

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: June 1, 2011

LEASE No. GS-09B- GS-09B-02312

THIS LEASE, made and entered into this date between **Hawthorne Plaza Associates, L.L.C**

whose address is: **c/o Hines Interest
101 California, Suite 1000
San Francisco, CA 94111**

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:
284,767 rentable square feet (r.s.f.), yielding approximately 253,919 ANSI/BOMA Office Area square feet and related space located on the **ground floor, floors 1 through 3 and 6 through 19** at the **Hawthorne Plaza, 75 & 95 Hawthorne Street, San Francisco, CA 94105**, together with **9 onsite secured reserved structured parking spaces**, as depicted on the attached (Exhibit A) (the "Premises"), 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 the date the space is certified and accepted for occupancy by the Government as complete and ready for occupancy through the following fifteen (15) years firm term, subject to termination and renewal rights as may be hereinafter set forth. The actual commencement date and square footage will be established by Supplemental Lease Agreement upon delivery of the space and upon Government's actual field measurement for acceptance and beneficial occupancy.
3. The Government shall pay the Lessor annual rent in arrears in accordance with the following schedule:
 - a. Years 1 through 3 (1-3), annual rent will be \$11,675,447.00 at the rate of \$972,953.91 per month in arrears.
 - b. Years 4 through 6 (4-6), annual rent will be \$12,173,789.25 at the rate of \$1,014,482.44 per month in arrears
 - c. Years 7 through 9 (7-9), annual rent will be \$12,672,131.50 at the rate of \$1,056,010.96 per month in arrears
 - d. Years 10 through 12 (10-12), annual rent will be \$13,170,473.75 at the rate of \$1,097,539.48 per month in arrears
 - e. Years 13 through 15 (13-15), annual rent will be \$13,668,816.00 at the rate of \$1,139,068.00 per month in arrears. The rent breakdown is as follows:

	Years 1 - 3		Years 4 - 6		Years 7 - 9		Years 10 - 12		Years 13 - 15	
	Annual Rent	Per RSF	Annual Rent	Per RSF	Annual Rent	Per RSF	Annual Rent	Per RSF	Annual Rent	Per RSF
Shell Rental Rate	\$ 8,403,474.17	\$ 29.51	\$ 8,901,816.42	\$ 3126	\$ 9,400,168.67	\$ 33.01	\$ 9,898,500.92	\$ 34.76	\$ 10,396,843.17	\$ 36.51
T.I.Rental Rate	\$ 956,817.12	\$ 3.36	\$ 956,817.12	\$ 3.36	\$ 956,817.12	\$ 3.36	\$ 956,817.12	\$ 3.36	\$ 956,817.12	\$ 3.36
Operating Cost	\$ 2,315,155.71	\$ 8.13	\$ 2,315,155.71	\$ 8.13	\$ 2,315,155.71	\$ 8.13	\$ 2,315,155.71	\$ 8.13	\$ 2,315,155.71	\$ 8.13
Fully Serviced	\$ 11,675,447.00	\$ 41.00	\$ 12,173,789.25	\$ 42.75	\$ 12,672,131.50	\$ 44.50	\$ 13,170,473.75	\$ 46.25	\$ 13,668,816.00	\$ 48.00

The actual rent will be established by a Supplemental Lease Agreement upon delivery of the space and the Government's acceptance of beneficial occupancy. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

**Hawthorne Plaza Associates, L.L.C
c/o Hines Interest
101 California, Suite 1000
San Francisco, CA 94111**

4. **PARAGRAPH 4 IS INTENTIONALLY OMITTED:** The Government may terminate this lease in whole or in part effective any time after the _____ year of this lease giving at least _____ days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination.
5. **PARAGRAPH 5 IS INTENTIONALLY OMITTED:** Provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term: all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing



6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 1.12, "Tenant Improvement Rental Adjustment" of the Solicitation For Offers (SFO) No. GS-09B-02312 dated 12/01/08. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the SFO and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph 6.14 entitled, "Telecommunications: Local Exchange Access," of the SFO.
 - D. All the Mechanical, Electrical and Plumbing upgrades as stated in offer dated March 21, 2011
 - E. Clerestory skylights will be provided at the northern perimeter within the three structural bays between column lines F and I, north of column line 2 at the ground floor roof, above the conference center thus ensuring that all occupiable space on the first floor is within 50 feet of a perimeter window. Specifically, the rectangular, 1.5-hour UL fire rated skylights will have vertical wire glass in hollow metal frames supported on a concrete curb. The skylight openings will have a 1.5-hour UL fire rated horizontal roof plane, sloped for slightly drainage. Similarly, clerestory skylights will be provided at the southern perimeter at the ground floor roof, above the child care center. In addition, clerestory glass will be installed in reception area at the demising walls which will allow more natural light into the reception area and lounge as well as the child care center. Skylights above the child care center will be designed to ensure a minimum natural daylight level of 250 Lux.

7. The following are attached and made part hereof:
- A. Exhibit "A", 13 pages
 - B. Solicitation For Offers (SFO) NO. GS-09B-02312, 74 pages
 - C. Amendment NO.1, 14 pages
 - D. Amendment NO.2, 1 page
 - E. Amendment NO.3, 1 page
 - F. Amendment NO.4, 2 pages
 - G. Amendment NO.5, 8 pages
 - H. Program of Requirements, 60 pages
 - I. GSA Form 3517B, GENERAL CLAUSES (rev 11/05), 33 pages
 - J. GSA Form 3518, REPRESENTATIONS AND CERTIFICATIONS (REV1/97), 7 pages
 - K. LEED Score Cards, 3 pages

8. The following changes were made in this lease prior to its execution:
 Paragraphs 4 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 22 have been added.

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

PL
 [Redacted] C a Delaware limited liability company;
 [Redacted] ty company, its sole member

 (Signature) President
 (Title)

101 California St., Ste. 1000, San Francisco, CA
 (Address)

ADMINISTRATION, Public Buildings Service: