

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT No. 1

DATE

MAR 23 2010

TO LEASE NO. GS-09B-02010

ADDRESS OF PREMISES: 610 West Ash Street
San Diego, CA 92101

THIS AGREEMENT, made and entered into this date by and between Glenborough West Ash, LLC a Delaware limited liability company.

whose address is: 400 South El Camino Real
San Mateo, CA 94402-1708

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

WHEREAS, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective upon execution by the Government as follows: To increase the rentable and ANSI/BOMA office area square feet by including Suite 1103, add parking, adjust the rent, adjust the Tenant Improvement Allowance, and adjust the Government's percentage of occupancy.

NOW THEREFORE, Paragraphs 1, 3, 11, and 12 are deleted in their entirety and the following new Paragraphs 1, 3, 11, 12, and Exhibit E has been added.

"1. The Lessor hereby leases to the Government the following described premises:

46,583 rsf, yielding approximately 40,535 ABOA square feet and related space located at 610 West Ash Street, Suites 800 (5,540 rsf/ 4,824 ABOA), 900 (4,438 rsf/ 3,864 ABOA), 912 (3,673 rsf/ 3,198 ABOA), 1000 (2,083 rsf/ 1,814 ABOA), 1103 (1,823 rsf/ 1,585 ABOA) 1200 (13,681 rsf/ 11,911 ABOA), 1501 (1,728 rsf/ 1,436 ABOA), and 1600 (13,617 rsf/ 11,903 ABOA), San Diego, CA 92101, together with sixty-four (64) inside reserved parking spaces and six (6) inside unreserved parking spaces to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

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

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

LESSOR: Glenborough West Ash, LLC A Delaware limited liability company

BY

(Signature) G. Lee Burns

Sr. Vice President

(Title)

IN THE PRESENCE OF (witnessed by:)

(Signature) Barbara Brett

400 S. El Camino Real, #1100
San Mateo, CA 94402-1708

(Address)

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION, Public Buildings Service.

BY

(Signature)

Contracting Officer, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF SUPPLEMENTAL LEASE
AGREEMENT NUMBER 1 TO LEASE NUMBER GS-09B-02010

- "3 The Government shall pay annual rent of \$1,975,396.69 (inclusive of \$1,825,643.85 [\$45.04 per ABOA] amortization of Tenant Improvements at 8% interest over the firm term) at the rate of \$164,616.39 per month in arrears for years one (1) through five (5). For years six (6) through ten (10) the Government shall pay the Lessor annual rent of \$1,649,042.28 at the rate of \$137,420.19 per month in arrears.

Rent for a lesser period shall be prorated.

Rent checks shall be payable to:

Glenborough West Ash, LLC
400 South El Camino Real, Suite 1100
San Mateo, California 94402

"11. **TENANT IMPROVEMENT ALLOWANCE**

- A. The maximum Tenant Improvement allowance has been established at \$45.04 per ABOA which shall be used for the build out of the Government-demised area in accordance with the Government-approved design intent drawings.
- B. All Tenant Improvements required by the Government occupancy shall be performed by the Lessor as part of the rental consideration.
- C. The maximum Tenant Improvement Allowance has been established by Paragraph A. The Tenant Improvement Allowance shall be amortized over the five (5) year firm-term of the lease agreement at an interest rate (amortization rate) of 8% per year. The annual rental rate, per Paragraph 3, will be adjusted based on the actual Total Tenant Improvement Allowance used, and will be established by Supplemental Lease Agreement upon Substantial Completion and acceptance by the Government."
- D. The Tenant Improvement Allowance shall include all the Offeror's administrative costs, general contractor fees, subcontractor's profit and Overhead costs, Offeror's profit and overhead, design costs, and other associated project fees necessary to prepare construction documents to complete the tenant improvements. It is the Lessor's responsibility to prepare all documentation (working drawings, etc.) required to receive construction permits. **NO COSTS ASSOCIATED WITH THE BUILDING SHELL SHALL BE INCLUDED IN THE TENANT IMPROVEMENT PRICING."**
- "12. **PERCENTAGE OF OCCUPANCY:** Pursuant to SFO paragraph 3.5 entitled, "Percentage of Occupancy," the Government's percentage of occupancy is established at 26.22% This is based on the Government leasing 46,583 rentable square feet where the total rentable area of the 610 West Ash Building is 177,692 rentable square feet.

Initials: mw & [Signature]
Lessor Government