

**CALENDAR ITEM
C54**

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PRC 6127.1
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ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

CA-Bay Park Plaza Limited Partnership

ASSIGNEE:

Hudson Bay Park Plaza LLC.

AREA, LAND TYPE, AND LOCATION:

1.978 acres, more or less, of filled and partially filled tidelands in San Francisco Bay adjacent to the Sanchez Channel and Burlingame Lagoon, Burlingame, San Mateo County.

AUTHORIZED USE:

Use and maintenance of an existing segment of the San Francisco Bay Trail, including paved walkways, bike paths, viewing areas, benches, trash containers, and commercial parking.

LEASE TERM:

24 years, beginning July 1, 2006.

CONSIDERATION:

\$32,500 per year, with an annual Consumer Price Index (CPI) adjustment as provided for in the lease.

OTHER PERTINENT INFORMATION:

1. Lessee/Assignor owns the upland adjoining the lease premises.
2. On November 21, 2006, the Commission authorized a General Lease-Commercial Use to CA-Bay Park Plaza Limited Partnership, a Delaware Limited Partnership.
3. Lessee/Assignor has entered into an Asset Purchase Agreement, dated December 6, 2014, by and among Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.

CALENDAR ITEM NO. **C54** (CONT'D)

4. Lessee/Assignor is applying for an assignment of Lease No. PRC 6127.1 to Hudson Bay Park Plaza, LLC., a Delaware limited liability company (HBPP). HBPP was formed on December 29, 2014, by its sole member Hudson Pacific Properties, L.P. (HPP LP). Hudson Pacific Properties, Inc., a Maryland corporation (HPP), is a general partner of HPP LP (holding a 96.5% interest).
5. Staff has reviewed Assignee's organizational structure, in addition to the Amended and Restated Agreement of Limited Partnership of HHP LP, dated June 29, 2010, and the Second Amended and Restated Agreement of Limited Partnership, dated December 10, 2010.
6. Staff reviewed HPP's financial information including the United States Securities and Exchange Commission Form 10-K for fiscal years ending December 31, 2012, and December 31, 2013, in addition to HPP's Third Quarter 2014 Supplemental Operating and Financial Data as reported on Form 10-Q. Based on the Assignee's limited financial history, staff recommends acceptance of an unconditional performance guaranty by HPP LP, and HPP (collectively "Guarantor") on behalf of the newly formed HBPP for the performance of all lease obligations.
7. The staff recommends that the Commission find that the subject assignment of lease does not have a potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject assignment is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3) because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

CALENDAR ITEM NO. **C54** (CONT'D)

AUTHORIZATION:

Authorize the assignment of Lease No. PRC 6127.1, a General Lease – Commercial Use, effective upon the close of sale of the improvements from CA-Bay Park Plaza Limited Partnership to Hudson Bay Park Plaza, LLC, and accept an unconditional guaranty by Hudson Pacific Properties, L.P., and Hudson Pacific Properties, Inc. (collectively “Guarantor”) on behalf of Hudson Bay Park Plaza, LLC for the performance of the lease obligations as described in Exhibit C. All other terms and conditions of the lease shall remain in effect without amendment.

EXHIBIT A

PRC 6127.1

LAND DESCRIPTION

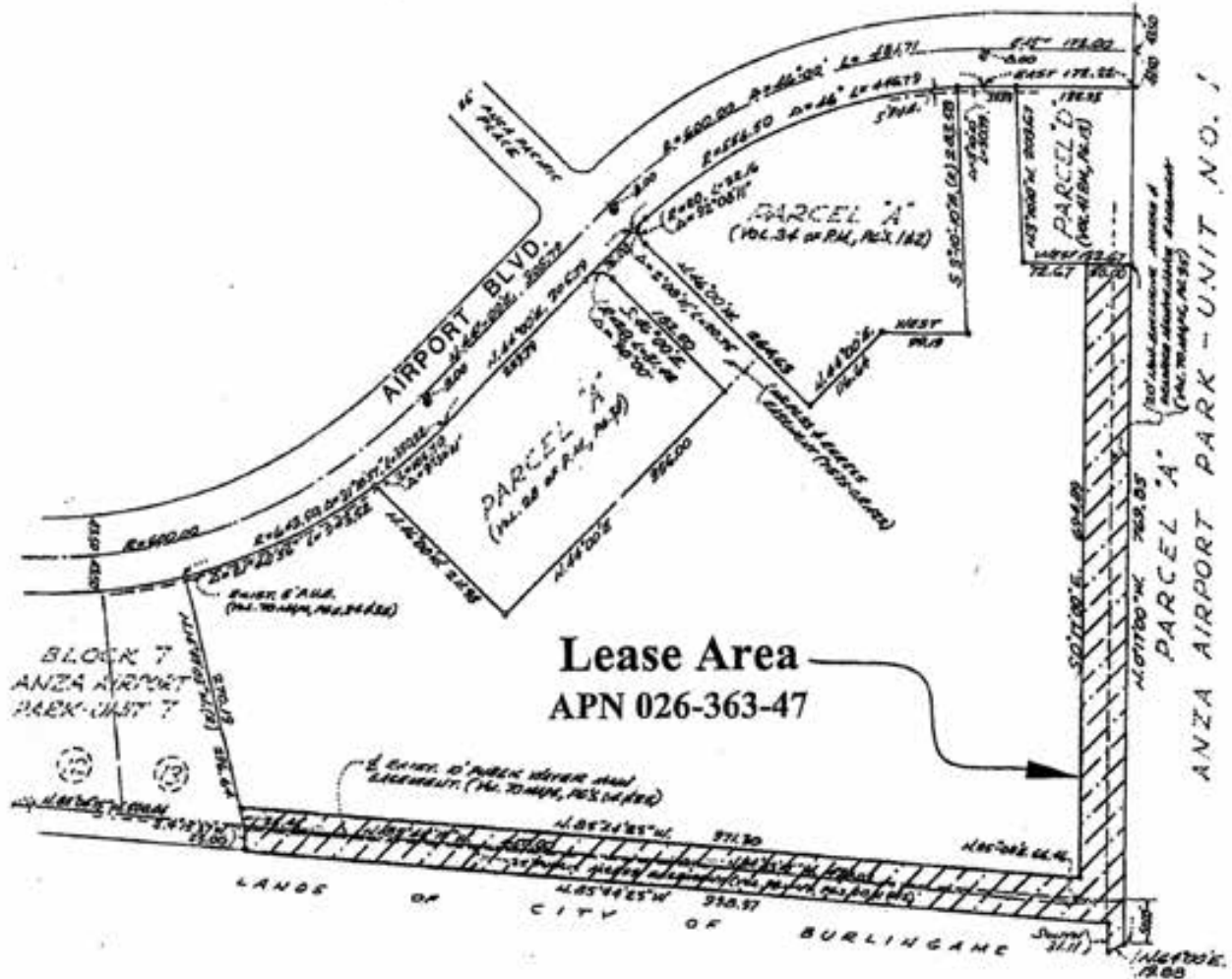
All that certain real property situate within the City of Burlingame, County of San Mateo, State of California, described as follows:

BEGINNING at the most Southerly corner of Lot 13 in Block 7, as shown on that certain map entitled "ANZA AIRPORT PARK UNIT NO. 7, CITY OF BURLINGAME, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the County Recorder of San Mateo County, State of California, on January 15, 1979 in Book 98 of Maps at pages 90, 91 and 92; thence from said described point of beginning along the Southerly line of said Block 7, South 85° 44' 23" East 998.97 feet; thence South 31.11 feet to the most Southerly corner of said Block 7; thence along the Easterly line of said Block 7 North 64° 00' East 19.88 feet; thence North 0° 17' 00" West 689.30 feet to the Northeasterly corner of said Block 7; thence along the most Easterly line of Parcel "E", as said Parcel "E" is shown on that certain Parcel map entitled "PARCEL MAP BEING A RESUBDIVISION OF LOTS 5 AND 6, BLOCK NO. 8; ANZA AIRPORT PARK - UNIT NO. 6 (R.S.M. VOL. 70, PG. 35) BURLINGAME, SAN MATEO COUNTY, CALIFORNIA", which map was recorded in Book 41 of Parcel Maps at page 13, on February 10, 1973, in the office of the Recorder of San Mateo County, California; thence continuing along last said course along the said Easterly line of Parcel "E", North 0° 17' 00" West 80.55 feet to the Southeasterly corner of Parcel "D", as said Parcel "D" is shown on said described Parcel Map; thence along the South line of said Parcel "D", West 50.00 feet to a point; thence leaving said South line of Parcel "D", South 0° 17' 00" East 80.55 feet to a point on the Northerly line of said Block 7; thence continuing along last course, along a line within said Block 7, South 0° 17' 00" East 614.34 feet; thence North 85° 44' 23" West 971.30 feet to a point on the Easterly line of said Lot 13; thence along said Easterly line of said Lot 13 South 14° 49' 03" East 26.45 feet; thence South 4° 15' 37" West 25.00 feet to the said described point of beginning.

END OF DESCRIPTION

NO SCALE

SITE



Lease Area
APN 026-363-47

ANZA PARK, CITY OF BURLINGAME

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 6127.1
 HUDSON PACIFIC
 PROPERTIES, L.P.
 APN 026-363-47
 GENERAL LEASE -
 COMMERCIAL USE
 SAN MATEO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.