

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

June 28, 2011

LEASE No. GS-09B-02750

THIS LEASE, made and entered into this date between THOMAS F. MURPHY & MARTINA MURPHY, Trustees of the Murphy Trust UDT

whose address is: 1485 Bayshore Blvd. #101
San Francisco, CA 94124

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
9,456 rentable square feet (r.s.f.), yielding approximately 8,340 ANSI/BOMA Flex Area square feet and related spaces at 674 Harrison Street, San Francisco, CA to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on December 1, 2011 through November 30, 2021, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent of \$360,000.00 at the rate of \$30,000.00 per month in arrears for year one. Annual shell rent will increase by 3% annually each year after year one. Operating costs will be established at the execution of this lease and subject to annual CPI index adjustments. The annual rates are as follows:

	Y1	Y2	Y3	Y4	Y5
Shell	\$298,040.00	\$306,981.20	\$316,190.64	\$325,676.36	\$335,446.65
Op*	\$61,960.00	\$61,960.00 + CPI	\$61,960.00 + CPI	\$61,960.00 + CPI	\$61,960.00 + CPI
Total	\$360,000.00	\$368,941.20	\$378,150.64	\$387,636.36	\$397,406.65
	Y6	Y7	Y8	Y9	Y10
Shell	\$345,510.05	\$355,875.35	\$366,551.61	\$377,548.16	\$388,874.60
Op*	\$61,960.00 + CPI	\$61,960.00 + CPI	\$61,960.00 + CPI	\$61,960.00 + CPI	\$61,960.00 + CPI
Total	\$407,470.05	\$417,835.35	\$428,511.61	\$439,508.16	\$450,834.60

*Operating costs will be subject to CPI index adjustments after year one.

Rent for a lesser period shall be prorated. Rent checks shall be payable to:

S.F. Rents
1485 Bayshore Blvd. #101
San Francisco, CA 94124

4. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease by giving at least 90 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. Paragraph No. 5 IS INTENTIONALLY OMITTED.

6. Paragraph No. 6 IS INTENTIONALLY OMITTED.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number OCA2367 (pages 1-49) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Attachment A (pages 1-2);
- c) Attachment B - Floor Plans (pages 1-2);
- d) GSA Form 3517 (pages 1-2);
- e) GSA Form 3518 (pages 1-7);

8. The following changes were made in this lease prior to its execution:

Paragraphs 5 and 6 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 15 have been added.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR CHRISTOPHER J. HARNEY AND THE MURPHY TRUST VOT DATED OCTOBER 3, 2003
BY [Signature] Trust Christopher J. Harney
(Signature) (Signature)

IN PRESENCE OF MICHAEL WARE
[Signature] 1485 BAYSHORE BLVD #101 - SF, CA 94124
(Signature) (Address)

UNITED STATES OF AMERICA - GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY [Signature]
CONTRACTING OFFICER, GSA PETER SHTEYN

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02692

9. **OPERATING COST:** Pursuant to Paragraph 4.2, "Operating Costs," the base rate for purposes of operating cost escalation is established at \$6.55 per rentable square foot per annum.
10. **OVERTIME USAGE:** Pursuant to Paragraph 4.5, "Overtime Usage," upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$3.39 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to the GSA Field Office Manager to receive payment. The address is as follows:
- GSA Sansome Street Field Office
Field Office Manager
630 Sansome Street
San Francisco, CA 94111-2393
11. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$3.39 per hour after "Normal Hours."
12. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**
13. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
14. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.
15. **REPAINT AND CARPET CLEAN:** The Lessor shall repaint the walls (not including the ceiling) and clean the carpet of the entire leased premises, which shall include relocation of any furniture or equipment if necessary, at the Lessor's sole expense and cost. Said work shall be completed at a time convenient to the Tenant Agency and be completed by no later than December 1, 2011.

Initials:  & 
Lessor Government