# HPP 10-Q 9/30/2015

## Section 1: 10-Q (10-Q)

# 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, 2015**

☐ **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.
# Hudson Pacific Properties, L.P.

**(Exact name of Registrant as specified in its charter)**

| | | |
|---|---|---|
| **Hudson Pacific Properties, Inc.** | **Maryland**<br>(State or other jurisdiction of incorporation or organization) | **27-1430478**<br>(I.R.S. Employer Identification Number) |
| **Hudson Pacific Properties, L.P.** | **Maryland**<br>(State or other jurisdiction of incorporation or organization) | **80-0579682**<br>(I.R.S. Employer Identification Number) |

**11601 Wilshire Blvd., Sixth Floor**
**Los Angeles, California 90025**

**(Address of principal executive offices) (Zip Code)**

**(310) 445-5700**

**(Registrant's telephone number, including area code)**

**Securities registered pursuant to Section 12(b) of the Act:**

| Registrant | Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|---|
| Hudson Pacific Properties, Inc. | Common Stock, $.01 par value | New York Stock Exchange |
| Hudson Pacific Properties, Inc. | 8.375% Series B Cumulative Redeemable Preferred Stock, $.01 par value | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act:**

| Registrant | Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|---|
| Hudson Pacific Properties, L.P. | Common Units Representing Limited Partnership Interests | None |

**(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.

Hudson Pacific Properties, Inc. Yes ☒ No ☐ Hudson Pacific Properties, L.P. 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).

Hudson Pacific Properties, Inc. Yes ☒ No ☐ Hudson Pacific Properties, L.P. 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.

**Hudson Pacific Properties, Inc.**

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

**Hudson Pacific Properties, L.P.**

Large accelerated filer ☐ Accelerated filer ☐ Non-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).
Hudson Pacific Properties, Inc. Yes ☐ No ☒ Hudson Pacific Properties, L.P. Yes ☐ No ☒

The number of shares of common stock outstanding at November 4, 2015 was 89,491,762.

**EXPLANATORY NOTE**

This report combines the quarterly reports on Form 10-Q for the three months ended September 30, 2015 of Hudson Pacific Properties, Inc., a Maryland corporation, and Hudson Pacific Properties, L.P., a Maryland limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "we," "us," "our," or "our Company" refer to Hudson Pacific Properties, Inc. together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to "our operating partnership" refer to Hudson Pacific Properties, L.P. together with its consolidated subsidiaries.

Our Company is a real estate investment trust, or REIT, and the sole general partner of our operating partnership. As of September 30, 2015, we owned approximately 61.4% of the outstanding common units of partnership interest in our operating partnership, or common units. The remaining approximately 38.6% of outstanding common units are owned by certain of our executive officers and directors, certain of their affiliates, and other outside investors, including funds affiliated with Farallon Capital Management, LLC and Blackstone Real Estate Partners V and VI ("Blackstone"). As the sole general partner of our operating partnership, our Company has the full, exclusive and complete responsibility for our operating partnership's day-to-day management and control.

We believe combining the quarterly reports on Form 10-Q of our Company and our operating partnership into this single report results in the following benefits:

- enhancing investors' understanding of our Company and our operating partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation because a substantial portion of the disclosure applies to both our Company and our operating partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between our Company and our operating partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between our Company and our operating partnership in the context of how we operate as an interrelated, consolidated company. Our Company is a REIT, the only material assets of which are the partnership units of our operating partnership. As a result, our Company does not conduct business itself, other than acting as the sole general partner of our operating partnership, issuing equity from time to time and guaranteeing certain debt of our operating partnership. Our Company itself does not issue any indebtedness but guarantees some of the debt of our operating partnership. We own our interests in all of our properties and conduct substantially all of our business through our operating partnership, of which we serve as the sole general partner. Our operating partnership is structured as a partnership and has no public traded equity. Except for net proceeds from equity issuances by our Company, which are generally contributed to our operating partnership in exchange for units of partnership interest in our operating partnership, our operating partnership generates the capital required by our Company's business through our operating partnership's operations, our operating partnership's incurrence of indebtedness or through the issuance of units of partnership interest in our operating partnership.

The presentation of non-controlling common units, stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of our Company and those of our operating partnership. The common units in our operating partnership are accounted for as partners' capital in our operating partnership's consolidated financial statements and, to the extent not held by our Company, as non-controlling common units in our Company's consolidated financial statements. The differences between stockholders' equity, partners' capital and non-controlling common units result from the differences in the equity issued by our Company and our operating partnership.

To help investors understand the few but significant differences between our Company and our operating partnership, this report presents the consolidated financial statements separately for our Company and our operating partnership. All other sections of this report, including "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk," are presented together for our Company and our operating partnership.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that our Company and our operating partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, or the Exchange Act and 18 U.S.C. §1350, this report also includes separate "Item 4. Controls and Procedures" sections and separate Exhibit 31 and 32 certifications for each of our Company and our operating partnership.

**Hudson Pacific Properties, Inc.**
**Hudson Pacific Properties, L.P.**

**FORM 10-Q**

**September 30, 2015**

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**PART I—FINANCIAL INFORMATION**

**HUDSON PACIFIC PROPERTIES, INC.**

**CONSOLIDATED BALANCE SHEETS**
**(in thousands, except share data)**

| | September 30, 2015 | December 31, 2014 |
|---|---|---|
| | (unaudited) | (audited) |
| **ASSETS** | | |
| REAL ESTATE ASSETS | | |
| Land | $ 1,373,794 | $ 620,805 |
| Building and improvements | 4,071,345 | 1,284,602 |
| Tenant improvements | 280,079 | 116,317 |
| Furniture and fixtures | 9,653 | 13,721 |
| Property under development | 174,928 | 135,850 |
| Total real estate held for investment | 5,909,799 | 2,171,295 |
| Accumulated depreciation and amortization | (228,828) | (134,657) |
| Investment in real estate, net | 5,680,971 | 2,036,638 |
| Cash and cash equivalents | 46,668 | 17,753 |
| Restricted cash | 18,606 | 14,244 |
| Accounts receivable, net | 17,309 | 16,247 |
| Notes receivable | 28,580 | 28,268 |
| Straight-line rent receivables | 56,069 | 33,006 |
| Deferred leasing costs and lease intangibles, net | 353,080 | 102,023 |
| Deferred finance costs, net | 22,861 | 8,723 |
| Interest rate contracts | — | 3 |
| Goodwill | 8,754 | 8,754 |
| Prepaid expenses and other assets | 21,611 | 6,692 |
| Assets associated with real estate held for sale | — | 68,534 |
| TOTAL ASSETS | $ 6,254,509 | $ 2,340,885 |
| **LIABILITIES AND EQUITY** | | |
| Notes payable | $ 2,088,335 | $ 918,059 |
| Accounts payable and accrued liabilities | 90,096 | 36,844 |
| Lease intangible liabilities, net | 114,485 | 40,969 |
| Security deposits | 21,839 | 6,257 |
| Prepaid rent | 19,650 | 8,600 |
| Interest rate contracts | 8,614 | 1,750 |
| Liabilities associated with real estate held for sale | 357 | 43,214 |
| TOTAL LIABILITIES | 2,343,376 | 1,055,693 |
| 6.25% series A cumulative redeemable preferred units of the Operating Partnership | 10,177 | 10,177 |
| **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 outstanding at September 30, 2015 and December 31, 2014, respectively | 145,000 | 145,000 |
| Common stock, $0.01 par value, 490,000,000 authorized, 89,079,569 shares and 66,797,816 shares outstanding at September 30, 2015 and December 31, 2014, respectively | 891 | 668 |
| Additional paid-in capital | 1,730,004 | 1,070,833 |
| Accumulated other comprehensive loss | (6,531) | (2,443) |
| Accumulated deficit | (44,592) | (34,884) |
| Total Hudson Pacific Properties, Inc. stockholders' equity | 1,824,772 | 1,179,174 |
| Non-controlling interest—members in consolidated entities | 263,707 | 42,990 |
| Non-controlling common units in the Operating Partnership | 1,812,477 | 52,851 |
| TOTAL EQUITY | 3,900,956 | 1,275,015 |
| TOTAL LIABILITIES AND EQUITY | $ 6,254,509 | $ 2,340,885 |

**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, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |

| | | | | |
|---|---|---|---|---|
| Revenues | | | | |
| Office | | | | |
| Rental | $ 114,693 | $ 39,503 | $ 276,321 | $ 115,418 |
| Tenant recoveries | 20,036 | 12,084 | 43,890 | 23,643 |
| Parking and other | 6,601 | 5,140 | 17,612 | 16,632 |
| Total office revenues | 141,330 | 56,727 | 337,823 | 155,693 |
| Media & entertainment | | | | |
| Rental | 6,041 | 6,239 | 16,902 | 17,646 |
| Tenant recoveries | 212 | 267 | 705 | 971 |
| Other property-related revenue | 3,860 | 4,583 | 10,525 | 11,028 |
| Other | 113 | 339 | 244 | 542 |
| Total media & entertainment revenues | 10,226 | 11,428 | 28,376 | 30,187 |
| Total revenues | 151,556 | 68,155 | 366,199 | 185,880 |
| Operating expenses | | | | |
| Office operating expenses | 51,538 | 23,969 | 115,364 | 58,469 |
| Media & entertainment operating expenses | 6,280 | 7,401 | 17,354 | 19,244 |
| General and administrative | 9,378 | 6,802 | 28,951 | 19,157 |
| Depreciation and amortization | 80,195 | 17,361 | 170,945 | 51,973 |
| Total operating expenses | 147,391 | 55,533 | 332,614 | 148,843 |
| Income from operations | 4,165 | 12,622 | 33,585 | 37,037 |
| Other (income) expense | | | | |
| Interest expense | 14,461 | 6,550 | 34,067 | 19,519 |
| Interest income | (17) | (1) | (118) | (21) |
| Acquisition-related (expense reimbursements) expenses | (83) | 214 | 43,442 | 319 |
| Other expense (income) | 3 | (56) | 2 | (43) |
| Total other expenses | 14,364 | 6,707 | 77,393 | 19,774 |
| (Loss) income from continuing operations before gain on sale of real estate | (10,199) | 5,915 | (43,808) | 17,263 |
| Gain on sale of real estate | 8,371 | 5,538 | 30,471 | 5,538 |
| (Loss) Income from continuing operations | (1,828) | 11,453 | (13,337) | 22,801 |
| Loss from discontinued operations | — | (38) | — | (164) |
| Net loss from discontinued operations | — | (38) | — | (164) |
| Net (loss) income | (1,828) | 11,415 | (13,337) | 22,637 |
| Net income attributable to preferred stock and units | (3,195) | (3,195) | (9,585) | (9,590) |
| Net income attributable to restricted shares | (79) | (68) | (229) | (206) |
| Net income attributable to non-controlling interest in consolidated entities | (1,273) | (259) | (4,668) | (155) |
| Net loss (income) attributable to common units in the Operating Partnership | 2,470 | (273) | 17,872 | (441) |
| Net (loss) income attributable to Hudson Pacific Properties, Inc. common stockholders | $ (3,905) | $ 7,620 | $ (9,947) | $ 12,245 |
| Basic and diluted per share amounts: | | | | |
| Net (loss) income from continuing operations attributable to common stockholders | (0.04) | 0.11 | (0.12) | 0.19 |
| Net income (loss) from discontinued operations | — | — | — | — |
| Net (loss) income attributable to common stockholders' per share—basic and diluted | $ (0.04) | $ 0.11 | $ (0.12) | $ 0.19 |
| Weighted average shares of common stock outstanding—basic and diluted | 88,984,236 | 66,506,179 | 84,894,863 | 65,549,741 |
| Dividends declared per share of common stock | $ 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 INCOME**
**(Unaudited, in thousands, except share and per share amounts)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Net (loss) income | $ (1,828) | $ 11,415 | $ (13,337) | $ 22,637 |
| Other comprehensive (loss) income cash flow hedge adjustment | (15,325) | 584 | (6,300) | (780) |
| Comprehensive (loss) income | (17,153) | 11,999 | (19,637) | 21,857 |
| Comprehensive income attributable to preferred stock and units | (3,195) | (3,195) | (9,585) | (9,590) |
| Comprehensive income attributable to restricted shares | (79) | (68) | (229) | (206) |
| Comprehensive income attributable to non-controlling interest in consolidated real estate entities | (1,273) | (259) | (4,668) | (155) |
| Comprehensive loss (income) attributable to common units in the Operating Partnership | 8,408 | (293) | 20,084 | (413) |
| Comprehensive (loss) income attributable to Hudson Pacific Properties, Inc. stockholders | $ (13,292) | $ 8,184 | $ (14,035) | $ 11,493 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares of Common Stock | Stock Amount | Series B Cumulative Redeemable Preferred Stock | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive (Loss) Income | Non-controlling Interests — Common units in the Operating Partnership | Non-controlling Interests — Members in Consolidated Entities | Total Equity | Non-controlling Interests — Series A Cumulative Redeemable Preferred Units |
| Balance at January 1, 2014 | 57,230,199 | $ 572 | $ 145,000 | $ 903,984 | $ (45,113) | $ (997) | $ 53,737 | $ 45,683 | $ 1,102,866 | $ 10,475 |
| Distributions | — | — | — | — | — | — | — | (2,842) | (2,842) | — |
| Proceeds from sale of common stock, net of underwriters' discount | 9,563,500 | 96 | — | 197,372 | — | — | — | — | 197,468 | — |
| Equity offering transaction costs | — | — | — | (1,599) | — | — | — | — | (1,599) | — |
| Redemption of Series A Cumulative Redeemable Preferred Units | — | — | — | — | — | — | — | — | — | (298) |
| Issuance of unrestricted stock | 6,922 | — | — | — | — | — | — | — | — | — |
| Shares repurchased | (2,805) | — | — | (3,129) | — | — | — | — | (3,129) | — |
| Declared dividend | — | — | (12,144) | (33,774) | — | — | (1,192) | — | (47,110) | (641) |
| Amortization of stock-based compensation | — | — | — | 7,979 | — | — | — | — | 7,979 | — |
| Net income | — | — | 12,144 | — | 10,229 | — | 359 | 149 | 22,881 | 641 |
| Cash flow hedge adjustment | — | — | — | — | — | (1,446) | (53) | — | (1,499) | — |
| Balance at December 31, 2014 | 66,797,816 | $ 668 | $ 145,000 | $ 1,070,833 | $ (34,884) | $ (2,443) | $ 52,851 | $ 42,990 | $ 1,275,015 | $ 10,177 |
| Contributions | — | — | — | — | — | — | | 217,795 | 217,795 | — |
| Distributions | — | — | — | — | — | — | — | (1,746) | (1,746) | — |
| Proceeds from sale of common stock, net of underwriters' discount | 12,650,000 | 127 | — | 385,462 | — | — | — | — | 385,589 | — |
| Transaction related costs | — | — | — | (4,786) | — | — | — | — | (4,786) | — |
| Issuance of unrestricted stock | 8,756,049 | 87 | — | 285,358 | — | — | — | — | 285,445 | — |
| Issuance of Common units for acquisition of properties | — | — | — | — | — | — | 1,814,936 | — | 1,814,936 | — |
| Shares repurchased | (59,024) | — | — | (1,833) | — | — | — | — | (1,833) | — |
| Declared Dividend | — | — | (9,108) | (32,365) | — | — | (14,372) | — | (55,845) | (477) |
| Amortization of stock-based compensation | — | — | — | 6,500 | — | — | — | — | 6,500 | — |
| Net income | — | — | 9,108 | — | (9,708) | — | (17,882) | 4,668 | (13,814) | 477 |
| Cash Flow Hedge Adjustment | — | — | — | — | — | (4,088) | (2,212) | — | (6,300) | — |
| Exchange of Non-controlling Interests — Common units in the Operating Partnership for common stock | 934,728 | 9 | — | 20,835 | — | — | (20,844) | — | — | — |
| Balance at September 30, 2015 | 89,079,569 | $ 891 | $ 145,000 | $ 1,730,004 | $ (44,592) | $ (6,531) | $ 1,812,477 | $ 263,707 | $ 3,900,956 | $ 10,177 |

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, | |
|---|---|---|
| | **2015** | **2014** |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net (loss) income | $ (13,337) | $ 22,637 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization | 170,945 | 51,973 |
| Amortization of deferred financing costs and loan premium, net | 2,925 | 635 |
| Amortization of stock-based compensation | 6,186 | 5,047 |
| Straight-line rent receivables | (24,037) | (9,830) |
| Amortization of above-market leases | 8,751 | 1,543 |
| Amortization of below-market leases | (24,512) | (5,821) |
| Amortization of lease incentive costs | 427 | 246 |
| Bad debt expense (recovery) | 435 | (326) |
| Amortization of ground lease | 1,092 | 186 |
| Amortization of discount and net origination fees on purchased and originated loans | (312) | — |
| Gain from sale of real estate | (30,471) | (5,538) |
| Change in operating assets and liabilities: | | |
| Restricted cash | (1,523) | (2,900) |
| Accounts receivable | (1,396) | (4,925) |
| Deferred leasing costs and lease intangibles | (21,974) | (11,509) |
| Prepaid expenses and other assets | (14,705) | (3,532) |
| Accounts payable and accrued liabilities | 35,811 | 16,394 |
| Security deposits | 15,256 | 389 |
| Prepaid rent | 11,584 | 3,677 |
| Net cash provided by operating activities | 121,145 | 58,346 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to investment property | (114,711) | (79,154) |
| Property acquisitions | (1,804,596) | (75,580) |
| Acquisition of notes receivable | — | (28,112) |
| Proceeds from sale of real estate | 177,488 | 18,629 |
| Deposits for property acquisitions | — | (2,500) |
| Net cash used in investing activities | (1,741,819) | (166,717) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | 1,428,616 | 332,886 |
| Payments of notes payable | (299,479) | (341,636) |
| Proceeds from issuance of common stock | 385,589 | 197,468 |
| Common stock issuance transaction costs | (4,786) | (674) |
| Series B stock issuance transaction costs | — | — |
| Dividends paid to common stock and unit holders | (46,737) | (26,034) |
| Dividends paid to preferred stock and unit holders | (9,585) | (9,590) |
| Contribution of non-controlling member in consolidated real estate entity | 217,795 | — |
| Redemption of 6.25% series A cumulative redeemable preferred units | — | (298) |
| Distribution to non-controlling member in consolidated real estate entity | (1,746) | (2,385) |
| Repurchase of vested restricted stock | (1,833) | — |
| Payment of loan costs | (18,245) | (2,325) |
| Net cash provided by financing activities | 1,649,589 | 147,412 |
| Net increase in cash and cash equivalents | 28,915 | 39,041 |
| Cash and cash equivalents—beginning of period | 17,753 | 30,356 |
| Cash and cash equivalents—end of period | $ 46,668 | $ 69,397 |

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

**HUDSON PACIFIC PROPERTIES, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)**
**(Unaudited, in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2015** | **2014** |
| SUPPLEMENTAL CASH FLOWS INFORMATION: | | |
| Cash paid for interest, net of amounts capitalized | $ 33,828 | $ 23,824 |
| NON-CASH INVESTING ACTIVITIES: | | |
| Accounts payable and accrued liabilities for investment in property | $ (14,825) | $ 8,906 |
| Issuance of Common stock in connection with property acquisition (Note 3) | 87 | — |
| Additional paid-in capital in connection with property acquisition (Note 3) | 285,358 | — |
| Non-controlling common units in the Operating Partnership in connection with property acquisition (Note 3) | 1,814,936 | — |
| Assumption of other (assets) and liabilities in connection with property acquisitions, net (Note 3) | — | (449) |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED BALANCE SHEETS**
**(in thousands, except unit data)**

| | September 30, 2015 | December 31, 2014 |
|---|---|---|
| | (unaudited) | (audited) |
| **ASSETS** | | |
| REAL ESTATE ASSETS | | |
| Land | $ 1,373,794 | $ 620,805 |
| Building and improvements | 4,071,345 | 1,284,602 |
| Tenant improvements | 280,079 | 116,317 |
| Furniture and fixtures | 9,653 | 13,721 |
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| Total real estate held for investment | 5,909,799 | 2,171,295 |
| Accumulated depreciation and amortization | (228,828) | (134,657) |
| Investment in real estate, net | 5,680,971 | 2,036,638 |
| Cash and cash equivalents | 46,668 | 17,753 |
| Restricted cash | 18,606 | 14,244 |
| Accounts receivable, net | 17,309 | 16,247 |
| Notes receivable | 28,580 | 28,268 |
| Straight-line rent receivables | 56,069 | 33,006 |
| Deferred leasing costs and lease intangibles, net | 353,080 | 102,023 |
| Deferred finance costs, net | 22,861 | 8,723 |
| Interest rate contracts | — | 3 |
| Goodwill | 8,754 | 8,754 |
| Prepaid expenses and other assets | 21,611 | 6,692 |
| Assets associated with real estate held for sale | — | 68,534 |
| TOTAL ASSETS | $ 6,254,509 | $ 2,340,885 |
| **LIABILITIES** | | |
| Notes payable | $ 2,088,335 | $ 918,059 |
| Accounts payable and accrued liabilities | 90,096 | 36,844 |
| Lease intangible liabilities, net | 114,485 | 40,969 |
| Security deposits | 21,839 | 6,257 |
| Prepaid rent | 19,650 | 8,600 |
| Interest rate contracts | 8,614 | 1,750 |
| Liabilities associated with real estate held for sale | 357 | 43,214 |
| TOTAL LIABILITIES | 2,343,376 | 1,055,693 |
| 6.25% series A cumulative redeemable preferred units of the Operating Partnership | 10,177 | 10,177 |
| **CAPITAL** | | |
| Partners' Capital: | | |
| 8.375% series B cumulative redeemable preferred units, 5,800,000 units issued and outstanding at September 30, 2015 and December 31, 2014, respectively ($25.00 per unit liquidation preference.) | 145,000 | 145,000 |
| Common units, 145,375,884 and 69,180,379 issued and outstanding at September 30, 2015 and December 31, 2014, respectively | 3,492,249 | 1,087,025 |
| Total Hudson Pacific Properties, Inc. Capital | 3,637,249 | 1,232,025 |
| Non-controlling interest—members in Consolidated Entities | 263,707 | 42,990 |
| TOTAL CAPITAL | 3,900,956 | 1,275,015 |
| TOTAL LIABILITIES AND CAPITAL | $ 6,254,509 | $ 2,340,885 |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited, in thousands, except per unit amount)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Revenues | | | | |
| Office | | | | |
| Rental | $ 114,693 | $ 39,503 | $ 276,321 | $ 115,418 |
| Tenant recoveries | 20,036 | 12,084 | 43,890 | 23,643 |
| Parking and other | 6,601 | 5,140 | 17,612 | 16,632 |
| Total office revenues | 141,330 | 56,727 | 337,823 | 155,693 |
| Media & entertainment | | | | |
| Rental | 6,041 | 6,239 | 16,902 | 17,646 |
| Tenant recoveries | 212 | 267 | 705 | 971 |
| Other property-related revenue | 3,860 | 4,583 | 10,525 | 11,028 |
| Other | 113 | 339 | 244 | 542 |
| Total media & entertainment revenues | 10,226 | 11,428 | 28,376 | 30,187 |
| Total revenues | 151,556 | 68,155 | 366,199 | 185,880 |
| Operating expenses | | | | |
| Office operating expenses | 51,538 | 23,969 | 115,364 | 58,469 |
| Media & entertainment operating expenses | 6,280 | 7,401 | 17,354 | 19,244 |
| General and administrative | 9,378 | 6,802 | 28,951 | 19,157 |
| Depreciation and amortization | 80,195 | 17,361 | 170,945 | 51,973 |
| Total operating expenses | 147,391 | 55,533 | 332,614 | 148,843 |
| Income from operations | 4,165 | 12,622 | 33,585 | 37,037 |
| Other (income) expense | | | | |
| Interest expense | 14,461 | 6,550 | 34,067 | 19,519 |
| Interest income | (17) | (1) | (118) | (21) |
| Acquisition-related (expense reimbursements) expenses | (83) | 214 | 43,442 | 319 |
| Other expense (income) | 3 | (56) | 2 | (43) |
| Total other expenses | 14,364 | 6,707 | 77,393 | 19,774 |
| Loss (income) from continuing operations before gain on sale of real estate | (10,199) | 5,915 | (43,808) | 17,263 |
| Gain on sale of real estate | 8,371 | 5,538 | 30,471 | 5,538 |
| Loss (income) from continuing operations | (1,828) | 11,453 | (13,337) | 22,801 |
| Loss from discontinued operations | — | (38) | — | (164) |
| Net (loss) income | $ (1,828) | $ 11,415 | $ (13,337) | $ 22,637 |
| Net income attributable to non-controlling interest in consolidated entities | (1,273) | (259) | (4,668) | (155) |
| Net (loss) income attributable to Hudson Pacific Properties, L.P. | $ (3,101) | $ 11,156 | $ (18,005) | $ 22,482 |
| Preferred distributions—Series A units | (159) | (159) | (477) | (482) |
| Preferred distributions—Series B units | (3,036) | (3,036) | (9,108) | (9,108) |
| Total preferred distributions | $ (3,195) | $ (3,195) | $ (9,585) | $ (9,590) |
| Net income attributable to restricted shares | $ (79) | $ (68) | $ (229) | $ (206) |
| Net (loss) income available to common unitholders | $ (6,375) | $ 7,893 | $ (27,819) | $ 12,686 |
| Basic and diluted per unit amounts: | | | | |
| Net (loss) income from continuing operations attributable to common unitholders | $ (0.04) | $ 0.11 | $ (0.23) | $ 0.19 |
| Net income (loss) from discontinued operations | — | — | — | — |
| Net (loss) income attributable to common unitholders per unit—basic and diluted | $ (0.04) | $ 0.11 | $ (0.23) | $ 0.19 |
| Weighted average shares of common units outstanding—basic and diluted | 145,280,551 | 68,888,742 | 123,441,945 | 67,932,304 |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited, in thousands, except share and per unit amounts)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Net (loss) income | $ (1,828) | $ 11,415 | $ (13,337) | $ 22,637 |
| Other comprehensive (loss) income cash flow hedge adjustment | (15,325) | 584 | (6,300) | (780) |
| Comprehensive (loss) income | (17,153) | 11,999 | (19,637) | 21,857 |
| Comprehensive income attributable to Series A preferred units | (159) | (159) | (477) | (482) |
| Comprehensive income attributable to Series B preferred units | (3,036) | (3,036) | (9,108) | (9,108) |
| Comprehensive income attributable to restricted shares | (79) | (68) | (229) | (206) |
| Comprehensive income attributable to non-controlling interest in consolidated real estate entities | (1,273) | (259) | (4,668) | (155) |
| Comprehensive (loss) income attributable to Hudson Pacific Properties, Inc. stockholders | $ (21,700) | $ 8,477 | $ (34,119) | $ 11,906 |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED STATEMENTS OF CAPITAL**

**(Unaudited, in thousands, except share and per unit amounts)**

| | Partners' Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Preferred Units | Number of Common Units | Common Units | Total Partners' Capital | Non-controlling Interests — Members in Consolidated Entities | Total Capital | Non-controlling Interests — Series A Cumulative Redeemable Preferred Units |
| Balance at January 1, 2014 | $ 145,000 | 59,612,762 | $ 912,183 | $ 1,057,183 | $ 45,683 | 1,102,866 | 10,475 |
| Distributions | — | — | — | — | (2,842) | (2,842) | — |
| Proceeds from sale of common units, net of underwriters' discount | — | 9,563,500 | 197,468 | 197,468 | — | 197,468 | — |
| Equity offering transaction costs | — | — | (1,599) | (1,599) | — | (1,599) | — |
| Redemption of Series A Cumulative Redeemable Preferred Units | — | — | — | — | — | — | (298) |
| Issuance of unrestricted units | — | 6,922 | — | — | — | — | — |
| Units repurchased | — | (2,805) | (3,129) | (3,129) | — | (3,129) | — |
| Declared distributions | (12,144) | — | (34,966) | (47,110) | — | (47,110) | (641) |
| Amortization of unit based compensation | — | — | 7,979 | 7,979 | — | 7,979 | — |
| Net income | 12,144 | — | 10,588 | 22,732 | 149 | 22,881 | 641 |
| Cash flow hedge adjustment | — | — | (1,499) | (1,499) | — | (1,499) | — |
| Balance at December 31, 2014 | $ 145,000 | 69,180,379 | $ 1,087,025 | $ 1,232,025 | $ 42,990 | $ 1,275,015 | $ 10,177 |
| Contributions | — | — | 1,814,936 | 1,814,936 | 217,795 | 2,032,731 | — |
| Distributions | — | — | — | — | (1,746) | (1,746) | — |
| Proceeds from sale of common units, net of underwriters' discount | — | 12,650,000 | 670,947 | 670,947 | — | 670,947 | — |
| Equity offering transaction costs | — | — | (4,786) | (4,786) | — | (4,786) | — |
| Issuance of unrestricted units | — | 63,604,529 | 88 | 88 | — | 88 | — |
| Units repurchased | — | (59,024) | (1,834) | (1,834) | — | (1,834) | — |
| Declared distributions | (9,108) | — | (46,737) | (55,845) | — | (55,845) | (477) |
| Amortization of unit based compensation | — | — | 6,500 | 6,500 | — | 6,500 | — |
| Net income | 9,108 | — | (27,590) | (18,482) | 4,668 | (13,814) | 477 |
| Cash Flow Hedge Adjustment | — | — | (6,300) | (6,300) | — | (6,300) | — |
| Balance at September 30, 2015 | $ 145,000 | 145,375,884 | $ 3,492,249 | $ 3,637,249 | $ 263,707 | $ 3,900,956 | $ 10,177 |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited, in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2015** | **2014** |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net (loss) income | $ (13,337) | $ 22,637 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization | 170,945 | 51,973 |
| Amortization of deferred financing costs and loan premium, net | 2,925 | 635 |
| Amortization of stock-based compensation | 6,186 | 5,047 |
| Straight-line rent receivables | (24,037) | (9,830) |
| Amortization of above-market leases | 8,751 | 1,543 |
| Amortization of below-market leases | (24,512) | (5,821) |
| Amortization of lease incentive costs | 427 | 246 |
| Bad debt expense (recovery) | 435 | (326) |
| Amortization of ground lease | 1,092 | 186 |
| Amortization of discount and net origination fees on purchased and originated loans | (312) | |
| Gain from sale of real estate | (30,471) | (5,538) |
| Change in operating assets and liabilities: | | |
| Restricted cash | (1,523) | (2,900) |
| Accounts receivable | (1,396) | (4,925) |
| Deferred leasing costs and lease intangibles | (21,974) | (11,509) |
| Prepaid expenses and other assets | (14,705) | (3,532) |
| Accounts payable and accrued liabilities | 35,811 | 16,394 |
| Security deposits | 15,256 | 389 |
| Prepaid rent | 11,584 | 3,677 |
| Net cash provided by operating activities | 121,145 | 58,346 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to investment property | (114,711) | (79,154) |
| Property acquisitions | (1,804,596) | (75,580) |
| Acquisition of notes receivable | — | (28,112) |
| Proceeds from sale of real estate | 177,488 | 18,629 |
| Deposits for property acquisitions | — | (2,500) |
| Net cash used in investing activities | (1,741,819) | (166,717) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | 1,428,616 | 332,886 |
| Payments of notes payable | (299,479) | (341,636) |
| Proceeds from issuance of common units | 385,589 | 197,468 |
| Common units issuance transaction costs | (4,786) | (674) |
| Dividends paid to common unitholders | (46,737) | (26,034) |
| Dividends paid to preferred unitholders | (9,585) | (9,590) |
| Contributions by members | 217,795 | — |
| Redemption of 6.25% series A cumulative redeemable preferred units | — | (298) |
| Distribution to non-controlling member in consolidated real estate entity | (1,746) | (2,385) |
| Repurchase of vested restricted units | (1,833) | — |
| Payment of loan costs | (18,245) | (2,325) |
| Net cash provided by financing activities | 1,649,589 | 147,412 |
| Net increase in cash and cash equivalents | 28,915 | 39,041 |
| Cash and cash equivalents—beginning of period | 17,753 | 30,356 |
| Cash and cash equivalents—end of period | $ 46,668 | $ 69,397 |

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

**HUDSON PACIFIC PROPERTIES, L.P.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)**
**(Unaudited, in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2015** | **2014** |
| SUPPLEMENTAL CASH FLOWS INFORMATION: | | |
| Cash paid for interest, net of amounts capitalized | $ 33,828 | $ 23,824 |
| NON-CASH INVESTING ACTIVITIES: | | |
| Accounts payable and accrued liabilities for investment in property | $ (14,825) | $ 8,906 |
| Common units in the Operating Partnership in connection with property acquisition (Note 3) | $ 2,100,381 | $ — |
| Assumption of other (assets) and liabilities in connection with property acquisitions, net (Note 3) | $ — | $ (449) |

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

## 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").

Since the completion of the IPO and the related formation transactions, 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" or the "Operating Partnership," which is also referred to in these financial statements as the "Company," "we," "us," or "our") and its subsidiaries, we own, manage, lease, acquire and develop real estate, consisting primarily of office and media and entertainment properties. On April 1, 2015, the Company completed (the "Acquisition") of the EOP Northern California Portfolio from Blackstone Real Estate Partners V and VI ("Blackstone"). The acquisition EOP Northern California Portfolio consists of 26 high-quality office assets totaling approximately 8.2 million square feet and two development parcels located throughout the San Francisco Peninsula, Redwood Shores, Palo Alto, Silicon Valley and San Jose Airport submarkets. The total consideration paid for the EOP Northern California Portfolio before certain credits, proration, and closing costs included a cash payment of $1.75 billion and an aggregate of 63,474,791 shares of common stock of the Company and common units in the Operating Partnership. See Note 10, "Related Party Transactions—Acquisition of EOP Northern California Portfolio" for additional details.

As of September 30, 2015, we owned a portfolio of 53 office properties and two media and entertainment properties. These properties are located in California and Washington. 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 unaudited interim financial statements of the Company include the consolidated financial position and results of operations of the Company, the Operating Partnership and all of our wholly owned and controlled subsidiaries. The unaudited interim financial statements of the Operating Partnership include the consolidated financial position and results of operations of the Operating Partnership and all wholly owned and controlled subsidiaries of the Operating Partnership. 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 note 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, 2015. The interim financial statements should be read in conjunction with the consolidated financial statements in our 2014 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 ongoing 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, and its performance-based equity compensation awards. 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 assigns the cost 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.

In connection with the preliminary purchase price allocation of the Redwood portfolio (see Note 3), the Company re-measured the useful lives used to calculate depreciation expense and rental revenue from below market lease intangibles. These re-measurements resulted in immaterial changes from the prior quarter ended June 30, 2015, which are recognized in the current quarter. The Company recorded additional depreciation expense for the three months ended September 30, 2015 of $4.8 million and additional amortization of below market rents to reduce rental revenue by $2.5 million. These adjustments do not affect the nine-months ended September 30, 2015.

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 their time on development activities are also capitalized and allocated to the projects to which they relate. Capitalized personnel costs for the three and nine months ended September 30, 2015 were approximately $2.2 million and $5.1 million, respectively, and $0.8 million and $2.1 million for the three and nine months ended September 30, 2014, respectively. Interest is capitalized on the construction in progress at a rate equal to the Company's weighted average cost of debt. Capitalized interest for the three and nine months ended September 30, 2015 was approximately $1.3 million and $4.6 million, respectively, and $1.9 million and $5.2 million for the three and nine months ended September 30, 2014, respectively. 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 they are incurred. Costs previously capitalized related to abandoned acquisitions or developments are charged to earnings. Expenditures for repairs and maintenance are expensed as they are incurred.

The Company computes depreciation using the straight-line method over the estimated useful lives of 39 years for building and improvements, 15 years for land improvements, five to seven 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. There were no properties held for sale at September 30, 2015 and one property held for sale at December 31, 2014. The Company recorded no impairment charges for the three and nine months ended September 30, 2015 and 2014.

***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, 2015 was $8.8 million. We do not amortize this asset but instead analyze it on an annual basis for impairment. No impairment indicators have been noted during the three and nine months ended September 30, 2015 and 2014.

***Cash and Cash Equivalents***

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, 2015 and December 31, 2014, the Company had reserved $0.7 million and $0.6 million, respectively, 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 $0.4 million and $(0.3) million of bad debt (recovery) expense for the nine months ended September 30, 2015 and 2014, respectively.

**(Unaudited, tabular amounts in thousands, except square footage and share data)**

The following summarizes our accounts receivable net of allowance for doubtful accounts as of:

| | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Accounts receivable | $ 18,963 | $ 17,287 |
| Allowance for doubtful accounts | (1,654) | (1,040) |
| Accounts receivable, net | $ 17,309 | $ 16,247 |

***Notes Receivable***

On August 19, 2014, the Company entered into a loan participation agreement for a loan with a maximum principal of $140.0 million. The Company's share was 23.77%, or $33.3 million. The note receivable is secured by real property, has a balance of $28.5 million as of September 30, 2015, bears interest at 11.0% and matures on August 18, 2016. Interest is payable monthly with the principal due at maturity. The Company received a $0.4 million commitment fee as a result of this transaction. The balance as of September 30, 2015, net of the commitment fee, was $28.6 million and was classified as a note receivable on the consolidated balance sheet. The Company believes these balances are fully collectible.

***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.

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 during which 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 an effective 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 seven and three interest rate contracts as of September 30, 2015 and December 31, 2014, respectively, all of which have been accounted for as cash flow hedges as more fully described in Note 6 below.

***Stock-Based Compensation***

Accounting Standard Codification, (ASC), Topic 718, *Compensation—Stock Compensation* (referred to as ASC Topic 718), 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 regularly considers 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 property-owning subsidiaries are limited liability companies and are treated as pass-through entities or disregarded entities (or, in the case of the entity that owns the 1455 Market Street property, a REIT) for federal 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 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, such as non-customary services for our tenants and holding assets that we cannot hold directly, will be conducted by a TRS. A TRS is subject to federal and, where applicable, state income taxes on its net income.

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

The Company periodically evaluates its tax positions to determine 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, 2015, the Company had not established a liability for uncertain tax positions.

The REIT and its TRS file income tax returns with the U.S. federal government and various state and local jurisdictions. The REIT and the TRS are no longer subject to tax examinations by taxing authorities for the years prior to 2011. Generally, the Company has assessed its tax positions for all open years, which includes 2011 to 2014, and concluded that there are no material uncertainties to be recognized.

***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 on 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 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.

**(Unaudited, tabular amounts in thousands, except square footage and share data)**

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, 2015, 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 |
| Interest Rate Swaps | 5 | $714.5 million |

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

The table below presents a gross presentation of the Company's derivatives as of September 30, 2015 and December 31, 2014. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the consolidated balance sheets.

| | Asset Derivatives | | | Liability Derivatives | | |
|---|---|---|---|---|---|---|
| | | Fair Value as of | | | Fair Value as of | |
| | Balance Sheet Location | September 30, 2015 | December 31, 2014 | Balance Sheet Location | September 30, 2015 | December 31, 2014 |
| Derivatives designated as hedging instruments: | | | | | | |
| Interest rate products | Interest rate contracts | $ — | $ 3 | Interest rate contracts | $ 8,614 | $ 1,750 |

**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, 2015 and 2014.

| | Nine Months Ended September 30, 2015 | Nine Months Ended September 30, 2014 |
|---|---|---|
| Beginning balance of OCI related to interest rate contracts | $ 2,661 | $ 1,086 |
| Unrealized loss recognized in OCI due to change in fair value of interest rate contracts | 16,327 | 1,084 |
| Loss reclassified from OCI into income (as interest expense) | (10,027) | (304) |
| Net change in OCI | 6,300 | 780 |
| Ending balance of accumulated OCI related to derivatives | 8,961 | 1,866 |
| Allocation of OCI, non-controlling interests | (2,430) | (117) |
| Accumulated other comprehensive loss | $ 6,531 | $ 1,749 |

**Credit-Risk-Related Contingent Features**

As of September 30, 2015, the Company had five derivatives that were in a liability position.

***Recently Issued Accounting Literature***

Changes to GAAP are established by the Financial Accounting Standards Board, or 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 September 2015, the FASB issued ASU No. 2015-16 (ASU 2015-16), "Simplifying the Accounting for Measurement-Period Adjustments", which amends Business Combinations (Topic 805). The amendments in this update require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments in this update require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The amendments in this update require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU 2015-16 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015, which for us would be the first quarter of 2016, and early adoption is permitted. The amendments in this update should be applied prospectively to adjustments to provisional amounts that occur after the effective date of this update with earlier application permitted for financial statements that have not been issued. We do not expect the ASU to have a material impact on our financial position, results of operations or disclosures.

On August 12, 2015, the FASB issued ASU No. 2015-14 (ASU 2015-14) "Revenue from Contracts with Customers" to defer the effective date of ASU No. 2014-09, which outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and notes that lease contracts with customers are a scope exception. Public business entities may elect to adopt the amendments as of the original effective date; however, adoption is required for annual reporting periods beginning after December 15, 2017. The Company is currently assessing the impact of the guidance on our consolidated financial statements and notes to our consolidated financial statements.

On April 7, 2015 the FASB issued ASU No. 2015-03 (ASU 2015-03) "Simplifying the Presentation of Debt Issuance Cost" to amend the accounting guidance for the presentation of debt issuance costs. The standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for public business entities for fiscal years beginning after December 15, 2015 and retrospective application is required. Early adoption of the guidance is permitted. The Company expects to adopt the guidance effective January 1, 2016 and our adoption of the guidance is not anticipated to have a material impact on our consolidated financial statements.

On April 1, 2015, the FASB voted to defer the effective date of ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" (ASU 2014-09), which outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and notes that lease contracts with customers are a scope exception. Public business entities may elect to adopt the amendments as of the original effective date; however, if the proposed deferral is approved, adoption is required for annual reporting periods beginning after December 15, 2017. The Company is currently assessing the impact of the guidance on our consolidated financial statements or notes to our consolidated financial statements.

On February 18, 2015 the FASB issued ASU No. 2015-02 "Consolidation (Topic 810): Amendments to the Consolidation Analysis" (ASU 2015-02) to amend the accounting guidance for consolidation. The standard simplifies the current guidance for consolidation and reduces the number of consolidation models through the elimination of the indefinite deferral of Statement 167. Additionally, the standard places more emphasis on risk of loss when determining a controlling financial interest. ASU 2015-02 is effective for all entities for reporting periods (including interim periods) beginning after December 15, 2015, and early adoption is permitted. The Company expects to adopt the guidance effective January 1, 2016, and our adoption of the guidance is not anticipated to have a material impact on our consolidated financial statements.

On January 9, 2015, the FASB issued ASU No. 2015-01, "Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items," (ASU 2015-01). ASU 2015-01 eliminates the concept of an extraordinary item from GAAP. As a result, an entity will no longer be required to segregate extraordinary items from the results of ordinary operations, to separately present an extraordinary item on its income statement, net of tax, after income from continuing operations or to disclose income taxes and earnings-per-share data applicable to an

extraordinary item. However, ASU 2015-01 will still retain the presentation and disclosure guidance for items that are unusual in nature and occur infrequently. ASU 2015-01 will be effective for the Company's fiscal year beginning January 1, 2016 and subsequent interim periods. The adoption of ASU 2015-01 is not expected to have a material effect on the Company's consolidated financial statements.

On August 27, 2014, the FASB issued ASU 2014-15, "Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" (ASU 2014-15). This update requires an entity to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the financial statements are available to be issued, when applicable) and to provide related footnote disclosures in certain circumstances. This update is effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter with early adoption permitted. The implementation of this update is not expected to have a material effect on the Company's consolidated financial statements.

**3. Investment in Real Estate**

The Company's acquisitions are accounted for using the acquisition method. The results of operations for each of these acquisitions are included in our consolidated statements of operations from the date of acquisition.

***Acquisitions***

On August 17, 2015, the Company completed the acquisition of 405 Mateo, a three-building, 83,285-square-foot redevelopment project in Downtown Los Angeles' Arts District for $40.0 million (before credits, prorations, and closing costs). The Company funded this transaction with proceeds from its unsecured revolving credit facility.

On April 1, 2015, the Company completed the acquisition of the EOP Northern California Portfolio from Blackstone Real Estate Partners V and VI ("Blackstone"). The EOP Northern California Portfolio consists of 26 high-quality office assets totaling approximately 8.2 million square feet and two development parcels located throughout the San Francisco Peninsula, Redwood Shores, Palo Alto, Silicon Valley and San Jose Airport submarkets. The total consideration paid for the EOP Northern California Portfolio before certain credits, proration, and closing costs included a cash payment of $1.75 billion (financed with proceeds received from the Company's January 2015 common equity offering and $1.3 billion of new term debt), an aggregate of 63,474,791 shares of common stock of the company and common units in the Operating Partnership.

On May 22, 2015, the Company acquired a three-story, 120,937-square-foot former manufacturing facility known as "4th & Traction" in Los Angeles, California for $49.3 million (before certain credits, prorations and closing costs). The Company funded this off-market transaction with proceeds from its unsecured revolving credit facility.

Included in the Company's consolidated financial statements for the nine months ended September 30, 2015 were revenues and net income from the 2015 acquisition of the EOP Northern California Portfolio totaling $169.4 million and $0.4 million, respectively. There was no revenue generated by 405 Mateo or 4th & Traction as they are redevelopment projects with no current revenue stream.

**(Unaudited, tabular amounts in thousands, except square footage and share data)**

The following table represents our aggregate preliminary purchase price allocation for each of these acquisitions:

| | EOP Northern California Portfolio | 4th & Traction | 405 Mateo | |
|---|---|---|---|---|
| **Date of Acquisition** | **April 1, 2015** | **May 22, 2015** | **August 17, 2015** | **Total** |
| Consideration paid | | | | |
| Cash consideration | $ 1,715,346 | $ 49,250 | $ 40,000 | $ 1,804,596 |
| Common stock | 87 | — | — | 87 |
| Additional paid-in capital | 285,358 | — | — | 285,358 |
| Non-controlling common units in the Operating Partnership | 1,814,936 | — | — | 1,814,936 |
| Total consideration | $ 3,815,727 | $ 49,250 | $ 40,000 | $ 3,904,977 |
| Allocation of consideration paid | | | | |
| Investment in real estate, net | $ 3,610,017 | $ 49,250 | 40,000 | $ 3,699,267 |
| Above-market leases | 28,759 | — | — | 28,759 |
| Above-market ground leases | 51,859 | — | — | 51,859 |
| Deferred leasing costs and lease intangibles, net | 225,410 | — | — | 225,410 |
| Below-market leases | (99,223) | — | — | (99,223) |
| Below-market ground leases | (1,095) | — | — | (1,095) |
| Total consideration paid | $ 3,815,727 | $ 49,250 | $ 40,000 | $ 3,904,977 |

The table below shows the pro forma financial information for the nine months ended September 30, 2015 and 2014 as if the EOP Northern California Portfolio had been acquired as of January 1, 2014.

| | Nine Months Ended September 30, 2015 | |
|---|---|---|
| | **2015** | **2014** |
| Total revenues | $ 444,790 | $ 416,714 |
| Net (loss) income | $ (3,507) | $ 41,075 |

During 2014, we acquired Merrill Place, 3402 Pico Blvd. and 12655 Jefferson. 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:

| | Merrill Place | 3402 Pico Blvd. | 12655 Jefferson | |
|---|---|---|---|---|
| **Date of Acquisition** | **February 12, 2014** | **February 28, 2014** | **October 17, 2014** | **Total** |
| Consideration paid | | | | |
| Cash consideration | $ 57,034 | $ 18,546 | $ 38,000 | $ 113,580 |
| Total consideration | $ 57,034 | $ 18,546 | $ 38,000 | $ 113,580 |
| Allocation of consideration paid | | | | |
| Investment in real estate, net | $ 57,508 | $ 18,500 | $ 38,000 | $ 114,008 |
| Above-market leases | 173 | — | — | 173 |
| Deferred leasing costs and lease intangibles, net | 3,163 | — | — | 3,163 |
| Below-market leases | (3,315) | — | — | (3,315) |
| Other (liabilities) asset assumed, net | (495) | 46 | — | (449) |
| Total consideration paid | $ 57,034 | $ 18,546 | $ 38,000 | $ 113,580 |

**(Unaudited, tabular amounts in thousands, except square footage and share data)**

***Dispositions***

On September 29, 2015, the Company sold its Bay Park Plaza office property in Burlingame, California for $90.0 million (before certain credits, prorations and closing costs). Pursuant to ASU No. 2014-08, we will not be presenting the operating results in net income (loss) from discontinued operations.

On March 6, 2015, the Company sold its First Financial office property for $89.0 million (before certain credits, prorations, and closing costs). Pursuant to ASU No. 2014-08, we will not be presenting the operating results in net income (loss) from discontinued operations and, in addition, reclassified First Financial's assets and liabilities to assets and liabilities associated with real estate held for sale as of December 31, 2014.

**4. Deferred Leasing Costs and Lease Intangibles, net**

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

| | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Above-market leases | $ 38,764 | $ 10,891 |
| Leases in place | 223,705 | 60,130 |
| Below-market ground leases | 59,372 | 7,513 |
| Other lease intangibles | 77,318 | 26,731 |
| Lease buy-out costs | 5,071 | 4,597 |
| Deferred leasing costs | 61,976 | 38,912 |
| | $ 466,206 | $ 148,774 |
| Accumulated amortization | (113,126) | (46,751) |
| Deferred leasing costs and lease intangibles, net | $ 353,080 | $ 102,023 |
| | | |
| Below-market leases | $ 152,994 | $ 57,420 |
| Above-market ground leases | 1,095 | — |
| | 154,089 | 57,420 |
| Accumulated accretion | (39,604) | (16,451) |
| Lease intangible liabilities, net | $ 114,485 | $ 40,969 |

**(Unaudited, tabular amounts in thousands, except square footage and share data)**

## 5. Notes Payable

The following table sets forth information as of September 30, 2015 and December 31, 2014 with respect to our outstanding indebtedness.

| Debt | Outstanding | | Interest Rate[1] | Maturity Date |
|---|---|---|---|---|
| | September 30, 2015 | December 31, 2014 | | |
| Unsecured Loans | | | | |
| Unsecured revolving credit facility[2] | $ 105,000 | $ 130,000 | LIBOR+ 1.15% to 1.85% | 4/1/2020 |
| 2-Year unsecured term loan[3] | 460,000 | — | LIBOR+ 1.30% to 2.20% | 4/1/2018 |
| 5-Year unsecured term loan[4] | 550,000 | 150,000 | LIBOR+ 1.30% to 2.20% | 4/1/2020 |
| 7-Year unsecured term loan[5] | 350,000 | — | LIBOR+ 1.60% to 2.55% | 4/1/2022 |
| Total unsecured loans | $ 1,465,000 | $ 280,000 | | |
| | | | | |
| Mortgage Loans | | | | |
| Mortgage loan secured by 275 Brannan[6] | $ — | $ 15,000 | LIBOR+2.00% | N/A |
| Mortgage loan secured by Pinnacle II[7] | 86,537 | 87,421 | 6.31% | 9/6/2016 |
| Mortgage loan secured by 901 Market[8] | 30,000 | 49,600 | LIBOR+2.25% | 10/31/2016 |
| Mortgage loan secured by Element LA[9] | 83,107 | 59,490 | LIBOR+1.95% | 11/1/2017 |
| Mortgage loan secured by Rincon Center[10] | 102,920 | 104,126 | 5.13% | 5/1/2018 |
| Mortgage loan secured by Sunset Gower/Sunset Bronson[11] | 97,000 | 97,000 | LIBOR+2.25% | 3/4/2019 |
| Mortgage loan secured by Met Park North[12] | 64,500 | 64,500 | LIBOR+1.55% | 8/1/2020 |
| Mortgage loan secured by 10950 Washington[13] | 28,525 | 28,866 | 5.32% | 3/11/2022 |
| Mortgage loan secured by Pinnacle I[14] | 129,000 | 129,000 | 3.95% | 11/7/2022 |
| Total mortgage loans before mortgage loan on real estate held for sale | $ 621,589 | $ 635,003 | | |
| Mortgage loan on real estate held for sale | | | | |
| Mortgage loan secured by First Financial[15] | $ — | $ 42,449 | 4.580% | N/A |
| Total mortgage loans | $ 621,589 | $ 677,452 | | |
| Subtotal | $ 2,086,589 | $ 957,452 | | |
| Unamortized loan premium, net[16] | $ 1,746 | $ 3,056 | | |
| Total | $ 2,088,335 | $ 960,508 | | |

(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. Interest rates are as of September 30, 2015, which may be different than the interest rates as of December 31, 2014 for corresponding indebtedness.

(2) Subsequent to September 30, 2015, we paid down the principal balance by $20.0 million.

(3) Subsequent to September 30, 2015, we paid down the principal balance by $85.0 million.

(4) Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to $300.0 million of the $550.0 million 5-year term loan facility that swapped one-month LIBOR to a fixed rate of 1.36% through the loan's maturity on April 1, 2020. As a result, $300.0 million of this facility currently bears interest at a rate equal to 2.66% to 3.56% per annum depending on our leverage ratio.

(5) Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to the entire $350.0 million 7-year term loan facility that swapped one-month LIBOR to a fixed rate of 1.61% through the loan's maturity on April 1, 2022. As a result, this facility currently bears interest at a rate equal to 3.21% to 4.16% per annum depending on our leverage ratio.

(6) On April 10, 2015, the loan was fully repaid.

(7) This loan was assumed on June 14, 2013 in connection with the contribution of the Pinnacle II building to the Company's joint venture with M. David Paul & Associates/Worthe Real Estate Group. This loan bore interest only for the first five years. Beginning with the payment due October 6, 2011, monthly debt service includes annual debt amortization payments based on a 30-year amortization schedule.

(8) On October 29, 2012, we obtained a loan for our 901 Market property pursuant to which we borrowed $49.6 million upon closing. On April 10, 2015, we repaid $19.6 million of this loan.

(9) On November 24, 2014, we amended our construction loan for Element LA to, among other things, increase availability from $65.5 million to $102.4 million for budgeted site-work, construction of a parking garage, base building, tenant improvements, and leasing commission costs associated with the renovation and lease-up of the property.

(10) This loan is amortizing based on a 30-year amortization schedule.

(11) 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 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 February 11, 2016. Effective March 4, 2015, the terms of this loan were amended and restated to introduce the ability to draw up to an additional $160.0

million for budgeted construction costs associated with our ICON development and to extend the maturity date from February 11, 2018 to March 4, 2019 with a 1-year extension option.

(12) This loan bears interest only at a rate equal to one-month LIBOR plus 1.55%. The full loan amount is subject to an interest rate contract that swapped one-month LIBOR to a fixed rate of 2.1644% through the loan's maturity on August 1, 2020. As a result, this loan bears interest at a rate equal to 3.7144% per annum.

(13) This loan is amortizing based on a 30-year amortization schedule.

(14) This loan bears interest only for the first five years. Beginning with the payment due December 6, 2017, monthly debt service will include annual debt amortization payments based on a 30-year amortization schedule, for total annual debt service of $7.3 million.

(15) This note has been recorded as part of the liabilities associated with real estate held for sale (see note 3).

(16) Represents unamortized amount of the non-cash mark-to-market adjustment on debt associated with Pinnacle II.

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 the debt of their respective affiliates and each property-owning subsidiary's separate liabilities do not constitute obligations of its respective affiliates.

The loan agreements for Rincon Center, 10950 Washington, Pinnacle I and Pinnacle II require that some or all receipts collected from these properties be deposited in lockbox accounts under the control of the lenders to fund reserves such as capital improvements, taxes, insurance, debt service and operating expenditures. Included in restricted cash on our consolidated balance sheets at September 30, 2015 and December 31, 2014, are lockbox and reserve funds as follows (in thousands):

| Property | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Rincon Center | $ 14,098 | $ 10,936 |
| 10950 Washington | 1,096 | 775 |
| Pinnacle I | 2,377 | 2,099 |
| Pinnacle II | 1,035 | 434 |
| | $ 18,606 | $ 14,244 |

The minimum future annual principal payments due on our secured and unsecured notes payable at September 30, 2015, excluding the non-cash loan premium amortization, were as follows (in thousands):

| | |
|---|---|
| 2015 (three months ending December 31, 2015) | $ 892 |
| 2016 | 118,599 |
| 2017 | 85,812 |
| 2018 | 658,320 |
| 2019 | 2,885 |
| Thereafter | 1,220,081 |
| Total | $ 2,086,589 |

***Senior Unsecured Credit Facilities***

*A&R Credit Agreement*

On April 1, 2015, the Operating Partnership funded the facilities entered into pursuant to a Second Amended and Restated Credit Agreement dated as of March 31, 2015 with Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner and Smith, Incorporated and Keybanc Capital Markets, Inc. as Joint Lead Arrangers and Joint Bookrunners, with respect to the Existing Facilities (as defined below), and Wells Fargo Securities, LLC and Keybanc Capital Markets, Inc. as Joint Lead Arrangers and Joint Bookrunners, with respect to the 7-Year Term Loan Facility (as defined below), Bank of America, N.A., and KeyBank National Association, as syndication agents with respect to the Existing Facilities, and KeyBank National Association, as syndication agent with respect to the 7-Year Term Loan Facility, Barclays Bank PLC, Fifth Third Bank, Morgan Stanley Bank, N.A., Royal Bank of Canada, Goldman Sachs Bank USA, and U.S. Bank National Association, as documentation agents with respect to the Existing Facilities, and the lenders party thereto (the "A&R Credit Agreement").

The A&R Credit Agreement amended and restated the Operating Partnership's existing $300.0 million unsecured revolving credit facility and $150.0 million unsecured term loan facility entered into on September 23, 2014 to, among other things, extend the term, increase the unsecured revolving credit facility to $400.0 million, increase the unsecured 5-year term loan facility to $550.0 million (the "5-Year Term Loan Facility" and, together with the unsecured revolving credit facility, the "Existing Facilities"), and add a $350.0 million unsecured 7-year term loan facility (the "7-Year Term Loan Facility," and, together with the Existing Facilities, the "A&R Credit Facilities"), which A&R Credit Facilities were or will be used: (a) for the payment of pre-development and development costs incurred in connection with properties owned by the Operating Partnership or any subsidiary; (b) to finance acquisitions otherwise permitted under the A&R Credit Agreement (including the Acquisition); (c) to finance capital expenditures and the repayment of indebtedness of the Company, the Operating Partnership and its subsidiaries; (d) to provide for the general working capital needs of the Company, the Operating Partnership and its subsidiaries and for other general corporate purposes of the Company, the Operating Partnership and its subsidiaries; and (e) to pay fees and expenses incurred in connection with the A&R Credit Agreement. The Operating Partnership continues to be the borrower under the A&R Credit Agreement. The Company and certain of its subsidiaries that own unencumbered properties are required to provide guaranties unless the Company obtains and maintains a credit rating of at least BBB- from S&P or Baa3 from Moody's, in which case such guaranties by its subsidiaries are not required, except under limited circumstances. Subject to the satisfaction of certain conditions and lender commitments, the Operating Partnership may increase the availability of the A&R Credit Facilities so long as the aggregate commitments under the A&R Credit Facilities do not exceed $2.0 billion.

For borrowings under the unsecured revolving credit facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 115 basis points to 185 basis points per annum or a specified base rate plus 15 basis points to 85 basis points per annum, depending on the Operating Partnership's leverage ratio. For borrowings under the 5-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 130 basis points to 220 basis points per annum or a specified base rate plus 30 basis points to 120 basis points per annum, depending on the Operating Partnership's leverage ratio. For borrowings under the 7-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 160 basis points to 255 basis points per annum or a specified base rate plus 60 basis points to 155 basis points per annum, depending on the Operating Partnership's leverage ratio. If the Company obtains a credit rating for the Company's senior unsecured long term indebtedness, the Operating Partnership may make an irrevocable election to change the interest rate for the unsecured revolving credit facility to a rate equal to either LIBOR plus 87.5 basis points to 155 basis points per annum or the specified base rate plus zero basis points to 55 basis points per annum, for the 5-Year Term Loan Facility to a rate equal to either LIBOR plus 90 basis points to 185 basis points per annum or the specified base rate plus zero basis points to 85, and for the 7-Year Term Loan Facility to a rate equal to either LIBOR plus 140 basis points to 235 basis points per annum or the specified base rate plus 40 basis points to 135 basis points per annum, in each case, depending on the credit rating.

The unsecured revolving credit facility is subject to a facility fee in an amount equal to the Operating Partnership's revolving credit commitments (whether or not utilized) multiplied by a rate per annum equal to 20 basis points to 35 basis points, depending on the Operating Partnership's leverage ratio, or, if the Operating Partnership makes the credit rating election, in an amount equal to the aggregate amount of the Operating Partnership's revolving credit commitments (whether or not utilized) multiplied by a rate per annum equal to 12.5 basis points to 30 basis points, depending upon the credit rating. Unused amounts under the facility are not subject to a separate fee.

The amount available for us to borrow under the A&R Credit Agreement remains subject to compliance with a number of customary restrictive covenants contained therein, including:

- a maximum leverage ratio (defined as consolidated unsecured indebtedness plus the Operating Partnership's pro rata share of indebtedness of unconsolidated affiliates to total asset value) of 0.60:1:00, provided that such ratio may increase to 0.65 to 1.00 for up to two consecutive calendar quarters immediately following a material acquisition not more than twice during the term of the A&R Credit Agreement;

- a minimum fixed charge coverage ratio (defined as the Operating Partnership's adjusted EBITDA to its fixed charges) of 1.50:1.00;

- a maximum secured indebtedness leverage ratio (defined as consolidated secured indebtedness plus the Operating Partnership's pro rata share of secured indebtedness of unconsolidated affiliates to total asset value) of 0.55:1:00;

- a minimum unsecured interest coverage ratio (defined as consolidated net operating income from unencumbered properties plus the Operating Partnership's pro rata share of net operating income from unencumbered properties to unsecured interest expense) of 2.00:1.00; 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, provided that such test does not apply so long as the Company maintains an investment grade credit rating.

In addition to these covenants, the A&R Credit Agreement also includes certain limitations on dividend payouts and distributions, limits on certain types of investments outside of the Operating Partnership's primary business, and other customary affirmative and negative covenants. The Operating Partnership's ability to borrow under the A&R Credit Agreement is subject to continued compliance with these covenants.

The original revolving loan maturity date for the A&R Credit Agreement may be extended once, for an additional one-year term. A fee equal to 0.15% of the aggregate outstanding revolving commitments at such time (whether or not utilized) must be paid to the administrative agent to exercise the right to extend.

If the Operating Partnership voluntarily prepays any of the borrowings under the 7-year term loan facility prior to the first anniversary of the closing of such facility, such prepayments are subject to a 2% prepayment premium on the principal amount of such loans that are prepaid. If the Operating Partnership voluntarily prepays any of the borrowings under the 7-year term loan facility on or after the first anniversary of the closing of such facility and prior to the second anniversary of the closing of such facility, such prepayments are subject to a 1% prepayment premium on the principal amount of such loans that are prepaid.

As of September 30, 2015, the Company was in compliance with its unsecured revolving credit facility's financial covenants. As of September 30, 2015, we had total borrowing capacity of $400.0 million under our unsecured revolving credit facility, $105.0 million of which had been drawn. Subsequent to September 30, 2015, we paid down the principal balance by $20.0 million.

*New Credit Agreement*

On April 1, 2015, the Operating Partnership funded the facility entered into pursuant to a separate Term Loan Credit Agreement dated March 31, 2015 with Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner and Smith, Incorporated, and Goldman Sachs Bank USA, as Joint Lead Arrangers and Joint Bookrunners, and the lenders party thereto (the "New Credit Agreement").

The New Credit Agreement provides a $550.0 million unsecured 2-year term loan credit facility (the "2-Year Term Loan Facility"), which was fully drawn by us on the date of the New Credit Agreement to consummate the Acquisition, with the remaining funds used to pay fees and expenses incurred in connection with the Acquisition and the New Credit Agreement. The Operating Partnership is the borrower under the New Credit Agreement and the Company and all of its subsidiaries that own unencumbered properties will provide guaranties unless the Company obtains and maintains a credit rating of at least BBB- from S&P or Baa3 from Moody's, in which case such guaranties are not required, except under limited circumstances. During the three months ended September 30, 2015 we used the proceeds from the Bay Park Plaza sale to pay down the principal balance by $90.0 million, resulting in a $460.0 million balance. Subsequent to September 30, 2015, we used the excess cash from the Element LA refinance to pay down the principal balance on this 2-year term loan by an additional $85.0 million, resulting in a $375.0 million balance. Amounts paid down or no longer available for re-borrowing. Refer to Note 12 for further details.

For borrowings under the 2-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 130 basis points to 220 basis points per annum or a specified base rate plus 30 basis points to 120 basis points per annum, depending on the Operating Partnership's leverage ratio. If the Company obtains a credit rating for its senior unsecured long term indebtedness, the Operating Partnership may make an irrevocable election to change the interest rate for the 2-Year Term Loan Facility to a rate equal to either LIBOR plus 90 basis points to 185 basis points per annum or the specified base rate plus zero basis points to 85 basis points per annum, depending on the credit rating.

The term of the New Credit Agreement is two years, with one one-year extension option. If any undrawn commitments remain as of April 1, 2016, a fee equal to one percent (1%) of the aggregate amount of the commitments (whether disbursed or undisbursed) is due and payable on April 1, 2016. If the Operating Partnership exercises the one-year extension option, it is required to pay to the administrative agent a fee equal to one and half percent (1.5%) of the aggregate outstanding commitments so extended (whether or not utilized).

Except as noted herein, the New Credit Agreement is on terms substantially similar to the terms and subject to the financial covenants provided in the A&R Credit Agreement, as applicable to the 5-Year Term Loan Facility thereunder.

***Repayment Guaranties***

*Sunset Gower and Sunset Bronson Loan*

In connection with the loan secured by our Sunset Gower and Sunset Bronson properties, we have guaranteed in favor of and promised to pay to the lender 19.5% of the principal payable under the loan in the event the borrower, a wholly-owned entity of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $97.0 million, which results in a maximum guarantee amount for the principal under this loan of $18.9 million. Furthermore, we agreed to guarantee the completion of the construction improvements including tenant improvements, as defined in the agreement, in the event of any default of the borrower. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan.

*Element LA Loan*

In connection with our Element LA construction loan, we have guaranteed in favor of and promised to pay to the lender 25.0% of the principal, together with all interest and any other sum payable under the loan in the event the borrower, a wholly-owned entity of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $83.1 million, which results in a maximum guarantee amount for the principal under this loan of $20.8 million. Upon the satisfaction of certain conditions, as defined in the repayment guaranty agreement, our liability with respect to the principal under this loan will be reduced to zero, unless certain further events, described in the guarantee occur, in which case our maximum liability as guarantor will be restored to 25.0% of the principal under the loan. Furthermore, we agreed to guarantee the completion of the construction improvements including tenant improvements, as defined in the agreement, in the event of any default of the borrower. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan. This loan was refinanced subsequent to September 30, 2015. See Note 12 Subsequent Events for further details.

*901 Market Loan*

In connection with our 901 Market Street loan, we have guaranteed in favor of and promised to pay to the lender 35.0% of the principal under the loan in the event the borrower, a wholly-owned entity of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $30.0 million, which results in a maximum guarantee amount for the principal under this loan of $10.5 million. Furthermore, we agreed to guarantee the completion of the construction improvements, including tenant improvements, as defined in the agreement, in the event of any default of the borrower. The borrower has completed various of the improvements subject to this completion guaranty. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan.

*Other Loans*

Although the rest of our loans are secured and non-recourse to the Company and the Operating Partnership, the Operating Partnership provides limited customary secured debt guarantees for items such as voluntary bankruptcy, fraud, misapplication of payments and environmental liabilities.

**6. Interest Rate Contracts**

***5-Year Term Loan Facility and 7-year Term Loan Facility***

On April 1, 2015, we entered into interest rate contracts with respect to $300.0 million of the $550.0 million 5-Year Term Loan Facility which, effective as of May 1, 2015, swapped one-month LIBOR to a fixed rate of 1.36% through the loan's maturity on April 1, 2020. The remaining $250.0 million and the entire $550.0 million two-year term facility bear interest at a rate equal to LIBOR plus 130 to 220 basis points per annum depending on the Company's leverage ratio.

On April 1, 2015, we also entered into interest rate contracts with respect to the $350.0 million 7-year Term Loan Facility, which, effective as of May 1, 2015, swapped one-month LIBOR to a fixed rate of 1.61% through the loan's maturity on April 1, 2022.

***Sunset Gower and Sunset Bronson Mortgage***

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 initially bore 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 each of these interest rate cap contracts as a cash flow hedge for accounting purposes.

Effective August 22, 2013, the terms of this loan were amended to, among other changes, increase the outstanding balance from $92.0 million to $97.0 million, reduce the interest to a rate equal to one-month LIBOR plus 2.25%, and extend the maturity date from February 11, 2016 to February 11, 2018. The interest rate contracts described above were not changed in connection with this loan amendment.

Effective March 4, 2015, the terms of this loan were amended and restated to introduce the ability to draw up to an additional $160.0 million for budgeted construction costs associated with our ICON development and to extend the maturity date from February 11, 2018 to March 4, 2019. The interest rate contracts described above were not changed in connection with this loan amendment.

***Met Park North***

On July 31, 2013, we closed a seven-year loan totaling $64.5 million with Union Bank, N.A., secured by our Met Park North property. The loan bears interest at a rate equal to one-month LIBOR plus 1.55%. The full loan is subject to an interest rate contract that swapped one-month LIBOR to a fixed rate of 2.1644% through the loan's maturity on August 1, 2020.

***Overall***

The combined fair market value of the interest rate contracts at September 30, 2015 and December 31, 2014 was an asset of $0.0 million and $3.0 thousand, respectively, and a liability of $8.6 million and $1.8 million, 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 2015 to 2030. Approximate future combined minimum rentals (excluding tenant reimbursements for operating expenses and without regard to cancellation options) for properties at September 30, 2015 are presented below for the years/periods ended December 31. The table below does not include rents under leases at our media and entertainment properties with terms of one year or less.

Future minimum base rents under our operating leases in each of the next five years and thereafter are as follows (in thousands):

| | Non-cancellable | Subject to early termination options | Total |
|---|---|---|---|
| 2015 (three months ending December 31, 2015) | $ 114,406 | $ 127 | $ 114,533 |
| 2016 | 428,529 | 3,099 | 431,628 |
| 2017 | 352,935 | 7,747 | 360,682 |
| 2018 | 275,738 | 25,871 | 301,609 |
| 2019 | 234,524 | 27,048 | 261,572 |
| 2020 | 172,215 | 7,133 | 179,348 |
| Thereafter | 597,084 | 14,624 | 611,708 |
| Total | $ 2,175,431 | $ 85,649 | $ 2,261,080 |

***Future Minimum Lease Payments***

In conjunction with the acquisition of the EOP Northern California Portfolio, our respective subsidiaries, assumed the ground lease agreements below with unrelated parties.

| Property | Expiration Date | Minimum Annual Rent | Notes |
|---|---|---|---|
| 1500 Page Mill Center | 11/30/2041 | $ 600 | Minimum annual rent (adjusted on 1/1/2019 and 1/1/2029) plus 25% of adjusted gross income, or AGI, less minimum annual rent. |
| Clocktower Square | 9/26/2056 | 887 | Minimum annual rent (adjusted every 10 years) plus 25% of AGI less minimum annual rent. |
| Palo Alto Square | 11/30/2045 | 1,500 | Minimum annual rent (adjusted every 10 years starting 1/1/2022) plus 25% of AGI less minimum annual rent. |
| Lockheed Building | 7/31/2040 | 356 | The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent is the lesser of 10% of FMV of the land or the previous year's adjusted base amount plus 75% of consumer price index, or CPI, change. Percentage annual rent is lessee's base rent x 24.125%. |
| Foothill Research | 6/30/2039 | 1,603 | The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent is the lesser of 10% of FMV of the land or the previous year's adjusted base amount plus 75% of CPI change. Percentage annual rent is gross income x 24.125%. |
| 3400 Hillview | 10/31/2040 | 1,542 | The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent is the lesser of the 10% of FMV of land plus 75% of annual CPI increase through 10/31/2017 plus 75% of CPI change thereafter. Percentage annual rent is gross income x 24.125%. This lease has been prepaid through October 31, 2017. |
| Metro Center 989 | 4/29/2054 | 1,139 | Every 10 years rent adjusts to 7.233% of Fair Market Land Value (since 2008) and rent also adjusts every 10 years to reflect the change in CPI from the preceding FMV adjustment date (since 2013). |
| Metro Center Retail | 4/29/2054 | 609 | Every 10 years rent adjusts to 7.233% of Fair Market Land Value (since 2008) and rent also adjusts every 10 years to reflect the change in CPI from the preceding FMV adjustment date (since 2013). |
| Metro Center Tower | 4/29/2054 | 2,821 | Every 10 years rent adjusts to 7.233% of Fair Market Land Value (since 2008) and rent also adjusts every 10 years to reflect the change in CPI from the preceding FMV adjustment date (since 2013). |
| Techmart Commerce Center | 5/31/2053 | 1,210 | Subject to a 10% increase every 5 years. |

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. As a result of the March 2011 rent adjustment, monthly rent increased to $0.031 million, whereas the monthly rent totaled $0.014 million at the time of acquisition. The rental rate is subject to adjustment again in March 2018 and every seven years thereafter.

In conjunction with the acquisition of the Del Amo Office property, 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 Blvd. property, 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 $0.075 million 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 property, 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 $0.975

million per year or 20.0% of the first $8.0 million of the tenant's "Operating Income" during any "Lease Year," as such terms are defined in the ground lease. The table below reflects the $0.975 million per year lease payment.

The following table provides information regarding our future minimum lease payments at September 30, 2015 under these lease agreements the table only includes the minimum base rents.

| | | |
|---|---|---|
| 2015 (three months ending December 31, 2015) | $ | 3,036 |
| 2016 | | 13,094 |
| 2017 | | 13,094 |
| 2018 | | 15,281 |
| 2019 | | 15,281 |
| Thereafter | | 629,201 |
| Total | $ | 688,987 |

**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, notes receivable and derivative assets and liabilities 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, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Notes payable | $ 2,088,335 | $ 2,093,869 | $ 960,508 | $ 969,259 |
| Notes receivable | 28,580 | 28,528 | 28,268 | 28,268 |
| Derivative assets, disclosed as "Interest rate contracts" | — | — | 3 | 3 |
| Derivative liabilities, disclosed as "Interest rate contracts" | 8,614 | 8,614 | 1,750 | 1,750 |

**9. Equity**

***Non-controlling Interests***

*Common units in the Operating Partnership*

Common units in the operating partnership consisted of 56,296,315 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, issue shares of our common stock in exchange for common units on a one-for-one basis.

***Non-controlling interest—members in consolidated entities***

Non-controlling interests—members in consolidated entities refers to our joint venture partners described below:

*Pinnacle joint venture*

We entered into a joint venture with Media Center Partners, LLC, a California limited liability company ("MCP") to own The Pinnacle, a two-building (Pinnacle I and Pinnacle II), 625,640 square-foot office property located in Burbank, California. As of September 30, 2015, we owned a 65.0% interest in the Pinnacle JV.

*1455 Market joint venture*

On January 7, 2015, we entered into a joint venture with Canada Pension Plan Investment Board ("CPPIB"), through which CPPIB purchased a 45.0% interest in our 1455 Market Street office property located in San Francisco, California.

***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 407,066 series A preferred units of partnership interest in the Operating Partnership, or series A preferred units, that are not owned by the Company. 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 became convertible, at the option of the holder, into common units or redeemable into cash or, at the Company's election, exchangeable for registered shares of common stock, 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 shares 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' option to purchase additional shares 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' option to purchase additional shares in full). Total proceeds from the offering, after deducting the 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.

***April 2015 Common Stock Secondary Offering***

On April 10, 2015, certain funds affiliated with Farallon Capital Management completed a public offering of 6,037,500 shares of the Company's common stock. The Company did not receive any proceeds from the offering.

***April 2015 Common Stock and Common Unit Issuance***

On April 1, 2015, in connection with the acquisition of the EOP Northern California Portfolio from Blackstone, the Company issued 8,626,311 shares of its common stock and the Operating Partnership issued 54,848,480 common units as part of the consideration paid.

***January 2015 Common Stock Offering***

On January 20, 2015, we completed the public offering of 11,000,000 shares of common stock and the exercise of the underwriters' over-allotment option to purchase an additional 1,650,000 shares of our common stock at the public offering price of $31.75 per share. Total proceeds from the public offering, after underwriters' discount, were approximately $385.6 million (before transaction costs).

***January 2014 Common Stock Offering***

On January 28, 2014, we completed the public offering of 8,250,000 shares of common stock and the exercise of the underwriters' option to purchase an additional 1,237,500 shares of our common stock at the public offering price of $21.50 per share. Total proceeds from the public offering, after underwriters' discount, were approximately $195.8 million (before transaction costs).

***Dividends***

During the third quarter for 2015, 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, 2015 to holders of record on September 20, 2015.

***Taxability of Dividends***

Earnings and profits, which determine the taxability of distributions to stockholders, may differ from income reported for financial reporting purposes because of 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, other than directors designated by The Blackstone Group L.P. or its affiliates, on an annual basis as part of such board members' annual compensation and to newly elected non-employee board members, other than directors designated by The Blackstone Group L.P. or its affiliates, in accordance with our Non-Employee Director 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 is three years.

In addition, the Board of Directors awards restricted shares to certain 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 is three years.

The following table summarizes the restricted share activity for the nine months ended September 30, 2015 and status of all unvested restricted share awards to our non-employee board members and employees at September 30, 2015:

| Non-vested Shares | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Balance at January 1, 2015 | 543,707 | $ 26.43 |
| Granted | 145,880 | 31.17 |
| Vested | (51,933) | 21.31 |
| Canceled | (6,346) | 22.33 |
| Balance at September 30, 2015 | 631,308 | $ 27.99 |

| Nine Months Ended September 30, | Non-Vested Shares Issued | Weighted Average Grant - Date Fair Value | Vested Shares | Total Vest-Date Fair Value (in thousands) |
|---|---|---|---|---|
| 2015 | 145,880 | $ 31.17 | (51,933) | $ 1,576 |
| 2014 | 36,058 | 22.88 | (32,547) | 768 |

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. Outperformance Programs***

In each of 2012, 2013, 2014 and 2015, the Compensation Committee of our Board of Directors adopted a Hudson Pacific Properties, Inc. Outperformance Program (individually, the "2012 OPP," the "2013 OPP," the "2014 OPP" and the "2015 OPP" and, together, the "OPPs"). Participants in the 2012 OPP, 2013 OPP, 2014 OPP and 2015 OPP may earn, in the aggregate, up to $10.0 million, $11.0 million, $12.0 million, and $15.0 million, respectively, of stock-settled awards based on our Total Shareholder Return, or TSR, for the three-year period beginning January 1 of the year in which the applicable OPP was adopted and ending December 31 of 2014, 2015, 2016 and 2017, respectively. The 2014 OPP and the 2015 OPP provide for target bonus pools of $2.4 million and $3.8 million, respectively, that would be attained if the Company achieves during the applicable performance period a TSR equal to that of the SNL REIT Index and a 10.5% simple annual TSR.

Under each OPP, participants will be entitled to share in a performance pool with a value, subject to the applicable dollar-denominated cap described above, equal to the sum of: (i) 4% of the amount by which our TSR during the applicable performance period exceeds 9% simple annual TSR (the "absolute TSR component"), plus (ii) 4% of the amount by which our TSR during the applicable performance period exceeds that of the SNL Equity REIT Index (determined on a percentage basis that is then multiplied by the sum of (A) our market capitalization on that date, plus (B) the aggregate per share dividend over the applicable performance period through such date) (the "relative TSR component"), except that the relative TSR component will be reduced on a linear basis from 100% to zero percent for absolute TSR ranging from 7% to zero percent simple annual TSR over the applicable 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 applicable performance period (if any).

With respect to the 2013 OPP, if we attain pro-rated TSR performance goals during 2013 and/or 2014 that yield hypothetical bonus pools of up to $2.0 million for 2013 performance and/or up to $4.0 million for combined 2013/2014 performance, stock awards issued under the final bonus pool at the end of the applicable 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 2013 or 2014 (whichever is greater) based on our TSR performance and common stock price for such prior years (subject to reduction to comply with the $11.0 million bonus pool limitation).

At the end of the applicable 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 RSUs that vest in equal annual installments over the two years immediately following the applicable performance period (based on continued employment) and which carry tandem dividend equivalent rights. However, if the applicable performance period is terminated in connection with a change in control, OPP awards will be paid entirely in fully vested shares of our common stock immediately prior to the change in control. In addition to these share/RSU payments, each OPP award entitles its holder to a cash payment equal to the aggregate dividends that would have been paid during the applicable performance period on the total number of shares and RSUs ultimately issued or granted in respect of such OPP award, had such shares and RSUs been outstanding throughout the performance period.

If a participant's employment is terminated without "cause," for "good reason" or due to the participant's death or disability during the applicable performance period (referred to as qualifying terminations), the participant will be paid his or her OPP award at the end of the performance period entirely in fully vested shares (except for the performance period dividend equivalent, which will be paid in cash at the end of the performance period). Any such payment will be pro-rated in the case of a termination without "cause" or for "good reason" by reference to the participant's period of employment during the applicable performance period. If we experience a change in control or a participant experiences a qualifying termination of employment, in either case, after the end of the applicable performance period, any unvested RSUs that remain outstanding will accelerate and vest in full upon such event.

With respect to the 2012 OPP, we attained the maximum $10.0 million bonus pool. Only 75% of the participation interests remained outstanding at the end of the 2012 OPP performance period; therefore we granted 125,477 shares of common stock and 125,475 RSUs with respect to the outstanding participation interests.

The cost of the 2012 OPP, 2013 OPP, the 2014 OPP and the 2015 OPP (approximately $2.62 million, $3.52 million, $3.21 million and $3.98 million, respectively, subject to a forfeiture adjustment equal to 6%, 6% , 10% and 6%, respectively, of the total cost) will be amortized through the final vesting period under a graded vesting expense recognition schedule.

The 2012 OPP, 2013 OPP, 2014 OPP and 2015 OPP were valued, in accordance with ASC 718, at an aggregate of approximately $3.49 million, $4.14 million, $3.21 million and $4.27 million, respectively, utilizing a Monte Carlo simulation to estimate the probability of the performance vesting conditions being satisfied. The Monte Carlo simulation used a statistical formula underlying the Black-Scholes and binomial formulas and such simulation was run 100,000 times. For each simulation, the payoff is calculated at the settlement date, which is then discounted to the award date at a risk-free interest rate. The average of the values over all simulations is the expected value of the unit on the award date. Assumptions used in the valuations included (1) factors associated with the underlying performance of the Company's stock price and total shareholder return over the term of the performance awards including total stock return volatility and risk-free interest and (2) factors associated with the relative performance of the Company's stock price and total shareholder return when compared to the SNL Equity REIT Index. The valuation was performed in a risk-neutral framework, so no assumption was made with respect to an equity risk premium. The fair value of the OPP awards is based on the sum of: (1) the present value of the expected payoff to the awards on the measurement date, if the TSR over the applicable measurement period exceeds performance hurdles of the absolute and the relative TSR components; and (2) the present value of the distributions payable on the awards. The ultimate reward realized on account of the OPP awards by the holders of the awards is contingent on the TSR achieved on the measurement date, both in absolute terms and relative to the TSR of the SNL Equity REIT Index. The per unit fair value of each 2012 OPP award, 2013 OPP award, 2014 OPP award and 2015 OPP award was estimated on the date of grant using the following assumptions in the Monte Carlo valuation: expected price volatility for the Company and the SNL Equity REIT index of 36% and 35%, 33% and 25%, and 28% and 26% and 22% and 22%, respectively; a risk-free rate of 0.40%, 0.38%, 0.77% and 1.13%, respectively; and total dividend payments over the measurement period of $1.62, $1.50, $1.50 and $1.50 , respectively, per share.

For the nine months ended September 30, 2015 and 2014, $6.5 million and $5.3 million, respectively, of non-cash compensation expense for all stock compensation was recognized as additional paid-in capital, of which $6.2 million and $5.0 million, respectively, was included in general and administrative expenses, with the remaining $0.3 million and $0.3 million, respectively, of stock compensation capitalized to tenant improvement and deferred leasing costs and lease intangibles, net.

**10. Related Party Transactions**

***222 Kearny Street Lease with FJM Investments, LLC***

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 had an initial lease term through May 31, 2014, which was subsequently extended to May 31, 2015. On June 1, 2015, we agreed to extend the lease on a month-to-month basis. The monthly rental obligation under the lease is $12,360, the base rent component. FJM Investments, LLC was co-founded by and is co-owned by one of our independent directors, Robert M. Moran, Jr.

***Employment Agreements***

We have entered into employment agreements with our executive officers, effective June 27, 2014. The material terms of the employment agreements with our named executive officers are described under the sections entitled "Executive Compensation—Narrative Disclosure to Summary Compensation Table" and "Executive Compensation—Potential Payments Upon Termination or Change in Control" of our proxy statement for our 2015 Annual Meeting of stockholders, which was filed with the SEC on April 2, 2015.

***Corporate Headquarters Lease with Blackstone***

On July 26, 2006, our predecessor, Hudson Capital, LLC, entered into a lease agreement and subsequent amendments with landlord Trizec Holdings Cal, LLC (an affiliate of Blackstone Real Estate Partners V and VI) for our corporate headquarters at 11601 Wilshire Boulevard. We currently occupy approximately 20,059 square feet of the property's space and the lease expires on December 31, 2018. For the nine months ended September 30, 2015 and 2014, we incurred rent expense of $0.4 million for each period, respectively. In February 2015, we entered into an amendment of that lease to expand the space to approximately 40,120 square feet on different floors within the same building, and to extend the expiration date by an additional four years. The lease commencement date will be the earlier of the date of occupancy or September 1, 2015. The minimum future rents payable under the new lease are $13.9 million.

***Acquisition of EOP Northern California Portfolio***

On April 1, 2015, the Company completed the acquisition of the EOP Northern California Portfolio from Blackstone Real Estate Partners V and VI ("Blackstone"). The EOP Northern California Portfolio consists of 26 high-quality office assets totaling approximately 8.2 million square feet and two development parcels located throughout the San Francisco Peninsula, Redwood Shores, Palo Alto, Silicon Valley and San Jose Airport submarkets. The total consideration paid for the EOP Northern California Portfolio before certain credits, proration, and closing costs included a cash payment of $1.75 billion and an aggregate of 63,474,791 shares of common stock of the Company and common units in the Operating Partnership.

*The Stockholders Agreement*

On April 1, 2015, in connection with the closing of the acquisition as described below, the Company entered into a Stockholders Agreement (the "Stockholders Agreement") by and among the Company, the Operating Partnership, Blackstone Real Estate Advisors L.P. ("BREA") and the other affiliates of The Blackstone Group L.P. (the "Sponsor Stockholders"). The Stockholders Agreement sets forth various arrangements and restrictions with respect to the governance of the Company and certain rights of the Sponsor Stockholders with respect to the shares of common stock of the Company and common units of in the Operating Partnership received by the Sponsor Stockholders in connection with the Acquisition (the "Equity Consideration").

Pursuant to the terms of the Stockholders Agreement, the Board of Directors of the Company (the "Board") has expanded from eight to eleven directors, and three director nominees designated by the Sponsor Stockholders to the Board have been elected. Subject to certain exceptions, the Board will continue to include the Sponsor Stockholders' designees in its slate of nominees, and will continue to recommend such nominees, and will otherwise use its reasonable best efforts to solicit the vote of the Company's stockholders to elect to the Board the slate of nominees which includes those designated by the Sponsor Stockholders. The Sponsor Stockholders will have the right to designate three nominees for so long as the Sponsor Stockholders continue to beneficially own, in the aggregate, greater than 50% of the Equity Consideration. If the Sponsor Stockholders' beneficial ownership of the Equity Consideration decreases, then the number of director nominees that the Sponsor Stockholders will have the right to designate will be reduced (i) to two, if the Sponsor Stockholders beneficially own greater than or equal to 30% but less than or equal to 50% of

the Equity Consideration and (ii) to one, if the Sponsor Stockholders beneficially own greater than or equal to 15% but less than 30% of the Equity Consideration. The Board nomination rights of the Sponsor Stockholders will terminate at such time as the Sponsor Stockholders beneficially own less than 15% of the Equity Consideration or upon written notice of waiver or termination of such rights by the Sponsor Stockholders. So long as the Sponsor Stockholders retain the right to designate at least one nominee to the Board, the Company will not be permitted to increase the total number of directors comprising the Board to more than twelve persons without the prior written consent of the Sponsor Stockholders.

For so long as the Sponsor Stockholders have the right to designate at least two director nominees, subject to the satisfaction of applicable NYSE independence requirements, the Sponsor Stockholders will also be entitled to appoint one such nominee then serving on the Board to serve on each committee of the Board (other than certain specified committees).

The Stockholders Agreement also includes: (i) standstill provisions, which require that, until such time as the Sponsor Stockholders beneficially own shares of common stock representing less than 10% of the total number of issued and outstanding shares of common stock on a fully-diluted basis, the Sponsor Stockholders and BREA are restricted from, among other things, acquiring additional equity or debt securities (other than non-recourse debt and certain other debt) of the Company and its subsidiaries without the Company's prior written consent; and (ii) transfer restriction provisions, which restrict the Sponsor Stockholders from transferring any of the Equity Consideration (including shares of common stock issued to the Sponsor Stockholders in exchange of common units pursuant to the terms of the Third Amended and Restated Limited Partnership Agreement) (collectively, the "Covered Securities") until November 1, 2015 (other than pursuant to certain specified exceptions), at which time such transfer restrictions will cease to be applicable to 50% of the Covered Securities. The transfer restrictions applicable to the remaining 50% of the Covered Securities will cease to be applicable on March 1, 2016 (or, if earlier, 30 days following written notice of waiver or termination by the Sponsor Stockholders of their board nomination rights described above). If, prior to November 1, 2015, the Sponsor Stockholders provide written notice waiving and terminating their director nomination rights described above, the transfer restrictions applicable to all the Covered Securities will cease to be applicable on November 1, 2015 and, if such written notice of waiver and termination is provided after November 1, 2015, then the transfer restrictions will cease to be applicable as of the earlier of March 1, 2016 and 30 days following the Issuer's receipt of such written notice.

In addition, pursuant to the Stockholders Agreement, until April 1, 2017, the Company is required to obtain the prior written consent of the Sponsor Stockholders prior to the issuance of common equity securities by it or any of its subsidiaries other than up to an aggregate of 16,843,028 shares of common stock (and certain other exceptions).

Further, until such time as the Sponsor Stockholders beneficially own, in the aggregate, less than 15% of the Equity Consideration, each Sponsor Stockholder will cause all common stock held by it to be voted by proxy (i) in favor of all persons nominated to serve as directors of the Company by the Board (or the Nominating and Corporate Governance Committee thereof) in any slate of nominees which includes the Sponsor Stockholders' nominees and (ii) otherwise in accordance with the recommendation of the Board (to the extent the recommendation is not inconsistent with the rights of the Sponsor Stockholders under the Stockholders Agreement) with respect to any other action, proposal or other matter to be voted upon by the Company's stockholders, other than in connection with (A) any proposed transaction relating to a change of control of the Company, (B) any amendments to the Company's charter or bylaws, (C) any other transaction that the Company submits to a vote of its stockholders pursuant to Section 312.03 of the NYSE Listed Company Manual or (D) any other transaction that the Company submits to a vote of its stockholders for approval.

As required by the Stockholders Agreement, the Company has agreed that the Sponsor Stockholders and certain of their affiliates may engage in investments, strategic relationships or other business relationships with entities engaged in other business, including those that compete with the Company or any of its subsidiaries, and will have no obligation to present any particular investment or business opportunity to the Company, even if the opportunity is of a character that, if presented to the Company, could be undertaken by the Company. As required by the Stockholders Agreement, to the maximum extent permitted under Maryland law, the Company has renounced any interest or expectancy in, or in being offered an opportunity to participate in, any such investment, opportunity or activity presented to or developed by the Sponsor Stockholders, their nominees for election as directors and certain of their affiliates, other than any opportunity expressly offered to a director nominated at the direction of the Sponsor Stockholders in his or her capacity as a director of the Company.

Further, without the prior written consent of the Sponsor Stockholders, the Company may not amend certain provisions of its Bylaws relating to the ability of its directors and officers to engage in other business or to adopt qualification for directors other than those in effect as of the date of the Stockholders Agreement or as are generally applicable to all directors, respectively.

The Stockholders Agreement also includes certain provisions that, together, are intended to enhance the liquidity of common units to be held by the Sponsor Stockholders.

*Redemption Rights of Sponsor Stockholders*

Under the terms of the Stockholders Agreement, the Company (in its capacity as the general partner of the Operating Partnership) has waived the 14-month holding period set forth in the Third Amended and Restated Limited Partnership Agreement (as defined below) before the Sponsor Stockholders may require the Operating Partnership to redeem the common units and grants certain additional rights to the Sponsor Stockholders in connection with such redemptions. Among other things, the Company generally must give the Sponsor Stockholder notice before 9:30 a.m. Eastern time on the business day after the business day on which a Sponsor Stockholder gives the Company notice of redemption of any common units of the Company's election, in its sole and absolute discretion, to either (A) cause the Operating Partnership to redeem all of the tendered common units in exchange for a cash amount per common units equal to the value of one share of common stock on the date that the Sponsor Stockholder provided its notice of redemption, calculated in accordance with and subject to adjustment as provided in the Third Amended and Restated Limited Partnership Agreement and the Stockholders Agreement, or (B) subject to the restrictions on ownership and transfer of the Company's stock set forth in its charter, acquire all of the tendered common units from the Sponsor Stockholder in exchange for shares of common stock, based on an exchange ratio of one share of common stock for each OP Unit, subject to adjustment as provided in the Third Amended and Restated Limited Partnership Agreement. If the Company fails to timely provide such notice, the Company will be deemed to have elected to cause the Operating Partnership to redeem all such tendered common units in exchange for shares of common stock.

The Company may also elect to cause the Operating Partnership to redeem all common units tendered by a Sponsor Stockholder with the proceeds of a public or private offering of common stock under certain circumstances as discussed more fully below.

*Restrictions on Transfer of Common Units by Sponsor Stockholders*

Under the terms of the Stockholders Agreement, the Company (in its capacity as the general partner of the Operating Partnership) has waived the 14-month holding period set forth in the Third Amended and Restated Limited Partnership Agreement before the Sponsor Stockholders may transfer any common units, and has agreed to admit any permitted transferee of a Sponsor Stockholder as a substituted limited partner of the Operating Partnership upon the satisfaction of certain conditions described in the Third Amended and Restated Limited Partnership Agreement and the Stockholders Agreement. Nevertheless, the Covered Securities are subject to the transfer restrictions described above.

*Amendments to the Third Amended and Restated Limited Partnership Agreement*

The Stockholders Agreement prohibits the Company, without the prior written consent of the Sponsor Stockholders, from amending certain provisions of the Third Amended and Restated Limited Partnership Agreement in a manner adverse in any respect to the Sponsor Stockholders (in their capacity as limited partners of the Operating Partnership), or to add any new provision to the Third Amended and Restated Limited Partnership Agreement that would have a substantially identical effect or from taking any action that is intended to or otherwise would have a substantially identical effect.

*Ownership Limits*

In connection with the issuance of the Equity Consideration, the Board has granted to the Sponsor Stockholders and certain of their affiliates a limited exception to the restrictions on ownership and transfer of common stock set forth in the Company's charter (the "Charter") that will allow the Sponsor Stockholders and such affiliates to own, directly, or indirectly, in the aggregate, up to 17,707,056 shares of common stock (the "Excepted Holder Limit"). The grant of this exception is conditioned upon the receipt of various representations and covenants set forth in the Sponsor Stockholders' request delivered on April 1, 2015, confirming, among other things, that neither the Sponsor Stockholders nor certain of their affiliates may own, directly or indirectly, (i) more than 9.9% of the interests in a tenant of the Company (other than a tenant of the 1455 Market Street office property) or (ii) more than 5.45% of the interests in a tenant of the 1455 Market Street office property, in each case subject to certain exceptions that may reduce such ownership percentage, but not below 2% The request also includes representations intended to confirm that the Sponsor Stockholders' and certain of their affiliates' ownership of common stock will not cause the Company to otherwise fail to qualify as a REIT.

The Board will provide the exception to the Sponsor Stockholders and certain of their affiliates until (i) any such Sponsor Stockholder or affiliate violates any of the representations or covenants in the Sponsor Stockholders' request or (ii) (a) any such Sponsor Stockholder or affiliate owns, directly or indirectly, more than the applicable ownership percentage (as described above) of the interests in any tenant(s) and (b) the maximum rental income expected to be produced by such tenant(s) exceeds (x) 0.5% of the Company's gross income (in the case of tenants other than tenants of the 1455 Market Street office property) or (y) 0.5% of the 1455 Market Street Joint Venture's gross income (in the case of tenants of the 1455 Market Street office property) for any taxable year (the "Rent Threshold"), at which time the number of shares of common stock that the Sponsor Stockholders and certain of their affiliates may directly or indirectly own will be reduced to the number of shares of common stock which would result in the amount of rent from such tenant(s) (that would be treated as related party rents under certain tax rules) representing no more than the Rent Threshold.

In addition, due to the Sponsor Stockholders' ownership of common units of limited partnership interest in the Operating Partnership and the application of certain constructive ownership rules, the Operating Partnership will be considered to own the common stock that is directly or indirectly owned by the Sponsor Stockholders and certain of their affiliates. For this reason, the Board has also granted the Operating Partnership an exception to the restrictions on ownership and transfer of common stock set forth in the Charter.

*The Registration Rights Agreement*

On April 1, 2015, in connection with the closing of the Acquisition, the Company entered into a Registration Rights Agreement, dated April 1, 2015 (the "Registration Rights Agreement") by and among the Company and the Sponsor Stockholders. The Registration Rights Agreement provides for customary registration rights with respect to the Equity Consideration, including the following:

- *Shelf Registration*. The Company will prepare and file not later than August 1, 2015 a resale shelf registration statement covering the Sponsor Stockholders' shares of common stock received as part of the Equity Consideration as well as shares issuable upon redemption of common units received as part of the Equity Consideration, and the Company is required to use its reasonable best efforts to cause such resale shelf registration statement to become effective prior to the termination of the transfer restrictions under the Stockholders Agreement (as described above).

- *Demand Registrations*. Beginning November 1, 2015 (or earlier if transfer restrictions under the Stockholders Agreement are terminated earlier), the Sponsor Stockholders may cause the Company to register their shares if the foregoing resale shelf registration statement is not effective or if the Company is not eligible to file a shelf registration statement.

- *Qualified Offerings*. Any registered offerings requested by the Sponsor Stockholders that are to an underwriter on a firm commitment basis for reoffering and resale to the public, in an offering that is a "bought deal" with one or more investment banks or in a block trade with a broker-dealer will be (subject to certain specified exceptions): (i) no more frequent than once in any 120-day period, (ii) subject to underwriter lock-ups from prior offerings then in effect, and (iii) subject to a minimum offering size of $50.0 million.

- *Piggy-Back Rights.* Beginning November 1, 2015 (or earlier if transfer restrictions under the Stockholders Agreement are terminated earlier), the Sponsor Stockholders will be permitted to, among other things, participate in offerings for the Company's account or the account of any other securityholder of the Company (other than in certain specified cases). If underwriters advise that the success of a proposed offering would be significantly and adversely affected by the inclusion of all securities in an offering initiated by the Company for the Company's own account, then the securities proposed to be included by the Sponsor Stockholders together with other stockholders exercising similar piggy-back rights are cut back first.

*Third Amended and Restated Limited Partnership Agreement*

On April 1, 2015, in connection with the closing of the Acquisition, the Company, as the general partner of the Operating Partnership, entered into the Third Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated April 1, 2015 (the "Third Amended and Restated Limited Partnership Agreement") along with the Sponsor Stockholders and the other limited partners of the Operating Partnership. The principal changes to the Second Amended and Restated Agreement of

Limited Partnership of the Operating Partnership, as amended and as in effect immediately prior to the closing of the Acquisition, made by the Third Amended and Restated Limited Partnership Agreement were to add the provisions described below.

*Restrictions on Mergers, Sales, Transfers and Other Significant Transactions of the Company*

Prior to the date on which the Sponsor Stockholders and any of their affiliates own less than 9.8% of the Equity Consideration, the Company may not consummate any of (a) a merger, consolidation or other combination of the Company's or the Operating Partnership's assets with another person, (b) a sale of all or substantially all of the assets of the Operating Partnership, (c) sell all or substantially all of the Company's assets not in the ordinary course of the Operating Partnership's business or (d) a reclassification, recapitalization or change in the Company's outstanding equity securities (other than in connection with a stock split, reverse stock split, stock dividend, change in par value, increase in authorized shares, designation or issuance of new classes of equity securities or any event that does not require the approval of the Company's stockholders), in each case, which is submitted to the holders of common stock for approval, unless such transaction is also approved by the partners of the Operating Partnership holding common units on a "pass through" basis, which, in effect, affords the limited partners of the Operating Partnership that hold common units the right to vote on such transaction as though such limited partners held the number of shares of common stock into which their common units were then exchangeable and voted together with the holders of the Company's outstanding common stock with respect to such transaction.

*Stock Offering Funding of Redemption*

If any Sponsor Stockholder or any of its affiliates who become limited partners of the Operating Partnership ("Specified Limited Partners") delivers a notice of redemption with respect to common units that, if exchanged for common stock, would result in a violation of the Excepted Holder Limit (as defined below) or otherwise violate the restrictions on ownership and transfer of the Company's stock set forth in its charter and that have an aggregate value in excess of $50.0 million as calculated pursuant to the terms of the Third Amended and Restated Limited Partnership Agreement, then, if the Company is then eligible to register the offering of its securities on Form S-3 (or any successor form similar thereto), the Company may elect to cause the Operating Partnership to redeem such common units with the net proceeds from a public or private offering of the number of shares of common stock that would be deliverable in exchange for such common units but for the application of the Excepted Holder Limit and other restrictions on ownership and transfer of the Company's stock. If the Company elects to fund the redemption of any common units with such an offering, it will allow all Specified Limited Partners the opportunity to include additional common units held by such Specified Limited Partners in such redemption.

**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, 2015, 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***

As of September 30, 2015, the majority of the Company's properties were 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, 2015 and 2014, approximately 8% and 16%, 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.

***Repayment Guaranties***

*Sunset Gower and Sunset Bronson Loan*

In connection with the loan secured by our Sunset Gower and Sunset Bronson properties, we have guaranteed in favor of and promised to pay to the lender 19.5% of the principal payable under the loan in the event the borrower, a wholly-owned entity

of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $97.0 million, which results in a maximum guarantee amount for the principal under this loan of $18.9 million. Furthermore, we agreed to guarantee the completion of the construction improvements, including tenant improvements, as defined in the agreement, in the event of any default of the borrower. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan.

*Element LA Loan*

In connection with our Element LA construction loan, we have guaranteed in favor of and promised to pay to the lender 25.0% of the principal, together with all interest and any other sum payable under the loan in the event the borrower, a wholly-owned entity of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $83.1 million, which results in a maximum guarantee amount for the principal under this loan of $20.8 million. Upon the satisfaction of certain conditions, as defined in the repayment guaranty agreement, our liability with respect to the principal under this loan will be reduced to zero, unless certain further events, described in the guarantee occur, in which case our maximum liability as guarantor will be restored to 25.0% of the principal under the loan. Furthermore, we agreed to guarantee the completion of the construction improvements, including tenant improvements, as defined in the agreement, in the event of any default of the borrower. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan. This loan was refinanced subsequent to September 30, 2015. See Note 12 Subsequent Events for further details.

*901 Market Loan*

In connection with our 901 Market Street loan, we have guaranteed in favor of and promised to pay to the lender 35.0% of the principal under the loan in the event the borrower, a wholly-owned entity of our Operating Partnership, does not do so. At September 30, 2015, the outstanding balance was $30.0 million, which results in a maximum guarantee amount for the principal under this loan of $10.5 million. Furthermore, we agreed to guarantee the completion of the construction improvements, including tenant improvements, as defined in the agreement, in the event of any default of the borrower. The borrower has completed various of the improvements subject to this completion guaranty. If the borrower fails to complete the remaining required work, the guarantor agrees to perform timely all of the completion obligations, as defined in the agreement. As of the date of this filing, there has been no event of default associated with this loan.

*Other Loans*

Although the rest of our loans are secured and non-recourse to the Company and the Operating Partnership, the Operating Partnership provides limited customary secured debt guarantees for items such as voluntary bankruptcy, fraud, misapplication of payments and environmental liabilities.

***Letters of Credit***

As of September 30, 2015, the Company has outstanding letters of credit totaling approximately $3.3 million under the unsecured revolving credit facility. The letters of credit are primarily related to utility company security deposit requirements.

**12. Subsequent Events**

***Element LA Refinance***

On October 9, 2015, we entered into and closed a ten-year mortgage loan in the amount of $168.0 million from Cantor Commercial Real Estate Lending, L.P. and Goldman Sachs Mortgage Company, secured by the Company's Element L.A. campus. The purpose of the loan is to fully refinance an existing construction loan secured by Element L.A. that was scheduled to mature on November 1, 2017. The remaining proceeds were used to pay down other corporate debt. Interest only under the loan is payable monthly at a fixed rate. The loan has a 24-month period in which no pre-payment is permitted. The loan is non-recourse, subject to customary carve-outs. In addition, the loan agreement includes events of default that we believe are usual for loans and transactions of this type.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

***Forward-Looking Statements***

We make statements in this Quarterly Report on Form 10-Q that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, as amended, and Section 21E of the Exchange Act). In particular, statements pertaining to our liquidity and capital resources, portfolio performance and results of operations contain forward-looking statements. We are including this cautionary statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any such forward-looking statements. We caution investors that any forward-looking statements presented in this Quarterly Report on Form 10-Q are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected.

Some of the risks and uncertainties that may cause our actual results, performance, liquidity or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- adverse economic or real estate developments in our target 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 or maintain an investment grade rating;
- our failure to generate sufficient cash flows to service our outstanding indebtedness and maintain dividend payments;
- 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;
- risks related to acquisitions generally, including the disruption of management's attention from ongoing business operations and the impact on customers, tenants, lenders, operating results and business;
- the inability to successfully integrate acquired properties, realize the anticipated benefits of acquisitions or capitalize on value creation opportunities;
- changes in real estate and zoning laws, and increases in real property tax rates; and
- other factors affecting the real estate industry generally.

We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends. 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 of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. for the three months ended September 30, 2015 represents an update to the more detailed and comprehensive disclosures included in the Annual Report on Form 10-K of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. for the year ended December 31, 2014, as amended. 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, 2014, as amended, 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 or Section 21E of the Exchange Act, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the first quarter and beyond. See “Forward-Looking Statements.”

***Overview***

The following table identifies each of the properties in our portfolio acquired through September 30, 2015 and their respective actual or estimated acquisition date.

| Properties | Actual or Estimated Acquisition /Date | Square Feet | Consideration Paid (In thousands) |
|---|---|---|---|
| **Predecessor properties:** | | | |
| 875 Howard Street | 2/15/2007 | 286,270 | $ — |
| Sunset Gower | 8/17/2007 | 543,709 | — |
| Sunset Bronson | 1/30/2008 | 299,098 | — |
| Technicolor Building | 6/1/2008 | 114,958 | — |
| **Properties acquired after initial public offering:** | | | |
| Del Amo Office | 8/13/2010 | 113,000 | 27,327 |
| 9300 Wilshire Blvd. | 8/24/2010 | 61,224 | 14,684 |
| 222 Kearny Street | 10/8/2010 | 148,797 | 34,174 |
| 1455 Market[(1)] | 12/16/2010 | 1,025,833 | 92,365 |
| Rincon Center | 12/16/2010 | 580,850 | 184,571 |
| 10950 Washington | 12/22/2010 | 159,024 | 46,409 |
| 604 Arizona | 7/26/2011 | 44,260 | 21,373 |
| 275 Brannan | 8/19/2011 | 54,673 | 12,370 |
| 625 Second Street | 9/1/2011 | 138,080 | 57,119 |
| 6922 Hollywood Blvd. | 11/22/2011 | 205,523 | 92,802 |
| 6050 Ocean Way & 1445 N. Beachwood Drive | 12/16/2011 | 20,761 | 6,502 |
| 10900 Washington | 4/5/2012 | 9,919 | 2,605 |
| 901 Market Street | 6/1/2012 | 206,199 | 90,871 |
| Element LA | 9/5/2012 | 247,545 | 88,436 |
| 1455 Gordon Street | 9/21/2012 | 6,000 | 2,385 |
| Pinnacle I[(2)] | 11/8/2012 | 393,777 | 209,504 |
| 3401 Exposition | 5/22/2013 | 63,376 | 25,722 |
| Pinnacle II[(2)] | 6/14/2013 | 231,864 | 136,275 |
| Seattle Portfolio (First & King, Met Park North and Northview) | 7/31/2013 | 844,980 | 368,389 |
| 1861 Bundy | 9/26/2013 | 36,492 | 11,500 |
| Merrill Place | 2/12/2014 | 193,153 | 57,034 |
| 3402 Pico Blvd. | 2/28/2014 | 50,097 | 18,546 |
| 12655 Jefferson | 10/14/2014 | 100,077 | 38,000 |
| EOP Northern California Portfolio (see table on next page for property list) | 4/1/2015 | 8,205,316 | 3,815,727 [(3)] |
| 4th & Traction | 5/22/2015 | 120,937 | 49,250 |
| 405 Mateo | 8/17/2015 | 83,285 | 40,000 |
| Icon | Q4-2016 [(4)] | 413,000 | |
| Total | | 15,002,077 | $ 45,503,940 |

(1) We sold a 45% joint venture interest in the 1455 Market property on January 7, 2015.
(2) We acquired a 98.25% joint venture interest in the Pinnacle I property on November 8, 2012. On June 14, 2013 our joint venture partner contributed its interest in Pinnacle II, which reduced our entire interest in the joint venture to 65.0%.
(3) Includes Bay Park Plaza, which was sold in the three months ended September 30, 2015.
(4) We estimate this development will be completed in the third quarter of 2017 and stabilized in the second quarter of 2018.

The following table identifies each of the properties that were part of the EOP Northern California Portfolio acquired from Blackstone on April 1, 2015.

**EOP Northern California Portfolio**

| Properties | Actual or Estimated Acquisition Date | Square Feet |
|---|---|---|
| **Properties currently owned:** | | |
| One Bay Plaza | 4/1/2015 | 195,739 |
| Metro Center Tower | 4/1/2015 | 730,215 |
| 2180 Sand Hill Road | 4/1/2015 | 45,613 |
| Campus Center | 4/1/2015 | 471,580 |
| Palo Alto Square | 4/1/2015 | 328,251 |
| Lockheed Building | 4/1/2015 | 46,759 |
| 3400 Hillview | 4/1/2015 | 207,857 |
| Foothill Research Ctr | 4/1/2015 | 195,376 |
| Clocktower Square Bldg | 4/1/2015 | 100,344 |
| 1500 Page Mill Center | 4/1/2015 | 176,245 |
| 555 Twin Dolphin Plaza | 4/1/2015 | 198,936 |
| Shorebreeze | 4/1/2015 | 230,932 |
| 333 Twin Dolphin Plaza | 4/1/2015 | 182,789 |
| Towers at Shore Center | 4/1/2015 | 334,483 |
| Bayhill 4 | 4/1/2015 | 554,328 |
| Skyway Landing | 4/1/2015 | 247,173 |
| Gateway Office | 4/1/2015 | 609,093 |
| Metro Plaza | 4/1/2015 | 456,921 |
| 1740 Technology | 4/1/2015 | 206,876 |
| Skyport Plaza | 4/1/2015 | 418,086 |
| Peninsula Office Park | 4/1/2015 | 510,789 |
| Patrick Henry Drive | 4/1/2015 | 70,520 |
| Concourse | 4/1/2015 | 944,386 |
| Techmart Commerce Center | 4/1/2015 | 284,440 |
| Embarcadero Place | 4/1/2015 | 197,402 |
| **Properties sold:** | | |
| Bay Park Plaza | 4/1/2015 | 260,183 |
| Total | | 8,205,316 |

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 Quarterly Report rather than the rounded numbers appearing in this discussion.

***Comparison of the three months ended September 30, 2015 to the three months ended September 30, 2014***

***Net Operating Income***

We evaluate performance based upon property net operating income ("NOI") from continuing operations. NOI is not a measure of operating results or cash flows from operating activities as measured by GAAP and should not be considered an alternative to income from continuing operations or cash flows, as an indication of our performance or of our ability to make distributions, or as a measure of our liquidity. Companies may not calculate NOI in the same manner. We consider NOI to be a useful performance measure to investors and management because, when compared across periods, NOI reflects the revenues and expenses directly associated with owning and operating our properties, and the impact to operations from trends on occupancy rates, rental rates and operating costs, thus providing a perspective not immediately apparent from income from continuing operations. We define 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, if any, 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. We believe that NOI on a cash basis (which we define as NOI on a GAAP basis, adjusted to exclude the effect of straight-line rent and other non-cash adjustments required by GAAP) is helpful to investors as an additional measure of operating performance.

Management further evaluates NOI by evaluating the performance from the following property groups:

- Same-store properties, which include all of the properties owned and included in our stabilized portfolio as of January 1, 2014 and still owned and included in the stabilized portfolio as of September 30, 2015;

- Non-same store properties, development projects, redevelopment properties, and lease-up properties as of September 30, 2015 and other properties not owned or in operation from January 1, 2014 through September 30, 2015. For the three months ended September 30, 2015, the non-same-store properties include the activity from the acquisition of the Blackstone portfolio on April 1, 2015.

| | Three Months Ended September 30, | | |
|---|---|---|---|
| | 2015 | 2014 | Percent Change |
| Same-store office statistics | | | |
| Number of properties | 19 | 19 | |
| Rentable square feet | 4,413,032 | 4,413,032 | |
| Ending % leased | 92.9% | 94.8% | (2.0)% |
| Ending % occupied | 92.0% | 94.1% | (2.2)% |
| Average % occupied for the period | 92.9% | 92.0% | 1.0 % |
| Average annual rental rate per square foot | $ 33.88 | $ 34.21 | (1.0)% |
| | | | |
| Same-store media statistics | | | |
| Number of properties | 2 | 2 | |
| Rentable square feet | 869,568 | 869,568 | |
| Average % occupied for the period | 77.3% | 76.7% | 0.8 % |

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2015 | | | 2014 | | |
| | Same-Store | Non Same-Store | Total | Same Store | Non Same-Store | Total |
| Operating Revenues | | | | | | |
| Office | | | | | | |
| Rental | $ 35,689 | $ 79,004 | $ 114,693 | $ 34,674 | $ 4,829 | $ 39,503 |
| Tenant recoveries | 6,852 | 13,184 | 20,036 | 11,693 | 391 | 12,084 |
| Parking and other | 4,943 | 1,658 | 6,601 | 4,336 | 804 | 5,140 |
| Total office revenues | $ 47,484 | $ 93,846 | $ 141,330 | $ 50,703 | $ 6,024 | $ 56,727 |
| | | | | | | |
| Media & entertainment | | | | | | |
| Rental | $ 6,041 | $ — | $ 6,041 | $ 6,239 | $ — | $ 6,239 |
| Tenant recoveries | 212 | — | 212 | 267 | — | 267 |
| Other property-related revenue | 3,860 | — | 3,860 | 4,583 | — | 4,583 |
| Other | 113 | — | 113 | 339 | — | 339 |
| Total media & entertainment revenues | $ 10,226 | $ — | $ 10,226 | $ 11,428 | $ — | $ 11,428 |
| | | | | | | |
| Total revenues | $ 57,710 | $ 93,846 | $ 151,556 | $ 62,131 | $ 6,024 | $ 68,155 |
| | | | | | | |
| Operating expenses | | | | | | |
| Office operating expenses | $ 17,654 | $ 33,884 | $ 51,538 | $ 21,892 | $ 2,077 | $ 23,969 |
| Media & entertainment operating expenses | 6,280 | — | 6,280 | 7,401 | — | 7,401 |
| Total operating expenses | $ 23,934 | $ 33,884 | $ 57,818 | $ 29,293 | $ 2,077 | $ 31,370 |
| | | | | | | |
| Office NOI | $ 29,830 | $ 59,962 | $ 89,792 | $ 28,811 | $ 3,947 | $ 32,758 |
| Media & entertainment NOI | 3,946 | — | 3,946 | 4,027 | — | 4,027 |
| NOI | $ 33,776 | $ 59,962 | $ 93,738 | $ 32,838 | $ 3,947 | $ 36,785 |

| | Three months ended September 30, 2015 as compared to Three months ended September 30, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Same-Store | | Non Same-Store | | Total | |
| | Dollar Change | Percent Change | Dollar Change | Percent Change | Dollar Change | Percent Change |
| Operating Revenues | | | | | | |
| Office | | | | | | |
| Rental | $ 1,015 | 2.9 % | $ 74,175 | 1,536.0% | $ 75,190 | 190.3 % |
| Tenant recoveries | (4,841) | (41.4) | 12,793 | 3,271.9 | 7,952 | 65.8 |
| Parking and other | 607 | 14.0 | 854 | 106.2 | 1,461 | 28.4 |
| Total office revenues | $ (3,219) | (6.3)% | $ 87,822 | 1,457.9% | $ 84,603 | 149.1 % |
| | | | | | | |
| Media & entertainment | | | | | | |
| Rental | $ (198) | (3.2)% | $ — | —% | $ (198) | (3.2)% |
| Tenant recoveries | (55) | (20.6) | — | — | (55) | (20.6) |
| Other property-related revenue | (723) | (15.8) | — | — | (723) | (15.8) |
| Other | (226) | (66.7) | — | — | (226) | (66.7) |
| Total media & entertainment revenues | $ (1,202) | (10.5)% | $ — | —% | $ (1,202) | (10.5)% |
| | | | | | | |
| Total revenues | $ (4,421) | (7.1)% | $ 87,822 | 1,457.9% | $ 83,401 | 122.4 % |
| | | | | | | |
| Operating expenses | | | | | | |
| Office operating expenses | $ (4,238) | (19.4)% | $ 31,807 | 1,531.4% | $ 27,569 | 115.0 % |
| Media & entertainment operating expenses | (1,121) | (15.1) | — | — | (1,121) | (15.1) |
| Total operating expenses | $ (5,359) | (18.3)% | $ 31,807 | 1,531.4% | $ 26,448 | 84.3 % |
| | | | | | | |
| Office NOI | $ 1,019 | 3.5 % | $ 56,015 | 1,419.2% | $ 57,034 | 174.1 % |
| Media & entertainment NOI | (81) | (2.0) | — | — | (81) | (2.0) |
| NOI | $ 938 | 2.9 % | $ 56,015 | 1,419.2% | $ 56,953 | 154.8 % |

| | Three months ended | | | |
|---|---|---|---|---|
| Reconciliation to net income | September 30, 2015 | September 30, 2014 | Dollar Change | Percentage Change |
| Same-store NOI | $ 33,776 | $ 32,838 | $ 938 | 2.9 % |
| Non-same store NOI | 59,962 | 3,947 | 56,015 | 1,419.2 |
| General and administrative | (9,378) | (6,802) | (2,576) | 37.9 |
| Depreciation and amortization | (80,195) | (17,361) | (62,834) | 361.9 |
| Income from operations | $ 4,165 | $ 12,622 | $ (8,457) | (67.0)% |
| Interest expense | $ (14,461) | $ (6,550) | $ (7,911) | 120.8 % |
| Interest income | 17 | 1 | 16 | 1,600.0 |
| Acquisition-related expense reimbursements (expenses) | 83 | (214) | 297 | (138.8) |
| Other (expense) income | (3) | 56 | (59) | (105.4) |
| Gain from sale of real estate | 8,371 | 5,538 | 2,833 | 51.2 |
| Net loss from discontinued operations | — | (38) | 38 | (100.0)% |
| Net (loss) income | $ (1,828) | $ 11,415 | $ (13,243) | (116.0)% |

Total NOI increased $57.0 million, or 154.8%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014, primarily due to:

- A $1.0 million, or 3.5%, increase in NOI from our same-store office properties resulting primarily from the lease-up of our 1455 Market (Uber and Square) and Rincon Center (Sales Force) properties. The increase was partially offset by decrease in NOI from our Howard Street, 625 Second Street and 6922 Hollywood properties due to a temporary decrease in occupancy at those properties.

- A $56.0 million, or 1,419.2%, increase in NOI from our non-same office store properties resulting primarily from the EOP Northern California portfolio acquisition on April 1, 2015. The remaining increase is as a result of lease-up of our Element LA (Riot Games), 901 Market (Nordstrom Rack, Saks and Company, Nerdwallet), 3401 Exposition (Deluxe Entertainment Services) properties and income from our purchase of the Broadway property note receivable. This increase was partially offset by the sale of our First Financial property on March 5, 2015 and Tierrasanta property on July 16, 2014.

- A $(0.1) million, or (2.0)%, decrease in NOI from our same-store media and entertainment properties resulting primarily by Company's decision to take certain buildings and stages off-line to facilitate our ICON development and other longer-term plans for the Sunset Bronson property, partially offset by the heightened production activity at the Sunset Gower property.

**Same-Store Office NOI**

Office rental revenue increased $1.0 million, or 2.9%, to $35.7 million for the three months ended September 30, 2015 compared to $34.7 million for the three months ended September 30, 2014. The increase is primarily due to rental income relating to new leases signed at our 1455 Market (Uber and Square) and Rincon Center (Sales Force) properties at higher rents than expiring leases, partially offset by a decrease in occupancy at our Howard Street , 625 Second Street and 6922 Hollywood properties.

Office tenant recoveries decreased $(4.8) million, or (41.4)% to $6.9 million for three months ended September 30, 2015 compared to $11.7 million for the three months ended September 30, 2014. The decrease is primarily related to $3.6 million of one-time property tax recoveries resulting from the reassessment of the 1455 Market Street and Rincon Center properties, and to a lesser extent other assets within the San Francisco portfolio, for all applicable periods prior to the third quarter of 2014. The remaining decrease in tenant recoveries is primarily as a result of a change in occupancy at our 1455 Market Street property. The new tenancy at the property is now mostly comprised of modified gross reimbursements leases compared to a triple net reimbursement leases with the previous tenancy.

Office parking and other revenue increased by $0.6 million, or 14.0%, to $4.9 million for the three months ended September 30, 2015 compared to $4.3 million for the three months ended September 30, 2014. The increase is primarily due to an increase in parking income from our Seattle portfolio resulting from an increase in non-tenant parking income.

Office operating expenses decreased by $(4.2) million, or (19.4)%, to $17.7 million for the three months ended September 30, 2015 compared to $21.9 million for the three months ended September 30, 2014. The decrease is primarily due to one time property tax expenses of $4.7 million resulting from the reassessment of the 1455 Market Street and Rincon Center properties, and to a lesser extent other assets within the San Francisco portfolio, for all applicable periods prior to the third quarter of 2014.

**Same-Store Media & Entertainment NOI**

Media and entertainment, rental revenue, tenant recoveries and other property-related revenue decreased by $(1.2) million, or (10.5)%, to $10.2 million for the three months ended September 30, 2015 compared to $11.4 million for the three months ended September 30, 2014. The decrease is the result of our decision to take certain buildings and stages off-line to facilitate its ICON development and other longer-term plans for the Sunset Bronson property, partially offset by the heightened production activity at the Sunset Gower property.

Media and entertainment operating expenses decreased by $(1.1) million or (15.1)% to $6.3 million for the three months ended September 30, 2015 compared to $7.4 million the three months ended September 30, 2014. The decrease in media and entertainment operating expenses is a result of our decision to take certain buildings and stages off-line to facilitate its ICON development and other longer-term plans for the Sunset Bronson property, partially offset by the heightened production activity at the Sunset Gower property.

Other Expenses Income

*General and Administrative Expenses*

General and administrative expense include 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 $2.6 million, or 37.9%, to $9.4 million for the three months ended September 30, 2015 compared to $6.8 million for the three months ended September 30, 2014. The increase in general and administrative expenses was primarily attributable to the adoption of the 2015 Outperformance Program and increased staffing to meet operational needs arising from growth related to the EOP Northern California portfolio acquisition, which was completed on April 1, 2015.

*Depreciation and Amortization*

Depreciation and amortization expense increased $62.8 million, or 361.9%, to $80.2 million for the three months ended September 30, 2015 compared to $17.4 million for the three months ended September 30, 2014. The increase was primarily related to depreciation expenses associated with the acquisition of the EOP Northern California portfolio on April 1, 2015. The remaining increase is a result of a write-off of assets associated with the lease-up of our Element LA, 1455 Market, 901 Market Street and 3401 Exposition properties, partially offset by the reduction of depreciation expense as a result of the sale of our First Financial and Tierrasanta properties on March 5, 2015 and July 16, 2014, respectively.

*Interest Expense*

Interest expense increased $7.9 million, or 120.8%, to $14.5 million for the three months ended September 30, 2015 compared to $6.6 million for the three months ended September 30, 2014. At September 30, 2015, we had $2.1 billion of notes payable, compared to $920.9 million at September 30, 2014. The increase was primarily attributable to $1.3 billion of term loan borrowings as a result of the EOP Northern California portfolio acquisition, partially offset by interest savings related to our repayment of indebtedness associated with our 6922 Hollywood, 275 Brannan and First and King properties and repayment of debt associated with the sale of our First Financial property on March 5, 2015.

*Acquisition-related (expense reimbursements) expenses*

During the three months ended September 30, 2015, we received a refund of acquisition related expenses associated with acquisition of the EOP Northern California portfolio as compared to incurring $0.2 million of acquisition related expenses during the three months ended September 30, 2014 associated with our Merrill Place acquisition.

*Gain on sale of real estate*

On September 29, 2015, we completed the sale of our Bay Park Plaza property for $90.0 million (before certain credits, prorations, and closing costs) which generated a $8.4 million of gain on sale of real estate for three months ended September 30, 2015 as compared to a $5.5 million gain on sale of real estate for the three months ended September 30, 2014 resulting from the sale of our Tierrasanta property for $19.5 million (before certain credits, prorations, and closing costs) on July 16, 2014.

***Comparison of the nine months ended September 30, 2015 to the nine months ended September 30, 2014***

| | Nine Months Ended September 30, | | |
|---|---|---|---|
| | **2015** | **2014** | **Percent Change** |
| Same-store office statistics | | | |
| Number of properties | 19 | 19 | |
| Rentable square feet | 4,413,032 | 4,413,032 | |
| Ending % leased | 92.9% | 94.8% | (2.0)% |
| Ending % occupied | 92.0% | 94.1% | (2.2)% |
| Average % occupied for the period | 92.5% | 89.8% | 3.0 % |
| Average annual rental rate per square foot | $ 33.88 | $ 34.21 | (1.0)% |
| | | | |
| Same-store media statistics | | | |
| Number of properties | 2 | 2 | |
| Rentable square feet | 869,568 | 869,568 | |
| Average % occupied for the period | 72.5% | 72.8% | (0.4)% |

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | **2015** | | | **2014** | | |
| | **Same-Store** | **Non Same-Store** | **Total** | **Same Store** | **Non Same-Store** | **Total** |
| Operating Revenues | | | | | | |
| Office | | | | | | |
| Rental | $ 106,921 | $ 169,400 | $ 276,321 | $ 101,291 | $ 14,127 | $ 115,418 |
| Tenant recoveries | 18,842 | 25,048 | 43,890 | 22,452 | 1,191 | 23,643 |
| Parking and other | 13,297 | 4,315 | 17,612 | 14,983 | 1,649 | 16,632 |
| Total office revenues | $ 139,060 | $ 198,763 | $ 337,823 | $ 138,726 | $ 16,967 | $ 155,693 |
| | | | | | | |
| Media & entertainment | | | | | | |
| Rental | $ 16,902 | $ — | $ 16,902 | $ 17,646 | $ — | $ 17,646 |
| Tenant recoveries | 705 | — | 705 | 971 | — | 971 |
| Other property-related revenue | 10,525 | — | 10,525 | 11,028 | — | 11,028 |
| Other | 244 | — | 244 | 542 | — | 542 |
| Total media & entertainment revenues | $ 28,376 | $ — | $ 28,376 | $ 30,187 | $ — | $ 30,187 |
| | | | | | | |
| Total revenues | $ 167,436 | $ 198,763 | $ 366,199 | $ 168,913 | $ 16,967 | $ 185,880 |
| | | | | | | |
| Operating expenses | | | | | | |
| Office operating expenses | $ 50,037 | $ 65,327 | $ 115,364 | $ 52,082 | $ 6,387 | $ 58,469 |
| Media & entertainment operating expenses | 17,354 | — | 17,354 | 19,244 | — | 19,244 |
| Total operating expenses | $ 67,391 | $ 65,327 | $ 132,718 | $ 71,326 | $ 6,387 | $ 77,713 |
| | | | | | | |
| Office NOI | $ 89,023 | $ 133,436 | $ 222,459 | $ 86,644 | $ 10,580 | $ 97,224 |
| Media & entertainment NOI | 11,022 | — | 11,022 | 10,943 | — | 10,943 |
| NOI | $ 100,045 | $ 133,436 | $ 233,481 | $ 97,587 | $ 10,580 | $ 108,167 |

| | Nine months ended September 30, 2015 as compared to Nine months ended September 30, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Same-Store | | Non Same-Store | | Total | |
| | Dollar Change | Percent Change | Dollar Change | Percent Change | Dollar Change | Percent Change |
| Operating Revenues | | | | | | |
| Office | | | | | | |
| Rental | $ 5,630 | 5.6 % | $ 155,273 | 1,099.1% | $ 160,903 | 139.4 % |
| Tenant recoveries | (3,610) | (16.1) | 23,857 | 2,003.1 | 20,247 | 85.6 |
| Parking and other | (1,686) | (11.3) | 2,666 | 161.7 | 980 | 5.9 |
| Total office revenues | $ 334 | 0.2 % | $ 181,796 | 1,071.5% | $ 182,130 | 117.0 % |
| | | | | | | |
| Media & entertainment | | | | | | |
| Rental | $ (744) | (4.2)% | $ — | —% | $ (744) | (4.2)% |
| Tenant recoveries | (266) | (27.4) | — | — | (266) | (27.4) |
| Other property-related revenue | (503) | (4.6) | — | — | (503) | (4.6) |
| Other | (298) | (55.0) | — | — | (298) | (55.0) |
| Total media & entertainment revenues | $ (1,811) | (6.0)% | $ — | —% | $ (1,811) | (6.0)% |
| | | | | | | |
| Total revenues | $ (1,477) | (0.9)% | $ 181,796 | 1,071.5% | $ 180,319 | 97.0 % |
| | | | | | | |
| Operating expenses | | | | | | |
| Office operating expenses | $ (2,045) | (3.9)% | $ 58,940 | 922.8% | $ 56,895 | 97.3 % |
| Media & entertainment operating expenses | (1,890) | (9.8) | — | — | (1,890) | (9.8) |
| Total operating expenses | $ (3,935) | (5.5)% | $ 58,940 | 922.8% | $ 55,005 | 70.8 % |
| | | | | | | |
| Office NOI | $ 2,379 | 2.7 | $ 122,856 | 1,161.2% | $ 125,235 | 128.8 % |
| Media & entertainment NOI | 79 | 0.7 | — | — | 79 | 0.7 |
| NOI | $ 2,458 | 2.5 % | $ 122,856 | 1,161.2% | $ 125,314 | 115.9 % |

| | Nine months ended | | | |
|---|---|---|---|---|
| Reconciliation to net income | September 30, 2015 | September 30, 2014 | Dollar Change | Percentage Change |
| Same-store NOI | $ 100,045 | $ 97,587 | $ 2,458 | 2.5 % |
| Non-same store NOI | 133,436 | 10,580 | 122,856 | 1,161.2 |
| General and administrative | (28,951) | (19,157) | (9,794) | 51.1 |
| Depreciation and amortization | (170,945) | (51,973) | (118,972) | 228.9 |
| Income from operations | $ 33,585 | $ 37,037 | $ (3,452) | (9.3)% |
| Interest expense | $ (34,067) | $ (19,519) | $ (14,548) | 74.5 % |
| Interest income | 118 | 21 | 97 | 461.9 |
| Acquisition-related expenses | (43,442) | (319) | (43,123) | 13,518.2 |
| Other (expense) income | (2) | 43 | (45) | (104.7) |
| Gain on sale of real estate | 30,471 | 5,538 | 24,933 | 450.2 |
| Net (loss) income from discontinued operations | — | (164) | 164 | (100.0) |
| Net income | $ (13,337) | $ 22,637 | $ (35,974) | (158.9)% |

Total NOI increased $125.3 million, or 115.9%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014, primarily due to:

- A $2.4 million, or 2.7%, increase in NOI from our same-store office properties resulting primarily by the lease-up of our 1455 Market property (Uber and Square) and Rincon Center property (Sales Force). The increase was partially offset by a one-time lease termination fee at our 625 Second Street property (Fox Interactive) and our 222 Kearny property (The Children's place) during the nine months ended September 30, 2014 and a one-time GAAP straight line rent write-off at our Howard Street property (Heald College) during the nine months ended September 30, 2015.

- A $122.9 million, or 1,161.2%, increase in NOI from our non-same store office properties resulting primarily from the EOP Northern California portfolio acquisition on April 1, 2015. The remaining increase is as a result of lease-up of our Element LA (Riot Games), 901 Market (Nordstrom Rack, Saks and Company, Nerdwallet), 3401 Exposition (Deluxe Entertainment Services) properties and income from our purchase of the Broadway property note receivable. This increase was partially offset by the sale of our First Financial property on March 5, 2015 and the sale of our Tierrasanta property on July 16, 2014.

- A $0.1 million, or 0.7%, increase in NOI from our same-store media and entertainment properties resulting primarily from the higher rental revenue generated by strong occupancy and heightened production activity at the Sunset Gower property, partially offset by Company's decision to take certain buildings and stages off-line to facilitate our ICON development and other longer-term plans for the Sunset Bronson property.

**Same-Store Office NOI**

Office rental revenue increased $5.6 million, or 5.6%, to $106.9 million for the nine months ended September 30, 2015 compared to $101.3 million for the nine months ended September 30, 2014. The increase is primarily due to rental income relating to new leases signed at our 1455 Market (Uber and Square) and Rincon Center (Sales Force) properties at higher rents than expiring leases, partially offset by a one-time GAAP straight line rent write-off at our Howard Street property (Heald College).

Office tenant recoveries decreased $(3.6) million, or (16.1)% to $18.8 million for nine months ended September 30, 2015 compared to $22.5 million the nine months ended September 30, 2014. The decrease is primarily related to $3.6 million of one-time property tax recoveries resulting from the reassessment of the 1455 Market Street and Rincon Center properties, and to a lesser extent other assets within the San Francisco portfolio, for all applicable periods prior to the third quarter of 2014.

Office parking and other revenue decreased by $(1.7) million, or (11.3)%, to $13.3 million for the nine months ended September 30, 2015 compared to $15.0 million for the nine months ended September 30, 2014. The decrease is primarily due to a termination fee at our 625 Second Street (Fox interactive) and our 222 Kearny (The Children's place) properties recognized during the nine months ended September 30, 2014 partially offset by an increase in parking income from our Seattle portfolio resulting from an increase in non-tenant parking income during the nine months ended September 30, 2015.

Office operating expenses decreased by $(2.0) million, or (3.9)%, to $50.0 million for the nine months ended September 30, 2015 compared to $52.1 million for the nine months ended September 30, 2014. The decrease is primarily due to one time property tax expenses of $4.7 million resulting from the reassessment of the 1455 Market Street and Rincon Center properties, and to a lesser extent other assets within the San Francisco portfolio, for all applicable periods prior to the third quarter of 2014, partially offset by increases in operating expenses across all same store properties.

**Same-Store Media & Entertainment NOI**

Media and entertainment, rental revenue, tenant recoveries and other property-related revenue decreased by $(1.8) million, or (6.0)%, to $28.4 million for the nine months ended September 30, 2015 compared to $30.2 million for the nine months ended September 30, 2014. The decrease is the result of our decision to take certain buildings and stages off-line to facilitate the ICON development and other longer-term plans for the Sunset Bronson property, partially offset by the heightened production activity at the Sunset Gower property.

Media and entertainment operating expenses decreased by $(1.9) million or (9.8)% to $17.4 million for the nine months ended September 30, 2015 compared to $19.2 million the nine months ended September 30, 2014. The decrease is result of our decision to take certain buildings and stages off-line to facilitate the ICON development and other longer-term plans for the Sunset Bronson property, partially offset by additional lighting expense in connection with the heightened production activity at the Sunset Gower property.

Other Expenses Income

*General and Administrative Expenses*

General and administrative expense include 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 $9.8 million, or 51.1%, to $29.0 million for the nine months ended September 30, 2015 compared to $19.2 million for the nine months ended September 30, 2014. The increase in general and administrative expenses was primarily attributable to the adoption of the 2015 Outperformance Program and increased staffing to meet operational needs stemming from growth related to the EOP Northern California portfolio acquisition, which was completed on April 1, 2015.

*Depreciation and Amortization*

Depreciation and amortization expense increased $119.0 million, or 228.9%, to $170.9 million for the nine months ended September 30, 2015 compared to $52.0 million for the nine months ended September 30, 2014. The increase was primarily related to depreciation expenses associated with the acquisition of the EOP Northern California portfolio on April 1, 2015. The remaining increase is a result of a write-off of assets associated with the early termination of a tenant at our Howard street property, lease-up of our Element LA, 1455 Market, 901 Market Street and 3401 Exposition properties, partially offset by the reduction of depreciation expense as a result of the sale of our First Financial property on March 5, 2015 and sale of our Tierrasanta property on July 16, 2014.

*Interest Expense*

Interest expense increased $14.5 million, or 74.5%, to $34.1 million for the nine months ended September 30, 2015 compared to $19.5 million for the nine months ended September 30, 2014. At September 30, 2015, we had $2.1 billion of notes payable, compared to $920.9 million at September 30, 2014. The increase was primarily attributable to $1.3 billion of term loan borrowings as a result of the EOP Northern California portfolio acquisition, partially offset by interest savings related to our repayment of indebtedness associated with our 6922 Hollywood, 275 Brannan and First and King properties and repayment of debt associated with the sale of our First Financial property on March 5, 2015.

*Acquisition-related (expense reimbursements) expenses*

Acquisition-related expenses increased by $43.1 million, or 13,518.2% to $43.4 million for the nine months ended September 30, 2015 compared to $0.3 million for the nine months ended September 30, 2014 as a result of acquisition costs related to the EOP Northern California portfolio acquisition.

*Gain on sale of real estate*

Gain on sale of real estate increase by $24.9 million, or 450.2% to $30.5 million or the nine months ended September 30, 2015 compared to $5.5 million for the nine months ended September 30, 2014. The increase in gain on sale is a result of the sales of First Financial on March 5, 2015, for $89.0 million (before certain credits, prorations, and closing costs), and the sale of Bay Park Plaza on September 29, 2015 for $90.0 million (before certain credits, prorations, and closing costs) generating $30.5 million of gain on sale of real estate for nine months ended September 30, 2015 as compared to a $5.5 million gain on sale pf real estate for the nine months ended September 30, 2014 resulting from the sale of our Tierrasanta property for $19.5 million (before certain credits, prorations, and closing costs) on July 16, 2014.

***Liquidity and Capital Resources***

We had approximately $46.7 million of cash and cash equivalents at September 30, 2015.

On January 20, 2015, we closed the public offering of 12,650,000 shares of our common stock for net proceeds of approximately $385.6 million. We used $130.0 million of the net proceeds to fully pay down the $130.0 million then outstanding balance on our unsecured revolving credit facility.

In addition, the lead arrangers for our unsecured revolving credit facility have secured commitments that will allow borrowings of up to $400.0 million to the extent our unencumbered pool properties support such borrowings. As of September 30, 2015, $105.0 million had been drawn under our unsecured revolving credit facility. Subsequent to September 30, 2015, we paid down the principal balance by $20.0 million.

We also have an at-the-market equity offering program, or ATM program, that allows us to sell up to $125.0 million of shares of our common stock, $14.5 million of which has been sold (in previous years) as of September 30, 2015.

We intend to use the unsecured revolving credit facility and ATM program, among other things, to finance the acquisition of other properties, to provide funds for tenant improvements and capital expenditures, and for working capital and other corporate purposes.

As of September 30, 2015, based on the closing price of our common stock of $28.79 on September 30, 2015, our ratio of debt to total market capitalization was approximately 32.6% (counting series A preferred units as debt). 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.

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 revolving 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 us.

***Indebtedness***

Our indebtedness creates the possibility that we may be unable to generate cash sufficient to pay 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, 2015, we had outstanding notes payable of $2.09 billion (before loan premium), of which $1.74 billion, or 83.4%, was variable rate debt. $806.5 million of such variable rate debt is subject to the interest rate contracts described in footnotes 4, 5, 11 and 12 in the table below.

The following table sets forth information as of September 30, 2015 and December 31, 2014 with respect to our outstanding indebtedness (in thousands).

| Debt | Outstanding September 30, 2015 | Outstanding December 31, 2014 | Interest Rate[1] | Maturity Date |
|---|---|---|---|---|
| Unsecured Loans | | | | |
| Unsecured revolving credit facility[2] | $ 105,000 | $ 130,000 | LIBOR+ 1.15% to 1.85% | 4/1/2020 |
| 2-Year unsecured term loan[3] | 460,000 | — | LIBOR+ 1.30% to 2.20% | 4/1/2018 |
| 5-Year unsecured term loan[4] | 550,000 | 150,000 | LIBOR+ 1.30% to 2.20% | 4/1/2020 |
| 7-Year unsecured term loan[5] | 350,000 | — | LIBOR+ 1.60% to 2.55% | 4/1/2022 |
| Total unsecured loans | $ 1,465,000 | $ 280,000 | | |
| | | | | |
| Mortgage Loans | | | | |
| Mortgage loan secured by 275 Brannan[6] | — | 15,000 | LIBOR+2.00% | N/A |
| Mortgage loan secured by Pinnacle II[7] | 86,537 | 87,421 | 6.31% | 9/6/2016 |
| Mortgage loan secured by 901 Market[8] | 30,000 | 49,600 | LIBOR+2.25% | 10/31/2016 |
| Mortgage loan secured by Element LA[9] | 83,107 | 59,490 | LIBOR+1.95% | 11/1/2017 |
| Mortgage loan secured by Rincon Center[10] | 102,920 | 104,126 | 5.13% | 5/1/2018 |
| Mortgage loan secured by Sunset Gower/Sunset Bronson[11] | 97,000 | 97,000 | LIBOR+2.25% | 3/4/2019 |
| Mortgage loan secured by Met Park North[12] | 64,500 | 64,500 | LIBOR+1.55% | 8/1/2020 |
| Mortgage loan secured by 10950 Washington[13] | 28,525 | 28,866 | 5.32% | 3/11/2022 |
| Mortgage loan secured by Pinnacle I[14] | 129,000 | 129,000 | 3.95% | 11/7/2022 |
| Total mortgage loans before mortgage loan on real estate held for sale | $ 621,589 | $ 635,003 | | |
| | | | | |
| Mortgage loan on real estate held for sale: | | | | |
| Mortgage loan secured by First Financial[15] | — | 42,449 | 4.580% | N/A |
| Total mortgage loans | $ 621,589 | $ 677,452 | | |
| Subtotal | $ 2,086,589 | $ 957,452 | | |
| Unamortized loan premium, net[16] | 1,746 | 3,056 | | |
| Total | $ 2,088,335 | $ 960,508 | | |

(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. Interest rates are as of September 30, 2015, which may be different than the interest rates as of December 31, 2014 for corresponding indebtedness.

(2) Subsequent to September 30, 2015, we paid down the principal balance by $20.0 million.

(3) Subsequent to September 30, 2015, we paid down the principal balance by $85.0 million.

(4) Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to $300.0 million of the $550.0 million five-year term loan facility that swapped one-month LIBOR to a fixed rate of 1.36% through the loan's maturity on April 1, 2020. As a result, $300.0 million of this facility currently bears interest at a rate equal to 2.66% to 3.56% per annum depending on our leverage ratio.

(5) Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to the entire $350.0 million seven-year term loan facility that swapped one-month LIBOR to a fixed rate of 1.61% through the loan's maturity on April 1, 2022. As a result, this facility currently bears interest at a rate equal to 3.21% to 4.16% per annum depending on our leverage ratio.

(6) On April 10, 2015, the loan was fully repaid.

(7) This loan was assumed June 14, 2013 in connection with the contribution of the Pinnacle II building to the Company's joint venture with M. David Paul & Associates/Worthe Real Estate Group. This loan bore interest only for the first five years. Beginning with the payment due October 6, 2011, monthly debt service includes annual debt amortization payments based on a 30-year amortization schedule.

(8) On October 29, 2012, we obtained a loan for our 901 Market property pursuant to which we borrowed $49.6 million upon closing. On April 10, 2015, we repaid $19.6 million of this loan.

(9) On November 24, 2014, we amended our construction loan for Element LA to, among other things, increase availability from $65.5 million to $102.4 million for budgeted site-work, construction of a parking garage, base building, tenant improvements, and leasing commission costs associated with the renovation and lease-up of the property.

(10) This loan is amortizing based on a 30-year amortization schedule.

(11) 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 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 February 11, 2016. Effective March 4, 2015, the terms of this loan were amended and restated to introduce the ability to draw up to an additional $160.0 million for budgeted construction costs associated with our ICON development and to extend the maturity date from February 11, 2018 to March 4, 2019 with a 1-year extension option.

(12) This loan bears interest only at a rate equal to one-month LIBOR plus 1.55%. The full loan amount is subject to an interest rate contract that swapped one-month LIBOR to a fixed rate of 2.1644% through the loan's maturity on August 1, 2020. As a result, this loan bears interest at a rate equal to 3.7144% per annum.
(13) This loan is amortizing based on a 30-year amortization schedule.
(14) This loan bears interest only for the first five years. Beginning with the payment due December 6, 2017, monthly debt service will include annual debt amortization payments based on a 30-year amortization schedule, for total annual debt service of $7.3 million.
(15) This note has been recorded as part of the liabilities associated with real estate held for sale.
(16) Represents unamortized amount of the non-cash mark-to-market adjustment on debt associated with Pinnacle II.

*Senior Unsecured Credit Facilities*

On April 1, 2015, the Operating Partnership funded the facilities entered into pursuant to a Second Amended and Restated Credit Agreement dated as of March 31, 2015 (the "A&R Credit Agreement"). The A&R Credit Agreement amended and restated the Operating Partnership's existing $300.0 million unsecured revolving credit facility and $150.0 million unsecured term loan facility entered into on September 23, 2014 to, among other things, extend the term, increase the unsecured revolving credit facility to $400.0 million, increase the unsecured 5-year term loan facility to $550.0 million (the "5-Year Term Loan Facility" and, together with the unsecured revolving credit facility, the "Existing Facilities"), and add a $350.0 million unsecured 7-year term loan facility (the "7-Year Term Loan Facility", and, together with the Existing Facilities, the "A&R Credit Facilities"), which A&R Credit Facilities will be used: (a) for the payment of pre- development and development costs incurred in connection with properties owned by the Operating Partnership or any subsidiary; (b) to finance acquisitions otherwise permitted under the A&R Credit Agreement (including the EOP Northern California portfolio acquisition); (c) to finance capital expenditures and the repayment of indebtedness of the Company, the Operating Partnership and its subsidiaries; (d) to provide for the general working capital needs of the Company, the Operating Partnership and its subsidiaries and for other general corporate purposes of the Company, the Operating Partnership and its subsidiaries; and (e) to pay fees and expenses incurred in connection with the A&R Credit Agreement.

The Operating Partnership continues to be the borrower under the A&R Credit Agreement. The Company and certain of its subsidiaries that own unencumbered properties are required to provide guaranties unless the Company obtains and maintains a credit rating of at least BBB- from S&P or Baa3 from Moody's, in which case such guaranties by its subsidiaries are not required, except under limited circumstances. Subject to the satisfaction of certain conditions and lender commitments, the Operating Partnership may increase the availability of the A&R Credit Facilities so long as the aggregate commitments under the A&R Credit Facilities do not exceed $2.0 billion.

For borrowings under the unsecured revolving credit facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 115 basis points to 185 basis points per annum or a specified base rate plus 15 basis points to 85 basis points per annum, depending on the Operating Partnership's leverage ratio. For borrowings under the 5-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 130 basis points to 220 basis points per annum or a specified base rate plus 30 basis points to 120 basis points per annum, depending on the Operating Partnership's leverage ratio. For borrowings under the 7-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 160 basis points to 255 basis points per annum or a specified base rate plus 60 basis points to 155 basis points per annum, depending on the Operating Partnership's leverage ratio. If the Company obtains a credit rating for the Company's senior unsecured long term indebtedness, the Operating Partnership may make an irrevocable election to change the interest rate for the unsecured revolving credit facility to a rate equal to either LIBOR plus 87.5 basis points to 155 basis points per annum or the specified base rate plus zero basis points to 55 basis points per annum, for the 5-Year Term Loan Facility to a rate equal to either LIBOR plus 90 basis points to 185 basis points per annum or the specified base rate plus zero basis points to 85, and for the 7-Year Term Loan Facility to a rate equal to either LIBOR plus 140 basis points to 235 basis points per annum or the specified base rate plus 40 basis points to 135 basis points per annum, in each case, depending on the credit rating.

Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to $300.0 million of the $550.0 5-year Term Loan Facility that swapped one-month LIBOR to a fixed rate of 1.36% through the loan's maturity on April 1, 2020. As a result, $300.0 million of the 5-year Term Loan Facility currently bears interest at a rate equal to 2.66% to 3.56% per annum depending on our leverage ratio. Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to the entire $350.0 million 7-year Term Loan Facility that swapped one-month LIBOR to a fixed rate of 1.61% through the loan's maturity on April 1, 2022. As a result, this facility currently bears interest at a rate equal to 3.21% to 4.16% per annum depending on our leverage ratio.

The unsecured revolving credit facility is subject to a facility fee in an amount equal to the Operating Partnership's revolving credit commitments (whether or not utilized) multiplied by a rate per annum equal to 20 basis points to 35 basis points, depending on the Operating Partnership's leverage ratio, or, if the Operating Partnership makes the credit rating election, in an amount equal to the aggregate amount of the Operating Partnership's revolving credit commitments (whether or not utilized) multiplied by a rate per annum equal to 12.5 basis points to 30 basis points, depending upon the credit rating. Unused amounts under the facility are not subject to a separate fee.

The amount available for us to borrow under the A&R Credit Agreement remains subject to compliance with a number of customary restrictive covenants contained therein, including:

- a maximum leverage ratio (defined as consolidated total indebtedness plus the Operating Partnership's pro rata share of indebtedness of unconsolidated affiliates to total asset value) of 0.60:1.00; provided that such ratio may increase to 0.65 to 1.00 for up to two (2) consecutive calendar quarters immediately following a material acquisition not more than twice during the term of the A&R Credit Agreement;

- a minimum fixed charge coverage ratio (defined as the Operating Partnership's adjusted EBITDA to its fixed charges) of 1.50:1.00;

- a maximum secured indebtedness leverage ratio (defined as consolidated secured indebtedness plus the Operating Partnership's pro rata share of secured indebtedness of unconsolidated affiliates to total asset value) of 0.55:1:00;

- a minimum unsecured interest coverage ratio (defined as consolidated net operating income from unencumbered properties plus the Operating Partnership's pro rata share of net operating income from unencumbered properties to unsecured interest expense) of 2.00:1.00; 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, provided that such test does not apply so long as the Company maintains an investment grade credit rating.

In addition to these covenants, the A&R Credit Agreement also includes certain limitations on dividend payouts and distributions, limits on certain types of investments outside of the Operating Partnership's primary business, and other customary affirmative and negative covenants. The Operating Partnership's ability to borrow under the A&R Credit Agreement is subject to continued compliance with these covenants.

The original revolving loan maturity date for the A&R Credit Agreement may be extended once, for an additional one year term. A fee equal to 0.15% of the aggregate outstanding revolving commitments at such time (whether or not utilized) must be paid to the administrative agent to exercise the right to extend.

If the Operating Partnership voluntarily prepays any of the borrowings under the 7-year term loan facility prior to the first anniversary of the closing of such facility, such prepayments are subject to a 2% prepayment premium on the principal amount of such loans that are prepaid. If the Operating Partnership voluntarily prepays any of the borrowings under the 7-year term loan facility on or after the first anniversary of the closing of such facility and prior to the second anniversary of the closing of such facility, such prepayments are subject to a 1% prepayment premium on the principal amount of such loans that are prepaid.

On April 1, 2015, the Operating Partnership entered into pursuant to a separate Term Loan Credit Agreement dated March 31, 2015 (the "New Credit Agreement"). The New Credit Agreement provides a $550.0 million unsecured 2-year term loan credit facility (the "2-Year Term Loan Facility"), which was fully drawn by us on the date of the New Credit Agreement to consummate the EOP Northern California portfolio acquisition, with the remaining funds used to pay fees and expenses incurred in connection therewith and the New Credit Agreement. The Operating Partnership is the borrower under the New Credit Agreement and the Company and all of its subsidiaries that own unencumbered properties will provide guaranties unless the Company obtains and maintains a credit rating of at least BBB- from S&P or Baa3 from Moody's, in which case such guaranties are not required, except under limited circumstances.

For borrowings under the 2-Year Term Loan Facility, the Operating Partnership may elect to pay interest at a rate equal to either LIBOR plus 130 basis points to 220 basis points per annum or a specified base rate plus 30 basis points to 120 basis points per annum, depending on the Operating Partnership's leverage ratio. If the Company obtains a credit rating for its senior unsecured long term indebtedness, the Operating Partnership may make an irrevocable election to change the interest rate for the 2-Year Term Loan Facility to a rate equal to either LIBOR plus 90 basis points to 185 basis points per annum or the specified base rate plus zero basis points to 85 basis points per annum, depending on the credit rating.

The term of the New Credit Agreement is two years, with one one-year extension option. If any undrawn commitments remain as of April 1, 2016, a fee equal to one percent (1%) of the aggregate amount of the commitments (whether disbursed or undisbursed) is due and payable on April 1, 2016. If the Operating Partnership exercises the one-year extension option, it is required to pay to the administrative agent a fee equal to one and half percent (1.5%) of the aggregate outstanding commitments so extended (whether or not utilized).

Except as noted herein, the New Credit Agreement is on terms substantially similar to the terms and subject to the financial covenants provided in the A&R Credit Agreement, as applicable to the 5-Year Term Loan Facility thereunder.

***Cash Flows***

*Comparison of the nine months ended September 30, 2015 to the nine months ended September 30, 2014 is as follows (in thousands):*

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | **2015** | **2014** | **Dollar Change** | **Percentage Change** |
| Net cash provided by operating activities | $ 121,145 | $ 58,346 | $ 62,799 | 107.6% |
| Net cash used in investing activities | (1,741,819) | (166,717) | (1,575,102) | 944.8% |
| Net cash provided by financing activities | 1,649,589 | 147,412 | 1,502,177 | 1,019.0% |

Cash and cash equivalents were $46.7 million and $17.8 million at September 30, 2015 and December 31, 2014, respectively.

*Operating Activities*

Net cash provided by operating activities increased by $62.8 million to $121.1 million for the nine months ended September 30, 2015 compared to $58.3 million for the nine months ended September 30, 2014. The increase was primarily attributable to an increase in cash NOI, as defined, from our office properties, primarily from the acquisition of the EOP Northern California portfolio, increased occupancy and higher rental revenue from our 1455 Market, Rincon Center, 901 Market Street and 3401 Exposition properties, partially offset by the sale of our First Financial property on March 5, 2015 and Tierrasanta property on July 16, 2014. The increase was also attributable to an increase in accounts payable and accrued expenses, partially offset by an increase in leasing costs primarily related to our Element LA property, increase in general and administrative expenses, increase in interest expense due to $1.3 billion of borrowing associated with the acquisition of the EOP Northern California portfolio and an increase in acquisition related costs associated with the EOP Northern California acquisition as compared to the nine months ended September 30, 2014.

*Investing Activities*

Net cash used in investing activities increased by $1.6 billion to $1.7 billion for the nine months ended September 30, 2015 compared to $166.7 million for nine months ended September 30, 2014. The increase was primarily attributable to the acquisition of the EOP Northern California portfolio, the acquisition of 4th & Traction and the acquisition of 405 Mateo during the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The increase in investing activities was partially offset by the cash provided by the sale of our First Financial property on March 5, 2015 and the sale of our Bay Park Plaza asset on September 29, 2015.

*Financing Activities*

Net cash provided by financing activities increased $1.5 billion to $1.6 billion for the nine months ended September 30, 2015 compared to $147.4 million for the nine months ended September 30, 2014. The increase was primarily due to an increase in the $1.3 billion of borrowing associated with the acquisition of the EOP Northern California portfolio, an increase in total proceeds generated by the issuance of common equity securities, after underwriters' discounts, of approximately $385.6 million (before transaction costs) in 2015, compared to the issuance of equity securities generating total proceeds, after underwriters' discounts, of approximately $197.5 million (before transaction costs) in 2014 and an increase in total net proceeds from our joint venture at our 1455 Market property of $217.8 million. The increase was partially offset by an increase in repayment of debt, an increase in dividends paid to common stock and unit holders and an increase in loan costs as compared to the nine months ended September 30, 2014.

***Contractual Obligations and Commitments***

During the third quarter of 2015, 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, 2014.

***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 2014 Annual Report on Form 10-K. We have not made any material changes to these policies during the periods covered by this Report.

***Non-GAAP Supplemental Financial Measure: Funds From Operations***

We calculate FFO in accordance with the White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts. The White Paper defines FFO as net income or loss calculated in accordance with GAAP, excluding extraordinary items, as defined by GAAP, gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets) and after adjustment for unconsolidated partnerships and joint ventures. Our calculation of FFO includes the amortization of deferred revenue related to tenant-funded tenant improvements and excludes the depreciation of the related tenant improvement assets.

We believe that FFO is a useful supplemental measure of our operating performance. The exclusion from FFO of gains and losses from the sale of operating real estate assets allows investors and analysts to readily identify the operating results of the assets that form the core of our activity and assists in comparing those operating results between periods. Also, because FFO is generally recognized as the industry standard for reporting the operations of REITs, it facilitates comparisons of operating performance to other REITs. However, other REITs may use different methodologies to calculate FFO, and accordingly, our FFO may not be comparable to all other REITs.

Implicit in historical cost accounting for real estate assets in accordance with GAAP is the assumption that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies using historical cost accounting alone to be insufficient. Because FFO excludes depreciation and amortization of real estate assets, we believe that FFO along with the required GAAP presentations provides a more complete measurement of our performance relative to our competitors and a more appropriate basis on which to make decisions involving operating, financing and investing activities than the required GAAP presentations alone would provide.

However, FFO should not be viewed as an alternative measure of our operating performance because it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, which are significant economic costs and could materially impact our results from operations.

The following table presents our FFO for the three and nine months ended September 30, 2015 and 2014:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Net (loss) / income | $ (1,828) | $ 11,415 | $ (13,337) | $ 22,637 |
| Adjustments: | | | | |
| Depreciation and amortization of real estate assets | 79,940 | 17,342 | 170,306 | 51,845 |
| Gain from sale of real estate | (8,371) | (5,538) | (30,471) | (5,538) |
| FFO attributable to non-controlling interests | (3,494) | (1,396) | (10,520) | (4,009) |
| Net income attributable to preferred stock and units | (3,195) | (3,195) | (9,585) | (9,590) |
| Funds From Operations to common stockholders and unit holders | $ 63,052 | $ 18,628 | $ 106,393 | $ 55,345 |

**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 properties. The loan initially bore 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 original maturity of 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 original maturity of February 11, 2016. Effective August 22, 2013, the terms of this loan were amended to, among other changes, increase the outstanding balance from $92.0 million to $97.0 million, reduce the interest to a rate equal to one-month LIBOR plus 2.25%, and extend the maturity date from February 11, 2016 to February 11, 2018. The interest rate contracts described above were not changed in connection with this loan amendment. Effective March 4, 2015, the terms of this loan were amended and restated to introduce the ability to draw up to an additional $160.0 million for budgeted construction costs associated with our ICON development and to extend the maturity date from February 11, 2018 to March 4, 2019. The interest rate contracts described above were not changed in connection with this loan amendment.

On July 31, 2013, we closed a seven-year loan totaling $64.5 million with Union Bank, N.A., secured by our Met Park North property. The loan bears interest at a rate equal to one-month LIBOR plus 155 basis points. The full loan is subject to an interest rate contract that swapped one-month LIBOR to a fixed rate of 2.1644% through the loan's maturity on August 1, 2020.

On September 23, 2014, we amended and restated our $250.0 million unsecured revolving credit facility to, among other things, increase the unsecured revolving credit facility to $300.0 million, extend the term of that facility, and add a five-year, $150.0 million unsecured term loan facility. The $150.0 million unsecured term loan facility was fully drawn by the Company on the closing date. On March 31, 2015, we amended and restated our existing $300.0 million unsecured revolving credit facility and $150 million unsecured term loan facility to, among other things, extend the term, increase the unsecured revolving credit facility to $400.0 million, increase the unsecured 5-year term loan facility to $550.0 million, and add a $350.0 million unsecured 7-year term loan facility.

In addition, on March 31, 2015, the Company entered into a $550.0 million new unsecured 2-year term loan facility. For borrowings under the 2-Year Term Loan Facility.

Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to $300.0 million of the $550.0 5-year Term Loan Facility that swapped one-month LIBOR to a fixed rate of 1.36% through the loan's maturity on April 1, 2020. As a result, $300.0 million of the 5-year Term Loan Facility currently bears interest at a rate equal to 2.66% to 3.56% per annum depending on our leverage ratio. Effective as of May 1, 2015, the Company entered into an interest rate contract with respect to the entire $350.0 million 7-year Term Loan Facility that swapped one-month LIBOR to a fixed rate of 1.61% through the loan's maturity on April 1, 2022. As a result, this facility currently bears interest at a rate equal to 3.21% to 4.16% per annum depending on our leverage ratio.

Our unsecured revolving credit facility and our $550.0 million 2-year term loan, as well as the loans on each of our 901 Market, 275 Brannan, and Element LA properties, are not subject to interest rate hedges. As of September 30, 2015, we had total borrowing capacity of $400 million under our unsecured revolving credit facility, $105.0 million of which had been drawn.

With respect to our unsecured revolving credit facility, the $460.0 million 5-year term loan ($250.0 million of which is not subject to an interest rate contract), the $550.0 million 2-year term loan, the $97.0 million loan on our Sunset Gower and Sunset Bronson media and entertainment properties ($5.0 million of which is not subject to an interest rate contract), the $30.0 million

loan on our 901 Market property, the $83.1 million loan on our Element LA property, if one-month LIBOR as of September 30, 2015 was to increase by 100 basis points, or 1.0%, the resulting increase in annual interest expense would impact our future earnings and cash flows by $10.5 million.

As of September 30, 2015, we had outstanding notes payable of $2.1 billion (before loan premium), of which $347.0 million, or 16.6%, consisted of fixed rate secured mortgage loans, and $1.7 billion, or 83.4%, was variable rate debt. Approximately $92.0 million of the variable rate debt is subject to the interest rate contracts described in footnote 11 to the table above, approximately $64.5 million of the variable rate debt is subject to the interest rate contract described in footnote 12 to the table above, approximately $300.0 million of the variable rate debt is subject to the interest rate contract described in footnote 4 to the table above and approximately $350.0 million of the variable rate debt is subject to the interest rate contract described in footnote 5 to the table above. As of September 30, 2015, the estimated fair value of our fixed rate secured mortgage loans was $352.5 million. The estimated fair value of our variable rate debt equals the carrying value.

## ITEM 4. CONTROLS AND PROCEDURES

***Disclosure Controls and Procedures (Hudson Pacific Properties, Inc.)***

Hudson Pacific Properties, Inc. maintains 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 Hudson Pacific Properties, Inc.'s 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, 2015, the end of the period covered by this Report, Hudson Pacific Properties, Inc. 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 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 Hudson Pacific Properties, Inc.'s disclosure controls and procedures were effective in ensuring that information required to be disclosed by Hudson Pacific Properties, Inc. 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.

We acquired the EOP Northern California Portfolio on April 1, 2015 and are currently in the process of integrating the Portfolio into our existing internal controls over financial reporting. Except for any changes in internal controls related to the integration of the EOP Northern California Portfolio, there were no changes to our internal control over financial reporting 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.

***Disclosure Controls and Procedures (Hudson Pacific Properties, L.P.)***

Hudson Pacific Properties, L.P. maintains 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 Hudson Pacific Properties, L.P.'s 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, 2015, the end of the period covered by this Report, Hudson Pacific Properties, L.P. 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 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 Hudson Pacific Properties, L.P.'s disclosure controls and procedures were effective in ensuring that information required to be disclosed by Hudson Pacific Properties, L.P. 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.

We acquired the EOP Northern California Portfolio on April 1, 2015 and are currently in the process of integrating the Portfolio into our existing internal controls over financial reporting. Except for any changes in internal controls related to the integration of the EOP Northern California Portfolio, there were no changes to our internal control over financial reporting 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 a party to various lawsuits, claims and other legal proceedings arising out of, or incident to, our ordinary course of 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 adverse effect on our business, financial condition, results of operations or cash flows if determined adversely to us.

**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, 2014. Please review the Risk Factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2014.

**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.**

None.

**ITEM 6. EXHIBITS.**

| Exhibit Number | Description |
|---|---|
| 3.1 | Articles of Amendment and Restatement of Hudson Pacific Properties, Inc.[(2)] |
| 3.2 | Amended and Restated Bylaws of Hudson Pacific Properties, Inc.[(2)] |
| 3.3 | Form of Articles Supplementary of Hudson Pacific Properties, Inc.[(9)] |
| 3.4 | Second Amended and Restated Bylaws of Hudson Pacific Properties, Inc. [(36)] |
| 4.1 | Form of Certificate of Common Stock of Hudson Pacific Properties, Inc.[(5)] |
| 4.2 | Form of Certificate of Series B Preferred Stock of Hudson Pacific Properties, Inc.[(9)] |
| 4.3 | Stockholders Agreement, dated as of April 1, 2015, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and the other parties thereto. [(35)] |
| 4.4 | Registration Rights Agreement, dated as of April 1, 2015, by and among Hudson Pacific Properties, Inc. and the other parties thereto.[(35)] |
| 4.5 | Third Amended and Restated Agreement of Limited Partnership of Hudson Pacific Properties, L.P. dated as of April 1, 2015.[(38)] |
| 10.1 | Form of Second Amended and Restated Agreement of Limited Partnership of Hudson Pacific Properties, L.P.[(9)] |
| 10.2 | Registration Rights Agreement among Hudson Pacific Properties, Inc. and the persons named therein.[(8)] |
| 10.3 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Victor J. Coleman.[(8)] |
| 10.5 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Mark T. Lammas.[(8)] |

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|---|---|
| 10.6 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Christopher Barton.[8] |
| 10.7 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Dale Shimoda.[8] |
| 10.8 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Theodore R. Antenucci.[8] |
| 10.10 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Richard B. Fried.[8] |
| 10.11 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Jonathan M. Glaser.[8] |
| 10.12 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Mark D. Linehan.[8] |
| 10.13 | Indemnification Agreement, dated June 29, 2010, by and between Hudson Pacific Properties, Inc. and Robert M. Moran, Jr.[8] |
| 10.14 | Indemnification Agreement, dated June 29, 1010, by and between Hudson Pacific Properties, Inc. and Barry A. Porter.[8] |
| 10.15 | Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. 2010 Incentive Award Plan.[5] * |
| 10.16 | Restricted Stock Award Grant Notice and Restricted Stock Award Agreement.[5] * |
| 10.17 | Hudson Pacific Properties, Inc. Director Stock Plan.[9] * |
| 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.[2] * |
| 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.[4] * |
| 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.[2] * |
| 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.[2] * |
| 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.[1] |
| 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.[1] |
| 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.[1] |
| 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.[1] |
| 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.[1] |
| 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.[1] |
| 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.[1] |
| 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.[2] |
| 10.31 | Tax Protection Agreement between Hudson Pacific Properties, L.P. and the persons named therein, dated June 29, 2010.[7] |
| 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.[4] |
| 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.[5] |
| 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.[7] |
| 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.[6] |
| 10.37 | Conditional Consent Agreement between GLB Encino, LLC, as Borrower, and SunAmerica Life Insurance Company, as Lender, dated as of June 10, 2010.[6] |
| 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.[6] |
| 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.[6] |

10.40 Approval Letter from Wells Fargo, as Master Servicer, and CWCapital Asset Management, LLC, as Special Servicer to Hudson Capital LLC, dated as of June 8, 2010.[6]

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.[6]

10.42 Note by Glenborough Tierrasanta, LLC, as Borrower, in favor of German American Capital Corporation, as Lender, dated as of November 28, 2006.[6]

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.[11]

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.[11]

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.[22]

10.58 Limited Liability Company Agreement of Hudson MC Partners, LLC, dated as of November 8, 2012.[21]

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.[21]

10.60 Loan Agreement dated as of November 8, 2012 between P1 Hudson MC Partners, LLC, as Borrower and Jefferies Loancore LLC, as Lender.[21]

10.61 First Amendment to Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. 2010 Incentive Award Plan.[19]

10.62 2013 Outperformance Award Agreement.[20]*

10.63 Hudson Pacific Properties, Inc. Revised Non-Employee Director Compensation Program.[23]

10.64 Amendment No. 1 to the Credit Agreement among the Company, Hudson Pacific Properties, L.P., as Borrower, and each of the Lenders party thereto (as defined in the original credit agreement, dated August 3, 2012).[24]

10.65 Purchase Agreement between 1220 Howell LLC, a Delaware limited liability company, King & Dearborn LLC, a Delaware limited liability company, and Northview Corporate Center LLC, a Delaware limited liability company, as Sellers, and Hudson Pacific Properties, L.P., a Maryland limited partnership, as Buyer.[25]

10.66 First Modification and Additional Advance Agreement by and among Wells Fargo Bank, N.A., as Lender, and Sunset Bronson Entertainment Properties, LLC, and Sunset Gower Entertainment Properties, LLC as Borrower.[26]

10.67 Supplemental Federal Income Tax Considerations.[27]

10.68 2014 Outperformance Award Agreement.[28]*

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|---|---|
| 10.70 | Addendum to Outperformance Agreement.[29]* |
| 10.71 | Employment Agreement, dated as of June 27, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Victor J. Coleman.[30]* |
| 10.72 | Employment Agreement, dated as of June 27, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Mark T. Lammas.[30]* |
| 10.73 | Employment Agreement, dated as of June 27, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Christopher Barton.[30]* |
| 10.74 | Employment Agreement, dated as of June 27, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Dale Shimoda.[30]* |
| 10.75 | Employment Agreement, dated as of June 27, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Alex Vouvalides.[30]* |
| 10.76 | Amendment to Equity Distribution Agreement, dated as of July 21, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Barclays Capital Inc.[32] |
| 10.77 | Amendment to Equity Distribution Agreement, dated as of July 21, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.[32] |
| 10.78 | Amendment to Equity Distribution Agreement, dated as of July 21, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and KeyBanc Capital Markets Inc.[32] |
| 10.79 | Amendment to Equity Distribution Agreement, dated as of July 21, 2014, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Wells Fargo Securities, LLC.[32] |
| 10.80 | Amended and Restated Credit Agreement by and among Hudson Pacific Properties, L.P., as borrower, 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 September 23, 2014. [31] |
| 10.81 | Hudson Pacific Properties, Inc. Revised Non-Employee Director Compensation Program.[33] |
| 10.82 | Bridge Commitment Letter, dated as of December 6, 2014, by and among the Operating Partnership, Wells Fargo Bank, National Association, Wells Fargo Securities, LLC, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs Bank USA.[34] |
| 10.83 | Backstop Commitment Letter, dated as of December 6, 2014, by and among the Operating Partnership, Wells Fargo Bank, National Association and Wells Fargo Securities, LLC.[34] |
| 10.84 | Indemnification Agreement, dated December 15, 2014, by and between Hudson Pacific Properties, Inc. and Robert L. Harris II. |
| 10.85 | 2015 Outperformance Award Agreement. [35]* |
| 10.86 | First Amended and Restated Limited Partnership Agreement of Hudson 1455 Market, L.P. [36] |
| 10.87 | Second Amended and Restated Credit Agreement, dated as of March 31, 2015, by and among Hudson Pacific Properties, L.P., as borrower, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities LLC, Merrill Lynch, Pierce, Fenner and Smith Incorporated, and Keybanc Capital Markets, Inc., as joint lead arrangers and joint bookrunners, with respect to the Existing Facilities, and Wells Fargo Securities LLC and Keybanc Capital Markets, Inc., as joint lead arrangers and joint bookrunners, with respect to the 7-Year Term Loan Facility, Bank of America, N.A., and KeyBank National Association, as syndication agents with respect to the Existing Facilities, and KeyBank National Association, as syndication agent with respect to the 7-Year Term Loan Facility, Barclays Bank PLC, Fifth Third Bank, Morgan Stanley Bank, N.A., Royal Bank of Canada, Goldman Sachs Bank USA, and U.S. Bank National Association, as documentation agents with respect to the Existing Facilities, and the lenders party thereto. [35] |
| 10.88 | Term Loan Credit Agreement, dated as of March 31, 2015, by and among Hudson Pacific Properties, L.P., as borrower, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner and Smith, Incorporated, and Goldman Sachs Bank USA, as joint lead arrangers and joint bookrunners, and the lenders party thereto. [35] |
| 10.89 | Hudson Pacific Properties, inc. and Hudson Pacific Properties, L.P. 2010 Incentive Award Plan (2012 Outperformance program) Restricted Stock Unit Award Agreement. [37] |
| 10.90 | Addendum to 2014 Outperformance Award Agreement. [37] |
| 10.91 | Hudson Pacific Properties, Inc. Revised Non-Employee Director Compensation Program. [39] |
| 10.92 | First Amendment to Employment Agreement, dated as of September 18, 2015, by and among Hudson Pacific Properties, Inc., Hudson Pacific Properties, L.P. and Mark T. Lammas.* |
| 10.93 | Loan Agreement dated as of October 9, 2015 between Hudson Element LA, LLC, as Borrower and Cantor Commercial Real Estate Lending, L.P. and Goldman Sachs Mortgage Company, collectively, as Lender. |
| 12.1 | Computation of Ratios of Earnings to Fixed Charges for the Years Ended December 31, 2014, 2013, 2012, 2011 and 2010. |
| 22.1 | List of Subsidiaries of the Registrant. |
| 23.1 | Consent of Independent Registered Public Accounting Firm. |
| 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, 2015 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.

(19) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on June 12, 2012.

(20) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 7, 2013.

(21) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.

(22) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.

(23) Previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

(24) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on May 20, 2013.

(25) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 1, 2013.

(26) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.

(27) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 22, 2013.

(28) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 3, 2014.

(29) Previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

(30) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on June 27, 2014.

(31) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on September 29, 2014.

(32) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.

(33) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

(34) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on December 11, 2014.

(35) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 2, 2015.

(36) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on January 12, 2015.

(37) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on March 12, 2015.

(38) Previously filed with the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on April 2, 2015.

(39) Previously filed with the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

* 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 6, 2015

/S/ VICTOR J. COLEMAN

**Victor J. Coleman**

**Chief Executive Officer (principal executive officer)**

**HUDSON PACIFIC PROPERTIES, INC.**

Date: November 6, 2015

/S/ MARK T. LAMMAS

**Mark T. Lammas**

**Chief Financial Officer (principal financial officer)**

**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, L.P.**

Date: November 6, 2015

/S/ VICTOR J. COLEMAN

**Victor J. Coleman**

**Chief Executive Officer (principal executive officer)**

**HUDSON PACIFIC PROPERTIES, L.P.**

Date: November 6, 2015

/S/ MARK T. LAMMAS

**Mark T. Lammas**

**Chief Financial Officer (principal financial officer)**



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# Section 2: EX-10.92 (EXHIBIT 10.92)

**Exhibit 10.92**

**FIRST AMENDMENT TO**
**EMPLOYMENT AGREEMENT**

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this "First Amendment"), is made as of September 18, 2015 (the "Amendment Effective Date"), by and between Hudson Pacific Properties, Inc., a Maryland corporation (the "REIT"), Hudson Pacific Properties, L.P., a Maryland limited partnership (the "Operating Partnership") and Mark T. Lammas (the "Executive"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement (as defined below).

**RECITALS**

A. The REIT, the Operating Partnership and the Executive have entered into an Employment Agreement dated June 27, 2014 (the "Agreement").

B. The parties hereto wish to amend the Agreement as set forth herein.

**AMENDMENT**

The parties hereto hereby amend the Agreement as follows, effective as of the Amendment Effective Date.

1. Section 2(a)(i). Each instance of the phrase "Chief Financial Officer and Treasurer" in Section 2(a)(i) of the Agreement is hereby deleted and replaced in its entirety with the following:

"Chief Operating Officer, Chief Financial Officer and Treasurer"

2. This First Amendment shall be and, as of the Amendment Effective Date, is hereby incorporated in and forms a part of, the Agreement.

3. Except as expressly provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

*(Signature page follows)*

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first written above.

HUDSON PACIFIC PROPERTIES, INC.,
a Maryland corporation

By: /S/ VICTOR J. COLEMAN
Name: Victor J. Coleman
Title: Chief Executive Officer

HUDSON PACIFIC PROPERTIES, L.P.,
a Maryland limited partnership

By: HUDSON PACIFIC PROPERTIES, INC.
Its: General Partner

By: /S/ VICTOR J. COLEMAN
Victor J. Coleman
Chief Executive Officer

"EXECUTIVE"

/S/ MARK T. LAMMAS
Mark T. Lammas



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# Section 3: EX-10.93 (EXHIBIT 10.93)

**Exhibit 10.93**

**LOAN AGREEMENT**

Dated as of October 9, 2015

between

**HUDSON ELEMENT LA, LLC**,
as Borrower

and

**CANTOR COMMERCIAL REAL ESTATE LENDING, L.P.** and

**GOLDMAN SACHS MORTGAGE COMPANY**,

collectively, as Lender

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SCHEDULES

# LOAN AGREEMENT

This LOAN AGREEMENT, dated as of October 9, 2015 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "***Agreement***"), between **CANTOR COMMERCIAL REAL ESTATE LENDING, L.P.**, a Delaware limited partnership, having an address at 110 East 59th Street, 6th Floor, New York, New York 10022 ("***CCRE***"), **GOLDMAN SACHS MORTGAGE COMPANY**, a New York limited partnership, having an address at 200 West Street, New York, New York 10282 ("***GS***"; and together with CCRE and their respective successors and assigns, "***Lender***"), and **HUDSON ELEMENT LA, LLC**, a Delaware limited liability company, having its principal place of business at c/o Hudson Pacific Properties, L.P., 11601 Wilshire Boulevard, Suite 600, Los Angeles, California 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 SIXTY-EIGHT MILLION and No/100 Dollars ($168,000,000.00) 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 Tenant Estoppel Certificate***" shall mean a fully-executed estoppel certificate from the applicable Tenant(s) in form and substance satisfactory to Lender (or, as to the form, if a form of tenant estoppel certificate was attached to the applicable Lease and such Lease was approved or deemed approved by Lender pursuant to the terms hereof or such Lease was permitted hereunder and did not require Lender's approval pursuant to the terms hereof, then in the form of such attached tenant estoppel certificate), that, in each case (including if on a form that was attached to a Lease that was approved or deemed approved by Lender pursuant to the terms hereof or that did not require Lender's approval pursuant to the terms hereof), affirms the applicable Lease(s) as being in full force and effect and provides, among other things (i) that such Tenant has accepted and is occupying all of the space demised under such Lease and is open for business in accordance with such Lease, (ii) that, except for the payment of any costs of any tenant improvements or leasing commissions either (a) permitted to remain unpaid on such date pursuant to clause (iii) in the definition of "Re-tenanting Event" set forth below, or (b) required in connection with a future lease extension, all of the obligations of Borrower, as landlord under such Lease, have been duly performed, completed and paid for, including, without limitation, any obligations of Borrower to make or to pay or reimburse such Tenant for any tenant improvements and/or leasing commissions, (iv) that any improvements described in such Lease have been constructed in accordance therewith and have been accepted by such Tenant, (v) that, except as expressly set forth in such Lease, such Tenant is not then entitled to any concession or rebate of Rent or

other charges from time to time due and payable under such Lease, and (vi) that there are no defaults by Borrower or such Tenant under such Lease.

"***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 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 (subject to the adjusted calculations relating to the period ending on September 30, 2016 provided in the definition of "Net Operating Income" set forth below), and (ii) the denominator is the sum of (a) the Debt Service with respect to such period and (b) the debt service payable under the Subordinate Debt with respect to such period, if any.

"***Aggregate Debt Yield***" shall mean, as of any date, the ratio calculated in which: (i) the numerator is the Net Operating Income for the twelve (12) month period ending with the most recently completed calendar month (subject to the adjusted calculations relating to the period ending on September 30, 2016 provided in the definition of "Net Operating Income" set forth below), and (ii) the denominator is the sum of (a) the Outstanding Principal Balance and (b) the amount of the Subordinate Debt, if any.

"***Aggregate Loan to Value Ratio***" shall mean, as of the date of its calculation, the ratio of (i) the sum of (a) the Outstanding Principal Balance and (b) the amount of the Subordinate Debt, to (ii) the fair market value of the Property, as determined based upon a third-party appraisal ordered and approved by Lender and conducted not more than sixty (60) days prior to the date of calculation.

"***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.

"***Applicable Date***" shall have the meaning set forth in Section 3.1(b) hereof.

"***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, N.A. 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 Rating Agencies***" shall mean each of S&P, Moody's, Fitch and Morningstar 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.

"***Available Cash***" shall have the meaning set forth in Section 2.7.2(b)(vi) hereof.

"***Award***" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or part of the Property.

"***Backward-Looking Special Purpose Entity Representations and Warranties***" shall have the meaning set forth in Section 4.1.30(e) hereof.

"***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.

"***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 Account***" shall have the meaning set forth in Section 2.7.2(a) hereof.

"***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 Event***" shall have the meaning set forth in the definition of "Cash Management Period" set forth below.

"***Cash Management Period***" shall be deemed to:

(a) commence upon any of the following (any of the events in the following sub-clauses (i) through (vi), a "***Cash Management Event***"):

(i) the occurrence of any Event of Default; or

(ii) the commencement or occurrence (as applicable) of any Bankruptcy Action of Manager; or

(iii) the commencement or occurrence (as applicable) of any Bankruptcy Action of Borrower or Guarantor; or

(iv) the failure by Borrower to achieve a Debt Yield (or, if the Subordinate Financing is outstanding, an Aggregate Debt Yield) of at least 6.75% for two (2) consecutive calendar quarters; *provided, however*, that Lender agrees that it shall not make its first determination of the Debt Yield for purposes of determining whether a Cash

Management Period has commenced until after the calendar quarter ending on March 31, 2016; or

(v) the commencement or occurrence (as applicable) of any Tenant Major Event; or

(vi) the occurrence of any Guarantor Downgrade Sweep Event; and

(b) terminate on the Payment Date immediately succeeding any of the following:

(i) in the case of the foregoing clause (a)(i), Lender's acceptance in its sole discretion of a cure of the Event of Default giving rise to such Cash Management Period and there being no other Cash Management Event then continuing; or

(ii) in the case of the foregoing clause (a)(ii), Borrower replacing Manager with a Qualified Manager under a Replacement Management Agreement, and there being no other Cash Management Event then continuing; or

(iii) in the case of the foregoing clause (a)(iii), such Bankruptcy Action being discharged, stayed or dismissed as provided in Section 8.1(a)(vii) or (viii) hereof, as applicable, and there being no other Cash Management Event then continuing; or

(iv) in the case of the foregoing clause (a)(iv), 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, for a period of two (2) consecutive calendar quarters subsequent to the commencement of the existing Cash Management Period as a result of such Cash Management Event set forth in clause (a)(iv) above, the Debt Yield (or, if the Subordinate Financing is outstanding, the Aggregate Debt Yield) at the end of such two (2) calendar quarters is at least equal to 6.75%, and there being no other Cash Management Event then continuing; or

(v) in the case of the foregoing clause (a)(v), such time as the applicable Tenant Major Event Cure has occurred, and no other Cash Management Event (including any other Tenant Major Event) is then continuing; or

(vi) in the case of the foregoing clause (a)(vi), such time as a Guarantor Downgrade Sweep Event Cure has occurred, and no other Cash Management Event is then continuing.

"***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.

"***CCRE***" shall have the meaning set forth in the introductory paragraph hereto, together with its successors and assigns, as Lender hereunder.

"***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 interest payments due under this Agreement and the Note.

"***Debt Service Coverage Ratio***" shall mean, as of any date, the ratio calculated 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 (subject to the adjusted calculations relating to the period ending on September 30, 2016 provided in the definition of "Net Operating Income" set forth below), and (ii) the denominator is the Debt Service with respect to such period.

"***Debt Yield***" shall mean, as of any date, the ratio in which: (i) the numerator is the Net Operating Income for the twelve (12) month period ending with the most recently completed calendar month (subject to the adjusted calculations relating to the period ending on September 30, 2016 provided in the definition of "Net Operating Income" set forth below), and (ii) the denominator is the Outstanding Principal Balance.

"***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) four percent (4%) above the Interest Rate.

"***Deposit Bank***" shall mean PNC BANK, NATIONAL ASSOCIATION, a national banking 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.

"***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, N.A., PNC 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 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 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 Remediation Amount***" shall mean the amount set forth on **Schedule III**.

"***Environmental Remediation No Action Letter***" shall mean a written determination issued by the California Regional Water Quality Control Board or other applicable Governmental Authority(ies) that no further action is required under any applicable Environmental Statute.

"***Environmental Remediation Reserve Account***" shall have the meaning set forth in Section 7.1.1 hereof.

"***Environmental Remediation Reserve Funds***" shall have the meaning set forth in Section 7.1.1 hereof.

"***Environmental Remediation Work***" shall have the meaning set forth in Section 7.1.1 hereof.

"***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 such 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.

"***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.

"***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 written 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 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.

"***GS***" shall have the meaning set forth in the introductory paragraph hereto, together with its successors and assigns, as Lender hereunder.

"***Guarantor***" shall mean Hudson Pacific Properties, L.P., a Maryland limited partnership.

"***Guarantor Downgrade***" shall mean that the long term, unsecured and unsubordinated debt rating of Guarantor is downgraded below Investment Grade either (i) prior to April 1, 2023 and remains so downgraded below Investment Grade on April 1, 2023 or (ii) following April 1, 2023.

"***Guarantor Downgrade Cure Action***" shall have the meaning set forth in Section 5.1.30(a) hereof.

"***Guarantor Downgrade Sweep Event***" shall have the meaning set forth in Section 5.1.30(c) hereof.

"***Guarantor Downgrade Sweep Event Cure***" shall have the meaning set forth in Section 5.1.30(c) hereof.

"***Guarantor Upgrade***" shall mean that, following the occurrence of a Guarantor Downgrade, the long term, unsecured and unsubordinated debt rating of Guarantor is upgraded to at least Investment Grade.

"***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 Borrower, provided that the fees that such individual earns from serving as Independent Director of affiliates of 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, Stewart Management Corporation, National Registered Agents, Inc. and Independent Director Services, Inc. and any other Person approved in writing by Lender.

"***Initial Insurance Premiums Deposit***" shall mean the amount set forth on **Schedule III**.

"***Initial Net Operating Income***" shall mean, as of any date of determination prior to September 30, 2016, the amount obtained by subtracting (i) the then applicable Initial Operating Expenses, from (ii) the Rents payable under the Riot Games Lease for the succeeding twelve (12) month period from such date, the parties expressly acknowledging and agreeing that any determination of Net Operating Income made on or following September 30, 2016 shall be governed by the definition of "Net Operating Income" set forth below rather than this definition of "Initial Net Operating Income" and this definition of "Initial Net Operating Income" shall thereafter have no force or effect for the remainder of the term of the Loan.

"***Initial Operating Expenses***" shall mean, as of any date of determination prior to September 30, 2016, the sum of (i) the actual Operating Expenses for all full calendar months that have concluded prior to such date of determination, beginning with the actual Operating Expenses for the calendar month commencing on October 1, 2015, plus (ii) the budgeted Operating Expenses, pursuant to the then Approved Annual Budget, for all calendar months that have not commenced or concluded (as applicable) prior to such date of determination and ending with the month commencing on September 1, 2016.

"***Initial Tax Deposit***" shall mean the amount set forth on **Schedule III**.

"***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.

"***Interest Period***" shall mean (i) initially, the period commencing on and including the Closing Date and ending on and including the fifth (5th) day of the calendar month following the Closing Date, and (ii) thereafter, for any specified Payment Date including the Maturity Date, the period commencing on and including the sixth (6th) day of the calendar month prior to such Payment Date and ending on and including the fifth (5th) day of the calendar month in which such Payment Date occurs.

"***Interest Rate***" shall mean a fixed rate of 4.5930% per annum.

"***Investment Grade***" shall mean a long term, unsecured and unsubordinated debt rating equal to or greater than "BBB-" by S&P or "Baa3" by Moody's.

"***Investor***" shall have the meaning set forth in Section 9.1 hereof.

"***LC Issuer***" shall have the meaning set forth in Section 5.1.31 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.

"***Lease Related Payments***" shall mean (i) all sums paid with respect to a modification of any Lease or otherwise paid in connection with Borrower taking any action under any Lease (e.g., granting a consent) or waiving any provision thereof, (ii) all sums paid with respect to any settlement of claims of Borrower against third parties in connection with any Lease, (iii) all sums paid with respect to any default, rejection, termination, surrender or cancellation of any Lease (including in any Bankruptcy Action), and (iv) lease buy-out and surrender payments from any Tenant (including any forfeited security deposit or payment relating to unamortized tenant improvements and/or leasing commissions), in each of the foregoing instances whether paid in a lump sum or in installments.

"***Leasing Reserve Account***" shall have the meaning set forth in Section 7.5.1 hereof.

"***Leasing Reserve Account Cap***" shall mean, as applicable: (a) $11,361,480.00 (which represents an amount equal to the Net Rentable Square Footage multiplied by $40.00), in the event that the applicable Tenant Major Event is solely a Tenant Vacation Event by Riot Games and such Tenant Vacation Event occurs prior to the expiration of the ninth (9th) year of the initial term of the Riot Games Lease, which Borrower and Lender agree will occur on March 31, 2024 (the "***9th Lease Year Expiration Date***"); *provided, however*, that the amount in this clause (a) shall only be applicable until the 9th Lease Year Expiration Date and if a Tenant Major Event Cure has not occurred with respect to such Tenant Vacation Event prior to the 9th Lease Year Expiration Date, then thereafter the amount in clause (b) of this definition shall be applicable; and/or (b) $22,722,960.00 (which represents an amount equal to the Net Rentable Square Footage multiplied by $80.00), in the event that the applicable Tenant Major Event is (i) a Tenant Bankruptcy Event with respect to Riot Games occurring at any time, (ii) a Tenant Termination Notice Event by Riot Games occurring at any time, or (iii) a Tenant Vacation Event by Riot Games either (A) first occurring at any time following the 9th Lease Year Expiration Date or (B) which occurred prior to the 9th Lease Year Expiration Date but which is continuing following the 9th Lease Year Expiration Date without there having occurred a Tenant Major Event Cure with respect thereto; and/or (c) following the occurrence of a Tenant Major Event and the occurrence of a Re-tenanting Event, if thereafter a Tenant Vacation Event by any Successor Tenant shall occur prior to the 9th Lease Year Expiration Date, then the Leasing Reserve Account Cap shall be an amount equal to the net rentable square footage of such Successor Tenant's leased premises multiplied by $40.00; *provided, however*, that the amount in this clause (c) shall only be applicable until the 9th Lease Year Expiration Date and if a Tenant Major Event Cure has not occurred with respect to such Successor Tenant's Tenant Vacation Event prior to the 9th Lease Year Expiration Date, then thereafter the amount in clause (d) of this definition shall be applicable; and/or (d) following the occurrence of a Tenant Major Event and the occurrence of a Re-tenanting Event, if thereafter (i) a Tenant Bankruptcy Event with respect to any Successor Tenant occurs at any time, (ii) a Tenant Termination Notice Event by any Successor Tenant occurs at any time, or (iii) a Tenant Vacation Event by any Successor Tenant either (A) first occurs at any time following the 9th Lease Year Expiration Date or (B) occurred prior to the 9th Lease Year Expiration Date but is continuing following the 9th Lease Year Expiration Date without there having occurred a Tenant Major Event Cure with respect thereto, then the Leasing Reserve Account Cap shall be an amount equal to the net rentable square footage of such Successor Tenant's leased premises multiplied by $80.00.

"***Leasing Reserve Funds***" shall have the meaning set forth in Section 7.5.1 hereof.

"***Leasing Reserve Limited Payment***" shall have the meaning set forth in Section 2.7.2(b)(viii) hereof.

"***Leasing Reserve Surplus***" shall have the meaning set forth in Section 2.7.2(b)(viii) hereof.

"***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 Letter of Credit shall cease to be an Approved Bank, (b) any 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, (c) with respect to an evergreen Letter of Credit, Lender has received a written notice from the issuing bank that such Letter of Credit will not be renewed, (d) Lender receives written notice from the issuing bank that any Letter of Credit will be terminated (except if the termination of such Letter of Credit is permitted pursuant to the terms of this Agreement), or (e) an Event of Default has occurred and is continuing, Lender shall have the right to draw down the same in full and hold the proceeds thereof in the same manner as funds deposited in the Reserve Funds, unless, in the cases of (a) – (d) above, 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), (c) and (d) above, at least 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, the Post-Closing 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 Balance 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.

"***Major Lease***" shall mean (a) the Riot Games Lease or (b) any other Lease which, either individually or when taken together with any other Lease with the same Tenant or its Affiliates, demises in excess of thirty percent (30%) of the Net Rentable Square Footage.

"***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 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 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 6th, 2025, 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.

"***Mid-Term Allowance***" shall have the meaning set forth in the Riot Games Lease.

"***Monthly Debt Service Payment***" shall have the meaning set forth in Section 2.3.2 hereof.

"***Moody's***" shall mean Moody's Investors Service, Inc.

"***Morningstar***" shall mean Morningstar Credit Ratings, LLC.

"***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 Cash Flow Schedule***" shall have the meaning set forth in Section 5.1.11(b) hereof.

"***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; *provided, however*, that with respect to any calculation of Net Operating Income made with respect to any period ending prior to September 30, 2016, "Net Operating Income" shall be deemed to mean the Initial Net Operating Income.

"***Net Proceeds***" shall have the meaning set forth in Section 6.4(b) hereof.

"***Net Proceeds Account***" shall have the meaning set forth in Section 6.4(b)(ii) hereof.

"***Net Proceeds Deficiency***" shall have the meaning set forth in Section 6.4(b)(vi) hereof.

"***Net Rentable Square Footage"*** shall mean the net rentable square footage at the Property, which Borrower and Lender agree is 284,037 square feet.

"***New Mezzanine Loan***" shall have the meaning set forth in Section 9.4(a) hereof.

"***9th Lease Year Expiration Date***" shall have the meaning set forth in the definition of "Leasing Reserve Account Cap" set forth above.

"***Note***" shall mean collectively, Note A-1 and Note A-2.

"***Note A-1***" shall mean that certain Promissory Note A-1 of even date herewith in the principal amount of EIGHTY-FOUR MILLION and No/100 Dollars ($84,000,000.00), made by Borrower in favor of CCRE, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***Note A-2***" shall mean that certain Promissory Note A-2 of even date herewith in the principal amount of EIGHTY-FOUR MILLION and No/100 Dollars ($84,000,000.00), made by Borrower in favor of GS, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***O&M Program***" shall have the meaning set forth in Section 5.1.28 hereof.

"***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 hereby agrees that such shall be deemed to be signed by and binding upon 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 (which ordinary repairs and maintenance for the purposes of this definition shall be no less than an assumed expense per month equal to the Underwritten Stabilized Expense Amount), the greater of (i) the contributions to any of the Reserve Funds and (ii) the actual amount paid by Borrower on account of any expense paid out of any Reserve Funds, 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, 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 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.

"***Outstanding Re-tenanting TI/LCs***" shall have the meaning set forth in the definition of "Re-tenanting Event" set forth below.

"***Patriot Act***" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

"***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 immediately preceding Business Day.

"***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-I" of the Title Insurance Policy, (c) Liens, if any, for Taxes imposed by any Governmental Authority which are not yet due or delinquent, (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, and (f) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion.

"***Permitted Indebtedness***" shall have the meaning set forth in clause (p) of the definition of "Special Purpose Entity" set forth below.

"***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.;

(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.

"***Policies***" shall have the meaning specified in Section 6.1(b) hereof.

"***Post-Closing Agreement***" shall mean that certain Post-Closing Agreement, dated as of the date hereof, between Borrower and Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***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 Manager***" shall mean either (a) Manager or (b) 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) 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.

"***Rating Agencies***" shall mean each of S&P, Moody's, Fitch and Morningstar 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.

"***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.

"***Regulation S-K***" shall mean Regulation S-K of the Securities Act, as such regulation may be amended from time to time.

"***Regulation S-X***" shall mean Regulation S-X of the Securities 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.

"***Remaining Available Cash***" shall have the meaning set forth in Section 2.7.2(b)(vii) hereof.

"***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, including the proceeds of any security deposit in the form of a letter of credit as, when and to the extent such letter of credit is drawn upon), escalation charges, Lease Related 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, Manager or any of their respective 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 in 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 Account***" shall have the meaning set forth in Section 7.3.1 hereof.

"***Replacement Reserve Cap***" shall mean $127,816.65 (which represents an amount equal to the Net Rentable Square Footage multiplied by $0.15 multiplied by three (3) years).

"***Replacement Reserve Funds***" shall have the meaning set forth in Section 7.3.1 hereof.

"***Replacement Reserve Funds Waiver Conditions***" shall have the meaning set forth in Section 7.3.1 hereof.

"***Replacement Reserve Monthly Deposit***" shall mean the amount set forth on **Schedule III**.

"***Replacement Tenant Estoppel***" shall mean an estoppel certificate signed by a Tenant (other than Riot Games), in the form attached to such Tenant's Lease or in another commercially reasonable form, provided that in any case it includes the information required to be included therein pursuant to the applicable provision of this Agreement.

"***Replacements***" shall have the meaning set forth in Section 7.3.1 hereof.

"***Required LC Actions***" shall have the meaning set forth in Section 5.1.31 hereof.

"***Required Records***" shall have the meaning set forth in Section 5.1.11(k) hereof.

"***Reserve Accounts***" shall mean, collectively, the Environmental Remediation Reserve Account, the Tax and Insurance Escrow Account, the Replacement Reserve Account, the Leasing Reserve Account, the Riot Games Recourse Reserve Account and any other escrow or reserve account now or hereafter established pursuant to the Loan Documents.

"***Reserve Funds***" shall mean, collectively, the Environmental Remediation Reserve Funds, the Tax and Insurance Escrow Funds, the Replacement Reserve Funds, the Leasing Reserve Funds, the Riot Games Recourse Reserve Funds and any other escrow or reserve fund now or hereafter 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.

"***Re-tenanting Aggregate Debt Yield***" shall mean, as of any date, the ratio calculated in which: (i) the numerator is the Re-tenanting Pro Forma Net Operating Income with respect to such date, and (ii) the

denominator is the sum of (a) the Outstanding Principal Balance as of such date and (b) the amount of the Subordinate Debt as of such date, if any.

"***Re-tenanting Debt Yield***" shall mean, as of any date, the ratio calculated in which: (i) the numerator is the Re-tenanting Pro Forma Net Operating Income with respect to such date, and (ii) the denominator is the Outstanding Principal Balance as of such date.

***"Re-tenanting Event"*** Lender's receipt of evidence reasonably satisfactory to Lender that Borrower has entered into a new Lease or Leases with a replacement Tenant or Tenants acceptable to Lender for the demised premises which had previously been occupied by Riot Games or the applicable Successor Tenant (as applicable) in form and substance satisfactory to Lender and otherwise in accordance with the terms of this Agreement, and:

(i) that each Tenant under any such replacement Lease has accepted possession and is in occupancy of, and is open for business and conducting normal business operations at, all of the space demised under its Lease;

(ii) that following the entering into of any such replacement Lease, the Re-tenanting Debt Yield (or, if the Subordinate Financing is outstanding, the Re-tenanting Aggregate Debt Yield) is equal to at least 6.75%;

(iii) that with respect to any tenant improvement obligations and/or leasing commissions of Borrower as landlord relating to the replacement Lease or Leases, the payment or performance of which are deferred pursuant to the applicable replacement Lease or Leases (or pursuant to any other agreement between Borrower and the applicable replacement Tenant) to a time after the original commencement date of such replacement Lease or Leases (collectively, "***Outstanding Re-tenanting TI/LCs***"), the following shall have occurred (as applicable):

(a) Outstanding Re-tenanting TI/LCs in an amount not exceeding, in the aggregate, $5,700,000, shall either, at Borrower's option, (1) have been secured by the taking of one or a combination of Re-tenanting Security Actions or (2) have been guaranteed by an Investment Grade guarantor pursuant to a guaranty substantially similar to the Guaranty; *provided, however*, that during any period of time when any portion of such Outstanding Re-tenanting TI/LCs remain outstanding and the applicable guarantor does not have an Investment Grade rating, such Outstanding Re-tenanting TI/LCs shall be secured by the taking of one or a combination of Re-tenanting Security Actions; and

(b) any portion of any Outstanding Re-tenanting TI/LCs exceeding, in the aggregate, $5,700,000 (if any), shall have been secured by the taking of one or a combination of Re-tenanting Security Actions; and

(iv) except as set forth in clause (iii) above, all obligations of Borrower as landlord under any such replacement Lease (including, without limitation, leasing commission obligations, but excluding tenant improvement obligations of the landlord required in connection with a future lease extension) have been duly performed, completed and paid for;

such evidence of all of the foregoing to include, without limitation, a fully-executed copy of each such Lease and an Acceptable Tenant Estoppel Certificate from each such Tenant.

"***Re-tenanting Expenses***" shall have the meaning set forth in Section 7.5.2 hereof.

"***Re-tenanting Pro Forma Gross Income from Operations***" shall mean, as of the last day of any calendar quarter, all Gross Income from Operations for the succeeding twelve (12) month period, computed in accordance with GAAP, but excluding (without duplication of items excluded in the definition of "Gross Income from Operations" above):

(i) Rents from Tenants that have not accepted or are not in possession or occupancy of the premises demised under their respective Leases;

(ii) Rents from Tenants that: (a) have not yet commenced paying then current monthly Rent (less any rent abatement) under their respective Leases, provided that Rents from such Tenants shall not be so excluded for the period commencing on the date that such Tenants are unconditionally obligated pursuant to their respective Leases to commence paying Rent and ending on the date that is twelve (12) months after the date of determination by Lender, unless such Tenants do not actually commence paying Rent on the date that they are obligated to do so pursuant to their respective Leases; or (b) are in a free rent period under their respective Leases (but, provided such Tenants are unconditionally obligated pursuant to their respective Leases to commence paying Rent upon the expiration of such free rent period, only to the extent of any such free rent period);

(iii) Rents subject to an actual claim of a right of offset or credit permitted pursuant to the applicable Lease or applicable law (but only to the extent of the amount of such claimed offset or credit);

(iv) Rents from Tenants that have delivered written notice to Borrower that they will be vacating the demised premises or terminating their respective Leases, but only to the extent that such vacating or termination is to occur within twelve (12) months after the date of determination by Lender;

(v) Rents from month-to-month Tenants;

(vi) Rents from Tenants under Leases that are expiring within twelve (12) months after the date of determination by Lender;

(vii) Rents from Tenants that are in monetary default (other than in a *de minimis* amount) under their respective Leases, Tenants that are included in any Bankruptcy Action or Tenants whose lease guarantors (if any) are included in any Bankruptcy Action;

(viii) Rents from Tenants under Leases that, if entered into after the date of this Agreement, are not pursuant to written Leases satisfying the requirements of this Agreement;

(ix) payments or income received by Borrower in connection with any other extraordinary event;

(x) sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority;

(xi) refunds and uncollectible accounts;

(xii) sales of furniture, fixtures and equipment;

(xiii) Insurance Proceeds (other than business or rental interruption or other loss of income insurance applicable to the period under consideration);

(xiv) Condemnation Proceeds;

(xv) security deposits, utility and other similar deposits;

(xvi) Lease Related Payments;

(xvii) any disbursements to Borrower from any of the Reserve Funds; and

(xviii) interest on credit accounts.

"***Re-tenanting Pro Forma Net Operating Income***" shall mean, as of any date, the amount obtained by subtracting (i) the greater of (a) Operating Expenses for the twelve (12) month period ending with the most recently completed calendar month or (b) the twelve (12) months of Operating Expenses budgeted in the Approved Annual Budget most recently approved by Lender in accordance with the terms of this Agreement (whether for the year in which the date of determination occurs or for the immediately preceding or immediately succeeding calendar year, depending upon which is the Approved Annual Budget most recently approved by Lender in accordance with the terms of this Agreement), from (ii) Re-Tenanting Pro Forma Gross Income from Operations for the succeeding twelve (12) month period from such date.

"***Re-tenanting Security Action***" shall mean that Borrower shall (i) make a cash deposit with Lender in the amount of the then applicable Outstanding Re-tenanting TI/LCs, which deposit shall constitute Reserve Funds for all purposes under this Agreement, shall be deposited in a Reserve Account established for such purpose and shall otherwise be treated on substantially the same terms as set forth herein with respect to the treatment of any funds deposited with Lender in connection with a Guarantor Downgrade Cure Action; *provided, however*, that to the extent the aggregate amount of such Outstanding Re-tenanting TI/LCs is reduced after the date such deposit is made with Lender, as evidenced by a Replacement Tenant Estoppel, any proportional excess held in such Reserve Account shall, provided that no Event of Default then exists, be released to Borrower, or (ii) deliver to Lender a Letter of Credit in the amount of the applicable Outstanding Re-tenanting TI/LCs, which Letter of Credit shall be treated on substantially the same terms as set forth herein with respect to the treatment of any Riot Games Recourse LOC delivered to Lender pursuant to Section 5.1.30 hereof; *provided, however*, that to the extent the aggregate amount of such Outstanding Re-tenanting TI/LCs is reduced after the date such Letter of Credit is delivered to Lender, as evidenced by a Replacement Tenant Estoppel, then, provided that no Event of Default then exists, Borrower shall have the right to deliver to Lender a Letter of Credit in such reduced amount and receive back from Lender the Letter of Credit that Lender was holding in the higher amount. Borrower and Lender agree that with respect to any Outstanding Re-tenanting TI/LCs, Borrower shall always have the right to provide security by doing a combination of the foregoing clauses (i) and (ii), so long as the aggregate amount thereof is equal to the amount of the applicable Outstanding Re-tenanting TI/LCs.

"***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.

"***Riot Games***" shall mean Riot Games, Inc., a Delaware corporation.

"***Riot Games Estoppel***" shall mean an estoppel certificate signed by Riot Games, in the form attached to the Riot Games Lease or in another commercially reasonable form, provided that in any case it includes the information required to be included therein pursuant to the applicable provision of this Agreement.

"***Riot Games Lease***" shall mean that certain Lease dated November 4, 2013 by and between Riot Games and Borrower, as amended by a First Amendment to Lease dated as of January 12, 2015, and as the same may hereafter be amended, restated and/or modified from time to time in accordance with the terms of this Agreement.

"***Riot Games Recourse Amounts***" shall have the meaning set forth in Section 3.1(d) hereof.

"***Riot Games Recourse LOC***" shall have the meaning set forth in Section 5.1.30(a) hereof.

"***Riot Games Recourse Reserve Account***" shall have the meaning set forth in Section 7.6.1 hereof.

"***Riot Games Recourse Reserve Funds***" shall have the meaning set forth in Section 7.6.1 hereof.

"***Riot Games Recourse Satisfaction***" shall have the meaning set forth in Section 5.1.30(c) hereof.

"***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:

(a) 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;

(b) 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;

(c) has not had, does not have, and will not have, any assets other than those related to the Property;

(d) 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;

(e) 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 all 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 withdrawal or dissolution of the last remaining member of the company;

(f) 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) from its assets 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;

(g) 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);

(h) 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;

(i) has maintained and will maintain its own records, books, resolutions and agreements;

(j) (i) has not commingled, and will not commingle, its funds or assets with those of any other Person prior to distributing the same following Borrower's receipt thereof as and to the extent permitted

hereunder and (ii) has not participated and will not participate in any cash management system with any other Person (other than now terminated cash management systems in connection with prior financings secured by the Property that have been fully repaid and pursuant to which no funds or assets of Borrower commingled with the funds or assets of any other Person);

(k) has held and will hold its assets in its own name;

(l) 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, except for business conducted on behalf of itself by another Person under a business management services agreement that is on commercially reasonable terms, so long as the manager, or equivalent thereof, under such business management services agreement holds itself out as an agent of Borrower (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(m) 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;

(n) 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;

(o) has observed and will observe all partnership, corporate or limited liability company formalities, as applicable;

(p) 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 the following (collectively, the "***Permitted Indebtedness***"): (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) Taxes imposed by any Governmental Authority which are not yet due or delinquent, (iv) tenant allowances and capital expenditure costs otherwise permitted under the Loan Documents that are paid when due, (v) 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 (vi) such other liabilities that are permitted pursuant to this Agreement; provided that the amount of aggregate Indebtedness permitted pursuant to sub-clauses (ii) and (v) of this clause (p) (which, with respect to sub-clause (v) of this clause (p) 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.

(q) 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;

(r) has not acquired and will not acquire obligations or securities of its partners, members or shareholders or any other Affiliate;

(s) 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;

(t) has maintained and used, now maintains and uses, and will maintain and use, separate stationery, invoices and checks bearing its name, which stationery, invoices, and checks utilized by the Special Purpose Entity or utilized to collect its funds or pay its expenses have borne and shall bear its own name, and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being the Special Purpose Entity's agent (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(u) except pursuant to the Loan Documents, has not pledged and will not pledge its assets for the benefit of any other Person;

(v) 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, except for services rendered under a business management services agreement with an Affiliate that complies with the terms contained in clause (z) below of this definition, so long as the manager, or equivalent thereof, under such business management services agreement holds itself out as an agent of Borrower (provided that merely identifying itself as a subsidiary of another entity will not, in and of itself, breach the foregoing provision);

(w) 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;

(x) 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);

(y) 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);

(z) 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 (i) 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, and (ii) in connection with this Agreement;

(aa) other than capital contributions and distributions permitted under the terms of its organizational documents, has not entered into or been a party to, and shall not enter into or be a party to, any transaction with any of its partners, members, shareholders or Affiliates except in the ordinary course

of its business and on terms which are commercially reasonable terms comparable to those of an arm's length transaction with an unrelated third party;

(bb) 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;

(cc) if such entity is a corporation, it shall consider the interests of its creditors in connection with all corporate actions;

(dd) does not and will not have any of its obligations guaranteed by any Affiliate except as provided in the Loan Documents;

(ee) 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;

(ff) 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;

(gg) 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;

(hh) has paid and shall pay any taxes to be paid under applicable law; and

(ii) 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.

"***Subaccounts***" shall have the meaning set forth in Section 2.7.2 hereof.

"***Subordinate Debt***" shall mean the amount of the debt or preferred equity due in connection with the Subordinate Financing.

"***Subordinate Financing***" shall have the meaning set forth in Section 5.2.11 hereof.

"***Subordinate Financing Approved Provider***" shall mean any of the Persons listed on **Schedule IV** or any other Person satisfactory to Lender in its reasonable discretion.

"***Substantial Portion***" shall mean an amount equal to at least ninety percent (90%) of the net rentable square footage leased to Riot Games pursuant to the Riot Games Lease or leased to any Successor Tenant pursuant to its Lease.

"***Successor Tenant***" shall mean any Tenant who leases at least 85,211 square feet of the Net Rentable Square Footage (which represents an amount equal to thirty percent (30%) of the Net Rentable Square Footage) pursuant to one or more Leases to such Tenant and/or any Affiliate of such Tenant.

"***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 Account***" shall have the meaning set forth in Section 7.2.1 hereof.

"***Tax and Insurance Escrow Funds***" 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.

"***Tenant***" shall mean the lessee of all or any portion of the Property under a Lease.

"***Tenant Bankruptcy Event***" shall have the meaning set forth in the definition of "Tenant Major Event" set forth below.

"***Tenant Letter of Credit***" shall mean a letter of credit from a Tenant for the benefit of Borrower as security for such Tenant's obligations under its Lease (even if such letter of credit is expressly stated in the applicable Lease to not be a "security deposit" within the meaning of, or subject to, California Civil Code Section 1950.7), including, without limitation, that certain Irrevocable Standby Letter of Credit number 3129471, dated November 14, 2013, in an amount not to exceed $12,000,000.00, issued by Bank of America, N.A. on behalf of Riot Games Inc. for the benefit of Hudson Element LA, LLC.

"***Tenant Major Event***" shall mean the occurrence of any of the following:

(a) the commencement or occurrence (as applicable) of any Bankruptcy Action of Riot Games or any Successor Tenant (a "***Tenant Bankruptcy Event***"); or

(b) the delivery by Riot Games or any Successor Tenant to Borrower or Manager (or any Affiliate of either of them) of a notice of termination pursuant to the Riot Games Lease or the applicable Lease with such Successor Tenant (a "***Tenant Termination Notice Event***"); or

(c) Riot Games or any Successor Tenant vacating all or a Substantial Portion of its respective leased premises at the Property (a "***Tenant Vacation Event***").

"***Tenant Major Event Cure***" shall mean:

(a) in the case of a Tenant Bankruptcy Event, (i) Riot Games or the applicable Successor Tenant, as applicable, no longer being the subject of any Bankruptcy Action, (ii) Riot Games or the applicable Successor Tenant, as applicable, having affirmed its Lease pursuant to a final non-appealable order of a court of competent jurisdiction, and (iii) the passage of twelve (12) calendar months since the occurrence of the later of subclause (i) or subclause (ii) above

without Riot Games or the applicable Successor Tenant, as applicable, being the subject of any other Bankruptcy Action; or

(b) in the case of a Tenant Termination Notice Event, either (i) Riot Games or the applicable Successor Tenant, as applicable, revoking or rescinding its termination notice, or (ii) the occurrence of a Re-tenanting Event; or

(c) in the case of a Tenant Vacation Event, the occurrence of a Re-tenanting Event; and

in each of the foregoing cases, so long as no other Cash Management Event (including any other Tenant Major Event) has occurred and is continuing.

"***Tenant Termination Notice Event***" shall have the meaning set forth in the definition of "Tenant Major Event" set forth above.

"***Tenant Vacation Event***" shall have the meaning set forth in the definition of "Tenant Major Event" set forth above.

"***Third Party Manager***" shall mean a Person which is a 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, and which is not an Affiliate of Borrower.

"***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.

"***Underwritten Stabilized Expense Amount***" shall mean the amount of $28,455.00 per month.

"***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.

"***Yield Maintenance Premium***" shall mean an amount equal to the greater of (a) one percent (1%) of the Outstanding Principal Balance 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 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 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, subsections, clauses, sub-clauses and schedules are to sections, subsections, clauses, sub-clauses 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 Sections 2.2.3 and 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 the Closing Date, Borrower shall make a payment of interest only for the period commencing on and including the Closing Date through and including November 5, 2015. On December 6, 2015 (the "***First Payment Date***") and on each subsequent Payment Date up to and including the Maturity Date, Borrower shall make a payment to Lender monthly in arrears of interest accruing on the Outstanding Principal Balance during the immediately preceding Interest Period (each such payment, a "***Monthly Debt Service Payment***"), which payments shall be applied to accrued and unpaid interest.

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) four percent (4%) 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 3:00 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 Cash Management 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 three (3) 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) if prior to the Open Prepayment Date, the Yield Maintenance Premium, 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 out-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.

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 Intentionally Omitted.

Section 2.6 Release of Property. Except as set forth in this Section 2.6, 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.

2.6.1 Intentionally Omitted.

2.6.2 Release on Payment in Full. 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.

Section 2.7 Cash Management.

2.7.1 Clearing Account.

(a) 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 "Hudson Element LA, LLC, as pledgor, for the benefit of Cantor Commercial Real Estate Lending, L.P. and Goldman Sachs Mortgage Company, collectively, 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: 4609101241.

(b) 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.

(c) 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: 4945713832 ("***Borrower's Operating Account***").

(d) During any Cash Management Period, Borrower shall cause the Clearing Bank to transfer to the Cash Management 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.

(e) 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.

(f) Funds deposited into the Clearing Account shall not be commingled with other monies held by Borrower, Manager or Clearing Bank.

(g) 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.

(h) 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 Cash Management Account.

(a) Lender shall establish and maintain a segregated Eligible Account (the "***Cash Management Account***") to be held by Deposit Bank in trust for the benefit of Lender, which Cash

Management Account shall be under the sole dominion and control of Lender. The Cash Management Account shall be entitled "Hudson Element LA, LLC, as pledgor, for the benefit of Cantor Commercial Real Estate Lending, L.P. and Goldman Sachs Mortgage Company, collectively, as Secured Party – Cash Management Account," or such other name as required by Lender from time to time. Lender will also establish subaccounts of the Cash Management 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 Cash Management 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 Cash Management 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 Cash Management Account and will notify Lender of the account number thereof. Lender and Servicer shall have the sole right to make withdrawals from the Cash Management Account and the Subaccounts and all costs and expenses for establishing and maintaining the Cash Management Account and the Subaccounts shall be paid by Borrower. All monies now or hereafter deposited into the Cash Management Account and the Subaccounts shall be deemed additional security for the Debt. As of the date hereof, pursuant to the terms of the Cash Management Agreement, the Cash Management Account has been reserved the following number at Deposit Bank: 102-899-2253.

(b) Provided no Event of Default shall have occurred and be continuing, on each Payment Date during a Cash Management Period (or, if such Payment Date is not a Business Day, on the immediately preceding Business Day), all funds on deposit in the Cash Management 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:

(i) First, payment to Lender (for deposit in the Tax and Insurance Escrow Account) 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;

(ii) Second, payment to Deposit Bank of the fees and expenses of Deposit Bank then due and payable pursuant to the Cash Management Agreement;

(iii) Third, payment to Lender of the Monthly Debt Service Payment, applied to the payment of interest computed at the Interest Rate;

(iv) Fourth, payment to Lender (for deposit in the Replacement Reserve Account) in respect of the Replacement Reserve Monthly Deposit in accordance with the terms and conditions of Section 7.3.1 hereof;

(v) Fifth, payment to Lender of any other amounts then due and payable under the Loan Documents (other than the Outstanding Principal Balance);

(vi) 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 (all amounts then remaining after payment of items (i) through (v) above and this item (vi), being hereinafter referred to as "***Available Cash***");

(vii) Seventh, if a Guarantor Downgrade Sweep Event has occurred and is continuing, (A) payment to Lender, for deposit in the Riot Games Recourse Reserve Account and to

constitute Riot Games Recourse Reserve Funds, of all Available Cash until such time as the balance of Riot Games Recourse Reserve Funds on deposit in the Riot Games Recourse Reserve Account equals the amount of the outstanding Riot Games Recourse Amounts (all amounts then remaining after payment of items (i) through (vi) above and, if applicable, this item (vii)(A), being hereinafter referred to as "***Remaining Available Cash***"), and (B) if no other Cash Management Event has occurred and is then continuing, any Remaining Available Cash to Borrower;

(viii) Eighth, payment to Lender, for deposit in the Leasing Reserve Account and to constitute Leasing Reserve Funds, of all Remaining Available Cash; *provided, however*, that if the Cash Management Period then continuing is solely as a result of the continuance of a Tenant Major Event and no other Cash Management Event is then continuing, such payment of Remaining Available Cash to Lender for deposit in the Leasing Reserve Account shall be limited to an amount equal to the positive difference between (A) the applicable Leasing Reserve Account Cap and (B) the amount of Leasing Reserve Funds then on deposit in the Leasing Reserve Account prior to making any such payment of Remaining Available Cash on such Payment Date (the "***Leasing Reserve Limited Payment***"; and the positive difference between the Remaining Available Cash and the Leasing Reserve Limited Payment", being hereinafter referred to as the "***Leasing Reserve Surplus***"); and

(ix) Ninth, if the Cash Management Period then continuing is solely as a result of the continuance of a Tenant Major Event and no other Cash Management Event is then continuing, any Leasing Reserve Surplus to Borrower.

(c) The insufficiency of funds on deposit in the Cash Management 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 Cash Management 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 (v) to be paid to Lender in accordance with the terms and provisions of the Loan Documents; and during any Cash Management Period, Borrower shall remit to the Cash Management Account the amount of any shortfall if the amounts contained therein are insufficient to make all such payments.

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 and amounts required to be deposited into the Reserve Funds shall be deemed satisfied to the extent sufficient amounts are deposited in the Cash Management 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. (a) 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.

(b) 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 below the aggregate amount of all then outstanding Obligations 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 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 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 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 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 this Agreement or the Security Instrument, including, without limitation, the breach of any of the Backward-

Looking Special Purpose Entity Representations and Warranties contained in Section 4.1.30; *provided, however*, that notwithstanding the foregoing, there shall be no liability to Borrower resulting from Borrower's failure to comply with clause (hh) 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 (hh);

(xiv) Borrower's indemnifications of Lender set forth in Section 9.2 of this Agreement; or

(xv) Borrower failing to obtain Lender's prior written consent to any unsecured Indebtedness as required by this Agreement or the Security Instrument.

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 (x) 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 (y) Lender acquires title to the Property through completion of a foreclosure action and Borrower has surrendered possession of the Property to Lender.

(c) 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 secured 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) both (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, including, without limitation, the breach of any of the Backward-Looking Single Purpose Entity Representations and Warranties contained in Section 4.1.30, and (ii) the substantive consolidation of Borrower or the Property into the bankruptcy estate of another Person; or (I) the first Monthly Debt Service Payment is not paid when due.

(d) Notwithstanding anything to the contrary in this Agreement, the Note or any of the Loan Documents, Borrower shall be personally liable for the payment of the Mid-Term Allowance

as and when due pursuant to the terms of the Riot Games Lease, together with any actual costs of collection incurred or suffered by Lender with respect thereto (including reasonable attorneys' fees and expenses and court costs) (collectively, the "***Riot Games Recourse Amounts***").

## 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:

4.1.1 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 II**. 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 partnership power, authority and legal right to execute, deliver and perform its obligations under the Guaranty.

4.1.2 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).

4.1.3 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.

4.1.4 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.

4.1.5 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 (p) of the definition of "Special Purpose Entity" set forth in Section 1.1 hereof, and (b) the obligations under the Loan Documents.

4.1.6 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.

4.1.7 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.

4.1.8 Intentionally Omitted.

4.1.9 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 a "plan" as defined in and subject to Section 4975 of the Code, and none of the assets of Borrower constitutes "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) to Borrower's knowledge, 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 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 Lender in writing. Except as forth on **Schedule VIII** attached hereto, none of Borrower, Guarantor or any of their respective ERISA Affiliates is at the date hereof, or has been at any time within the two (2) 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. The "benefit obligation" of all Pension Plans does not exceed the "fair market value of plan assets" for such plans by more than $15,000,000 all as determined by and with such terms defined in accordance with FASB ASC 715. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of each of Borrower, Guarantor and their respective ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, could not reasonably be expected to have any material adverse effect upon (i) the ability of Borrower or Guarantor to perform their respective obligations under any of the Loan Documents, (ii) the enforceability or validity of any of the Loan Documents, the perfection or priority of any Lien created under any of the Loan Documents or the rights, interests or remedies of Lender under any of the Loan Documents, or (iii) the value, use, operation of, or cash flow from, the Property.

4.1.10 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.

4.1.11 Financial Information. All financial data with respect to Guarantor and to the knowledge of Borrower, the Property, including, without limitation, the statements of cash flow and income and operating expense, that have been delivered to Lender by Borrower or on Borrower's behalf by an authorized party thereof 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.

4.1.12 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.

4.1.13 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.

4.1.14 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.

4.1.15 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

4.1.16 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.

4.1.17 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.

4.1.18 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.

4.1.19 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.

4.1.20 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.

4.1.21 Use of Property. The Property is used exclusively as an office building complex and other appurtenant and related uses, including any use allowable under the Riot Games Lease.

4.1.22 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 complex (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 an office building complex. The use being made of the Property is in conformity with the certificate of occupancy issued for the Property.

4.1.23 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.

4.1.24 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.

4.1.25 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.

4.1.26 Leases. The Property is not subject to any Leases other than the Riot Games Lease described on the rent roll attached as **Schedule I**. Borrower is the owner and lessor of landlord's interest in the Riot Games Lease. No Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Riot Games Lease. The Riot Games Lease is in full force and effect and there are no defaults thereunder by Borrower, or to Borrower's knowledge, Riot Games 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 copy of the Riot Games Lease 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 the Riot Games Lease has been performed as required in such Lease and has been accepted by Riot Games, and, except as forth on **Schedule VI** attached hereto, any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by the landlord under the Riot Games Lease has already been received by Riot Games. There has been no prior sale, transfer or assignment, hypothecation or pledge of the Riot Games Lease or of the Rents received therein which is still in effect. Except as listed on **Schedule I**, to Borrower's knowledge, Riot Games has not assigned its Lease or sublet all or any portion of the premises demised thereby and nobody except Riot Games 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, Riot Games does not have any right or option pursuant to the Riot Games Lease or otherwise to purchase all or any part of the Property of which the leased premises are a part. Riot Games does not have any right or option for additional space in the Improvements.

4.1.27 Intentionally Omitted.

4.1.28 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 5145193.

4.1.29 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.

4.1.30 Special Purpose Entity/Separateness.

(a) Since 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. 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.

(e) In addition to the foregoing, Borrower represents, warrants and agrees that (being hereinafter referred to as the "*Backward-Looking Special Purpose Entity Representations and Warranties*"):

(i) Borrower has always been (A) duly formed, validly existing and in good standing under the laws of the state of Delaware, with requisite power and authority, and all rights, licenses, permits and authorizations, governmental or otherwise, necessary to own the Property and to transact the business in which it has been engaged, and (B) 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, business and operations.

(ii) Borrower has no judgments or liens of any nature against it except for tax liens not yet delinquent and Permitted Encumbrances.

(iii) Borrower has always been, is, and will be in material compliance with all laws, regulations, and orders applicable to it, and has, and has always had, all permits necessary for it to operate.

(iv) Borrower is not aware of any pending or threatened litigation, nor has ever been a party to any material lawsuit, arbitration, summons, or other material legal proceeding except as disclosed in writing to Lender.

(v) Borrower has never been, except as disclosed in writing to Lender, nor is involved in, any dispute with any taxing authority, and Borrower has paid all taxes due to any taxing authority before the delinquency thereof.

(vi) Borrower has provided Lender with complete financial statements that fairly and accurately reflect its current financial conditions in all material respects as of the date of such statements.

(vii) Borrower has never owned any real property other than the Property and has never engaged in any business except the ownership and operation of the Property.

(viii) Borrower has no material contingent or actual obligations unrelated to the Property.

(ix) Since its formation, Borrower has materially met all of the requirements set forth herein to qualify as a Special Purpose Entity.

4.1.31 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.

4.1.32 Illegal Activity. No portion of the Property has been or will be purchased with proceeds of any illegal activity.

4.1.33 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.

4.1.34 Investment Company Act.

(a) Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) 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 (iii) subject to any other Federal or state law or regulation which purports to restrict or regulate its ability to borrow money; and

(b) Borrower and Guarantor each qualify for the exemption set forth in Section 3(c)(5) or Section 3(c)(6), as applicable, of the Investment Company Act of 1940, as amended, and as a result is not an "investment company", or a company "controlled" by an "investment company", registered or required to be registered thereunder.

4.1.35 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 Guarantor 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.

4.1.36 Cash Management 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 Cash Management 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 Cash Management Account;

(b) Each of the Clearing Account and Cash Management 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 Cash Management 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.

4.1.37 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.

4.1.38 Ownership of Assets. All assets and liabilities which appear on the public filings of Hudson Pacific Properties, Inc. prior to the date hereof were, as of the dates reflected thereon, assets and liabilities of Guarantor.

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:

5.1.1 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.

5.1.2 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.

5.1.3 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.

5.1.4 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.

5.1.5 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.

5.1.6 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.

5.1.7 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.

5.1.8 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.

5.1.9 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.

5.1.10 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.

5.1.11 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, a complete copy of Borrower's and Guarantor's annual financial statements certified as true and correct by the party providing such statements and, with respect to Guarantor, audited by a "Big Four" accounting firm or other independent certified public accountant acceptable to Lender 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 and occupancy statistics for the Property. 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. Notwithstanding the foregoing, if at any time, Hudson Pacific Properties, Inc. shall cease to be publicly traded on the New York Stock Exchange or another nationally recognized stock exchange, then from such date, (A) the annual financial statements required to be delivered pursuant to this Section 5.1.11(b), shall be required to be audited by a "Big Four" accounting firm or other independent certified public accountant acceptable to Lender in accordance with GAAP (or such other accounting basis acceptable to Lender) and the requirements of Regulation AB covering the Property, and (B) the annual financial statements of Guarantor shall be accompanied by an unqualified opinion of a "Big Four" accounting firm or other independent certified public accountant reasonably acceptable to Lender and such unqualified opinion shall include the operations of Borrower within the consolidated results of operations of Guarantor.

(c) Borrower will furnish, or cause to be furnished, to Lender (x) prior to a Securitization, within twenty (20) days after the end of each calendar month, on a monthly basis, and (y) at all times, on or before forty-five (45) 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, Operating Expenses and occupancy statistics for the Property, 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) calculations reflecting the annual Debt Service Coverage Ratio (and the annual Aggregate Debt Service Coverage Ratio, if applicable) and the annual Debt Yield (and the annual Aggregate Debt Yield, if applicable) 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. 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; *provided, however*, that Lender acknowledges that Riot Games has no obligation under the Riot Games Lease to provide any such financial data to Borrower or Lender. 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 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, *provided*, *however*, that no such reporting shall be required with respect to Riot Games and the Riot Games Lease.

(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 (i) is required to be provided under the applicable Lease and same is received by Borrower after request therefore or (ii) is provided to Borrower by the applicable Tenant even if such Tenant is not required to provide the same pursuant to its Lease).

(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 CANTOR COMMERCIAL REAL ESTATE LENDING, L.P. AND GOLDMAN SACHS MORTGAGE COMPANY WITH RESPECT TO 1861, 1901, 1901 1/2, 1925 AND 1933 SOUTH BUNDY DRIVE AND 12333 OLYMPIC BOULEVARD, LOS ANGELES, CA 90064. 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.

5.1.12 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.

5.1.13 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.

5.1.14 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.

5.1.15 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 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 unless an Event of Default has occurred and is continuing, 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.

5.1.16 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.

5.1.17 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.

5.1.18 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.

5.1.19 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.

5.1.20 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 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 5.1.20 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 CANTOR COMMERCIAL REAL ESTATE LENDING, L.P. AND GOLDMAN SACHS MORTGAGE COMPANY WITH RESPECT TO 1861, 1901, 1901 1/2, 1925 AND 1933 SOUTH BUNDY DRIVE AND 12333 OLYMPIC BOULEVARD, LOS ANGELES, CA 90064. 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;

(c) if Lender fails to respond or to deny such request for approval in writing within the eight (8) Business Day period described in clause (b) above, 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 CANTOR COMMERCIAL REAL ESTATE LENDING, L.P. AND GOLDMAN SACHS MORTGAGE COMPANY WITH RESPECT TO 1861, 1901, 1901 1/2, 1925 AND 1933 SOUTH BUNDY DRIVE AND 12333 OLYMPIC BOULEVARD, LOS ANGELES, CA 90064. 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 clause (c) above.

5.1.21 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 the Riot Games Lease or any other 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.

5.1.22 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.

(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 or Borrower of fraud, gross negligence, willful misconduct or misappropriation of funds, or (iv) fifty percent (50%) or more of the direct or indirect ownership interest in Manager has changed or Control of Manager has changed, then in each case Borrower shall, at the request of Lender, terminate the Management Agreement and replace the Manager with a manager reasonably approved by Lender or a Qualified Manager, in each case on terms and conditions reasonably satisfactory to Lender or otherwise substantially similar to those set forth in the Management Agreement approved by Lender on the Closing Date, 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 percent (3.0%) 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.

5.1.23 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.

5.1.24 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).

5.1.25 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.

5.1.26 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.

5.1.27 Ownership of Assets. Borrower shall promptly notify Lender if, at any time, any assets or liabilities which appear on the public filings of Hudson Pacific Properties, Inc. are not assets and liabilities of Guarantor, and such notice shall describe with specificity the assets and/or liabilities of Hudson Pacific Properties, Inc. that are not assets and/or liabilities of Guarantor, but solely to the extent such information has not otherwise been provided to Lender pursuant to this Agreement and Lender has not otherwise separately requested clarification on the matters described in this Section 5.1.27.

5.1.28 Compliance with O&M Program. Borrower hereby covenants and agrees that, until the Debt is repaid in full, Borrower shall implement and comply in all material respects with the terms and conditions of that certain Asbestos-Containing Materials Operations and Maintenance Plan, dated September 30, 2015, prepared by Property Solutions Incorporated, a true and complete copy of which is attached hereto as **Schedule V** (the ***"O&M Program***"). From and after the Closing 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 regarding performance under the O&M Program, (ii) one or more amendments to the O&M 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 O&M Program in response to the reports provided by any such consultants.

5.1.29 Cash Management 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.

(b) The Clearing Account and Cash Management 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.

5.1.30 Guarantor Downgrade.

(a) In the event that as of or following April 1, 2023, a Guarantor Downgrade has occurred or shall occur at any time during which any of the Riot Games Recourse Amounts remain outstanding (whether or not then due pursuant to the terms of the Riot Games Lease), (i) Borrower shall promptly notify Lender of the occurrence of such Guarantor Downgrade, and (ii) within ten (10) Business

Days following such Guarantor Downgrade, Borrower shall either (A) make a cash deposit with Lender in the amount of such then outstanding Riot Games Recourse Amounts, which Lender shall deposit in the Riot Games Recourse Reserve Account, after which such deposit shall constitute Riot Games Reserve Account Funds and shall be governed by the provisions of Section 7.6 hereof, or (B) deliver to Lender a Letter of Credit in the amount of such then outstanding Riot Games Recourse Amounts (a "***Riot Games Recourse LOC***"), which Riot Games Recourse LOC shall be governed by the provisions of clause (b) below (either of clause(ii)(A) or clause (ii)(B) above, a "***Guarantor Downgrade Cure Action***").

(b) In the event that Borrower delivers a Riot Games Recourse LOC to Lender pursuant to clause (ii)(A) above, Lender shall hold such Riot Games Recourse LOC as security for the Riot Games Recourse Amounts in accordance with the following: (i) in the event that the entire Riot Games Recourse Amounts represented by such Riot Games Recourse LOC are (x) satisfied by Borrower in accordance with the Riot Games Lease and/or (y) waived by Riot Games in full, in each case as evidenced by a Riot Games Estoppel (all of the foregoing, a "***Riot Games Recourse Satisfaction***"), Lender shall promptly return the Riot Games Recourse LOC to Borrower, or (ii) in the event that any of the Riot Games Recourse Amounts shall become due and payable under the Riot Games Lease and Borrower shall fail to pay the same before the expiration of any grace period for the payment thereof pursuant to the Riot Games Lease, Lender shall have the right (but not the obligation) to draw on the Riot Games Recourse LOC in full and deposit the entire proceeds thereof in the Riot Games Recourse Reserve Account, after which such proceeds shall constitute Riot Games Recourse Reserve Funds and shall be governed by the provisions of Section 7.6 hereof. Without limiting the generality of the foregoing, in the event of any reduction in the amount of the outstanding Riot Games Recourse Amounts as a result of a partial Riot Games Recourse Satisfaction, Borrower shall have the right to replace the existing Riot Games Recourse LOC with a new or amended Riot Games Recourse LOC reflecting such reduced amount of the outstanding Riot Games Recourse Amounts. Additionally, if at any time (A) the institution issuing any Riot Games Recourse LOC shall cease to be an Approved Bank, (B) any such Riot Games Recourse LOC is due to expire, (C) with respect to an evergreen Riot Games Recourse LOC, Lender has received a notice from the issuing bank that such Riot Games Recourse LOC will not be renewed, (D) Lender receives notice from the issuing bank that any such Riot Games Recourse LOC will be terminated (except if the termination of such Riot Games Recourse LOC is permitted pursuant to the terms and conditions of this Agreement), or (E) an Event of Default has occurred and is continuing, then Lender shall have the right to draw on the Riot Games Recourse LOC in full and deposit the entire proceeds thereof in the Riot Games Recourse Reserve Account, after which such proceeds shall constitute Riot Games Recourse Reserve Funds and shall be governed by the provisions of Section 7.6 hereof, unless, in the cases of sub-clauses (A) – (D) above, Borrower shall deliver a replacement Riot Games Recourse LOC from an Approved Bank within (I) as to sub-clause (A) above, twenty (20) days after Lender delivers written notice to Borrower that the institution issuing the Riot Games Recourse LOC has ceased to be an Approved Bank, or (II) as to sub-clauses (B), (C) and (D) above, within ten (10) days prior to the expiration date of such Riot Games Recourse LOC.

(c) In the event that as of or following April 1, 2023, a Guarantor Downgrade has occurred or shall occur at any time during which any of the Riot Games Recourse Amounts remain outstanding (whether or not then due pursuant to the terms of the Riot Games Lease) and Borrower shall fail to perform a Guarantor Downgrade Cure Action within ten (10) Business Days following such Guarantor Downgrade, such failure shall not constitute a Default or an Event of Default but shall constitute a "***Guarantor Downgrade Sweep Event***" and shall be governed by the provisions of Sections 2.7.2(b) and 7.6 hereof. A Guarantor Downgrade Sweep Event can be cured by the occurrence of any of the following (each a "***Guarantor Downgrade Sweep Event Cure***"): (i) the performance by Borrower of a Guarantor Downgrade Cure Action, (ii) the balance of Riot Games Recourse Reserve Funds on deposit in the Riot Games Recourse

Reserve Account equaling the amount of the outstanding Riot Games Recourse Amounts, (iii) a full Riot Games Recourse Satisfaction having occurred, or (iv) a Guarantor Upgrade having occurred.

(d) As of any date of determination, the amount of the outstanding Riot Games Recourse Amounts shall equal the difference between (i) $ $1,420,185.00 (representing the amount of the Mid-Term Allowance) and (ii) any portion of the foregoing which has been satisfied by Borrower and/or waived by Riot Games, as evidenced by a Riot Games Estoppel.

5.1.31 Tenant Letters of Credit.

(a) Required Letter of Credit Actions. Unless Lender agrees otherwise in writing in its reasonable discretion, within ten (10) Business Days following Borrower's receipt of any Tenant Letter of Credit, Borrower shall, at Borrower's sole cost and expense, do the following (collectively, the "***Required LC Actions***") (*provided, however*, that with respect to any Tenant Letter of Credit, if Borrower is diligently pursuing the Required LC Actions but is delayed from completing the same as a result of the action or inaction of any third party who is not an Affiliate of Borrower, such period of time to complete the Required LC Actions in such instance shall be extended as reasonably necessary so long as Borrower continues to diligently pursue such completion of the Required LC Actions) :

(i) Provide Lender with the original of the applicable Tenant Letter of Credit and all amendments, restatements, endorsements and supplements thereto;

(ii) Cause the applicable Tenant Letter of Credit to be marked by the bank issuing such Tenant Letter of Credit (as applicable, the "***LC Issuer***") with a legend or stamp evidencing the assignment by Borrower to Lender pursuant hereto of the right to receive all proceeds of such Tenant Letter of Credit; and

(iii) Obtain the written acknowledgement and consent of the applicable LC Issuer, in such LC Issuer's standard form and otherwise in form and content reasonably satisfactory to Lender, evidencing such LC Issuer's consent to the pledge and assignment to Lender, pursuant to this Agreement, of the right to receive all proceeds of such Tenant Letter of Credit (such proceeds to be held by Lender in accordance with the terms of the applicable Lease and this Agreement).

(b) Amendments and Replacements of Tenant Letters of Credit. Borrower shall deliver to Lender, not later than three (3) Business Days after Borrower's receipt thereof, copies of any new Tenant Letter of Credit and/or amendments to any Tenant Letter of Credit as may be delivered to Borrower as subsequent replacements or modifications of any Tenant Letter of Credit, together with any reaffirmation(s) of all or any of the Required LC Actions as Lender deems reasonably necessary or desirable, and the fees, costs and expenses actually incurred by Lender in connection with such reaffirmation(s) of the Required LC Actions shall be paid by Borrower.

(c) Maintenance of Tenant Letters of Credit; Rating of LC Issuer. Except as may be otherwise required by the applicable Lease or approved by Lender, in its sole discretion, each Tenant Letter of Credit shall (i) be maintained in full force and effect in the full amount required under the applicable Lease unless replaced by a cash deposit or drawn in full or partial amounts in accordance with the terms of the applicable Lease, (ii) be issued by an LC Issuer meeting the rating requirements set forth in the applicable Lease, and (iii) in all material respects comply with any applicable Legal Requirements and the terms of the applicable Lease. Borrower shall, promptly after Lender's request, provide Lender with evidence reasonably satisfactory to Lender of Borrower's compliance with the foregoing requirements.

(d) Security Interest in Tenant Letters of Credit and Proceeds Thereof. Borrower hereby pledges, transfers and assigns to Lender, and grants to Lender, as additional security for the payment and performance of the Obligations, a continuing perfected first priority security interest in and to, and a first lien upon, each Tenant Letter of Credit, together with the Letter of Credit Rights (as such term is defined in the applicable UCC) with respect thereto and any and all other rights thereunder, including, without limitation, the right to any and all proceeds of the applicable Tenant Letter of Credit. Borrower shall reasonably cooperate with Lender, from time to time, so that Lender shall obtain and maintain such first priority perfected security interest in the applicable Tenant Letter of Credit, including, without limitation, the execution and delivery by Borrower of all security agreements, notices to the applicable LC Issuer and/or confirming banks and any other documents or instruments as Lender shall reasonably request to perfect, evidence the perfection of, and/or exercise its rights with respect thereto, all in form reasonably satisfactory to Lender. Lender shall execute and deliver any and all documents reasonably necessary to release Lender's interests in and rights to the applicable Tenant Letter of Credit (and shall return same to Borrower if then in Lender's possession) promptly upon the first to occur of (i) repayment of the Debt, or (ii) such earlier time as required under the terms of the applicable Lease.

(e) Notices of Default and Authorization to Draw Under Lease; Covenant to Make Authorized Draws; Delivery of Draw Proceeds to Lender. Borrower agrees to give Lender prompt written notice of any material default under any Lease or any guaranty or other document or instrument related thereto if such Lease or guaranty has a Tenant Letter of Credit in lieu of a security deposit, or the existence of any other circumstance or state of facts of which Borrower has knowledge giving rise to a right for the beneficiary under the applicable Tenant Letter of Credit to make any full or partial draw thereunder. Provided no Event of Default has occurred and is continuing, Borrower shall have the right to make any such draw under the applicable Tenant Letter of Credit, and Borrower further covenants and agrees that, unless Lender agrees otherwise in writing, Borrower shall, at Borrower's sole cost and expense, make each such full or partial draw under the applicable Tenant Letter of Credit that it is authorized to make pursuant to the applicable Lease in accordance with the applicable provisions of the applicable Lease and the applicable Tenant Letter of Credit, it being understood and agreed by Borrower that the proceeds of any such Tenant Letter of Credit draw shall be paid directly to Lender and shall be deposited by Lender in the Cash Management Account. Notwithstanding the foregoing, if the proceeds of any Tenant Letter of Credit paid over to Lender in accordance with the foregoing are for the payment of Rents under the applicable Lease for multiple months, then on each Payment Date thereafter, only an amount equal to the amount of Rents due for the month in which such Payment Date occurs shall be applied in accordance with Section 2.7.2(b) and the balance of such proceeds shall remain in the Cash Management Account as cash collateral. Upon the occurrence and during the continuance of an Event of Default, Lender shall be permitted to implement any or all of the Required LC Actions as Lender determines are necessary or desirable to confirm, maintain, perfect or otherwise implement Lender's rights and security interests in and to the applicable Tenant Letter of Credit and the proceeds thereof. Notwithstanding anything to the contrary contained herein, Borrower shall be obligated to pay any fees, costs and expenses actually incurred by Lender in connection with any such implementation by Lender of all or any of the Required LC Actions, and any failure to pay or reimburse Lender for the same on or before ten (10) Business Days after Borrower's receipt of written demand therefor shall constitute an Event of Default hereunder.

(f) Lender's Right to Seek Injunctive Relief. Borrower's covenants set forth in this Section 5.1.31 are material inducements to Lender having agreed to make the Loan to Borrower, and in the event that Borrower defaults, beyond applicable notice and/or grace periods, in its performance of any of its obligations under this Section 5.1.31, in addition to any and all other rights and remedies that Lender may have with respect to such default, Lender shall have the right to seek and obtain injunctive relief or a declaratory judgment in order to enforce Borrower's performance under this Section 5.1.31 permitted by

applicable law, and Borrower hereby waives any defense it may have to any such injunctive relief or declaratory judgment.

(g) No Other Assignments. Except in connection with the existing financing with U.S. Bank National Association that will be paid off with the proceeds of the Loan, Borrower hereby represents, warrants and covenants that (i) it has not granted any prior assignment of Riot Games' Tenant Letter of Credit or any interest therein or right thereunder, whether under Section 5-114 of the UCC or otherwise, (ii) Bank of America, N.A. (as the issuer of Riot Games' Letter of Credit) has not consented to any assignment under Section 5-114 of the UCC of Riot Games' Tenant Letter of Credit or any interest therein or right thereunder, and (iii) Borrower will not grant any such assignment in the future with respect to Riot Games' Tenant Letter of Credit or any other Tenant Letter of Credit, in each instance except to Lender.

5.1.32 Repair Obligations. Within sixty (60) days following the Closing Date, Borrower shall repair (i) the wood decking in the site area that has failed; and (ii) the damage caused by a water leak at the entrance in front of the garage.

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:

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.2.4 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.

5.2.5 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.

5.2.6 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.

5.2.7 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.

5.2.8 Principal Place of Business and Organization. Borrower shall not change its principal place of business or name 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, name or place of organization.

5.2.9 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) to Borrower's Knowledge, 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), as modified by Section 3(42) of ERISA;

(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) Assuming that the source of funds to be used by Lender to provide the Loan does not constitute "plan assets" within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, neither the Loan nor any action or transaction to be undertaken hereunder (including the exercise by Lender of any of its rights under the Note) will constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

5.2.10 Transfers.

(a) 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.

(b) 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.

(c) 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 managing agent (including, without limitation, an Affiliated Manager) other than in accordance with Section 5.1.22 hereof.

(d) 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 stock 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 any Restricted Party, and provided further that Hudson Pacific Properties, Inc. must continue to own, directly or indirectly, at least twenty percent (20%) 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 Guarantor, and, solely to the extent such Transfer would be permitted pursuant to the immediately succeeding clause (ii), direct holders of limited partnership interests in Guarantor), (ii) the sale or transfer or issuance, in one or a series of transactions, of the limited partnership interests or non-managing membership interests (as the case may be) in any 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, nor shall result in the change of Control (directly or indirectly) in any Restricted Party, and provided further that Hudson Pacific Properties, Inc. must continue to own, directly or indirectly, at least twenty percent (20%) of the ownership interests in Borrower, Guarantor and any Affiliated Manager, and with respect to direct or indirect Transfers under this clause (ii), Borrower shall endeavor in good faith to provide notice to Lender of such direct or indirect Transfer promptly upon Borrower becoming aware of such direct or indirect Transfer, if ever; *provided, however*, that Borrower's failure to provide such notice shall not cause the applicable sale, transfer or issuance to be an unpermitted Transfer hereunder, (iii) 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 (iv) 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) Hudson Pacific Properties, Inc. owing directly or indirectly, less than twenty percent (20%) 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), 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 5.2.10(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, (aa) 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 transfer 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 (bb) any transfers permitted pursuant to clauses (i) and (ii) of this Section 5.2.10(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 (x) endeavor in good faith to deliver to Lender an Officer's Certificate containing such updated representations effective as of the date of the consummation of the applicable transfer; *provided, however*, that Borrower's failure to provide such an Officer's Certificate shall not cause the applicable equity transfer to be an unpermitted Transfer hereunder, and (y) deliver to Lender searches, acceptable to Lender, for any Person owning, directly or indirectly, 20% or more of the interests in 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 5.2.10(d).

(e) 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.

(f) No consent to any assumption of the Loan shall occur on or before the earlier to occur of (i) a Securitization and (ii) the first (1st) anniversary of the Closing Date; *provided, however*, that between the first (1st) anniversary and the second (2nd) anniversary of the Closing Date, Borrower, in connection with any proposed 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 ("***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 of at least $100,000,000 and liquidity of at least $7,500,000;

(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 4.1.9, 4.1.30, 4.1.35, 5.2.9, 5.2.12, and 5.2.13 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, insuring the Security Instrument 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.

5.2.11 Subordinate Financing. No secondary financing or encumbrance, or secured or unsecured Indebtedness, other than Permitted Indebtedness and Permitted Encumbrances, shall be permitted with respect to Borrower or the Property without Lender's prior written consent, in its sole discretion. Notwithstanding the foregoing, Borrower shall have the right to incur a subordinate mezzanine financing or a preferred equity investment (as applicable, the "***Subordinate Financing***") after the earlier of (a) the sixth (6th) Payment Date following a Securitization and (b) the twenty-fourth (24th) Payment Date following the Closing, provided that all of the following conditions are satisfied with respect to such Subordinate Financing:

(i) the Aggregate Loan to Value Ratio shall not be greater than 57.1%;

(ii) the Aggregate Debt Service Coverage Ratio shall not be less than 1.90:1.00;

(iii) the Aggregate Debt Yield shall not be less than 9.00%;

(iv) the Subordinate Financing shall be provided by a Subordinate Financing Approved Provider;

(v) the structure of the Subordinate Financing, and all documents executed in connection with the Subordinate Financing (including any intercreditor agreement required by Lender) shall be in form and substance reasonably acceptable to Lender and subject to Lender's prior written approval, in Lender's reasonable discretion, and, subsequent to a Securitization, subject to the prior approval of any applicable Rating Agencies;

(vi) Lender shall have received a notice from Borrower requesting Lender's consent to the Subordinate Financing not less than thirty (30) days prior to the proposed date of closing of the Subordinate Financing;

(vii) no Default or Event of Default has occurred and is continuing;

(viii) the Subordinate Financing (i) shall be non-recourse, except for recourse carve-outs and environmental liabilities and obligations consistent with, and no more protective in favor of the indemnified party thereunder than, those set forth in the Guaranty or the Environmental Indemnity (as applicable); (ii) shall be secured only by a pledge of the direct or indirect ownership interests in Borrower or the most junior borrower under a New Mezzanine Loan, as applicable, and any accounts established under any separate mezzanine cash management arrangement, (iii) shall not be secured by the Property or any

interest therein, and (iv) shall not be cross-collateralized or cross-defaulted with any other properties or loans (other than the Loan);

(ix) Borrower shall have executed and/or delivered any amendments to the Loan Documents to reflect the existence of the Subordinate Financing and any other documents, instruments and/or agreements reasonably requested by Lender in each case in connection with the Subordinate Financing, including, but not limited to, amendments to the existing Cash Management Agreement and Clearing Account Agreement in order to modify the cash management structure in place to reflect a 'hard' lockbox and 'hard' cash management structure in connection with the Loan, each such amendment in form and substance acceptable to Lender, in its reasonable discretion;

(x) Borrower shall executed and/or delivered revised organizational documents for Borrower and/or any applicable direct or indirect owners of Borrower, which organizational documents shall be reasonably satisfactory to Lender and satisfactory to the applicable Rating Agencies in their sole discretion;

(xi) if required by any of the applicable Rating Agencies or Lender, Borrower shall have delivered (i) if the Loan Documents are amended pursuant to Section 5.2.11(ix), updated opinions of counsel as to due execution and enforceability concerning the Property, Borrower, Guarantor and their respective Affiliates and the Loan Documents, (ii) an Additional Insolvency Opinion, and (iii) any other customary opinions; and

(xii) Borrower shall have obtained a Rating Agency Confirmation from each applicable Rating Agency with respect to the Subordinate Financing.

5.2.12 Special Purpose Entity/Separateness.

(a) Borrower has been, is and shall continue to be a Special Purpose Entity.

(b) 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.

5.2.13 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 Patriot Act (and the regulations thereunder) requires Lender to obtain, verify and record information that identifies its customers. Borrower shall provide Lender with any additional information that Lender deems necessary from time to time in order to ensure compliance with the 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 Guarantor 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.

## ARTICLE VI

## INSURANCE; CASUALTY; CONDEMNATION

Section 6.1 Insurance.

(a) Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property providing at least the following coverages:

(i) 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 ($25,000.00) for all such insurance coverage, with the exception of (A) earthquake (if required), which shall have no deductible in excess of five percent (5%) of total insured value of the Property, and (B) loss of rents for the peril of flood, which shall have no deductible in excess of One Hundred Thousand and No/100 Dollars ($100,000.00). 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 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 the Property is located in an area with a high degree of seismic activity, and (z) windstorm insurance in amounts and in form and substance satisfactory to Lender in the event 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);

(ii) 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 that is not subject to an aggregate policy cap or sublimit, or subject to capped aggregate limits as approved by Lender); (B) to continue at not less than the aforesaid limit until required to be changed by Lender in writing by reason of changed economic conditions making such protection inadequate; and (C) 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 available;

(iii) 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; (C) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (D) 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 notwithstanding that the policy may expire prior to 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 of the Gross Income from Operations 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;

(iv) 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, or an equivalent combination of coverage provided by the contractor(s) and complementary coverage provided by Borrower; 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;

(v) at any time Borrower has any direct employees, worker's compensation insurance with respect to any employees of Borrower, as required by any Governmental Authority or Legal Requirement;

(vi) 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;

(vii) at any time Borrower has any direct employees or owns any motor vehicles, 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);

(viii) umbrella or excess liability insurance in an amount not less than Fifty Million and No/100 Dollars ($50,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) above;

(ix) if the Property is or becomes a legal "non-conforming" use or structure, ordinance or law coverage to compensate for the value of the undamaged portion of the Property, the cost of demolition and debris removal, and increased cost of construction in amounts as requested by Lender and consistent with similarly situated properties of this loan type;

(x) 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 so long as Lender determines that either (I) prudent owners of real estate comparable to the Property are maintaining same or (II) prudent institutional lenders (including, without limitation, investment banks) to such owners are requiring that such owners maintain such insurance; and

(xi) 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.

(b) 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 and, if rated by Moody's, having a claims paying ability rating of A3 or better by Moody's. 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 and, if rated by Moody's, having a claims paying ability rating of A3 or better by Moody's, with no carrier having a claims paying ability rating below "BBB" by S&P and, if rated by Moody's, below "Baa2" by Moody's, 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 and, if rated by Moody's, having a claims paying ability rating of A3 or better by Moody's, with no carrier having a claims paying ability rating below "BBB" by S&P and, if rated by Moody's, below "Baa2" by Moody's. All insurance companies shall be rated "A X" or better by A.M. Best. Notwithstanding the foregoing, Borrower may continue to use (i) Ironshore Specialty Insurance Company and (ii) Insurance Company of the West, in their respective positions and participation amounts within Borrower's insurance syndicate, provided that Ironshore Specialty Insurance Company maintains a rating of "Baa1" or better by Moody's and Insurance Company of the West maintains a rating of "A-X" or better by AM Best. In the event the rating of either such insurer is withdrawn or downgraded below its rating on the date hereof, Borrower shall promptly notify Lender and replace such insurer with an insurance company meeting the rating requirements set forth herein. At renewal of the current policy term on April 1, 2016, Borrower shall replace Insurance Company of the West with one or more insurance companies meeting the rating requirements set forth in this clause (b), other than this sentence. Prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance evidencing the renewal or successor Policies accompanied by evidence satisfactory to Lender of payment of the premiums due thereunder (the "***Insurance***

***Premiums***"), shall be delivered by Borrower to Lender. Borrower shall supply an original or certified copy of the original policy within ten (10) days of request by Lender, provided that the policy is available.

(c) Any blanket insurance Policy 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).

(d) 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 a standard non-contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All 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 on which Lender has the protection of a mortgage-holder clause shall not be canceled without at least thirty (30) days' notice to Lender; (iii) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder; and (iv) shall contain a waiver of subrogation in favor of Lender.

(f) 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 Five Hundred Thousand and No/100 Dollars ($500,000.00) 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 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 (or, if the Subordinate Financing is outstanding, the Aggregate 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 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:

(a) If the Net Proceeds shall be less than Five Hundred Thousand and No/100 Dollars ($500,000.00) and the costs of completing Restoration shall be less than Five Hundred Thousand and No/100 Dollars ($500,000.00), 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.

(b) If the Net Proceeds are equal to or greater than Five Hundred Thousand and No/100 Dollars ($500,000.00), but less than Six Million and No/100 Dollars ($6,000,000.00), or the costs of completing Restoration is equal to or greater than Five Hundred Thousand and No/100 Dollars ($500,000.00), but less than Six Million and No/100 Dollars ($6,000,000.00), 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***"), 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 Event of 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 Net Rentable Square Footage 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, (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 Debt Yield (or, if the Subordinate Financing is outstanding, the Aggregate Debt Yield), after giving effect to Restoration, shall be equal to or greater than 8.20%;

(K) the Loan to Value Ratio (or, if the Subordinate Financing is outstanding, the Aggregate Loan to Value Ratio) after giving effect to Restoration, shall be equal to or less than 57.1%;

(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 "***Net Proceeds Account***") 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, by Lender 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.

(c) If Net Proceeds are (i) equal to or greater than Six Million and No/100 Dollars ($6,000,000.00), (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.

(d) 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 Environmental Remediation Reserve.

7.1.1 Environmental Remediation Reserve Funds. On the date hereof, Borrower shall deposit with Lender the Environmental Remediation Amount (such amount so deposited with Lender shall hereinafter be referred to as the "***Environmental Remediation Reserve Funds***" and the account in which such amount is held shall hereinafter be referred to as Borrower's "***Environmental Remediation Reserve Account***"). Without limiting in any manner whatsoever (a) Borrower's obligations under Section 5.1.1 hereof, or (b) Borrower's and Guarantor's obligations and indemnities under the Environmental Indemnity, Borrower shall use commercially reasonable efforts to diligently pursue Environmental Remediation No Action Letters as more particularly described on **Schedule VII** attached hereto (such commercially reasonable and diligent pursuit of the Environmental Remediation No Action Letters as described on said **Schedule VII** being hereinafter referred to as the "***Environmental Remediation Work***"). Upon the occurrence and during the continuance of an Event of Default, Lender, at its option, may withdraw all Environmental Remediation Reserve Funds from the Environmental Remediation Reserve Account and Lender may apply such funds either to completion of the Environmental Remediation Work or toward reduction of the Debt in such order, proportion and priority as Lender may determine in its sole discretion. Lender's right to withdraw and apply Environmental Remediation Reserve Funds shall be in addition to all other rights and remedies provided to Lender under this Agreement and the other Loan Documents.

7.1.2 Release of Environmental Remediation Reserve Funds. (a) Provided no Event of Default has then occurred and is continuing, upon the completion of the Environmental Remediation Work, as evidenced by Environmental Remediation No Action Letters delivered to Lender, all Environmental Remediation Reserve Funds then on deposit in the Environmental Remediation Reserve Account shall be disbursed to Borrower. Except as set forth in the immediately preceding sentence, Lender shall have no obligation disburse all or any portion of the Environmental Remediation Reserve Funds for any purpose.

(b) Nothing in this Section 7.1.2 shall (i) make Lender responsible for performing or completing any Environmental Remediation Work; (ii) require Lender to expend any Environmental Remediation Reserve Funds or any other funds to complete any Environmental Remediation Work; (iii) obligate Lender to proceed with any Environmental Remediation Work; or (iv) obligate Lender to demand from Borrower any sums to complete any Environmental Remediation Work.

(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 during normal business hours (subject to the rights of Tenant under their Leases) and upon reasonable advance notice to inspect the progress of any Environmental Remediation Work and all materials being used in connection therewith and to examine all plans and shop drawings relating to such Environmental Remediation Work. Borrower shall cause all contractors and subcontractors to 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).

With respect to any such entry on and inspection of the Property by Lender or any agent or representative thereof, Lender shall indemnify and hold harmless Borrower and its Affiliates from and against any actual loss, cost or damage incurred by Borrower or its Affiliates to the extent arising directly from the gross negligence or willful misconduct of Lender or any agent or representative thereof.

7.1.3 No Limit on Other Obligations. Borrower expressly acknowledges and agrees that nothing in this Section 7.1 shall or shall be deemed to limit or vitiate in any manner whatsoever (a) Borrower's obligations under Section 5.1.1 hereof, or (b) Borrower's and Guarantor's obligations and indemnities under the Environmental Indemnity.

Section 7.2 Tax and Insurance Escrow.

7.2.1 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 Escrow Account***"). 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 (v), collectively, the "***Insurance Escrow Funds Waiver Conditions***"). If, at any time, Borrower fails to meet any one or more of the Insurance Escrow Funds Waiver Conditions (and Lender has not opted to waive such condition(s) 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) above 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.

7.2.2 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. Additionally, without limiting the generality of the foregoing, in the event that the Property shall be Transferred (directly or indirectly) on or before April 1, 2020 and Lender reasonably believes that such direct or indirect Transfer will trigger a reassessment of the Property pursuant to applicable law, Lender shall have the right to increase the monthly payments to Lender on account of Taxes, retroactive to the date of such Transfer, based on the product of the gross consideration paid for such Transfer multiplied by the applicable mill rate or other applicable tax rate. 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.

7.3.1 Replacement Reserve Funds. Borrower shall pay to Lender on each Payment Date on which the amount on deposit in the Replacement Reserve Account is less than the Replacement Reserve Cap, the Replacement Reserve Monthly Deposit (or the portion thereof necessary to cause the amount on deposit in the Replacement Reserve Account to equal the Replacement Reserve Cap), which is the amount reasonably estimated by Lender in its sole discretion to be due for replacements and repairs required to be made to the Property during the calendar year (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 Account***". Lender may reassess its estimate of the amount necessary for the Replacement Reserve Funds from time to time, and may increase the monthly amounts required to be deposited into the Replacement Reserve Account upon thirty (30) days' notice to Borrower if Lender determines in its reasonable discretion that an increase is necessary to properly maintain and operate the Property, provided that so long as no Event of Default has occurred and is continuing, Lender may not reassess such amount more often than once every calendar year. Notwithstanding the previous requirements of this Section 7.3.1, Lender shall waive Borrower's obligations to pay to Lender on each Payment Date the Replacement Reserve Monthly Deposit 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, and (ii) no Cash Management Period under clause (a)(iv) of the definition of "Cash Management Period" contained in Section 1.1 has occurred and is continuing (the conditions contained in the foregoing clauses (i) and (ii), collectively, the "***Replacement Reserve Funds Waiver Conditions***"). If, at any time, Borrower fails to meet any one or more of the Replacement Reserve Funds Waiver Conditions (and Lender has not opted to waive such condition(s) in its sole and absolute discretion), commencing with the next applicable Payment Date and continuing on each Payment Date until such time as all Replacement Reserve Funds Waiver Conditions have again been met, Borrower shall deposit the Replacement Reserve Monthly Deposit (or the portion thereof necessary to cause the amount on deposit in the Replacement Reserve Account to equal the Replacement Reserve Cap) in accordance with this Section 7.3.1.

7.3.2 Disbursements from Replacement Reserve Account. 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. Notwithstanding the foregoing, if following Borrower's failure to satisfy any of the Replacement Reserve Funds Waiver Conditions and Borrower's deposit of Replacement Reserve Funds in accordance with the provisions of Section 7.3.1, Borrower shall thereafter satisfy the Replacement Reserve Funds Waiver Conditions, then on the next Payment Date (so long as the Replacement Reserve Funds Waiver Conditions remain satisfied): (I) Lender shall disburse to Borrower all Replacement Reserve Funds then on deposit in the Replacement Reserve Account, and (II) Lender shall waive Borrower's obligation to make deposits of Replacement Reserve Funds in accordance with the provisions of Section 7.3.1 so long as the Replacement Reserve Funds Waiver Conditions continue to remain satisfied.

7.3.3 Balance in the Replacement Reserve Account. The insufficiency of any balance in the Replacement Reserve Account shall not relieve Borrower from its obligation to fulfill all preservation and maintenance covenants in the Loan Documents.

Section 7.4 Intentionally Omitted.

Section 7.5 Leasing Reserve Account.

7.5.1 Deposits of Leasing Reserve Funds. Commencing upon the occurrence, and continuing throughout the continuance, of any Cash Management Period, Borrower shall pay to Lender on each Payment Date, all Remaining Available Cash existing on such Payment Date; *provided, however*, that if, and for so long as, the applicable Cash Management Period is solely the result of a Tenant Major Event and no other Cash Management Event has occurred and is continuing, then Borrower shall only pay to Lender on any Payment Date during such Cash Management Period, the Remaining Available Cash up to the amount necessary for the balance in the Leasing Reserve Account to equal the applicable Leasing Reserve Account Cap, which amounts shall be deposited with and held by Lender for reimbursement of the costs associated with re-tenanting the Property. All such amounts so deposited shall hereinafter be referred to as the "***Leasing Reserve Funds***" and the account to which such amounts are held shall hereinafter be referred to as the "***Leasing Reserve Account***". It is expressly understood and agreed by Borrower that in the event that any Cash Management Period is continuing as a result of any Cash Management Event other than a Tenant Major Event, all Remaining Available Cash on each Payment Date during such Cash Management Period shall be deposited in and remain in the Leasing Reserve Account and constitute Leasing Reserve Funds, even if the balance in the Leasing Reserve Account exceeds the Leasing Reserve Account Cap.

7.5.2 Withdrawal of Leasing Reserve Funds. Lender shall make disbursements from the Leasing Reserve Funds for Approved Leasing Expenses incurred by Borrower in connection with the re-letting of the Property (the "*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 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 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 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 Re-tenanting Expenses to be funded have not been the subject of a previous disbursement, (F) stating that all previous disbursements of Leasing Reserve Funds have been used to pay the previously identified Re-tenanting Expenses, and (G) stating that all outstanding trade payables relating to the 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 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. Without limiting the foregoing, upon the termination of any Cash Management Period in accordance with the terms of this Agreement (and provided that no other Cash Management Period has commenced and is continuing), all Leasing Reserve Funds then on deposit in the Leasing Reserve Account shall be disbursed to Borrower.

Section 7.6 Riot Games Recourse Reserve Account.

7.6.1 Deposits of Riot Games Recourse Reserve Funds. Pursuant to Section 5.1.30 and, if applicable, Section 2.7.2(b), amounts may be deposited with Lender on or after April 1, 2023 with respect to a Guarantor Downgrade. All such amounts so deposited shall hereinafter be referred to as the "***Riot Games Recourse Reserve Funds***" and the account to which such amounts are held shall hereinafter be referred to as the "***Riot Games Recourse Reserve Account***".

7.6.2 Disbursements from Riot Games Recourse Reserve Funds. Lender shall make disbursements to Borrower from the Riot Games Recourse Reserve Funds as follows: (a) upon any partial Riot Games Recourse Satisfaction, including Lender's receipt of a Riot Games Estoppel confirming such partial Riot Games Recourse Satisfaction, Lender shall disburse to Borrower Riot Games Recourse Reserve Funds in an amount equal to the lesser of (i) the amount of such partial Riot Games Recourse Satisfaction confirmed in the related estoppel certificate signed by Riot Games and (ii) the then balance of Riot Games Recourse Reserve Funds then on deposit in the Riot Games Recourse Reserve Account; (b) upon any full Riot Games Recourse Satisfaction, including Lender's receipt of a Riot Games Estoppel confirming such full Riot Games Recourse Satisfaction, Lender shall disburse to Borrower the then balance of Riot Games Recourse Reserve Funds then on deposit in the Riot Games Recourse Reserve Account; and (c) upon the occurrence of a Guarantor Upgrade, Lender shall disburse to Borrower the then balance of Riot Games Recourse Reserve Funds then on deposit in the Riot Games Recourse Reserve Account.

Section 7.7 Intentionally Omitted.

Section 7.8 Intentionally Omitted.

Section 7.9 Reserve Funds, Generally.

(a) 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 Account 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.

(b) 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.

(c) Borrower shall not further pledge, assign or grant any security interest in any Reserve Funds 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.

(d) 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 Account may be deposited in interest-bearing accounts chosen by Borrower (except that funds deposited in the Tax and Insurance Escrow Account 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 Escrow Account 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 Escrow Account, 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 Escrow Account, 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 Account, 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.

(e) 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.

## 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) if any portion of the Debt is not paid when due (including, without limitation, the failure of Borrower to repay the entire outstanding principal balance of the Note in full on the Maturity Date) or any other amount under Section 2.7.2(b)(i) through (viii) is not paid in full on each Payment Date (unless during any Cash Management Period, sufficient funds are available in the relevant Subaccount on the applicable date);

(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 Escrow Account 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; or

(xvi) if there shall be default under any of the other Loan Documents (excluding, however, the Post-Closing Agreement) 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.

8.1.2 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 any note comprising 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, in one or more separate transactions, sell, transfer or assign this Agreement, the Note (or any note comprising 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***") (any such sale, transfer, assignment, 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, Guarantor or the Property, whether furnished by Borrower, 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, the delivery of new acknowledgments of the type required pursuant to Section 5.1.31(a) from any LC Issuer to any transferee, 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 by Borrower and Guarantor 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 and 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 Securitization 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, assumption or modification of the Loan.

Section 9.4 Restructuring of Loan.

(a) 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 (each a "***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), any existing New Mezzanine Loan and the applicable New Mezzanine Loan shall equal the total principal amount of the Loan

and any existing New Mezzanine 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 applicable New Mezzanine Loan, or of a Casualty or Condemnation that results in the payment of principal under the Loan, any existing New Mezzanine Loan and/or the applicable New Mezzanine Loan, the weighted average interest rate of the Loan, any existing New Mezzanine Loan and the applicable 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 applicable New Mezzanine Loan, or of a Casualty or Condemnation that results in the payment of principal under the Loan, any existing New Mezzanine Loan and/or the applicable New Mezzanine Loan, the aggregate debt service payments on the Loan, any existing New Mezzanine Loan and the applicable New Mezzanine Loan shall equal the aggregate debt service payments which would have been payable under the Loan and any existing New Mezzanine Loan had the restructuring not occurred.

(b) 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 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 except to a *de minimis* extent. 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 except to a *de minimis* extent and subject to Section 9.4(a)(ii) and (iii) hereof.

(c) 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), shall be paid by Lender.

(d) 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. Additionally, 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.

(a) 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 LIENS AND SECURITY INTERESTS 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/OR 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.

(b) 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 IN SECTION 10.6 HEREOF 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.

(c) EXCEPTIONS. NOTWITHSTANDING THE FOREGOING CHOICE OF LAW:

(i) THE PROCEDURES GOVERNING THE ENFORCEMENT BY LENDER OF ITS FORECLOSURE AND OTHER REMEDIES AGAINST BORROWER UNDER THE SECURITY INSTRUMENT AND UNDER THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY OR OTHER ASSETS OF BORROWER, INCLUDING BY WAY OF ILLUSTRATION, BUT NOT IN LIMITATION, ACTIONS FOR FORECLOSURE, FOR INJUNCTIVE RELIEF OR FOR THE APPOINTMENT OF A RECEIVER, SHALL BE GOVERNED BY THE LAWS OF THE STATE WHERE SUCH PROPERTY OR OTHER ASSETS ARE LOCATED;

(ii) LENDER SHALL COMPLY WITH APPLICABLE LAW IN THE STATE WHERE THE PROPERTY OR OTHER ASSETS ARE LOCATED TO THE EXTENT REQUIRED BY THE LAW OF SUCH JURISDICTION IN CONNECTION WITH THE FORECLOSURE OF THE SECURITY INTERESTS AND LIENS CREATED UNDER THE SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY OR OTHER ASSETS;

(iii) PROVISIONS OF FEDERAL LAW AND THE LAW OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL APPLY IN DEFINING THE TERMS "HAZARDOUS SUBSTANCES", "ENVIRONMENTAL STATUTES", AND "LEGAL REQUIREMENTS" AS SUCH TERMS ARE USED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY AND BORROWER; AND

(iv) MATTERS OF REAL ESTATE, LANDLORD TENANT AND PROPERTY LAW SHALL BE GOVERNED BY THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED.

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: Cantor Commercial Real Estate Lending, L.P.
110 East 59th Street, 6th Floor
New York, New York 10022
Attention: Legal Department
Facsimile No.: (212) 610-3623

and

Goldman Sachs Mortgage Company
200 West Street
New York, New York 10282
Attention: Rene Theriault
Facsimile No.: (917) 977-4870

with copies to: DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020
Attention: Jeffrey B. Steiner, Esq.
Facsimile No.: (917) 778-8670

and

Cleary Gottlieb Steen Hamilton
One Liberty Street, 38th Floor
New York, New York 10006
Attention: Michael Weinberger
Facsimile No.: (212) 225-3999

and

Berkeley Point Capital LLC
One Beacon Street, 14th floor
Boston, Massachusetts 02108
Attention: Nancy Navarro
Facsimile No.: (617) 275-7574

If to Borrower: c/o Hudson Pacific Properties, L.P.
11601 Wilshire Boulevard, Suite 600
Los Angeles, California 90025
Attention: Alex Vouvalides / Mark Lammas
Facsimile No.: (310) 445-5710

With a copy to: Eisner Jaffe
9601 Wilshire Blvd., Suite 700
Los Angeles, California 90210
Attention: Robert D. Jaffe, Esq.
Facsimile No.: (310) 855-3201

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 Trial by Jury. **BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF BORROWER AND LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE OTHER PARTY.**

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.

(a) Borrower covenants and agrees to pay or, if Borrower fails to pay, to reimburse, Lender upon receipt of notice from Lender for all actual reasonable third-party out-of-pocket costs and expenses (including reasonable out-of-pocket attorneys' fees and disbursements and the cost of property reports) 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 Borrower's 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 Cash Management Account, as applicable.

(b) 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 clause (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.

(c) 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.

(d) 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 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 Term Sheet dated August 14, 2015 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 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 as 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:

(a) 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.

(b) 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.

(c) 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 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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. Solely to the extent that, and despite the express intention of the parties hereto and the parties to the Guaranty that the laws of the State of New York govern both this Agreement and the Guaranty, a court of competent jurisdiction finds that the laws of the State of California govern this Agreement and/or the Guaranty, 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."

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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:

**HUDSON ELEMENT LA, 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 Lammas
Name: Mark Lammas
Title: COO, CFO and Treasurer

LENDER:

**CANTOR COMMERCIAL REAL ESTATE LENDING, L.P.,** a Delaware limited partnership

By: /s/Antony Orso
Name: Anthony Orso
Title: CoCEO-CCRE

**GOLDMAN SACHS MORTGAGE COMPANY,** a New York limited partnership

By: /s/Rene J. Theriault
Name: Rene J. Theriault
Title: Authorized Signatory

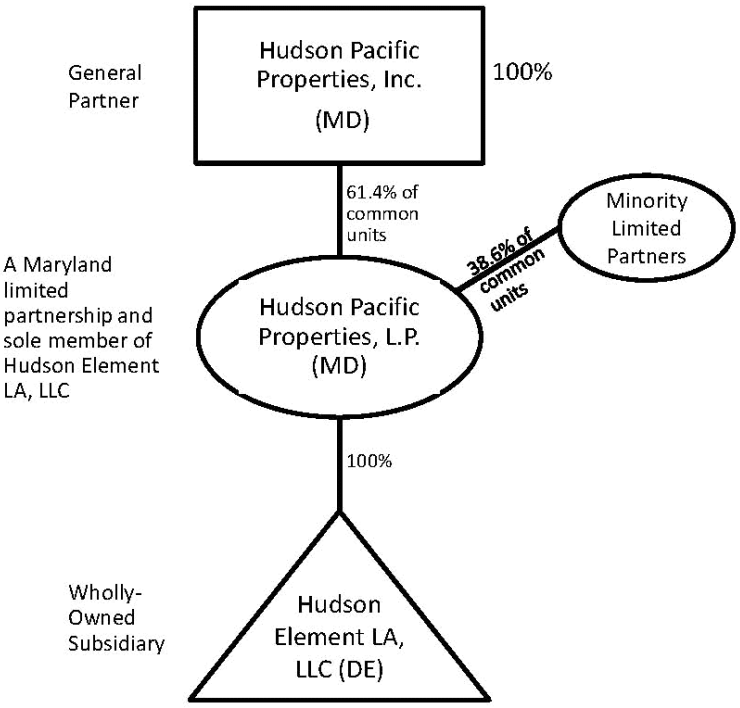
**SCHEDULE I**
[RENT ROLL]

| ELEMENT LA - RENT ROLL | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Tenants** | **Sq Ft** | **In-Place Rent** | **PSF** | **Lease Start** | **Lease End** | **Ext. Options** | **Yrs per Ext.** |
| Riot Games | 284,037 | $ 14,960,821 | $ 52.67 | 4/1/2015 | 3/31/2030 | 3 | 5 |

**SCHEDULE II**

[BORROWER ORGANIZATIONAL CHART]

# Organizational Chart



| Ownership Breakout | Common Units | % Ownership |
|---|---|---|
| Blackstone Real Estate Partners V L.P. | 12,166,992 | 8.3% |
| Blackstone Real Estate Partners V.TE.1 L.P. | 4,258,243 | 2.9% |
| Blackstone Real Estate Partners V.TE.2 L.P. | 10,940,178 | 7.5% |
| Blackstone Real Estate Partners V.F L.P. | 2,991,420 | 2.1% |
| Blackstone Real Estate Holdings V L.P. | 1,225,619 | 0.8% |
| Blackstone Real Estate Partners VI L.P. | 8,490,605 | 5.8% |
| Blackstone Real Estate Partners VI.TE.1 L.P. | 2,472,719 | 1.7% |
| Blackstone Real Estate Partners VI.TE.2 L.P. | 5,184,145 | 3.6% |
| Blackstone Real Estate Partners VI (AV) L.P. | 4,208,091 | 2.9% |
| Blackstone Real Estate Partners (AIV) VI L.P. | 26,199 | —% |
| Blackstone Real Estate Holdings VI L.P. | 149,951 | 0.1% |
| Blackstone Family Real Estate Partnership VI - SMD L.P. | 512,956 | 0.4% |
| Nantucket Services, LLC | 27,423 | —% |
| Blackhawk Services II LLC | 2,193,939 | 1.5% |
| **Total Blackstone Common Units** | **54,848,480** | **37.6%** |
| | | |
| Victor J. Coleman | 402,907 | 0.3% |
| Farallon Capital Partners LP | 878,790 | 0.6% |
| Nfg Limited Partnership | 18,076 | —% |
| Ross Holding & Management Company | 184 | —% |
| Keely Sellers | 3,429 | —% |
| Howard S. Stern | 144,449 | 0.1% |
| **Total Minority Limited Partners Common Units** | **56,296,315** | **38.6%** |
| **Hudson Pacific Properties, Inc.** | **89,549,061** | **61.4%** |
| **Total Common Units** | **145,845,376** | **100.0%** |

**SCHEDULE III**
[DEPOSIT AMOUNTS]

Initial Tax Deposit: $760,000.00

Initial Insurance Premiums Deposit: $0.00

Environmental Remediation Amount: $193,750.00

Replacement Reserve Monthly Deposit: $3,550.46/month

**SCHEDULE IV**
[SUBORDINATE FINANCING APPROVED PROVIDERS]

1. iStar Financial Inc.
2. Capital Trust
3. The Blackstone Group International Ltd.
4. Apollo Global Real Estate
5. Colony Capital, Inc.
6. Praedium Group
7. Lonestar Funds
8. One William Street Capital Management, L.P.
9. Clarion Partners
10. Walton Street Capital, LLC
11. Starwood Capital Group/Starwood Financial Trust
12. BlackRock, Inc.
13. ARES
14. Garrison Investment Group
15. LoanCore Capital
16. Rockpoint Group
17. Torchlight Investors
18. Westbrook Partners
19. WestRiver Capital
20. Oaktree Capital Management
21. PCCP, LLC
22. Mesa West Capital, LLC
23. Buchanan Street

**SCHEDULE V**
[O&M PROGRAM]

**Property Solutions** INC.
Environmental & Engineering Consulting

2601 Main Street, Suite 370 • Irvine, California 92614 • 800-836-3696 • Fax 856-813-1068

# ASBESTOS-CONTAINING MATERIALS OPERATIONS AND MAINTENANCE PLAN

For:

Element LA
1861, 1901, 1925, and 1933 South Bundy Drive
and 12333 West Olympic Boulevard
Los Angeles, Los Angeles County, California 90025

*Prepared for:*

Cantor Commercial Real Estate Lending, L.P.
3060 Peachtree Road NW, Suite 950
Atlanta, Georgia 30305
&
Goldman Sachs Mortgage Company
200 West Street, 7th Floor
New York, New York 10282

*Prepared by:*

Property Solutions Incorporated
2601 Main Street, Suite 370
Irvine, California 92614

September 30, 2015

Property Solutions Project No. 20151462.130

| | |
|---|---|
| /s/ Joy Dougherty | /s/ Tim Clackett |
| Joy Dougherty | Tim Clackett |
| Environmental Scientist | Regional Director |

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## 1. INTRODUCTION

This Asbestos-Containing Materials (ACMs) Operations and Maintenance (O&M) Program has been developed by Property Solutions for the following facility (subject property):

Element LA
1861, 1901, 1925, and 1933 South Bundy Drive and 12333 West Olympic Boulevard Los Angeles, Los Angeles County, California 90025

**NOTE:** This ACM O&M Plan was developed based upon a Phase I Environmental Assessment draft report dated September 3, 2015 (Property Solutions Project No. 20151462.100). This ACM O&M Plan was further developed based upon the age of the subject buildings.

This Asbestos-Containing Materials O&M Program has been prepared with the following goals:

To alert workers and building occupants to the location of asbestos containing material (ACMs) located at the subject property.

To minimize the potential release of asbestos fibers during maintenance and renovation activities.

The purpose of this O&M Program is not to prepare the subject property maintenance workers for asbestos abatement activities or routine asbestos O&M activities. Rather, the purpose of this O&M Program is to allow workers and occupants to live and work safely in buildings which contain asbestos containing materials (ACMs).

All asbestos-related projects conducted at the subject property (emergency and routine) will be conducted by a qualified and licensed Asbestos Abatement Contractor under the direction of a qualified and licensed Environmental Consultant.

### 1.1 Definitions

Several definitions pertinent to an Operations and Maintenance Program as identified in 40 Code of Federal Regulations (40 CFR) 763.83 are:

*Asbestos Containing Material (ACM): when referring to buildings, this means any material, which contains more than one percent (1%) asbestos.*

*Asbestos Containing Building Material (ACBM): means surfacing ACM, thermal system insulation ACM, or miscellaneous ACM, that is found in or on interior structural members or other parts of a building.*

*Asbestos Debris: means pieces of ACBM that can be identified by color, texture, or composition; or means dust, if the dust is determined by an accredited inspector to be ACM.*



*Operations and Maintenance Plan: means a written plan which sets-forth the policies and requirements which will be the basis for the Operations and Maintenance Program.*

*Operations and Maintenance (O&M) Program: means a program of work practices to maintain friable or non friable ACBM in good condition, to insure cleanup of asbestos fibers previously released and to prevent further release by minimizing and controlling damage to friable ACBM.*

*Fiber Release Episodes: means any uncontrolled or unintentional disturbances of ACBM resulting in visible emissions.*

*Friable: when referring to material in a building, means that the material, when dry, may be crumbled, pulverized, or reduced to powder by hand pressure, and includes previously non- friable material after such previously non-friable material becomes damaged to the extent that, when dry, it may be crumbled, pulverized, or reduced to powder by hand pressure.*

*High Efficiency Particulate Air (HEPA): is a filtering system capable of trapping and retaining at least 99.97% of all non dispersed particles 0.3 millimeters in diameter or larger.*

*Removal: means the taking out or the stripping of substantially all ACBM from a damaged area, functional space, or homogeneous area in a building.*

*Repair: means returning damaged ACBM to an undamaged condition or to an intact state so as to prevent fiber release.*

*Response Action: means a method, including removal, encapsulation, enclosure, repair, operations and maintenance, that protects human health and the environment from friable ACBM.*

*Routine Maintenance Area: is an area, such as a boiler room or mechanical room, that is not normally frequented by tenants and in which maintenance employees or contract workers regularly conduct maintenance activities.*

The Operations and Maintenance (O&M) Plan for the subject property is designed to help workers and tenants to avoid exposures to suspect Asbestos Containing Materials (ACMs) that have been identified during a review of the facility. The elements of this Plan should consist of at least the following:

### 1.2 Asbestos Coordinator Responsibilities

The property owners or management company should appoint an Asbestos Coordinator or contract with an individual or an independent company to administer the O&M Program. This person should be knowledgeable of the amount, location, and hazards of the ACM located on the subject property. The Asbestos Coordinator's responsibilities should include but not be limited to:

Should have a good understanding of the extent of the ACM located at the subject property and the costs associated with the removal or repair of these materials.

Should be capable of establishing contracts with the appropriate technical experts or health professionals so that removal or repair of ACM minimizes exposures and complies with the existing state, federal and local requirements.

Should be capable of training or contract for training for all personnel who are involved with the management of ACM, which has been identified to be managed under this Plan. For the purposes of this O&M Program, training for on-site workers will be comprised of an Asbestos Awareness

Program. The purpose of the Asbestos Awareness Program will be to inform workers of the location of ACMs at the property and how to work safely around them. Specific elements of this Asbestos Awareness Program are discussed in Section 8.0 (Training) of this report.

Should be capable of identifying, labeling and periodically evaluating the potential asbestos hazards at the subject property.

Should be capable of prioritizing abatement efforts and implementing programs, which will contain long and short-term programs.

Should be capable of evaluating all options of ACM control and arrange for the proper abatement by a qualified contractor when deemed necessary. The Coordinator should thoroughly consider any decision to remove ACM. In situations where ACM must be removed such as when building renovations are to occur, when the ACM has sustained a great deal of damage, or when the ACM will be difficult to properly manage, the Coordinator will engage the services of qualified, trained, and experienced designers and contractors to design and execute the work.

Should implement a record keeping system to document, verify, and report all activities associated with possible ACM exposure.

### 1.3 Plan Philosophy

The purpose of this O&M Program is to minimize access and exposure to all known ACM at the subject property by informing all affected personnel (e.g. management, maintenance, trade contractors, etc.) of its location, and instructing them to report any damage to the ACM which they observe. There is a possibility of contact or disturbance through normal maintenance activity. A documented inspection of the ACMs located at the subject property should be conducted at least twice per year for damage and/or deterioration (additional inspections should be performed following any catastrophe, e.g. fire, roof leaks, storm damage, flooding, etc.). Typically, the Asbestos Coordinator or their representative can conduct this routine inspection.

In addition to the tasks which are outside of the scope of this O&M Program, the following activities are prohibited for all facility employees, outside service contractors and building occupants. It is important that these prohibitions are not violated to ensure a safe working and living environment for workers and occupants of the subject property.

1. **Do not disturb ACM.**
2. **Do not damage ACM or allow it to become damaged.**
3. **Do not attach items to ACMs.**
4. **Do not drill, sand, saw, cut, core or otherwise impact ACMs.**
5. **Do not use a regular vacuum cleaner to clean asbestos debris.**
6. **Do not use ACM to replace or repair ACM.**

Facility employees are not to perform asbestos O&M activities or asbestos abatements (such as asbestos removal, repair, etc). Rather, asbestos O&M activities and asbestos abatements are to be performed by qualified and licensed asbestos contractors.

## 2.0 NOTIFICATION

### 2.1 Summary of Visual Review

The subject property underwent a complete gut in 2014; therefore, no suspect and/or presumed friable/non-friable materials were observed in the subject buildings. However, as no asbestos survey or abatement documentation was provided, ACMs may be present in concealed locations within the subject buildings.

Materials which are present in a subject building constructed prior to 1981, and have not been analytically tested and determined to be non-ACM are presumed to contain asbestos and treated accordingly. Property Solutions, therefore, recommends that prior to the performance of any renovations, remodeling, demolition or repairs by the in-house maintenance or engineering staff or outside contractors, verification sampling of PACMs and SACMs should be performed to ensure that no asbestos containing materials will be impacted. Any abatement or removal of asbestos containing materials must be performed in accordance with applicable federal, state and local regulations. Damaged ACMs should be removed or repaired in accordance with applicable federal, state, and local regulations prior to the commencement of work activities. Based on the date of construction, additional potential asbestos containing materials may be located on the subject property. As per OSHA regulations (29 CFR 1910 et seq.), building owners are required, under certain circumstances to notify maintenance people and all those potentially exposed to presumed asbestos fibers at the facility of the presence and location of materials which contain (or are presumed to contain) asbestos.

### 2.2 Future Renovation, Demolition and Maintenance

It is important to understand that the presence of asbestos in a building can only be determined by collecting appropriate bulk samples of suspect materials and having them analyzed by a qualified laboratory. Only individuals who are properly trained and/or certified as inspectors by appropriate agencies are authorized to collect bulk samples of suspect asbestos-containing materials (refer to 29 CFR Chapter XVII (July 1, 1995 edition) OSHA Section 1926.1101, paragraph (k) Communication of hazards).

The following is a list of common suspect ACMs. This list does not include every product and material which could contain asbestos. Rather, it is intended as a general guide to show which types of materials may contain asbestos.

SAMPLE LIST OF SUSPECT ASBESTOS-CONTAINING MATERIALS

Acoustical Plaster
Adhesives Asphaltic Floor Tile Base Flashing Blown-in Insulation Boiler Insulation
Breeching Insulation Caulking/Putties
Ceilings Tiles and Lay-in Panels Cementitious Panels Cementitious Pipes Cementitious Siding Cementitious Wallboard Chalkboards
Construction Mastics (floor tile, carpet, and ceiling tile) Cooling Tower Siding Panels and Cascade Slats Decorative Plaster

Ductwork Flexible Fabric Connections (Vibration Isolators) Electrical Cloth
Electrical Panel Partitions Electrical Wiring Insulation Elevator Brake Shoes Elevator Equipment Panels Fire Blankets
Fire Curtains Fire Door Cores
Fireproofing Materials (for wall/floor penetrations) Flooring Backing
Heating and Electrical Ducts High Temperature Gaskets HVAC Duct Insulation
Joint Compounds Laboratory Gloves
Laboratory Hoods/Table Tops
Pipe Insulation (corrugated air-cell, block lagging, etc.)
Roofing Felt
Roofing Shingles
Spackling Compounds Spray-Applied Insulation Textured Paints/Coatings Thermal Paper Products Vinyl Floor Tile
Vinyl Sheet Flooring Vinyl Wall Coverings Wallboard

If at any time during maintenance activities (asbestos-related or otherwise), renovation activities or demolition activities suspect asbestos-containing materials (not addressed in this document) are identified at the subject property by facility staff, outside contractors or asbestos abatement contractors; Property Solutions recommends that the Asbestos Program Coordinator have these materials sampled by a qualified and licensed Environmental Consultant. These samples should then be submitted and analyzed by a qualified and accredited laboratory for asbestos content. Should further asbestos containing materials be identified at the subject property, Property Solutions recommends that these materials be addressed in an appropriate manner by a qualified Environmental Consultant as an addendum to this O&M Program.

With regard to the asbestos containing materials located on the subject property, Property Solutions recommends that the Asbestos Coordinator carefully monitors demolition, maintenance or renovation activities, which have the potential to damage these materials. If demolition, maintenance or renovation activities performed at the subject property do have the potential to damage the ACMs or PACMs, Property Solutions recommends that these materials be removed from the subject property by an asbestos abatement contractor and disposed of in accordance with applicable local, State and Federal regulations, prior to work activities.

### 2.3 Notice to Tenants

The building owner should inform workers, occupants and tenants about the location and physical condition of the ACMs located in the subject property and stress to them the importance of not disturbing these materials. Tenants should be notified for two reasons: (1) because of a potential hazard in their

vicinity and (2) informed tenants are less likely to knowingly disturb ACMs and cause fibers to be released into the air. This can be accomplished by distributing written notices, copies of the semi-annual or annual reinspection reports or posting of signs (not necessary in most instances), and written notice to new tenants at the time of leasing. The management of the subject property should inform commercial tenants who are renting space within the subject building that they must not conduct renovati n or maintenance activities
within their space without the consent of the Asbestos Coordinator.

### 2.4 Emergency Response

The following section addresses asbestos emergency situations at the subject property. An example of an asbestos emergency might be a renovation or repair operation which accidentally causes damage to asbestos containing pipe insulation and exposes building occupants to friable asbestos.

In the event of the occurrence of an asbestos-related emergency at the subject property, the following procedures will be employed:

- Immediately upon notice of the emergency, the party involved will vacate the area of involvement and immediately contact the Asbestos Coordinator and/or their designer at the facility.

- The Asbestos Coordinator will contact a licensed, qualified asbestos abatement contractor who will take action to immediately isolate the area of involvement from the rest of the building by evacuating any unnecessary personnel from the area, turning off or isolating all air-moving equipment in the area, isolating the area by closing off all entryways, and posting warning signs indicating the presence of a hazardous area.

- If the occurrence is of such a size that an accredited designer must design a response action, no further work will be done and the area will remain isolated until the appropriate repair/maintenance activity will commence.

- Following completion of the repair/maintenance activities, the Asbestos Coordinator will document the asbestos emergency. This documentation should include the location of the asbestos emergency, the amount of asbestos containing materials involved in the asbestos emergency, the name of the asbestos abatement contractor, waste manifests for the asbestos removed from the subject property, etc.

### 2.5 Management Overview

The Asbestos Coordinator should prepare a “Management Overview” statement and have it available to distribute to tenants or property personnel as necessary or desired. A copy of this type of statement can be found in the “Forms” section of the O&M Program. It should be noted that the property owner’s attorney should be consulted prior to distributing this type of notice to tenants.

### 2.6 Notice to Employees

The Asbestos Coordinator should prepare a notice or statement to distribute to all employees and have all employees acknowledge receipt of this notice in writing. This statement is not designed to be a waiver of the employees’ rights under the law, but rather as an acknowledgment that the employee has been informed of the presence of ACM and its location and condition. A copy of statement can be found in the “Forms” section of this program.

### 2.7 Notice from Outside Contractors

Should the nature of maintenance, repair, or emergency activities require that an outside asbestos abatement contractor be called in to perform the work, the Asbestos Coordinator can either contract with Property Solutions or another environmental firm to ensure compliance with regulatory agencies. At a minimum, the Environmental Consultant will verify the following:

- Notification to the USEPA and other appropriate agencies, if the scope of the abatement project is large enough to require notification.
- Proof that the contractor's workers are accredited, certified, or licensed and that they are properly trained.
- Copies of respiratory protection, medical surveillance and worker training documentation as required by OSHA, EPA and/or State regulatory agencies.
- Notification to building occupants and visitors that abatement activity is underway.
- Assurance that the contractor will use proper work practices and work area isolation techniques, proper equipment and sound waste disposal activities.
- Provisions for inspection of the area by the owner's representative to ensure that the area is acceptable for re-entry by occupants.
- Criteria to be used for determining completion of the work (e.g. visual inspections and air monitoring).

## 3.0 SURVEILLANCE

### 3.1 Worker Awareness

Visual reinspection of all ACM should be conducted at regular intervals of the O&M Program, and can be accomplished by management/maintenance personnel during their normal course of duties. Workers should be trained and encouraged to always be aware of the location and current condition of the ACM or any new suspect materials, and to report their observations to the Asbestos Coordinator.

### 3.2 Professional Reinspection

At least annually, the O&M Program and ACMs condition must be reinspected by a qualified environmental firm or asbestos building inspector, to re-assess the effectiveness of the O&M Program and the physical condition of the ACM.

## 4.0 WORK CONTROLS

### 4.1 Work Permit Program

The O&M Program should include a system to control all work that could disturb ACM. It is the responsibility of the Asbestos Coordinator for the subject property to enact such a system. Some building owners/managers have success in using a "work permit" program, which requires the person requesting the work to submit a Job Request Form to the Asbestos Coordinator before any maintenance or repair work is begun. Therefore, before maintenance or renovation work begins at the subject

property, the asbestos coordinator will be able to determine the potential for asbestos containing materials to be impacted, arrange for the sampling and analysis of suspect asbestos containing materials and arrange for the removal of confirmed asbestos containing materials that may be adversely impacted by proposed work activities.

A form should be completed at the time and location of the requested work indicating the type of maintenance/repair needed and available information about any ACM in the vicinity of the requested work. The contractor or other person authorized to perform the work should be identified on the work request. Upon receiving a Job Request Form, The Asbestos Coordinator should take the following steps:

- Refer to written records, building plans and any ACM inspection reports to determine whether ACM is present in the area where the work is to be performed. If ACM is present, but it is not anticipated that the material will be disturbed, the Asbestos Coordinator should note the presence of the ACM on the permit form and provide additional instructions on the importance of not disturbing the ACM.

- If ACM is both present and likely to be disturbed, the Asbestos Coordinator or a designated supervisor qualified by training and experience, should visit the site and determine what work practices should be instituted to minimize the release of asbestos fibers during the work activity. Asbestos abatement activities may be necessary to remove an asbestos hazard from a potential work area prior to the commencement of work activities.

- All requests and authorization forms should be clearly marked or recorded and placed in the permanent file.

### 4.2 Contractor Notification

Prior to performing maintenance/repair activities, outside contractors should be required to submit the above-mentioned work permit form for approval. Additionally, all outside contractors should be required to sign a notification form, which indicates that they were informed that there is ACM present.

## 5.0 WORK PRACTICES

All asbestos-related projects (routine and emergency) will be conducted by a qualified, licensed asbestos abatement contractor; not by facility staff.

### 5.1 Asbestos Abatement Options

Property Solutions recommends that asbestos containing materials at the subject property be removed from the subject building prior to renovation, maintenance or demolition activities which may adversely impact (damage) the asbestos containing materials. However, other abatement options do exist in the asbestos control industry. The purpose of this section is to describe other abatement options, which the asbestos coordinator may wish to consider when dealing with asbestos containing materials in the buildings at the subject property.

The USEPA Green Book (1990) defines asbestos abatement as follows:

*"Procedures to control fiber release from asbestos-containing materials in a building or to remove it entirely. These may involve removal, encapsulation, repair, enclosure, encasement, and operations and maintenance programs."*

For the purposes of this O&M Program, the following abatement options should be considered for the ACMs located at the subject property:

1 Removal: The removal option for ACMs entails the elimination of an asbestos hazard from a given space. The advantage to this form of abatement is that the asbestos hazard is permanently removed from the space, eliminating the need for asbestos operations and maintenance activities within that space. However, the removal of asbestos containing materials generally necessitates the installation of replacement materials. In addition, improper removals of ACMs may result in an increase in asbestos fiber levels in a given space. It should be noted that removal of ACMs is generally the most expensive abatement option in terms of initial investment.

2 Repair: Repair of ACMs at the subject property should entail the reestablishing of the integrity of the asbestos containing materials at the subject property.

3 Enclosure: The enclosure option for ACMs entails the construction of airtight walls and ceilings around the ACM. The advantage to this form of abatement is that, theoretically, the construction of an airtight enclosure will limit the exposure of an asbestos hazard to the area within the enclosure. In addition, the cost for the construction of enclosures around ACMs is generally less than the cost for a removal and replacement materials (such as insulation) are not necessary. However, there are disadvantages to the enclosure abatement option. These disadvantages are discussed as follows. In spite of the fact that the ACM has been enclosed, ACMs are still present on the subject property and will have to be removed at sometime in the future (prior to demolition or during major renovations). Also,damage to the ACM and the continuation of fiber release will continue within the enclosure. When asbestos enclosures are present on the subject property, it is necessary to institute special O&M procedures to control access within these enclosures when maintenance and repairs must occur. Periodic re-inspections of enclosure integrity are necessary to check for damage. Fiber release episodes may occur during the construction of enclosures around ACMs. Finally, when all of the above-mentioned disadvantages are considered it is possible that the long-term cost for an enclosure project could exceed that cost of a removal project.

### 5.2 Small Scale/Short Duration Activities

1. USEPA defines small-scale, short duration maintenance activities as, but not limited to:

- Removal of small sections of ACM insulation on pipes.
- Removal of small quantities of ACM insulation on beams or above ceilings.
- Removal of ACM gaskets on valves.
- Removal or installation of a small section of drywall.

- Installation of electrical conduits through or approximate to ACM. Small scale is further defined as:
- Removal of small quantities of ACM, only if required as part of maintenance activity not intended as asbestos abatement.
- Removal of ACM thermal system insulation in quantities no greater than can be contained in one glove bag.
- Minor repairs to damaged thermal system insulation requiring no removal of ACM.
- Repairs to ACM wallboard.
- Repairs involving encapsulation, enclosure or removal to a small amount of friable ACM, only if required in performance of an emergency or a routine maintenance activity not intended as asbestos abatement. The work may not exceed amounts greater than those which can be contained in a singe prefabricated mini-enclosure. This enclosure must conform spatially and geometrically to the localized work area in order to perform its intended containment function.

2. USEPA defines a minor fiber release episode as the falling or dislodging of less than or equal to three square or linear feet of friable ACBM.

3. During the process of performing small-scale, short duration asbestos renovation or maintenance tasks, the following procedures will be utilized by a qualified, licensed asbestos abatement contractor:

- The area will be isolated with physical barriers, whenever possible, restricting entry only to those persons necessary to perform the task. Warning signs will be posted at all entry points to the area.
- All HVAC ducts, windows, and other sources of air circulation to the area will be sealed. Where and when necessary, the air handling system will be shut off or modified to meet this need.
- If a fiber release has occurred, the entire area will be precleaned using those techniques described in Section C under Initial Cleaning. HEPA vacuum and/or wet methods will always be employed for any type of cleaning. All workers directly involved with the cleaning will always use the prescribed personal protective equipment.
- All objects in the work area will be removed from the area to protect them from contamination during the maintenance activity. When it is not feasible to move the objects, they will be completely covered with six-mil polyethylene plastic sheeting prior to commencement of the maintenance activity. This will include all fixtures and other components that exist in the immediate work area.
- Next, a layer of six-mil polyethylene plastic sheeting will be placed on the floor beneath the item or area affected by the maintenance activity. This sheeting will be at least one foot

wide and one foot long for each foot above the floor where the work is to be conducted, but will not, under any circumstances, be less than six feet by six feet. When the work area is confined by walls, the plastic sheeting will extend up the walls at least one foot and will be sealed along the top edges with duct tape.

- All work activities involving the ACM will be performed using wet methods, HEPA vacuums, glove bags, mini-enclosures, and/or protective clothing as appropriate to the maintenance activity.

- All repair work performed on the damaged or affected ACM will be done with materials such as asbestos-free speckling, plaster, cement or insulation. The existing ACM affected by the maintenance activity will be sealed with latex paint or an encapsulant. If this is neither possible nor appropriate, the appropriate response action as identified in the Management Plan will be implemented.

- All asbestos-containing debris will be saturated with amended water and sealed in double six-mil polyethylene disposal bags. These bags will be labeled as ACM and will be disposed of at an EPA approved landfill site. All plastic, duct tape, etc., used to cover floors, objects, etc., will be treated as asbestos contaminated waste and will be disposed of in a like manner.

### 5.3 Large Scale/Long Duration/Major Fiber Release

1. USEPA defines a major fiber release episode as the falling or dislodging of more than three square or linear feet of friable ACM.

2. For all large scale/long duration maintenance activities (other than small scale/short duration) or for a major fiber release episode, all response actions will be designed by persons accredited to design response actions and conducted by persons accredited to conduct response actions.

3. Regardless of the response action designed for the specific activity or repair, the areas involving the work will be sealed off and restricted with signs posted, and prepared for the work in a manner consistent with the procedures outlined for the small scale/short duration activities.

### 5.4 ACM Removal Procedures

The following section is intended to give the Asbestos Coordinator information regarding the abatement techniques typically performed during asbestos abatement. The effectiveness of engineering controls (such as those described below) during an asbestos abatement should be monitored by a qualified environmental consultant.

1. Wet methods - Regardless of the removal method employed, wet methods will always be used where practical during any maintenance activity that involves the disturbance of ACM. In some cases, wet methods will not be employed (for example, working on live electrical equipment) and this will be determined prior to the commencement of the activity.

   At all times, amended water will be used as the wetting agent. Amended water is water that has a surfactant added that restricts evaporation and enhances the penetration of the water into the ACM. Commercially available products such as those containing a concentrate of 50/50 mixture of polyoxyethylene esters and polyoxyethylene ethers with three percent (3%) emulsifier will be used. These products will be added to normal tap water and used per the

manufacturer's instructions. Water will be applied to all ACM using an airless sprayer to minimize disturbance of the ACM. During the maintenance or repair activity, the material will continue to be wetted, as needed, to ensure that all ACM is wet during the activity and remains wet until final disposal.

2. Mini-enclosures - This methodology is employed in areas where glove bags are not practical, such as for the removal of asbestos from a small ventilation system or a short length of duct as detailed by USEPA guidance.

The mini-enclosures will vary in construction, shape, and size, depending upon the specific requirements of an individual activity. In general, all mini-enclosures will be constructed in accordance with the following criteria:

The structure will consist of six-mil polyethylene plastic sheeting supported by pre-
constructed framework of 2" x 4" studs formed around the work area. The plastic will be stapled and taped to the frame work. Two layers of sheeting will be used, one attached to the studs on the inside of the mini-enclosure and the other on the outside.

The structure will be minimized in size so as to allow entry to the number of workers directly involved with the maintenance activity. Where possible, the number of workers will be restricted to one or two maximum.

The floor inside the mini-enclosure will be covered with two layers of six-mil polyethylene plastic and will extend no less than one foot up each wall where it will be taped sealed to the wall's plastic. All penetrations into or through the mini-enclosure, such as pipe runs, will be sealed with duct tape.

A small change room (approximately 3 feet by 3 feet by 7 feet) will be constructed contiguous to the mini-enclosure. Entry to the change room and from the change room to the mini-enclosure will be through double plastic-sheeted entryways. The first layer of plastic in the entryway will be sealed to the doorway at the top and on the right side; the second layer will be sealed at the top and on the left side.

After completing the maintenance or repair activity, the worker will enter the change room, HEPA vacuum his disposable coveralls and remove them prior to leaving the change room. He will then wet wipe his respirator, leaving it on until exiting the change room.

During the ACM removal the workers will wear protective coveralls and dual cartridge respirators which are National Institute for Occupational Safety and Health (NIOSH)- rated for asbestos dust. Wet methods of removal using amended water will be used at all times in the mini-enclosure. As in the glove bag method of removal, following the removal of ACM, the working area will be sprayed with encapsulant and exposed cut ACM will be coated with a bridging encapsulant when appropriate.

Next, all debris in the mini-enclosure will be placed in six-mil polyethylene bags labeled appropriately for disposal of ACM. The bags will be wet cleaned before removal from the work area through the change room. All interior surfaces of the mini-enclosure will then be cleaned using the HEPA vacuum and/or wet cleaning techniques.

Inside the mini-enclosure, the air will be sprayed with water using an airless sprayer. The worker will start at the top and spray the entire volume down to the floor level in order to remove any airborne asbestos fibers prior to dismantling the mini-enclosure.

The worker will then proceed to the change room and HEPA vacuum his coveralls and clean and spray the room in the same fashion as the mini-enclosure. He will then wet wipe his respirator w ile still wearing it, HEPA vacuum and remove his coveralls, and exit the change room.

The mini-enclosure will be dismantled from the outside by removing the plastic and bundling it inward, rolling it, and placing it in six-mil bags, labeled for asbestos contaminated waste and disposed of appropriately.

### 5.5 Waste Disposal

Disposal of asbestos containing waste generated by asbestos projects will be the responsibility of the asbestos abatement contractor. Asbestos containing waste is generated during asbestos abatement projects and generally consists of removed asbestos containing materials as well as disposable abatement equipment which has been exposed to asbestos fibers (respirator cartridges, plastic enclosure materials, protective suits, etc).

All asbestos containing wasted material is double bagged in six-mil polyethylene plastic bags which are preprinted to indicate that they contain asbestos containing material. Asbestos waste is kept in a controlled location in a routine maintenance area of the facility in sealable metal or fiber 55 gallon drums and when full are transported to a landfill site approved for asbestos by the USEPA. The bags are removed at the landfill and delivered to the landfill operator and the drums are wet wiped and returned to the property for re-use.

The waste containers are transported to the landfill in a covered, lockable vehicle accompanied by a proper waste manifest meeting state and federal regulations that details the origin of the material, date and quantities of transport, types of containers and destination of containers. If transported by a third party hauler, information pertaining to the hauler is also included on the form. The waste manifest is signed at each transfer point and after final transport to the landfill site, a copy of the form is maintained in the property's records as evidence of receipt at the disposal site. Prior to any transportation of asbestos containing material, notification will be made to the following parties:

- Regional USEPA office - written notification will be sent detailing the name and location of the landfill site to be used and the approximate weight and volume of asbestos involved.

- USEPA Certified Landfill Site - Prior to each transport the landfill supervisor will be notified of the weight and volume of the material, the expected date and time of arrival at the site, and the types of containers to be transported.

## 6.0 RECORD KEEPING

Permanent records will be kept regarding Operations and Maintenance activities in facilities under the control of the Asbestos Coordinator and in a central place within the facility. These Operations and Maintenance activities will include:

### 6.1 Cleaning Activity

Whenever any cleaning activity is undertaken records will contain the name of the individuals performing the cleaning, the dates of the cleaning, the locations cleaned, the methods utilized and any other information pertinent to that particular cleaning episode.

### 6.2 Small Scale Operations and Maintenance Activity

Whenever any Operations and Maintenance activity is undertaken, records will contain the name of the Asbestos Abatement Contractor; the start and completion date and time of the activity; the locations where the activity occurred; a description of the activity; preventive measures used; amount (if any) of ACM removed; and the name and location of the storage or disposal site for ACM.

### 6.3 Major Activity

Whenever a major activity is undertaken, records will indicate the name, signature, state of accreditation number of each person involved; the start and completion date and time; the locations where the activity occurred; a description of the activity; preventive measures used; whether ACBM was removed material.

### 6.4 Fiber Release Episode

For every fiber release episode the records will detail the date, time and location of the episode; the method of repair; preventive measures of response action taken; the names of those persons doing the work; whether ACBM was removed; and the name and location of the storage or disposal site for the removed material.

### 6.5 Inspection Reports

Copies of all inspection reports, results and amendments will be kept in the file with the Operation and Maintenance Program and activity reports. This also includes results of any professional re-inspections and/or periodic surveillance.

### 6.6 Maintenance Personnel

Current list of all maintenance personnel including name, address, date of hire, asbestos training courses and dates, as well as copies of certificates from any special related courses taken by the employees.

### 6.7 Asbestos Abatement Activity

A current list of all areas where asbestos removal, enclosures, or encapsulation has taken place.

### 6.8 Equipment Available

A current list of all available equipment used in areas where asbestos removal, enclosures, or encapsulation has taken place will be kept in the file with the Operation and Maintenance Program.

### 6.9 ACM Disposal Records

Copies of ACM disposal records and/or chain of custody/waste disposal manifest documentation.

## 7.0 WORKER PROTECTION

### 7.1 Air Monitoring

Air monitoring is utilized in conjunction with visual inspections to verify the effectiveness of control measures and protective clothing. The techniques employed are consistent with the recommended methods as described in OSHA Regulations 29 CFR 1910.1001 and 29 CFR 1926.1101. Phase contrast microscopy (PCM) is the method most often used. The use of PCM as the primary method of analysis will continue until such time as revisions are warranted. A secondary method of analysis employing electron microscopy may be used on a case by case basis.

Air monitoring will be conducted to measure:

1 Levels during and following maintenance work
2 Levels before, during and following abatement projects
3 Levels during and following renovation projects

The specific air sampling strategies to be used will depend on each activity and should be conducted by a qualified environmental consultant.

### 7.2 Medical Monitoring

Medical monitoring is required for all employees working on or around ACBM where exposure is likely to exceed the OSHA action level of 0.1 f/cm-3, 8 hour Time Weighted Average (TWA) during the course of work.

Asbestos-related projects are not to be conducted by the maintenance staff of the subject property. Rather, asbestos-related projects are to be performed by licensed, qualified asbestos abatement contractors. Therefore, a medical monitoring p ogram for asbestos exposure is not expected to be necessary at the subject property at this time.

### 7.3 Respiratory Protection

Proper respiratory protection is an integral part of all maintenance activities involving potential exposure to asbestos. It will be the responsibility of the asbestos abatement contractor to provide O&M workers with appropriate respiratory protection. OSHA specifies general types of respirators for protection against airborne asbestos during “construction” activities, which include abatement, renovation, maintenance, repair, and remodeling.

## 8.0 TRAINING

### 8.1 Level I Training

Level I training for the staff of the subject property staff will include:

1. A description of asbestos containing materials: (List and describe all ACM)

2. The health hazards associated with ACM

   - Asbestosis - scarring of the lung tissue
   - Mesothelioma - rare form of cancer of the pleural cavity.

- Gastrointestinal cancers of the stomach, esophagus and colon.

3 A discussion of the risk factors associated with asbestos related work and cigarette smoking, e.g. smokers have 50 times the risk of acquiring lung cancer from asbestos exposure than non-smokers.

4 An explanation of current legislation/regulations concerning ACM in local, state and federal regulations.

5 The purpose of an air monitoring program, what the results mean and what actions need to be taken as a result of the monitoring.

6 The need for utilizing personal protective clothing and equipment, including respirators and head gear.

7 The need for good housekeeping practices.

8 The need for personal hygiene practices.

9 The notification procedure to be followed when a hazard is suspected or identified.

### 8.2 Level II Training

Level II Training for asbestos abatement contractor workers is the responsibility of the asbestos abatement contractor and will include:

1. An expanded version of all the information presented in Level I Training.
2. The purpose for a description of the medical surveillance program, including pulmonary function testing for all employees who are issued respirators.
3. Specific work guidelines, including dust control measures, clean up, disposal methods and decontamination procedures.
4. Respiratory protection, including a discussion and demonstration of the use and care of respirators as well as qualitative respirator fit testing.
5. Personal protective clothing, including a discussion and demonstration to its use and disposal.
6. A brief presentation regarding physical factors, e.g. heat stress and restrictive breathing.

### 8.3 Warning Labels

Warning labels will have been attached immediately adjacent to any friable and non-friable ACBM and assumed ACM located in routine maintenance areas as per USEPA. The labels will be of a size, print and color which is readily visible to persons entering an area containing ACBM. A copy of an acceptable label is included in the “Forms” section.

## 9.0 FURTHER GUIDANCE

Further information regarding Federal and State regulations may be obtained at the regulatory agency contacts listed below:

1. United States Environmental Protection Agency (USEPA) – Region 9 75 Hawthorne Street
   San Francisco, California 94105 HYPERLINK "http://www.epa.gov/region09/" http://www.epa.gov/region09/ Phone: (415) 947-8000
   Fax: (415) 947-3553

2. Occupational Safety & Health Administration (OSHA) – Region 9 90 7th Street, Suite 18100
   San Francisco, California 94103 Phone: (415) 625-2547
   Fax: (415) 625-2534

Also, the following guidance document regarding the management of asbestos is included as Appendix to this report:

USEPA Managing Asbestos in Place (July of 1990)

## 10.0 APPENDIX

Labels
Management Overview Notice to Employees Vendor Notice Cleaning Report
O & M Activities
Guidance Document

**CAUTION ASBESTOS HAZARD**

**DO NOT DISTURB WITHOUT PROPER TRAINING AND EQUIPMENT**

## ELEMENT LA - MANAGEMENT OVERVIEW

In order to deal with the potential hazards involved with the presence of asbestos in certain building products used in the construction of the subject property, Building Management has instituted an Operations and Maintenance Program which contains the necessary procedures to minimize and/or contain any releases of asbestos fibers which could occur as a result of maintenance, repair, and renovation activities at the property. This program consists of the following key parts:

Employee Awareness Tenant Awareness Continuous Inspections Specialized Maintenance Documentation

As we are aware of asbestos-containing materials through outside consultants, we will continue to develop procedures to notify and manage each instance using the proper guidelines (refer to 29 CFR Chapter XVII (July 1, 1995 edition) OSHA Section 1926.1101, paragraph (k) Communication of hazards). Although asbestos is present throughout our environment we can only control the known areas and take proper precautions against creating a health hazard. We feel our Operations and Maintenance Program provides the necessary management controls and precautions to limit any potential hazards which could affect our tenants and employees.

**NOTICE TO ELEMENT LA EMPLOYEES**

<< Date >>

Dear Employee:

As part of our annual, routine property evaluation a survey has been conducted by a qualified asbestos consultant who has identified suspect and presumed asbestos- containing materials at the subject property.

In order to continue to protect the health of our tenants and workers, we have adopted a comprehensive plan to deal with any problems that may arise from the presence of this asbestos containing material. We ask for your cooperation in not disturbing the above- mentioned materials. Should you happen to disturb or encounter damaged asbestos containing materials in the course of your duties, please notify the management office to report the incident.

We have adopted a comprehensive Operations and Maintenance Program for the management of all asbestos-containing materials in the complex. As part of this program, you may be asked to attend training seminars which will familiarize you with the program and its desired objectives. This program's success requires the cooperation of all employees. If you have any questions, please contact your manager to discuss them.

Sincerely,

<<Name of Owner/Management Company>>

**ELEMENT LA - VENDOR NOTICE**
DATE:

As part of our annual, routine property evaluation a survey has been conducted by a qualified asbestos consultant who has identified suspect and presumed asbestos- containing materials at the subject property.

Therefore, in order to permit you to perform your work on the property, we require that you acknowledge the following:

1. You understand that by performing such work at the above referenced property you may encounter asbestos containing materials (ACM).

2. You will take all precautions necessary to prevent the release of asbestos fibers to protect the health and safety of you and your employees, as well as the staff and tenants of the property.

3. You will assume all liabilities in connection with the work performed as it relates to potential asbestos contamination.

4. You have in your possession all necessary permits, certificates, notices, licenses or other approvals, in order to perform the necessary work.

ACKNOWLEDGED this date , 2015 Company:

By:

Title:

| EXAMPLE CLEANING REPORT | | | | |
|---|---|---|---|---|
| Name of Individuals Cleaning | Date | Location | Methods | Comments |
| | | | | |
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| EXAMPLE O&M ACTIVITIES CHART | | | | | | | |
|---|---|---|---|---|---|---|---|
| Name and Date | Start of Activities | Completion Date | Location | Description | Prevention Measures Used | Amount ACM Removed | Disposal Site |
| | | | | | | | |
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**SCHEDULE VI**

[FREE RENT, PARTIAL RENT, RENT REBATES AND OTHER CREDITS, ALLOWANCES OR ABATEMENTS]

| Element LA - Landlord Obligations (as of: 10-9-15) | |
|---|---|
| | **Amount** |
| Initial TI Allowance [1] | $1,414,341.30 |
| Mid-Term TI Allowance [2] | $1,420,185.00 |
| Initial Expense Abatement [3] | $1,655,508.00 |
| Additional Base Rent Abatement [4] | $12,616,699.79 |
| **Total** | **$17,106,734.09** |

1. Equal to the total remaining TI allowance of $1,414,341.30. Excludes the TI supervision fee of $56,807.40 owed to Hudson. The full allowance to be paid to Tenant through escrow.

2. Subject to the terms of the lease Tenant to receive a mid-term TI allowance of $5.00 per square foot on April 1, 2025.

3. Based on estimated expenses per the lease for the Initial Base Rent Abatement Period. To be paid to Tenant through escrow.

4. Includes all Additional Base Rent Abatement for April 2021, April 2022, April 2023, April 2025, May 2025, April 2026, April 2027, April 2028, and April 2029. Excludes Additional Tenant Credit of Direct Expenses Rent Abatement as these amount are unknown.

**SCHEDULE VII**
[ENVIRONMENTAL REMEDIATION WORK]

Obtain Environmental Remediation No Action Letters with respect to the two (2) open Spills, Leaks, Investigation & Cleanup Case Numbers 0850A & 0850B associated with the Property.

**SCHEDULE VIII**
[APPLICABLE MULTIEMPLOYER PLANS AND/OR PENSION PLANS]

1. Motion Picture Industry Health Plan
2. Health Plan for the Employees of the Motion Picture Industry
3. Motion Picture Industry Individual Account Plan
4. Retired Employees Fund



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# Section 4: EX-22.1 (EXHIBIT 22.1)

**Exhibit 22.1**

**Subsidiaries of Hudson Pacific Properties, Inc.**

| Name | Jurisdiction of Formation / Incorporation |
|---|---|
| HCTD, LLC | Delaware |
| HFOP City Plaza, LLC | Delaware |
| Howard Street Associates, LLC | Delaware |
| Hudson 10950 Washington, LLC | Delaware |
| Hudson 1455 Market, LLC | Delaware |
| Hudson 222 Kearny, LLC | Delaware |
| Hudson 6040 Sunset, LLC (f/k/a SGS Holdings, LLC) | Delaware |
| Hudson 9300 Wilshire, LLC | Delaware |
| Hudson Capital, LLC | California |
| Hudson Del Amo Office, LLC | Delaware |
| Hudson Media and Entertainment Management, LLC | Delaware |
| Hudson OP Management, LLC | Delaware |
| Hudson Pacific Properties, L.P. | Maryland |
| Hudson Pacific Services, Inc. | Maryland |
| Hudson Tierrasanta LLC (f/k/a Glenborough Tierrasanta, LLC) | Delaware |
| Sunset Bronson Entertainment Properties, LLC | Delaware |
| Sunset Bronson Services, LLC | Delaware |
| Sunset Gower Services, LLC | Delaware |
| Sunset Gower Entertainment Properties, LLC | Delaware |
| Sunset Studios Holdings, LLC | Delaware |
| Hudson 625 Second, LLC | Delaware |
| Rincon Center Commercial, LLC | Delaware |
| Hudson Rincon Center, LLC | Delaware |
| Hudson 275 Brannan, LLC | Delaware |
| Hudson 604 Arizona, LLC | Delaware |
| Hudson 6922 Hollywood, LLC | Delaware |
| Hudson First Financial Plaza, LLC | Delaware |
| Combined/Hudson 9300 Culver LLC | Delaware |
| Hudson 9300 Culver, LLC | Delaware |
| Hudson 10900 Washington, LLC | Delaware |
| Hudson Element LA, LLC (f/k/a Hudson Lab4, LLC) | Delaware |
| Hudson 901 Market, LLC | Delaware |
| Hudson JW, LLC | Delaware |
| Hudson MC Partners, LLC | Delaware |
| P1 Hudson MC Partners, LLC | Delaware |
| P2 Hudson MC Partners, LLC | Delaware |

| | |
|---|---|
| Hudson 3401 Exposition, LLC | Delaware |
| Hudson Met Park North, LLC | Delaware |
| Hudson First & King, LLC | Delaware |
| Hudson Northview, LLC | Delaware |
| Hudson 1861 Bundy, LLC | Delaware |
| Hudson Merrill Place, LLC | Delaware |
| Hudson 3402 Pico, LLC | Delaware |
| Hudson 801 S. Broadway Participation, LLC | Delaware |
| Hudson 1455 Market Street, LLC | Delaware |
| Hudson 12655 Jefferson, LLC | Delaware |

| | |
|---|---|
| Hudson 1455 GP, LLC | Delaware |
| Hudson Palo Alto Square, LLC | Delaware |
| Hudson 3400 Hillview Avenue, LLC | Delaware |
| Hudson Embarcadero Place, LLC | Delaware |
| Hudson Foothill Research Center, LLC | Delaware |
| Hudson Page Mill Center, LLC | Delaware |
| Hudson Clocktower Square, LLC | Delaware |
| Hudson 3176 Porter Drive, LLC | Delaware |
| Hudson 2180 Sand Hill Road, LLC | Delaware |
| Hudson Towers at Shore Center, LLC | Delaware |
| Hudson Skyway Landing, LLC | Delaware |
| Hudson Shorebreeze, LLC | Delaware |
| Hudson 555 Twin Dolphin Plaza, LLC | Delaware |
| Hudson 333 Twin Dolphin Plaza, LLC | Delaware |
| Hudson Bayhill Office Center, LLC | Delaware |
| Hudson Peninsula Office Park, LLC | Delaware |
| Hudson Bay Park Plaza | Delaware |
| Hudson Metro Center, LLC | Delaware |
| Hudson One Bay Plaza, LLC | Delaware |
| Hudson Concourse, LLC | Delaware |
| Hudson Gateway Place, LLC | Delaware |
| Hudson Metro Plaza, LLC | Delaware |
| Hudson 1740 Technology, LLC | Delaware |
| Hudson Skyport Plaza, LLC | Delaware |
| Hudson Techmart Commerce Center, LLC | Delaware |
| Hudson Patrick Henry Drive, LLC | Delaware |
| Hudson Campus Center, LLC | Delaware |
| Hudson Campus Center Land, LLC | Delaware |
| Hudson Skyport Plaza Land, LLC | Delaware |
| Hudson 4th & Traction, LLC | Delaware |
| Hudson 1003 4th Place, LLC | Delaware |
| Hudson 405 Mateo, LLC | Delaware |

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# Section 5: EX-31.1 (EXHIBIT 31.1)

**Exhibit 31.1**

**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 6, 2015

/s/ VICTOR J. COLEMAN
Victor J. Coleman
Chief Executive Officer

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# Section 6: EX-31.2 (EXHIBIT 31.2)

**Exhibit 31.2**

**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 6, 2015

/s/ MARK T. LAMMAS
Mark T. Lammas
Chief Financial Officer

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# Section 7: EX-31.3 (EXHIBIT 31.3)

**Exhibit 31.3**

**CERTIFICATION**

I, Victor J. Coleman, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;
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 6, 2015

/s/ VICTOR J. COLEMAN
Victor J. Coleman
Chief Executive Officer

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# Section 8: EX-31.4 (EXHIBIT 31.4)

**CERTIFICATION**

I, Mark T. Lammas, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;
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 6, 2015

/s/ MARK T. LAMMAS
Mark T. Lammas
Chief Financial Officer

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# Section 9: EX-32.1 (EXHIBIT 32.1)

**Exhibit 32**

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, 2015 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 6, 2015

/s/ VICTOR J. COLEMAN
Victor J. Coleman
Chief Executive Officer

Date: November 6, 2015

/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.

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# Section 10: EX-32.2 (EXHIBIT 32.2)

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. in its capacity as sole general partner of Hudson Pacific Properties, L.P. (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-K for the period ended September 30, 2015 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 6, 2015

/s/ VICTOR J. COLEMAN
Victor J. Coleman
Chief Executive Officer
Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.

Date: November 6, 2015

/s/ MARK T. LAMMAS

Mark T. Lammas

Chief Financial Officer

Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.

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.

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