

LEASE AGREEMENT

SEAWALL LOTS NO. 315, 316, and 317

Between

THE CITY AND COUNTY OF SAN FRANCISCO, a Municipal Corporation,  
operating through the SAN FRANCISCO PORT COMMISSION

And

FRANCISCO BAY OFFICE PARK, a Limited Partnership

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SEAWALL LOTS NO. 315, 316, 317

LEASE

THIS LEASE, made on the 28th day of June, 1974, between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation operating through the SAN FRANCISCO PORT COMMISSION (hereinafter called "Port"), Landlord, and FRANCISCO BAY OFFICE PARK, a limited partnership, hereinafter called "Tenant";

WITNESSETH:

1. Letting.

(a) Port does hereby lease, and Tenant hereby hires from Port that real property known as Seawall Lots 315, 316, 317 consisting of:

Parcel 1. Seawall Lot 315 consisting of 54,540 square feet, more or less, located at the corner of Francisco, Montgomery and Bay Streets, with 8,667 square feet, more or less, shown on Exhibit B as the potential site of a Maritime Parkway;

Parcel 2. Seawall Lot 316 consisting of 12,622 square feet, more or less, located at The Embarcadero, Francisco and Montgomery Streets, with 9,112 square feet, more or less, shown on Exhibit B as the potential site of a Maritime Parkway;

Parcel 3. Seawall Lot 317 consisting of 86,195 square feet, more or less, located at The Embarcadero, Chestnut, Montgomery and Francisco Streets, with 17,100 square feet, more or less, shown on Exhibit B as the potential site of a Maritime Parkway;

all as set forth in Exhibit A attached hereto and incorporated herein as if fully set forth.

(b) Tenant owns, or will purchase, a parcel adjacent to the leased premises known as the "Santa Fe Parcel." At the conclusion of the lease term, or upon earlier termination thereof, Tenant hereby affords Port, at Port's sole option, the right to either purchase the afore-described property at its then fair market value (i.e. land value plus the fair market

value of all improvements), or to lease the same at the then fair market rental rate for a term of sixty-six (66) years. Port shall not be required to exercise or abandon either such option until such fair market value and fair rental rate shall have been determined, and such options shall therefore be exercisable as follows:

(i) If this lease shall terminate for any reason prior to the expiration of the term set forth in paragraph 2, Port and Tenant shall, prior to or as soon after such termination as possible, agree upon such fair market value or fair rental rate. If they are unable to agree thereon within thirty (30) days after termination of the lease, the parties, shall, within thirty (30) days after such termination date, select a single appraiser able to render his opinion within forty-five (45) days after his selection or, if Port prefers, each party shall, within thirty (30) days after such termination date, select an appraiser able to meet the time limits set forth below and those two appraisers shall, within fifteen (15) days after their selection in turn select a third appraiser able to meet such time limits. A majority vote of of said three appraisers shall then establish the current fair market value or fair rental rate not later than forty-five (45) days after the selection of the third appraiser. If two appraisers cannot agree on such value or rate, all three appraisals shall be averaged and such average figure shall be binding upon the parties.

(ii) If this lease shall not earlier have been terminated Port and Tenant shall, prior to the commencement of the last year of the lease, agree upon such fair market value or fair rental rate. If they are unable to agree thereon prior to the commencement of such last year, the parties shall, within fifteen (15) days after such commencement date, select an appraiser or two appraisers in the manner specified in subparagraph



(i) above and the same appraisal procedure shall thereupon be put into effect.

(iii) Port may exercise either of the foregoing options only by notifying Tenant (or Tenant's successor in interest to the Santa Fe parcel) in writing, within ninety (90) days after the parties' agreement upon a fair market value and/or fair rental rate, or within a like period after completion of the appraisal prepared under subparagraphs (i) or (ii) if that shall later occur, that Port elects to exercise one of such options at the price or rental so determined.

(iv) The final configuration of the improvements to be hereinafter erected on Seawall Lot 315 is such that a portion of the improvements will be erected on the Santa Fe property. In the event Port should decline to exercise either of its options hereinabove set forth to purchase or lease the entire Santa Fe property, and the improvement so encroaching on the Santa Fe parcel is, upon termination of this lease, still standing and not required to be demolished by Tenant pursuant to paragraph 7(b) hereof, then the Port agrees that it shall purchase so much of the Santa Fe parcel as is required by law to permit a single ownership by Port of the entire land and building adjacent to the remainder of the Santa Fe parcel. In such event, Tenant shall license Port's free use of such portion of the Santa Fe parcel until closing of such purchase. The price for such partial purchase shall be determined from the agreement or appraisal made under subparagraph (i) or (ii) as to the fair market value of the entire Santa Fe parcel (which agreement or appraisal shall separately designate the fair market value of such portion). Port may credit any rentals or other sums due hereunder toward payment of such purchase price. If any balance shall remain due at the termination of the ninety (90) day period set forth in subparagraph (iii), Port agrees (A) to pay all rentals produced by said encroaching improvement to Tenant (or Tenant's successor in interest to the Santa Fe parcel) until such

balance due has been paid, and (B) to secure such payment obligation with written assignment of such rentals and a deed of trust lien against said encroaching improvement and the land (including Seawall Lot 315) on which it stands.

(v) Costs of appraisal or of arbitration concerning this paragraph 1(b) are to be shared equally by the parties. Port shall have the right of specific performance to enforce its rights under this paragraph. All notices referred to in this paragraph shall be in writing and the times set forth herein shall not run until notice is received by the other party.

2. Term. The term of this lease is sixty-six (66) years, commencing June 28, 1974.

3. Rent. Tenant agrees to pay Port, without abatement, deduction, or offset, a minimum annual rent of \$1.35 per square foot for that portion of the leased premises free of the proposed Maritime Parkway, and \$ .24 per square foot for that portion of the lease premises encumbered by the proposed Maritime Parkway as set forth in Exhibit "A", provided that no rental shall be payable until the conditions set forth in paragraph 3 of the Development Agreement between the parties hereto relating to said property have been satisfied; provided further, that for the first twelve-month period from the date of the satisfaction of said conditions or until completion of the building as provided in Article 5 hereof, whichever shall first occur, the rent shall be \$ .45 per square foot and \$ .08 per square foot, respectively; and provided further, that the rental for the next succeeding twelve-month period or until completion of the building as provided in Article 5 hereof, whichever shall first occur, the rent shall be \$.90 per square foot and \$.16 per square foot, respectively. Said minimum rent shall be payable monthly in advance, except that if the term commences on a day other than the first of the month, the rent for that month will be prorated on a daily basis.

The annual rental for each successive five-year period shall be escalated during the first 25 years of the term of the lease to be the greater of either (a) the minimum rental increased by 5% of the fixed annual rental of the preceding five-year period, or (b) 6.987% of the average gross annual rental produced by the improvements located on the lease property and the Santa Fe parcel during the preceding five-year period (excluding any increases in gross annual rentals resulting from increases in "Operating Expenses" passed on to subtenants under Tenant's standard form lease, a copy of which is attached to this Lease Agreement, or other form of lease approved by Port). The annual rental thus fixed shall be paid in monthly installments. A statement shall be furnished by Tenant to Port sixty (60) days after the end of each five-year period setting forth the total of the percentage rentals paid during the five-year period just concluded. At the end of each five-year period, the Port will credit to Tenant a sum equal to the amount, if any, by which the actual rental paid during the previous five-year period exceeds 6.987% of the average gross annual income produced by such improvements during said five-year period; however, in no event shall Tenant pay less than minimum rental for each current five-year period.

In the event that at some future period Tenant leases the demised premises on a different level of services and expenses (for example, if any of utilities, janitorial, building maintenance, etc., are paid by the sublessor (Tenant), or if all items of expense are paid by the sublessee under a "net lease"), an appropriate adjustment shall be made in the computation of the "gross annual rental" produced by such improvements and in said computations the services to be performed to the demised premises will be valued at then generally prevailing rates.

At the end of the 25th year the demised premises shall be reappraised to determine the then current land value, based solely



upon the improvements thereon and their use and the existing building codes and height limits that were in effect at the time of its construction. At ten-year intervals thereafter, the demised premises shall be reappraised, that is, at the 35th, 45th, 55th, and 65th years, to determine the annual rental. The rental for each such ten-year period commencing with the 26th year shall be 9% of the appraised land value, or 6.987% of the average gross annual rental produced by such improvements as hereinbefore set forth, whichever is greater. In the event at some future date the leasehold interest in the demised premises is merged with subleasehold, the land shall be reappraised at that time of merger and each five years thereafter to determine the land value. The annual rental shall then be 9% of the current land value, subject to aforesaid reappraisal each five years.]

The parties, by written agreement, shall agree to the current land value of the leased premises at each of the times set forth above. If the parties fail to agree on the current land value of the leased premises, then such current land value shall be determined by a majority vote of three appraisers appointed as follows: (a) within thirty (30) days after notice requiring appraisal, each party shall appoint one appraiser and give notice of said appointment to the other party; (b) the two appraisers shall choose a third appraiser within ten (10) days after appointment of the second; (c) if either party fails to appoint an appraiser or if the two appraisers fail to choose a third, the appointment shall be made by the then Presiding Judge of the Superior Court for the City and County of San Francisco, acting in his individual and unofficial capacity on the application of either party and on ten days' notice to the other party.

The costs of appraisal are to be shared equally by the parties hereto. The determination of the current land value shall be based upon the use then being put to the land, and the value of the improvements shall not be considered. After the determination

of the current land value is made and the applicable rent adjustment is determined, the party so indebted shall promptly pay any difference for the period affected by the adjustment.

4. Use of Premises. Tenant shall develop and use the leased premises for a project described in Exhibit "B" attached hereto and by this reference incorporated herein as if more fully set forth and shall operate said improvements to secure the maximum economic return based on the uses specified. If tenant fails to use the property for the purposes for which the property is leased, or in the manner set forth, and such failure shall continue for a period of thirty (30) days after written notice from the Port requesting that Tenant use the property as required, and unless such failure shall be for reasons beyond the control of Tenant, then the Port at its option may terminate this lease. It is the intent hereof that a Tenant shall not acquire the use of the property through a lease and then not use it.

5. Improvements. Tenant shall remove all existing improvements and perform necessary site preparation, then construct the project on the leased premises for the use set forth above and as specified in Tenant's plans all as set out in Exhibit "B" attached hereto and by this reference incorporated herein as if more fully set forth.

Tenant shall also grade, pave, landscape and maintain the leased premises in such fashion as to serve the needs of the premises and enhance the appearance of the premises. All plans and specifications for any improvements of the lease premises shall first be submitted to the Chief Engineer of the Port, who shall review and promptly approve the same so long as consistent with the general plan earlier submitted by Tenant to Port and so long as such improvements do not constitute a maritime project exempt from planning regulation by the City and County of San Francisco. Any necessary building permits are to be obtained

from City and any building on the leased premises shall be in conformity with the City code. Tenant shall submit plans for any signs to Port for its approval, which shall not be unreasonable withheld. When improvements have been erected on premises there shall be no demolition thereof without approval of Port. Title to improvements constructed by Tenant shall, however, remain in Tenant, which shall have all rights as owner thereof to alter and repair same, until termination of the lease, at which time title thereto (including title to that portion of any improvements encroaching upon the Santa Fe parcel) shall revert to Port. Once erected or installed, improvements to realty, other than Trade fixtures, may not be removed without Port's approval.

In addition to the improvements described in Exhibit "B", Tenant shall be permitted, at its election, to construct a "greenhouse" type structure of not more than 2,000 square feet in floor area as an adjunct to the restaurant building shown on Exhibit "B", which structure shall be used to gain additional seating capacity for said restaurant. Such structure may be situated all or partial in the portion of the lease premises encumbered by the proposed Maritime Parkway, and Tenant hereby agrees that (a) Tenant shall not directly or indirectly seek to oppose, through appearances before governmental agencies, lobbying, or otherwise, the proposed construction of said Maritime Parkway, (b) Tenant shall not object to any variation of 10 feet or less in the final alignment of the boundary of said Maritime Parkway over that proposed boundary thereon shown on Exhibit B to this lease so long as such revised boundary does not touch or render unlawful any portion of the improvements located on the lease premises, and (c) such structure shall be demolished at Tenant's own expense when and as required to permit the construction of the Maritime Parkway.

6. Assignment and Subletting. It is hereby covenanted and agreed by and between the parties hereto that Tenant may sell, convey, and assign its interest in said demised premises and in and to this lease in the manner hereinafter provided, upon condition that at the date of such sale, conveyance, or assignment Tenant



(i) shall not be in default in any of the covenants and agreements herein contained to be kept, observed and performed by said Tenant; and (ii) has paid all rents, taxes, assessments, insurance premiums and all other charges of every kind which shall have accrued under this lease at the date of any such sale, conveyance, or assignment; provided, also, that such sale, conveyance, or assignment by Tenant shall be evidenced by an instrument in writing duly executed and acknowledged before a Notary Public or other officer authorized by law to take acknowledgments, and duly recorded in the Office of the Recorder for the City and County of San Francisco, State of California, or any such other public office as may be designated by law for the recording of such instruments. An executed original of such instrument of sale, conveyance or assignment shall be delivered to Landlord, wherein shall also appear the specific place of business or residence of the assignee or assignor. Tenant covenants and agrees that it will not make any sale, conveyance or assignment of this lease except in the manner and upon the conditions above set forth.

Any assignment made in the manner herein provided by Tenant or by any successor to the interest of Tenant in this lease shall operate to release and discharge Tenant or such successor, as the case may be, from any and all obligations arising and accruing under this lease from after (a) the date of such assignment or (b) the completion of the construction of the first new building required to be constructed by Tenant under paragraph 5 of this lease, free and clear of all mechanics' and materialmen's liens, whichever shall last occur.

Tenant may sublet all or any portion of the premises. Port agrees, and all subleases by Tenant to building tenants may provide, that in the event of a termination of this lease any subtenant shall, if not then in default, and upon attornment to Port or its successor in interest, be entitled to remain in quiet possession under such sublease. In the event of a sublease of the entire premises (hereinafter "total sublease") to a single subtenant (hereinafter

"total subtenant"), Port agrees that such total subtenant shall be entitled to the same notice of and rights to cure Tenant defaults as are provided in paragraph 19 with respect to a leasehold mortgage and further agrees to accept rentals paid by such total subtenant on behalf of Tenant.

7. Maintenance of Improvements.

(a) Improvements on the leased premises shall be maintained by tenant in good operating condition throughout the term of this lease. Port shall have no obligation whatever to maintain the premises during the term of this lease, even though Port shall take title to the improvements at the termination of this lease.

(b) At Port's election Tenant shall be obligated at its own expense to demolish and remove down to ground level, leaving the premises free from debris, such improvements as are or will be, at the termination of this lease, not reasonably *as a high class retail commercial office building* capable of continued occupancy for three or more years without substantial repairs and/or renovations. *ME*

(c) Within ninety (90) days prior to the termination of this lease, unless termination should be the result of loss or destruction of the improvements, in which event written notice only shall be required of Port, Port shall advise Tenant as to which improvements or portions of improvements it elects to have demolished and removed in accordance with subparagraph (b). In the event that removal or demolition is required under subparagraph (b) but Tenant fails to make such demolition and removal within sixty (60) days after the expiration or prior termination of the lease, Port may perform such work at Tenant's expense.

(d) Trade fixtures installed on the leased premises shall be and become a part of the realty and shall be maintained by Tenant, except that trade fixtures may be removed by Tenant at the termination of the lease, providing Tenant repairs any damage such removal may make to the leased premises or to the improvements on the leased premises and leaves the premises free and clear of debris. The buildings, fences, parking lots and

similar structures shall not be regarded as trade fixtures but as "improvements"

8. Fire Insurance.

(a) Tenant shall maintain throughout the full term of this lease policies of insurance against loss or damages to the leased premises and the buildings and equipment thereon by fire, including explosion, lightning, and the perils covered by the standard extended coverage endorsement. Said policies shall be at least in the amount of ninety percent (90%) of replacement cost and shall contain standard replacement cost endorsements providing for no deduction for depreciation. All money collected and received by Tenant shall promptly be applied to the reconstruction, replacement or repair of the leased premises, and the buildings and improvements which are a part thereof. Tenant shall promptly begin such reconstruction, replacement or repair and shall prosecute the same to completion with due diligence, subject to any delay beyond the reasonable control of Tenant. In making such repairs Tenants shall not be required to expend more than the amount received under the policies, but may at its option do so if it desires. Up to the limits of the proceeds of the policies, any new buildings or improvements erected on real property which constitute part of the leased premises shall be of equal value, substantially similar in all respects and not inferior in structure or design to such buildings or improvements damaged or destroyed, and shall comply with all requirements of the laws of public bodies applicable at the time of construction, if any, having jurisdiction over the leased premises.

(b) Tenant shall cause to be maintained throughout the full term of this lease standard policies of insurance against loss of income or revenue as a result of use of the leased premises caused by the perils insured against by the aforesaid fire insurance, with a standard extended coverage endorsement. For the first year of the policy the amount of the coverage shall be not less than the minimum rent provided for herein. Thereafter,



the policy shall be in an amount not less than the amount paid to Port as rent for the previous calendar year. Each calendar year shall commence with the anniversary date of this lease, except that the parties may, if they desire to do so, by mutual consent of the parties, use as a calendar year the fiscal year of Tenant. The policies hereunder shall stipulate that one-twelfth (1/12th) of the yearly total shall be payable to Port for each month of loss. The form of policies shall be submitted to and approved by Port prior to the termination of the then existing policies. The proceeds of such insurance shall be paid to Port to the extent such sums are due to Port and shall be accepted by Port in satisfaction and in lieu of all sums due Port from Tenant as rent hereunder for the period from the date of such damage to the date of reconstruction and repair.

9. Comprehensive Public Liability Insurance. Tenant shall maintain and pay premiums on a policy or policies of liability insurance, which name Port and the City and County of San Francisco, their officers, agents and employees, as additional insureds, with a company or companies acceptable to Port. Such policy or policies shall cover the leased premises and its operation against claims for personal injury and death in an amount of not less than \$500,000.00 for injury or death of any one person, and \$1,000,000.00 for injury or death of all persons in any one accident, and \$100,000.00 for property damage. Tenant shall furnish to Port a certificate evidencing the fact that the insurance described in this paragraph has been obtained and is in full force and effect and that such insurance cannot be cancelled or a change made affecting coverage without fifteen (15) days' prior notice to Port. Tenant shall promptly notify Port of any change in the terms of such policy or policies and shall provide Port with copies thereof. Said policy or policies shall either contain a broad form of contractual liability coverage, including leases, or there shall be attached to the policy or policies an endorsement providing that such insurance as is provided for therein shall apply to the obligations assumed by Tenant under this lease. The

procuring of this policy or policies shall not be construed to be a substitute in any respect for Tenant's obligations under this lease. Tenant and Port shall periodically review the amount of the public liability insurance carried pursuant to this paragraph, but in any event not less than every ten (10) years during the term of this lease. If it is found to be the general commercial practice in the City and County of San Francisco to carry public liability insurance in an amount substantially greater or lesser than the amount then being carried by Tenant with respect to risks comparable to those associated with the leased premises, the amount carried by Tenant shall be increased or decreased to conform to such general commercial practice.

10. Default and Re-Entry. If any rental or other payment shall be due and unpaid for thirty (30) days after notice in writing to Tenant, or if any other default shall be made by Tenant in any of the conditions or covenants of this lease and said other default shall continue (without Tenant having commenced a diligent effort to cure same) for thirty (30) days after notice in writing to Tenant, then Port, besides any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant. Should Port elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may, from time to time, without terminating this lease, relet said premises, or any part thereof, to a tenant suitable to Port for such term or terms (which may be for a term extending beyond the term of this lease) and such conditions as Port in its sole discretion

may deem advisable, with the right to make alterations and repairs to said premises; upon each such reletting (a) Tenant shall be immediately liable to pay to Port, in addition to any indebtedness other than rent due hereunder, the cost and expense of such reletting incurred by Port, including the cost of alterations or repairs to the extent that Tenant was obligated by this lease to make such alterations or repairs, and the amount, if any, by which the rent reserved in this lease for the period of such reletting (up to but not beyond the term of this lease) exceeds the amount agreed to be paid as rent for the demised premises for such period on such reletting; or (b) at the option of Port, rents received by Port from such reletting shall be applied, first, to the payment of any indebtedness, other than the rent due hereunder from Tenant to Port; second, to the payment of said costs and expenses of such reletting; third, to the payment of rents due and unpaid hereunder, and the residue, if any, shall be held by Port and applied in payment of future rents as the same may become due and payable hereunder. If such rentals received from such reletting under option (b) during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Port. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by Port shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Port may at any time thereafter elect to terminate this lease for any breach, in addition to any other remedy it may have, it may recover from Tenant all damages it may incur by reason of such breach, including



the cost of recovering the premises and including the worth at the time of such termination of the excess, if any, of the amount of rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Port.

Notwithstanding the foregoing, if at least one of the two office building structures described in Exhibit "B" has been substantially completed in accordance therewith prior to the date upon which such default remedies would otherwise be exercisable by Port (the "Default Date") and no other buildings are then under construction, then Tenant's responsibilities and liability hereunder shall be limited to the following:

(a) Unpaid rentals, taxes, utilities, and insurance premiums, accrued and payable as of said Default Date and incurred with respect to any period prior to said date;

(b) The amount of any prepaid rents paid and security deposits made (applicable to period subsequent to said Default Date by subtenants of the lease premises, which amount shall be paid over to Landlord promptly upon demand; and

(c) Amounts payable by Tenant hereunder with respect to acts, events or claims having accrued as of or prior to said Default Date.

11. Security. Upon the execution of this lease Tenant will deposit with Port as security either cash or a letter of credit or some other reasonable form of security, in the amount of \$7,500.00, to be held by Port to guarantee future payments of rent, payment of any and all damages suffered by Port by reason of the tenancy of said premises by Tenant, and the full and faithful performance of any and all covenants and agreements undertaken by Tenant in the foregoing lease. Said deposit, or so much thereof as remains after Tenant's obligations and

liabilities to Port hereunder have been satisfied, shall be refunded to Tenant upon termination of this lease and restoration of the premises. It is understood that said deposit is in addition to any and all rights accruing to Port under and by virtue of the terms of this lease, or conferred by law upon Port because of a breach of any of the covenants of this lease.

12. Indemnification. Port and the City and County of San Francisco, their officers, agents and employees, shall, except as hereinafter provided, be free from liabilities and claims for damages, and suits for or by reason of any injury or injuries to any person or persons, or property brought upon or affixed to the premises, of any kind whatsoever, from any cause of causes whatsoever except for intentionally harmful or negligent acts committed solely by Port, or the City and County of San Francisco, or their officers, agents and/or employees while in, upon or adjacent to, or in any way connected with the leased premises, or in any occupancy of said leased premises by Tenant, and Tenant hereby covenants and agrees to save harmless the Port and the City and County of San Francisco from all such liabilities, claims for damages, suits and litigation expenses.

13. Waiver of Claims. Tenant, as a material part of the consideration to be rendered to Port, hereby waives all claims against Port, except for intentionally harmful or negligent acts committed solely by Port, its officers, agents and/or employees, and agrees to hold Port harmless from any claims for damages to goods, wares, goodwill, merchandise, equipment and persons in, upon or about said premises, except for intentionally harmful or negligent acts committed solely by Port, its officers, agents and/or employees, arising at any time from any cause.

14. Insolvency. Tenant agrees that neither this lease nor any interest herein shall be assignable or transferable by option of law, and it is hereby mutually agreed, covenanted and understood by and between the parties hereto that in the event any proceeding under the Bankruptcy Act or any amendment thereto be commenced by Tenant, or against Tenant and Tenant is not discharged within ninety (90) days, or in the event Tenant be adjudged insolvent or makes an assignment for the benefit of its creditors, or if a writ of attachment or execution be levied on the leasehold estate created hereby and be not released or satisfied within ninety (90) days thereafter, or if a receiver be appointed in any proceeding or action to which Tenant is a party, with authority to take possession or control of the demised premises or the business conducted therein by Tenant, and is not discharged within ninety (90) days, this lease, at the option of Port, shall immediately end and terminate and shall in no wise be treated as an asset of Tenant after the exercise of the aforesaid option, to forthwith re-enter and repossess itself of said premises. "Tenant" as used herein shall mean the current Tenant from time to time and shall not mean any predecessor Tenant. Should there be an appeal from any judgment or decree in any of the above instances, the ninety (90) day period provided shall be extended until thirty (30) days after the appeal becomes final.

As long as there is total sublease or a leasehold mortgage in effect and the monetary obligations of Tenant are not in default beyond any applicable grace period and the total subtenant or mortgagee, as the case may be, performs all of the other obligations of the Tenant under this lease to the extent the total subtenant or leasehold mortgagee can feasibly do so and the total subtenant or mortgagee diligently proceeds to enforce its rights under the total sublease or mortgage, as the case may be, to the extent feasible, Port shall not exercise Port's option to terminate this lease as provided in this paragraph.

15. Liens. Tenant shall keep the demised premises and the improvements thereon free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant.

16. Taxes. Tenant agrees to pay to the proper authority any and all taxes, assessments and similar charges on the leased premises in effect at the time this lease is entered into, or which become effective thereafter, including all taxes levied or assessed upon the possession, use, or occupancy, as distinguished from the ownership of the premises and property.

17. Entry. The right is hereby reserved to Port, its officers, agents, and employees, to enter upon the leased premises at any reasonable time for the purpose of inspection and inventory, ( and when otherwise deemed necessary for the protection of the interest of the Port, and Tenant shall have no claim of any character on account thereof against the Port, or any officer, agent or employee thereof, ) and there shall be no rebate of rent or any claim against the Port for any loss of occupation or quiet enjoyment of the premises thereby occasioned.

18. Eminent Domain.

(a) In the event that any agency or division of the State should exercise the rights granted to it under Section 2 of Chapter 1333 of the 1968 Statutes of California approved by the Governor on August 14, 1968, known as the "Burton Act", as amended, then all compensation for the value of the improvements, betterments and structures taken, shall be payable as follows:

(i) Should the portion so taken not be a substantial portion of the demised premises as hereinafter defined, the compensation shall be payable to the Tenant.



(ii) In the event that a substantial portion of the demised premises should be taken, the compensation shall be divided as follows: (1) compensation for the value of the improvements, betterments, or structures placed upon the property during the term of this lease, including replacements and additions thereto, shall be paid to the holders of a note or notes secured by deeds of trust encumbering the Tenant's leasehold estate to the extent necessary to satisfy such note or notes, in the order of priority of said deeds of trust as shown by the Official Records of the City and County of San Francisco; the balance remaining thereafter shall be paid to the Tenant; (2) compensation, if any, for the Port's reversionary interest in the real property being demised hereby, exclusive of improvements, betterments, and structures placed upon said property during the term of this lease, shall be paid to Port; and (3) the value of the Tenant's leasehold interest shall be paid to Tenant.

(b) In the event of condemnation by eminent domain or similar law, or sale in lieu thereof, to a public body, quasi-public or other authority or entity endowed with said power, of the demised premises or a portion thereof, the respective rights or obligations of the parties hereto shall be as follows:

(i) Should the portion so taken not be a substantial portion of the demised premises as hereinafter defined, the award shall be divided as follows: The Port shall be entitled to that portion of the award equal to the fair market value of the portion condemned and taken of the Port's reversionary interest in the real property hereby demised, exclusive of improvements, betterments, and structures placed upon said property during the term of this lease, and the balance of the award shall be

paid to the Tenant.

(ii) In the event that a substantial portion of the demised premises shall be condemned and taken, the proceeds of the award shall be divided as follows: The Port shall be entitled to that portion of the award attributed to Port's reversionary interest in the real property being demised hereby, exclusive of improvements, betterments, and structures placed upon said property during the term of this lease, and the balance of the award shall be paid to the Tenant.

(c) A "substantial portion" of the demised premises, for the purposes hereof, shall mean such portion of the demised premises so that the balance thereof cannot be used economically by Tenant for the general purposes for which Tenant was using said premises prior to such condemnation and taking. In the event that a substantial portion of the demised premises is taken, this lease shall terminate. In the event that the portion so taken is not a substantial portion of the demised premises, then this lease shall continue and the Tenant shall reconstruct the building located on the demised premises and the rental hereunder shall be reduced for the balance of the term. If the parties cannot agree upon the amount of the reduction of the rental, then the same shall be determined by court action.

19. Mortgage of Leasehold Estate. Tenant shall have the right at any time and from time to time to mortgage its leasehold interest in the demised premises and its interest in the buildings and improvements thereon and may convey the leasehold estate hereby created by mortgage or trust deed; provided, however,

(a) that except as otherwise provided herein, no mortgagee or anyone claiming by, through or under such mortgagee



shall by virtue thereof acquire any greater rights in the demised premises and in any building or buildings thereon or any portion thereof than Tenant then had under this lease and

(b) that such mortgage shall be subject and subordinate to all conditions and covenants of this lease and to the rights of Port hereunder. The mortgagee in any such mortgage and the owner of the indebtedness secured by said mortgage shall not become liable upon the covenants of this lease unless and until they shall become the owners of the legal and equitable title to the leasehold estate, and

(c) that the rental escalation alternative set forth in section(b) of the second paragraph of Paragraph 3 shall not be operative after the mortgagee becomes the owner of the legal and equitable title to the leasehold estate, so that rental escalations after that date shall be limited to the 5% increase provided in section (a) of said paragraph 3; provided, however, that if Tenant should thereafter reacquire the leasehold estate from the mortgagee, the rental escalation alternative set forth in section (b) of the second paragraph of Paragraph 3 shall again become operative.

If the leasehold estate is subject to any mortgage and if Port shall be notified in writing of such mortgage and of the address of the mortgagee, then, so long as such mortgage shall continue in force, and until the delivery of a deed to the purchaser at a sale in foreclosure of the mortgage or under a power of sale contained therein, notice of default in the performance of the covenants in this lease contained and the subsequent notice of termination of this lease as is hereby required to be given to Tenant shall simultaneously be given to

said mortgagee, notice of whose address has been given and such mortgage shall have the right, within the respective periods as prescribed in paragraph 10 hereof, and for an additional period of thirty (30) days thereafter and to the same extent and with the same effect as though done by Tenant, to take such action or to make such payment as may be necessary or appropriate to cure any such default. Such notice shall not be effective unless such notice is also given to the mortgagee.

In the event of default by Tenant hereunder as provided in paragraph 10 hereof, Port agrees that it will not terminate this lease or invoke its right to take possession of the demised premise or the improvements thereon if within the thirty (30) day period, described above, any mortgagee of the leasehold estate performs the monetary obligations of Tenant and all of the other obligations of Tenant under this lease to the extent possible, and commences a foreclosure of said mortgage or a sale under a power of sale contained therein, and if such mortgagee diligently proceeds in good faith with said foreclosure sale or sale under said power.

If there exists any unpaid mortgage of the leasehold estate, Landlord agrees that it will not accept a surrender of the demised premises, or a cancellation of this lease from Tenant prior to the termination of this lease, without the written consent of such mortgagee. There shall be no merger of the estate of Landlord and of Tenant notwithstanding any acquisition of the leasehold estate of Tenant through purchase, foreclosure or otherwise so long as any leasehold mortgage is in effect, nor shall Landlord consent to the operation of any law permitting merger of the estates of Landlord and Tenant which would adversely affect the rights of any mortgagee.

The requirements of paragraph 6 hereof with respect to assignment by Tenant shall not apply to the mortgaging of Tenant's interest hereunder, nor shall they apply to any certificate of sale, deed or other instrument of assignment or conveyance issued pursuant to decree of foreclosure of such mortgage to the purchaser at the

foreclosure sale.

Casualty insurance policies may contain mortgagee clauses covering the interest of any such mortgagee, as such interest may appear.

The term "mortgage" as used herein shall include a deed of trust, and the term "mortgagee" shall include the beneficiary of a deed of trust.

20. Nondiscrimination Provisions. Nondiscrimination provisions attached hereto are made a part hereof; provided that, without prejudice to any other rights afforded Port thereunder, any violation of such provisions shall not entitle Port to terminate this lease. Where the term "contractor" is used therein it shall be deemed to mean "tenant".

21. Waiver of Breach. The waiver by Port of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition with respect to any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Port shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Port's knowledge of such preceding breach at the time of acceptance of such rent. No act of omission by either the Port or Tenant shall constitute a modification of this lease, it being understood by all parties that this lease may be changed or otherwise modified only by written agreement of all parties.

22. Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto; and all of the parties hereto

shall be jointly and severally liable hereunder.

23. Modification of Lease. Whenever it appears to be in the public interest, the parties hereto, by mutual agreement in writing, and with the consent of the Leasehold Mortgagee and any total subtenant, may alter or modify the terms of this lease, or terminate the same, with such adjustments and for such consideration as may be fair and equitable in the circumstances.

24. Holding Over. Any holding over after the expiration of the term of this lease shall be deemed a month-to-month tenancy and upon each and every one of the terms, conditions and covenants of the within lease. In the event of a month-to-month tenancy, Port may cancel the same upon thirty (30) days' notice left at the leased premises, and Tenant shall have the privilege of cancelling the same upon thirty (30) days' notice to Port, all notices to be in writing.

25. Quit Claim. Tenant will, upon expiration or earlier termination of this lease, peaceably and quietly leave, surrender and yield up to Port, all and singular, the leased premises, and, if requested, execute and deliver to Port a good and sufficient quit claim deed to the rights arising hereunder. Should Tenant fail or refuse to deliver to Port a quit claim deed, as aforesaid, a written notice by Port reciting the failure or refusal of Tenant to execute and deliver said quit claim deed as herein provided, shall from the date of recordation of said notice be conclusive evidence against Tenant and all persons claiming under Tenant, of the termination of this lease.

26. Notices. All notices to be given pursuant to this lease shall be addressed, if to the Port to:

Commercial Property Manager  
San Francisco Port Commission  
Ferry Building  
San Francisco, California 94111

and if to Tenant to:

Hogland and Bogart  
98 Battery Street  
San Francisco, CA.

and

Borel Development Company  
2988 Campus Drive  
San Mateo, CA. 94403



or as may from time to time otherwise be directed in writing by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope, or wrapped, addressed as aforesaid and deposited, postage prepaid, in a post office or branch post office regularly maintained by the United States Government.

27. Force Majeure. Subject to the provisions of paragraph 8(b), performance by Developer shall not be deemed to be in default where delays or defaults in construction or repair of the Premises are due to war, insurrections, strikes, lockouts, labor difficulties, riots, floods, earthquakes, fires or other casualty, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, government restrictions or priorities, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, acts or omissions of the City and County of San Francisco, California or any other public or governmental agency, bureau, department or officer, or any cause not specified above which is beyond the reasonable control of Tenant. Tenant shall be entitled to an extension of time for any such cause, which extension shall commence to run from the time of commencement of the cause if Tenant gives notice to Port claiming such extension within thirty (30) days after commencement of the cause.

28. Mineral Reservation. The State of California, pursuant to Section 2 of Chapter 1333 of the Statutes of 1968, as amended, has reserved all subsurface mineral deposits, including oil and gas deposits, on or underlying the leased premises. In accordance with the provision of the Statute, the Port shall and hereby does grant to the State of California the right to explore and drill for and extract said subsurface minerals, including oil and gas deposits, from an area of 2,500 square feet located by the California Grid System, Zone 3, at a point where  $x = 1,452,333$  and  $y = 481,666$ , which area was not improved on June 1, 1972.

29. Offset Statement. Within ten days after request therefor by Port or Tenant or in the event of any sale, assignment or

hypothecation of the premises and/or the land thereunder by Port, an offset statement shall be required from the other party. Port and Tenant each agree to deliver in such event a recordable certificate, certifying as to (a) the date of this lease and any amendments hereto, (b) the date upon which this lease term commenced and will end, (c) the fact that this lease, as so amended, is in full force and effect and has not been modified except as stated, (d) whether any rentals are then unpaid hereunder, (e) whether any defaults then exist hereunder, and (f) whether either party claims any offsets or defenses to any obligation imposed hereunder. If either party is provided with a proposed form of such certificate, and fails to execute same within twenty (20) days after receipt thereof, the party agrees that all statements made in such proposed certificate shall be deemed true and binding upon it for all purposes.

30. Time is of Essence. Time is of the essence of this lease.

31. Captions. The captions in this lease are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

IN WITNESS WHEREOF, the Port and the Tenant have executed this lease on this 28th day of June, 1974.

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation operating  
through the SAN FRANCISCO PORT  
COMMISSION

By Richard A. Brier  
Title: Port Director

FRANCISCO BAY OFFICE PARK,  
a limited partnership

By William Wilson III  
William Wilson III, General  
Partner

By Johnson S. Bogart  
Johnson S. Bogart, General  
Partner





SF 101268-RN  
WHEN RECORDED MAIL TO:  
Title Insurance and Trust Company  
160 Pine Street  
San Francisco, California 94111

SF-101268  
1974 JUN 28 PM 4:00  
SAN FRANCISCO, CALIF.  
LAWRENCE J. LEONARD  
RECORDS

W85643

GROUND LEASE - SHORT FORM FOR RECORDATION

THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation operating through the SAN FRANCISCO PORT COMMISSION (hereinafter "Port") hereby leases to FRANCISCO BAY OFFICE PARK, a limited partnership (hereinafter "Tenant"), on the terms and conditions hereinafter state, that real property generally known as Seawall Lots 315, 316 and 317 and more particularly described in Exhibit A hereto.

1. Term. Unless sooner terminated in accordance with this lease, the term hereof shall be sixty-six years, commencing June 28, 1974.

2. Long Form Lease. All other terms and conditions of that certain "Lease Agreement - Seawall Lots No. 315, 316 and 317" between Port and Tenant dated June 28, 1974 are hereby incorporated herein and by this reference made a part hereof as if herein fully set forth.

IN WITNESS WHEREOF Port and Tenant have executed this lease on the 28th day of June, 1974.

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation, operating  
through the SAN FRANCISCO PORT  
COMMISSION

By:

Title:

Michael P. Wolff  
Port Director

FRANCISCO BAY OFFICE PARK,  
a limited partnership

By

William Wilson III  
General Partner

By

Johnson S. Boggart  
General Partner

APPROVED AS TO FORM

Richard A. DeLeon

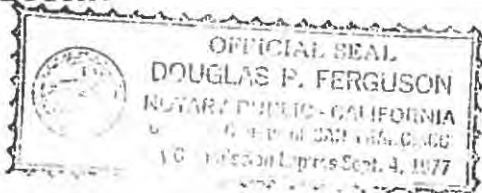
Chief Counsel

San Francisco Port Commission

STATE OF CALIFORNIA )  
 ) ss:  
CITY AND COUNTY OF SAN FRANCISCO)

On this 28th day of June A.D. 1974 before me DOUGLAS P. FERGUSON, a Notary Public in and for said County and State, personally appeared William Wilson III and Johnson S. Bogart, known to me to be two of the partners of the partnership that executed the foregoing instrument, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

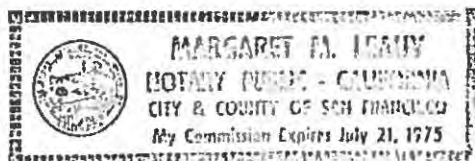


DOUGLAS P. FERGUSON  
Notary Public

STATE OF CALIFORNIA )  
 ) ss:  
CITY AND COUNTY OF SAN FRANCISCO )

On this 28 day of June, 1974, before me, a Notary Public in and for said County and State, personally appeared MIRIAM WOLFE, known to me to be the Director of the Port Authority of the City and County of San Francisco that executed the foregoing instrument, and acknowledged to me that said Port Authority executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.



*Margaret M. Leaky*  
Notary Public

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
 SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT  
 MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS  
 FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF  
 FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET;  
 THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET  
 206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHISON,  
 TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET  
 ALONG THE EASTERLY LINE THEREOF TO THE SOUTHERLY LINE OF BAY STREET;  
 THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY  
 STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY  
 93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF  
 MONTGOMERY STREET; THENCE SOUTHERLY 213.17 FEET ALONG SAID WESTERLY LINE  
 OF MONTGOMERY STREET TO THE POINT OF BEGINNING.

DESCRIPTION

OF  
 LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 315  
 (A PORTION OF 50 VARA BLOCK 57-B)

ALL THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN  
 FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT  
 MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN  
 THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS  
 FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF  
 FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET;  
 THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET  
 206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHINSON  
 TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET ALONG  
 THE EASTERLY LINE THEREOF TO THE TRUE POINT OF BEGINNING ON THE  
 SOUTHERLY LINE OF BAY STREET; THENCE EASTERLY 136.50 FEET ALONG  
 THE SOUTHERLY LINE OF SAID BAY STREET TO THE SOUTHWESTERLY LINE OF  
 THE EMBARCADERO; THENCE SOUTHEASTERLY 93.13 FEET ALONG SAID SOUTH-  
 WESTERLY LINE TO THE WESTERLY LINE OF MONTGOMERY STREET; THENCE  
 SOUTHERLY 75.17 FEET ALONG SAID WESTERLY LINE OF MONTGOMERY STREET;  
 THENCE AT A DEFLECTION ANGLE OF 131° 32' 27" TO THE RIGHT FOR A  
 DISTANCE OF 160 FEET, TO THE BEGINNING OF A TANGENT CURVE; THENCE  
 WESTERLY ALONG SAID CURVE, CONCAVE TO THE SOUTH, WITH A RADIUS OF  
 130 FEET AN ARC DISTANCE OF 94.24 FEET, TO THE TRUE POINT OF  
 BEGINNING, AND CONTAINING 8667 SQUARE FEET OF AREA, MORE OR LESS.

EXHIBIT A

DESCRIPTION  
SWL 316  
(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT  
MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED  
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO  
STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY  
159.78 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET  
TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE  
EMBARCADERO AT A DEFLECTION ANGLE OF  $151^{\circ} 32' 27''$  TO THE RIGHT FOR  
A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$   
TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF  
FRANCISCO STREET; THENCE WESTERLY 149.08 FEET ALONG SAID NORTHERLY  
LINE TO THE POINT OF BEGINNING, AND CONTAINING 12,622 SQUARE FEET  
OF AREA, MORE OR LESS.

DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 316

(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE  
MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT  
PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,  
DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO  
STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY  
78.00 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE  
TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHERLY ALONG SAID  
EASTERLY LINE 77.78 FEET TO THE SOUTHWESTERLY LINE OF THE  
EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  
 $151^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE  
AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$  TO THE RIGHT FOR A DISTANCE  
OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE <sup>WESTERLY</sup>  
ALONG SAID NORTHERLY LINE 59.08 FEET; THENCE AT A DEFLECTION ANGLE  
OF  $41^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 119.10 FEET, TO THE  
TRUE POINT OF BEGINNING, AND CONTAINING 9,112 SQUARE FEET OF AREA  
MORE OR LESS.



DESCRIPTION S.W.L. 317

(50 VARA BLOCK 40-B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 204.32 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSOME STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 412.50 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S.W.L. 317

(50 VARA BLOCK 40 - B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 148.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE EASTERLY 56.32 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSOME STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 62.50 FEET ALONG SAID NORTHERLY LINE; THENCE AT A DEFLECTION ANGLE OF  $51^{\circ} 31' 05''$  TO THE RIGHT FOR A DISTANCE OF 80 FEET; THENCE AT A DEFLECTION ANGLE OF  $11^{\circ} 18' 36''$  TO THE RIGHT FOR A DISTANCE OF 61.19 FEET; THENCE AT A DEFLECTION ANGLE OF  $11^{\circ} 18' 36''$  TO THE LEFT FOR A DISTANCE OF 200 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 17,100 SQUARE FEET OF AREA, MORE OR LESS.

# AGREEMENT OF LEASE

THIS LEASE, made this

day of the

year

19

19

and

Premises

WITNESSETH, that Landlord hereby leases or subleases to Tenant, and Tenant hereby hires and takes from Landlord, upon the terms and conditions hereinafter set forth, those certain premises (hereinafter "premises") constituting approximately square feet as shown on Exhibit "B" attached hereto, which premises are located on the floor(s) of that certain building (hereinaft "building"), which will initially be owned by Landlord or under lease to Landlord from the San Francisco Port Authority ("Owner") and which may thereafter be leased to Landlord by Connecticut General Life Insurance Company (also "Owner") and which constitute a portion of the Francisco Bay Office Park located at Bay and Montgomery Streets at The Embarcadero in San Francisco, California

Term

1. The term of this lease shall be and shall commence on the day of 19 inclusive; provided however in the event Landlord is unable to deliver possession of the premises to Tenant up the date above specified for the commencement of the term of this lease, neither Landlord nor its agent shall liable for any damage caused thereby, nor shall this lease thereby become void or voidable, and the term here specified shall in such case commence upon the date of delivery of possession of the premises to Tenant at shall terminate

In such event Tenant shall not be liable for any rent until such time as Landlord shall deliver possession of said premises to Tenant. Notwithstanding the foregoing provisions of this Paragraph 1, it is specifically agreed that in the event Landlord is unable to deliver possession of the premises to Tenant by the day of 19, then this lease may be cancelled by either Landlord or Tenant without any liability to the other.

Rent

2. Tenant agrees to pay to Landlord as rent for the premises the sum of

per month in advance on the 1st day of the term of this lease and on the 1st day of each calendar month thereafter during the term, except that if the 1st day of the term shall not be the 1st day of the month, the rental for the portion of the term occurring in the first and last calendar months of the term shall be appropriately prorated. All instalment of rent shall be paid at the office of Landlord, or at such other place as may be designated in writing from time to time by Landlord, in lawful money of the United States and without deduction or offset for any cause whatsoever. The rental for which provision is hereinabove made shall be subject to adjustment as provided in Paragraph 21 hereof, or other covenants and conditions hereinafter set forth.

Use

3. The premises are to be used as

and for no other business or purpose without the written consent of Landlord. No use shall be made or permitted to be made of the premises, nor acts done in or about the premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the premises which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building, or cause a cancellation of any insurance policy covering the building or any part thereof, nor shall Tenant sell, or permit to be kept, used or sold in or about the premises any article which may be prohibited by the standard form of fire insurance policy. Tenant shall not commit, or suffer to be committed, any waste upon the premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant in the building, nor shall Tenant, without the written consent of Landlord, use any apparatus, machinery or device in or about the premises which shall cause any substantial noise or vibration, or which shall substantially increase the amount of electricity or water, if any, agreed to be furnished or supplied under this lease. Tenant further agrees not to connect with electric wires or water or other pipes any apparatus, machinery or device without the consent of Landlord, except that Tenant may install the use of office machines and equipment, such as electrical typewriters, adding machines, teletypewriters and similar equipment.

Assignment and Subletting

4. Tenant shall not assign, mortgage or pledge this lease, or any interest therein, and shall not sublet the premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Tenant excepted) to occupy or use the premises, or any portion thereof, without the written consent of Landlord first had and obtained, which consent Landlord agrees not unreasonably to withhold. A consent to one assignment, mortgage, pledge, subletting, occupation, or use by any other person shall not relieve the Tenant from any obligation under this lease, and shall not be deemed to be a consent to any subsequent assignment, mortgage, pledge, subletting, occupation or use by another person. Any assignment, mortgage, pledge, subletting, occupation or use without such consent shall be void, and shall, at the option of Landlord, terminate this lease.

Repairs and Alterations

5. Tenant agrees by taking possession of the premises as herein set forth that such premises are then in a tenantable and good condition, that Tenant will take good care of the premises, and the same will not be altered, repaired or changed without the written consent of Landlord. As part of the consideration for rental hereunder, Tenant agrees that all improvements, repairs or maintenance of the premises shall, except as otherwise herein agreed, be made at its expense, and Tenant hereby waives the provisions of Subdivision (1) of Section 1932 and of Sections 1941 and 1941.1 of the Civil Code of California, and all rights to make repairs at Landlord's expense under the provisions of Sections 1942 and 1942.1 of said Civil Code. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be done either by or under the direction of Landlord but at the cost of Tenant, shall be the property of Landlord, and shall remain upon and be surrendered with the premises; provided however, that at Landlord's option Tenant shall, at Tenant's expense, when surrendering the premises, restore the same to their original condition. All damage or injury done to the premises by Tenant, or by any persons who may be in or upon the premises with the consent of Tenant, shall be paid for by Tenant. Tenant shall, at the termination of this lease by the expiration of time or otherwise, surrender and deliver up the premises to Landlord in as good condition as when received by Tenant from Landlord, reasonable wear, tear and casualty excepted. Tenant shall pay for all damage to the building, as well as all damage to tenants or occupants thereof, caused by Tenant's misuse or neglect of the premises or the appurtenances thereto.



Trade Fixtures	6. Subject to the provisions of Paragraph 3 hereof, Tenant may install and maintain its trade fixtures on the premises provided that such fixtures, by reason of the manner in which they are affixed, do not become an integral part of the building or premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof or upon the expiration or termination of this lease, alter or remove any such trade fixtures so installed by Tenant; not so removed by Tenant on or before the expiration or termination of this lease, Tenant, upon the request of Landlord so to do, shall thereupon remove the same. Any damage to the premises caused by any such installed alteration or removal of such trade fixtures shall be promptly repaired at the expense of the Tenant.
Destruction	7. If the premises or the building wherein the same are situated shall be destroyed by fire or other cause, or be damaged thereby that they are untenable and cannot be rendered tenable within one hundred twenty (120) days from the date of such destruction or damage, this lease may be terminated by Landlord or Tenant by written notice. Within forty-five (45) days from date of such destruction or damage, Landlord shall give written notice to Tenant as to whether or not the premises will be rendered tenable within one hundred twenty (120) days from the date of such destruction or damage. In case the damage or destruction be not such as to permit termination of the lease as herein provided, Landlord shall with due diligence render said premises tenable, and a proportionate reduction shall be made in the rent herein reserved corresponding to the time during which and to the portion of the premises of which Tenant shall be deprived of possession. The provisions of Subdivision 2 of Section 1932 of the California Civil Code and of Subdivision 4 of Section 1933 of that Code, shall not apply to this lease, and Tenant waives the benefit of such provisions.
Services	8. Landlord shall furnish the premises, during reasonable and usual business hours and subject to the regulations of the building wherein the premises are situated, with a reasonable amount of water and electricity suitable for the intended use of the premises, daily janitor service except on Saturdays, Sundays and public holidays, window washing with reasonable frequency, replacement of fluorescent tubes and light bulbs, toilet room supplies, and elevator service consisting either of non-attended automatic elevators or elevators with attendants at the option of Landlord. Such heat and air-conditioning as may be required for the comfortable occupation of the premises will be provided during the hours of 8:00 AM to 6:00 PM daily except Saturdays, Sundays and public holidays. During other hours, Landlord shall provide reasonable heat and air-conditioning upon twenty-four (24) hours' notice by Tenant to Landlord, and Tenant upon presentation of a bill therefor, shall pay Landlord for such service on an hourly basis at the then prevailing rate established by Landlord and, if such service is not a continuation of that furnished during regular business hours, Tenant shall pay the same hourly rate for a period of two (2) hours preceding the commencement of such service. Landlord shall not be liable for failure to furnish any of the foregoing services when such failure is caused by accident or conditions beyond the control of Landlord, or by repairs, labor disturbances or labor disputes of any character whether resulting from or caused by acts of Landlord or otherwise, provided, however, that in any of such event Landlord shall make a prompt and diligent effort to cause the resumption of such services. Landlord shall not be liable under any circumstances for loss of or injury to property, however occurring, through or in connection with the furnishing of any of the foregoing, nor shall any such failure relieve Tenant from the duty to pay the full amount of rent herein reserved, or constitute or be construed as a constructive or other eviction of Tenant. In the event of the default of Tenant hereunder, Landlord shall have the right, at Landlord's option, to suspend or discontinue the foregoing services, or any thereof, during the continuance of any such default, and any such suspension or discontinuance shall not be deemed or construed to be an eviction or ejection of Tenant.
Hold Harmless and Non- Liability of Landlord	9. Except insofar as such injury or damage may result from the negligence or other fault of Landlord or its employee, Landlord shall not be liable to Tenant for any injury or damage that may result to any person or property in or about the premises or the building in which the premises are located, from any cause whatsoever, including but not limited to injury or damage resulting from any defects in the building or any equipment located therein, or from fire, water, gas, oil, electricity or other cause or any failure in the supply of same, or from the acts or neglect of any persons, including co-tenants. Tenant agrees to indemnify and hold Landlord harmless against all claims, and the expense of defending against such claims, for injury or damage to persons or property occurring in or about the premises or occurring outside the premises but resulting in whole or in part by the act, failure to act, negligence or other fault of Tenant or its agents, employees or invitees.
Insurance	10. Lessee agrees to maintain in full force during the lease term, at its own expense, a policy or policies of comprehensive liability insurance, including property damage coverage, with respect to any liability for injury to persons or property or death of persons occurring in or about the premises. Such liability coverage shall be issued by a insurer(s) and in a form reasonably satisfactory to Landlord and shall name Landlord as an additional insured.
Notices	11. All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served, as an alternative to personal service, by mailing the same, postage prepaid, addressed to the Landlord at its office located at 2988 Campus Drive, San Mateo, California, and to the Tenant at the premises, whether or not Tenant has departed from, abandoned or vacated the premises, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing.
Insolvency or Receivership	12. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of Tenant or general assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency or bankruptcy act, shall constitute a breach of this lease by Tenant.
Default and Re-entry	13. In the event of any breach of this lease by Tenant, or if Tenant's interest herein, or any part thereof, be assigned or transferred without the written consent of Landlord, either voluntarily or by operation of law, whether by judgment, execution, death, receivership or any other means, or if Tenant vacates or abandons the premises, which shall be conclusively presumed if Tenant leaves the premises closed or unoccupied continuously for twenty (20) days, then in any such event Landlord, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises and may store such property at the cost of and for the account and risk of Tenant. Should Landlord elect to re-enter as herein provided, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may from time to time, without terminating this lease, re-let the premises, or any part thereof, for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Rents received by such Landlord from such re-letting shall be applied; first, to the payment of any costs and expenses of such re-letting, including a reasonable attorney's fee and any real estate commission actually paid, and any costs and expenses of such alterations and repairs; second, to the payment of any indebtedness, other than rent, due hereunder from Tenant to Landlord; third, to the payment of rent due and unpaid hereunder and the residue, if any, shall be held by Landlord and applied in payment of future rent or other obligations as the same may become due and payable hereunder. If rentals received from such re-letting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord, and such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by Landlord shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this lease for such previous breach. Should Landlord at any time terminate this lease for any breach, and thereafter seek relief pursuant to Section 1951.2 of the California Civil Code, interest shall be allowed upon unpaid rent, for the purposes of Section 1951.2 (b), at 10% per annum or the maximum rate permitted by law, whichever is greater. Any proof by Tenant under sub-paragraphs (2) or (3) of subdivision (a) of Section 1951.2 of the California Civil Code, as to the amount of rental loss that could be reasonably avoided, shall be made in the following manner: Landlord and Tenant shall each select a licensed real estate broker in the business of renting property of the same type and use as the leased premises and in the same geographic vicinity and each two real estate brokers shall select a third licensed real estate broker and the three licensed real estate brokers so selected shall determine the amount of the rental loss that could be reasonably avoided for the balance of the term of this lease after the time of award. The decision of the majority of said licensed real estate brokers shall be final and binding upon the parties hereto.

Waiver	14. The waiver by Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this lease, either the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such previous breach at the time of acceptance of such rent.
Removal of Property	15. Whenever Landlord shall remove any property of Tenant from the premises and store the same elsewhere for account, and at the expense and risk, of Tenant as provided in Paragraph 13 hereof, and Tenant shall not to any cost of storing any such property after it has been stored for a period of ninety (90) days or more. Landlord may any or all such property at public or private sale, in such manner and at such times and places as Landlord in its discretion, may deem proper, without notice to or demand upon Tenant, for the payment of any part of such charge or the removal of any such property, and shall apply the proceeds of such sale first, to the cost and expenses of sale, including reasonable attorney's fees actually incurred; second, to the payment of the cost of or charges for storage of any such property; third, to the payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.
Waiver of Damages for Re-entry	16. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of the premises or removing and storing the property of Tenant as herein provided, and will save Landlord harmless for loss, costs or damages occasioned thereby, and no such re-entry shall be considered or construed to be a forcible entry.
Costs of Suit	17. If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this lease, including any suit by Landlord for the recovery of rent or possession of the premises, the losing party shall pay the successful party a reasonable sum for attorney's fees in such suit, and such attorney's fees shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.
Litigation Against Tenant	18. Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by or against Tenant, or by or against any person holding under or using the premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to pay to Landlord the amount of any judgment rendered against Landlord or the premises or any part thereof, and all costs and expense including reasonable attorney's fees, incurred by Landlord in or in connection with such litigation.
Tax on Tenant's Property	19. Tenant shall be liable for all taxes levied against any personal property or trade fixtures placed by Tenant in or about the premises. If any such taxes of Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, and if Landlord pays the same, which Landlord shall have the right to do regardless of the validity of such levy, or if the assessed value of Landlord's premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof, Tenant shall, upon demand repay to Landlord the taxes so levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment, as the case may be.
Liens	20. Tenant shall keep the premises and building, and the property on which the premises are situated, free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
Rental Adjustment	21. As used herein, the term "Base Year" shall mean the _____ calendar year of this lease which is the calendar year _____. In the event the building is not in full operation for the entire Base Year, the Operating Expenses accrued for the period of operation and for the portion of the building actually in operation during the Base Year shall be used as a basis for a projection and adjustment to determine the Operating Expenses for the full Base Year for the purposes of this Paragraph 21. For the purposes of this lease the term "Operating Expenses" shall be deemed to consist of and include the reasonable annual maintenance and operating charges, real estate taxes and assessments and insurance premiums, applicable to both the building and the parking facilities operating in conjunction therewith. In the event the Operating Expenses for the calendar year following the Base Year, or for any subsequent calendar year, shall increase over the Operating Expenses for the previous year, Tenant agrees to pay as additional annual rental beginning with the _____ calendar year and continuing as adjusted for each calendar year thereafter during the term of this lease, a sum equal to the proportional part of such increase based on the ratio of the number of square feet occupied by Tenant in the building of which the premises are a part to the total number of rentable square feet in said building, which for this lease is _____% of such increase. Such additional rental, if any, shall be paid in equal monthly installments at the time the base rent reserved in Paragraph 2 is paid. Landlord shall notify Tenant at the beginning of the _____ of any subsequent calendar year of the additional rental, if any, as computed by the above formula, to be paid monthly by Tenant thereafter. Should the additional annual rental not be ascertained at the beginning of the _____ or any subsequent calendar year, then when ascertained that part of the additional annual rental which has accrued from the beginning of the _____ or any subsequent calendar year shall be forthwith paid by Tenant and the rental for the balance of the year as so ascertained shall be paid monthly. For example, if the lease begins _____, the Base Year will be _____, and the Operating Expenses shall be computed in _____, and if they exceed the Operating Expenses for _____ then the rent beginning January 1, _____ shall be adjusted. The rent for the period beginning January 1, _____ shall be readjusted based on the increase, if any, of Operating Expenses for the year _____ compared with the year _____, and the rent shall be readjusted for the period beginning January 1, _____ based on the increase, if any, of Operating Expenses for the year _____ compared with the year _____, and so on. In the event the rent is increased, based upon the foregoing provisions of this Paragraph 21, Tenant shall have the right to require Landlord to substantiate in reasonable detail the increase in Operating Expenses by a statement prepared by Landlord's controller as to the Operating Expenses as shown on the books and records of Landlord.
Subordination	22. Tenant agrees that this lease shall be subject and subordinate to any first mortgage, first trust deed or like encumbrance heretofore or hereafter placed upon said premises by Landlord or Owner, or their successors in interest, to secure the payment of moneys loaned, interest thereon, and other obligations. Tenant agrees to execute and deliver, upon demand of Landlord or Owner, any and all instruments desired by Landlord or Owner subordinating in the manner requested by Landlord or Owner this lease to such first mortgage, first trust deed or like encumbrances.
Indemnification	23. Each party hereby waives its right of recovery against the other for any insured losses, provided this is permitted by its insurance policies, or by endorsement thereon which it may obtain at no extra cost and without invalidation of the policies.



24. Should the whole or any part of the premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, all awards payable on account of such condemnation and taking shall be payable to Landlord, and Tenant hereby waives all interest in or claim to said awards, or any part thereof. If the whole of the premises shall be so condemned and taken, then this lease shall terminate. If a part only of the premises is condemned and taken and the remaining portion thereof is not suitable for the purposes of which Tenant has leased said premises, Tenant shall have the right to terminate this lease. If by such condemnation and taking a part only of the premises is taken, and the remaining part thereof is suitable for the purposes for which Tenant has leased said premises, this lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it related to the total value of the premises. Tenant acknowledges and agrees that the conversion to street use of those portions of the landscaped area surrounding the building which are presently under revocable license, easement or lease to Landlord and/or Owner, shall not result in a reduction in rental or in any other modification of Tenant obligations hereunder.

Right of  
Redemption  
by Tenant,  
Holding Over

25. Tenant hereby waives for Tenant and all those claiming under Tenant, all right now or hereafter existing to redeem the leased premises after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ. If Tenant holds over after the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case rental shall be payable in the amount and at the time specified in Paragraph 2 and 21 hereof, and such month to month tenancy shall be subject to every other term, covenant and agreement contained herein.

Entry and  
Inspection

26. Tenant will permit Landlord and its agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the same, or for the purpose of protecting the interest therein of Landlord or the Owner, or to post notices of non-responsibility, or to make alterations or additions to the premises or to any other portion of the building in which the premises are situated, including the erection of scaffolding, props or other mechanical devices, or to provide any service provided by Landlord to Tenant hereunder, including window cleaning and janitor service, without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the premises, or damage, injury or inconvenience thereby occasioned, and Tenant will permit Landlord, at any time within thirty (30) days prior to the expiration of this lease, to bring upon the premises, for purposes of inspection or display, prospective tenants thereof.

Offset  
Statement

27. Within ten days after request therefor by Landlord, or in the event of any sale, assignment or hypothecation of the premises and/or the land thereunder by Landlord or Owner, an offset statement shall be required from Tenant. Tenant agrees to deliver in recordable form a certificate to Owner, to any proposed mortgagee or purchaser, or to Landlord, certifying as to (a) the date of this lease and any amendments hereto, (b) the date upon which this lease term commenced and will end, (c) the fact that this lease, as so amended, is in full force and effect and has not been modified except as stated, (d) whether any rentals are then unpaid hereunder, (e) whether any defaults then exist hereunder, and (f) whether either party claims any offsets or defenses to any obligation imposed hereunder. If Tenant is provided with a proposed form of such certificate, and fails to execute same within ten (10) days after receipt thereof, Tenant agrees that all statements made in such proposed certificate shall be deemed true and binding upon Tenant for all purposes.

Attorn-  
ment

28. In the event of a termination of Landlord's interest in the building or in the event of the foreclosure of or exercise of a power of sale under any mortgage or trust deed made by Owner or Landlord covering the premises, Tenant shall attorn to and recognize as Landlord hereunder, Owner, Landlord's assignee or the purchaser at such foreclosure or sale in lieu thereof, as the case may be.

Rules and  
Regulations

29. The rules and regulations attached to this lease, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care and cleanliness of the premises and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with them.

Successors  
and Assigns

30. Subject to the provisions hereof relating to assignment, mortgaging, pledging and subletting, this lease is intended to and does bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.

Security  
Deposit

31. Tenant has paid to Landlord the sum of \_\_\_\_\_ Dollars, receipt of which is hereby acknowledged, as security for the performance by Tenant of the terms, covenants and conditions of this lease, and should the Tenant faithfully perform all of the terms, covenants and conditions of this lease and be in possession of said premises at the end of the term of this lease, the said sum of \_\_\_\_\_ Dollars shall be repaid by Landlord to Tenant at the end of the term of this lease.

Time

32. Time is of the essence of this lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

**RULES AND REGULATIONS  
ATTACHED TO AND MADE A PART OF THIS LEASE**

- 1. Advertising**  
Landlord shall have the right to prohibit any advertising by any Tenant which, in Landlord's opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.
- 2. Business Conducted on Premises**  
Except with the prior written consent of the Landlord, no Tenant shall sell, or permit the sale at retail of newspapers, magazines, periodicals, or theatre tickets, in or from the demised premises, nor shall any Tenant carry on, or permit or allow any employee or other person to carry on, the business of stenography, typewriting or any similar activity in or from the demised premises for the service or accommodation of occupants of any other portion of the building, or any manufacturing of any kind, or the business of a public barber shop, beauty parlor, manicurist or chiropodist, or an employment agency business, nor shall any Tenant advertise for common labor giving an address at said premises, or conduct any business other than that specifically provided for in the Tenant's lease.
- 3. Halls and Stairways**  
The stairways, halls, passages, elevators and stairways shall not be obstructed by any of the Tenants, or used by them for any purpose other than for ingress to and egress from their respective demised premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the building and its Tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No Tenant and no employee of any Tenant shall go upon the roof of the building without the written consent of Landlord.
- 4. Nuisances**  
No Tenant shall obtain for use upon the demised premises ice, drinking water, towel or other similar services, or accept barbering or bootblackening services in the demised premises, except from persons authorized by Landlord, and at hours and under regulations fixed by Landlord.
- 5. Musical Instruments, Etc.**  
Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the building in such manner as to disturb or annoy other Tenants of the building or the neighborhood. Tenant shall not install any antennae, aerial wires or other equipment outside the building without the prior written approval of Landlord.
- 6. Locks**  
No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanisms thereof. Tenant must, upon the termination of Tenant's tenancy, return to Landlord all keys of access, offices and toilet rooms either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys so furnished Tenant shall pay to Landlord the cost thereof.
- 7. Window Shades**  
Tenant will not install blinds, shades, awnings, or other form of inside or outside window covering, or window ventilators or similar devices without the prior written consent of Landlord.
- 8. Obstructing Light, Damage**  
The rear doors, bushes, windows, glass doors, lights, and skylights that reflect or admit light into the halls or other places of the building shall not be covered or obstructed. The toilets and urinals shall not be used for any purposes other than those for which they were constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expenses of any breakage, stoppage, or damage resulting from a violation of this rule by Tenant shall be borne by Tenant. Tenant shall be permitted to hang pictures on the walls of Tenant's offices, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls in an abnormal manner.
- 9. Signs**  
No sign, advertisement, notice, or other lettering shall be inscribed, painted, exhibited, or affixed on or to any part of the outside or inside of the building, except if in of such color, size and style, and in such place upon or in the building, as may be designated by Landlord. All such signs shall be provided by and removed approved by Landlord for Tenant and shall be paid for by Tenant.
- 10. Wiring**  
Electric wiring of every kind shall be introduced and connected as directed by Landlord and no boring or cutting for wires will be allowed except with prior consent of Landlord. The location of telephones, call cords, and sign equipment shall be subject to approval of Landlord.
- 11. Saws, Holes, Forcings, Etc.**  
Landlord shall preserve the weight, size and position of all safes and all property brought into the building, and also the time of moving the same and out of the building, and all such moving must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to a such safe or property from any cause; but all damage done to the building moving or maintaining any such safe or property shall be repaired at the expense of Tenant. No furniture, packages or merchandise will be received in a building or carried up or down in the elevators, except between such hours, such elevators, and in such manner as shall be designated by Landlord.
- 12. Janitor Service**  
Tenant shall not employ any person or persons for the purpose of cleaning the leased premises without the consent of Landlord. Landlord shall be in no way responsible to Tenant for any loss of property from the demised premises, however occurring, or for any damage done to the effects of Tenant by the Janitor or any other of Landlord's employees, or by any other person. Janitor's work will not include the cleaning of carpets and rugs, other than vacuuming. Tenant shall not cause unnecessary labor by reason of Tenant's carelessness and indifference in the preservation of good order and cleanliness.
- 13. Installation of Floor Coverings**  
No Tenant shall lay linoleum or other similar floor covering so that the same shall be affixed to the floor of the demised premises in any manner except by paste, or other material, which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any such linoleum or other similar floor covering to the floor, as well as the method of affixing carpets or rugs to the demised premises shall be subject to approval by Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by Tenant by whom, or by whose agents, clerks, employees, or visitors, the damage shall have been caused.
- 14. Requirements of Tenant**  
The requirements of Tenant will be attended to only upon application at the office of Landlord. Landlord's employees shall not perform any work nor do anything outside of their regular duties unless under special instructions from the office, and shall not admit any person (Tenant or otherwise) to any office without instructions from the office of Landlord.
- 15. Access to Building**  
Landlord reserves the right to close and keep locked all entrance and exit doors of the building during hours Landlord may deem advisable for the adequate protection of the property. Use of the building and the demised premises before or after normal business hours or at any time during Saturdays, Sundays and legal holidays shall be permissive and subject to the rules and regulations Landlord may prescribe. Tenant, Tenant's employees, agents or associates, or other persons entering or leaving the building at any time, when it is so locked, may be required to sign the building register, and the watchman or Landlord's agent in charge shall have the right to refuse admittance to any person into the building without satisfactory identification showing such person's right of access to the building at such time. Landlord assumes no responsibility and shall not be liable for any loss or damage resulting from the admission of any unauthorized or unauthorized person to the building.
- 16. Improper Conduct**  
Landlord reserves the right to exclude or expel from the building any person, including Tenant, who in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall do any act in violation of the rules and regulations of the building.
- 17. Storage**  
Tenant shall not conduct any auction, or store goods, wares or merchandise on the demised premises. Articles of unusual size and weight shall not be permitted in the building.
- 18. Vehicles, Animals, Refuse**  
Tenant shall not allow anything to be placed on the outside window ledges of the premises or to be thrown out of the windows of the building. No bicycles or other vehicles, and no animal shall be brought into the offices, halls, corridors, elevators or any other part of the building by Tenant or the agents, employees or invitees of Tenant, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the building.
- 19. Equipment Defects**  
Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.



## Suite Improvements

Landlord agrees to furnish and install, as it may deem advisable, the following improvements:

- (1) Up to a total of \_\_\_\_\_ Building Standard office partitions to be located in each office space (10).
- (2) Up to a total of \_\_\_\_\_ Building Standard interior doors and \_\_\_\_\_ Building Standard exterior entrance doors. Entrance doors shall have locksets and interior doors latchsets.
- (3) Up to a total of \_\_\_\_\_ duplex electrical outlets to be located in partitions wherever possible.
- (4) Up to a total of \_\_\_\_\_ telephone outlets to be located in partitions wherever possible.
- (5) Building Standard vinyl asbestos tile flooring in all areas not carpeted by Tenant.
- (6) Building Standard exterior window drapes.
- (7) Paint all perimeter wall surfaces and interior walls, specified herein, in colors to be selected by Tenant from Building Standard paints and colors.

Any additional partitioning, doors, telephone or electrical outlets, or other interior improvements, alterations, additions, or other electrical, or other suite improvements necessary to meet the occupancy requirements of Tenant shall be furnished and installed in the premises during regular working hours and under the control of Landlord's contractor, at the expense of Tenant.

All suite improvements made pursuant to the foregoing paragraphs shall during the term of this lease as it may be extended, constitute the property of Tenant and Tenant shall be liable for all taxes levied against such suite improvements in the manner set forth in Paragraph 19. Upon termination of this lease, however, unless Landlord shall consent to the removal thereof by Tenant, all such suite improvements shall remain in place and the ownership thereof shall revert to Landlord.

Notwithstanding the provisions of Paragraph 1 of this lease, the commencement of the term of this lease shall not be delayed because of (1) construction to be furnished by Landlord hereunder has not been completed if such Landlord's construction has been delayed at the instruction of Tenant, or (2) such Landlord's construction has been appropriately delayed by Tenant's failure to promptly approve final suite improvement plans, or to accommodate the installation of Tenant's trade fixtures, equipment or improvements or (3) additional improvements ordered by Tenant subsequent to the execution of this lease.

# **AGREEMENT OF LEASE** **FRANCISCO BAY WEST**

Parties	THIS LEASE, made at	on the	day of	19,
	Between			
				LANDLORD
	and			TENANT.
Premises	<p>WITNESSETH, that Landlord hereby leases or subleases to Tenant, and Tenant hereby hires and takes from Landlord, upon the terms and conditions hereinafter set forth, those certain premises (hereinafter "premises") constituting approximately square feet as shown on Exhibit "B" attached hereto, which premises are located on the floor(s) of that certain building commonly known as 50 Francisco Street, San Francisco (which building, and the surrounding landscaped land area maintained in connection therewith, are shown on the map attached hereto as Exhibit "C" and are collectively hereinafter referred to as the "building"), which will initially be owned by Landlord or under lease to Landlord from the San Francisco Port Authority ("Owner") and which may thereafter become void or voidable, and the term herein specified shall in such case commence upon the date of delivery of possession of the premises to Tenant and shall terminate</p>			
Term	<p>1. The terms of this lease shall be and shall commence on the day of 19, and end on the day of 19, inclusive; provided, however that in the event Landlord is unable to deliver possession of the premises to Tenant upon the date above specified for the commencement of the term of this lease, neither Landlord nor its agent shall be liable for any damage caused thereby, nor shall this lease thereby become void or voidable, and the term herein specified shall in such case commence upon the date of delivery of possession of the premises to Tenant and shall terminate</p> <p>In such event Tenant shall not be liable for any rent until such time as Landlord shall deliver possession of said premises to Tenant. Notwithstanding the foregoing provisions of this Paragraph 1, it is specifically agreed that in the event Landlord is unable to deliver possession of the premises to Tenant by the day of 19, then this lease may be cancelled by either Landlord or Tenant without any liability to the other.</p>			
Rent	<p>2. Tenant agrees to pay to Landlord as rent for the premises the sum of</p> <p>per month in advance on the 1st day of the term of this lease and on the 1st day of each calendar month thereafter during the term, except that if the 1st day of the term shall not be the 1st day of the month, the rental for the portion of the term occurring in the first and last calendar months of the term shall be appropriately prorated. All installments of rent shall be paid at the office of Landlord, or at such other place as may be designated in writing from time to time by Landlord, in lawful money of the United States and without deduction or offset for any cause whatsoever. The rental for which provision is hereinabove made shall be subject to adjustment as provided in Paragraph 21 hereof, or other covenants and conditions hereinafter set forth.</p>			
Use	<p>3. The premises are to be used as</p> <p>and for no other business or purpose without the written consent of Landlord. No use shall be made or permitted to be made of the premises, nor acts done in or about the premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the premises which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof, nor shall Tenant sell, or permit to be kept, used or sold in or about the premises any article which may be prohibited by the standard form of fire insurance policy. Tenant shall not commit, or suffer to be committed, any waste upon the premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant in the building, nor shall Tenant, without the written consent of Landlord, use any apparatus, machinery or device in or about the premises which shall cause any substantial noise or vibration, or which shall substantially increase the amount of electricity or water, if any, agreed to be furnished or supplied under this lease. Tenant further agrees not to connect with electric wires or water or other pipes any apparatus, machinery or device without the consent of Landlord, except that Tenant may install the usual office machines and equipment, such as electrical typewriters, adding machines, teletypewriters and similar equipment.</p>			
Assignment and Subletting	<p>4. Tenant shall not assign, mortgage or pledge this lease, or any interest therein, and shall not sublet the premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Tenant excepted) to occupy or use the premises, or any portion thereof, without the written consent of Landlord first had and obtained, which consent Landlord agrees not unreasonably to withhold. A consent to one assignment, mortgage, pledge, subletting, occupation, or use by any other person shall not relieve the Tenant from any obligation under this lease, and shall not be deemed to be a consent to any subsequent assignment, mortgage, pledge, subletting, occupation or use by another person. Any assignment, mortgage, pledge, subletting, occupation or use without such consent shall be void, and shall, at the option of Landlord, terminate this lease.</p>			
Repairs and Alterations	<p>5. Tenant agrees by taking possession of the premises as herein set forth that such premises are then in a tenantable and good condition that Tenant will take good care of the premises, and that the same will not be altered, repaired or changed without the written consent of Landlord. As part of the consideration for rental hereunder, Tenant agrees that all improvements, repairs or maintenance of the premises shall, except as otherwise herein agreed, be made at its expense, and Tenant hereby waives the provisions of Subdivision (1) of Section 1932 and of Sections 1941 and 1941.1 of the Civil Code of California, and all rights to make repairs at Landlord's expense under the provisions of Sections 1942 and 1942.1 of said Civil Code. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be done either by or under the direction of Landlord but at the cost of Tenant, shall at the termination of the lease become the property of Landlord, and shall remain upon and be surrendered with the premises; provided however, that at Landlord's option Tenant shall, at Tenant's expense, when surrendering the premises, restore the same to their original condition. All damage or injury done to the premises by Tenant, or by any persons who may be in or upon the premises with the consent of Tenant, shall be paid for by Tenant. Tenant shall, at the termination of this lease by the expiration of time or otherwise, surrender and deliver up the premises to Landlord in as good condition as when received by Tenant from Landlord, reasonable wear, tear and casualty excepted. Tenant shall pay for all damage to the building, as well as all damage to tenants or occupants thereof, caused by Tenant's misuse or neglect of the premises or the appurtenances thereto.</p>			



Trade Fixtures	6. Subject to the provisions of Paragraph 3 hereof, Tenant may install and maintain its trade fixtures on the premises provided that such fixtures, by reason of the manner in which they are affixed, do not become an integral part of the building or premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof or upon the expiration or termination of this lease, alter or remove any such trade fixtures so installed by Tenant. If not so removed by Tenant on or before the expiration or termination of this lease, Tenant, upon the request of Landlord so to do, shall remove the same. Any damage to the premises caused by any such installation, alteration or removal of such trade fixtures shall be promptly repaired at the expense of the Tenant.
Destruction	7. If the premises or the building wherein the same are situated shall be destroyed by fire or other cause, or be so damaged thereby that they are untenable and cannot be rendered tenantable within one hundred twenty (120) days from the date of such destruction or damage, this lease may be terminated by Landlord or Tenant by written notice. Within forty-five (45) days from date of such destruction or damage, Landlord shall give written notice to Tenant as to whether or not the premises will be rendered tenantable within one hundred twenty (120) days from the date of such destruction or damage. In case of damage or destruction be not such as to permit termination of the lease as above provided, Landlord shall with due diligence render said premises tenantable, and a proportionate reduction shall be made in the rent herein reserved corresponding to the time during which and to the portion of the premises of which Tenant shall be deprived of possession. The provisions of Subdivision 2 of Section 1932 of the California Civil Code, and of Subdivision 4 of Section 1933 of that Code, shall not apply to this lease, and Tenant waives the benefits of such provisions.
Services	8. Landlord shall furnish the premises, during reasonable and usual business hours and subject to the regulations of the building wherein the premises are situated, with a reasonable amount of water and electricity suitable for general office use including a normal complement of electrical office equipment, daily janitor service except on Saturdays, Sundays and public holidays, window washing with reasonable frequency, replacement of fluorescent tubes and light bulbs, toilet room supplies and elevator service consisting of non-attended automatic elevators and elevators with attendants at the option of Landlord. Such heat and air-conditioning as may be required for the comfortable occupation of the premises will be provided during the hours of 8:00 A.M. to 6:00 P.M. daily except Saturdays, Sundays and public holidays. During other hours, Landlord shall provide reasonable heat and air-conditioning upon twenty-four (24) hours' notice by Tenant to Landlord, and Tenant, upon presentation of a bill therefor, shall pay Landlord for such service on an hourly basis at the then prevailing rate as established by Landlord and, such service is not a continuation of that furnished during regular business hours, Tenant shall pay the same hourly rate for period of two (2) hours preceding the commencement of such service. Landlord shall not be liable for failure to furnish any of the foregoing services when such failure is caused by accidents or conditions beyond the control of Landlord, or by repairs, labor disturbances, or labor disputes of any character, whether resulting from or caused by acts of Landlord or otherwise provided, however, that in any of such events Landlord shall make a prompt and diligent effort to cause the resumption of such services. Landlord shall not be liable under any circumstances for loss of or injury to property however occurring, through or in connection with or incidental to the furnishing of any of the foregoing, nor shall any such failure relieve Tenant from the duty to pay the full amount of rent herein reserved, or constitute or be construed as constructive or other eviction of Tenant. In the event of the default of Tenant hereunder, Landlord shall have the right, at Landlord's option, to suspend or discontinue the foregoing services, or any thereof, during the continuance of any such default, and any such suspension or discontinuance shall not be deemed or construed to be an eviction or ejection of Tenant.
Hold Harmless and Non-Liability of Landlord	9. Except insofar as such injury or damage may result from the negligence or other fault of Landlord or its employees Landlord shall not be liable to Tenant for any injury or damage that may result to any person or property in or about the premises or the building or the parking facility operated in connection therewith, from any cause whatsoever, including but not limited to injury or damage resulting from any defects in the building or any equipment located therein, or from fire, water, gas, oil, electricity or other cause or any failure in the supply of same, or from the acts or neglect of any persons including co-tenants. Tenant agrees to indemnify and hold Landlord harmless against all claims, and the expense of defending against such claims, for injury or damage to persons or property occurring in or about the premises or occurring outside the premises but resulting in whole or in part by the act, failure to act, negligence or other fault of Tenant or its agents, employees or invitees.
Insurance	10. Lessee agrees to maintain in full force during the lease term, at its own expense, a policy or policies of comprehensive liability insurance, including property damage coverage with respect to any liability for injury to persons or property or death of persons occurring in or about the premises. Such liability coverage shall be issued by an insurer(s) and in a form reasonably satisfactory to Landlord and shall name Landlord as an additional insured.
Notices	11. All notices which Landlord or Tenant may be required, or may desire to serve on the other may be served, as an alternative to personal service, by mailing the same, postage prepaid, addressed to the Landlord at its office located at 50 Francisco Street, San Francisco, California, and to the Tenant at the premises, whether or not Tenant has departed from, abandoned, or vacated the premises, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing.
Insolvency or Receivership	12. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of Tenant or a general assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency or bankruptcy act, shall constitute a breach of this lease by Tenant.
Default and Re-entry	13. In the event of any breach of this lease by Tenant, or if Tenant's interest herein, or any part thereof, be assigned or transferred without the written consent of Landlord, either voluntarily or by operation of law, whether by judgment, execution, death, receivership or any other means, or if Tenant vacates or abandons the premises, which shall be conclusively presumed if Tenant leaves the premises closed or unoccupied continuously for twenty (20) days, then in any such event Landlord, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises and may store such property at the cost of and for the account and risk of Tenant. Should Landlord elect to re-enter as herein provided, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may from time to time, without terminating this lease, re-let the premises, or any part thereof, for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable with the right to make alterations and repairs to the premises. Rents received by such Landlord from such re-letting shall be applied; first, to the payment of any costs and expenses of such re-letting, including a reasonable attorney's fee and any real estate commission actually paid, and any costs and expenses of such alterations and repairs; second, to the payment of any indebtedness, other than rent, due hereunder from Tenant to Landlord; third, to the payment of rent due and unpaid hereunder and the residue, if any, shall be held by Landlord and applied in payment of future rent or other obligations as the same may become due and payable hereunder. If rentals received from such re-letting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord, and such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by Landlord shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this lease for such previous breach. Should Landlord at any time terminate this lease for any breach, and thereafter seek relief pursuant to Section 1951.2 of the California Civil Code, interest shall be allowed upon unpaid rent, for the purposes of Section 1951.2 (b), at 10% per annum or the maximum rate permitted by law, whichever is greater. Any proof by Tenant under sub-paragraphs (2) or (3) of subdivision (a) of Section 1951.2 of the California Civil Code, as to the amount of rental loss that could be reasonably avoided, shall be made in the following manner: Landlord and Tenant shall each select a licensed real estate broker in the business of renting property of the same type and use as the leased premises and in the same geographic vicinity and such two real estate brokers shall select a third licensed real estate broker and the three licensed real estate brokers so selected shall determine the amount of the rental loss that could be reasonably avoided from the balance of the term of this lease after the time of award. The decision of the majority of said licensed real estate brokers shall be final and binding upon the parties hereto and the fees charged by such brokers for providing such determination shall be borne by Tenant.



Waiver	14. The waiver by Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.
Removal of Property	15. Whenever Landlord shall remove any property of Tenant from the premises and store the same elsewhere for the account, and at the expense and risk, of Tenant as provided in Paragraph 13 hereof, and Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Landlord may sell any or all such property at public or private sale, in such manner and at such times and places as Landlord in its sole discretion, may deem proper, without notice to or demand upon Tenant, for the payment of any part of such charges or the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expenses of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.
Waiver of Damages for Re-entry	16. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of the premises or removing and storing the property of Tenant as herein provided and will save Landlord harmless from loss, cost or damages occasioned thereby, and no such re-entry shall be considered or construed to be a forcible entry.
Costs of Suits	17. If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this lease, including any suit by Landlord for the recovery of rent or possession of the premises, the losing party shall pay the successful party a reasonable sum for attorney's fees in such suit, and such attorney's fees shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.
Litigation Against Tenant	18. Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by or against Tenant, or by or against any person holding under or using the premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to pay to Landlord the amount of any judgment rendered against Landlord or the premises or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by Landlord in or in connection with such litigation.
Tax on Tenant's Property	19. Tenant shall be liable for all taxes levied against any personal property or trade fixtures placed by Tenant in or about the premises. If any such taxes of Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, and if Landlord pays the same, which Landlord shall have the right to do regardless of the validity of such levy, or if the assessed value of Landlord's premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof, Tenant shall, upon demand, repay to Landlord the taxes so levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment, as the case may be.
Liens	20. Tenant shall keep the premises and building, and the property on which the premises are situated, free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
Rental Adjustment	<p>21. The rental provided in paragraph 2 shall be subject to adjustment as follows:</p> <p>(a) If the term of this lease extends more than five (5) years then, as of the commencement of the sixth lease year and as of the commencement of each fifth succeeding lease year, the base rental shall be adjusted so as to bear the same proportion to that base rental provided in paragraph 2 as the Consumers Price Index (U.S. Labor Bureau - All Items - San Francisco Metropolitan Area) for the twelve calendar months immediately preceding such rental adjustment bears to the same Index for the twelve calendar months immediately preceding the commencement of the original lease term.</p> <p>(b) If the Operating Expenses for the calendar year first following the Base Year, or for any subsequent calendar year, are higher than the Operating Expenses for the Base Year, then Tenant agrees to pay additional rental with respect to such year, and continuing for each subsequent year throughout the lease term, the Tenant's Share of such increase.</p> <p>(c) Landlord shall furnish Tenant with written notice as to any such rental adjustment, detailing any increases in Operating Expenses, as soon as practicable after the commencement of each calendar year. The payment of any additional rent shall then be made as follows: On the day for payment of rent under paragraph 2 first following the receipt of such rent adjustment notice, Tenant shall pay a sum equal to such additional rent for the entire prior calendar year for which such additional rent is due (less a credit for prepayments thereof, if any) plus one-twelfth (1/12th) of such additional annual rent for each month of the then current calendar year, and each succeeding month Tenant shall continue to pay one-twelfth (1/12th) of such additional annual rent until a new rent adjustment notice, if any, is furnished to Tenant as provided above.</p> <p>(d) For the purposes of this subparagraph: "Base Year" shall mean the calendar year in which this lease term commenced; "Operating Expenses" shall mean the annual maintenance, repair and operating charges (including, but not limited to repairs, maintenance, utility charges, capital expenditures required to meet changed government regulations, cleaning and janitorial services, servicing of equipment, and license, permit and inspection fees), ground rent, and insurance premiums attributable to the building with such Operating Expenses for the Base Year to be calculated by projection as if the building were substantially completed for the entire calendar year if such improvements were not in fact substantially completed prior to commencement of the Base Year. In determining the Operating Expenses for the Base Year, such expenses shall be adjusted downward to reflect the increase, if any, in the costs of janitorial service, and assessments and utility charges over the rate charged for equivalent services and utilities on April 1, 1975. "Tenant's Share" shall be the ratio borne by the number of square feet in the lease premises to the total number of rentable square feet in the building, which ratio is agreed to be ____ %.</p> <p>(e) In the event that additional rental is charged pursuant to this subparagraph, Tenant shall have the right to require Landlord to substantiate in reasonable detail the increase in Operating Expenses by a statement prepared by Landlord's controller as to the Operating Expenses as shown on the books and records of Landlord.</p>
Taxes:	22. Tenant agrees to pay to Landlord, no later than thirty (30) days prior to the date upon which real estate taxes upon the building are due and payable to the Tax Collector, Tenant's Share (as determined in paragraph 21) of any increase in such real estate taxes over those assessed to the building as of April 1, 1975, whether such increase is due to an increase in tax rate or assessed valuation. If at any time during the term of this Lease the then prevailing method of real property taxation or assessment shall be changed so that the whole or any part thereof shall instead be levied, charged, assessed or imposed wholly or partially on the rents received by Landlord from the premises, or shall otherwise be imposed against Landlord in the form of an income or franchise tax or otherwise, then Tenant shall pay Tenant's Share of all such levies, charges, assessments, impositions, taxes and other substituted charges, upon demand of Landlord. During the last year of this Lease, or if the Term is extended, during the last year of the extended term of this Lease, there shall be a proportionate adjustment in the amount of the tax coverage, if any, to be paid by the Tenant, such adjustment to be based on the number of months during the last tax year that this Lease is in effect.
Subordination	23. Tenant agrees that this lease shall be subject and subordinate to any first mortgage, first deed or like encumbrance heretofore or hereafter placed upon said premises by Landlord or Owner, or their successors in interest, to secure the payment of moneys loaned, interest thereon, and other obligations. Tenant agrees to execute and deliver, upon demand of Landlord or Owner, any and all instruments desired by Landlord or Owner subordinating in the manner requested by Landlord or Owner this lease to such first mortgage, first deed or like encumbrances.
Subrogation	24. Each party hereby waives its right of recovery against the other for any insured losses, provided this is permitted by its insurance policies, or by endorsement thereon which it may obtain at no extra cost and without invalidation of the policies.

Condemnation	25. Should the whole or any part of the premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, all awards payable on account of such condemnation and taking shall be payable to Landlord and Tenant hereby waives all interest in or claim to said awards, or any part thereof. If the whole of the premises shall be so condemned and taken, then this lease shall terminate. If a part only of the premises is condemned and taken and the remaining portion thereof is not suitable for the purposes of which Tenant had leased said premises, Tenant shall have the right to terminate this lease. If by such condemnation and taking a part only of the premises is taken, and the remaining part thereof is suitable for the purposes for which Tenant has leased said premises, this lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it related to the total value of the premises. Tenant acknowledges and agrees that the conversion to street use of those portions of the landscaped area surrounding the building which are presently under revocable license, easement or lease to Landlord and/or Owner shall not result in a reduction in rental or in any other modification of Tenant's obligations hereunder.
Waiver of Redemption by Tenant, Holding Over	26. Tenant hereby waives for Tenant and all those claiming under Tenant, all right now or hereafter existing to redeem the leased premises after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ. If Tenant holds over after the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case rental shall be payable in the amount and at the time specified in Paragraph 2 and 21 hereof, and such month to month tenancy shall be subject to every other term, covenant and agreement contained herein.
Entry and Inspection	27. Tenant will permit Landlord and its agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the same, or for the purpose of protecting the interest therein of Landlord or the Owner, or to post notices of non-responsibility, or to make alterations or additions to the premises or to any other portion of the building in which the premises are situated, including the erection of scaffolding or other mechanical devices, or to provide any service provided by Landlord to Tenant hereunder, including window cleaning and janitor service, without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the premises, or damage, injury or inconvenience thereby occasioned, and Tenant will permit Landlord, at any time within thirty (30) days prior to the expiration of this lease, to bring upon the premises, for purposes of inspection or display, prospective tenants thereof.
Offset Statement	28. Within ten days after request therefor by Landlord, or in the event of any sale, assignment or hypothecation of the premises and/or the land thereunder by Landlord or Owner, an offset statement shall be required from Tenant. Tenant agrees to deliver in recordable form a certificate to Owner, to any proposed mortgage or purchaser, or to Landlord, certifying as to (a) the date of this lease and any amendments hereto, (b) the date upon which this lease term commenced and will end, (c) the fact that this lease, as so amended, is in full force and effect and has not been modified except as stated (d) whether any rentals are then unpaid hereunder, (e) whether any defaults then exist hereunder, and (f) whether either party claims any offsets or defenses to any obligation imposed hereunder. If Tenant is provided with a proposed form of such certificate, and fails to execute same within ten (10) days after receipt thereof, Tenant agrees that all statements made in such proposed certificate shall be deemed true and binding upon Tenant for all purposes.
Attorney's Statement A46811-617	29. In the event of a termination of Landlord's interest in the building or in the event of the foreclosure of or exercise of a power of sale under any mortgage or trust deed made by Owner or Landlord covering the premises, Tenant shall attorn to and recognize as Landlord hereunder, Owner, Landlord's assignee or the purchaser at such foreclosure or sale in lieu thereof, as the case may be.
Rules and Regulations	30. The rules and regulations attached to this lease, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care and cleanliness of the premises and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with them.
Successors and Assigns	31. Subject to the provisions hereof relating to assignment, mortgaging, pledging and subletting, this lease is intended to and does bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.
Security Deposit	32. Tenant has paid to Landlord the sum of _____ Dollars, receipt of which is hereby acknowledged, as security for the performance by Tenant of the terms, covenants and conditions of this lease, and should the Tenant faithfully perform all of the terms, covenants and conditions of this lease and be in possession of said premises at the end of the term of this lease, the said sum of _____ Dollars shall be repaid by Landlord to Tenant at the end of the term of this lease.
Time	33. Time is of the essence of this lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

FRANCISCO BAY OFFICE PARK,  
a limited partnership  
By: \_\_\_\_\_  
General Partner

LANDLORD

\_\_\_\_\_  
a \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT



## RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE

1. **Advertising**  
Landlord shall have the right to prohibit any advertising by any Tenant which, in Landlord's opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.
2. **Businesses Conducted on Premises**  
Except with the prior written consent of the Landlord, no Tenant shall sell or permit the sale at retail of newspapers, magazines, periodicals, or theatre tickets, in or from the demised premises, nor shall any Tenant carry on, or permit or allow any employee or other person to carry on, the business of stenography, typewriting or any similar activity in or from the demised premises for the service or accommodation of occupants of any other portion of the building, or any manufacturing of any kind, or the business of a public barber shop, beauty parlor, manicurist or chiropodist, or any employment agency business, nor shall any Tenant advertise for common labor giving an address at said premises, or conduct any business other than that specifically provided for in the Tenant's lease.
3. **Halls and Stairways**  
The sidewalks, halls, passages, elevators and stairways shall not be obstructed by any of the Tenants, or used by them for any purpose other than for ingress to and egress from their respective demised premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the building and its Tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No Tenant and no employee of any Tenant shall go upon the roof of the building without the written consent of Landlord.
4. **Nuisances**  
No Tenant shall obtain for use upon the demised premises ice, drinking water, towel or other similar services, or accept barbering or bootblackening services in the demised premises, except from persons authorized by Landlord, and at hours and under regulations fixed by Landlord.
5. **Musical Instruments, Etc.**  
Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the building in such manner as to disturb or annoy other Tenants of the building or the neighborhood. Tenant shall not install any antennae, aerial wires or other equipment outside the building without the prior written approval of Landlord.
6. **Locks**  
No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanisms thereof. Tenant must, upon the termination of Tenant's tenancy, restore to Landlord all keys of stores, offices and toilet rooms either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys so furnished Tenant shall pay to Landlord the cost thereof.
7. **Window Shades**  
Tenant will not install blinds, shades, awnings, or other forms of inside or outside window covering, or window ventilators or similar devices without the prior written consent of Landlord.
8. **Obstructing Light, Damage**  
The sash doors, sashes, windows, glass doors, lights, and skylights that reflect or admit light into the halls or other places of the building shall not be covered or obstructed. The toilets and urinals shall not be used for any purposes other than those for which they were constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expense of any breakage, stoppage, or damage resulting from a violation of this rule by Tenant shall be borne by Tenant. Tenant shall be permitted to hang pictures on the walls of Tenant's offices, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls in an abnormal manner.
9. **Signs**  
No sign, advertisement, notice, or other lettering shall be inscribed, painted, exhibited, or affixed on or to any part of the outside or inside of the building, except it be of such color, size and style, and in such place upon or in the building as may be designated by Landlord. All such signs shall be provided by sources approved by Landlord for Tenant and shall be paid for by Tenant.
10. **Wiring**  
Electric wiring of every kind shall be introduced and connected as directed by Landlord and no boring or cutting for wires will be allowed except with the prior consent of Landlord. The location of telephones, call boxes, and similar equipment shall be subject to approval of Landlord.
11. **Safes, Moving, Furniture, Etc.**  
Landlord shall prescribe the weight, size and position of all safes and other property brought into the building, and also the times of moving the same in and out of the building, and all such moving must be done under the supervision of Landlord. Landlord will not be responsible for any loss of or damage to any such safe or property from any cause; but all damage done to the building by moving or maintaining any such safe or property shall be repaired at the expense of Tenant. No furniture, packages or merchandise will be received in the building or carried up or down in the elevators, except between such hours, in such elevators, and in such manner as shall be designated by Landlord.
12. **Janitor Service**  
Tenant shall not employ any person or persons for the purpose of cleaning the leased premises without the consent of Landlord. Landlord shall be in nowise responsible to Tenant for any loss of property from the demised premises, however occurring, or for any damage done to the effects of Tenant by the Janitor or any other of Landlord's employees, or by any other person. Janitor's service will not include the cleaning of carpets and rugs, other than vacuuming. Tenant shall not cause unnecessary labor by reason of Tenant's carelessness and indifference in the preservation of good order and cleanliness.
13. **Installation of Floor Coverings**  
No Tenant shall lay linoleum or other similar floor covering so that the same shall be affixed to the floor of the demised premises in any manner except by a paste, or other material, which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any such linoleum or other similar floor covering to the floor, as well as the method of affixing carpets or rugs to the demised premises, shall be subject to approval by Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by Tenant by whom, or by whose agents, clerks, employees, or visitors, the damage shall have been caused.
14. **Requirements of Tenant**  
The requirements of Tenant will be attended to only upon application at the office of Landlord. Landlord's employees shall not perform any work nor do anything outside of their regular duties unless under special instructions from the office, and shall not admit any person (Tenant or otherwise) to any office without instructions from the office of Landlord.
15. **Access to Building**  
Landlord reserves the right to close and keep locked all entrances and exit doors of the building during hours Landlord may deem advisable for the adequate protection of the property. Use of the building and the demised premises before or after normal business hours or at any time during Saturdays, Sundays and legal holidays shall be permissive and subject to the rules and regulations Landlord may prescribe. Tenant, Tenant's employees, agents or associates, or other persons entering or leaving the register, and the watchman or Landlord's agent in charge shall have the right to refuse admittance to any person into the building without satisfactory identification showing such person's right of access to the building at such time. Landlord assumes no responsibility and shall not be liable for any loss or damage resulting from the admission of any authorized or unauthorized person to the building. Tenant shall be responsible for the cost of any false discharge of the building security alarm system caused by Tenant, its agents, employees or invitees.
16. **Improper Conduct**  
Landlord reserves the right to exclude or expel from the building any person, including Tenant, who in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall do any act in violation of the rules and regulations of the building.
17. **Storage**  
Tenant shall not conduct any auction, or store goods, wares or merchandise on the demised premises. Articles of unusual size and weight shall not be permitted in the building.
18. **Vehicles, Animals, Refuse**  
Tenant shall not allow anything to be placed on the outside window ledges of the premises or to be thrown out of the windows of the building. No bicycle or other vehicle, and no animal shall be brought into the offices, halls, corridors, elevators or any other part of the building by Tenant or the agents, employees or invitees of Tenant, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the building.
19. **Equipment Defects**  
Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.

\* building at any time, when it is so  
that may be required to sign the  
building



## DESCRIPTION

OF  
LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 315  
(A PORTION OF 50 VARA BLOCK 57-8)

ALL THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET; THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET 206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHENSON TOPEKA AND SANTA FE RAILWAY COMPANY THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE THEREOF TO THE TRUE POINT OF BEGINNING ON THE SOUTHERLY LINE OF BAY STREET; THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF MONTGOMERY STREET; THENCE SOUTHERLY 75.17 FEET ALONG SAID WESTERLY LINE OF MONTGOMERY STREET; THENCE AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 160 FEET, TO THE BEGINNING OF A TANGENT CURVE; THENCE WESTERLY ALONG SAID CURVE, CONCAVE TO THE SOUTH, WITH A RADIUS OF 130 FEET AN ARC DISTANCE OF 94.24 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 8667 SQUARE FEET OF AREA, MORE OR LESS.

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT  
MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF  
FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET;  
THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET  
206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHISON,  
TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET  
ALONG THE EASTERLY LINE THEREOF TO THE SOUTHERLY LINE OF BAY STREET;  
THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY  
STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY  
93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF  
MONTGOMERY STREET; THENCE SOUTHERLY 213.17<sup>feet</sup> ALONG SAID WESTERLY LINE  
OF MONTGOMERY STREET TO THE POINT OF BEGINNING.

## DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 316

(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY 78.00 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHERLY ALONG SAID EASTERLY LINE 77.78 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$  TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE *Westerly* ALONG SAID NORTHERLY LINE 54.08 FEET; THENCE AT A DEFLECTION ANGLE OF  $41^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 119.10 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 9,112 SQUARE FEET OF AREA MORE OR LESS.



DESCRIPTION  
SWL 316  
(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY 155.78 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$  TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE WESTERLY 149.08 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING, AND CONTAINING 12,622 SQUARE FEET OF AREA, MORE OR LESS.



DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 317  
(50 VARA BLOCK 40 - B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE  
FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE  
OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF  
MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET;  
THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY  
STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY  
ALONG SAID SOUTHERLY LINE 148.00 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE EASTERLY 56.32 FEET TO  
THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44  
FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSONE  
STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE  
NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 62.50 FEET ALONG  
SAID NORTHERLY LINE; THENCE AT A DEFLECTION ANGLE OF  $51^{\circ} 31' 05''$   
TO THE RIGHT FOR A DISTANCE OF 80 FEET; THENCE AT A DEFLECTION ANGLE OF  
 $11^{\circ} 18' 36''$  TO THE RIGHT FOR A DISTANCE OF 61.19 FEET; THENCE AT A  
DEFLECTION ANGLE OF  $11^{\circ} 18' 36''$  TO THE LEFT FOR A DISTANCE OF 200  
FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 17,100 SQUARE  
FEET OF AREA, MORE OR LESS.

DESCRIPTION S.W.L 317

(50 VARA BLOCK 40-B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 204.32 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSOME STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 412.50 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

lease dated June 28, 1974 shall remain in full force and effect.

City and County of San Francisco,  
a municipal corporation, operating  
by and through the SAN FRANCISCO  
PORT COMMISSION,

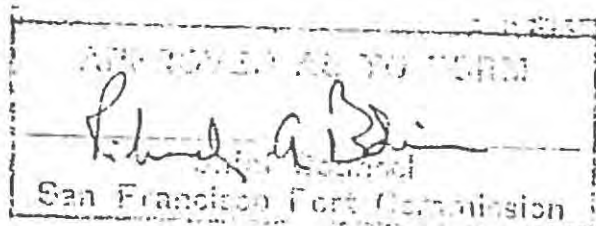
By

Thomas F. Fink  
Port Director

FRANCISCO BAY OFFICE PARK, a Limited  
Partnership,

By

William Wilson  
Tenant  
William Wilson





balance due has been paid, and (B) to secure such payment obligation with "written" assignment of such rentals and a deed of trust lien against said encroaching improvement and the land (including Seawall Lot 315) on which it stands.

(v) Costs of appraisal or of arbitration concerning this paragraph 1(b) are to be shared equally by the parties. Port shall have the right of specific performance to enforce its rights under this paragraph. All notices referred to in this paragraph shall be in writing and the times set forth herein shall not run until notice is received by the other party.

2. Term. The term of this lease is sixty-six (66) years, commencing June 28th, 1974.

3. Rent. Tenant agrees to pay Port, without abatement, deduction, or offset, a minimum annual rent of \$1.35 per square foot for that portion of the leased premises free of the proposed Maritime Parkway, and \$ .24 per square foot for that portion of the lease premises encumbered by the proposed Maritime Parkway as set forth in Exhibit "A", provided that no rental shall be payable until the conditions set forth in paragraph 3 of the Development Agreement between the parties hereto relating to said property have been satisfied; provided further, that for the first twelve-month period from the date of the satisfaction of said conditions or until completion of the building as provided in Article 5 hereof, whichever shall first occur, the rent shall be \$ .45 per square foot and \$ .08 per square foot, respectively; and provided further, that the rental for the next succeeding twelve-month period or until completion of the building as provided in Article 5 hereof, whichever shall first occur, the rent shall be \$.90 per square foot and \$.16 per square foot, respectively. Said minimum rent shall be payable monthly in advance, except that if the term commences on a day other than the first of the month, the rent for that month will be prorated on a daily basis.

The annual rental for each successive five-year period shall be escalated during the first 25 years of the term of the lease to be the greater of either (a) the minimum rental increased by 5% of the fixed annual rental of the preceding five-year period, or (b) 6.987% of the average gross annual rental produced by the improvements located on the lease property and the Santa Fe parcel during the preceding five-year period (excluding any increases in gross annual rentals resulting from increases in "Operating Expenses" passed on to subtenants under Tenant's standard form lease, a copy of which is attached to this Lease Agreement, or other form of lease approved by Port). The annual rental thus fixed shall be paid in monthly installments. A statement shall be furnished by Tenant to Port sixty (60) days after the end of each five-year period setting forth the total of the percentage rentals paid during the five-year period just concluded. At the end of each five-year period, the Port will credit to Tenant a sum equal to the amount, if any, by which the actual rental paid during the previous five-year period exceeds 6.987% of the average gross annual income produced by such improvements during said five-year period; however, in no event shall Tenant pay less than minimum rental for each current five-year period.

In the event that at some future period Tenant leases the demised premises on a different level of services and expenses (for example, if any of utilities, janitorial, building maintenance, etc., are paid by the sublessor (Tenant), or if all items of expense are paid by the sublessee under a "net lease"), an appropriate adjustment shall be made in the computation of the "gross annual rental" produced by such improvements and in said computations the services to be performed to the demised premises will be valued at then generally prevailing rates.

At the end of the 25th year the demised premises shall be reappraised to determine the then current land value, based solely

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT  
MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF  
FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET;  
THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET  
206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHISON,  
TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET  
ALONG THE EASTERLY LINE THEREOF TO THE SOUTHERLY LINE OF BAY STREET;  
THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY  
STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY  
35.15 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF  
MONTGOMERY STREET; THENCE SOUTHERLY 213.17<sup>1/2</sup> FEET ALONG SAID WESTERLY LINE  
OF MONTGOMERY STREET TO THE POINT OF BEGINNING.

EXHIBIT A



DESCRIPTION

OF  
LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 315  
(A PORTION OF 50 VARA BLOCK 57-3)

ALL THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET; THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET 205 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHAFSON TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE THEREOF TO THE TRUE POINT OF BEGINNING ON THE SOUTHERLY LINE OF BAY STREET; THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF MONTGOMERY STREET; THENCE SOUTHERLY 75.17 FEET ALONG SAID WESTERLY LINE OF MONTGOMERY STREET; THENCE AT A DEFLECTION ANGLE OF  $131^{\circ} 52' 27''$  TO THE RIGHT FOR A DISTANCE OF 160 FEET, TO THE BEGINNING OF A TANGENT CURVE; THENCE WESTERLY ALONG SAID CURVE, CONCAVE TO THE SOUTH, WITH A RADIUS OF 130 FEET AN ARC DISTANCE OF 94.24 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 8667 SQUARE FEET OF AREA, MORE OR LESS.

DESCRIPTION  
SML 516  
(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT  
MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED  
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO  
STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY  
155.73 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET  
TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE  
EMBARCADERO AT A DEFLECTION ANGLE OF  $151^{\circ} 32' 27''$  TO THE RIGHT FOR  
A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$   
TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF  
FRANCISCO STREET; THENCE WESTERLY 149.08 FEET ALONG SAID NORTHERLY  
LINE TO THE POINT OF BEGINNING, AND CONTAINING 12,622 SQUARE FEET  
OF AREA, MORE OR LESS.

DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 316

(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE  
MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT  
PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,  
DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO  
STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY  
78.00 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE  
TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHERLY ALONG SAID  
EASTERLY LINE 77.78 FEET TO THE SOUTHWESTERLY LINE OF THE  
EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  
151° 32' 27" TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE  
AT A DEFLECTION ANGLE OF 9° 57' 44" TO THE RIGHT FOR A DISTANCE  
OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE *westerly*  
ALONG SAID NORTHERLY LINE 59.08 FEET; THENCE AT A DEFLECTION ANGLE  
OF 41° 32' 27" TO THE RIGHT FOR A DISTANCE OF 119.10 FEET, TO THE  
TRUE POINT OF BEGINNING, AND CONTAINING 9,112 SQUARE FEET OF AREA  
MORE OR LESS.



DESCRIPTION S.L. 317

(50 VARA BLOCK 40-B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 204.32 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SAYSONE STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 412.50 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 317  
(50 VARA BLOCK 40 - B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE  
FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE  
OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF  
MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET;  
THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY  
STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY  
ALONG SAID SOUTHERLY LINE 148.00 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE EASTERLY 56.32 FEET TO  
THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 354.44  
FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSONE  
STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE  
NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 62.50 FEET ALONG  
SAID NORTHERLY LINE; THENCE AT A DEFLECTION ANGLE OF  $51^{\circ} 31' 05''$   
TO THE RIGHT FOR A DISTANCE OF 80 FEET; THENCE AT A DEFLECTION ANGLE OF  
 $11^{\circ} 18' 36''$  TO THE RIGHT FOR A DISTANCE OF 61.19 FEET; THENCE AT A  
DEFLECTION ANGLE OF  $11^{\circ} 18' 36''$  TO THE LEFT FOR A DISTANCE OF 200  
FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 17,100 SQUARE  
FEET OF AREA, MORE OR LESS.

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT  
MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF  
FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET;  
THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET  
206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHISON,  
TOPEKA AND SANTA FE RAILWAY COMPANY; THENCE NORTHERLY 275 FEET  
ALONG THE EASTERLY LINE THEREOF TO THE SOUTHERLY LINE OF BAY STREET;  
THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY  
STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY  
93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF  
MONTGOMERY STREET; THENCE SOUTHERLY 213.17<sup>feet</sup> ALONG SAID WESTERLY LINE  
OF MONTGOMERY STREET TO THE POINT OF BEGINNING.



## DESCRIPTION

OF  
LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 315  
(A PORTION OF 50 VARA BLOCK 57-B)

ALL THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF THE 50 VARA BLOCK NO. 57 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET AND THE WESTERLY LINE OF MONTGOMERY STREET; THENCE WESTERLY ALONG SAID NORTHERLY LINE OF FRANCISCO STREET 206 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND OF THE ATCHENSON TOPEKA AND SANTA FE RAILWAY COMPANY THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE THEREOF TO THE TRUE POINT OF BEGINNING ON THE SOUTHERLY LINE OF BAY STREET; THENCE EASTERLY 136.50 FEET ALONG THE SOUTHERLY LINE OF SAID BAY STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 93.13 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF MONTGOMERY STREET; THENCE SOUTHERLY 75.17 FEET ALONG SAID WESTERLY LINE OF MONTGOMERY STREET; THENCE AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 160 FEET, TO THE BEGINNING OF A TANGENT CURVE; THENCE WESTERLY ALONG SAID CURVE, CONCAVE TO THE SOUTH, WITH A RADIUS OF 130 FEET AN ARC DISTANCE OF 94.24 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 8667 SQUARE FEET OF AREA, MORE OR LESS.

DESCRIPTION  
SWL 316  
(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY 155.78 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$  TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE WESTERLY 149.08 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING, AND CONTAINING 12,622 SQUARE FEET OF AREA, MORE OR LESS.

## DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 316

(50 VARA BLOCK 40-A)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF FRACTIONAL 50 VARA BLOCK NO. 40 A AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FRANCISCO STREET WITH THE EASTERLY LINE OF MONTGOMERY STREET; THENCE NORTHERLY 78.00 FEET ALONG THE EASTERLY LINE OF SAID MONTGOMERY STREET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHERLY ALONG SAID EASTERLY LINE 77.78 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE ALONG THE EMBARCADERO AT A DEFLECTION ANGLE OF  $131^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 113.90 FEET; THENCE AT A DEFLECTION ANGLE OF  $9^{\circ} 57' 44''$  TO THE RIGHT FOR A DISTANCE OF 102.54 FEET TO THE NORTHERLY LINE OF FRANCISCO STREET; THENCE *Westerly* ALONG SAID NORTHERLY LINE 59.08 FEET. THENCE AT A DEFLECTION ANGLE OF  $41^{\circ} 32' 27''$  TO THE RIGHT FOR A DISTANCE OF 119.10 FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 9,112 SQUARE FEET OF AREA MORE OR LESS.



## DESCRIPTION SWL 317

(50 VARA BLOCK 40-B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET; THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 204.32 FEET TO THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44 FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSOME STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.26 FEET TO THE NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 412.50 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

DESCRIPTION

OF

LEASE ALLOWANCE FOR PROPOSED FUTURE EMBARCADERO

IN S W L 317  
(50 VARA BLOCK 40 - B)

ALL OF THAT REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF  
SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF THE 50 VARA BLOCK 40 B AS PER THE MONUMENT MAP OF THE  
FIFTY VARA DISTRICT IN THE "G" MAPS AT PAGE 151 IN THE OFFICE  
OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF  
MONTGOMERY STREET WITH THE NORTHERLY LINE OF CHESTNUT STREET;  
THENCE NORTHERLY 275 FEET ALONG THE EASTERLY LINE OF MONTGOMERY  
STREET TO THE SOUTHERLY LINE OF FRANCISCO STREET; THENCE EASTERLY  
ALONG SAID SOUTHERLY LINE 148.00 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING ALONG SAID SOUTHERLY LINE EASTERLY 56.32 FEET TO  
THE SOUTHWESTERLY LINE OF THE EMBARCADERO; THENCE SOUTHEASTERLY 334.44  
FEET ALONG SAID SOUTHWESTERLY LINE TO THE WESTERLY LINE OF SANSOME  
STREET; THENCE SOUTH ALONG SAID WESTERLY LINE 13.20 FEET TO THE  
NORTHERLY LINE OF CHESTNUT STREET; THENCE WESTERLY 62.50 FEET ALONG  
SAID NORTHERLY LINE; THENCE AT A DEFLECTION ANGLE OF  $51^{\circ} 31' 05''$   
TO THE RIGHT FOR A DISTANCE OF 80 FEET; THENCE AT A DEFLECTION ANGLE OF  
 $11^{\circ} 18' 36''$  TO THE RIGHT FOR A DISTANCE OF 61.19 FEET; THENCE AT A  
DEFLECTION ANGLE OF  $11^{\circ} 18' 36''$  TO THE LEFT FOR A DISTANCE OF 200  
FEET, TO THE TRUE POINT OF BEGINNING, AND CONTAINING 17,100 SQUARE  
FEET OF AREA, MORE OR LESS.