

## FOURTH AMENDMENT TO SUBLEASE

This FOURTH AMENDMENT TO SUBLEASE ("**Fourth Amendment**") is made and entered into as of November 22, 2017, by and between HRRP GARLAND, LLC, a Delaware limited liability company ("**Landlord**"), and THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of General Services, Asset Management Division ("**Tenant**").

### R E C I T A L S :

A. Charter Holdings, Inc. and Tenant entered into that certain Sublease dated November 30, 2004 (the "**CDD Sublease**"), as amended by that certain First Amendment to CDD Sublease (City of Los Angeles), dated as of July 24, 2008 (the "**First Amendment**"), that certain Second Amendment to CDD Sublease (City of Los Angeles), dated as of February 3, 2009 (the "**Second Amendment**"), and that certain Third Amendment to CDD Sublease (City of Los Angeles), dated as of January 8, 2010 (the "**Third Amendment**"), pursuant to which Tenant leases certain space (the "**Premises**"), commonly known as Suites 100/140, 150, 400, 600, 700, 800 and 900, located on the first (1<sup>st</sup>), fourth (4<sup>th</sup>), sixth (6<sup>th</sup>), seventh (7<sup>th</sup>), eighth (8<sup>th</sup>), and ninth (9<sup>th</sup>) floors of the building (the "**Building**") located at 1200 West Seventh Street, Los Angeles, California.

B. After the date of the Third Amendment, but prior to the date of this Fourth Amendment, Landlord (as successor-in-interest to Charter Holdings, Inc. under the CDD Sublease) acquired fee interest in the Building, fee interest in the Land under the Building, and leasehold interest in the Superior Leases. Accordingly, the "Trumbull Lease" and the "RML Lease" described in the CDD Sublease have been extinguished by operation of law, the CDD Sublease (as amended) is now a direct lease (not a sublease) between Landlord and Tenant, and references in the Lease to Sublandlord and Subtenant shall be references to Landlord and Tenant, respectively. Therefore, as of the date of this Fourth Amendment and for purposes of this Fourth Amendment: (i) the CDD Sublease shall be referred to herein as the "**Original Lease**", (ii) the Original Lease, First Amendment, Second Amendment, and Third Amendment shall collectively be referred to herein as the "**Lease**", and (iii) all references herein to "**Lease Term**" shall be deemed to be references to the Sublease Term (as defined in the Lease).

C. The parties desire to extend the Lease Term and to otherwise amend the Lease on the terms and conditions set forth in this Fourth Amendment.

### A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms; Remeasurement of the Premises and Building.** All capitalized terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this Fourth Amendment. Landlord and Tenant hereby acknowledge and agree that the Premises and the Building have been remeasured. Notwithstanding any contrary provision contained in the Lease, (i) prior to the Fourth Amendment

Extended Term (as that term is defined below in Section 3), the Premises and Building shall be deemed to contain the number of rentable square feet set forth in the Lease; and (ii) throughout the Fourth Amendment Extended Term, (A) the Premises shall be deemed to contain 228,536 rentable square feet, and (B) the Building shall be deemed to contain 733,759 rentable square feet. The rentable square footage of each floor of the Premises shall be stipulated as follows:

Floor/Suite	Rentable Square Feet
First Floor (Suites 100/140 and 150)	16,201
Fourth Floor (Suite 400)	47,339
Sixth Floor (Suite 600)	43,382
Seventh Floor (Suite 700)	43,382
Eighth Floor (Suite 800)	43,382
Ninth Floor (Suite 900)	34,850

2. **Condition of the Premises.** Landlord and Tenant acknowledge that Tenant has been occupying the Premises pursuant to the Lease, and therefore Tenant continues to accept the Premises in its presently existing, "as is" condition, provided that the foregoing shall not in any way modify or diminish Landlord's ongoing obligations under the Lease, including without limitation Landlord's obligation to maintain and repair the Building in accordance with the terms of the Lease. Except as otherwise set forth in the Tenant Work Letter attached hereto as **Exhibit A**, Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building, the Parking Garage, or the Common Areas or with respect to the suitability of the same for the conduct of Tenant's business.

3. **Extended Lease Term.** Pursuant to the Lease, the Lease Term is scheduled to expire on February 28, 2019. Landlord and Tenant hereby agree to extend the Lease Term for a period of five (5) years, from March 1, 2019 through February 29, 2024 (the "**Fourth Amendment Extended Term**"), on the terms and conditions set forth in the Lease, as hereby amended by this Fourth Amendment, unless sooner terminated as provided in the Lease (as amended).

4. **Basic Rent.**

4.1 **Prior to Fourth Amendment Extended Term.** Except as set forth below, prior to the commencement of the Fourth Amendment Extended Term, Tenant shall continue to pay Basic Rent in accordance with the terms of the Lease. Provided that Tenant is not then in Default of the Lease (as hereby amended) beyond applicable notice and cure periods under the Lease, then during the period commencing on January 1, 2018 and ending on March 31, 2018 (the "**Existing Term Basic Rent Abatement Period**"), Tenant shall not be obligated to pay any Basic Rent otherwise attributable to the Premises during such Existing Term Basic Rent Abatement

Period (the "**Existing Term Basic Rent Abatement**"). Landlord and Tenant acknowledge that the aggregate amount (the "**Existing Term Basic Rent Abatement Amount**") of the Existing Term Basic Rent Abatement equals \$1,629,194.28 (*i.e.*, (i) \$107,833.29 per month with regard to the portion of the Premises located on the seventh (7<sup>th</sup>) floor of the Building, and (ii) \$430,922.25 for January and February and \$443,849.91 for March with regard to the remainder of the Premises). If Tenant is in Default (beyond applicable notice and cure periods under the Lease) during the Existing Term Basic Rent Abatement Period, then Tenant's right to the Existing Term Basic Rent Abatement shall be suspended until such Default is cured, upon and after which time the Existing Term Basic Rent Abatement Amount shall be applied to the next installment(s) of Basic Rent otherwise due and owing under the Lease (as amended). Further, in the event of a Default by Tenant under the terms of the Lease that results in termination of the Lease, then as a part of Landlord's recovery (but only to the extent Landlord is not otherwise "made whole" for the Existing Term Basic Rent Abatement through its recovery of leasehold damages), Landlord shall be entitled to the recovery of the then unamortized remaining balance of the Existing Term Basic Rent Abatement Amount (such amortization being calculated on a straight line basis over the entire Lease Term and such balance being determined as of the date of Tenant's Default).

4.2 **During Fourth Amendment Extended Term.** During the Fourth Amendment Extended Term, Tenant shall pay monthly installments of Basic Rent for the Premises as follows, and otherwise shall pay Basic Rent in accordance with the terms of the Lease:

<u>Period During Fourth Amendment Extended Term</u>	<u>Annual Basic Rent</u>	<u>Monthly Installment of Basic Rent</u>	<u>Annual Rental Rate per Square Foot</u>
March 1, 2019 – February 29, 2020*	\$7,404,566.40	\$617,047.20	\$32.40
March 1, 2020 – February 28, 2021*	\$7,626,703.39	\$635,558.62	\$33.37
March 1, 2021 – February 28, 2022*	\$7,855,504.49	\$654,625.37	\$34.37
March 1, 2022 – February 28, 2023*	\$8,091,169.62	\$674,264.14	\$35.40
March 1, 2023 – February 29, 2024*	\$8,333,904.71	\$694,492.06	\$36.47

\*Subject to Extended Term Basic Rent Abatement as set forth below.

4.3 **Extended Term Basic Rent Abatement.** Provided that Tenant is not then in Default of the Lease (as hereby amended) beyond applicable notice and cure periods under the Lease, then during the months of March 2019, March 2020, March 2021, March 2022, and March 2023 (collectively, the "**Extended Term Basic Rent Abatement Period**"), Tenant shall not be obligated to pay a portion of Basic Rent otherwise attributable to the Premises during such Extended Term Basic Rent Abatement Period in the amount of (i) \$189,281.00 for the month of

March 2019, (ii) \$194,959.00 for the month of March 2020, (iii) \$200,808.00 for the month of March 2021, (iv) \$206,832.00 for the month of March 2022, and (v) \$213,037.00 for the month of March 2023 (collectively, the "**Extended Term Basic Rent Abatement**"). Landlord and Tenant acknowledge that the aggregate amount (the "**Extended Term Basic Rent Abatement Amount**") of the Extended Term Basic Rent Abatement equals \$1,004,917.00. If Tenant is in Default (beyond applicable notice and cure periods under the Lease) during the Extended Term Basic Rent Abatement Period, then Tenant's right to the Extended Term Basic Rent Abatement shall be suspended until such Default is cured, upon and after which time the Extended Term Basic Rent Abatement Amount shall be applied to the next installment(s) of Basic Rent otherwise due and owing under the Lease (as amended). Further, in the event of a Default by Tenant under the terms of the Lease that results in termination of the Lease, then as a part of Landlord's recovery (but only to the extent Landlord is not otherwise "made whole" for the Extended Term Basic Rent Abatement through its recovery of leasehold damages), Landlord shall be entitled to the recovery of the then unamortized remaining balance of the Extended Term Basic Rent Abatement Amount (such amortization being calculated on a straight line basis over the entire Lease Term and such balance being determined as of the date of Tenant's Default).

4.4 **Timing of Rent Payments.** Notwithstanding any provision to the contrary set forth in the Lease, Tenant shall not be obligated to make any payments of Basic Rent or Additional Charges unless and until Landlord has provided Tenant with forty-five (45) days prior written notice and an invoice for any amounts due. The foregoing notice and invoice requirements shall not be applicable during any period that Landlord is prohibited or unable to deliver notice to Tenant pursuant to Applicable Laws.

5. **Costs of Operation and Taxes.**

5.1 **Prior to Fourth Amendment Extended Term.** Prior to the Fourth Amendment Extended Term, Tenant shall continue to pay Tenant's Share of Costs of Operation and Taxes which arise or accrue with respect to the Premises during such period in accordance with the terms of the Lease.

5.2 **During Fourth Amendment Extended Term.** Effective as of March 1, 2019, and continuing throughout the Fourth Amendment Extended Term, Tenant shall pay Tenant's Share of all Costs of Operation and Taxes which arise or accrue with respect to the Premises during such period in accordance with the terms of the Lease; provided that (i) Tenant's Share shall be equal to 31.1% and (ii) the Base Costs of Operation and Base Taxes shall be calculated based on a Base Year of the calendar year 2019 (and Base Costs of Operation and Base Taxes shall include all Costs of Operation and Taxes, respectively, incurred in calendar year 2019, regardless of when they are actually paid). Notwithstanding anything to the contrary, Tenant shall not have any obligation to pay any Costs of Operation and Taxes for the first twelve (12) months of the Fourth Amendment Extended Term (i.e., from March 1, 2019 through February 29, 2020).

5.3 **Lease Modifications.** Notwithstanding any provision to the contrary set forth in the Lease, effective as of March 1, 2019, Section 4.1 of the Original Lease shall be amended as follows: (i) Costs of Operation shall be calculated in accordance with sound real estate management and accounting practices consistently applied ("**REMAP**"), and accordingly, all references to "GAAP" shall be deemed to refer to REMAP, and (ii) Costs of Operation shall

include all cost of capital repair, improvements or expenditures incurred by Landlord in connection with the Building that are required under any Applicable Laws first enacted or enforced after March 1, 2019 ("**Compliance Capital Improvements**"), provided that any such Compliance Capital Improvements shall be amortized over their useful life, on a straight line basis, including imputed interest at the Agreed Rate.

6. **Deletions.** Notwithstanding any provision to the contrary set forth in the Lease, as of the date of this Fourth Amendment, the following provisions of the Lease are hereby deleted and of no further force or effect: (i) Section 5(c) of the First Amendment (Expense Year Taxes) and Section 5(c) of the Third Amendment (Expense Year Taxes), (ii) Section 10 of the First Amendment (Extension Option), as amended by Section 10 of the Third Amendment, (iii) Section 11 of the First Amendment (Termination Options), as amended by Section 3 of the Second Amendment and Section 12 of the Third Amendment, (iv) Section 12 of the First Amendment (Right of First Offer), as amended by Section 11 of the Third Amendment, and (v) Section 4(c) of the Third Amendment (Rent Reduction Upon Further Expansion).

7. **Building Hours.** Notwithstanding Section 11.1 of the Original Lease, as of the date of this Fourth Amendment, the Building Hours shall be 7:00 a.m. to 6:00 p.m. Mondays through Fridays and 9:00 a.m. to 1:00 p.m. on Saturdays, and "Holidays" shall mean the date of observation of excepting New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

8. **Damage or Destruction.** Notwithstanding Section 13.4 of the Original Lease, as of the date of this Fourth Amendment, Landlord shall be permitted to terminate the Lease following an event of damage or destruction if the damage is not fully covered, except for the Landlord Contribution Amount, by Landlord's insurance policies and Landlord elects not to commence rebuilding or reconstructing within one (1) year from the date of such fire or other casualty and elects to terminate the leases of all other tenants similarly affected such damage. For the purposes of this Section 8, the "**Landlord Contribution**" shall mean Ten Million Dollars (\$10,000,000).

9. **Holding Over.** As of the date of this Fourth Amendment, Section 15.4 of the Original Lease, is hereby deleted and replaced with the following:

"15.4 **Holding Over.** If Tenant holds over after the expiration of the Lease Term without the express written consent of Landlord, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case daily damages in any action to recover possession of the Premises shall be calculated at a daily rate equal to one hundred twenty-five percent (125%) of the Basic Rent applicable during the last rental period of the Lease Term under this Lease and one hundred percent (100%) of all other Additional Charges (calculated on a per diem basis). Nothing contained in this Section 15.4 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to vacate and deliver possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 15.4 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. Tenant acknowledges that any holding over without Landlord's

express written consent may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to vacate and deliver the Premises within four (4) months following the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all claims made by any succeeding tenant founded upon such failure to vacate and deliver, and any losses suffered by Landlord, including lost profits, resulting from such failure to vacate and deliver (the foregoing obligations of Tenant to protect, defend, indemnify and hold harmless, are, collectively, "**Tenant's Holdover Indemnity Obligations**"). Notwithstanding the foregoing, Tenant's Holdover Indemnity Obligations shall be immediately effective, without regard to the foregoing four (4) month period if, prior to expiration of the Lease Term, Landlord delivers written notice to Tenant that Landlord has entered into a new lease or amendment to an existing lease with Local Initiative Health Authority for Los Angeles County (dba L.A. Care Health Plan), an independent public entity (or its successor) for lease of the Premises following the expiration of this Lease. Tenant agrees that any proceedings necessary to recover possession of the Premises, whether before or after expiration of the Lease Term, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorney's fees in connection therewith."

10. **SNDA Amendment.** Concurrently with the execution of this Fourth Amendment, Landlord shall cause Wells Fargo Bank, National Association (the "**Current Lender**"), Landlord's current lender that holds a first mortgage or first deed of trust with respect to the Building, to execute an amendment (the "**SNDA Amendment**") to the existing Subordination Agreement, Acknowledgement of Lease Assignment, Estoppel, Attornment and Non-Disturbance Agreement dated June 3, 2016, by and among Landlord, Tenant and Current Lender (the "**Existing SNDA**"), which SNDA Amendment shall be substantially in the form attached hereto as **Exhibit B**.

11. **Parking.** In lieu of the parking rights set forth in Section 9 of the First Amendment (as previously amended), effective as of March 1, 2019, Tenant's parking rights shall be as set forth in this Section 11.

11.1 **Tenant's Parking Passes.** Tenant shall have the right to rent from Landlord, during the Fourth Amendment Extended Term, up to a total of six hundred ninety-four (694) unreserved parking passes pertaining to the Parking Garage (the "**Parking Allocation**"); provided, that, in no event shall Tenant rent less than fifty (550) parking passes at any time (the "**Required Passes**"). Tenant shall also have the right to convert up to five (5) of Tenant's Parking Allocation to reserved parking passes pertaining to the Parking Garage (the "**Reserved Passes**"), the location of which Reserved Passes shall be determined by Landlord in Landlord's sole discretion. Upon not less than thirty (30) days' prior written notice to Landlord, Tenant may change the amount and/or type of parking passes rented by Tenant, provided that in no event shall Tenant rent less than the Required Passes or more than the designated number of Reserved Passes. Tenant shall also continue to have the right to use, without charge, the Free Limited Passes described in Section 8(a) of the Third Amendment, subject to the terms of the Lease.

11.2 **Parking Charges.** Tenant shall pay Landlord monthly as Additional Charges under the Lease, the prevailing rate established by Landlord for the type and location of such parking passes (the "**Parking Rate**"). As of the date hereof, the Parking Rate for unreserved parking passes is \$140.40 per pass per month and the Parking Rate for reserved parking passes is \$254.00 per pass per month. Notwithstanding the foregoing, the Parking Rate applicable to unreserved parking passes shall not increase by more than four percent (4%) per year during the Fourth Amendment Extended Term, as determined on a cumulative and compounding basis. Tenant shall not be entitled to any discounts or parking rate limitations for visitor parking or parking validations at the Parking Garage.

11.3 **Parking Discount.** Tenant shall be entitled to a fifteen percent (15%) discount from the Parking Rate for any unreserved parking passes rented by Tenant as part of the Parking Allocation.

12. **Storage Space.** The parties acknowledge and agree that Tenant is not currently leasing any Storage Space pursuant to Section 14 of the Third Amendment.

13. **Remedies.** For the purposes of clarification, Landlord and Tenant hereby acknowledge and agree that pursuant to Section 16.2 of the Original Lease, Landlord shall continue to have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations).

14. **Assignments and Subleases.**

14.1 **Landlord's Consent.** Notwithstanding the terms of Article 19 of the Original Lease, Landlord's consent to any sublease or assignment of the Lease (as amended) by Tenant shall not be unreasonably withheld, conditioned or delayed. Without limitation as to other reasonable reasons for Landlord to withhold its consent to a proposed assignment or sublease, Landlord and Tenant hereby agree that it shall be reasonable for Landlord to withhold its consent (i) to an assignment or sublease to an existing tenant of the Building, (ii) to any assignment or sublease to a transferee whose use of the Premises would violate the use conditions and restrictions in the Lease (as amended) or other conditions or restrictions in the Lease (as amended) or which would cause Landlord to be in violation of any covenant, condition, or binding obligation of another tenant's lease, or an exclusive use given to another tenant in the Building, (iii) to a transferee which is not comparable in reputation and stature to the other tenants of the Building, or (iv) to an assignment or sublease to a transferee which is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the assignment or sublease on the date consent is requested. Notwithstanding anything to the contrary in the Lease or this Fourth Amendment, Landlord and Tenant acknowledge that the City of Los Angeles is the Tenant under the Lease (as amended) and, accordingly, occupancy by any department of the City of Los Angeles shall not be deemed a sublease or assignment of the Lease (as amended), with the understanding that, regardless of which department(s) of the City of Los Angeles occupy(ies) the Premises, Tenant's use of the Premises shall be subject to the Permitted Use and Operational Covenants set forth in the Lease.

14.2 **Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in the Lease, in the event Tenant contemplates an assignment or subleasing of all or a portion of the Premises for all or substantially all of the remaining Lease Term (a "**Contemplated Transfer**"), Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such Contemplated Transfer (whether or not the contemplated assignee or sublessee or the terms of such Contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such Contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.2 in order to allow Landlord to elect to recapture the Contemplated Transfer Space for the term set forth in the Intention to Transfer Notice. Thereafter, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture by Landlord, if the Lease (as amended) shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and the Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner, to recapture such Contemplated Transfer Space under this Section 14.2, then, subject to the other terms of the Lease, for a period of nine (9) months (the "**Nine Month Period**") commencing on the last day of such twenty (20) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Proposed Transfer (as defined in Article 19 of the Original Lease) made during the Nine Month Period, provided that any such Proposed Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Proposed Transfer shall be subject to the remaining terms of Article 19 of the Original Lease. If such a Proposed Transfer is not so consummated within the Nine Month Period (or if a Proposed Transfer is so consummated, then upon the expiration of the term of any Proposed Transfer of such Contemplated Transfer Space consummated within such Nine Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Section 14.2.

15. **Notices.** Notwithstanding anything to the contrary contained in the Lease, as of the date of this Fourth Amendment, any notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

if to Landlord:

HRRP GARLAND, LLC  
c/o Rising Realty  
523 West Sixth Street, Suite 600  
Los Angeles, California 90014  
Attention: Tyson Strutzenberg

And



Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars  
Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

If to Tenant:

CITY OF LOS ANGELES  
c/o Department of General Services  
City Hall South, Suite 201  
111 East First Street  
Los Angeles, California 90012  
Attention: Melody McCormick

And

Office of the City Attorney  
Real Property/Environmental Division  
City Hall East, Room 701  
200 North Main Street  
Los Angeles, California 90012  
Attention: Edward C. Young, Esq.

16. **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Fourth Amendment other than CBRE, Inc. and Jones Lang LaSalle Brokerage, Inc. (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Fourth Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. The terms of this Section 16 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

17. **California Required Disclosures.** As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree that any CASp

inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord.

If any such CASp inspection indicates that repairs or modifications are required to cause the areas of the Building outside the Premises to comply with applicable construction-related accessibility standards, and are related to Tenant's use of the Premises for normal, general office use, with normal occupancy densities (as reasonably determined by Landlord), and Landlord's failure to make such repairs or modifications would affect Tenant's use of or occupancy of the Premises, then Landlord (or Tenant, if so elected by Landlord) shall make such repairs or modifications to the Building at Landlord's sole cost. If any such repairs or modifications to the Building are required as a result of Tenant's use of the Premises for other than normal, general office use, or by Tenant's higher than normal occupancy density, or if the failure to make such repairs or modifications would not affect Tenant's use or occupancy of the Premises, then either (i) Tenant shall, at Landlord's option, either perform such repairs at Tenant's sole cost and expense or reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such repairs, or (ii) Landlord may elect not to make such repairs or modifications, and Tenant shall be required to modify its use and occupancy density of the Premises so as to comply with applicable construction-related accessibility standards without such repairs or modifications being made to the Building.

18. **No Further Modification.** Except as specifically set forth in this Fourth Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

**[SIGNATURES FOLLOW ON NEXT PAGE]**

IN WITNESS WHEREOF, this Fourth Amendment has been executed as of the day and year first above written.

"LANDLORD"

HRRP GARLAND, LLC,  
a Delaware limited liability company

By: HRRP GARLAND JV, LLC,  
a Delaware limited liability company,  
its sole member


By: RISING GARLAND GP JV, LLC,  
a Delaware limited liability company,  
its manager

By: Rising Realty Partners, LP,  
a Delaware limited partnership,  
its Asset Manager

By:   
Name: Tyson Strutzenberg  
Title: SVP – Asset Management & Development

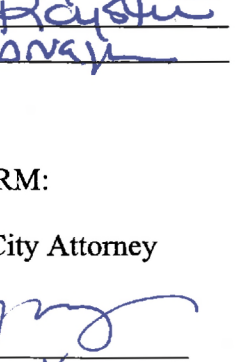
"TENANT"

THE CITY OF LOS ANGELES,  
a municipal corporation, acting by and through its Department of General Services, Asset  
Management Division

By:   
Name: Torum Royster  
Title: General Manager

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By:   
Name: Edward Young  
Title: Deputy City Attorney  
Date: 11 - 22 - 17

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

**EXHIBIT A**

**1200 WEST SEVENTH STREET**

**TENANT WORK LETTER**

1. **Tenant's Occupancy of Premises.** Tenant acknowledges that Tenant is in occupancy of the Premises and Landlord shall have no obligation to deliver the Premises to Tenant.

2. **Tenant Improvement Allowance.** Tenant shall be entitled to a one-time Tenant improvement allowance (the "**Tenant Improvement Allowance**") in the amount of \$5,567,350.00 for the costs relating to the design and construction of improvements, which are permanently affixed to the Premises (the "**Tenant Improvements**"). Except as specified herein, in no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter for costs that are unrelated to the Tenant Improvements nor for any Tenant Improvements in a total amount which exceeds the Tenant Improvement Allowance. Notwithstanding the foregoing or any contrary provision of the Lease (as hereby amended), all Tenant Improvements shall be deemed Landlord's property under the terms of the Lease (as hereby amended). Additionally, at any time following thirty (30) days after the full execution and delivery of this Fourth Amendment, but no later than August 31, 2020] (the "**Outside Date**"), Tenant, from time to time, shall have the right, exercisable by written notice (the "**Unused Allowance Exercise Notice**") to Landlord, to elect to use all or any portion of the then unused amount of the Tenant Improvement Allowance, if any, (i) towards payment of Tenant's actual, reasonable, out-of-pocket moving costs and purchase and installation of furniture, fixtures, equipment and data and telecommunications cabling and/or (ii) to receive a credit against future installments of monthly Basic Rent coming due under the Lease, as amended. Landlord shall disburse the Tenant Improvement Allowance for items described in (i) above following receipt of paid invoices from Tenant and other supporting documentation reasonably requested by Landlord. Any Basic Rent credit under this Section 2 shall be applied by Landlord against the next installment(s) of Basic Rent otherwise due and owing under the Lease (as hereby amended) after receipt of the Unused Allowance Exercise Notice. Upon the occurrence of the Outside Date, any portion of the Tenant Improvement Allowance for which Tenant has not made an election pursuant to an Unused Allowance Exercise Notice shall be automatically applied by Landlord as a Basic Rent credit against the next installment(s) of Basic Rent otherwise due and owing under the Lease (as hereby amended).

3. **Landlord's Compliance with Applicable Laws Obligations.** In connection with Tenant's construction of the Tenant Improvements and to the extent that such Tenant Improvements are normal and customary general office improvements assuming an office occupancy density consistent with comparable buildings in the vicinity of the Building, Landlord shall, at Landlord's sole cost and expense, to the extent such compliance is required in order to allow Tenant to obtain a certificate of occupancy, or its legal equivalent, for the Premises for general office use, or for Tenant to obtain construction permits for the construction of the Tenant Improvements (to the extent such Tenant Improvements are normal and customary general office improvements), perform all work necessary to the elevators and restrooms located in the internal core of the Building on the floor or floors on which the Premises is located to cause such areas to comply with Applicable Laws in effect as of the date of this Fourth Amendment.

4. **Construction of Tenant Improvements.** Except as otherwise provided in this Tenant Work Letter below, Tenant shall perform the Tenant Improvements at its sole cost and expense and in accordance with the terms of Article 8 of the Original Lease (including, without limitation, following Landlord's prior written consent and pursuant to plans approved by Landlord). In no event shall the third (3<sup>rd</sup>) to last sentence of Section 8.1 of the Original Lease apply to construction of the Tenant Improvements. Subject to the provisions of this Tenant Work Letter, following the completion of the Tenant Improvements, Landlord shall deliver a check made payable to Tenant in payment for the applicable portion of the Tenant Improvement Allowance, provided that (i) if applicable, Tenant's architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements has been completed, (ii) Tenant delivers to Landlord properly executed unconditional mechanic's lien releases in compliance with both California Civil Code Section 8134 and Section 8138, (iii) Landlord has determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building, and (iv) Tenant delivers to Landlord all invoices, marked as having been paid, from all general contractors, subcontractors, laborers, materialmen, and suppliers used by Tenant for labor rendered and materials delivered to the Premises in connection with the Improvements. Tenant shall pay a logistical coordination fee to Landlord in an amount equal to one and five-tenths percent (1.5%) of the Tenant Improvement Allowance, which coordination fee shall be for services relating to the coordination of the construction of the Tenant Improvements and which shall be deducted from the Tenant Improvement Allowance.

5 **Electronic Approvals.** Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, Landlord may, in Landlord's sole and absolute discretion, transmit or otherwise deliver any of the approvals required under this Tenant Work Letter via electronic mail to Tenant's representative identified in Section 6 of this Tenant Work Letter, or by any of the other means identified in the Lease.

6 **Tenant's Representative.** Prior to commencement of construction of any Tenant Improvements, Tenant shall designate a representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

7. **Landlord's Representative.** Landlord has designated Tyson Strutzenberg (of Rising) as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

8. **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any Default (beyond applicable notice and cure periods under the Lease) by Tenant under the Lease or this Tenant Work Letter occurs at any time on or before the substantial completion of the Tenant Improvements, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease (as amended), Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant

Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements and any costs occasioned thereby).

**EXHIBIT B**

**1200 WEST SEVENTH STREET**

**FORM OF SNDA AMENDMENT**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Wells Fargo Bank, National Association  
Commercial Real Estate (AU #01189)  
333 South Grand Avenue, Suite 900  
Los Angeles, California 90071

Attn: Cecilia Garcia  
Loan No. 1016002

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Space Above This Line for Recorder's Use

**FIRST AMENDMENT TO SUBORDINATION AGREEMENT, ACKNOWLEDGMENT OF  
LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE  
AGREEMENT (Lease to Security Instrument)**

THIS FIRST AMENDMENT TO SUBORDINATION AGREEMENT, ACKNOWLEDGEMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT (Lease to Security Instrument) (this "**Agreement**") is made as of this \_\_\_ day of November, 2017, by and among HRRP GARLAND, LLC, a Delaware limited liability company, owner of the real property hereinafter described ("**Mortgagor**"), THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Department of General Services, Asset Management Division ("**Tenant**"), and WELLS FARGO BANK, NATIONAL ASSOCIATION (collectively with its successors and assigns, "**Lender**").

RECITALS

A. Pursuant to the terms and provisions of that certain Sublease between Charter Holdings, Inc. ("**Original Landlord**") and Tenant dated November 30, 2004 , as amended by that certain First Amendment to CDD Sublease (City of Los Angeles) between Original Landlord and Tenant dated July 24, 2008, that certain Second Amendment to CDD Sublease (City of Los Angeles) between Original Landlord and Tenant dated February 3, 2009, that certain Third Amendment to CDD Sublease (City of Los Angeles) between Original Landlord and Tenant dated January 8, 2010 (collectively, the "**Existing Lease**"), Mortgagor granted to Tenant a leasehold estate in and to a portion of the property described on **Exhibit A** attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "**Property**"). Mortgagor is successor in interest to Original Landlord.

B. Mortgagor has executed that certain Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "**Security Instrument**") securing, among other things, that certain Promissory Note dated June 3, 2016 (the "**Note**") in favor of Lender (the "**Loan**").



C. Lender, Mortgagor, and Tenant have entered into that certain Subordination Agreement, Acknowledgment of Lease Assignment, Estoppel, Attornment and Non-Disturbance Agreement (Lease to Security instrument) dated as of June 3, 2016 (the "Existing SNDA") recorded in the Assessor-Recorder's Office for the City and County of Los Angeles, California, on [CONFIRM], as Document No. [CONFIRM], which Existing SNDA relates to the Existing Lease.

D. Concurrent herewith, Mortgagor and Tenant intend to enter into that certain Fourth Amendment to Sublease (the "Fourth Amendment") to: (i) extend the term of the Existing Lease as defined in the Fourth Amendment, and (ii) make other modifications to the Existing Lease, as more fully set forth in the Fourth Amendment. The Existing Lease and Fourth Amendment are collectively referred to herein as the "Lease."

E. Lender, Mortgagor, and Tenant have agreed to modify and amend the Existing SNDA all in accordance with the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt, sufficiency and delivery of which are hereby acknowledged, the Existing SNDA is hereby amended as follows:

1. The definition of the "Lease" in the Existing SNDA shall mean and refer to the Existing Lease as amended by the Fourth Amendment.

2. Lender hereby consents to the execution and delivery of the Fourth Amendment, including without limitation abatement to the Basic Rent, as set forth in Section 4 of the Fourth Amendment.

3. Except as expressly and specifically set forth herein, the Existing SNDA is hereby ratified and confirmed, and all of the terms, covenants, agreements and provisions of the Existing SNDA shall remain unaltered and unmodified and in full force and effect.

4. The terms, covenants and conditions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, administrators, successors and assigns.

5. This Agreement may be executed in two or more counterparts which, when taken together, shall constitute one and the same original.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGES]**

WITNESS the due execution of this instrument by the parties hereto the day and year first above written.

MORTGAGOR:

HRRP GARLAND, LLC,  
a Delaware limited liability company

By: HRRP GARLAND JV, LLC,  
a Delaware limited liability company,  
its sole member

By: RISING GARLAND GP JV, LLC,  
a Delaware limited liability company,  
its manager

By: Rising Realty Partners, LP,  
a Delaware limited partnership,  
its Asset Manager

By: \_\_\_\_\_  
Name: Tyson Strutzenberg  
Title: SVP – Asset Management & Development

**[NOTARY ACKNOWLEDGMENT AND SIGNATURES CONTINUE ON THE NEXT PAGES]**

**NOTARY ACKNOWLEDGMENT**

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name of notary)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

THE CITY OF LOS ANGELES,  
a municipal corporation, acting by and through its Department of General Services, Asset Management  
Division

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**[NOTARY ACKNOWLEDGMENT FOLLOWS ON THE NEXT PAGE]**

**NOTARY ACKNOWLEDGMENT**

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name of notary)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]**

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,

By: \_\_\_\_\_

Name:

Title:

**COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF SUFFOLK <sup>SS.</sup>**

On this \_\_\_\_\_ day of \_\_\_\_\_, 2017, before me, the undersigned notary public, personally appeared \_\_\_\_\_ of WELLS FARGO BANK, NATIONAL ASSOCIATION, proved to me through satisfactory evidence of identification, which was \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_.

(Notarial Seal/Stamp)

**EXHIBIT A**

**Description Of Real Estate**

All that certain real property located in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 1, 2, 3, 15, 16, 17, 18, 19 AND 20 OF THE GARLAND TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 60, PAGE 88 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND LOTS 1 TO 22, INCLUSIVE AND LOTS "A" AND "B" OF TRACT NO. 235 OF SAID CITY, COUNTY AND STATE, AS SHOWN ON MAP RECORDED IN BOOK 14, PAGE 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF SAID TRACT NO. 235; THENCE SOUTH 28° 31' 38" WEST, ALONG THE EASTERLY LINE OF LOTS 1, 22, 21, 20, 19, 18, 17 AND 16 OF SAID TRACT NO. 235, A DISTANCE OF 512.40 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 16; THENCE WESTERLY, ALONG THE CURVED SOUTHERLY LINE OF LOTS 16, 15, "B" AND 13 OF SAID TRACT NO. 235, THROUGH A CENTRAL ANGLE OF 13° 18' 46" AN ARC DISTANCE OF 170.57 FEET TO THE END OF SAID CURVE; THENCE SOUTH 80° 52' 55" WEST, ALONG THE SOUTHERLY LINE OF LOTS 13 AND 12 OF SAID TRACT NO. 235, 105.12 FEET TO THE BEGINNING OF A CURVE ON THE SOUTHERLY LINE OF SAID LOT 12 SHOWN ON THE MAP OF SAID TRACT NO. 235 AS HAVING A RADIUS OF 360.42 FEET; THENCE WESTERLY, ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 07° 07' 00" AN ARC DISTANCE OF 44.768 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 12; THENCE NORTH 28° 25' 35" EAST, ALONG THE NORTHWESTERLY LINE OF LOTS 12 AND 11 OF SAID TRACT NO. 235, A DISTANCE OF 225.66 FEET TO THE MOST SOUTHERLY CORNER OF LOT 20 OF SAID GARLAND TRACT; THENCE NORTH 61° 28' 36" WEST, ALONG THE SOUTHWESTERLY LINE OF SAID LOT 20, A DISTANCE OF 157.00 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 20; THENCE NORTH 28° 25' 35" EAST, ALONG THE NORTHWESTERLY LINE OF LOTS 20 TO 15, INCLUSIVE, AND OF LOT 3 OF SAID GARLAND TRACT, 450.00 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 3; THENCE SOUTH 61° 28' 36" EAST, ALONG THE NORTHEASTERLY LINE OF LOTS 3, 2 AND 1 OF SAID GARLAND TRACT 154.01 FEET TO AN ANGLE POINT IN THE NORTHEASTERLY LINE OF SAID LOT 1; THENCE SOUTH 65° 20' 20" EAST, ALONG THE NORTHEASTERLY LINE OF LOT 1, OF SAID GARLAND TRACT AND THE NORTHEASTERLY LINE OF LOTS 4, 3, "A", 2 AND 1 OF SAID TRACT NO. 235, A DISTANCE OF 267.56 FEET TO THE POINT OF BEGINNING.

Tax ID No.: 5143-006-013

Property address: 1200 West 7<sup>th</sup> Street, Los Angeles, CA

Loan Number: 1016002