herein, then notwithstanding the provisions of this Section 5.1.11(f), Lender may request, and Borrower shall promptly provide, such other financial data and financial statements as Lender reasonably determines to be necessary or appropriate for such compliance.

(g) If reasonably requested by Lender, Borrower shall provide Lender, promptly upon request, a list of tenants (including all affiliates of such tenants) that in the aggregate (i) occupy 10% or more (but less than 20%) of the total floor area of the improvements or represent 10% or more (but less than 20%) of aggregate base rent, and (ii) occupy 20% or more of the total floor area of the improvements or represent 20% or more of aggregate base rent.

(h) Borrower shall furnish to Lender, within ten (10) Business Days after request (or as soon thereafter as may be reasonably possible), such further detailed information with respect to the operation of the Property and the financial affairs of Borrower as may be reasonably requested by Lender.

(i) Borrower shall furnish to Lender, within ten (10) Business Days after Lender's request (or as soon thereafter as may be reasonably possible), financial information from any Tenant designated by Lender (to the extent such financial and sales information is required to be provided under the applicable Lease and same is received by Borrower after request therefore).

(j) Any reports, statements or other information required to be delivered under this Agreement shall be delivered (i) in paper form, (ii) via electronic mail, FTP upload, website submission or any future commonly available technology reasonably acceptable to Lender and/or (iii) if reasonably requested by Lender and within the capabilities of Borrower's data systems without change or modification thereto, in electronic form and prepared using Microsoft Word for Windows or WordPerfect for Windows files (which files may be prepared using a spreadsheet program and saved as word processing files). Borrower agrees that Lender may disclose information regarding the Property and Borrower that is provided to Lender pursuant to this Section 5.1.11 in connection with any Securitization to such parties requesting such information in connection with such Securitization.

(k) Breach. If Borrower fails to provide to Lender or its designee any of the financial statements, certificates, reports or information (the "**Required Records**") required by this Section 5.1.11 within the applicable time periods set forth in this Section 5.1.11, Borrower shall pay to Lender, at Lender's option and in its discretion, an amount equal to \$5,000 for each Required Record that is not delivered within fifteen (15) days after written notice thereof; provided, however that (I) no payment shall be required in connection with the first failure to deliver any Required Record in a given calendar year, and (II) Borrower shall only be responsible for payment of the \$5,000 fine noted in the foregoing clause if the written notice required to be delivered from Lender to Borrower pursuant to the immediately preceding clause shall contain a bold-faced, conspicuous legend at the top of the first page thereof stating "**FINAL NOTICE: THIS IS A REQUEST FOR A REQUIRED RECORD UNDER THE LOAN BY JEFFERIES LOANCORE LLC TO P1 HUDSON MC PARTNERS, LLC. SUBJECT TO THE TERMS AND PROVISIONS OF THE LOAN AGREEMENT, IF YOU FAIL TO PROVIDE THE REFERENCED REQUIRED RECORD WITHIN FIFTEEN (15) DAYS, YOU MAY INCUR A MONETARY FINE IN THE AMOUNT OF \$5,000**". In addition, if Borrower fails to deliver any Required Records to Lender within the applicable time periods set forth in this Section 5.1.11, Lender shall have the option, upon fifteen (15) days' notice to Borrower, to gain access to Borrower's books and records, which, provided no Event of Default shall have occurred and be continuing, shall be during normal business hours, and prepare or have prepared at Borrower's expense, any Required Records not delivered by Borrower. In addition, it shall be an Event of Default if any of the following shall occur: (i) any failure of Borrower to provide to Lender any of the Required Records within the applicable time periods set forth in this Section 5.1.11, if such failure continues for fifteen (15) days after written notice thereof, or (ii) in the event any Required Records shall be materially inaccurate or false, or (iii) in the event of the failure of Borrower to permit Lender or its representatives to inspect said books, records and accounts upon request of Lender as required by this Section 5.1.11. Notwithstanding the foregoing, the time periods provided by this Section 5.1.11 (k) for delivery of any Required Record shall be extended day for day if (x) Lender has requested a Required Record which is not (A) identified with specificity in this Section 5.1.11, or (B) required to be delivered on a recurring basis, and (y) the information needed to deliver such Required Record is not reasonably accessible to Borrower within such fifteen (15) day period, in each case, for so long as Borrower is diligently pursuing such information.

5.1.15 Business and Operations. Borrower will continue to engage in the businesses presently conducted by it as and to the extent the same are necessary for the

ownership, maintenance, management and operation of the Property. Borrower will qualify to do business and will remain in good standing under the laws of each jurisdiction as and to the extent the same are required for the ownership, maintenance, management and operation of the Property.

5.1.16 Title to the Property. Borrower will warrant and defend (a) the title to the Property and every part thereof, subject only to Permitted Encumbrances, and (b) the validity and priority of the Lien of the Security Instrument and the Assignment of Leases, subject only to Permitted Encumbrances, in each case against the claims of all Persons whomsoever. Borrower shall reimburse Lender for any actual losses, costs, damages or expenses (including reasonable attorneys' fees and expenses, and court costs) incurred by Lender if an interest in the Property, other than as permitted hereunder, is claimed by another Person.

5.1.17 Costs of Enforcement. In the event (a) that the Security Instrument is foreclosed in whole or in part or that the Security Instrument is put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any mortgage prior to or subsequent to the Security Instrument in which proceeding Lender is made a party, or (c) of a Bankruptcy Action related to Borrower or an assignment by Borrower for the benefit of its creditors, Borrower, on behalf of itself and its successors and assigns, agrees that it/they shall be chargeable with and shall pay all costs of collection and defense, including attorneys' fees and expenses, and court costs, incurred by Lender or Borrower in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, together with all required service or use taxes.

5.1.18 Estoppel Statement.

(a) After written request by Lender, Borrower shall within ten (10) Business Days thereafter, furnish Lender with a statement, duly acknowledged and certified, setting forth (i) the original principal amount of the Loan, (ii) the Outstanding Principal Balance, (iii) the Interest Rate of the Loan, (iv) the date installments of interest and/or principal were last paid, (v) to Borrower's knowledge, any offsets or defenses to the performance of the Obligations, if any, and (vi) that the Note, this Agreement, the Security Instrument and the other Loan Documents are valid, legal and binding obligations of Borrower and have not been modified or if modified, giving particulars of such modification.

(b) Borrower shall use commercially reasonable efforts to deliver to Lender upon request, tenant estoppel certificates from each commercial Tenant leasing space at the Property in form and substance reasonably satisfactory to Lender; provided, however, that in the event, following Borrower's use of commercially reasonable efforts, it is unable to satisfy the foregoing clause of this Section 5.1.15(b), and provided that the applicable Lease proscribes a form of estoppel certificate the applicable tenant thereunder is obligated to provide, such form shall then be deemed satisfactory to Lender; and provided further, however, that Borrower shall not be required to deliver such certificates more frequently than one (1) time in any calendar year, other than any required in connection with a Securitization.

5.1.19 Loan Proceeds. Borrower shall use the proceeds of the Loan received by it on the Closing Date only for the purposes set forth in Section 2.1.4.

5.1.20 Performance by Borrower. Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document executed and delivered by, or applicable to, Borrower and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Loan Document executed and delivered by, or applicable to, Borrower without the prior written consent of Lender.

5.1.21 Confirmation of Representations. Borrower shall deliver, in connection with any Securitization, (a) one or more Officer's Certificates certifying as to the accuracy of all representations made by Borrower in the Loan Documents as of the date of the closing of such Securitization in all relevant jurisdictions, and (b) certificates of the relevant Governmental Authorities in all relevant jurisdictions indicating the good standing and qualification of Borrower as of the date of the Securitization.

5.1.22 No Joint Assessment. Borrower shall not suffer, permit or initiate the joint assessment of the Property (a) with any other real property constituting a tax lot separate from the Property, and (b) which constitutes real property with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to such real property portion of the Property.

5.1.23 Leasing Matters. Any Major Lease executed after the date hereof shall require the prior written consent of Lender, which consent shall not be unreasonably withheld. Upon reasonable request, Borrower shall furnish Lender with true, correct and complete executed copies of all Leases, amendments thereof and any related agreements. All renewals of Leases and all proposed Leases shall provide for rental rates comparable to existing local market rates. All proposed Leases shall be on commercially reasonable market rate terms and shall not contain any terms which would materially adversely affect Lender's rights under the Loan Documents. All Leases executed after the date hereof shall provide that they are subordinate to the Security Instrument and the Lien created thereby and that the Tenant thereunder agrees to attorn to Lender or any purchaser at a sale by foreclosure or power of sale. Borrower (a) shall observe and perform the material obligations imposed upon the lessor under the Leases in a commercially reasonable manner; (b) shall enforce and may amend or terminate the terms, covenants and conditions contained in the Leases upon the part of the Tenant thereunder to be observed or performed in a commercially reasonable manner and in a manner not to impair the value of the Property involved, except that Borrower shall not terminate or accept the of surrender by one or more Tenants of, Leases which, in the aggregate, demise ten percent (10%) or more of the net rentable square footage of the Property in any given calendar year, unless by reason of a Tenant default and then only in a commercially reasonable manner to preserve and protect the Property; provided, however, that no such termination or surrender of any Major Lease will be permitted without the prior written consent of Lender, not to be unreasonably withheld or unless such termination or surrender is specifically provided for in the Major Lease;

(c) shall not collect any of the Rents more than one (1) month in advance (other than security deposits required pursuant to such Lease); (d) shall not execute any other assignment of lessor's interest in the Leases or the Rents (except as contemplated by the Loan Documents); (e) shall not, except with Lender's prior written consent, not to be unreasonably withheld, materially alter, modify or change the terms of any Major Leases, or any other Lease, if, after modification such Lease would constitute a Major Lease, in a manner inconsistent with the provisions of the Loan Documents; and (f) shall execute and deliver at the request of Lender all such further assurances, confirmations and assignments in connection with the Leases as Lender shall from time to time reasonably require. Notwithstanding anything to the contrary contained herein, Borrower shall not enter into a Lease of all or substantially all of the Property without Lender's prior written consent. Notwithstanding anything to the contrary contained herein, all new Leases and all amendments, modifications, extensions, and renewals of existing Leases with Tenants that are Affiliates of Borrower shall be subject to the prior written consent of Lender, not to be unreasonably withheld. Lender shall have the right to require each new Tenant to execute and deliver to Lender a subordination, non-disturbance of possession and attornment agreement in form, content and manner of execution reasonably acceptable to Lender; provided, however, that in the event Lender has approved (or has been deemed to approve in accordance with the Loan Documents) a Lease and such Lease proscribes the form of estoppel certificate and/or subordination, non-disturbance and attornment agreement the applicable tenant thereunder is obligated to provide, such form shall be deemed satisfactory to Lender. So long as no Event of Default then exists, Lender's failure to respond to a request from Borrower for any approval under this Section 5.1.21 will be deemed Lender's approval of such matters, so long as the following conditions have been met:

(a) if the request for approval relates to approval of a Major Lease, such Major Lease does not contain a purchase option, right of first offer/refusal to purchase the Property or any part thereof or similar options to purchase the Property or any part thereof.

(b) the first correspondence from Borrower to Lender requesting such approval or consent is in an envelope marked " **PRIORITY** " and contains a bold-faced, conspicuous legend at the top of the first page thereof stating that " **FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY JEFFERIES LOANCORE LLC TO P1 HUDSON MC PARTNERS, LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN EIGHT (8) BUSINESS DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED** ", and is accompanied by all other information and documents reasonably requested by Lender in writing prior to the expiration of such eight (8) Business Day period in order to adequately review the same has been delivered;

(c) if Lender fails to respond or to deny such request for approval in writing within the eight (8) Business Day period described in (b), a second notice requesting approval is delivered to Lender from Borrower in an envelope marked " **PRIORITY** " containing a bold-faced, conspicuous legend at the top of the first page thereof stating that " **SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY JEFFERIES LOANCORE LLC TO P1 HUDSON MC PARTNERS, LLC. IF YOU FAIL TO PROVIDE A SUBSTANTIVE RESPONSE (E.G., APPROVAL, DENIAL OR REQUEST FOR**

CLARIFICATION OR MORE INFORMATION) TO THIS REQUEST FOR APPROVAL IN WRITING WITHIN FIVE (5) BUSINESS DAYS, YOUR APPROVAL SHALL BE DEEMED GIVEN ”; and

(d) Lender fails to respond or to deny such request for approval in writing within the five (5) Business Day period described in (c).

5.1.24 Alterations. Borrower shall obtain Lender’s prior written consent to any alterations to any Improvements, which consent shall not be unreasonably withheld except with respect to any alterations to any Improvements which are reasonably likely to have a material adverse effect on Borrower’s financial condition, the value of the Property or the Net Operating Income. Notwithstanding the foregoing, Lender’s consent shall not be required in connection with any alterations that will not have a material adverse effect on Borrower’s financial condition, the value of the Property or the Net Operating Income, provided that such alterations (a) are either work performed pursuant to the terms of any Lease approved or deemed approved in accordance with the terms hereof, or the costs for such alterations are adequately covered in the current Approved Annual Budget, (b) do not adversely affect any structural component of any Improvements, any utility or HVAC system contained in any Improvements or the exterior of any building constituting a part of any Improvements and (c) the aggregate cost thereof does not exceed Two Hundred Thousand and 00/100 Dollars (\$200,000), or (d) are performed in connection with Restoration after the occurrence of a Casualty in accordance with the terms and provisions of this Agreement. If the total unpaid amounts due and payable with respect to alterations to the Improvements at the Property (other than such amounts to be paid or reimbursed by Tenants under the Leases) shall at any time exceed One Million and 00/100 Dollars (\$1,000,000) (the “ **Threshold Amount** ”), Borrower shall promptly deliver to Lender, upon Lender’s written request, as security for the payment of such amounts and as additional security for the Obligations any of the following: (i) cash or U.S. Obligations or (ii) an irrevocable letter of credit (payable on sight draft only) issued by a financial institution (y) having a rating by S&P of not less than “A-1+” if the term of such bond or letter of credit is no longer than three (3) months or, if such term is in excess of three (3) months, issued by a financial institution having a rating that is acceptable to Lender, and (z) with respect to which each Approved Rating Agency has issued a Rating Agency Confirmation. Such security shall be in an amount equal to the excess of the total unpaid amounts with respect to alterations to the Improvements on the Property (other than such amounts to be paid or reimbursed by Tenants under the Leases) over the Threshold Amount and Lender may apply such security from time to time at the option of Lender to pay for such alterations.

5.1.25 Operation of Property.

(a) Borrower shall cause the Property to be operated, in all material respects, in accordance with the Management Agreement or Replacement Management Agreement, as applicable. In the event that the Management Agreement expires or is terminated (without limiting any obligation of Borrower to obtain Lender’s consent to any termination or modification of the Management Agreement in accordance with the terms and provisions of this Agreement), Borrower shall promptly enter into a Replacement Management Agreement with Manager or another Qualified

Manager, as applicable. Lender acknowledges that Manager has subcontracted certain of its obligations under the Management Agreement to Worthe Real Estate Group, Inc. pursuant to and as described in that certain Sub Management and Leasing Agreement entered into on or about the date hereof. Manager may not further subcontract or assign or permit Worthe Real Estate Group, Inc. to subcontract or assign their obligations without the prior written consent of Lender.

(b) Borrower shall: (i) promptly perform and/or observe in all material respects all of the material covenants and agreements required to be performed and observed by it under the Management Agreement and do all things necessary to preserve and to keep unimpaired its material rights thereunder; (ii) promptly notify Lender of any material default under the Management Agreement of which Borrower has knowledge; (iii) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan, notice, report and estimate received by it under the Management Agreement; and (iv) enforce the performance and observance of all of the material covenants and agreements required to be performed and/or observed by Manager under the Management Agreement, in a commercially reasonable manner.

(c) If (i) an Event of Default occurs and is continuing, (ii) the Manager shall be the subject of a Bankruptcy Action or become insolvent, (iii) a material default occurs under the Management Agreement, which continues beyond any applicable grace and cure periods, which shall include but not be limited to commission by Manager of fraud, gross negligence, willful misconduct or misappropriation of funds, (iv) fifty percent (50%) or more of the direct or indirect ownership interest in Manager has changed or Control of Manager has changed, or (v) at Lender's option, if at any time the Debt Service Coverage Ratio is less than 1.10 to 1.0 for two consecutive calendar quarters and Lender determines in its sole but good faith discretion that Manager is (I) failing to use commercially reasonable efforts to fulfill its obligations under the Management Agreement, or (II) not managing the Property in a manner consistent with the management and operating standards of a Third Party Manager for a materially similar property in size, scope, class, use and value, then in each case Borrower shall, at the request of Lender, terminate the Management Agreement and replace the Manager with a manager approved by Lender on terms and conditions satisfactory to Lender, it being understood and agreed that the management fee for such replacement manager shall not exceed then prevailing market rates (and in any event shall not exceed three and one-half percent (3.5%) of Gross Income from Operations per annum, from time to time).

(d) All Material Agreements shall be subject to the prior review and approval, not to be unreasonably withheld, of Lender.

5.1.26 Changes in the Legal Requirements Regarding Taxation. If any Legal Requirement or other law, order, requirement or regulation of any Governmental Authority is enacted or adopted or amended after the date the Loan is funded which imposes a tax, either directly or indirectly, on the Obligations or Lender's interest in the Property, Borrower must pay such tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of such tax or interest and penalties by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury, then in any such event, Lender may, by written notice to Borrower of not less than one hundred twenty (120) days, declare the Obligations immediately due and payable.

5.1.27 No Credits on Account of the Obligations. Borrower will not claim or demand or be entitled to any credit or credits on account of the Obligations for any payment of Taxes assessed against the Property and no deduction shall otherwise be made or claimed from the assessed value of the Property for real estate tax purposes because of the Loan Documents or the Obligations. If Legal Requirements or other laws, orders, requirements or regulations require such claim, credit or deduction, Lender may, by written notice to Borrower of not less than one hundred twenty (120) days, declare the Obligations immediately due and payable without the payment of any prepayment premium of any kind (including, without limitation, the Yield Maintenance Premium).

5.1.28 Personal Property. Borrower shall cause all of its personal property, fixtures, attachments and equipment delivered upon, attached to or used in connection with the operation of the Property to always be located at the Property and shall be kept free and clear of all Liens, encumbrances and security interests, except Permitted Encumbrances.

5.1.29 Appraisals. Lender shall have the right to obtain a new or updated appraisal of the Property from time to time, provided, however, that so long as no Event of Default has occurred Lender shall do so not more often than once in every twelve (12) month period. Borrower shall cooperate with Lender in this regard. If the appraisal is obtained to comply with this Agreement or any applicable law or regulatory requirement, or bank policy promulgated to comply therewith, or if an Event of Default exists, Borrower shall pay for any such appraisal upon Lender's request. Notwithstanding the foregoing, to the extent that an appraisal is being requested in connection with a Securitization, such appraisal shall be subject to any limitation set forth in Section 9.2 hereof.

5.1.30 Intentionally Left Blank.

5.1.31 Compliance with O&M Program. If, at any time after the date hereof, asbestos containing materials (" **ACM's** ") are identified on the Property (" **ACM Determination Date** ") or if an ACM Maintenance Program (as defined below) is required in connection with a secondary market transaction, including without limitation any Securitization, Borrower covenants and agrees to promptly implement and maintain (at Borrower's sole cost and expense) an operations, abatement and maintenance plan for ACM's, on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, reasonably acceptable to Lender (the " **ACM Maintenance Program** "), and in any case consistent with "Guidelines for Controlling Asbestos-Containing Materials in Buildings" (USEPA, 1985) and other relevant guidelines, and with applicable state and local laws, and such ACM Maintenance Program will hereafter continuously remain in effect until the Debt is repaid in full. In furtherance of the foregoing, from and after an ACM Determination Date, Borrower shall inspect and maintain all ACM's on a regular basis and ensure that all ACM's shall be maintained in a condition that prevents exposure of occupants to ACM's at all times. Without limiting the generality of the preceding sentence, from and after an ACM Determination Date, Lender may reasonably require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify in writing, (ii) an amendment to such ACM Maintenance Program to address changing circumstances, laws or other matters, (iii) at Borrower's sole reasonable expense and no more than once per calendar

year (absent an Event of Default) supplemental examination of the Property by consultants specified by Lender, and (iv) variation of the ACM Maintenance Program in response to the reports provided by any such consultants.

5.1.32 Deposit Account.

(a) Pursuant and subject to the terms hereof and of the other Loan Documents, Borrower agrees that the Clearing Bank shall at all times be entitled to comply with all instructions originated by Lender, without further consent by Borrower, directing disposition of the Clearing Account and all sums at any time held, deposited or invested therein, together with any interest or other earnings thereon, and all proceeds thereof (including proceeds of sales and other dispositions), whether accounts, general intangibles, chattel paper, deposit accounts, instruments, documents or securities; and

(b) The Clearing Account and Deposit Account shall not, at any time, be held in the name of any Person other than Borrower, as pledgor, for the benefit of Lender, as secured party.

5.1.33 REA. Borrower shall (i) perform and observe all of its material obligations, covenants, agreement and conditions under the REA and (ii) shall timely enforce all of its rights and remedies thereunder.

Section 5.2 Negative Covenants. From the date hereof until payment and performance in full of the Obligations, Borrower covenants and agrees with Lender that it will not do, cause, permit or suffer to exist, any of the following:

5.2.2 Operation of Property.

(a) Borrower shall not, without Lender's prior consent (which consent shall not be unreasonably withheld): (i) surrender, terminate or cancel the Management Agreement; provided, that Borrower may, without Lender's consent, replace the Manager so long as the replacement manager is a Qualified Manager pursuant to a Replacement Management Agreement; (ii) reduce or consent to the reduction of the term of the Management Agreement; (iii) increase or consent to the increase of the amount of any charges or fees under the Management Agreement; or (iv) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under, the Management Agreement in any material respect.

(b) Following the occurrence and during the continuance of an Event of Default, Borrower shall not exercise any rights, make any decisions, grant any approvals or otherwise take any action under the Management Agreement without the prior written consent of Lender, which consent may be granted, conditioned or withheld in Lender's sole discretion.

5.2.3 Liens. Borrower shall not create, incur, assume or suffer to exist any Lien on any portion of the Property or permit any such action to be taken, except for Permitted Encumbrances and those liens that, pursuant to Borrower's express right to contest same set forth in this Agreement, are being contested by Borrower in compliance with such rights.

5.2.4 Dissolution. Borrower shall not (a) engage in any dissolution, liquidation, consolidation or merger with or into any other business entity, (b) engage in any business activity not related to the ownership and operation of the Property, (c) transfer, lease or sell, in one transaction or any combination of transactions, the assets or all or substantially all of the properties or assets of Borrower except to the extent permitted by the Loan Documents, or (d) modify, amend, waive or terminate its organizational documents (other than in de minimis respects) or its qualification and good standing in any jurisdiction, in each case, without obtaining the prior consent of Lender.

5.2.5 Change in Business. Borrower shall not enter into any line of business other than the ownership and operation of the Property, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business.

5.2.6 Debt Cancellation. Borrower shall not cancel or otherwise forgive or release any claim or debt (other than termination of Leases in accordance herewith) owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business.

5.2.7 Zoning. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance, or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, in each case, without the prior written consent of Lender.

5.2.8 No Joint Assessment. Borrower shall not suffer, permit or initiate the joint assessment of all or any portion of the Property with (a) any other real property constituting a tax lot separate from the Property, or (b) any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property.

5.2.9 Principal Place of Business and Organization. Borrower shall not change its principal place of business set forth in the introductory paragraph of this Agreement without first giving Lender at least thirty (30) days prior notice. Borrower shall not change the place of its organization as set forth in Section 4.1.28 without the consent of Lender, which consent shall not be unreasonably withheld. Upon Lender's request, Borrower shall execute and deliver additional financing statements, security agreements and other instruments which may be necessary to effectively evidence or perfect Lender's security interest in the Property as a result of such change of principal place of business or place of organization.

5.2.10 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Agreement or the other Loan Documents) to be a Prohibited Transaction.

(b) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the term of the Loan, as may be reasonably requested by Lender in its sole discretion, that (i) Borrower is not an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a “governmental plan” within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to any state statute regulating investments of, or fiduciary obligations with respect to, governmental plans, in either case, subjecting Lender to liability for a violation of ERISA, the Code, a State statute or similar law; and (iii) one or more of the following circumstances is true:

(A) Equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R. §2510.3-101(b)(2);

(B) Less than twenty-five percent (25%) of each outstanding class of equity interests in Borrower is held by “benefit plan investors” within the meaning of 29 C.F.R. §2510.3-101(f)(2);

(C) Borrower qualifies as an “operating company”, a “venture capital operating company” or a “real estate operating company” within the meaning of 29 C.F.R. §2510.3-101(c) or (e); or

(D) The Loan meets the requirements of PTE 95-60, 90-1, 84-14 or another available exemption from applicable Prohibited Transaction rules.

5.2.11 Transfers.

(d) Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its general partners, members, principals and (if Borrower is a trust) beneficial owners, as applicable, in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower’s ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations contained in the Loan Documents, Lender can recover the Debt by a sale of the Property.

(e) Without the prior written consent of Lender and except to the extent otherwise set forth in this Section 5.2.10, Borrower shall not, and shall not permit any Restricted Party to, (i) sell, convey, mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) the Property or any part thereof or any legal or beneficial interest therein, or (ii) permit a Sale or Pledge of any interest in any Restricted Party (any of the actions in the foregoing clauses (i) or (ii), a “**Transfer**”), other than pursuant to Leases of space in the Improvements to Tenants in accordance with the provisions of Section 5.1.20 hereof.

(f) A Transfer shall include, but not be limited to, (i) an installment sales agreement wherein Borrower agrees to sell the Property, or any part thereof, for a price to be paid in installments; (ii) an agreement by Borrower leasing all or substantially all of the Property for other than actual occupancy by a space tenant thereunder, or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if a Restricted Party is a corporation, any merger, consolidation or Sale or Pledge of such corporation's stock or the creation or issuance of new stock; (iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Sale or Pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, or the Sale or Pledge of limited partnership interests or any profits or proceeds relating to such limited partnership interest or the creation or issuance of new limited partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or the Sale or Pledge of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Sale or Pledge of non-managing membership interests or the creation or issuance of new non-managing membership interests; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Sale or Pledge of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests; or (vii) the removal or the resignation of the Manager (including, without limitation, an Affiliated Manager) other than in accordance with Section 5.1.22 hereof.

(g) Notwithstanding the provisions of this Section 5.2.10, the following Transfers shall be permitted under this Agreement if same comply with this Section 5.2.10(d): (i) the sale or transfer, in one or a series of transactions, of not more than forty-nine percent (49%) of the ownership interests in a Restricted Party; provided, however, no such sales or transfers shall be to an Embargoed Person nor result in the change of Control (directly or indirectly) in the Restricted Party (except, in the case of Guarantor, either Hudson Pacific Properties, Inc. or one of the MDP Principals may Control (directly or indirectly) Guarantor), and provided further that following any such sale or transfer either Hudson Pacific Properties, Inc. or one of the MDP Principals shall Control (directly or indirectly) the Guarantor and either Hudson Pacific Properties, Inc. or the MDP Principals collectively shall own, directly or indirectly (including as beneficial owners of trusts or other estate planning vehicles), at least ten percent (10%) of the ownership interests in Borrower, Guarantor and any Affiliated Manager, and as a condition to each such sale or transfer, Lender shall receive not less than thirty (30) days prior notice of such proposed sale or transfer (provided that no such notice shall be required in connection with any sales or transfers by (x) direct or indirect holders of stock in Hudson Pacific Properties, Inc. provided such stock is listed on the New York Stock Exchange or any other nationally recognized stock exchange or (y) indirect holders of limited partnership interests in Hudson Pacific Properties, L.P., and, solely to the extent such Transfer would be permitted pursuant to the immediately succeeding clause (ii), direct holders of limited partnership interests in Hudson Pacific Properties, L.P.), (ii) the sale or transfer, in one or a series of transactions, of membership interests in Guarantor to an existing member of Guarantor or an Affiliate of any such existing member, or the issuance of new membership interests to any existing member or an Affiliate of such existing member; provided, however, that following any such sale, transfer, or issuance either Hudson Pacific Properties, Inc. or one of the MDP Principals shall Control (directly

or indirectly) the Guarantor and either Hudson Pacific Properties, Inc. or the MDP Principals collectively shall own, directly or indirectly (including as beneficial owners of trusts or other estate planning vehicles), at least ten percent (10%) of the ownership interests in Borrower, Guarantor and any Affiliated Manager, (iii) the sale or transfer, in one or a series of transactions, of ownership interests in the MDP Entities, provided that one of the MDP Principals shall continue to Control (directly or indirectly) the MDP Entities and shall continue to own, directly or indirectly, at least fifty-one percent (51%) of the ownership interests in the MDP Entities; (iv) the sale or transfer, in one or a series of transactions, of the limited partnership interests or non-managing membership interests (as the case may be) in a Restricted Party; provided, however, no such sales or transfers shall be to an Embargoed Person, in a manner which would violate Sections 4.1.35 or 5.2.13 of this Agreement; or shall result in the change of Control (directly or indirectly) in any Restricted Party (except, in the case of Guarantor, either Hudson Pacific Properties, Inc. or one of the MDP Principals may Control (directly or indirectly) Guarantor), and provided further that following any such sale or transfer either Hudson Pacific Properties, Inc. or one of the MDP Principals shall Control (directly or indirectly) the Guarantor and either Hudson Pacific Properties, Inc. or the MDP Principals collectively shall own, directly or indirectly (including as beneficial owners of trusts or other estate planning vehicles), at least ten percent (10%) of the ownership interests in Borrower, Guarantor and any Affiliated Manager, and with respect to direct or indirect Transfers under this clause (iv), Borrower shall provide notice to Lender of such direct or indirect Transfer promptly upon Borrower becoming aware of such direct or indirect Transfer, if ever, (v) the sale, transfer or issuance of stock in Hudson Pacific Properties, Inc. provided such stock is listed on the New York Stock Exchange or such other nationally recognized stock exchange, and (vi) the collateral pledge of direct or indirect ownership interests in Borrower, provided that (a) such collateral pledge is to secure a corporate credit facility or facilities from a Qualified Financial Institution (including a Qualified Financial Institution acting as collateral agent or other agent for a syndicate of Qualified Financial Institutions) (each a “**Qualified Credit Facility**”), (b) any such Qualified Credit Facility is also secured by a collateral pledge of interests in entities owning, directly or indirectly, a majority of the properties owned directly or indirectly by Hudson Pacific Properties, L.P., (c) prior to the exercise of any remedies under such Qualified Credit Facility with respect to such collateral pledge that result in (A) a foreclosure, deed in lieu of (or other negotiated settlement in lieu of) foreclosure with respect to the pledged collateral, (B) either Hudson Pacific Properties, Inc. or the MDP Principals collectively owing directly or indirectly (including as beneficial owners of trusts or other estate planning vehicles), less than ten percent (10%) of the ownership interests in Borrower, Guarantor and any Affiliated Manager, or (C) a direct or indirect change in Control of Borrower (which shall include any restriction on the right or ability of the pledgor to take actions or make decisions or determinations pursuant to its organizational documents) other than as between Hudson Pacific Properties, Inc. and one of the MDP Principals, a Rating Agency Confirmation shall be obtained from each Approved Rating Agency with respect to any change of direct or indirect ownership interests in, and/or direct or indirect Control of, Borrower or any other Restricted Party (it being understood and agreed that Lender and each Approved Rating Agency shall have the right to request and approve various information, deliverables, documentation and fees and expenses in connection therewith, including, without limitation, an acceptable intercreditor agreement and the other items that would be obtained in connection with an assumption of the Loan under Section 5.1.20(f) below and one (1) or more additional guarantors reasonably acceptable to Lender shall have assumed all of the liabilities and obligations of Guarantor under the Guaranty and the Environmental Indemnity

or shall execute a replacement guaranty and environmental indemnity in form and substance reasonably satisfactory to Lender). In addition, (A) in the case of (1) the transfer of the management of the Property to a new Affiliated Manager in accordance with the applicable terms and conditions hereof, or (2) the transfer of any direct or indirect equity ownership interests in any Restricted Party that results in any Person and its Affiliates owning in excess of forty-nine percent (49%) of the direct or indirect equity ownership interests in Borrower that did not own the same on the date hereof or at the time of the delivery of any Additional Insolvency Opinion prior to such transfer, such transfers shall be conditioned upon delivery to Lender of a an Additional Insolvency Opinion reasonably satisfactory to Lender and the Rating Agencies addressing such transfer, and (B) any transfers permitted pursuant to clauses (i) and (iv) of this Section 5.1.20(d) shall be conditioned upon Borrower's ability to, after giving effect to the equity transfer in question (I) remake the representations contained herein relating to ERISA, OFAC and Patriot Act matters (and, upon Lender's request, Borrower shall deliver to Lender (x) an Officer's Certificate containing such updated representations effective as of the date of the consummation of the applicable equity transfer and (y) searches, acceptable to Lender, for any Person owning, directly or indirectly, 20% or more of the interests in the Borrower as a result of such transfer) and (II) continue to comply with the covenants contained herein relating to ERISA, OFAC and Patriot Act matters. Upon request from Lender, Borrower shall promptly provide Lender a revised version of the organizational chart delivered to Lender in connection with the Loan reflecting any equity transfer consummated in accordance with this Section 5.1.20(d). In addition to, and without limiting any of the conditions set forth in this Section 5.1.20(d), in the event that any Transfer results in Hudson Pacific Properties, Inc. no longer owning, directly or indirectly, at least twenty percent (20%) of the ownership interests in Borrower, the provisions of Section 5.2(c) of the Guaranty must be satisfied as a condition to such Transfer being permitted hereunder.

(h) Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer without Lender's consent. This provision shall apply to every Transfer regardless of whether voluntary or not, or whether or not Lender has consented to any previous Transfer, but shall not apply to any Transfer, other than any Transfer expressly permitted under Section 5.2.10(d) to the extent such Transfer complies with any conditions thereto described in Section 5.2.10(d). Furthermore, if and to the extent a given Transfer qualifies (or could qualify) as being permitted pursuant to more than one clause of Section 5.2.10(d), then Borrower shall be entitled to elect, in its sole and absolute discretion, which clause of Section 5.2.10(d) shall govern such Transfer's qualification as a permitted Transfer thereunder.

(i) No consent to any Transfer of the Property and assumption of the Loan shall occur on or before the earlier to occur of (i) a Securitization and (ii) the first anniversary of the Closing Date; provided, however that between the first anniversary and the second anniversary of the Closing Date, Borrower, in connection with any proposed Transfer of the Property and assumption of the Loan, shall use good faith efforts to avoid an assumption being consummated while Lender is actively engaged in the Securitization process with respect to the Loan and shall use good faith efforts to minimize disruption of any such Securitization. Thereafter, Lender's consent to a Transfer of the Property and assumption of the Loan shall not be unreasonably withheld provided that Lender receives not less than sixty (60) days nor more than ninety (90) days prior

written notice of such Transfer (which notice shall be accompanied by a non-refundable transfer application fee in the amount of \$15,000), and no Default has occurred and is continuing, and further provided that the following additional requirements are satisfied:

(i) Borrower shall pay Lender a transfer fee equal to one-half of one percent (0.5%) of the Outstanding Principal Balance at the time of such Transfer for the first such assumption and one percent (1%) of the Outstanding Principal Balance at the time of such Transfer for each subsequent Transfer;

(ii) Borrower shall pay any and all reasonable out-of-pocket costs incurred in connection with such Transfer (including, without limitation, Lender's counsel fees and disbursements and all recording fees, title insurance premiums and mortgage and intangible taxes and the fees and expenses of the Approved Rating Agencies pursuant to clause (x) below);

(iii) The proposed transferee (the "**Transferee**") or Transferee's principals must have demonstrated expertise in owning and operating properties similar in location, size, class and operation to the Property, which expertise shall be reasonably determined by Lender;

(iv) Transferee and Transferee's principals shall, as of the date of such transfer, have an aggregate net worth and liquidity reasonably acceptable to Lender;

(v) Transferee, Transferee's principals and all other entities which may be owned or Controlled directly or indirectly by Transferee's principals ("**Related Entities**") must not have been party to any bankruptcy proceedings, voluntary or involuntary, made an assignment for the benefit of creditors or taken advantage of any insolvency act, or any act for the benefit of debtors within seven (7) years prior to the date of the proposed Transfer;

(vi) Transferee shall assume all of the obligations of Borrower under the Loan Documents in a manner satisfactory to Lender in all respects, including, without limitation, by entering into an assumption agreement in form and substance satisfactory to Lender;

(vii) There shall be no material litigation or regulatory action pending or threatened against Transferee, Transferee's principals or Related Entities which is not reasonably acceptable to Lender;

(viii) Transferee, Transferee's principals and Related Entities shall not have defaulted under its or their obligations with respect to any other Indebtedness in a manner which is not reasonably acceptable to Lender;

(ix) Transferee and Transferee's principals must be able to satisfy all the representations and covenants set forth in Sections 4.1.30, 5.1.23, 5.2.9 and 5.2.12 hereof, no Default or Event of Default shall otherwise occur as a result of such Transfer, and Transferee and Transferee's principals shall deliver (A) all organizational documentation

reasonably requested by Lender, which shall be reasonably satisfactory to Lender and (B) all certificates, agreements and covenants reasonably required by Lender;

(x) Each Approved Rating Agency shall have issued a Rating Agency Confirmation with respect to such Transfer;

(xi) Borrower or Transferee, at its sole cost and expense, shall deliver to Lender an Additional Insolvency Opinion reflecting such Transfer reasonably satisfactory in form and substance to Lender and each Approved Rating Agency;

(xii) Prior to any release of Guarantor, one (1) or more substitute guarantors reasonably acceptable to Lender shall have assumed all of the liabilities and obligations of Guarantor under the Guaranty and the Environmental Indemnity or shall execute a replacement guaranty and environmental indemnity in form and substance reasonably satisfactory to Lender;

(xiii) Borrower shall deliver, at its sole cost and expense, an endorsement to the Title Insurance Policy, as modified by the assumption agreement, as a valid first lien on the Property and naming the Transferee as owner of the Property, which endorsement shall insure that, as of the date of the recording of the assumption agreement, the Property shall not be subject to any additional exceptions or liens other than those contained in the Title Insurance Policy issued on the date hereof and the Permitted Encumbrances;

(xiv) The Property shall be managed by a Qualified Manager pursuant to a Replacement Management Agreement; and

(xv) Immediately upon a Transfer to such Transferee and the satisfaction of all of the above requirements, the named Borrower and Guarantor herein shall be released from all liability under this Agreement, the Note, the Security Instrument and the other Loan Documents accruing after such Transfer. The foregoing release shall be effective upon the date of such Transfer, but Lender agrees to provide written evidence thereof reasonably requested by Borrower.

For the avoidance of doubt, the parties hereto acknowledge and agree that the Transfer of the Property and assumption of the Loan described in this Section 5.2.10(f) is not in limitation of any Transfers otherwise permitted pursuant to the terms and conditions of Section 5.2.10(d) hereof.

5.2.12 Approved Mezzanine Loan Transfers. Notwithstanding anything to the contrary contained herein, both (i) the pledge of (A) all or a portion of the direct or indirect equity ownership interests in Borrower or any other collateral that is not collateral for the Loan or (B) customary preferred equity collateral; and (ii) the foreclosure of an Approved Mezzanine Loan by an Approved Mezzanine Lender, in each case, pursuant to and in accordance with the terms and provisions of any Approved Mezzanine Loan Documents shall be Transfers permitted under this Agreement.

5.2.13 Special Purpose Entity/Separateness.

(l) Borrower has been, is and shall continue to be a Special Purpose Entity.

(m) Any assumptions made in any non-consolidation opinion required to be delivered in connection with the Loan Documents subsequent to the Insolvency Opinion (an “**Additional Insolvency Opinion**”), including, but not limited to, any exhibits attached thereto, shall be true and correct in all respects. Borrower will comply with all of the assumptions made with respect to Borrower in the Insolvency Opinion. Borrower will comply with all of the assumptions made with respect to Borrower in any Additional Insolvency Opinion. Each entity other than Borrower with respect to which an assumption shall be made in any Additional Insolvency Opinion will comply with all of the assumptions made with respect to it in any Additional Insolvency Opinion.

5.2.14 Embargoed Person; OFAC. As of the date hereof and at all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, (a) none of the funds or other assets of Borrower and Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person; (b) no Embargoed Person has any interest of any nature whatsoever in Borrower or Guarantor, as applicable, with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower or Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Neither Borrower nor Guarantor is (or will be) a Person with whom Lender is restricted from doing business under OFAC regulations (including those persons named on OFAC’s Specially Designated and Blocked Persons list) or under any statute, executive order (including the September 24, 2001 #13224 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or otherwise be associated with such Persons. In addition, to help the US Government fight the funding of terrorism and money laundering activities, The USA Patriot Act (and the regulations thereunder) requires the Lender to obtain, verify and record information that identifies its customers. Borrower shall provide the Lender with any additional information that the Lender deems necessary from time to time in order to ensure compliance with The USA Patriot Act and any other applicable Legal Requirements concerning money laundering and similar activities. Borrower makes no representation or warranty under this Section 5.2.13 with respect to any Person whose indirect ownership of Borrower derives solely from (i) ownership (whether direct or indirect) of stock in Hudson Pacific Properties, Inc. provided such stock is listed on the New York Stock Exchange or any other nationally recognized stock exchange or (ii) indirect ownership of a limited partnership interest in Hudson Pacific Properties, L.P. solely to the extent that Hudson Pacific Properties, Inc. has no knowledge of the identity of such Person and does not have the right, pursuant to its organizational documents as same exist on the date hereof, to determine the identity of such Person.

5.2.15 REA.

(a) Borrower shall not, without Lender's prior consent (which consent shall not be unreasonably withheld, conditioned or delayed), modify, amend or supplement, or consent to or suffer any modification, amendment, or supplementation of the REA in any material respect.

(b) Borrower shall not, without Lender's prior consent (which consent shall not be unreasonably withheld, conditioned or delayed), otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under the REA in any material respect.

(c) Borrower shall not, without Lender's prior consent (which consent shall not be unreasonably withheld, conditioned or delayed), take any action to surrender, terminate, cancel, or accept any surrender, termination or cancellation of the REA.

(d) Borrower shall not assign (other than to Lender) or encumber (other than in favor of Lender as security for the Obligations) any of its rights under the REA.

ARTICLE VI.

INSURANCE; CASUALTY; CONDEMNATION

Section 6.1 Insurance .

(e) Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property providing at least the following coverages:

(xvi) comprehensive "All Risk" or "Special Form" insurance on the Improvements and the Personal Property (A) in an amount equal to one hundred percent (100%) of the "**Full Replacement Cost**," which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations) with no waiver of depreciation; (B) containing an agreed amount endorsement with respect to the Improvements and Personal Property waiving all co-insurance provisions, or confirmation that co-insurance does not apply; and (C) providing for no deductible in excess of Twenty-Five Thousand and No/100 Dollars (\$50,000.00) for all such insurance coverage, except in the case of windstorm and earthquake coverage, which shall have deductibles not in excess of 5% of the total insurable value of the Property. In addition, Borrower shall obtain: (x) if any portion of the Improvements is currently, or at any time in the future, located in a Federally designated "special flood hazard area", flood hazard insurance in an amount equal to maximum available through the National Flood Insurance Program plus excess limits in amount not less than the Outstanding Principal Balance or such other amount as Lender shall require; (y) earthquake insurance in amounts and in form and substance satisfactory to Lender, and consistent with insurance requirements for similarly situated properties of this loan type, in the event that Lender determines, after seismic risk analysis, that the Property has a probable maximum loss (PML) of more than 20%, and (z) coastal windstorm insurance in amounts and in form and substance satisfactory to Lender in the event the Property is located in any coastal region, and if such windstorm coverage is excluded under the Special Form Coverage,

provided that the insurance pursuant to clauses (x), (y) and (z) hereof shall be on terms consistent with the comprehensive “All Risk” or “Special Form” insurance policy required under this subsection (i);

(xvii) commercial general liability insurance, including a broad form comprehensive general liability endorsement and coverage against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so-called “occurrence” form with a combined limit of not less than Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate and One Million and No/100 Dollars (\$1,000,000.00) per occurrence (and, if on a blanket policy, containing an “Aggregate Per Location” endorsement) with a deductible or self-insured retention of no greater than \$50,000; and (B) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an “if any” basis; (3) blanket contractual liability for all insured contracts; and (4) contractual liability covering the indemnities contained in Article VIII of the Security Instrument to the extent the same is commercially available;

(xviii) rental loss and/or business income interruption insurance (A) with loss payable to Lender; (B) covering all risks required to be covered by the insurance provided for in subsection (i) above; and (C) on an actual loss sustained basis for the period of restoration without any specific time limitation with limits that reflect a minimum of eighteen (18) months for loss of Rents in an amount equal to one hundred percent (100%) of the projected Gross Income from Operations for a period of eighteen (18) months from the date of such Casualty (assuming such Casualty had not occurred) and an extended period of indemnity covering the twelve (12) month period commencing on the date on which the Property has been restored, as reasonably determined by the applicable insurer, and notwithstanding that the policy may expire at the end of such period. The amount of such loss of Rents or business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Borrower’s reasonable estimate from the Property for the succeeding eighteen (18) month period. Notwithstanding anything to the contrary in Section 2.7 hereof, all proceeds payable to Lender pursuant to this subsection shall be held by Lender and shall be applied at Lender’s discretion to (I) the Debt, or (II) Operating Expenses approved by Lender ; *provided, however* , that nothing herein contained shall be deemed to relieve Borrower of its obligations to pay the Debt, except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

(xix) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the Property coverage forms do not otherwise apply, (A) owner’s and contractor’s protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in subsection (i) above written in a so-called builder’s risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsection (i) above, (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provision, or confirmation that co-insurance does not apply;

(xx) worker's compensation insurance with respect to any employees of Borrower, as required by any Governmental Authority or Legal Requirement;

(xxi) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Lender on terms consistent with the commercial property insurance policy required under subsection (i) above;

(xxii) motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence of not less than One Million and No/100 Dollars (\$1,000,000.00);

(xxiii) umbrella or excess liability insurance in an amount not less than Ten Million and No/100 Dollars (\$10,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) above;

(xxiv) ordinance or law coverage to compensate for the cost of demolition and rebuilding of the undamaged portion of the Property along with any increased cost of construction in amounts as requested by Lender and consistent with similarly situated properties of this loan type;

(xxv) the commercial property business income, general liability and umbrella or excess liability insurance required under Sections 6.1(a)(i), (ii), (iii) and (viii) above shall cover perils of terrorism and acts of terrorism and Borrower shall maintain commercial property and business income insurance for loss resulting from perils and acts of terrorism on terms (including amounts) consistent with those required under Sections 6.1(a)(i), (ii), (iii) and (viii) above at all times during the term of the Loan; and

(xxvi) upon sixty (60) days' notice, such other reasonable insurance and in such reasonable amounts as Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for properties similar to the Property located in or around the region in which the Property is located.

(f) All insurance provided for in Section 6.1(a) shall be obtained under valid and enforceable policies (collectively, the "**Policies**" or in the singular, the "**Policy**"), and shall be subject to the approval of Lender as to insurance companies, amounts, deductibles, loss payees and insureds. The Policies shall be issued by financially sound and responsible insurance companies authorized to do business in the State and having a claims paying ability rating of "A-" or better by S&P. For multi-layered policies, if four or fewer insurance companies issue the Policies, then at least 75% of the insurance coverage represented by the Policies must be provided by insurance companies with a claims paying ability rating of "A-" or better by S&P, with no carrier below "BBB," or if five (5) or more insurance companies issue the Policies, then at least sixty percent (60%) of the insurance coverage represented by the Policies must be provided by insurance companies with a claims paying ability rating of "A-" or better by S&P, with no carrier below "BBB." Prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance evidencing the Policies accompanied by evidence satisfactory to Lender of payment

of the premiums due thereunder (the “ **Insurance Premiums** ”), shall be delivered by Borrower to Lender. Upon request, Borrower shall forward complete copies of the Policies to the Lender.

(g) Any blanket insurance Policy shall specifically allocate to the Property the amount of coverage from time to time required hereunder or shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 6.1(a).

(h) All Policies provided for or contemplated by Section 6.1(a), except for the Policy referenced in Section 6.1(a)(v), shall name Borrower as the insured and Lender (and its successors and assigns) as Mortgagee, Loss Payee and Additional Insured, as its interests may appear, and in the case of property damage, boiler and machinery, flood and earthquake insurance, shall contain standard non-contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender. The Property, General Liability and Umbrella Policies shall include a waiver of subrogation in favor of Lender.

(i) All Property Policies provided for in Section 6.1 shall contain clauses or endorsements to the effect that: (i) no act or negligence of Borrower, or anyone acting for Borrower, or of any tenant or other occupant, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned; (ii) the Policies shall not be canceled without at least thirty (30) days’ notice to Lender; and (iv) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder. Borrower shall promptly forward to Lender a copy of each written notice received by Borrower of any material modification, reduction or cancellation of any of the Policies or of any of the coverages afforded under any of the Policies.

(j) If at any time Lender is not in receipt of written evidence that all Policies are in full force and effect, Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate. All premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and, until paid, shall be secured by the Security Instrument and shall bear interest at the Default Rate.

Section 6.2 Casualty. Subject to Section 6.3(b), if the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty (a “ **Casualty** ”), Borrower shall (a) give prompt notice of such damage to Lender, and (b) provided insurance proceeds are made available to Borrower to do so, as and to the extent expressly required pursuant to Section 6.4(b), promptly commence and diligently prosecute the completion of Restoration so that the Property resembles, as nearly as possible, the condition the Property was in immediately prior to such Casualty, with such alterations as may be reasonably approved by Lender and otherwise in accordance with Section 6.4. Borrower shall pay all costs of such Restoration whether or not such costs are covered by insurance. Lender may, but shall not be obligated to make proof of loss if not made promptly by Borrower. In addition, Lender may participate in (and have approval rights over) any settlement discussions with any insurance companies with respect to

any Casualty in which the Net Proceeds or the costs of completing Restoration are equal to or greater than Two Million and No/100 Dollars (\$2,000,000.00) and Borrower shall deliver to Lender all instruments required by Lender to permit such participation.

Section 6.3 Condemnation.

(a) Borrower shall promptly give Lender notice of the actual or threatened commencement of any proceeding in respect of Condemnation, and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings, and Borrower shall from time to time deliver to Lender all instruments reasonably requested by Lender to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to perform the Obligations at the time and in the manner provided in this Agreement and the other Loan Documents and the Outstanding Principal Balance shall not be reduced until any Award shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Obligations. Lender shall not be limited to the interest paid on the Award by the applicable Governmental Authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a Governmental Authority, Borrower shall promptly commence and diligently prosecute Restoration and otherwise comply with the provisions of Section 6.4. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

(b) Notwithstanding the foregoing provisions of Section 6.2, Section 6.3(a), and Section 6.4 hereof, if the Loan or any portion thereof is included in a REMIC Trust and, immediately following a release of any portion of the Lien of the Security Instrument in connection with a Casualty or Condemnation (but taking into account any proposed Restoration on the remaining portion of the Property), the Loan to Value Ratio is greater than 125% (such value to be determined, in Lender's sole discretion, by any commercially reasonable method permitted to a REMIC Trust), the principal balance of the Loan must be paid down by a "qualified amount" as that term is defined in the IRS Revenue Procedure 2010-30, as the same may be amended, replaced, supplemented or modified from time to time, unless the Lender receives an opinion of counsel that if such amount is not paid, the Securitization will not fail to maintain its status as a REMIC Trust and will not be subject to a prohibited transactions tax as a result of the related release of such portion of the Lien of the Security Instrument.

Section 6.4 Restoration. The following provisions shall apply in connection with any Restoration:

(f) If the Net Proceeds shall be less than Two Million and No/100 Dollars (\$2,000,000.00) and the costs of completing Restoration shall be less than Two Million and No/100

Dollars (\$2,000,000.00), the Net Proceeds will be disbursed by Lender to Borrower upon receipt, provided that all of the conditions set forth in Section 6.4(b)(i) are met and Borrower delivers to Lender a written undertaking to expeditiously commence and to satisfactorily complete with due diligence Restoration in accordance with the terms of this Agreement.

(g) If the Net Proceeds are equal to or greater than Two Million and No/100 Dollars (\$2,000,000.00), but less than Twenty Million and No/100 Dollars (\$20,000,000.00) or the costs of completing Restoration is equal to or greater than Two Million and No/100 Dollars (\$2,000,000.00), but less than Twenty Million and No/100 Dollars (\$20,000,000.00), the Net Proceeds will be held by Lender and Lender shall make the Net Proceeds available for Restoration in accordance with the provisions of this Section 6.4. The term “**Net Proceeds**” for purposes of this Section 6.4 shall mean: (i) the net amount of all insurance proceeds received by Lender pursuant to Section 6.1 (a)(i), (iv), (vi), (ix) and (x) as a result of such damage or destruction, after deduction of Lender’s reasonable costs and expenses (including, but not limited to, reasonable counsel costs and fees), if any, in collecting same (“**Insurance Proceeds**”), and/or (ii) the net amount of the Award, after deduction of Lender’s reasonable costs and expenses (including, but not limited to, reasonable counsel costs and fees), if any, in collecting same (“**Condemnation Proceeds**”), whichever the case may be.

(i) The Net Proceeds shall be made available to Borrower for Restoration upon the approval of Lender in its sole but good faith discretion that the following conditions are met:

(A) no Default shall have occurred and be continuing;

(B) (1) in the event the Net Proceeds are Insurance Proceeds, less than twenty-five percent (25%) of the total floor area of the Improvements on the Property have been damaged, destroyed or rendered unusable as a result of such Casualty, or (2) in the event the Net Proceeds are Condemnation Proceeds, less than ten percent (10%) of the land constituting the Property is taken, and such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is located on such land;

(C) Leases demising in the aggregate a percentage amount equal to or greater than seventy percent (70%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such Casualty or Condemnation, whichever the case may be, shall remain in full force and effect during and after the completion of Restoration, notwithstanding the occurrence of any such Casualty or Condemnation, whichever the case may be;

(D) Borrower shall commence Restoration as soon as reasonably practicable (but in no event later than sixty (60) days after such Casualty or Condemnation, whichever the case may be, occurs) and shall diligently pursue the same to satisfactory completion;

(E) Lender shall be satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Property as a result of the occurrence of any such Casualty or Condemnation, whichever the case may be, will be covered out of (1) the Net Proceeds, (2) the insurance coverage referred to in Section 6.1(a)(iii), if applicable, or (3) by other funds of Borrower;

(F) Lender shall be reasonably satisfied that Restoration will be completed on or before the earliest to occur of (1) three (3) months prior to the Maturity Date, (2) the earliest date required for such completion under the terms of any Lease or Leases which, in the aggregate, demise ten percent (10%) or more of the net rentable square footage of the Property, (3) such time as may be required under all applicable Legal Requirements in order to repair and restore the Property to the condition it was in immediately prior to such Casualty or to as nearly as possible the condition it was in immediately prior to such Condemnation, as applicable, or (4) the expiration of the insurance coverage referred to in Section 6.1(a)(iii);

(G) the Property and the use thereof after Restoration will be in compliance with and permitted under all applicable Legal Requirements;

(H) Restoration shall be done and completed by Borrower in an expeditious and diligent fashion and in compliance with all applicable Legal Requirements;

(I) such Casualty or Condemnation, as applicable, does not result in the loss of access to the Property or the related Improvements;

(J) the projected Debt Service Coverage Ratio for the affected Property, after giving effect to Restoration and for a period of three months following such Restoration, shall be equal to or greater than 1.10 to 1.0;

(K) the Loan to Value Ratio after giving effect to Restoration, shall be equal to or less than sixty-five percent (65%);

(L) Borrower shall deliver, or cause to be delivered, to Lender a signed detailed budget approved in writing by Borrower's architect or engineer stating the entire cost of completing Restoration, which budget shall be reasonably acceptable to Lender; and

(M) the Net Proceeds together with any cash or cash equivalent deposited by Borrower with Lender are sufficient in Lender's reasonable discretion to cover the cost of Restoration.

(ii) The Net Proceeds shall be paid directly to Lender for deposit in an interest-bearing account (the "**Casualty/Condemnation Subaccount** ") and, until disbursed in accordance with the provisions of this Section 6.4(b), shall constitute additional security

for the Debt and the Other Obligations. The Net Proceeds shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of Restoration, upon receipt of evidence reasonably satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property which have not either been fully bonded to the satisfaction of Lender and discharged of record or in the alternative fully insured to the satisfaction of Lender by the Title Company.

(iii) All plans and specifications required in connection with Restoration shall be subject to prior review and acceptance, not to be unreasonably withheld or delayed and by an independent consulting engineer selected by Lender (the "**Casualty Consultant**"). Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with Restoration. The identity of the contractors, subcontractors and materialmen engaged in Restoration, as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance, not to be unreasonably withheld or delayed by Lender and the Casualty Consultant. All costs and expenses incurred by Lender in connection with making the Net Proceeds available for Restoration including, without limitation, reasonable counsel fees and disbursements and the Casualty Consultant's fees, shall be paid by Borrower.

(iv) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of Restoration, as certified by the Casualty Consultant, minus the Retention Amount. The term "**Retention Amount**" shall mean, as to each contractor, subcontractor or materialman engaged in Restoration, an amount equal to ten percent (10%) of the costs actually incurred for work in place as part of Restoration, as certified by the Casualty Consultant, until Restoration has been completed. The Retention Amount shall in no event, and notwithstanding anything to the contrary set forth above in this Section 6.4(b), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in Restoration. The Retention Amount shall not be released until the Casualty Consultant certifies to Lender that Restoration has been completed in accordance with the provisions of this Section 6.4(b) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence reasonably satisfactory to Lender that the costs of Restoration have been paid in full or will be paid in full out of the Retention Amount; *provided, however*, that Lender will release the portion of the Retention Amount being held with respect to any contractor, subcontractor or materialman engaged in Restoration as of the date upon which the Casualty Consultant certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or materialman's contract, the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the Title Company issuing

the Title Insurance Policy, and Lender receives an endorsement to the Title Insurance Policy insuring the continued priority of the lien of the related Security Instrument and evidence of payment of any premium payable for such endorsement. If required by Lender, the release of any such portion of the Retention Amount shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(v) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(vi) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the reasonable opinion of Lender in consultation with the Casualty Consultant, be sufficient to pay in full the balance of the costs which are reasonably estimated by the Casualty Consultant to be incurred in connection with the completion of Restoration, Borrower shall deposit the deficiency (the “ **Net Proceeds Deficiency** ”) with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 6.4(b) shall constitute additional security for the Debt and the Other Obligations.

(vii) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that Restoration has been completed in accordance with the provisions of this Section 6.4(b), and the receipt by Lender of evidence reasonably satisfactory to Lender that all costs incurred in connection with Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing.

(h) If Net Proceeds are (i) equal to or greater than Twenty Million and No/100 Dollars (\$20,000,000.00), (ii) not required to be made available for Restoration (due to Borrower’s inability to satisfy the conditions set forth in Section 6.4(b)(i) or otherwise), or (iii) to be returned to Borrower as excess Net Proceeds pursuant to Section 6.4(b)(vii) (excluding any Net Proceeds Deficiency amount, which shall be promptly remitted to Borrower), then in any such event all Net Proceeds may be retained and applied by Lender in accordance with Section 2.4.2 hereof toward reduction of the Outstanding Principal Balance whether or not then due and payable in such order, priority and proportions as Lender in its sole discretion shall deem proper, or, in the sole discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall approve, in its sole discretion. No Yield Maintenance Premium or other prepayment charge shall be payable by Borrower by reason of a Casualty or Condemnation.

(i) In the event of foreclosure of the Security Instrument, or other transfer of title to the Property in extinguishment in whole or in part of the Debt all right, title and interest of Borrower in and to the Policies that are not blanket Policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

ARTICLE VII.

RESERVE FUNDS

Section 7.1 Required Repair Funds.

7.1.3 Deposits. Borrower shall perform the repairs at the Property as more particularly set forth on Schedule II hereto (such repairs hereinafter collectively referred to as “**Required Repairs**”). Borrower shall complete the Required Repairs on or before the required deadline for each repair as set forth on Schedule II hereto. It shall be an Event of Default if (a) Borrower does not complete the Required Repairs by the required deadline for each repair as set forth on Schedule II, or (b) Borrower does not satisfy each condition contained in Section 7.1.2 hereof. Upon the occurrence and during the continuance of such an Event of Default, Lender, at its option, may withdraw all Required Repair Funds from the Required Repairs Subaccount and Lender may apply such funds either to completion of the Required Repairs or toward reduction of the Outstanding Principal Balance in such order, proportion and priority as Lender may determine in its sole discretion. Lender’s right to withdraw and apply Required Repair Funds shall be in addition to all other rights and remedies provided to Lender under this Agreement and the other Loan Documents. On the Closing Date, Borrower shall deposit with Lender the Required Repairs Amount for payment of the cost of the Required Repairs. Amounts so deposited with Lender shall be held by Lender in accordance with Section 7.9 hereof. Amounts so deposited shall hereinafter be referred to as Borrower’s “**Required Repair Funds**” and the account in which such amounts are held shall hereinafter be referred to as Borrower’s “**Required Repairs Subaccount**”.

7.1.4 Release of Required Repair Funds.

(a) Lender shall disburse to Borrower the Required Repair Funds from the Required Repairs Subaccount from time to time, but not more frequently than once in any thirty (30) day period, upon satisfaction by Borrower of each of the following conditions with respect to each disbursement: (i) Borrower shall submit a written request for payment to Lender (with a copy to the Title Company) at least ten (10) Business Days prior to the date on which Borrower requests such payment be made, which request specifies the Required Repairs to be paid, (ii) on the date such request is received by Lender and on the date such payment is to be made, no Default or Event of Default shall exist and remain uncured, (iii) Lender shall have received an Officer’s Certificate (A) stating that all work on the Required Repairs to be funded by the requested disbursement has been completed in a good and workmanlike manner and in accordance with all applicable Federal, state and local laws, rules and regulations, such Officer’s Certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority required to commence and/or complete the applicable the Required Repairs, (B) identifying each Person that supplied materials or labor in connection with the Required Repairs to be funded by the requested disbursement, and (C) stating that each such Person has been paid in full or will be paid in full upon such disbursement, for work completed and/or materials furnished to date (subject to commercially reasonable retention), such Officer’s Certificate to be accompanied by lien waivers for all disbursements in excess of \$100,000.00 and any other disbursements reasonably requested by Lender (so long as such request is consistent with Lender’s servicing practices on a non-discriminatory basis), or other

evidence of payment reasonably satisfactory to Lender, (iv) Lender shall have received a title search indicating that the Property is free from all liens, claims and other encumbrances not previously approved by Lender, and (v) Lender shall have received such other evidence as Lender shall reasonably request that the applicable work on the Required Repairs to be funded by the requested disbursement has been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall not be required to make disbursements from the Required Repairs Subaccount unless such requested disbursement is in an amount greater than \$5,000 (or a lesser amount if the total amount in the Required Repairs Subaccount is less than \$5,000, in which case only one disbursement of the amount remaining in the account shall be made) and such disbursement shall be made only upon satisfaction of each condition contained in this Section 7.1.2.

(b) Nothing in this Section 7.1.2 shall (i) make Lender responsible for performing or completing any Required Repairs; (ii) require Lender to expend funds in addition to the Required Repairs Funds to complete any Required Repairs; (iii) obligate Lender to proceed with any Required Repairs; or (iv) obligate Lender to demand from Borrower additional sums to complete any Required Repairs.

(c) Borrower shall permit Lender and Lender's agents and representatives (including Lender's engineer, architect or inspector) or third parties to enter onto the Property upon reasonable advance notice during normal business hours (subject to the rights of Tenants under their Leases) to inspect the progress of any Required Repairs and all materials being used in connection therewith and to examine all plans and shop drawings relating to such Required Repairs. Borrower shall use commercially reasonable efforts to cause all contractors and subcontractors to reasonably cooperate with Lender or Lender's representatives or such other Persons described above in connection with inspections described in this Section 7.1.2(c).

(d) If a disbursement will exceed \$100,000.00, Lender may require an inspection of the Property at Borrower's expense prior to making a disbursement of Required Repairs Funds in order to verify completion of the Required Repairs for which reimbursement is sought. Lender may require that such inspection be conducted by an appropriate independent qualified professional reasonably selected by Lender and may require a certificate of completion by an independent qualified professional architect reasonably acceptable to Lender prior to the disbursement of Required Repairs Funds. Borrower shall pay the actual out-of-pocket expense of the inspection as required hereunder, whether such inspection is conducted by Lender or by an independent qualified professional architect.

7.1.5 Balance in Required Repairs Subaccount. The insufficiency of any balance in the Required Repairs Subaccount shall not relieve Borrower from its obligation to perform the Required Repairs in a good and workmanlike manner and in accordance with all Legal Requirements.

Section 7.2 Tax and Insurance Escrow.

7.2.5 Tax and Insurance Escrow Funds. On the date hereof, Borrower shall deposit with Lender the Initial Tax Deposit on account of the Taxes next coming due and the Initial Insurance Premiums Deposit on account of the Insurance Premiums next coming due.

Additionally, Borrower shall pay to Lender on each Payment Date (a) one-twelfth of the Taxes that Lender estimates will be payable during the next ensuing twelve (12) months in order to accumulate with Lender sufficient funds to pay all such Taxes at least thirty (30) days prior to their respective due dates, and (b) one-twelfth of the Insurance Premiums that Lender reasonably estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof in order to ratably accumulate with Lender sufficient funds to pay all such Insurance Premiums at least fourteen (14) days prior to the expiration of the Policies (the foregoing amounts so deposited with Lender are hereinafter called the “**Tax and Insurance Escrow Funds**” and the account in which such amounts are held shall hereinafter be referred to as the “**Tax and Insurance Reserve Subaccount**”). Notwithstanding the previous requirements of this Section 7.2.1, Lender shall waive Borrower’s obligations to (I) deposit the Initial Insurance Premiums Deposit, and (II) pay to Lender on each Payment Date the payment described in clause (b) of this Section 7.2.1, each for so long as the following conditions are met (any of which may be waived, in Lender’s sole and absolute discretion): (i) no Event of Default has occurred and is continuing hereunder, (ii) the insurance coverage for the Property is included in a blanket policy insuring multiple properties and held by Borrower or an entity which Controls Borrower, which blanket policy is acceptable to Lender in its sole discretion, (iii) Borrower binds all applicable insurance prior to the then current expiration date of the blanket policy described in clause (ii) hereof, (iv) Guarantor shall satisfy the covenants set forth in Section 5.2 of the Guaranty, and (v) Borrower provides Lender evidence of renewal policies prior to the then current expiration date of the applicable policy (the conditions contained in the foregoing clauses (i) through (iv), collectively, the “**Insurance Escrow Funds Waiver Conditions**”). If, at any time, Borrower fails to meet each and every one of the Insurance Escrow Funds Waiver Conditions (and Lender has not opted to waive such condition in its sole and absolute discretion), commencing with the next applicable Payment Date and continuing on each Payment Date until such time as all Insurance Escrow Funds Waiver Conditions have again been met, Borrower shall deposit an amount equal to the product of (x) the resulting fraction where (A) the numerator is one (1), and (B) the denominator is the number of Payment Dates then remaining in the then current calendar year, and (y) the amount of Insurance Premiums that Lender reasonably estimates will be payable to obtain and subsequently retain policies of insurance which meet the requirements of Section 6.1, hereof. In addition to the foregoing, if Borrower fails to renew the policy or policies described in clause (ii) hereof by the date which is seven (7) days prior to the expiration thereof, Borrower agrees to notify Lender of such failure, and to keep Lender reasonably apprised of all developments in connection therewith, and if, following such notice, Lender reasonably believes that Borrower will be unable to bind the policy or policies described in clause (ii) prior to the expiration thereof, then Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate. All premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and, until paid, shall be secured by the Security Instrument and shall bear interest at the Default Rate.

7.2.6 Disbursements from Tax and Insurance Escrow Funds. Provided no Default or Event of Default has occurred and is continuing, Lender will apply the Tax and

Insurance Escrow Funds to payments of Taxes and Insurance Premiums required to be made by Borrower pursuant to Section 5.1.2 hereof and under the Security Instrument. In making any payment relating to the Tax and Insurance Escrow Funds, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) or insurer or agent (with respect to Insurance Premiums), without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax and Insurance Escrow Funds shall exceed the amounts due for Taxes and Insurance Premiums pursuant to Section 5.1.2 hereof, Lender shall, in its sole discretion, return any excess to Borrower or credit such excess against future payments to be made to the Tax and Insurance Escrow Funds. Any amount remaining in the Tax and Insurance Escrow Funds after the Debt has been paid in full shall be promptly returned to Borrower. In allocating such excess, Lender may deal with the Person shown on the records of Lender to be the owner of the Property. If at any time Lender reasonably determines that the Tax and Insurance Escrow Funds are not or will not be sufficient to pay Taxes and Insurance Premiums by the due dates thereof, Lender shall notify Borrower of such determination and Borrower shall increase its monthly payments to Lender by the amount that Lender reasonably estimates is sufficient to make up the deficiency at least thirty (30) days prior to the due date of the Taxes and/or fourteen (14) days prior to expiration of the Policies, as the case may be. Notwithstanding the foregoing, for so long as each of the Insurance Escrow Funds Waiver Conditions is met, Lender shall not disburse any of the Tax and Insurance Escrow Funds for the purposes of paying Insurance Premiums.

Section 7.3 Replacements and Replacement Reserve.

7.3.2 Replacement Reserve Funds. Commencing on the Payment Date that that Debt Service Coverage Ratio for the Property is less than or equal to 1.30 to 1.0, calculated on a trailing three (3) month basis and thereafter until such time as the Debt Service Coverage Ratio is greater than 1.35 to 1.0, calculated on a trailing three (3) month basis, Borrower shall pay to Lender on each Payment Date the Replacement Reserve Monthly Deposit, which shall be used for replacements and repairs required to be made to the Property (collectively, the “**Replacements**”). Amounts so deposited shall hereinafter be referred to as Borrower’s “**Replacement Reserve Funds**” and the account in which such amounts are held shall hereinafter be referred to as Borrower’s “**Replacement Reserve Subaccount**”.

7.3.3 Disbursements from Replacement Reserve Subaccount. Lender shall make disbursements from the Replacement Reserve Funds for the cost of Replacements incurred by Borrower upon satisfaction by Borrower of each of the following conditions with respect to each such disbursement: (a) Borrower shall submit Lender’s standard form of draw request for payment to Lender at least ten (10) Business Days prior to the date on which Borrower requests such payment be made, which request shall specify the Replacements to be paid and shall be accompanied by copies of paid invoices for the amounts requested; (b) on the date such request is received by Lender and on the date such payment is to be made, no Default or Event of Default shall exist and remain uncured; and (c) Lender shall have received (i) an Officer’s Certificate from Borrower (A) stating that the items to be funded by the requested disbursement are Replacements, and a description thereof, (B) stating that all Replacements to be funded by

the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (C) identifying each Person that supplied materials or labor in connection with the Replacements to be funded by the requested disbursement, (D) stating that each such Person has been paid in full or will be paid in full upon such disbursement (subject to commercially reasonable retention), (E) stating that the Replacements to be funded have not been the subject of a previous disbursement, (F) stating that all previous disbursements of Replacement Reserve Funds have been used to pay the previously identified Replacements, and (G) stating that all outstanding trade payables relating to the Replacements (other than those to be paid from the requested disbursement) have been paid in full, (ii) a copy of any license, permit or other approval by any Governmental Authority required in connection with the Replacements and not previously delivered to Lender, (iii) if required by Lender for requests in excess of \$100,000.00 for a single item, lien waivers or other evidence of payment reasonably satisfactory to Lender and releases from all parties furnishing materials and/or services in connection with the requested payment, (iv) at Lender's reasonable option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, and (v) such other evidence as Lender shall reasonably request to demonstrate that the Replacements to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall make disbursements as requested by Borrower on a monthly basis in increments of no less than \$5,000 per disbursement. Lender may require an inspection of the Property at Borrower's expense during normal business hours with reasonable advance notice prior to making a monthly disbursement in order to verify completion of improvements in excess of \$100,000 for which reimbursement is sought.

7.3.4 Balance in the Replacement Reserve Subaccount. The insufficiency of any balance in the Replacement Reserve Subaccount shall not relieve Borrower from its obligation to fulfill all preservation and maintenance covenants in the Loan Documents.

Section 7.4 Free Rent Reserve.

(e) On the date hereof, Borrower shall deposit with Lender the amount of \$3,155,000 for the purpose of creating a reserve to protect against the decreased Rents during the period (the "**Free Rent Period**") that any free rent periods or rent abatements are in effect under the Warner Music Lease, which amount shall be deposited with and held by Lender pursuant to the terms hereof. All such amounts so deposited shall hereinafter be referred to as the "**Free Rent Reserve Funds**" and the account to which such amounts are held shall hereinafter be referred to as the "**Free Rent Reserve Subaccount**".

(f) On each Payment Date set forth on Schedule VI attached hereto, (A) provided that no Event of Default or Cash Management Period is then continuing, Lender shall disburse an amount equal to the amount so indicated on Schedule VI for such Payment Date directly into the Clearing Account, or (B) if a Cash Management Period is continuing (other than as a result of a continuance of an Event of Default (and no Event of Default is then otherwise continuing)), Lender shall apply an amount equal to the amount so indicated on Schedule VI for such Payment Date into the Deposit Account to be applied in accordance with Section 2.7.2(b) hereof.

Section 7.5 Clear Channel Reserve.

7.5.1 Deposits of Clear Channel Reserve Funds. If Clear Channel does not execute and deliver a renewal or extension of the Clear Channel Lease with respect to all or any portion of the premises demised under the Clear Channel Lease on the date hereof (such portion of the premises demised under the Clear Channel Lease for which no such renewal or extension has been executed and delivered, the “**Clear Channel Non-Renewal Premises**”) on or prior to the date which is twelve (12) calendar months prior to the then effective expiration of the Clear Channel Lease, then, commencing on the first Payment Date following such date, Borrower shall pay to Lender on each Payment Date, for the next twelve (12) consecutive Payment Dates, an amount equal to one-twelfth of the aggregate of the full, unabated base rent attributable to the Clear Channel Non-Renewal Premises during the last full twelve months of the term of the Clear Channel Lease (such amount, the “**Clear Channel Reserve Monthly Deposit**”, which amounts shall be deposited with and held by Lender for reimbursement of the costs associated with re-tenanting the Clear Channel Non-Renewal Premises). All such amounts so deposited shall hereinafter be referred to as the “**Clear Channel Reserve Funds**” and the account to which such amounts are held shall hereinafter be referred to as the “**Clear Channel Reserve Subaccount**”. Notwithstanding the foregoing, so long as no Event of Default has occurred and is then continuing, Borrower shall not be required to make the Clear Channel Reserve Monthly Deposit to the Clear Channel Reserve Subaccount as set forth in this Section 7.5.1 to the extent that such deposits would cause the amount of Clear Channel Reserve Funds then on deposit in the Clear Channel Reserve Subaccount to exceed the sum of (x) with respect to any portion of the Clear Channel Non-Renewal Premises which are then subject to a Qualified Lease (such portion of the Clear Channel Non-Renewal Premises, the “**Qualifying Clear Channel Space**”), the sum of (i) one hundred and ten percent (110%) of the actual tenant improvements and Downtime (if any) for such Qualifying Clear Channel Space, plus (ii) the actual leasing commissions payable with respect to such Qualifying Clear Channel Space; provided however, if the quotient of (I) the sum of the immediately foregoing clauses (i) and (ii), and (II) the square footage of such portion of Clear Channel Non-Renewal Premises which are then subject to a Qualified Lease, exceeds forty (40), the sum of the immediately foregoing clauses (i) and (ii) shall be deemed to be a number which would yield a quotient of forty (40), plus (y) the product of (i) \$40.00, multiplied by (ii) the difference between (A) the aggregate square footage of all Clear Channel Non-Renewal Premises, minus (B) the aggregate square footage of all Qualifying Clear Channel Space (the sum of the immediately foregoing clauses (x) and (y) as of any date, the “**Clear Channel Reserve Funds Cap**”); provided, however, that Borrower shall resume making deposits of Clear Channel Reserve Funds to the Clear Channel Reserve Subaccount to the extent that at any time the amount of Clear Channel Reserve Funds on deposit in the Clear Channel Reserve Subaccount falls below the Clear Channel Reserve Funds Cap.

7.5.2 Withdrawal of Clear Channel Reserve Funds. Lender shall make disbursements from the Clear Channel Reserve Funds for Approved Leasing Expenses incurred by Borrower in connection with the re-letting of the Clear Channel Non-Renewal Premises (the “**Clear Channel Re-tenanting Expenses**”), in accordance with the terms hereof upon satisfaction by Borrower of each of the following conditions with respect to each such disbursement: (a) Borrower shall submit Lender’s standard form of draw request for payment to Lender at least ten

(10) Business Days prior to the date on which Borrower requests such payment be made, which request shall specify the Clear Channel Re-tenanting Expenses to be paid and shall be accompanied by copies of paid invoices for the amounts requested; (b) on the date such request is received by Lender and on the date such payment is to be made, no Default or Event of Default shall exist and remain uncured; (c) Lender shall have reviewed and approved the Lease giving rise to the Clear Channel Re-tenanting Expenses to be paid in accordance with the terms hereof, if such Lease requires Lender approval pursuant to the terms hereof; and (d) Lender shall have received (i) an Officer's Certificate from Borrower (A) stating that the items to be funded by the requested disbursement are Clear Channel Re-tenanting Expenses, and a description thereof, (B) stating that all tenant improvements at the Property to be funded by the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (C) identifying each Person that supplied materials or labor in connection with the tenant improvements to be funded by the requested disbursement or the broker entitled to the leasing commissions, (D) stating that each such Person has been paid in full or will be paid in full upon such disbursement (subject to commercially reasonable retention), (E) stating that the Clear Channel Re-tenanting Expenses to be funded have not been the subject of a previous disbursement, (F) stating that all previous disbursements of Clear Channel Reserve Funds have been used to pay the previously identified Clear Channel Re-tenanting Expenses, and (G) stating that all outstanding trade payables relating to the Clear Channel Re-tenanting Expenses have been paid in full, (ii) a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements and not previously delivered to Lender, (iii) if required by Lender for requests in excess of \$100,000 for a single item, lien waivers or other evidence of payment reasonably satisfactory to Lender and releases from all parties furnishing materials and/or services in connection with the requested payment, (iv) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, and (v) such other evidence as Lender shall reasonably request to demonstrate that the Clear Channel Re-tenanting Expenses to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall make disbursements as requested by Borrower on a monthly basis in increments of no less than \$5,000 per disbursement. Lender may require an inspection of the Property during normal business hours with reasonable advance notice at Borrower's expense prior to making a monthly disbursement in order to verify completion of improvements in excess of \$100,000 for which reimbursement is sought. Notwithstanding the foregoing, and provided no Default or Event of Default then exists, if, following the expiration of the Clear Channel Lease with respect to all of the premises demised thereunder, (x) the Debt Service Coverage Ratio for the Property then exceeds 1.10 to 1.0, calculated on a trailing three (3) month basis, Lender shall remit to Borrower any Clear Channel Reserve Funds then on deposit in the Clear Channel Reserve Subaccount in excess of the Clear Channel Reserve Funds Cap, and (y) the Debt Service Coverage Ratio for the Property ever exceeds 1.25 to 1.0, calculated on a trailing three (3) month basis, then Lender shall remit to Borrower all Clear Channel Reserve Funds then on deposit in the Clear Channel Reserve Subaccount.

Section 7.6 Warner Music Reserve.

7.6.1 Deposits of Warner Music Reserve Funds. If Warner Music does not execute and deliver a renewal or extension of the Warner Music Lease with respect to all or any portion of the premises demised under the Warner Music Lease on the date hereof (such portion of the premises demised under the Warner Music Lease for which no such renewal or extension has been executed and delivered, the “**Warner Music Non-Renewal Premises**”) on or prior to the date which is fifteen (15) calendar months prior to the then effective expiration of the Warner Music Lease, then, commencing on the first Payment Date following such date, Borrower shall pay to Lender on each Payment Date, for the next fifteen (15) consecutive Payment Dates, an amount equal to one-fifteenth of the aggregate of the full, unabated base rent attributable to the Warner Music Non-Renewal Premises during the last full twelve months of the term of the Warner Music Lease (such amount, the “**Warner Music Reserve Monthly Deposit**”, which amounts shall be deposited with and held by Lender for reimbursement of the costs associated with re-tenanting the Warner Music Non-Renewal Premises). All such amounts so deposited shall hereinafter be referred to as the “**Warner Music Reserve Funds**” and the account to which such amounts are held shall hereinafter be referred to as the “**Warner Music Reserve Subaccount**”. Notwithstanding the foregoing, so long as no Event of Default has occurred and is then continuing, Borrower shall not be required to make the Warner Music Reserve Monthly Deposit to the Warner Music Reserve Subaccount as set forth in this Section 7.5.1 to the extent that such deposits would cause the amount of Warner Music Reserve Funds then on deposit in the Warner Music Reserve Subaccount to exceed the sum of (x) with respect to any portion of the Warner Music Non-Renewal Premises which are then subject to a Qualified Lease (such portion of the Warner Music Non-Renewal Premises, the “**Qualifying Warner Music Space**”), the sum of (i) one hundred and ten percent (110%) of the actual tenant improvements and Downtime (if any) for such Qualifying Warner Music Space, plus (ii) the actual leasing commissions payable with respect to such Qualifying Warner Music Space; provided however, if the quotient of (I) the sum of the immediately foregoing clauses (i) and (ii), and (II) the square footage of such portion of Warner Music Non-Renewal Premises which are then subject to a Qualified Lease, exceeds forty (40), the sum of the immediately foregoing clauses (i) and (ii) shall be deemed to be a number which would yield a quotient of forty (40), plus (y) the product of (i) \$40.00, multiplied by (ii) the difference between (A) the aggregate square footage of all Warner Music Non-Renewal Premises, minus (B) the aggregate square footage of all Qualifying Warner Music Space (the sum of the immediately foregoing clauses (x) and (y) as of any date, the “**Warner Music Reserve Funds Cap**”); provided, however, that Borrower shall resume making deposits of Warner Music Reserve Funds to the Warner Music Reserve Subaccount to the extent that at any time the amount of Warner Music Reserve Funds on deposit in the Warner Music Reserve Subaccount falls below the Warner Music Reserve Funds Cap.

7.6.2 Withdrawal of Warner Music Reserve Funds. Lender shall make disbursements from the Warner Music Reserve Funds for Approved Leasing Expenses incurred by Borrower in connection with the re-letting of the Warner Music Non-Renewal Premises (the “**Warner Music Re-tenanting Expenses**”), in accordance with the terms hereof upon satisfaction by Borrower of each of the following conditions with respect to each such disbursement: (a) Borrower shall submit Lender’s standard form of draw request for payment to Lender at least ten (10) Business Days prior to the date on which Borrower requests such payment be made, which request shall specify the Warner Music Re-tenanting Expenses to be paid and shall be

accompanied by copies of paid invoices for the amounts requested; (b) on the date such request is received by Lender and on the date such payment is to be made, no Default or Event of Default shall exist and remain uncured; (c) Lender shall have reviewed and approved the Lease giving rise to the Warner Music Re-tenanting Expenses to be paid in accordance with the terms hereof, if such Lease requires Lender approval pursuant to the terms hereof; and (d) Lender shall have received (i) an Officer's Certificate from Borrower (A) stating that the items to be funded by the requested disbursement are Warner Music Re-tenanting Expenses, and a description thereof, (B) stating that all tenant improvements at the Property to be funded by the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (C) identifying each Person that supplied materials or labor in connection with the tenant improvements to be funded by the requested disbursement or the broker entitled to the leasing commissions, (D) stating that each such Person has been paid in full or will be paid in full upon such disbursement (subject to commercially reasonable retention), (E) stating that the Warner Music Re-tenanting Expenses to be funded have not been the subject of a previous disbursement, (F) stating that all previous disbursements of Warner Music Reserve Funds have been used to pay the previously identified Warner Music Re-tenanting Expenses, and (G) stating that all outstanding trade payables relating to the Warner Music Re-tenanting Expenses have been paid in full, (ii) a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements and not previously delivered to Lender, (iii) if required by Lender for requests in excess of \$100,000 for a single item, lien waivers or other evidence of payment reasonably satisfactory to Lender and releases from all parties furnishing materials and/or services in connection with the requested payment, (iv) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, and (v) such other evidence as Lender shall reasonably request to demonstrate that the Warner Music Re-tenanting Expenses to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall make disbursements as requested by Borrower on a monthly basis in increments of no less than \$5,000 per disbursement. Lender may require an inspection of the Property during normal business hours with reasonable advance notice at Borrower's expense prior to making a monthly disbursement in order to verify completion of improvements in excess of \$100,000 for which reimbursement is sought. Notwithstanding the foregoing, and provided no Default or Event of Default then exists, if, following the expiration of the Warner Music Lease with respect to all of the premises demised thereunder, (x) the Debt Service Coverage Ratio for the Property then exceeds 1.10 to 1.0, calculated on a trailing three (3) month basis, Lender shall remit to Borrower any Warner Music Reserve Funds then on deposit in the Warner Music Reserve Subaccount in excess of the Warner Music Reserve Funds Cap, and (y) the Debt Service Coverage Ratio for the Property ever exceeds 1.25 to 1.0, calculated on a trailing three (3) month basis, then Lender shall remit to Borrower all Warner Music Reserve Funds then on deposit in the Warner Music Reserve Subaccount.

Section 7.7 Excess Cash Reserve Funds. Upon the occurrence and during the continuance of a Cash Trap Period, all Excess Cash shall be collected by Lender and all such amounts shall be held by Lender as additional security for the Loan (amounts so held shall be hereinafter referred to as the "**Excess Cash Reserve Funds**" and the account to which such

amounts are held shall hereinafter be referred to as the “ **Excess Cash Reserve Subaccount** ”). At such time as any Cash Trap Period shall end, any funds held in the Excess Cash Reserve Subaccount shall be returned to Borrower.

Section 7.8 Payment Reserve. Contemporaneously with the execution hereof, Borrower has established with Lender a reserve in the aggregate amount of (i) the Monthly Debt Service Payment Amount due on the First Payment Date and (ii) amounts payable to Reserve Subaccounts on the First Payment Date (the “ **Payment Reserve** ”). Borrower understands and agrees that, notwithstanding the establishment of the Payment Reserve, all of the proceeds of the Loan have been, and shall be considered, fully disbursed and shall bear interest and be payable on the terms provided therein. For so long as no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, Lender shall on the First Payment Date advance from the Payment Reserve to itself the amount of the Monthly Debt Service Payment Amount and amounts payable to Reserve Subaccounts under the Loan Documents on the First Payment Date. Amounts deposited in the Payment Reserve shall be referred to herein as Borrower’s “ **Payment Reserve Funds** ” and the account in which such amounts are held shall be referred to as Borrower’s “ **Payment Reserve Subaccount** .”

Section 7.9 Reserve Funds, Generally.

(c) Borrower (i) hereby grants to Lender a first priority security interest in all of the Reserve Funds and any and all monies now or hereafter deposited in each Reserve Subaccount as additional security for payment and performance of the Obligations and (ii) will take all actions necessary to maintain in favor of Lender a perfected first priority security interest in the Reserve Funds, including, without limitation, filing or authorizing Lender to file UCC-1 financing statements and continuations thereof. Until expended or applied in accordance herewith, the Reserve Funds shall constitute additional security for the Obligations.

(d) Upon the occurrence and during the continuance of an Event of Default, Lender may, in addition to any and all other rights and remedies available to Lender, apply any sums then present in any or all of the Reserve Funds to the reduction of the Outstanding Principal Balance in any order in its sole discretion.

(e) Borrower shall not further pledge, assign or grant any security interest in any Reserve Fund or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 financing statements, except those naming Lender as the secured party, to be filed with respect thereto.

(f) The Reserve Funds shall not constitute trust funds and may be commingled with other monies held by Lender. Reserve Funds or any funds deposited in any Reserve Subaccount may be deposited in interest-bearing accounts chosen by Borrower (except that funds deposited in the Tax and Insurance Reserve Subaccount may, at Lender’s or any Servicer’s election, be deposited in interest-bearing accounts chosen by Lender or any Servicer); provided that (i) Lender and/or Servicer may elect to deposit funds in the Tax and Insurance Reserve Subaccount independent of Borrower’s election with respect to other Reserve Funds, (ii) no Reserve Funds shall be invested except in Permitted Investments, (iii) Borrower shall select the Permitted Investments

in which such funds shall be invested (other than with respect to funds deposited in the Tax and Insurance Reserve Subaccount, with respect to which Lender or Servicer shall select such Permitted Investments), except during the continuance of an Event of Default (in which case Lender or Servicer shall select such Permitted Investments), (iv) all interest earned or accrued thereon shall be for the account of Borrower (other than that with respect to the Tax and Insurance Reserve Subaccount, which shall be for the account of Lender (or, at Lender's discretion, Servicer)), and (v) any interest or earnings for the account of Borrower shall not be paid to Borrower, but shall be retained by Lender or any Servicer, added to the balance of the applicable Reserve Subaccount, and treated as the applicable Reserve Funds are treated hereunder for all purposes. Borrower shall be responsible for payment of any federal, state or local income or other tax applicable to the interest or income earned on the Reserve Funds. Borrower shall bear all reasonable costs associated with the investment of the sums in the account in Permitted Investments; provided, that such costs shall be deducted from the income or earnings on such investment, if any, and to the extent such income or earnings shall not be sufficient to pay such costs, such costs shall be paid by Borrower promptly on demand by Lender. Lender shall not be responsible and shall have no liability whatsoever for the rate of return earned or losses incurred on the investment of any Reserve Funds in Permitted Investments, and Borrower shall bear all such risk.

(g) Borrower shall indemnify Lender and hold Lender harmless from and against any and all actions, suits, claims, demands, liabilities, out-of-pocket losses, actual damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against Lender, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)), obligations and costs and expenses (including litigation costs and reasonable attorneys' fees and expenses) arising from or in any way connected with the Reserve Funds or the performance of the obligations for which the Reserve Funds were established, unless the same arise solely by reason of the gross negligence or willful misconduct of Lender or its Servicer. Borrower shall assign to Lender all rights and claims Borrower may have against all Persons supplying labor, materials or other services which are to be paid from or secured by the Reserve Funds; *provided, however*, that Lender may not pursue any such right or claim unless an Event of Default has occurred and remains uncured.

Section 7.10 Letters of Credit.

(j) Notwithstanding anything to the contrary contained herein, Borrower may, at Borrower's option, provide a Letter of Credit in lieu of any of the cash deposits required to be made pursuant to Sections 7.4, 7.5 or 7.6 above, provided that at all times the amount available to be drawn on such Letter of Credit is, equal to or greater than the aggregate amount of all cash deposits previously required to have been made thereunder but which in fact have not been made and otherwise meets all applicable requirements related thereto set forth herein. Other than in connection with any Letters of Credit delivered in connection with the closing of the Loan, Borrower shall give Lender no less than ten (10) business days prior written notice of Borrower's election to deliver a Letter of Credit in lieu of a cash deposit required under Sections 7.4, 7.5 or 7.6 above and Borrower shall pay to Lender all of Lender's reasonable out-of-pocket costs and expenses in connection therewith. No party other than Lender shall be entitled to draw on any such Letter of

Credit. Upon ten (10) days prior written notice to Lender, Borrower may replace a Letter of Credit with a cash deposit to the applicable Reserve Fund. Prior to the return of a Letter of Credit, Borrower shall deposit an amount equal to the amount that would have accumulated in the applicable Reserve Fund in accordance with this Agreement if such Letter of Credit had not been delivered. In no event shall Lender be required to disburse Reserve Funds if in lieu of depositing amounts in the applicable Reserve, Borrower posted a Letter of Credit Borrower shall pay all cost, expenses and fees relating to any assignment of the Letter of Credit to Lender and/or from Lender to its successors and assigns.

(k) Each Letter of Credit delivered hereunder shall be additional security for the payment of the Debt. Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right, at its option, to draw on any Letter of Credit and to apply all or any part thereof to the payment of the items for which such Letter of Credit was established or to apply each such Letter of Credit and/or such draws to payment of the Debt in such order, proportion or priority as Lender may determine. Any such application to the Debt shall be subject to the terms and conditions hereof relating to application of sums to the Debt. Lender shall have the additional rights to draw in full any Letter of Credit: (i) if Lender has received a notice from the issuing bank that the Letter of Credit will not be renewed and a substitute Letter of Credit is not provided at least fifteen (15) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (ii) if Lender has not received a notice from the issuing bank that it has renewed the Letter of Credit at least fifteen (15) days prior to the date on which such Letter of Credit is scheduled to expire and a substitute Letter of Credit is not provided at least fifteen (15) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (iii) upon receipt of notice from the issuing bank that the Letter of Credit will be terminated (except if the termination of such Letter of Credit is permitted pursuant to the terms and conditions hereof or a substitute Letter of Credit is provided by no later than fifteen (15) days prior to such termination); (iv) if Lender has received notice or otherwise reasonably believes that the bank issuing the Letter of Credit shall cease to be an Approved Bank and Borrower has not substituted a Letter of Credit from an Approved Bank within fifteen (15) days after notice from Lender advising Borrower of its belief that the issuer is no longer an Approved Bank (as applicable); and/or (v) if the bank issuing the Letter of Credit shall fail, within forty-five (45) days of such request therefor to (A) issue a replacement Letter of Credit in the event the original Letter of Credit has been lost, mutilated, stolen and/or destroyed or (B) consent to the transfer of the Letter of Credit to any Person designated by Lender. If Lender draws upon a Letter of Credit pursuant to the terms and conditions of this Agreement, provided no Event of Default exists, Lender shall deposit such funds in the applicable Reserve(s) for which such Letter of Credit was established. Notwithstanding anything to the contrary contained in the above, Lender is not obligated to draw any Letter of Credit upon the happening of an event specified herein and shall not be liable for any losses sustained by Borrower due to the insolvency of the bank issuing the Letter of Credit if Lender has not drawn the Letter of Credit.

(l) If at any time the undrawn face amount (that remains available to be drawn) of a Letter of Credit posted in lieu of a particular cash deposit exceeds the amount of such cash deposit required to be kept according to the terms of this Agreement (the applicable cash deposit, the “ **Required Amount** ”), then upon ten (10) days prior written notice, (i) Borrower may replace such Letter of Credit with a replacement Letter of Credit that satisfies the requirements of this Agreement, provided that the undrawn face amount of the replacement Letter of Credit that

remains available to be drawn by Lender shall be equal to or greater than the applicable Required Amount, (ii) Lender will reasonably cooperate with Borrower in agreeing to permit the issuer thereof to reduce the undrawn face amount of such Letter of Credit, provided that the undrawn face amount thereof available to be drawn by Lender, following the reduction, shall be equal to or greater than the applicable Required Amount, or (iii) if the applicable cash deposit required to be kept is zero according to the terms of this Agreement, Lender shall reasonably cooperate with Borrower in effectuating the return of, and consenting to the issuer's cancellation of, such Letter of Credit, in each case at Borrower's sole cost and expense and provided same does not result in any liability of or obligation on Lender.

ARTICLE VIII.

DEFAULTS

Section 8.1 Event of Default.

(a) Each of the following events shall constitute an event of default hereunder (an “**Event of Default**”):

(i) (A) if Borrower fails to pay the Monthly Debt Service Payment Amount when due or fails to repay the entire outstanding principal balance of the Note in full on the Maturity Date, and/or (B) Borrower shall fail to pay when due (x) any payment required under Sections 7.2, 7.3, 7.5, 7.6 or 7.7 hereof, or (y) any other portion of the Debt; provided that, with respect to this clause (B), such non-payment continues for five (5) days following notice to Borrower that the same is due and payable;

(ii) if any of the Taxes or Other Charges are not paid when the same are due and payable (unless Lender is paying such Taxes pursuant to Section 7.2), subject to the provisions of Section 2.7.3 and Section 5.1.2 hereof;

(iii) if the Policies are not kept in full force and effect, or if copies of the certificates evidencing the Policies (or certified copies of the Policies if requested by Lender) are not delivered to Lender within thirty (30) days after written request therefor, which period may be extended upon request of Borrower, provided Borrower is diligently pursuing such certificates (or certified copies of the Policies, as the case may be), such additional period not to exceed ninety (90) days; provided, however, there shall be no Event of Default under this Section 8.1(a)(iii) if: (x) sufficient funds exist in the Tax and Insurance Reserve Subaccount to pay all premiums and any other amounts owing with respect to such Policies, and (y) in violation of this Agreement, Lender fails to release such funds in order to pay same;

(iv) if Borrower Transfers or otherwise encumbers any portion of the Property or the Collateral in violation of the provisions of this Agreement, or Article 6 of the Security Instrument or any Transfer is made in violation of the provisions of Section 5.2.10 hereof;

(v) if any representation or warranty made by Borrower herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document furnished to Lender by or on behalf of any Restricted Party shall have been false or misleading in any material respect as of the date the representation or warranty was made or deemed remade;

(vi) if Borrower shall (i) make an assignment for the benefit of creditors or (ii) generally not be paying its debts as they become due;

(vii) if a receiver, liquidator or trustee shall be appointed for Borrower or Guarantor, or if Borrower or Guarantor shall be adjudicated bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to Federal bankruptcy law, or any similar Federal or state law, shall be filed by or against, consented to, or acquiesced in by, Borrower or Guarantor, or if any proceeding for the dissolution or liquidation of Borrower or Guarantor shall be instituted; *provided, however*, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower or Guarantor, upon the same not being discharged, stayed or dismissed within ninety (90) days;

(viii) if Guarantor or any guarantor or indemnitor under any guaranty or indemnity issued in connection with the Loan shall make an assignment for the benefit of creditors or if a receiver, liquidator or trustee shall be appointed for Guarantor or any guarantor or indemnitor under any guarantee or indemnity issued in connection with the Loan or if Guarantor or such other guarantor or indemnitor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to Federal bankruptcy law, or any similar Federal or state law, shall be filed by or against, consented to, or acquiesced in by, Guarantor or such other guarantor or indemnitor, or if any proceeding for the dissolution or liquidation of Guarantor or such other guarantor or indemnitor shall be instituted; *provided, however*, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Guarantor or such other guarantor or indemnitor, upon the same not being discharged, stayed or dismissed within ninety (90) days; *provided, further, however*, it shall be at Lender's option to determine whether any of the foregoing shall be an Event of Default;

(ix) if Borrower attempts to assign its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(x) if Borrower breaches any representation, warranty or covenant contained in Section 4.1.30 or any of its respective negative covenants contained in Section 5.2 or any covenant contained in Section 5.1.11 hereof (subject, with respect to Section 5.1.11(k), to the cure period set forth in Section 5.1.11(k));

(xi) with respect to any term, covenant or provision set forth herein which specifically contains a notice requirement or grace period, if Borrower shall be in default under such term, covenant or condition after the giving of such notice or the expiration of such grace period;

(xii) if any of the assumptions contained in the Insolvency Opinion delivered to Lender in connection with the Loan, or in any Additional Insolvency Opinion delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect unless such matter is cured in a timely manner;

(xiii) if a material default has occurred and continues beyond any applicable cure period under the Management Agreement (or any Replacement Management Agreement) and if such default permits the Manager thereunder to terminate or cancel the Management Agreement (or any Replacement Management Agreement) and Borrower fails to comply with Section 5.1.22 hereof;

(xiv) if Borrower shall continue to be in Default under any of the terms, covenants or conditions of Section 9.1 hereof, or fails to cooperate with Lender in connection with a Securitization pursuant to the provisions of Section 9.1 hereof, for three (3) days after written notice to Borrower from Lender;

(xv) if Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement not specified in subsections (i) to (xiv) above, for ten (10) days after notice to Borrower from Lender, in the case of any Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender in the case of any other Default; *provided, however*, that if such non-monetary Default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed ninety (90) days;

(xvi) if there shall be default under any of the other Loan Documents not specified in clauses (i) through (xv), above, beyond any applicable cure periods contained in such documents, whether as to any Restricted Party or the Property, or if any act, omission or event occurs that, pursuant to the express terms of any Loan Document results in an "Event of Default" under this Agreement.

(b) Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in clauses (vi), (vii) or (viii) above), in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, subject to applicable laws, Lender may take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, without limitation, declaring the Obligations to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and the Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vi), (vii) or (viii) above, the Debt and all Other Obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or

demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

8.1.7 Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Debt shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singularly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by applicable law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents.

(b) With respect to Borrower and the Property, nothing contained herein or in any other Loan Document shall be construed as requiring Lender to resort to the Property for the satisfaction of any of the Debt in any preference or priority, and Lender may seek satisfaction out of the Property, or any part thereof, in its absolute discretion in respect of the Debt.

(c) Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents (the “**Severed Loan Documents**”) in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, that Lender agrees not to utilize such power of attorney for the purposes stated in the foregoing clause of this Section 8.1.2 (c) unless (i) Lender has requested that Borrower take an action or execute a document for the purposes stated in the foregoing clause of this Section 8.1.2 (c) and, after five (5) Business Days, Borrower has failed to do so, (ii) an Event of Default has occurred and is continuing, or (iii) Lender reasonably believes its rights under any Loan Document or the Collateral or the value of the Collateral are under an imminent threat of being impaired. Except as may be required in connection with a Securitization pursuant to Section 9.1 hereof, (I) Borrower shall not be obligated to pay any costs or expenses incurred in connection with the preparation, execution, recording or filing of the Severed Loan Documents, and (II) the Severed Loan Documents shall not contain any representations, warranties or covenants not contained in the Loan Documents

and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the Closing Date.

(d) Intentionally Omitted.

(e) Any amounts recovered from the Property or any other collateral for the Loan after an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other amounts due under the Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine.

(f) If an Event of Default exists, Lender may (directly or by its agents, employees, contractors, engineers, architects, nominees, attorneys or other representatives), but without any obligation to do so and without notice to Borrower and without releasing Borrower from any obligation hereunder, cure the Event of Default in such manner and to such extent as Lender may deem necessary to protect the security hereof. Subject to Tenant' rights under the Leases, Lender (and its agents, employees, contractors, engineers, architects, nominees, attorneys or other representatives) are authorized to enter upon the Property to cure such Event of Default, and Lender is authorized to appear in, defend, or bring any action or proceeding reasonably necessary to maintain, secure or otherwise protect the Property or the priority of the Lien granted by the Security Instrument.

(g) Lender may, (i) at any time, appear in and defend any action or proceeding brought with respect to the Property, and, (ii) upon the occurrence and during the continuance of an Event of Default, or if Lender reasonably believes its rights under any Loan Document or the Collateral or the value of the Collateral are under an imminent threat of being impaired, may bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its sole discretion, decides should be brought to protect its interest in the Property. Lender shall, at its option, be subrogated to the Lien of any mortgage or other security instrument discharged in whole or in part by the Obligations, and any such subrogation rights shall constitute additional security for the payment of the Obligations.

(h) As used in this Section 8.1.2, a "foreclosure" shall include, without limitation, a power of sale in accordance with applicable laws .

8.1.8 Remedies Cumulative; Waivers. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singularly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE IX.

SPECIAL PROVISIONS

Section 9.1 Transfer of Loan. Lender may, at any time, sell, transfer or assign this Agreement, the Note, the Security Instrument and the other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the “**Securities**”) (such sales, participation, offering and/or placement, collectively, a “**Securitization**”). Lender may forward to each purchaser, transferee, assignee, servicer, participant or investor in such participations or Securities (collectively, the “**Investor**”) or any Rating Agency rating such Securities, each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Loan or to Borrower, any Guarantor or the Property, whether furnished by Borrower, any Guarantor or otherwise, as Lender determines reasonably necessary or desirable, including, without limitation, financial statements relating to Borrower, Guarantor, the Property and any Tenant at the Property. Borrower irrevocably waives any and all rights it may have under law or in equity to prohibit such disclosure, including but not limited to any right of privacy.

Section 9.2 Cooperation. Borrower and Guarantor agree to reasonably cooperate with Lender (and agree to cause their respective officers and representatives to reasonably cooperate) in connection with any transfer made or any Securities created pursuant to this Article IX, including, without limitation, the taking, or refraining from taking, of such action as may be necessary to satisfy all of the conditions of any Investor, the delivery of an estoppel certificate required in accordance with Section 5.1.15 hereof and such other documents as may be reasonably requested by Lender, and the execution of amendments to this Agreement, the Note, the Security Instrument and other Loan Documents and Borrower’s organizational documents as reasonably requested by Lender; provided that the reasonable, actual, out-of-pocket costs incurred for such cooperation (including without limitation the payment of any applicable mortgage recording taxes or title insurance premiums), in excess of \$12,500.00, incurred by Borrower and Guarantor, in the aggregate, shall be paid by Lender and no changes to the Loan Documents shall be required which materially modify or increase the liability, or impair or diminish the rights of Borrower or Guarantor. Borrower shall also furnish and Borrower and Guarantor consent to Lender furnishing to such Investors or prospective Investors or any Rating Agency any and all information concerning the Property, the Leases, the financial condition of Borrower and Guarantor as may be reasonably requested by Lender, any Investor, any prospective Investor or any Rating Agency in connection with any sale, transfer or Participations or Securities and shall indemnify the Indemnified Parties against, and hold the Indemnified Parties harmless from, any actual out-of-pocket losses, claims, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against an Indemnified Party, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)) or liabilities (collectively, the “**Liabilities**”) to which any such Indemnified Parties may become subject insofar as the Liabilities arise out of or are based upon any untrue statement or untrue statement

of any material fact contained in a Disclosure Document or arise out of or are based upon the omission or omission to state therein a material fact required to be stated in the Disclosure Document or necessary in order to make the statements in the Disclosure Document, in light of the circumstances under which they were made, not misleading and agreeing to reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by each of them in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case under this Section 9.2 only to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or omission made therein in reliance upon and in conformity with information furnished to Lender by or on behalf of Borrower in connection with the preparation of the Disclosure Document or in connection with the underwriting or closing of the Loan, including, without limitation, financial statements of Borrower, operating statements and rent rolls with respect to the Property. This indemnity agreement will be in addition to any liability which Borrower may otherwise have and shall survive the termination of the Security Instrument and the satisfaction and discharge of the Debt.

Section 9.3 Servicer . At the option of Lender, the Loan may be serviced by a master servicer, primary servicer, special servicer and/or trustee (any such master servicer, primary servicer, special servicer, and trustee, together with its agents, nominees or designees, are collectively referred to as “**Servicer**”) selected by Lender and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to Servicer pursuant to a pooling and servicing agreement, servicing agreement, special servicing agreement or other agreement providing for the servicing of one or more mortgage loans (collectively, the “**Servicing Agreement**”) between Lender and Servicer. Borrower shall be responsible for any reasonable set up fees or any other initial costs relating to or arising under the Servicing Agreement, but Borrower shall not be responsible for payment of the regular monthly master servicing fee or trustee fee due to Servicer under the Servicing Agreement or any fees or expenses required to be borne by, and not reimbursable to, Servicer. Notwithstanding the foregoing, Borrower shall promptly reimburse Lender on demand for (a) interest payable on advances made by Servicer with respect to delinquent debt service payments or expenses paid by Servicer or trustee in respect of the protection and preservation of the Property (including, without limitation, on account of Basic Carrying Costs), (b) all costs and expenses, liquidation fees, workout fees, special servicing fees, operating advisor fees or any other similar fees payable by Lender to Servicer which may be due and payable under the Servicing Agreement (whether on a periodic or a continuing basis) as a result of an Event of Default under the Loan, the Loan becoming specially serviced, the commencement or continuance of any enforcement action of any kind with respect to the Loan or any of the Loan Documents, a refinancing or a restructuring of the credit arrangements provided under this Agreement in the nature of a “work-out” of the Loan Documents, or any Bankruptcy Action involving Borrower, Guarantor or any of their respective principals or Affiliates, (c) all costs and expenses of any Property inspections and/or appraisals (or any updates to any existing inspection or appraisal) that Servicer or the trustee may be required to obtain (other than the cost of regular annual inspections required to be borne by Servicer under the Servicing Agreement), and (d) all reasonable costs and expenses relating to or arising from any special requests made by Borrower or Guarantor during the term of the Loan including, without limitation, in connection with a prepayment, defeasance, assumption or modification of the Loan.

Section 9.4 Restructuring of Loan.

(c) Lender, without in any way limiting Lender's other rights hereunder, in its sole and absolute discretion, shall have the right at any time to require Borrower to restructure the Loan into additional multiple notes (which may include component notes and/or senior and junior notes), to re-allocate principal among component notes and/or senior and junior notes and/or to create participation interests in the Loan, which restructuring may include the restructuring of a portion of the Loan to one or more of the foregoing or to one or more mezzanine loans (the "**New Mezzanine Loan** ") to the newly-formed direct or indirect owners of the equity interests in Borrower, secured by a pledge of such interests, the establishment of different interest rates and debt service payments for the Loan, and the New Mezzanine Loan and the payment of the Loan, and the New Mezzanine Loan in such order of priority as may be designated by Lender; provided that (i) the total principal amounts of the Loan (including any component notes), and the New Mezzanine Loan shall equal the total principal amount of the Loan immediately prior to the restructuring, (ii) except in the case of the occurrence of an Event of Default or a default beyond all notice and cure periods under the New Mezzanine Loan, or of a Casualty or Condemnation that results in the payment of principal under the Loan and/or the New Mezzanine Loan, the weighted average interest rate of the Loan and the New Mezzanine Loan, if any, shall, in the aggregate, equal the Interest Rate, and (iii) except in the case of the occurrence of an Event of Default and/or a default beyond all notice and cure periods under the New Mezzanine Loan, or of a Casualty or Condemnation that results in the payment of principal under the Loan and/or the New Mezzanine Loan, the aggregate debt service payments on the Loan and the New Mezzanine Loan shall equal the aggregate debt service payments which would have been payable under the Loan had the restructuring not occurred.

(d) Borrower shall cooperate with all reasonable requests of Lender in order to restructure the Note, the Loan and/or to create a New Mezzanine Loan, if applicable, and shall, upon ten (15) Business Days written notice from Lender, which notice shall include the forms of documents for which Lender is requesting execution and delivery, and further provided that such forms are substantially the same as the Loan Documents with any changes required to reflect the structure of the transaction and a pledge agreement and any related documents in the Lender's standard form, (i) execute and deliver such documents, including, without limitation, in the case of any New Mezzanine Loan, a mezzanine note, a mezzanine loan agreement, a pledge and security agreement and a mezzanine deposit account agreement, (ii) cause Borrower's counsel to deliver such legal opinions, and (iii) create such a bankruptcy remote borrower under the New Mezzanine Loan as, in each of the cases of clauses (i), (ii) and (iii) above, shall be reasonably required by Lender and required by any Rating Agency in connection therewith, all in form and substance reasonably satisfactory to Lender, including, without limitation, the severance of this Agreement, the Security Instrument and the other Loan Documents if requested; *provided, however* , but subject to Section 9.4(a)(ii) and (iii) hereof, any such amendments required by Lender shall not result in any economic changes or other adverse change in the transaction contemplated by this Agreement or the other Loan Documents and no changes to the Loan Documents shall be required which modify or increase the liability, or impair or diminish the rights of Borrower or Guarantor. It is expressly understood and agreed by Borrower and Lender that the mere change in structure contemplated by this Section 9.4(b) shall not, in and of itself, be deemed to result in any economic changes or other

adverse change in the transaction contemplated by this Agreement or the other Loan Documents or to modify or increase the liability, or impair or diminish the rights of Borrower or Guarantor.

(e) Notwithstanding anything to the contrary contained herein, the reasonable, actual out-of-pocket costs incurred by Borrower and Guarantor for cooperation in connection with, and preparation of any financial or other data or statements required in connection with, either this Section 9.4, or a Securitization pursuant to Section 9.1 hereof (including without limitation the payment of any applicable mortgage recording taxes or title insurance premiums), in excess of \$12,500.00, in the aggregate, shall be paid by Lender.

(f) In the event Borrower fails to execute and deliver such documents described in this Section 9.4 to Lender within ten (10) Business Days following such written notice by Lender, and Lender sends a second notice to Borrower with respect to the delivery of such documents containing a legend clearly marked in not less than fourteen (14) point bold face type, underlined, in all capital letters "POWER OF ATTORNEY IN FAVOR OF LENDER DEEMED EFFECTIVE FOR EXECUTION AND DELIVERY OF DOCUMENTS IF NO RESPONSE WITHIN 10 BUSINESS DAYS", Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect such transactions, Borrower ratifying all that such attorney shall do by virtue thereof, if Borrower fails to execute and deliver such documents within ten (10) Business Days of receipt of such second notice. It shall be an Event of Default if Borrower fails to comply with any of the terms, covenants or conditions of this Section 9.4 after the expiration of ten (10) Business Days after the second notice thereof.

ARTICLE X.

MISCELLANEOUS

Section 10.1 Survival. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by Lender of the Loan and the execution and delivery to Lender of the Note, and shall continue in full force and effect so long as all or any of the Obligations are outstanding and unpaid unless a longer period is expressly set forth herein or in the other Loan Documents. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the legal representatives, successors and assigns of such party. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the legal representatives, successors and assigns of Lender.

Section 10.2 Lender's Discretion. Whenever pursuant to this Agreement, Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

Section 10.3 Governing Law.

(g) THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, THE LOAN WAS MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE LOAN DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIEN AND SECURITY INTEREST CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS, AND THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(h) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

C T Corporation System
111 Eighth Avenue,
New York, NY 10011

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

Section 10.4 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement, or of the Note, or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 10.5 Delay Not a Waiver. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under the Note or under any other Loan Document, or any other instrument given as security therefor, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement, the Note or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement, the Note or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount.

Section 10.6 Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, and by telecopier

(with answer back acknowledged), addressed as follows (or at such other address and Person as shall be designated from time to time by any party hereto, as the case may be, in a notice to the other parties hereto in the manner provided for in this Section 10.6):

If to Lender: JEFFERIES LOANCORE LLC

 c/o LoanCore Capital
 80 Field Point Road
 Greenwich, Connecticut 06830
 Attention.: Perry Gershon
 Facsimile No.:(203) 861-6006

with a copy to: Kaye Scholer LLP
 425 Park Avenue
 New York, New York 10022
 Attention: Stephen Gliatta, Esq.

 Facsimile No.: (212) 836-8689

If to Borrower: c/o Hudson Pacific Properties, L.P.
 11601 Wilshire Boulevard, Suite 1600
 Los Angeles, California 90025
 Attention: Alex Vouvalides / Mark Lammas

 Facsimile No.: (310) 445-5710

With a copy to: Gibson, Dunn & Crutcher LLP

 2029 Century Park East
 Los Angeles, CA 90067
 Attention: Jesse Sharf
 Facsimile No.: (213) 229-6638

A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; or in the case of expedited prepaid delivery and telecopy, upon the first attempted delivery on a Business Day; or in the case of telecopy, upon sender's receipt of a machine-generated confirmation of successful transmission after advice by telephone to recipient that a telecopy notice is forthcoming. Any failure to deliver a notice by reason of a change of address not given in accordance with this Section 10.6, or any refusal to accept a notice, shall be deemed to have been given when delivery was attempted. Any notice required or permitted to be given by any party hereunder or under any other Loan Document may be given by its respective counsel. Additionally, any notice required or permitted to be given by Lender hereunder or under any other Loan Document may also be given by the Servicer.

Section 10.7 Judicial Reference. BORROWER AND LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ANY ACTION TO RESOLVE A DISPUTE RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE LOAN SHALL BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO SECTION 638, ET SEQ., OF THE CALIFORNIA CODE OF CIVIL PROCEDURE AND BORROWER AND

LENDER SHALL ATTEMPT TO SELECT AND PROPOSE JOINTLY TO THE COURT A MUTUALLY AGREEABLE RETIRED JUDGE AS A REFEREE AND, FAILING THAT, EACH OF BORROWER AND LENDER SHALL RECOMMEND TO THE COURT A LIST OF RETIRED JUDGES WHO MAY SERVE AS THE REFEREE. BORROWER AND LENDER KNOWINGLY AND IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION TO RESOLVE ANY DISPUTE RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE LOAN, OR ANY PART THEREOF; AND IN CONNECTION WITH THIS AGREEMENT AND THE LOAN, EACH OF BORROWER AND LENDER REPRESENTS THAT IT HAS DISCUSSED SUCH WAIVER WITH ITS OWN INDEPENDENT COUNSEL AND HAS RELIED ON ADVICE OF ITS COUNSEL AND MAKES SUCH WAIVER KNOWINGLY AND VOLUNTARILY.

Section 10.8 Headings. The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.10 Preferences. Subject to any express terms of the Loan Documents to the contrary, Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the Debt. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or Federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 10.11 Waiver of Notice. Borrower hereby expressly waives, and shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice.

Section 10.12 Remedies of Borrower. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, Borrower agrees that neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedies shall be limited to commencing an action seeking injunctive relief or declaratory judgment. The parties hereto agree that any action or proceeding to determine whether Lender has acted

reasonably shall be determined by an action seeking declaratory judgment. Further, it is agreed Lender shall not be in default under this Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had knowledge of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, promptly thereafter. Failure to give such notice shall constitute a waiver of such claim.

Section 10.13 Expenses; Indemnity.

(c) Borrower covenants and agrees to pay or, if Borrower fails to pay, to reimburse, Lender upon receipt of notice from Lender for all actual out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with (i) the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby and all the costs of furnishing all opinions by counsel for Borrower (including without limitation any opinions reasonably requested by Lender as to any legal matters arising under this Agreement or the other Loan Documents with respect to the Property); (ii) Borrower's ongoing performance of and compliance with Borrower's respective agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date, including, without limitation, confirming compliance with environmental and insurance requirements; (iii) Lender's ongoing performance and compliance with all agreements and conditions contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date; (iv) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters requested by Lender; (v) securing Borrower's compliance with any requests made pursuant to the provisions of this Agreement; (vi) the filing and recording fees and expenses, title insurance and reasonable fees and expenses of counsel for providing to Lender all required legal opinions, and other similar expenses incurred in creating and perfecting the Liens in favor of Lender pursuant to this Agreement and the other Loan Documents; (vii) enforcing or preserving any rights, either in response to third party claims or in prosecuting or defending any action or proceeding or other litigation, in each case against, under or affecting Borrower, this Agreement, the other Loan Documents, the Property, or any other security given for the Loan; and (viii) enforcing any obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Property (including any fees and expenses reasonably incurred by or payable to Servicer or a trustee in connection with the transfer of the Loan to a special servicer upon Servicer's anticipation of a Default or Event of Default, liquidation fees, workout fees, special servicing fees, operating advisor fees or any other similar fees and interest payable on advances made by the Servicer with respect to delinquent debt service payments or expenses of curing Borrowers' defaults under the Loan Documents), or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings or any other amounts required under Section 9.3; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent (x) Lender is responsible for the payment of such costs and expenses pursuant to the express terms of the Loan Documents, or (y) the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender. Any

cost and expenses due and payable to Lender may be paid from any amounts in the Clearing Account or the Deposit Account, as applicable.

(d) Borrower shall indemnify, defend and hold harmless the Indemnified Parties from and against any and all other liabilities, obligations, losses, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against an Indemnified Party, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for Lender in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not Lender shall be designated a party thereto), that may be imposed on, incurred by, or asserted against any Indemnified Party in any manner relating to or arising out of (i) any breach by Borrower of its Obligations under, or any material misrepresentation by Borrower contained in, this Agreement or the other Loan Documents, or (ii) the use or intended use of the proceeds of the Loan (the liabilities, losses, costs, expenses and other matters described in this subparagraph (b), collectively, the “ **Indemnified Liabilities** ”); *provided, however* , that Borrower shall not have any obligation to an Indemnified Party hereunder to the extent that such Indemnified Liabilities arise from the gross negligence, illegal acts, fraud or willful misconduct of such Indemnified Party. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnified Parties.

(e) Borrower covenants and agrees to pay for or, if Borrower fails to pay, to reimburse Lender for, any reasonable fees and expenses incurred by any Rating Agency in connection with any Rating Agency review of the Loan, the Loan Documents or any transaction contemplated thereby or any consent, approval, waiver or confirmation obtained from such Rating Agency pursuant to the terms and conditions of this Agreement or any other Loan Document and Lender shall be entitled to require payment of such fees and expenses as a condition precedent to the obtaining of any such consent, approval, waiver or confirmation.

(f) Borrower shall indemnify, defend and hold harmless each Indemnified Party against any liabilities, obligations, losses, damages (excluding punitive damages and consequential damages (other than punitive damages or consequential damages that are assessed against an Indemnified Party, and other than any diminution in value or lost revenue which are in any way related to Hazardous Substances or Environmental Statutes)), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel) to which each such Indemnified Party may become subject (i) in connection with any indemnification to the Rating Agencies in connection with issuing, monitoring or maintaining the Securities and (ii) insofar as the liabilities, losses, damages, actions costs and expenses so incurred arise out of or are based upon any untrue statement of any material fact in any information provided by or on behalf of the Borrower or Guarantor to the Rating Agencies (the “ **Covered Rating Agency Information** ”) or arise out of or are based upon the omission to state a material fact in the Covered Rating Agency Information required to be stated

therein or necessary in order to make the statements in the Covered Rating Agency Information, in light of the circumstances under which they were made, not misleading.

Section 10.14 Schedules Incorporated. The Schedules annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 10.15 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to this Agreement, the Note and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 10.16 No Joint Venture or Partnership; No Third Party Beneficiaries.

(a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy-in-common, or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) This Agreement and the other Loan Documents are solely for the benefit of Lender and Borrower and nothing contained in this Agreement or the other Loan Documents shall be deemed to confer upon anyone other than Lender and Borrower any right to insist upon or to enforce the performance or observance of any of the Obligations contained herein or therein. All conditions to the obligations of Lender to make the Loan hereunder are imposed solely and exclusively for the benefit of Lender and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make the Loan in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender if, in Lender's sole discretion, Lender deems it advisable or desirable to do so.

Section 10.17 Publicity. All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public which refers to the Loan Documents or the financing evidenced by the Loan Documents, to Lender or any of its Affiliates shall be subject to the prior approval of Lender, not to be unreasonably withheld; provided, however, that no such approval requirement shall be applicable with respect to any disclosures required to be made by Borrower or its parent pursuant to applicable law.

Section 10.18 Waiver of Marshalling of Assets. To the fullest extent permitted by law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's partners and others with interests in Borrower, and of the

Property, or to a sale in inverse order of alienation in the event of foreclosure of the Security Instrument, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Debt without any prior or different resort for collection or of the right of Lender to the payment of the Debt out of the net proceeds of the Property in preference to every other claimant whatsoever.

Section 10.19 Waiver of Counterclaim. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents.

Section 10.20 Conflict; Construction of Documents; Reliance. In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any Affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or Affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 10.21 Brokers and Financial Advisors. Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement other than Eastdil Secured. Borrower hereby agrees to indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's reasonable attorneys' fees and expenses) in any way relating to or arising from a claim by any Person that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. The provisions of this Section 10.21 shall survive the expiration and termination of this Agreement and the payment of the Debt.

Section 10.22 Prior Agreements. This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, including, without limitation, the Loan Application and Term Sheet dated October 16, 2012 between Borrower and Lender are superseded by the terms of this Agreement and the other Loan Documents.

Section 10.23 Cumulative Rights. All of the rights of Lender under this Agreement hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole judgment.

Section 10.24 Counterparts. This Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of this Agreement is sought.

Section 10.25 Time is of the Essence. Time is of the essence of each provision of this Agreement and the other Loan Documents.

Section 10.26 Consent of Holder. Wherever this Agreement refers to Lender's consent or discretion or other rights, such references to Lender shall be deemed to refer to any holder of the Loan. The holder of the Loan may from time to time appoint a trustee or Servicer, and Borrower shall be entitled to rely upon written instructions executed by a purported officer of the holder of the Loan as to the extent of authority delegated to any such trustee or Servicer from time to time and determinations made by such trustee or Servicer to the extent identified within the delegated authority of such trustee or Servicer, unless and until such instructions are superseded by further written instructions from the holder of the Loan.

Section 10.27 Successor Laws. Any reference in this Agreement to any statute or regulation shall be deemed to include any successor statute or regulation.

Section 10.28 Reliance on Third Parties. Lender may perform any of its responsibilities hereunder through one or more agents, attorneys or independent contractors. In addition, Lender may conclusively rely upon the advice or determinations of any such agents, attorneys or independent contractors in performing any discretionary function under the terms of this Agreement.

Section 10.29 Joint and Several Liability. Lender and Borrower acknowledge and agree that as of the date hereof, there is only one Borrower under this Agreement and, as a result, the remaining clauses (a) through (g) of this Section 10.29 have no effect as of the date hereof; provided, however, that if at any time more than one Person becomes subject to this Agreement as "Borrower," then (i) the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several, (ii) from such date, each entity that constitutes Borrower (for purposes of this Section 10.29 only, each a "Borrower" and collectively, "Borrowers") acknowledges and agrees that it shall be jointly and severally liable for the Loan and all other Obligations arising under this Agreement and/or any of the other Loan Documents, and (iii) in furtherance thereof, as of such date, each Borrower acknowledges and agrees as follows:

(e) For the purpose of implementing the joint borrower provisions of the Loan Documents, each Borrower hereby irrevocably appoints each other Borrower as its agent and

attorney-in-fact for all purposes of the Loan Documents, including the giving and receiving of notices and other communications.

(f) To induce Lender to make the Loan, and in consideration thereof, each Borrower hereby agrees to indemnify Lender against, and hold Lender harmless from, any and all liabilities, expenses, losses, damages and/or claims of damage or injury asserted against Lender by any Borrower or by any other Person arising from or incurred by reason of (i) reliance by Lender on any requests or instructions from any Borrower, or (ii) any other action taken by Lender in good faith with respect to this Agreement or the other Loan Documents.

(g) Each Borrower acknowledges that the liens and security interests created or granted herein and by the other Loan Documents will secure the Obligations of all Borrowers under the Loan Documents and, in full recognition of that fact, each Borrower consents and agrees that the Lender may, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof or of any other Loan Document:

(i) agree with any Borrower to supplement, modify, amend, extend, renew, accelerate, or otherwise change the time for payment or the terms of the Obligations or any part thereof, including any increase or decrease of the rate(s) of interest thereon;

(ii) agree with any Borrower to supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Obligations or any part thereof or any of the Loan Documents or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder;

(iii) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Loan Documents or the Obligations or any part thereof;

(iv) accept partial payments on the Obligations;

(v) receive and hold additional security or guaranties for the Obligations or any part thereof;

(vi) release, reconvey, terminate, waive, abandon, subordinate, exchange, substitute, transfer and enforce any security for or guaranties of the Obligations, and apply any security and direct the order or manner of sale thereof as Lender, in its sole and absolute discretion may determine;

(vii) release any Person or any guarantor from any personal liability with respect to the Obligations or any part thereof; or

(viii) settle, release on terms satisfactory to Lender or by operation of applicable laws or otherwise liquidate or enforce any Obligations and any security therefor or guaranty thereof in any manner, consent to the transfer of any such security and bid and purchase at any sale; and consent to the merger, change or any other restructuring or termination of the corporate existence of any Borrower or any other Person, and

correspondingly restructure the obligations of such Borrower or other Person, and any such merger, change, restructuring or termination shall not affect the liability of any Borrower or the continuing existence of any lien or security interest hereunder, under any other Loan Document to which any Borrower is a party or the enforceability hereof or thereof with respect to all or any part of the Obligations.

(h) Upon the occurrence of and during the continuance of any Event of Default, Lender may enforce this Agreement and the other Loan Documents independently as to each Borrower and independently of any other remedy or security Lender at any time may have or hold in connection with the Obligations, and in collecting on the Loan it shall not be necessary for Lender to marshal assets in favor of any Borrower or any other Person or to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Agreement and the other Loan Documents. Each Borrower expressly waives any right to require Lender, in connection with Lender's efforts to obtain repayment of the Loan and Other Obligations, to marshal assets in favor of any Borrower or any other Person or to proceed against any other Person or any collateral provided by any other Person, and agrees that Lender may proceed against any Persons and/or collateral in such order as it shall determine in its sole and absolute discretion in connection with Lender's efforts to obtain repayment of the Loan and other Obligations. Lender may file a separate action or actions against each Borrower to enforce the Obligations, whether action is brought or prosecuted with respect to any other security or against any other Person, or whether any other Person is joined in any such action or actions. Each Borrower agrees that Lender, each Borrower and/or any other Person may deal with each other in connection with the Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement or the other Loan Documents. The rights of Lender hereunder and under the other Loan Documents shall be reinstated and revived, and the enforceability of this Agreement and the other Loan Documents shall continue, with respect to any amount at any time paid on account of the Obligations which thereafter shall be required to be restored or returned by Lender as a result of the bankruptcy, insolvency or reorganization of any Borrower or any other Person, or otherwise, all as though such amount had not been paid. The enforceability of this Agreement and the other Loan Documents at all times shall remain effective even though any or all Obligations, or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any Borrower or any other Person and whether or not any Borrower or any other Person shall have any personal liability with respect thereto. Each Borrower expressly waives any and all defenses to the enforcement of its Obligations under the Loan Documents now or hereafter arising or asserted by reason of (i) any disability or other defense of any Borrower or any other Person with respect to the Obligations, (ii) the unenforceability or invalidity of any security or guaranty for the Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations, (iii) the cessation for any cause whatsoever of the liability of any Borrower or any other Person (other than by reason of the full and final payment and performance of all Obligations), (iv) any failure of Lender to marshal assets in favor of any of the Borrowers or any other Person, (v) any failure of Lender to give notice of sale or other disposition of any Collateral for the Obligations to any Borrower or to any other Person or any defect in any notice that may be given in connection with any such sale or disposition, (vi) any failure of Lender to comply in any non-material respect with applicable laws in connection with the sale or other disposition of any collateral

or other security for any Obligation, (vii) any act or omission of Lender or others that directly or indirectly results in or aids the discharge or release of any Borrower or of any other Person or of any of the Obligations or any other security or guaranty therefor by operation of law or otherwise, (viii) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (ix) any failure of Lender to file or enforce a claim in any bankruptcy or similar proceeding with respect to any Person, (x) the election by Lender, in any bankruptcy or similar proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the Bankruptcy Code, (xi) any extension of credit or the grant of any lien under Section 364 of the Bankruptcy Code except to the extent otherwise provided in this Agreement, (xii) any use of cash collateral under Section 363 of the Bankruptcy Code, (xiii) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy or similar proceeding of any Person, (xiv) the avoidance of any lien or security interest in favor of Lender securing the Obligations for any reason, or (xv) any bankruptcy or similar proceeding commenced by or against any Person, including any discharge of, or bar or stay against collecting, all or any of the Obligations (or any interest thereon) in or as a result of any such proceeding. Without in any way limiting the foregoing, with respect to the Loan Documents and the Obligations, and solely to the extent that, and despite the express intention of the parties hereto that laws of the State of New York govern this Agreement, a court of competent jurisdiction finds that the laws of the State of California govern this Agreement, Borrower: (A) waives all rights and defenses arising out of an election of remedies by Lender even though that election of remedies, such as non-judicial foreclosure with respect to security for Borrowers' obligations, has destroyed each of their rights of subrogation and reimbursement against the other by the operation of Section 580(d) of the California Code of Civil Procedure or otherwise; and (B) waives any right to a fair value hearing or similar proceeding following a nonjudicial foreclosure of the Obligations, whether arising under California Code of Civil Procedure Section 580a or otherwise.

(i) Borrowers represent and warrant to Lender that they have established adequate means of obtaining from each other, on a continuing basis, financial and other information pertaining to their respective businesses, operations and condition (financial and otherwise) and their respective properties, and each now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of the other and their respective properties. Each Borrower hereby expressly waives and relinquishes any duty on the part of Lender to disclose to such Borrower any matter, fact or thing related to the businesses, operations or condition (financial or otherwise) of the other Borrowers or the other Borrowers' properties, whether now known or hereafter known by Lender during the life of this Agreement. With respect to any of the Obligations, Lender need not inquire into the powers of any Borrower or the officers, employees or other Persons acting or purporting to act on such Borrower's behalf.

(j) Without limiting the foregoing, or anything else contained in this Agreement, each Borrower waives all rights and defenses that it may have because the Obligations are secured by real property. This means, among other things:

(i) Lender may collect on the Obligations from any Borrower without first foreclosing on any real or personal property collateral pledged by the other Borrowers; and

(ii) If Lender foreclose on any real property collateral pledged by any Borrower for the Obligations: (A) the amount of the indebtedness owed by the other Borrowers may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (B) Lender may collect from any Borrower even if Lender, by foreclosing on the real property collateral, has destroyed any right any Borrower may have to collect from the other Borrowers.

(iii) This is an unconditional and irrevocable waiver of any rights and defenses each Borrower may have because the Obligations are secured by real property. Solely to the extent that, and despite the express intention of the parties hereto that laws of the State of New York govern this Agreement, a court of competent jurisdiction finds that the laws of the State of California govern this Agreement, these rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure. Each Borrower expressly waives any right to receive notice of any judicial or nonjudicial foreclosure or sale of any real property collateral provided by the other Borrowers to secure the Obligations and failure to receive any such notice shall not impair or affect such Borrower's obligations hereunder or the enforceability of this Agreement or the other Loan Documents or any liens created or granted hereby or thereby.

(iv) Notwithstanding anything to the contrary elsewhere contained herein or in any other Loan Document to which any Borrower is a party, with respect to the Loan and all other Obligations, each Borrower hereby waives with respect to the other Borrowers and their successors and assigns (including any surety) and any other Person any and all rights at law or in equity, to subrogation, to reimbursement, to exoneration, to contribution, to set-off, to any other rights and defenses available to it (including, to the extent that, notwithstanding the express intention of the parties hereto that laws of the State of New York govern this Agreement, a court of competent jurisdiction finds that the laws of the State of California govern this Agreement, including without limitation those available under California Civil Code Sections 2787 and 2855, inclusive), or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which each of them may have or hereafter acquire against the other or any other Person in connection with or as a result of such Borrower's execution, delivery and/or performance of this Agreement or any other Loan Document to which it is a party until the Obligations are paid and performed in full. Each Borrower agrees that it shall not have or assert any such rights against any other Borrower or any other Borrower's successors and assigns or any other Person (including any surety), either directly or as an attempted set-off to any action commenced against such Borrower by any other Borrower (as borrower or in any other capacity) or any other Person until all the Obligations are paid and performed in full. Each Borrower hereby acknowledges and agrees that this waiver is intended to benefit

Lender and shall not limit or otherwise affect any Borrower's liability under this Agreement or any other Loan Document to which it is a party, or the enforceability hereof or thereof.

(k) EACH BORROWER WARRANTS AND AGREES THAT EACH OF THE WAIVERS AND CONSENTS SET FORTH HEREIN IS MADE WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND CONSEQUENCES, WITH THE UNDERSTANDING THAT EVENTS GIVING RISE TO ANY DEFENSE WAIVED MAY DIMINISH, DESTROY OR OTHERWISE ADVERSELY AFFECT RIGHTS WHICH EACH OTHERWISE MAY HAVE AGAINST THE OTHER, AGAINST LENDER OR OTHERS, OR AGAINST ANY COLLATERAL. IF ANY OF THE WAIVERS OR CONSENTS HEREIN IS DETERMINED TO BE CONTRARY TO ANY APPLICABLE LAW OR PUBLIC POLICY, SUCH WAIVERS AND CONSENTS SHALL BE EFFECTIVE TO THE MAXIMUM EXTENT PERMITTED BY LAW.

Section 10.30 Borrower's Waiver. Borrower hereby waives all of its rights under California Civil Code Section 2822, which provides as follows: "(a) The acceptance, by a creditor, of anything in partial satisfaction of an obligation, reduces the obligation of a surety thereof, in the same measure as that of the principal, but does not otherwise affect it. However, if the surety is liable upon only a portion of an obligation and the principal provides partial satisfaction of the obligation, the principal may designate the portion of the obligation that is to be satisfied; and (b) For purposes of this Section and Section 2819, an agreement by a creditor to accept from the principal debtor a sum less than the balance owed on the original obligation, without the prior consent of the surety and without any other change to the underlying agreement between the creditor and principal debtor, shall not exonerate the surety for the lesser sum agreed upon by the creditor and principal debtor."

Section 10.31 Approved Mezzanine Loan. The holder or holders of direct or indirect ownership interests in Borrower shall be entitled to incur an Approved Mezzanine Loan in accordance with the terms and conditions set forth in the definition thereof and as otherwise expressly permitted pursuant to the terms and conditions set forth in this Agreement.

[The Remainder of the Page is Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

BORROWER:

P1 HUDSON MC PARTNERS, LLC, a Delaware limited liability company

By: Hudson MC Partners, LLC, a Delaware limited liability company, its Sole Member

By: /s/ Mark Lammas _____

Name: Mark Lammas

Title: Treasurer

[Signatures continue on the following page]

LENDER:

JEFFERIES LOANCORE LLC , a Delaware limited liability company

By: /s/ Chapin Hunt ____
 Name: Chapin Hunt
 Title: Managing Director

SCHEDULE I

[Rent Roll]

DB REAL ESTATE THE PINNACLE L.P.
3400 W. Olive Avenue, Burbank, CA
The Pinnacle - Rent Roll (10/1/12)

Tenant	Suite #	Commencement	Expiration	Rentable Sq. Ft.	Monthly		Rent Escalation		Monthly	Unreserved	Monthly	Comments
					Base Rent	PSP/Mo.	Date	Amount/Mo.	PSP/Mo.	Min. Parking	Per Rate/Mo.	
Warner Music Group Inc.	100	01/01/03	12/31/19	195,166	\$ 565,981.40	\$ 2.90						1, 2, 3, 4, 5, 6
							01/01/04	\$ 571,641.21	\$ 2.93	\$ 46,800.00	\$ 80.00	
							01/01/05	\$ 577,337.63	\$ 2.96	\$ 46,800.00	\$ 80.00	
							01/01/06	\$ 583,131.20	\$ 2.99	\$ 46,800.00	\$ 80.00	
							01/01/07	\$ 588,962.51	\$ 3.02	\$ 46,800.00	\$ 80.00	
							01/01/08	\$ 594,832.14	\$ 3.05	\$ 46,800.00	\$ 90.00	
							01/01/09	\$ 606,749.18	\$ 3.11	\$ 46,800.00	\$ 90.00	
							01/01/10	\$ 618,884.17	\$ 3.17	\$ 46,800.00	\$ 90.00	
							01/01/11	\$ 631,261.85	\$ 3.23	\$ 46,800.00	\$ 90.00	
							01/01/12	\$ 643,887.09	\$ 3.30	\$ 46,800.00	\$ 90.00	
							01/01/13	\$ 656,764.83	\$ 3.37	\$ 46,800.00	\$ 100.00	
							01/01/14	\$ 669,902.12	\$ 3.43	\$ 46,800.00	\$ 100.00	
							01/01/15	\$ 683,298.13	\$ 3.50	\$ 46,800.00	\$ 110.00	
							01/01/16	\$ 696,964.09	\$ 3.57	\$ 46,800.00	\$ 110.00	
							01/01/17	\$ 710,903.37	\$ 3.64	\$ 46,800.00	\$ 110.00	
							01/01/18	\$ 725,121.44	\$ 3.72	\$ 46,800.00	\$ 110.00	
							01/01/19	\$ 739,633.87	\$ 3.79	\$ 46,800.00	\$ 110.00	
Sony Pictures Television Inc.	179/315	01/01/04	10/31/13	9,003	\$ 23,927.90	\$ 2.90						7, 8, 9, 10
							01/01/05	\$ 23,927.90	\$ 2.90	\$ 1,443.00	\$ 85.00	
							01/01/06	\$ 24,486.46	\$ 2.96	\$ 1,443.00	\$ 85.00	
							01/01/07	\$ 24,894.59	\$ 3.02	\$ 1,443.00	\$ 85.00	
							01/01/08	\$ 25,392.48	\$ 3.08	\$ 1,530.00	\$ 90.00	
							01/01/09	\$ 25,902.33	\$ 3.14	\$ 1,530.00	\$ 90.00	
							05/01/09	\$ 33,768.75	\$ 3.75	\$ 1,530.00	\$ 90.00	
							05/01/10	\$ 35,119.50	\$ 3.90	\$ 1,530.00	\$ 90.00	
							11/01/11	\$ 33,768.75	\$ 3.75	\$ 1,620.00	\$ 95.00	
							11/01/12	\$ 34,781.81	\$ 3.86	\$ 1,620.00	\$ 95.00	
Arnie Morton's of Chicago/Burbank LLC	180	11/04/02	11/03/17	8,257 *	\$ 22,706.75	\$ 2.75	11/04/07	\$ 24,771.00	\$ 3.00			11, 12, 13, 14, 15
							11/04/12	\$ 26,833.23	\$ 3.25			
Vacant (Restaurant)	190			7,612 *								
Vacant (Office)	220			17,928								
NBC Enterprises	250/600	01/01/03	12/31/14	17,942	\$ 52,031.80	\$ 2.90						16, 17, 18, 19, 20, 21
							01/01/04	\$ 108,322.04	\$ 2.93	\$ 2,700.00	\$ 75.00	
							01/01/05	\$ 110,702.68	\$ 2.99	\$ 2,700.00	\$ 85.00	
							01/01/06	\$ 112,916.73	\$ 3.05	\$ 2,700.00	\$ 85.00	
							01/01/07	\$ 115,175.07	\$ 3.11	\$ 2,700.00	\$ 85.00	
							01/01/08	\$ 117,478.57	\$ 3.17	\$ 2,700.00	\$ 90.00	
							01/01/09	\$ 119,828.14	\$ 3.23	\$ 2,700.00	\$ 90.00	
							01/01/10	\$ 122,224.70	\$ 3.30	\$ 2,700.00	\$ 90.00	
							01/01/11	\$ 124,669.20	\$ 3.36	\$ 2,700.00	\$ 95.00	
							01/01/12	\$ 127,162.58	\$ 3.43	\$ 2,700.00	\$ 95.00	
							01/01/13	\$ 129,705.83	\$ 3.50	74x Prevailing	Prevailing	
							01/01/14	\$ 132,299.95	\$ 3.57	74x Prevailing	Prevailing	
Vacant (Office)	320			3,413								

Starz Entertainment LLC (Assignee from Starz Media, LLC)	330	10/01/10	04/30/14	4,040	\$ 14,544.00	\$ 3.60	11/01/10	\$	14,544.00	\$ 3.60	\$	720.00	\$	90.00	22, 23, 24
							05/01/11	\$	14,544.00	\$ 3.60	\$	720.00	\$	90.00	
							05/01/12	\$	14,544.00	\$ 3.70	\$	760.00	\$	95.00	
							05/01/13	\$	15,396.44	\$ 3.81	8 x Prevailing	Prevailing			
ANFM (On-Line & Music)	340	06/01/05	09/30/16	2,317	\$ 6,694.00	\$ 3.02	01/01/06	\$	6,694.00	\$ 3.02	\$	360.00	\$	80.00	25, 26, 27, 28, 29, 30
							01/01/07	\$	6,827.44	\$ 3.08	\$	630.00	\$	90.00	
							01/01/08	\$	6,961.99	\$ 3.14	\$	630.00	\$	90.00	
							01/01/09	\$	7,193.27	\$ 3.20	\$	630.00	\$	90.00	
							01/01/10	\$	7,245.33	\$ 3.27	\$	630.00	\$	90.00	
							01/01/11	\$	7,390.24	\$ 3.33	\$	665.00	\$	95.00	
							01/01/12	\$	7,538.04	\$ 3.40	\$	665.00	\$	95.00	
							01/01/13	\$	7,688.81	\$ 3.47	7 x Prevailing	Prevailing			
							01/01/14	\$	7,842.58	\$ 3.54	7 x Prevailing	Prevailing			
							01/01/15	\$	7,999.43	\$ 3.61	7 x Prevailing	Prevailing			
							01/01/16	\$	8,159.42	\$ 3.68	7 x Prevailing	Prevailing			
ANFM Operating, Inc.	350 (3rd Floor) 450 (4th Floor) 550 (5th Floor)	01/01/04	09/30/16	100,545	\$ 291,580.50	\$ 2.90	01/01/05	\$	297,412.11	\$ 2.96	\$	24,160.00	\$	80.00	31, 32, 33, 34, 35, 36, 37 38, 39
							01/01/06	\$	303,369.35	\$ 3.02	\$	24,160.00	\$	80.00	
							01/01/07	\$	309,427.56	\$ 3.08	\$	24,160.00	\$	80.00	
							01/01/08	\$	315,616.11	\$ 3.14	\$	27,810.00	\$	90.00	
							01/01/09	\$	321,928.43	\$ 3.20	\$	27,810.00	\$	90.00	
							01/01/10	\$	328,367.00	\$ 3.27	\$	27,810.00	\$	90.00	
							01/01/11	\$	334,934.34	\$ 3.33	\$	28,690.00	\$	95.00	
							01/01/12	\$	341,633.03	\$ 3.40	\$	28,690.00	\$	95.00	
							01/01/13	\$	348,465.69	\$ 3.47	302 x Prevailing	Prevailing			
							01/01/14	\$	355,433.00	\$ 3.54	302 x Prevailing	Prevailing			
							01/01/15	\$	362,543.70	\$ 3.61	302 x Prevailing	Prevailing			
							01/01/16	\$	369,794.58	\$ 3.68	302 x Prevailing	Prevailing			
Vacant	370			3,209											
ANFM Operating, Inc.	390	01/30/06	09/30/16	4,953	\$ 14,958.06	\$ 3.02	01/01/07	\$	15,237.22	\$ 3.08	\$	1,200.00	\$	80.00	40, 41
							01/01/08	\$	15,562.37	\$ 3.14	\$	1,350.00	\$	90.00	
							01/01/09	\$	15,873.82	\$ 3.20	\$	1,350.00	\$	90.00	
							01/01/10	\$	16,191.07	\$ 3.27	\$	1,350.00	\$	90.00	
							01/01/11	\$	16,514.91	\$ 3.33	\$	1,425.00	\$	95.00	
							01/01/12	\$	16,845.19	\$ 3.40	\$	1,425.00	\$	95.00	
							01/01/13	\$	17,182.15	\$ 3.47	15 x Prevailing	Prevailing			
							01/01/14	\$	17,525.74	\$ 3.54	15 x Prevailing	Prevailing			
							01/01/15	\$	17,876.29	\$ 3.61	15 x Prevailing	Prevailing			
							01/01/16	\$	18,233.81	\$ 3.68	15 x Prevailing	Prevailing			

* Indicates Unable Sq.Ft. Figure

TOTAL BUILDING 393,411

SCHEDULE II

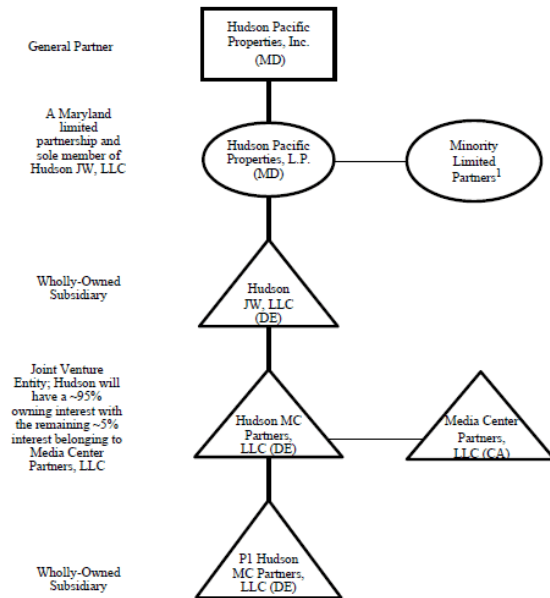
[Required Repairs/Deadlines For Completion]

None

SCHEDULE III

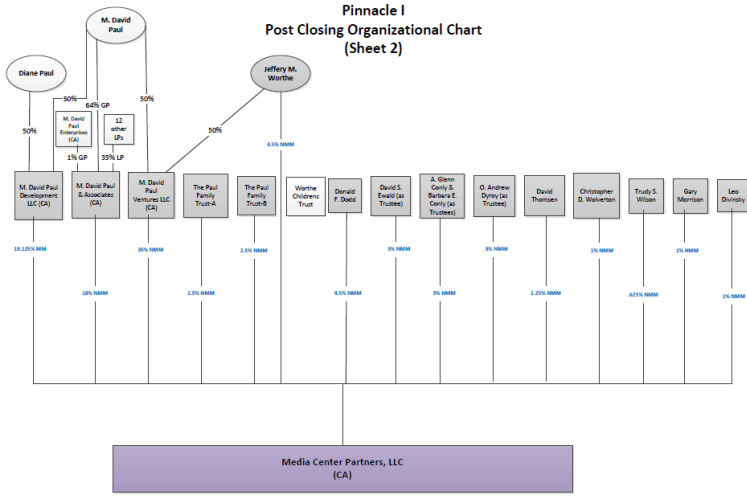
[Borrower Organizational Chart]

Pinnacle I Organizational Chart – Post Closing



1. No such partner directly owns more than 10% of Hudson Pacific Properties, L.P.

Pinnacle I
Post Closing Organizational Chart
(Sheet 2)



SCHEDULE IV

[Deposit Amounts]

Required Repairs Amount: \$ 0

Initial Tax Deposit: \$ 200,863.75

Initial Insurance Premiums Deposit: \$ 0

Replacement Reserve Monthly Deposit: \$ 0

Free Rent Reserve Monthly Deposit: \$ 3,155,000

SCHEDULE V

Description of REA

Agreement for Grant of Easements and Establishment of Covenants, Conditions and Restrictions by and between DB Real Estate The Pinnacle L.P., a Delaware limited partnership, and Media Center Development, LLC, a Delaware limited liability company, dated as of November 21, 2003 and recorded in the Official Records of the Recorder's Office of Los Angeles County, California, on November 24, 2003 as Instrument No. 03-3535733.

SCHEDULE VI

Free Rent Schedule

The amount of \$117,491 shall be applicable to each Payment Date until the Free Rent Reserve has been reduced to \$0

SCHEDULE VII

[Annual Budget]

12/02/11 RRF2
11:05:11 QPADEV000S

THE REEF FUNDS

BUDGETED DETAIL INC/EXP STMT BY COMPANY

CM610R-B PAGE 1
V970826 RRFJHATMA1

Report BUAC000180
Number 002

RRE THE PINNACLE
Twelve Months Ending December 31, 2012

FISCAL 100 F
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
INCOME														
5011 Base Rent Income	1176522-	1165164-	1165164-	1165164-	1092104-	1106648-	1106648-	1093509-	1093509-	1093509-	1095532-	1095736-	13449209-	34.19
Total Base Rent	1176522-	1165164-	1165164-	1165164-	1092104-	1106648-	1106648-	1093509-	1093509-	1093509-	1095532-	1095736-	13449209-	34.19
5052 Parking	156003-	151003-	151003-	156003-	152583-	152583-	152583-	151823-	151823-	151348-	148893-	148893-	1824540-	4.64
5053 TeleCom Revenue	430-	430-	430-	430-	430-	430-	430-	430-	430-	430-	443-	443-	5191-	.01
5054 Storage Rent	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	8384-	100608-	.26
5430 Misc Income - Non-Tenant	0	0	250-	0	0	250-	0	0	250-	0	0	250-	1000-	.00
5450 Fitness Center Income	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	5400-	64800-	.16
Total Misc. Rental Income	170217-	165217-	165467-	170217-	166797-	167047-	166797-	166037-	166287-	165562-	163120-	163370-	1996139-	5.07
5511 Real Estate Tax Recovery	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	28164-	337964-	.86
5531 CAM Recovery	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	65001-	780014-	1.98
Total Recoveries	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	93165-	1117978-	2.84
5552 Utilities Reimbursements	49540-	44570-	47036-	50441-	55643-	51858-	52020-	55322-	53917-	53917-	49971-	50941-	615177-	1.56
5553 HVAC Reimbursements	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	1750-	21000-	.05
Total Reimbursements	51290-	46320-	48786-	52191-	57393-	53608-	53770-	57072-	55667-	55667-	51721-	52691-	636177-	1.62
INCOME	1491195-	1469866-	1472582-	1480738-	1409459-	1420468-	1420380-	1409783-	1408628-	1407903-	1403538-	1404962-	17199503-	43.72

OPERATING EXPENSES

6311 Electricity	47805	45387	47344	50191	56892	52246	53157	56451	55017	55017	50991	51981	622480	1.58
6331 Water and Sewer	9	12	8	19	8	11	13	12	12	12	12	12	143	.00
Total Utilities	47814	45400	47352	50210	56901	52258	53170	56464	55030	55030	51003	51993	622624	1.58

SCHEDULE VII

[Annual Budget]

Report BUAC000180
Number 002

B85 THE PINNACLE
Twelve Months Ending December 31, 2012

% (\$) FISCAL 100 %
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
7017 Adv. & Promotions	0	200	1180	0	200	0	900	4880	0	0	200	7000	14560	.04
7061 Legal	0	500	0	0	500	0	0	500	0	0	500	0	2000	.01
7060 Bank Fees	800	800	800	800	800	800	800	800	800	800	800	800	9600	.02
7061 Accounting	225	225	225	225	225	225	225	225	225	225	225	225	2700	.01
7063 Professional Fees	0	0	0	0	0	0	0	1500	1500	0	0	0	3000	.01
7074 Leasing and Vacancy Prep	0	600	0	0	600	0	0	600	0	0	600	0	2400	.01
Total Administration Expenses	1025	2325	2205	1025	2325	1025	1925	8505	2525	1025	2325	8025	34260	.09
7008 Bad Debt Expense	7406	7299	7312	7354	6995	7048	7049	6996	6989	6986	6964	6970	85368	.22
Total Bad Debt Expense	7406	7299	7312	7354	6995	7048	7049	6996	6989	6986	6964	6970	85368	.22
8001 General Insurance	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	32932	365278	.93
Total Insurance Expense	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	30213	32932	365278	.93
8111 Real Estate Taxes	138574	138324	138324	138433	138324	138324	141091	141091	141091	141091	141091	141091	1676849	4.26
8145 Sales & Use Tax	1991	1441	1441	1991	1991	1991	1991	1991	1991	1991	1815	1815	22440	.06
Total Taxes	140565	139765	139765	140424	140315	140315	143082	143082	143082	143082	142906	142906	1699289	4.32
7237 Fitness Center Expense	2707	2075	3167	1707	3075	2917	2707	2075	3167	2207	3075	2167	31046	.08
Total Maint. & Repair Interior	2707	2075	3167	1707	3075	2917	2707	2075	3167	2207	3075	2167	31046	.08
OPERATING EXPENSES	229731	227077	230015	230933	239824	233776	238146	247335	241006	238543	236486	244993	2837864	7.21
8703 Telephone / Internet	537	537	537	537	537	537	537	537	537	537	537	537	6438	.02
8705 Electricity	78788	76244	62644	87591	70489	81483	80848	101162	106370	102116	87375	87375	1022483	2.60
8706 Gas and Oil	3286	2712	2349	2400	1712	1639	2508	1061	1030	2163	2987	4326	28173	.07
8707 Water and Sewer	1921	1889	1879	2881	2254	2020	2352	3187	2526	2425	2521	2486	28339	.07

BUDGETED DETAIL INC/EXP STMT BY COMPANY

Report BUACCO01B0 885 THE PINNACLE \$ (\$) FISCAL 100 \$
Number 002 Twelve Months Ending December 31, 2012 C12 12 (01..12)

		Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	P&F
8709	Electrical M & R	4057	2768	4042	4459	2768	2768	4057	3170	2768	4057	4868	4297	44081	.11
8710	Electrical Supplies	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	21521	.05
8713	Plumbing Supplies	260	260	260	260	260	260	260	260	260	260	260	260	3120	.01
8714	Plumbing M & R	2545	1020	0	2145	0	1000	1145	1000	1611	3775	322	1000	15563	.04
8717	HVAC-M & R	11250	30437	8868	25	5859	3416	25	9526	14144	25	47183	8016	138775	.35
8719	HVAC Supplies	573	500	573	500	573	500	573	500	573	500	10573	500	16440	.04
8722	HVAC-Contract	700	700	2167	3212	700	2167	700	700	4223	700	700	2167	18836	.05
8723	Security Supplies	2578	0	625	2578	0	0	2578	0	625	2578	0	0	11564	.03
8724	Security Contract	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	7149	85783	.22
8725	Fire Sprinkler M & R	0	500	0	0	500	0	0	500	0	0	500	0	2000	.01
8726	Fire & Life Safety	0	1400	400	0	2700	400	0	1400	575	1116	2500	400	10891	.03
8728	Alarm M & R	125	0	0	125	0	0	125	0	0	125	0	0	500	.00
8729	Alarm Contract Services	175	70	70	175	70	70	175	70	70	175	70	70	1260	.00
8730	Pest Control	210	210	589	210	210	460	210	210	589	210	210	460	3775	.01
8731	Dues, License and Permit	7071	0	0	86-	422	0	97	0	0	0	0	2680	10183	.03
8735	Signs	500	0	0	193	0	0	500	0	0	193	0	0	1386	.00
8736	Office Supplies	309	309	309	309	309	309	309	309	309	309	309	309	3713	.01
8739	Third Party Management F	44424	43784	43858	44110	41972	42295	42299	41981	41939	41925	41794	41829	512211	1.30
8741	Building M & R Interior	400	1800	2200	2500	1800	0	400	1800	0	2500	4000	4000	21400	.05
8742	Building M & R Exterior	3295	1059	1501	13445	16059	3139	6445	1059	4050	1945	1510	1510	55019	.14
8743	Paint-Exterior	322	0	838	322	0	0	322	1976	0	322	0	0	4103	.01
8745	Elevator M & R	5171	607	349	1171	349	349	1171	607	349	1171	1986	349	13627	.03
8752	Landscape Supplies	0	177	0	177	0	177	0	177	0	177	0	177	1064	.00
8753	Landscape Contract	2297	3586	2297	2297	3586	2297	2651	3940	2651	2651	4327	2651	35230	.09
8754	Landscape M & R	719	1167	4825	10517	845	445	1170	1135	5150	719	1296	445	28431	.07
8755	Landscape M&R-Interior	688	688	688	688	688	688	688	688	688	688	688	688	8256	.02
8756	Engineering Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1200	.00
8757	Trash Removal	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	2100	25200	.06
8758	Parking Lot Sweeping	435	435	435	435	435	435	435	435	435	435	435	435	5221	.01
8759	Engineering Contract	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	5342	64102	.16
8761	Elevator Contract Servic	4104	4104	4104	4268	4268	4268	4268	4268	4268	4268	4268	4268	50722	.13
8762	Janitorial Supplies	3697	3600	3697	3600	3697	3600	3697	3600	3697	3600	3697	3600	43780	.11
8763	Janitorial Contract	30925	31175	31977	30925	30925	31727	30925	30925	32227	30925	30925	31727	375312	.95

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BBS THE PINNACLE
Twelve Months Ending December 31, 2012

¢ (\$) FISCAL 100 ¢
C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PSF
8764 Window Washing Contract	0	0	0	9914	0	0	1150	0	0	7344	0	0	18408	.05
8766 Parking Supplies & Equip	116	1728	309	309	438	309	116	1728	503	116	438	309	6420	.02
8767 Parking Contract	11070	11070	11070	11070	11070	11070	11070	11070	11070	11070	11070	11070	132844	.34
8768 Transportation	0	0	0	3705	0	0	0	0	0	0	0	0	3705	.01
8777 Postage and Messenger	41	109	202	41	109	41	41	109	202	41	109	41	1086	.00
8779 Admin Expense & Supplies	5366	4374	184	1212	184	184	1498	184	184	1818	184	184	15553	.04
8782 Glass Repair	0	0	3000	0	0	0	3000	0	0	0	3000	0	9000	.02
8784 Roof Repair	0	0	4100	0	0	0	0	0	0	1700	4100	0	9900	.03
8786 Common Area M & R	73	1007	2522	369	556	3167	73	556	1620	26769	556	1620	38886	.10
Total CAM Expenses	244513	246509	219951	265074	222826	217702	224903	246313	261728	277933	291782	236270	2955503	7.51
Total Expenses	474243	473587	449966	496007	462651	451478	463049	493647	502734	516476	528268	481263	5793368	14.73
NET OPERATING INCOME	1016951-	996280-	1022616-	984731-	946809-	968990-	957332-	916136-	905894-	891427-	875270-	923699-	11406135-	28.99
LEVERAGED EXPENSES														
8614 Interest Expense	392209	366906	392209	379558	392209	379558	392209	392209	379558	392209	379558	392209	4630602	11.77
Total Leveraged Expenses	392209	366906	392209	379558	392209	379558	392209	392209	379558	392209	379558	392209	4630602	11.77
LEVERAGED EXPENSES	392209	366906	392209	379558	392209	379558	392209	392209	379558	392209	379558	392209	4630602	11.77
NON-OPERATING EXPENSES														
8521 Tenant Improvement Amort	21821	19261	19261	5218	5218	5218	5455	3717	3717	3717	3717	3717	100037	.25

Report BUACCO01B0 B85 THE PINNACLE \$ (\$) FISCAL 100 \$
Number 002 Twelve Months Ending December 31, 2012 C12 12 (01..12)

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total	PGF
8522 Amort Exp-Acq Lease Orig	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	35356	424274	1.08
8612 Deprec-Furn, Fixtures, &	256	256	256	256	256	256	256	256	256	256	256	256	3070	.01
8615 Depreciation Expense-Bld	489	489	489	489	489	489	489	489	489	489	489	489	5865	.01
8616 Depreciation - Building	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	263792	3165505	8.05
8616.4 Depreciation-Bldg Acq Le	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	12728-	152739-	.39
8627 Amortization Exp Lease C	4983	4983	4983	1700	2103	2103	2552	2048	2419	2419	2419	2419	35132	.09
8629 Amort. Expense - Legal F	123	100	100	38	38	38	32	32	32	32	32	32	628	.00
8630 Amort Exp-Const Admin Fe	1209	1149	1149	173	173	173	145	145	145	145	145	145	4898	.01
Total Amortization Expense	315302	312659	312659	294294	294697	294697	295348	293106	293477	293477	293477	293477	3586669	9.12
NON-OPERATING EXPENSES	315302	312659	312659	294294	294697	294697	295348	293106	293477	293477	293477	293477	3586669	9.12
NET INCOME	309440-	316715-	317748-	310879-	259902-	294736-	269774-	230821-	232859-	205741-	202236-	238013-	3188864-	8.11

B85 THE PINNACLE	309440-	316715-	317748-	310879-	259902-	294736-	269774-	230821-	232859-	205741-	202236-	238013-	3188864-	8.11

CERTIFICATION

I, Victor J. Coleman, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2012

/s/ VICTOR J. COLEMAN

Victor J. Coleman

Chief Executive Officer

CERTIFICATION

I, Mark T. Lammas, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2012

/s/ MARK T. LAMMAS

Mark T. Lammas

Chief Financial Officer

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Victor J. Coleman, Chief Executive Officer, and Mark T. Lammas, Chief Financial Officer of Hudson Pacific Properties, Inc. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

(i) the Quarterly Report on Form 10-Q for the period ended September 30, 2012, of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: November 9, 2012

/s/ VICTOR J. COLEMAN

Victor J. Coleman

Chief Executive Officer

Date: November 9, 2012

/s/ MARK T. LAMMAS

Mark T. Lammas

Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.