



London Breed, Mayor
Naomi M. Kelly, City Administrator

Andrico Q. Penick
Director of Real Estate

February 12, 2020

Mr. Chris Yowell
RACHRIS LLC.
2 Gough Street, Suite 300
San Francisco, CA 94102

RE: Conditional Option Exercise in Connection with the Office Sublease of the First and Second Floors of the Building Located at 2 Gough St., San Francisco, CA ("Premises").

Dear Mr. Yowell,

In connection with the Office Sublease dated June 22, 2015 (the "Lease"), by and between the City and County of San Francisco (the "City") and RACHRIS LLC ("Landlord"), this letter confirms the City's timely conditional exercise of its Extension Option (as defined in the Lease) and the Base Rent for the Extended Term established by the City and Landlord pursuant to Section 4.10 of the Lease.

If the City's Board of Supervisors approves City's exercise of the Extension Option, the Extended Term will commence on July 1, 2020, and expire on June 30, 2025. Base Rent for the Extended Term shall be as follows:

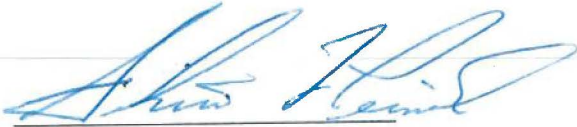
<u>Period of Extended Term</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>	<u>Monthly Base Rental Rate Per Rentable Square Foot of Premises</u>
7/1/2020-6/31/2021	\$734,532.60	\$61,211.05	\$4.39
7/1/2021-6/31/2022	\$756,568.58	\$63,047.38	\$4.52
7/1/2022-6/31/2023	\$779,251.28	\$64,937.61	\$4.66
7/1/2023-6/31/2024	\$802,651.79	\$66,887.65	\$4.80
7/1/2024-6/31/2025	\$826,770.10	\$68,897.51	\$4.94

A subsequent letter will be sent once the Board of Supervisors considers the Extension Option. If approved, that letter will confirm City's exercise of the Extension Option is no longer conditional. If the Extension is not approved, that letter will confirm the termination of the Lease on June 30, 2020.

Please countersign this letter below to confirm your agreement to these matters and return your original, countersigned copy to the City.

If you should have any questions regarding this matter please don't hesitate to contact Cindy J. Lee at 415-554-9872 or cindy.j.lee@sfgov.org.

Sincerely,



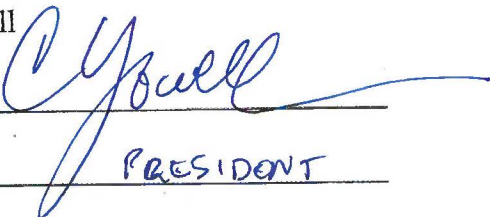
Andrico Q. Penick
Director of Property

ACKNOWLEDGED AND AGREED

The undersigned acknowledges the City's conditional exercise of its Extension Option and agrees to the Extended Term Base Rent described in this letter.

Chris Yowell

By: _____



Name: _____

PRESIDENT

Title: _____

CHRIS YOWELL