

GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE  
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL  
AGREEMENT No. 2

DATE 8/12/2010

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**

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

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

Whereas, the parties hereto desire to amend the Lease to adjust the annual rent; adjust termination rights; establish Beneficial Occupancy; incorporate Tenant Improvement Costs to be amortized into the rent; incorporate and provide a Notice to Proceed for Government approved Change Orders Number 001 and 002; establish change order costs to be amortized into the rent; establish change order costs to be paid lump sum; and to establish lump sum payment procedures.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective upon execution by the Government as follows:

Paragraphs 3, 4, 9, and 11 of the lease are deleted in their entirety and the following new Paragraphs 3, 4, 9, and 11 are substituted therefore, and Paragraph 26 has been added as follows:

3. The Government shall pay the Lessor annual rent of \$1,955,345.27 (inclusive of \$1,743,250.69 amortization of Tenant Improvements at 8% interest over the firm term) at the rate of \$162,945.44 per month in arrears for years 1 through 5. For years 6 through 10 the Government shall pay the Lessor annual rent of \$1,649,038.20 at the rate of \$137,419.85 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

4. The Government may terminate this lease in whole or in part effective any time on or after May 24, 2015 by giving at least one-hundred twenty (120) days' prior notice in writing to the Lessor. No rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

9. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on May 24, 2010 through May 23, 2020 subject to termination rights as hereinafter set forth

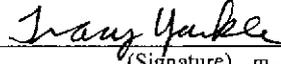
IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: **Glenborough West Ash, LLC**, a Delaware limited liability company

BY   
(Signature) Michael Steele

Executive Vice President  
(Title)

IN THE PRESENCE OF (witnessed by:)

  
(Signature) Tracy Yeakle

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

**“11. TENANT IMPROVEMENT ALLOWANCE**

A. The maximum Tenant Improvement Allowance has been established at \$1,743,250.69. This amount shall be amortized over the five (5) year firm term of the Lease Agreement at an interest rate (amortization rate) of 8% per year beginning on May 24, 2010.

**“26. CHANGE ORDER 001 AND 002**

A. Upon Government execution of this Supplemental Lease Agreement, the Lessor shall provide all labor, materials, and equipment to complete the work required under change order 001 (001) and change order 002 (002) as summarized below.

Item	Change Order Costs
<b>Change Order 001</b>	
Cabling for Suites 900, 1200, 1501, and 1600.....	[REDACTED]
Construction Costs for Field Bulletins 2, 3, 4, and 5.....	[REDACTED]
Design Costs.....	[REDACTED]
Lessor Fee.....	[REDACTED]
<b>Subtotal change order 001.....</b>	<b>\$292,103.56</b>
<b>Change Order 002</b>	
Suite 1103 Construction Costs.....	[REDACTED]
Suite 1103 Construction Drawings.....	[REDACTED]
Suite 1103 Plan Check and Permit Fees.....	[REDACTED]
Suite 1200 Additional Rubber Flooring.....	[REDACTED]
Suite 1501/1600 [REDACTED].....	[REDACTED]
Suite 1501/1600 Conduit Chases for Radio Antenna.....	[REDACTED]
Suite 1600 Exhausts Added to Shower Rooms.....	[REDACTED]
Suite 1501 and 1600 Two Cold Water Stubs.....	[REDACTED]
Lessor Fee.....	[REDACTED]
<b>Subtotal change order 002.....</b>	<b>\$195,846.74</b>
<b>Total.....</b>	<b>\$487,950.30</b>

- B. The Government has elected to amortize \$452,681.86 of the above change order costs into the rental rate, which is included in paragraph 3, and shall pay \$35,268.44 of the change order costs via lump sum.
- C. The Government shall make a “LUMP SUM” payment of \$35,268.44 within 30 days upon receipt of an invoice after completion and acceptance of the work and the space by the Government. Payment will be due only for items which are both: (a) listed in this paragraph, and (b) (i) shown on the Government’s approved layouts or (ii) changes requested in writing by the Contracting Officer.
- D. Invoicing for completion of alterations: The invoice shall annotate the name and address of the Lessor (the Lessor must match the name and address in the Governments vendor file), an invoice number (PS#) will be sent to you after the Government executes this Supplemental Lease Agreement. The Lessor shall submit an original and one copy of the invoice for the alterations. The Original Invoice shall be submitted either electronically to the Finance Website at <http://www.finance.gsa.gov> or mailed to:

GSA, Greater Southwest Finance Center (7BCP)  
P.O. Box 17181  
Fort Worth, TX 76102

A copy of the invoice shall be simultaneously submitted to the Contracting Officer at:

General Services Administration  
401 West A Street, Suite 2075  
San Diego, California 92101

E. Title to items for which the Government makes a “LUMP SUM” payment shall vest in the Government. These items can be removed in a commercially reasonable fashion by the Government at any time. The Lessor waives any restoration in connection with these items. Unless the Government has removed the items from the Premises, the Lessor shall remain responsible for maintenance and repair of all items provided by the Lessor under this lease. If, after the lease term, any extensions or succeeding lease term, the Government elects to abandon any items in place, title shall pass to the Lessor. This paragraph shall also apply throughout the term of the lease to any work requested by the Government after occupancy.

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

Initials: WDC & DM  
Lessor & Government