

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT No. 14

DATE 4-12-16

TO LEASE NO. GS-09B-02312

ADDRESS OF PREMISES: 75 Hawthorne St
San Francisco, CA 94105

THIS AGREEMENT made and entered into this date by and between: Hawthorne Plaza Associates, L.L.C.

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

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

Paragraph 36. E. is hereby replaced in its entirety with the following:

"E. The 6th and 7th floors represent 40,207 rentable square feet yielding 36,144 ANSI BOMA Office Area square feet ("Block C"). The base lease tenant improvement allowance for this work, amortized at 0% annual interest over 120 months following the Phase 5 occupancy, shall be \$2,041,898.24. In addition to the base TI, an additional \$4,088,112.23 shall be amortized at an annual interest rate of 8% over 120 months following the Phase 5 occupancy."

Paragraph 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, and 51 are hereby added to the Lease:

"41. Square feet calculations and TI allowance for Phase 5 - [REDACTED], GSA Child Care Center, [REDACTED] Fitness Center, [REDACTED], and GSA Unoccupied Space:

A. The GSA Child Care on the first and second floors as shown in Exhibit A of SLA 14 is hereby made a part of the Lease.

1) The GSA Child Care Center space represents 5,670 rentable square feet yielding 5,040 ANSI/BOMA Office Area square feet ("Block E"). The base lease tenant improvement allowance for this phase of work amortized into the remainder of the lease at 0% shall be \$284,726.85. In addition to the base TI, an additional \$2,520,100.15 shall be amortized at an annual interest rate of 8% over the remainder of the firm term of the lease following the phase 5 substantial completion."

B. The [REDACTED] on the second floor as shown in Exhibit B of SLA 14 is hereby included in the lease.

1) The [REDACTED] space represents 4,071 rentable square feet yielding 3,328 ANSI/BOMA Office Area square feet ("Block D"). The base lease tenant improvement allowance for this phase of work amortized into the remainder of the lease at 0% shall be \$188,010.11. In addition to the base TI, an additional \$522,024.89 shall be amortized at an annual interest rate of 8% over the remainder of the firm term of the lease following the phase 5 substantial completion."

Continued on Page 2 of 3.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: Hawthorne Plaza Associates L.L.C. a Delaware limited liability company:
[REDACTED] Hawthorne Plaza Associates, L.L.C. a Delaware limited liability company, its sole member

Ray Rothfelder

(Name)

Kim Monaco

(Name)

Joel Gomez

NAME OF SIGNER

- C. The [redacted] Fitness Center as shown in Exhibit C of SLA 14 is hereby made a part of the Lease.
- 1) The [redacted] Fitness Center space represents 7,013 rentable square feet yielding 5,732 ANSI/BOMA Office Area square feet ("Block B"). The base lease tenant improvement allowance for this phase of work amortized into the remainder of the lease at 0% shall be \$323,820.29. In addition to the base TI, an additional \$1,686,321.71 shall be amortized at an annual interest rate of 8% over the remainder of the firm term of the lease following the phase 5 substantial completion."
- D. The GSA Unoccupied Space as shown in Exhibit D of SLA 14 is hereby made a part of the Lease. The GSA Vacant Space represents 1,988 rentable square feet yielding 1,624 ANSI/BOMA Office Area square feet ("Block F"). The base lease tenant improvement allowance for this phase of work amortized into the remainder of the lease at 0% shall be \$91,745.31."
- E. The total of the additional TI amortization for Blocks B, D and E in Paragraph 41. (A) – (C) of \$4,728,446.75 shall be amortized at an annual interest rate of 8% over the remainder of the firm term of the lease following the phase 5 occupancy.
- F. Block C referenced in Paragraphs 36.E and Blocks B, D, E and F referenced in 41. (A) – (D) above, are defined in the 2016 Phase 5 Remeasurement (Exhibit E of SLA 14).

"43. Notice To Proceed—Phase 5:

- A. Following a Government review of the submitted cost proposal, the Government has determined that the bid submitted is fair and reasonable and a Notice to Proceed is hereby issued for the construction of Tenant Improvements for the firm amount of \$12,906,972.00 inclusive of all management and architectural fees. The Government will not require any further cost and pricing data or additional bids.
- B. The total TI Phase 5 Price as referenced in Paragraph 43. A. is allocated between tenants as follows:
- 1) [redacted]: \$7,290,224.00
 - 2) GSA Child Care Center: \$2,804,827.00
 - 3) [redacted] Fitness Center: \$2,010,142.00
 - 4) [redacted]: \$710,035.00
 - 5) GSA Unoccupied Space: \$91,745.00
- C. Upon completion, inspection, acceptance of space, and receipt of an original invoice, the Government shall reimburse the Lessor \$1,160,213.53. Invoices must be submitted electronically to the following address: <https://www.finance.gsa.gov/webvendors/LoginVend.aspx> Upon execution of the SLA, the Government will provide a "PDN Number" that the Lessor must include on the invoice.
- D. In the event that the Government does not vacate floors 4, 6, and 7 by 33 Working Days after the Phase 4 substantial completion, Lessor shall not be required to perform the work of the Phase 5 Notice to Proceed until such time as the Government has vacated floors 4, 6 and 7, and the Government shall be responsible for any additional costs incurred by Lessor stemming from the Government's delay in excess of 33 Working Days after Phase 4 substantial completion in vacating floors 4, 6 and 7."

"44. Phase 1 & 2 Door Closers: Lessor shall be responsible for the costs to install the Phase 1 and 2 door closers, as described in the [redacted] - Phase 1-2 Elevator Lobby Door Operator Replacement pricing proposal, which Lessor submitted to the Government on 8/18/15. The Government shall be responsible for the costs of maintenance and repairs of the door closers. Notwithstanding the foregoing, the Lessor shall remain responsible for door closer repairs covered by the construction general contractor and sub-contractor's warranty during the initial 12 months parts and labor warranty period."

"45. Environmental Submissions: The following environmental submissions which were previously submitted by the Lessor on 7/23/13 shall apply to the Phase 5 portion of the project in full satisfaction of the requirements in Paragraphs 3.19.B.4(a) – (d) of the SFO of the Lease: (1) the Commissioning Plan; (2) the Construction IAQ Plan; (3) the Moisture Control Plan; and (4) the Construction Waste Management Plan."

"46. SFO Mail Room: The SFO references to the mail room requirements do not apply to the [redacted] mail room on the 6th floor."

"47. Data Cabling & Security: The Lessor shall not be responsible for the installation or maintenance for any tenant data cabling or security components with the exception of the installation of security and data for the [redacted] as proposed in the phase 5 TI Price Proposal."

"48. LEED: The LEED-CI Certifications requirements for Phase 5 are hereby:

- [redacted]: LEED CI Certified
- B. GSA Child Care: None
 - C. [redacted] Fitness Center: None
 - D. Commerce: None
 - E. GSA Unoccupied Space: None"

Initials: Government

Lessor

 

"49. Phase 5 Finishes: The Government approves the phase five finishes as noted in Exhibit F.

"50. █ Fitness Center Acoustics/Vibrations: Notwithstanding any other provision in the Lease, Lessor shall not be required to mitigate the acoustic or vibration effects of the fitness center due to the absence of a raised floor in the weight/equipment area, as noted in the 3/15/13 Lessor Confirmation section FC-1 of the 3/15/13 █ Value Engineering Implementation Confirmation list, and as later adopted by the 12/29/15 Construction Documents."

"51. Lessor and the Government agree to a full and final settlement and release of all causes of action, damages or liability relating to all claims identified in Exhibit G:

- A. The Lessor and Government agree to waive all claims identified in Exhibit G.
- B. The Government shall pay Lessor the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the "Settlement Amount"). The Settlement Amount shall be amortized at an 8% annual interest rate over the remaining Firm Term of Block A (approximately 14 years). The payments shall be made with the regular rent payments.
- C. Lessor agrees that it is solely responsible for any technical inaccuracies or omissions present in the Construction Drawings that fail to capture the government's design requirements or Lease requirements, or fail to meet applicable code, and agrees not to pursue any claims against the government for costs which stem from any such technical inaccuracies or omissions.

Paragraph 38 is replaced to add the underlined clarification as follows:

"38. Security and IT Systems

Subsequent to the installation of any security or information technology equipment for the 6th and 7th floor █ tenant build-out, the Lessor shall not be responsible for its operation, maintenance, repair and replacement. Notwithstanding the foregoing, the Lessor shall remain responsible for security and IT systems repairs covered by the construction general contractor and sub-contractor's warranty during the initial warranty period for the 6th and 7th floor █ tenant build-out. If a security or IT system repair for the 6th and 7th floor █ tenant build-out is determined to not be covered by the warranty, the Government shall be responsible for the repair."

All other terms and conditions of the Lease shall remain in force and effect.

Initials: Government  Lessor 