

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
5

DATE
July 1, 1998

TO LEASE NO. GS-09B-94150

ADDRESS OF PREMISES **75/95 Hawthorne Street
San Francisco, CA 94105**

THIS AGREEMENT, made and entered into this date by and between

HAWTHORNE PLAZA, LTD.

whose address is 95 Hawthorne Street
San Francisco, CA 94105

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, the parties hereto for the considerations hereinafter mentioned, covenant and agree that the said Lease is amended as of the date of this Supplemental Lease Agreement ("SLA"), as follows:

A. Paragraph 1 of the Lease is hereby amended to include the following additional blocks of space:

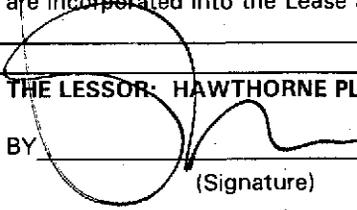
Block C: 980 rsf (852 osf) of office and related space on the fourth floor of 95 Hawthorne Street, as depicted on the plan attached hereto as Exhibit J1 (hereinafter "Block C").

Block D: 4,039 rsf (3,512 osf) of storage space on the basement floor as depicted on the plan attached hereto as Exhibit J2 (hereinafter "Block D").

B. Paragraph 2 is deleted in its entirety and replaced by the following Paragraph 2. Subparagraph 3(a)(1) is deleted in its entirety and replaced by the following Subparagraph 3(a)(1). Paragraphs 11 and 12 of the Lease are hereby deleted in their entirety and replaced with the following Paragraphs 11 and 12. The Lease is further amended to include Paragraph 17 and attached Exhibits J, K, L and M.

C. All of the terms and conditions set forth in this SLA, including those contained in the attached Continuation Sheets, are incorporated into the Lease as fully as if set forth therein in their entirety.

THE LESSOR: HAWTHORNE PLAZA, LTD., BY ARCON INC., ITS GENERAL PARTNER

BY  _____
(Signature)

Pres. _____
(Title)

IN THE PRESENCE OF (witnessed by:)

(Signature)

(Address)

THE GOVERNMENT: UNITED STATES OF AMERICA

BY  _____
Thomas L. Andrews, III
Contracting Officer
General Services Administration-PBS, PARS

CONTINUATION SHEET NUMBER 1 TO SUPPLEMENTAL LEASE AGREEMENT NO. 5 OF LEASE NO. GS-09B-94150 ATTACHED HERETO AND MADE A PART HEREOF

2. TO HAVE AND TO HOLD the said premises with their appurtenances as follows:

- a. For Blocks A and B: From April 1, 1995 to September 30, 2009.
- b. For Block C: From February 26, 1998 (the "Block C Commencement Date") to September 30, 2009.
- c. For Block D: From November 1, 1996 (the "Block D Commencement Date") to September 30, 2009.

3. RENT

a. (1) For office and related space:

Blocks A and B: *2/1/95*

<u>Years</u>	<u>Rent/Annum/RSF</u>	<u>Rent/Annum</u>	<u>Rent/Month</u>
1-6	\$20.79	\$4,598,758 ✓	\$383,230
7-15	\$25.76	\$5,698,461	\$474,872

Block C: *2/26/98*

<u>Years</u>	<u>Rent/Annum/RSF</u>	<u>Rent/Annum</u>	<u>Rent/Month</u>
4-9	\$23.75	\$23,274.96 ✓	\$1,939.58
10-14	\$26.75	\$26,214.96	\$2,184.58
15	\$29.75	\$29,214.96	\$2,429.58

(Year 4 for Block C begins on the Block C Commencement Date and ends on March 31, 1999. The inclusive dates for years 5 through 15 are the same as for Blocks A and B.)

Block D: *11/1/96*

<u>Years</u>	<u>Rent/Annum/RSF</u>	<u>Rent/Annum</u>	<u>Rent/Month</u>
2-15	\$12.13	\$48,992.40	\$4,082.70

(Year 2 for Block D begins on the Block D Commencement Date and ends of March 31, 1997. The inclusive dates for years 3 through 15 are the same as for Blocks A and B.)

11. PERCENTAGE OF OCCUPANCY. Pursuant to Paragraph 3.4 of the SFO-Percentage of Occupancy, the Government's percentage of occupancy is as follows:

75 Hawthorne Street:	60.46%
95 Hawthorne Street:	
Blocks B and D:	30.00%
Block C:	01.15%

12. BASE YEAR FOR TAXES. Pursuant to Paragraph 10.0 of the SFO- Tax Adjustment GSAR 552.270-24 (Deviation 1/91), the Base Years for taxes for blocks of space under the Lease are as follows:

Blocks A, B and D:	Calendar Year 1995
Block C:	Calendar Year 1998

17. IMPROVEMENTS TO BLOCK C.

a. The Lessor agrees to perform those improvements to Block C shown on the construction drawing prepared by Lyman Jee, Architect & Associates attached hereto as Exhibit K and listed on the Cost Estimate prepared by the Lessor and attached hereto as Exhibit L. Said improvements shall be collectively referred to herein as the "Work". The Lessor shall perform the Work in accordance with the terms of the Lease.

b. The cost of the Work shall be borne as follows: The Lessor shall provide at its sole cost and expense those items of the Work identified on the Building Standard Tenant Improvement letter attached hereto as Exhibit M. The Government agrees to pay for the remaining cost of the Work, provided, however, that the remaining cost does not exceed \$12,750.00, exclusive of architectural fees and overhead and profit (the "Government's Cost"). The Government agrees to pay Lessor an Architectural Fee not to exceed [REDACTED] of the Government's Cost and a sum for overhead and profit not to exceed [REDACTED] of the Government's Cost.

c. Within thirty (30) days of the completion of the Work and acceptance thereof by the Government, the Lessor shall submit to the Contracting Officer, an invoice detailing the cost of the Work, including the Government's Cost and the Architectural Fee being charged to the Government, together with supporting documentation from all contractors and subcontractors, as well as paid invoices from each of them. The supporting documentation shall separately identify, as applicable, material quantities and unit costs, labor and equipment costs, and overhead and profit.

d. The Government shall, within thirty (30) days of the Government's receipt of the invoice referenced in subparagraph C above, together with all supporting documentation, approve said cost in writing to the Lessor or state its objection. Upon approval of the costs by the Government, the Government's Cost shall be paid from the Improvement Allowance established pursuant to Paragraph 2 of Section 9.0-Special Requirements of the Solicitation For Offers attached to and made a part of the Lease.

INITIAL
[Handwritten Signature]