

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT

DATE

OCT 04 2000

8

TO LEASE NO. GS-09B-94150

ADDRESS OF PREMISES 75 Hawthorne Street
San Francisco, CA 94105

THIS AGREEMENT, made and entered into this date by and between
HAWTHORNE PLAZA, LTD.

Whose address is c/o Arcon Inc.
95 Hawthorne Street, 4th Floor
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, these parties for the considerations hereinafter mentioned covenant and agree that said Lease is amended, effective August 10, 2000, to provide for the lease commencement date and start rents for Block "E" [17,268 rentable square feet (rsf) (14,784 occupiable square feet (osf)) on the 7th floor].

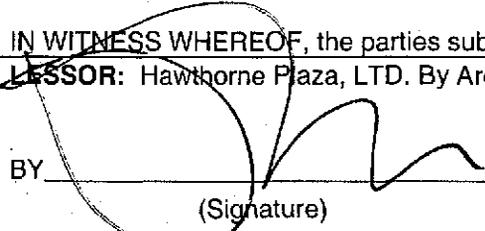
Now therefore Paragraphs 2, 3, 11, 12, and 13 are deleted in their entirety and the following is substituted therefor:
Paragraph 20 is added.

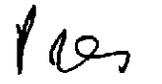
(Continued on Sheets No. 1 and 2, attached hereto:)

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

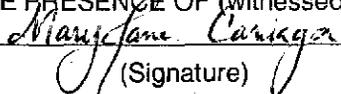
IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: Hawthorne Plaza, LTD. By Arcon Inc. its General Partner

BY  _____
(Signature)

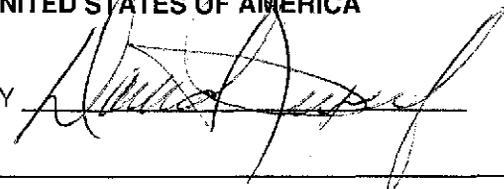
 _____
(Title)

IN THE PRESENCE OF (witnessed by:)

 _____
(Signature)

75 Hawthorne Street, S.F., CA 94105
(Address)

UNITED STATES OF AMERICA

BY  _____

Contracting Officer
GSA, PBS, RED

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

- a. For Blocks A & 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
- d. For Block E: * From August 10, 2000 (the "Block E Commencement Date") to September 30, 2009.

(* See Paragraph 13 for Base year of Block E.)

PLEASE
INITIAL

Rent: The Government shall pay the Lessor annual rent as follows:

(1) For office and related space:

Blocks A and Block B:

<u>Years</u>	<u>Rent/Annum/RSF</u>	<u>Rent/Annum</u>	<u>Rent/Month</u>
1-6	\$20.79	\$4,598,758.00	\$383,230.00
7	\$24.56	\$5,433,923.43*	\$452,826.95*
8-15	\$25.76	\$5,698,461.00	\$474,872.00

*[The annual rent for year seven (7) is reduced by \$264,537.57 and is calculated as follows:

\$140,123.60	Green Light funds accumulated to 9/30/99
\$- 85,485.40	minus cost for scope of work changes (change orders) requested by agency
\$ 54,638.20	Subtotal of Green Light funds accumulated to 9/30/99
\$190,304.00	plus unused tenant improvement allowance
\$244,942.20	subtotal of year 7 rent reduction
\$+ 19,595.38	plus 8% interest
\$264,537.57	Total rent reduction in Year 7]

Block C:

<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	\$ 29,155.00	\$ 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 & B.)

Block D:

<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

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

Block E:

<u>Years</u>	<u>Rent/Annum/RSF</u>	<u>Rent/Annum</u>	<u>Rent/Month</u>
5-15	\$36.00	\$ 621,648.00	\$51,804.00

(Year 5 for Block E begins on the Block E Commencement Date and ends on March 31, 2000. The inclusive dates for years 6 through 15 are the same as for Blocks A & B.)

11. Percentage of Occupancy: Pursuant to Paragraph 3.4 of the SFO – Percentage of Occupancy, the Government's percentage is as follows:

75 Hawthorne Street:		95 Hawthorne Street:	
Block A:	60.46%	Block B & D:	30.00%
Block E:	5.25%	Block C:	1.15%

Initials: u & [Signature]
Lessor & Government

