

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

7/29/09

LEASE No. LCA02010

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

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

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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

44,760 rentable square feet (r.s.f.), yielding approximately 38,950 ANSI/BOMA Office Area (ABOA) square feet and related space located at 610 West Ash Street, Suites 800 (5,540 r.s.f.; 4,824 ANSI/BOMA Office Area), 900 (4,438 r.s.f.; 3,864 ANSI/BOMA Office Area), 912 (3,673 r.s.f.; 3,198 ANSI/BOMA Office Area), 1000 (2,083 r.s.f.; 1,814 ANSI/BOMA Office Area), 1200 (13,681 r.s.f.; 11,911 ANSI/BOMA Office Area), 1501 (1,728 r.s.f.; 1,436 ANSI/BOMA Office Area), and 1600 (13,617 r.s.f.; 11,903 ANSI/BOMA Office Area), San Diego, CA 92101, together with 64 inside reserved parking spaces as depicted on the attached Exhibit A (Site Plan), Exhibit B, First Generation Blue-Line Plan (the "Premises"), and Exhibit C, (Parking Plan) to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. PARAGRAPH 2 IS INTENTIONALLY OMITTED

3. The Government shall pay the Lessor annual rent of \$1,897,734.60 at the rate of \$158,144.55 per month in arrears for years 1 through 5. For years 6 through 10 the Government shall pay the Lessor annual rent of \$1,584,504.00 at the rate of \$132,042.00 per month in arrears.

Years	Shell Rate per RSFPY (rentable square foot per year)	Services RSFPY	Amortized TI's RSFPY	Total Rent RSFPY	Total Monthly Rent	Total Annual Rent
1 - 5	\$25.31	\$7.56	\$9.53	\$42.41	\$158,144.55	\$1,897,734.60
6 - 10	\$27.84	\$7.56	\$0.00	\$35.40	\$132,042.00	\$1,584,504.00

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

4. The Government may terminate this lease in whole or in part effective any time on or after the fifth (5th) year firm term by giving at least one-hundred twenty (120) days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. PARAGRAPH 5 IS INTENTIONALLY OMITTED

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:

- A. The 64 parking space(s) described in Paragraph 1 and parking spaces required by local code.
- B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's final construction drawings. Rent is subject to adjustment in accordance with Paragraph 1.10, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. LCA02010 and its attachments.
- C. Adequate space for telecommunications antennae and transmission devises in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number LCA02010 (pages 1-39) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Special Requirements ("Security Standards For Leased Space" pages 1-17, "Technology and Support Types" pages 1-7, [REDACTED] pages 1-39, and [REDACTED] pages 1-15.
- c) GSA Form 3517B (pages 1-33);
- d) GSA Form 3518 (pages 1-7);
- e) Sheet numbers 1-3 containing Paragraphs 9-25;
- f) Corporation Document (Exhibit "A"); page 1;
- g) Site Plan (Exhibit "A"), page 1;
- h) First Generation Blue-Line Plan (Exhibit "B"), pages 1-7;
- i) Parking Plan (Exhibit "C"), page 1;
- j) Fire Life Safety Recommendations (Exhibit "D"), pages 1-20;
- k) 100% Government Approved Design Intent Drawings consisting of Suite 900 (pages 1-13), Suite 1501 (pages 1-16), Floor 12 (pages 1-13), and Floor 16, (pages 1-18)

8. The following changes were made in this lease prior to its execution:

Paragraphs 2 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 25 have been added. The words "in whole" has been added after the word "lease" in Paragraph 4 prior to lease execution. The words "on or after the fifth (5th) year firm term" have been added after the word "time" in Paragraph 4 prior to lease execution.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Glenborough West Ash, LLC a Delaware limited liability company by: Glenborough Fund XII Mezz I, LLC a Delaware limited liability company Its sole Member.

BY

(Signature)

Michael Steele

Executive Vice President

(Signature)

IN PRESENCE OF:

(Signature)

Michael Webber

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

(Address)

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

BY

CONTRACTING OFFICER, GSA

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following ten (10) years, five (5) years firm term in accordance with Paragraph 19 entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.
10. **WORKING/CONSTRUCTION DOCUMENT & CONSTRUCTION COMPLETION:** The execution of the lease agreement shall represent the Official Conveyance to move the DIDs into Working/Construction Drawings. The Lessors shall deliver working/construction drawings to the Government 20 working days after the Government's execution of this Lease Agreement. The working/construction drawings shall clearly identify 1) tenant improvements already in place and 2) the work to be done by the Lessor or others. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor. The Lessor shall have 90 working days from the receipt of the Government Notice to Proceed for Construction to complete the build-out of the entire space.
11. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 1.9, "Tenant Improvements Included In Offer (Dec 2007)". 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 Tenant Improvement Allowance shall be for improvements associated with the space identified on the Government Design Intent drawings which will be approved upon execution of this lease agreement and for the space identified in Paragraph 1 of the SF-2 and not for any other space leased in the building by the Government including Suites 705 and 1005 under Lease Agreement LCA01838. The Design Intent Drawings are attached to this lease agreement and shall be used and incorporated into developed of the working/construction drawings. All tenant improvements required by the Government for occupancy shall be performed by the Lessor as part of the rental consideration, and all improvements shall meet the quality standards and requirements of this Lease Agreement, the Design Intent Drawings and Agency's Special Requirements Package, and GSA Form 3517, General Clauses. Unless changes to the attached approved Design Intent Drawings are specifically requested by the Contracting Officer, any modifications resulting in additional cost will be the Lessor's to fund.
12. **PERCENTAGE OF OCCUPANCY:** Pursuant to Paragraph 3.5, "Percentage of Occupancy", the Government occupies 44,760 / 177,692 rentable square feet (25.19%).
13. **TAX ADJUSTMENT:** This lease is not subject to tax escalations.
14. **OPERATING COSTS:** Pursuant to Paragraph 3.7, "Operating Costs Base", the base rate for purposes of operating cost escalation is established at \$7.56 per rentable square foot per annum.
15. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 3.13, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$4.50 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon SF-2 Paragraph 13, "Operating Costs."
16. **OVERTIME USAGE:** Pursuant to Paragraph 7.3, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6:00 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$26 per hour with a minimum of two (2) hours per order. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 880 Front Street, Suite 4236, San Diego, California 92101-8897, to receive payment.
17. **24 HOUR ROOMS:**
 - A. The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease.
 - B. The Lessor shall install and maintain an Eamon Demon to monitor the electrical use of the HVAC Server Units for the following LAN Room locations: room No. 1008, 1009, 1221 and 1624. The Eamon Demon shall monitor the actual electrical consumption of the Server Room HVAC Units. The Government will pay the actual electrical costs associated with the actual electrical

Initials: LM & CMC 7/29/09
Lessor Government

consumption of the Server Room HVAC Units. The Lessor must submit a proper invoice with back-up, on a quarterly basis, to the GSA Building Manager or designee located at 880 Front Street, Room 4236, San Diego, CA 92101-8897 to receive payment.

- C. In order to ensure accuracy in billing, the invoice must address the exact rate per kilowatt hour charged by the San Diego Gas and Electric for the Server Room HVAC Units. The Eamon Demon shall be capable of monitoring the circuit for the Server Room HVAC units. No other electrical outlet or item shall be tied to these circuits for the HVAC unit Server Rooms. The Lessor shall submit to the Government, 5 days prior to the acceptance of the installation of the Server Room HVAC Units, a circuit diagram demonstrating that only the circuit associated with the Server Room HVAC Units are on a single circuit and how the Eamon Demon will monitor the actual electrical consumption.

18. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE

- A. *Budget and Price Proposals for Tenant Improvements* - Within 15 Calendar days from the Lease Award, the Lessor shall submit to the Government a budget proposal based on the attached approved Government Approved Design Intent Drawings. The cost estimate must be submitted in Construction Specification Institute (CSI) Format.
- B. Failure to submit this budget and price proposals referenced above and in Paragraph [3.15(E)], Construction Schedule of Tenant Improvements of the SFO, will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
- C. The construction schedule required in Paragraph [3.15], "Construction Schedule of Tenant Improvements" of the SFO shall also include adequate time for additional review by the Government Working Drawings/Construction Drawings. All references to "working days" in Paragraph 3.15, "Construction Schedule of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- D. In addition to the submission requirements specified under Paragraph [3.15(G)], "Construction Schedule of Tenant Improvements" of the SFO, Acceptance of Space, Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in a format meeting the requirements of Paragraph [3.2 (B)(4)] thirty (30) calendar days prior to "Substantial Completion". Lessor acknowledges that the Government will not be responsible for the payment of any changes to the Tenant Improvements not approved in writing by the Contracting Officer in accordance with the terms of this Lease.

19. INSPECTION OF PREMISES:

- A. The Lessor shall notify the Government 30 calendar days in advance of the anticipated substantial completion date as defined in Paragraph 1 of the GSA Form 3517. Within 4 calendar days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within five (5) business days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.
- B. The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished). Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. OCCUPANCY REPORTS:

- A. *Building Systems:* In accordance with Paragraph 4.6 "Building Systems," of the Solicitation for Offers No. LCA02010, the Lessor shall furnish at no cost to the Government the required building system reports prior to the Government's occupancy of the Premises.
- B. *Acoustical Requirements:* In accordance with Paragraph 5.20 "Acoustical Requirements" of the Solicitation for Offers No. LCA02010, the Lessor shall furnish at no cost to the Government the required acoustical reports prior to the Government's occupancy of the Premises.

- 21. UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Service Administration Contracting Officer. This contract is between GSA and Glenborough West Ash, LLC in care of Gridiron Acquisition LLC, A Delaware Limited Liability Company. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with

Initials: MP & CAC 7/29/09
Lessor Government

Improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space.

22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
23. Pursuant to Paragraph 3.1, "Unit Costs for Adjustment", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$ [REDACTED] or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

ITEM	UNIT COST
1) The cost per linear foot of office subdividing ceiling-high partitioning (Section 5.7).	[REDACTED]
2) The cost per floor-mounted duplex electrical outlet	[REDACTED]
3) The cost per wall-mounted duplex electrical outlet	[REDACTED]
4) The cost per floor-mounted fourplex (double duplex) electrical outlet	[REDACTED]
5) The cost per wall-mounted fourplex (double duplex) electrical outlet	[REDACTED]
6) The cost per wall-dedicated clean electrical computer receptacle	[REDACTED]
7) The cost per floor-mounted telephone/data outlet	[REDACTED]
8) The cost per wall-mounted telephone/ data outlet	[REDACTED]
9) The cost per interior door (including framing, hardware, and standard lockset)	[REDACTED]
10) The cost per linear foot of slab to slab walls	[REDACTED]
11) The cost per window blinds	[REDACTED]
12) The cost per square yard for broadloom carpet	[REDACTED]
13) The cost per wall junction box to supply power, and telecommunications to systems furniture. (Typically with 4 workstations per junction box)	[REDACTED]

24. **CARPET AND PAINT:** The Lessor shall, at no cost to the Government, install SFO standard carpet and paint in Suite 1000. This shall include the removal and replacement of any damaged baseboard, and the moving and returning of office furniture which is necessary to fulfill this requirement. The work shall occur after hours which shall be scheduled and coordinated with the Government.
25. **FIRE LIFE SAFETY RENOVATIONS:** The Lessor agrees, at Lessor's sole cost and expense, to provide, install, maintain, replace and repair the Fire Life recommendations, provisions, and required corrections of this lease, Exhibit D, and all other conditions set forth in the SFO now forming part of Lease Agreement LCA02010. Upon substantial completion of the project, the recommendations, provisions, and required corrections are to be performed and in place. At completion of the Fire Life Safety work, the Lessor's Fire Engineer shall provide a revised report demonstrating that the work is complete and in accordance with the original findings, the requirements of the SFO, and State and Local Codes. The cost to provide this report shall be at no cost to the Government, and shall be provided upon substantial completion of the space.

Initials: MP & CPM 7/29/09
Lessor Government