

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Latham & Watkins  
633 W. 5th Street, Suite 4000  
Los Angeles, California 90071-2007  
Attn: Dale K. Neal

Space Above This Line For Recorder's Use

**SECOND AMENDMENT TO  
HOWARD HUGHES CENTER  
DEVELOPMENT AGREEMENT**

This Second Amendment To Howard Hughes Center Development Agreement ("the Second Amendment") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2005 by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), and ARDEN REALTY LIMITED PARTNERSHIP, a Maryland limited partnership ("Company").

**RECITALS**

A. The City and Howard Hughes Properties, Limited Partnership, a Delaware limited partnership ("HHP") entered into that certain Howard Hughes Center Development Agreement dated November 3, 1986 and recorded on November 4, 1986 in the Official Records of Los Angeles County, California as Instrument No. 86-1507410 (the "Development Agreement").

B. Company is the successor-in-interest to HHP under the Development Agreement.

C. City and Company wish to amend the Development Agreement, pursuant to Section V.N. thereof, (i) to extend the terms of the Development Agreement from November 4, 2006 to November 4, 2011, (ii) to amend the description of the "Project" in the Development Agreement to allow residential units to be constructed in lieu of hotel rooms, and (iii) to make conforming changes to the phasing plan for the Project described in Exhibit C to the Development Agreement.

NOW, THEREFORE, City and Company hereby agree to amend the Development Agreement as follows:

1. Section II.D.1 is hereby amended to read in its entirety, as follows:

"1. Description of the Major Components of the Project. Company seeks to develop Howard Hughes Center as a mixed-use complex comprised of the following major components:

- (a) A maximum of 1,950,000 square feet of commercial office and retail development, including at Company's option a maximum 100,000 square feet of retail and a maximum 100,000 square foot fitness center, constructed in the phases and subject to the conditions set forth in the Project Approvals;
- (b) A 250,000 square foot entertainment/retail center;
- (c) A maximum of 600 hotel rooms; provided, however, that Company may construct up to 900 additional hotel rooms, to a maximum of 1,500 total hotel rooms, by exchanging 301 square feet of commercial office/retail space for each additional hotel room;
- (d) A maximum of 600 residential units, provided, however, each residential unit constructed shall reduce by one hotel room the number of hotel rooms that is allowed to be constructed under paragraph (c) above;
- (e) Public and private improvements, partially consisting of major road improvements and other infrastructure within the Project area as described in paragraph D.2."

2. Section II.E.2 is hereby amended to add, as follows:

"2. (1) Within one year of the Effective Date of the Second Amendment to the Agreement, provide evidence satisfactory to the Director of Planning that (a) Company has either (i) contributed \$150,000.00 to the Westchester Streetscape Improvement Association ("WSIA"), or (ii) spent \$150,000.00 in hard costs for sidewalk, crosswalk and streetscape improvements on Sepulveda Boulevard in the Project vicinity in a manner consistent with the Westchester Streetscape Improvement Plan as determined by the Director of Planning in consultation with the applicable Council District Office, who shall obtain input from the WSIA and (b) Company has contributed to the WSIA, at no cost to the WSIA, construction management, design and permitting services to coordinate and supervise such sidewalk, crosswalk and streetscape improvements on Sepulveda Boulevard in the Project Vicinity."

2. The third sentence of Section V.B. of the Development Agreement is hereby amended in its entirety to read as follows:

"Therefore, this Agreement shall commence upon the effective date and shall remain in effect for a term of twenty-five (25) years thereafter, unless said terms is terminated, modified or extended by mutual consent of the parties hereto."

3. Section C of Exhibit C to the Development Agreement is hereby amended to read in its entirety, as follows:

"C. The phasing plan for the Project is as follows:

Phase I: 400,000 square feet of building area, and landscaped buffers on Lots OS2 through OS6 as shown on Revised Tentative Tract No. 35269, stamp-dated July 26, 1985.

Phase II: Development up to a maximum of an additional 675,000 square feet of office/retail, a 250,000 square feet entertainment center, and commencement of construction of Parcel OS1 as a private park.

Phase III. Development up to a maximum of an additional 425,000 square feet of office/retail and 600 hotel rooms (office/retail space may be exchanged for additional hotel rooms and hotel rooms may be exchanged for residential units up to a maximum of 600 residential units). If not in this Phase, construction of portions of Parcels B, C, D, E, F and G as an open area court of at least 66,211 combined total square feet shall occur in Phase IV.

Phase IV. Balance of the development of the Project (office/retail space may be exchanged for additional hotel rooms and hotel rooms may be exchanged for residential units up to a maximum of 600 residential units)."

If any provisions of this Second Amendment should be determined by a court to be invalid or unenforceable, the remaining provisions of this Second Amendment shall remain in full force and effect and continue to be binding on both parties. Except as amended herein, the Development Agreement remains in full force and effect. Attached hereto is a copy of Ordinance No. \_\_\_\_\_ pursuant to which this Second Amendment was approved by the City.

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

APPROVED AS TO FORM AND LEGALITY:

CITY OF LOS ANGELES:

ROCKARD J. DELGADILLO, City Attorney

By: \_\_\_\_\_  
JACK L. BROWN  
Assistant City Attorney

By: \_\_\_\_\_  
JAMES K. HAHN, Mayor

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST:  
FRANK T. MARTINEZ, City Clerk

ARDEN REALTY LIMITED PARTNERSHIP,  
a Maryland limited partnership,

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

By: ARDEN REALTY, INC.  
a Maryland corporation  
Its: General Partner

DATE: \_\_\_\_\_

By: \_\_\_\_\_  
Its: President and COO

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

DATE: \_\_\_\_\_