

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

12/30/2009

LEASE NO.

LCO14310

THIS LEASE, made and entered into this date by and between Glenborough Gateway Office, LLC

whose address is 400 So. El Camino Real, Suite 1100
SAN MATEO, CA 94402-1706

and whose interest in the property hereinafter described is that of **LESSOR**

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:

A total of 14,148 rentable square feet (RSF) of office and related space, which yields 12,488 ANSI/BOMA Office Area square feet (USF) of space, consisting of 9,284 ABOA square feet, 10,518 RSF on the second floor, and 3,204 ABOA square feet, 3,630 RSF on the first floor) at One Gateway Centre, 3950 Lewiston Street, Aurora, Colorado, 80011-1555 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are three (3) on-site structured parking spaces, and fifteen (15) on-site surface parking spaces for the exclusive use of Government employees.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning within 90 days after the Contracting Officer issues the Tenant Improvement Notice to Proceed, estimated to be February 1, 2010 through January 31, 2020, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor monthly in arrears in accordance with the following table:

Months	Shell	Cost of Services	Taxes	Tenant Improvement Allowance	Total Annual Rent	Total Monthly Rent
2/1/10 - 1/31/15	\$215,878.37	\$96,569.80	\$45,663.38	\$99,117.15	\$411,565.32	\$34,297.11
2/1/15 - 1/31/20	\$272,410.04	\$96,569.80	\$45,663.38	\$0.00	\$368,979.84	\$30,748.32

Rent shall be adjusted in accordance with the provisions of the Solicitation For Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

Glenborough Gateway Office, LLC
400 So. El Camino Real, Suite 1100
San Mateo, CA 94402-1706

4. The Government may terminate this lease in whole or in part at any time after January 31, 2015 by giving at least 120 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

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

LESSOR

SIGNATURE	Glenborough Gateway Office, LLC a Delaware limited liability company	NAME OF SIGNER	Michael Steele Executive Vice President
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ADDRESS 400 S. El Camino Real, #1100
San Mateo, CA 94402-1708

IN THE PRESENCE OF (SIGNATURE)	NAME OF SIGNER
Barbara Brett	Barbara Brett

UNITED STATES OF AMERICA

SIGNATURE	NAME OF SIGNER
	Tanya Burks
	OFFICIAL TITLE OF SIGNER
	Contracting Officer

5. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8CO2002 dated 9/24/2008.
6. The following are attached and made a part hereof:
 - A. Solicitation for Offers 8CO2002 dated 9/24/2008;
 - B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - D. Attachment A – Legal Description
 - E. Attachment B – Base Plans
7. The tenant buildout will conform to the specifications in SFO 8CO2002 and are to be provided by the Lessor as part of the total rental payment. The tenant buildout costs of \$407,385.56 are amortized for a period of 60 months at 8.0%. The amortized tenant buildout costs are \$7.00 per rentable square foot.
8. The In accordance with provisions of Paragraphs 4.2 Tax Adjustment , 4.3 Operating Costs, and 4.4 Adjustment for Vacant Premises of the Solicitation for Offers 8CO2002, the following parameters are established:
 - (a) The lease is subject to operating cost escalation. For operating cost adjustment, the operating costs are established at approximately \$6.825 per rentable square foot. The base cost of services is established at \$96,569.80 based on approximately \$6.825 for 14,148 rentable square feet.
 - (b) The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 4.2, the percentage of occupancy is 17.9392% based on Gross Building Area of 78,886 square feet divided by the Government's premises of 14,148 RSF. The base year tax statement will be submitted within 60 calendar days after the last date the Real Estate Tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined. The tax base is hereby established as approximately \$3.23 per rentable square foot or \$45,663.38 per year.
 - (c) The Adjustment for Vacant space is \$0.50 per ANSI/BOMA Office Area square foot.
9. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.1329.
10. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$80.00 per hour for the entire space or any portion thereof.
11. All information submitted by the Lessor during negotiations, including but not limited to plans renderings, specifications, etc. are incorporated by reference.
12. All questions pertaining to this Lease shall be referred to the Contracting Officer of General Services Administration (GSA) or their designee. The Government occupant **is not** authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized **in writing** by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
13. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new leases/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

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14. In accordance with Paragraph 2.5 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] per rentable square foot per year of firm term ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing shall be reduced to fully recapture this Commission Credit. Notwithstanding Paragraph 3 of the Standard Form 2, the shell rental payments due and owing under this Lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments as indicated in this schedule for adjusted Monthly Rent:

First Month's Shell is \$17,989.86 minus the Commission Credit of [REDACTED]. First Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Second Month's Shell is \$17,989.86 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Third Month's Shell is \$17,989.86 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED].

15. The Lessor shall represent and warrant that the building and premises meet the required NFPA 101A Life Safety Code. Should a GSA representative discover discrepancies pursuant to a physical inspection, Lessor agrees to remedy any deficiencies as required.
16. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the lease space and / or any subsequent modifications required during the lease period. At the Government's sole discretion alterations will remain in the leased space after termination of the lease contract will become property of the Lessor.
17. The Government shall have the right during the term of the Lease to install, monitor and maintain [REDACTED] outside of One Gateway Centre at a location to be mutually agreed upon and determined by the Landlord and GSA.
18. SFO 8CO2002 is modified as follows:
- A. The Government may post rules and regulations within the tenant premises but not in any common areas or on glass doors visible from the common areas.
 - B. The Government shall be responsible for contracting, installation and modification of their own telephone and data equipment and other personal items.
 - C. One Gateway Centre is a multi-tenant class A office building and the Government may not access tenant spaces for inspections or install equipment above the ceiling or otherwise. Work that may be required in adjacent tenant spaces must be coordinated with the Landlord and the Landlord will coordinate access with the other tenant(s). Any Government contractor requiring access to the Building mechanical areas or the space under construction must coordinate with the Landlord to perform these tasks during normal business hours (7 am to 6 pm, Monday through Friday). Landlord will require a certificate of insurance from each Government contractor verifying proper levels of coverage and naming the Landlord as an Additional Insured.
 - D. The Landlord determines the restroom finishes on multi-tenant floors of the Building. However they shall be consistent with comparable class A Office buildings in the area.
 - E. Re-painting of the public areas shall be done at Landlord's discretion and in a manner commensurate with the market conditions for comparable class A office buildings.

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- F. Each Government employee identified by the appropriate GSA representative shall be assigned one building access card for entry into the building perimeter doors before and after normal working hours. No tenant is issued a key for the building entrance doors
- G. Each tenant of the Building is provided with one building standard identification sign in the location of tenant's front entrance. If the Government requires signage in any additional location, building standard signage will be provided at the Government's expense.
- H. Outside normal business hours, temperatures are normally maintained at approximately 65 degrees building-wide.
- I. Section 3.5 C: Insert the word "business" before "days" in the first sentence – so to read: "Within fourteen (14) business days..."
- J. Section 5.11 E: Insert "...within no less than 5 working days.." following the word LESSOR in last sentence, so to read: A NOTICE TO PROCEED SHALL BE TRANSMITTED TO LESSOR NO LESS THAN 5 WORKING DAYS..."

19. GSA Form 3517 General Clauses (11/05) is modified as follows:

Section 2. Subletting and Assignment. The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any sublet or assignment shall be in accordance with maintaining the Class A business standards of the building and shall be subject to prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed. Any sublessee or assignee shall be an occupant of reasonably similar use as office administration for the [REDACTED] and related office use.

Section 6. Substitution of Tenant Agency. The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease; however, any such substitution shall be in accordance with maintaining the Class A business standards of the building, and any such substituted Government agency or agencies shall be an occupant of reasonably similar use as office administration for the [REDACTED] and related office use.

Section 10. Delivery and Condition. (a) Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit. (b) If the premises do not comply reasonably with the provisions of this lease the Contracting Officer may, in accordance with the Failure in Performance clause of this lease, elect to reduce the rent payments.

Section 11. Default in Delivery is deleted in its entirety.

Section 12. Progressive Occupancy is deleted in its entirety.

Section 15. Failure in Performance. The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor to provide INITIALS: & LESSOR GOVERNMENT GSA FORM 3517B PAGE 7 (REV 11/05) any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise after reasonable written notice to Lessor, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting reasonable market cost to the Government, including all administrative costs. If the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building, access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payment under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.

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Section 16. Default by Lessor. (a) Each of the following shall constitute a default by Lessor under this lease:

- (1) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided (i) any such failure shall remain uncured for a period of thirty (30) days next following Lessor's receipt of notice thereof from the Contracting Officer or an authorized representative; or (ii) if any such failure is not curable within such time, Lessor has not commenced curing such failure within such thirty (30) day period or thereafter has not diligently completed such cure.
- (2) Repeated and unexcused failure by Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all such failures shall have been timely cured pursuant to this clause.
- (b) If a default occurs, the Government may, by notice to Lessor, terminate this lease for default and if so terminated, the Government shall be entitled to the damages specified in the Default in Delivery-Time Extensions clause.

Section 19. Alterations. The Government shall have the right, except as specifically set forth in this clause, during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government at its sole cost, and the Government shall be solely responsible for any repairs to the leased premises reasonably required due to such removal or disposal. The Government shall not erect signs or any structures outside of the leased premises without the Lessor's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed, and any signs or structures erected by the Government within the leased premises shall not be visible from the common areas without the Lessor's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right, except as specifically set forth in this clause, to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space. The Government shall not make any connections, alterations, or modifications to the building mechanical, electrical and/or structural systems that are material without Lessor's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed.

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