TENANT IMPROVEMENT AGREEMENT
(Tower 180, San Diego, California)

THIS TENANT IMPROVEMENT AGREEMENT (this "**Agreement**") is made as of June 7, 2016, by and between THE CITY OF SAN DIEGO, a California municipal corporation ("**Tenant**"), and TOWER 180 OWNER, LLC, a Delaware limited liability company ("**Buyer**"). In consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

RECITALS

A. Tenant and Executive Complex LP, a California limited partnership, as successor-in-interest to Executive One Associates, an Illinois limited liability company ("**Current Landlord**"), entered into that certain Office Lease dated as of January 28, 1999 (together with all amendments, modifications and supplements thereto, the "**Lease**"), as amended by that certain First Amendment to Lease dated as of May 30, 2000, as further amended by that certain Second Amendment to Lease dated as of May 26, 2000, as further amended by that certain Third Amendment to Lease dated as of October 31, 2000, as further amended by that certain Fourth Amendment to Lease dated as of November 30, 2001, as further amended by that certain Fifth Amendment to Lease dated as of July 16, 2002, and as further amended by that certain Sixth Amendment to Lease dated as of July 1, 2013 (the "**Sixth Amendment**"). The premises leased by Tenant under the Lease contains approximately 141,888 rentable square feet of space located on the 3rd, 4th, 5th, 6th, 8th, 9th, 10th 11th, 12th, 13th, 14th, 15th and 19th floor(s) of the building located at 1010 Second Avenue, San Diego, California (the "**Premises**"). All initially-capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease unless the context clearly indicates otherwise.

B. Tenant sent Current Landlord (i) a Notice of Abatement Event and Default dated October 6, 2014 (the "**October 2014 Notice**"), in which Tenant alleged that Current Landlord had not completed certain tenant improvements in conformity with the terms and conditions of the Sixth Amendment to the Lease, and (ii) a letter dated April 27, 2016 (the "**April 2016 Notice**"; together with the October 2014 Notice, the "**Notices**") referencing the City's withholding of its rent payment due May 1, 2016 as a result of Tenant alleging that there was a failure of the HVAC system at the Property. The matters referenced in the Notices are collectively referred to herein as the "**Tenant Improvement Matter**".

C. Pursuant to that certain Purchase and Sale Agreement by and between Buyer, as buyer, and Current Landlord, as seller, Buyer may be acquiring the property located at 1010 Second Avenue, San Diego, California (the "**Property**"), and Buyer requires that Tenant enter into this Agreement with Buyer in order to address and resolve the issues raised by Tenant in the Notices if and when the closing of the acquisition of the Property by Buyer from Current Landlord occurs (the "**Closing**").

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intended to be legally bound, Tenant and Buyer agree as follows:

1. **Recitals**. The Recitals set forth above are hereby incorporated herein by reference as if the same were fully set forth herein.

2. **Completion of Tenant Improvements**. Buyer hereby agrees that if, and only if, the Closing occurs and Buyer acquires the Property from Current Landlord, then, from and after the Closing, Buyer shall use its commercially reasonable efforts to substantially complete all of the tenant improvement work related to the Premises using commercially reasonable standards for comparable office buildings located within the downtown San Diego market (the "**Tenant Improvements**") in the manner and within the timeframes described on **Schedule A** attached hereto and incorporated herein by reference (the "**Tenant Improvement Schedule**") which timeframes shall be subject to any delays caused by force majeure, including any unreasonable delays caused by Tenant not providing Buyer with timely and/or reasonable access to the Premises to complete the Tenant Improvements, if and as applicable. Notwithstanding any of the terms and conditions of the Lease (including, without limitation, any of the terms and conditions contained in Section 6 and 7 of the Sixth Amendment) and the provisions of the Notices, Tenant hereby agrees that Tenant shall not abate any rent or take any other remedial actions under the Lease or at law related to the Tenant Improvement Matter so long as Buyer has complied with the timelines set forth in the Tenant Improvement Schedule (unless an extension to the timeline shown on **Schedule A** has been agreed to, in writing, by Tenant) and the Tenant Improvements were approved or deemed approved by Tenant pursuant to the terms of this Section 2; provided, however, that if Buyer fails to comply with the timelines set forth on the Tenant Improvement Schedule for one or more specific Tenant Improvement Items listed thereon (unless an extension to the timeline shown on **Schedule A** has been agreed to, in writing, by Tenant), Tenant shall retain any and all of its rights to abate any rent or take any other remedial actions under the Lease or at law related to the applicable Tenant Improvement Item. With regard to each specific item of Tenant Improvements referenced in the Tenant Improvement Schedule (each a "**Tenant Improvement Item**"), (i) Buyer shall notify Tenant in writing of Buyer's substantial completion of such Tenant Improvement Item in conformity with the Tenant Improvement Schedule (the "**Completion Notice**"), which shall include a reasonable form of acknowledgment evidencing Tenant's approval of the applicable Tenant Improvement Item and its waiver and release of its abatement and remedial rights solely related to the specific Tenant Improvement Item and corresponding Tenant Improvement Matter (the "**Tenant Acknowledgment**"), and (ii) Tenant shall have fifteen (15) days from the date it receives the Completion Notice (the "**Tenant Response Period**") to return the signed Tenant Acknowledgement to Buyer, together with a written list of punch-list items that Tenant reasonably requires be addressed with regard to the specific Tenant Improvement Item, if any (the "**Punch List**"), which Buyer hereby agrees to use its commercially reasonable efforts to complete the same within a reasonable time period to Tenant's reasonable satisfaction. If Tenant does not execute and return the Tenant Acknowledgement and Punch List, if any, to Buyer on or before the expiration of the Tenant Response Period (the "**Tenant Response Period Expiration Date**"), then Tenant shall automatically be deemed to have approved the completion of the Tenant Improvement Matter and waived (and, effective as of the Tenant Response Period Expiration Date, hereby expressly waives) any right to any abatement of rent and other remedies under the Lease and at law related to the specific Tenant Improvement Item and corresponding Tenant Improvement Matter. For the avoidance of doubt, (x) the terms of this Agreement shall not impair Tenant from exercising its rights under the Lease or at law related to any events that first arise after the date of this Agreement that would trigger a default under the Lease that are

unrelated to the specific Tenant Improvement Items that occurred concerning that same Tenant Improvement Item) that are being completed pursuant to the Tenant Improvement Schedule and the other terms of this Agreement, and (y) notwithstanding anything stated to the contrary in subsection (x) above, Tenant's right to abate any rent or take any other remedial actions under the Lease or at law related to the Tenant Improvement Matter shall automatically terminate upon Tenant exercise of its right to terminate the Lease any time after June 30, 2016 ("**Termination Right**") pursuant to its rights under Section 9 of the Sixth Amendment, but solely to the extent that the schedule to complete such Tenant Improvement Items falls outside the date that Tenant vacates the Premises after exercising its Termination Right.

3. **Additional Buyer Covenant**. Buyer hereby agrees that (1) Buyer shall use its good faith and commercially reasonable efforts to provide, at all times, consistent airflow and desired temperatures to all Tenant spaces in the Premises, and (2) Buyer shall maintain the current Fire Control Panel and all associated Fire Life Safety Systems fully functional as required by law.

4. **Effectiveness of Agreement**. Except as modified by this Agreement, all the terms of the Lease shall remain unchanged and in full force and effect.

5. **Counterparts**. This Agreement may be executed in counterparts, and all counterparts together shall be construed as one document.

6. **Telecopied Signatures**. A counterpart of this Agreement that is signed by one party to this Agreement and telecopied or e-mailed to the other party to this Agreement or its counsel (i) shall have the same effect as an original signed counterpart of this Agreement, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Agreement.

7. **Successors and Assigns**. All of the terms and conditions of this Agreement shall apply to benefit and bind the successors and assigns of the respective parties, including, without limitation, any lenders of Buyer that may acquire the land and improvements where the Premises are located through foreclosure, a deed in lieu of foreclosure, an assignment for the benefit of credits or otherwise; provided, however, that, notwithstanding anything stated to the contrary in the foregoing, Buyer, on behalf of itself and its successors and assigns, hereby agrees that no assignment of this Agreement shall be effective (and shall be void *ab initio*) to the extent that any applicable assignor has actual knowledge that Current Landlord, or any of its principals, subsidiaries and/or affiliates, have any interest or control in any potential assignee.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Tenant and Buyer have entered into this Tenant Improvement Agreement as of the date first above stated.

"TENANT"

THE CITY OF SAN DIEGO,
a California municipal corporation

By:_____
Name: CHARLIE THOMPSON
Title: DIRECTOR OF REAL ESTATE ASSETS

Approved as to form this 7th day of June, 2016

JAN I. GOLDSMITH, City Attorney

By:_____
Name: Hilda R. Mendoza
Title: Deputy City Attorney

"BUYER"

TOWER 180 OWNER, LLC,
a Delaware limited liability company

By: TOWER 180 INVESTORS, LLC,
a Delaware limited liability company,
its sole member

By: HV TOWER 180 VENTURES, LLC,
a California limited liability company,
Administrative Member

By:_____
Name: JONATHON HAMMOCK
Title:_____

By: GV TOWER 180 INVESTOR, LLC,
a Delaware limited liability company,
Member

By:_____
Name:_____
Title:_____

SCHEDULE A

TENANT IMPROVEMENTS

ITEM	WORK	DESCRIPTION	TIME TO COMPLETE FROM THE CLOSING
A	Painting	Repainting of Suites 300, 400, 500, 600E, 1060 1400 and 1500 (which includes moving Tenant's furniture away from walls and replacing furniture upon completion)	4 months
B	Carpet Cleaning	Professional Carpet Cleaning of Suites 300, 400, 500, 600E, 1060, 1400, and 1500	2 months
C	HVAC	Buyer to repair and/or replace existing HVAC System, or use other alternative measures, to provide consistent airflow and desired temperatures to all Tenant spaces in the Premises. In order to facilitate the above, Buyer shall meet with Tenant within one (1) week following the Closing for the acquisition of the building Property to understand the extent of Tenant's issues and needs regarding HVAC.	3 months
D	Generators	Emergency Generator Replacement. The building's Existing Emergency Generators, utilized to provide backup power for the building's emergency systems (including fire sprinklers) are not functioning, so temporary back-up power is provided via Temporary Street Generators currently located on City streets to the south and north of the building. Buyer will replace the Existing Emergency Generators with one larger generator (the "New Emergency Generator"). The New Emergency Generator will need to be designed, permitted and installed, which could take up to 12 months. In the interim, Buyer shall use its good faith and commercially reasonable efforts to: (i) continue to seek and maintain all licenses, permits and regulatory approvals necessary to keep the Temporary Street Generators providing backup emergency power for the building while the Existing Emergency Generators are being replaced; or (ii) if the Temporary Street Generators are at any point,	12 months

		for any reason, no longer allowed to remain on City streets, Buyer will take alternative actions to ensure that emergency backup power is supplied to the building at all times.	
E	Fire Control Panel	Buyer shall update, repair, or replace the Fire Control Panel (and all associated Fire Life Safety Systems) to ensure that the Fire Control Panel (and all associated Fire Life Safety Systems) are fully operational, and to ensure that the Fire Control Panel and all associated Fire Life Safety Systems are fully integrated with all Fire Life Safety devices and/or systems in the building. Buyer shall at all times maintain active certification for the Fire Control Panel and all associated safety systems.	12 months
F	Restrooms	Repair and/or replacement of all restroom fixtures to ensure operation consistent with industry and building standards.	3 months
G	Hot and Cold Water Provisions	Buyer shall repair and/or replace the current boiler to provide both hot and cold water throughout the Premises.	12 months
H	Elevators	Approximately 50% of elevators have been down/inoperable at any one time in recent years. Buyer to take immediate action and corrective steps, consistent with industry standards, to ensure that the passenger elevators are safe and operational and running as consistently as possible in accordance with industry standards and similar office buildings (all elevators running most of the time with minimal down time for repairs and maintenance).	3 months
I	Freight Elevator	Buyer to modernize one (1) freight elevator in both the Tower and Annex Building which will require design, permitting, manufacturing and construction time. Buyer shall allow Tenant the right to utilize at least one (1) other elevator for the conveyance of freight or other similar items to its Premises upon twenty-four (24) hour notice to Buyer during the modernization of the above-referenced freight elevator.	18 months