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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

April 29, 2010

Gladstone Commercial Corporation

(Exact name of registrant as specified in its charter)

Maryland

001-33097

020681276

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

1521 Westbranch Drive, Suite 200, McLean, Virginia

22102

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

703-287-5800

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 1.01 Entry into a Material Definitive Agreement.**

On April 29, 2010, Gladstone Commercial Limited Partnership (the "Operating Partnership"), a Delaware limited partnership controlled by Gladstone Commercial Corporation (the "Company") through its ownership of GCLP Business Trust II, the general partner of the Operating Partnership, adopted an amendment (the "Amendment") to its First Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") and adopted a Schedule (the "Schedule") to the Partnership Agreement establishing the rights, privileges and preferences of Senior Common Units, a newly designated class of limited partnership interests (the "Senior Common Units"). Collectively, the Amendment and the Schedule provide for the Operating Partnership's establishment and issuance of an equal number of Senior Common Units as are issued by the Company in connection with the Company's previously announced offering of Senior Common Stock (the "Senior Common Stock") upon the Company's contribution to the Operating Partnership of the net proceeds of the Senior Common Stock offering. Generally, the Senior Common Units provided for under the Amendment and Schedule have preferences, distribution rights, and other provisions substantially equivalent to those of the Company's Senior Common Stock. The foregoing descriptions of the Amendment and Schedule are qualified in their entirety by reference to the Amendment and Schedule, each of which is filed as an exhibit to this Current Report on Form 8-K and incorporated by reference herein.

### **Item 3.02 Unregistered Sales of Equity Securities.**

On April 29, 2010, the Company issued 2,060 shares of Senior Common Stock at a gross price per share of \$15.00 in the first closing (the "Closing") of its previously announced continuous private offering of up to 3,333,333 shares of Senior Common Stock (the "Offering"). Net proceeds from the Closing, after selling commissions and the dealer manager fee, were \$27,675.

The Senior Common Stock is exchangeable, in accordance with its terms, for shares of Listed Common Stock (as defined below) at the Exchange Ratio (as defined below). The description set forth in Item 3.03 is hereby incorporated herein by reference.

This issuance of securities was exempt from registration under the Securities Act of 1933, as amended, pursuant to Rule 506 thereunder, among other exemptions, on the basis that the securities were sold in a private offering not involving general solicitation and that the purchasers of the securities in the Closing are accredited investors.

### **Item 3.03 Material Modifications to Rights of Security Holders.**

As a result of the rights and preferences of the Senior Common Stock set forth in the Articles Supplementary referenced under Item 5.03 below, the rights of the holders of the Company's existing Common Stock, which is listed on the NASDAQ Global Select Market under the symbol GOOD (the "Listed Common Stock"), have been modified in certain respects. The Senior Common Stock has priority over the Listed Common Stock with respect to payment of dividends. In addition, holders of the Senior Common Stock will have the right, but not the obligation, following the fifth anniversary of the issuance of such shares proposed to be exchanged, to exchange any or all of such shares of Senior Common Stock for shares of Listed Common Stock. The exchange ratio (the "Exchange Ratio") will be calculated by dividing \$15.00 (the sale price of the Senior Common Stock) by the greater of (i) the highest closing trading price of the Listed Common Stock on any date on which any shares of Senior Common Stock are issued (other than pursuant to the Company's distribution reinvestment plan) during the pendency of the Offering, (ii) the highest book value per share of the Listed Common Stock, as determined as of the date on which any shares of Senior Common Stock are issued (other than pursuant to the Company's distribution reinvestment plan) during the pendency of the Offering, and (iii) \$13.68. Because of the convertible nature of the Senior Common Stock, holders of Listed Common Stock may have their ownership interests diluted should the Senior Common Stock be converted into shares of Listed Common Stock. The terms of the Senior Common Stock are more fully described in Item 5.03 below.

### **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The Articles Supplementary Establishing and Fixing the Rights and Preferences of Senior Common Stock (the "Articles Supplementary") were filed with the State Department of Assessments and Taxation of Maryland on April 29, 2010. The Articles Supplementary provides for the issuance of up to 4,000,000 shares of Senior Common Stock. The Articles Supplementary provides that each holder of Senior Common Stock will be entitled to receive annual distributions on the Senior Common Stock at a rate of \$1.05 per share (payable monthly), which rights shall be junior to the distribution rights of the Company's 7.75% Series A Cumulative Redeemable Preferred Stock and its 7.50% Series B Cumulative Redeemable Preferred Stock (collectively, the "Preferred Stock"), but shall be senior in preference to any distributions payable to holders of the Listed Common Stock. The Articles Supplementary provides that the Senior Common Stock will rank junior to the Preferred Stock and pari passu with the Listed Common Stock with respect to distribution of amounts upon liquidation, dissolution or winding up of the Company.

Holders of Senior Common Stock will have the option (the "Exchange Option"), following the fifth anniversary of such holder's purchase of the shares of Senior Common Stock, to exchange any or all of such holder's shares of Senior Common Stock for shares of Listed Common Stock at the Exchange Ratio. All accumulated and unpaid distributions on the Senior Common Stock will be paid to any holders who exercise the Exchange Option through the date of such exchange. Solely for purposes of the Exchange Option: (a) shares of Senior Common Stock purchased by a holder on dates subsequent to such holder's initial purchase of Senior Common Stock (excluding shares issued pursuant to such holder's participation in the Company's distribution reinvestment plan, if any) will be deemed to have been issued on their respective issuance dates and, accordingly, the five-year holding periods for such shares will commence from their respective issuance dates, and (b) any shares issued pursuant to the Company's distribution reinvestment plan will be deemed to have been issued on the date of issuance of the shares of Senior Common Stock purchased by the holder to which the shares issued pursuant to the Company's distribution reinvestment plan relate.

The Senior Common Stock will also automatically convert into Listed Common Stock at the Exchange Ratio upon the occurrence of an acquisition of the Company, the sale of all or substantially all of the Company's assets, or a liquidation, dissolution or winding up of the Company, and all accumulated and unpaid distributions on the Senior Common Stock will be paid to the holders of Senior Common Stock through the date of such conversion. Subject to the restrictions and limitations set forth in the Articles Supplementary, after the fifth anniversary of the completion of the Offering, the Company will have the right to redeem the Senior Common Stock at a price of \$15.30 per share, plus all accumulated and unpaid distributions thereon. The Senior Common Stock is non-voting, except as required by law. Accordingly, the Senior Common Stock will not be entitled to vote on matters submitted to holders of Listed Common Stock for approval.

The foregoing description of the Articles Supplementary is qualified in its entirety by reference to the Articles Supplementary, which are filed as an exhibit to this Current Report on Form 8-K and incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibit 3.1 – Articles Supplementary Establishing and Fixing the Rights and Preferences of Senior Common Stock.

Exhibit 10.1 – Amendment to First Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership.

Exhibit 10.2 – Gladstone Commercial Limited Partnership Schedule 4.2(a)(3) to First Amended and Restated Agreement of Limited Partnership: Designation of Senior Common Units.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Gladstone Commercial Corporation

*April 29, 2010*

*By: Danielle Jones*

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*Name: Danielle Jones*

*Title: Chief Financial Officer*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
3.1	Articles Supplementary Establishing and Fixing the Rights and Preferences of Senior Common Stock.
10.1	Amendment to First Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership.
10.2	Gladstone Commercial Limited Partnership Schedule 4.2(a)(3) to First Amended and Restated Agreement of Limited Partnership: Designation of Senior Common Units.

**GLADSTONE COMMERCIAL CORPORATION**  
**ARTICLES SUPPLEMENTARY**  
**ESTABLISHING AND FIXING THE RIGHTS AND**  
**PREFERENCES OF**  
**SENIOR COMMON STOCK**

Gladstone Commercial Corporation, a corporation organized and existing under the laws of the State of Maryland (the “**Company**”), certifies to the State Department of Assessments and Taxation of Maryland (the “**Department**”) that:

**FIRST:** Pursuant to the authority expressly vested in the Board of Directors of the Company (the “**Board**”) by Article VII of the Articles of Amendment and Restatement to Articles of Incorporation (the “**Charter**”) of the Company and Section 2-105 of the Maryland General Corporation Law (“**MGCL**”), the Board of Directors of the Company, on October 6, 2009, adopted resolutions authorizing the Company, among other things, to issue up to a stated maximum number of shares of senior common stock, par value \$0.001 per share (the “**Senior Common Stock**”), of the Company, having certain stated terms applicable to the issuance thereof.

**SECOND:** On October 6, 2009, the Board has adopted resolutions classifying and designating the Senior Common Stock as a separate class of common stock of the Company, setting forth the preferences, conversions and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and other terms and conditions of such Senior Common Stock, establishing 4,000,000 as the number of shares to be so classified and designated, and authorizing the issuance of up to 4,000,000 shares of Senior Common Stock.

**THIRD:** The separate class of common stock of the Company created by the resolutions duly adopted by the Board and referred to in Articles First and Second of these Articles Supplementary shall have the designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitations as to distributions, qualifications, terms and conditions of redemption and other terms and conditions as follows (and which, upon any restatement of the Charter, may be made a part of Article VII thereof, with any necessary or appropriate changes to the numeration or lettering of the sections or subsections hereof):

**1. Designation and Number.** A class of common stock, designated “Senior Common Stock,” is hereby established. The number of shares of Senior Common Stock shall be 4,000,000.

**2. Rank.** The Senior Common Stock, with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Company, will: (i) rank senior to the pre-existing class of common stock of the Company (“**Common Stock**”) with respect to payment of distributions and be *pari passu* with the Common Stock with respect to distribution of amounts upon liquidation, dissolution or winding up as a result of the automatic conversion feature set forth in Section 6 below; (ii) rank junior to all classes and series of preferred stock of the Company now or hereafter existing (“**Preferred Stock**”), including without limitation the 7.75% Series A Cumulative Redeemable Preferred Stock and 7.5% Series B Cumulative Redeemable Preferred Stock, with respect to payment of distributions and distribution of amounts upon liquidation, dissolution or winding up; and (iii) rank junior to all existing and future indebtedness of the Company.

**3. Distributions.**

(a) The Senior Common Stock will be entitled to receive, subject to the preferential rights of the Preferred Stock, when and as declared by the Board, out of funds legally available for payment of distributions, cash distributions in an amount equal to \$1.05 per share per annum, declared daily and paid at the rate of \$0.0875 per share per month. Distributions will be cumulative from the date of issue of the shares, and will be payable monthly on or about the fifth (5th) business day of the month following the month in which such distributions are earned.

(b) No distributions on shares of Senior Common Stock shall be authorized by the Board or paid or set apart for payment by the Company at such time as the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

(c) Notwithstanding the foregoing, distributions on the Senior Common Stock will accumulate whether or not the Company has earnings, whether or not restrictions exist in respect thereof, whether there are funds legally available for the payment of such distributions and whether or not such distributions are declared. Accumulated but unpaid distributions on the Senior Common Stock will not bear interest and holders of the Senior Common Stock will not be entitled to any distributions in excess of full cumulative distributions described above. No distributions will be declared or paid or set apart for payment on the Common Stock or any other series or equity class of securities ranking junior to the Senior Common Stock (other than a distribution in shares of Common Stock or in shares of any other class of stock ranking junior to the Senior Common Stock as to distributions and upon liquidation) for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Senior Common Stock for all past distribution periods and the then current distribution period.

(d) If, for any taxable year, the Company elects to designate as a “capital gain distribution” (as defined in Section 857 of the Internal Revenue Code of 1986, as amended (the “**Code**”), any portion (the “**Capital Gains Amount**”) of the distributions paid or made available for the year to holders of any class or series of stock of the Company, the portion of the Capital Gains Amount that shall be allocable to holders of the Senior Common Stock shall be the amount that the total distributions (as determined for federal income tax purposes) paid or made available to the holders of the Senior Common Stock for the year bears to the aggregate amount of distributions (as determined for federal income tax purposes) paid or made available to the holders of all classes or series of stock of the Company for such year.

**4. Optional Redemption.** In order to ensure that the Company will continue to meet the requirements for qualification as a real estate investment trust (“**REIT**”), the Senior Common Stock will be subject to provisions in the Company’s Charter pursuant to which shares of capital stock of the Company owned by a stockholder in excess of 9.8% in value of the outstanding shares of capital stock of the Company (the “**Ownership Limit**”) will be deemed “**Excess Shares**,” and the Company shall have the right to purchase such Excess Shares from the holder. After the fifth anniversary of the end of the Offering Period (as defined below), the Company, at its sole option upon not less than 30 nor more 60 days’ written notice, may call for redemption

shares of the Senior Common Stock, in whole or in part, at any time and from time to time, for cash at a redemption price of \$15.30 per share, plus all accumulated and unpaid distributions thereon to the date fixed for redemption. Holders of Senior Common Stock that are redeemed shall surrender such Senior Common Stock at the place designated in such notice and upon such surrender shall be entitled to the redemption price and any accumulated and unpaid distributions payable upon such redemption. If less than all of the outstanding Senior Common Stock is to be redeemed, shares of Senior Common Stock shall be selected pro rata for redemption or by any other equitable method determined by the Company. After redemption, all shares of Senior Common Stock previously outstanding shall be unclassified and shall constitute authorized and unissued shares of the Company's common stock that may be designated by the Company's Board of Directors pursuant to Article VII of the Company's Charter, as further amended.

**5. Exchange Option.** Holders of Senior Common Stock shall have the right, but not the obligation, after the fifth anniversary of the date of issuance of the shares of Senior Common Stock proposed to be exchanged, to exchange any or all of such shares of Senior Common Stock for Common Stock, at an exchange ratio (the "**Exchange Ratio**") calculated by dividing \$15.00 by the greater of (i) the highest Closing Trading Price of the Common Stock on any date on which any shares of Senior Common Stock are issued (other than pursuant to the Company's distribution reinvestment plan) during the Offering Period, (ii) the highest Book Value Per Share of the Common Stock as determined as of the date on which any shares of Senior Common Stock are issued (other than pursuant to the Company's distribution reinvestment plan) during the Offering Period, and (iii) \$13.68. Solely for this purpose, shares of Senior Common Stock purchased by a holder on dates subsequent to such holder's initial purchase of Senior Common Stock (excluding shares issued pursuant to such holder's participation in the Company's distribution reinvestment plan, if any) will be deemed to have been issued on their respective issuance dates and, accordingly, the five-year holding periods for such shares will commence from their respective issuance dates. Solely for this purpose, any shares issued pursuant to the Company's distribution reinvestment plan will be deemed to have been issued on the date of issuance of the shares of Senior Common Stock purchased by the holder to which the shares issued pursuant to the Company's distribution reinvestment plan relate. All accumulated and unpaid distributions on the Senior Common Stock shall be paid to the holder through the date of exchange. For purposes of this Section 5 (and elsewhere in these Articles Supplementary):

(a) "**Book Value Per Share**" means, as of a given date, the Common Stockholders' Equity (as reflected in the Company's most recent public filing with the U.S. Securities and Exchange Commission (the "**SEC**")) divided by the number of outstanding shares of Common Stock as of the same date.

(b) "**Closing Trading Price**" means, on any date of determination, (i) the most recently reported closing price per share of the Common Stock as of such date on the NASDAQ Stock Market, or (ii) if, as of such date, the Common Stock is not traded on the NASDAQ Stock Market, the most recently reported closing price per share of the Common Stock on the primary stock exchange on which the Common Stock is then listed for trading, or (iii) if, as of such date, the Common Stock is not listed for trading on any stock exchange, the closing bid price for the Common Stock on the Over-the-Counter Bulletin Board, or (iv) if neither (i), (ii) nor (iii) apply as of such date, but if the Common Stock is then quoted in an over-the-counter market or on the Pink Sheets, the last reported bid price thereof on such date, or (v) if there is no longer any public market for the Common Stock as of such date, the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Company.

(c) "**Common Stockholders' Equity**" means, as of a given date, the total stockholders' equity reflected on the Company's most recently dated consolidated balance sheet set forth in the Company's most recent public filing with the SEC, minus the aggregate redemption value of all outstanding shares of Preferred Stock and Senior Common Stock as of such date.

(d) "**Offering Period**" means the period commencing on December 22, 2009 and terminating on the earlier of (a) December 22, 2011, unless earlier terminated or extended by the Board of Directors of the Company, or (b) the date on which \$50 million of Senior Common Stock is sold (excluding the issuance of shares of Senior Common Stock pursuant to the reinvestment of distributions which otherwise would have been paid pursuant to Section 3 hereof through the distribution reinvestment plan of the Company).

**6. Automatic Conversion.** Each share of Senior Common Stock shall be converted into Common Stock in accordance with the Exchange Ratio automatically upon any of the following events: (a) an acquisition of the Company by another company by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of voting securities of the Company outstanding immediately prior to such transaction continue to retain at least 50% of the total voting power represented by voting securities of the Company or those of such other surviving entity outstanding immediately after such transaction or series of transaction; (b) a sale of all or substantially all of the assets of the Company; or (c) a liquidation, dissolution or winding up of the Company. All accumulated and unpaid distributions on the Senior Common Stock shall be paid to the holder through the date of conversion.

**7. Voting Rights.** Holders of the Senior Common Stock will not have any voting rights, except as set forth below or as otherwise from time to time required by law. So long as any shares of Senior Common Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of a least a majority of the shares of the Senior Common Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately by class), amend, alter or repeal the provisions of the Charter (including these Articles Supplementary), whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Senior Common Stock or the holders thereof.

**8. Anti-Dilution.** If the outstanding Common Stock is increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company or of any other company by reason of any reclassification, recapitalization, share split up, combination of shares, or share distribution, appropriate adjustment will be made to the number of shares and relative terms of the Senior Common Stock.

**9. Liquidation Preference.** The Senior Common Stock has no liquidation preference.

**10. Maturity.** The Senior Common Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption.

**11. No Preemptive Rights.** No holder of the Senior Common Stock of the Company shall, as such holder, have any preemptive rights to purchase or subscribe for additional shares of stock of the Company or any other security of the Company which it may issue or sell.

**FOURTH:** The Senior Common Stock has been classified and designated by the Board under the authority contained in the Charter.

**FIFTH:** These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

**SIXTH:** These Articles Supplementary shall be effective at the time the Department accepts these Articles Supplementary for record.

**SEVENTH:** The undersigned President of the Company acknowledges these Articles Supplementary to be the act of the Company and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

**IN WITNESS WHEREOF,** the Company has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Assistant Secretary on this 29th day of April, 2010.

GLADSTONE COMMERCIAL CORPORATION

By:

David Gladstone, Chief  
Executive Officer

[SEAL]

ATTEST:

George Stelljes III, Assistant Secretary

**AMENDMENT TO  
FIRST AMENDED AND RESTATED  
AGREEMENT OF LIMITED PARTNERSHIP  
OF  
GLADSTONE COMMERCIAL LIMITED PARTNERSHIP**

This **Amendment to First Amended and Restated Agreement of Limited Partnership** (this "*Amendment*") is entered into effective as of this 29th day of April, 2010, by and among **GCLP Business Trust I**, a Massachusetts business trust (the "*Original Limited Partner*"), **GCLP Business Trust II**, a Massachusetts business trust (the "*General Partner*"), **Gladstone Commercial Corporation**, a Maryland corporation that is not a Partner of the Partnership, and the Limited Partner(s) set forth or which may, in the future, be set forth on Exhibit A to the Agreement (as defined below), as amended from time to time.

**RECITALS**

**Whereas**, Gladstone Commercial Limited Partnership (the "*Partnership*"), was formed as a limited partnership under the laws of the State of Delaware, pursuant to a Certificate of Limited Partnership filed with the Office of the Secretary of State of the State of Delaware effective as of May 28, 2003.

**Whereas**, pursuant to Article 11 of the First Amended and Restated Agreement of Limited Partnership (the "*Agreement*"), the General Partner desires to amend the Agreement.

**AGREEMENT**

**Now, Therefore**, in consideration of the foregoing, of mutual covenants between the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree to amend the Agreement as follows:

**1. Definitions.** Unless otherwise defined herein, all terms defined in the Agreement have the same meaning when used herein.

**2. Amendments to Agreement.**

**2.1** Article 1 of the Agreement is hereby amended as follows:

**(a)** The definition of "*Preferred Units*" is hereby deleted in its entirety and replaced with the following:

““PREFERRED UNITS” means Partnership Units issued by the Partnership to the General Partner or its Subsidiaries in connection with the issuance of REIT Preferred Shares.”

**(b)** The definition of "*REIT Preferred Share*" is hereby deleted in its entirety and replaced with the following:

““REIT PREFERRED SHARE” means a share of preferred stock in Gladstone Commercial Corporation (or Successor Entity, as the case may be).”

**(c)** The following definition of "*REIT Senior Common Share*" is hereby inserted in its proper alphabetical position:

““REIT SENIOR COMMON SHARE” means a share of Senior Common Stock, par value \$0.001 per share, in Gladstone Commercial Corporation (or Successor Entity, as the case may be).”

**(d)** The definition of "*REIT Share*" is hereby deleted in its entirety and replaced with the following:

““REIT SHARE” means a share of common stock in Gladstone Commercial Corporation (or Successor Entity, as the case may be). “REIT SHARES” do not include REIT Senior Common Shares.”

**(e)** The following definition of "*Senior Common Units*" is hereby inserted in its proper alphabetical position:

““SENIOR COMMON UNITS” means Partnership Units issued by the Partnership to the General Partner or its Subsidiaries in connection with the issuance of REIT Senior Common Shares.”

**2.2** Article 4.2(a)(i) of the Agreement is hereby deleted in its entirety and replaced with the following:

**(i)** General. The General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests in the form of Partnership Units for any Partnership purpose, at any time or from time to time, to the Partners (including the General Partner) or to other Persons for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partners. Any additional Partnership Interests issued thereby may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative participating, optional or other special rights, powers and duties, including rights, powers and duties senior to Limited Partnership Interests, all as shall be determined by the General Partner in its sole and absolute discretion and without the approval of any Limited Partner, subject to Delaware law, including, without limitation, (A) the allocations of items of Partnership income, gain, loss,

deduction and credit to each such class or series of Partnership Interests; (B) the right of each such class or series of Partnership Interests to share in Partnership distributions; and (C) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided, however, that no additional Partnership Interests shall be issued to the General Partner or the Original Limited Partner unless:

(1) the additional Partnership Interests are issued in connection with an issuance of REIT Shares, REIT Senior Common Shares, or REIT Preferred Shares by Gladstone Commercial Corporation, and Gladstone Commercial Corporation shall make a capital contribution to the General Partner and/or the Original Limited Partner, and the General Partner, on its own or with the Original Limited Partner, shall make a Capital Contribution to the Partnership in an amount equal to the aggregate proceeds raised in connection with the issuance of such REIT Shares, REIT Senior Common Shares, or REIT Preferred Shares, as the case may be, of Gladstone Commercial Corporation;

(2) the additional Partnership Interests are issued in exchange for property or other assets owned by the General Partner or Original Limited Partner with a fair market value, as determined by the General Partner, in good faith, equal to the value of the Partnership Interests; or

(3) the additional Partnership Interests are issued to all Partners in proportion to their respective Percentage Interests.

Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units for less than fair market value, so long as the General Partner concludes in good faith that such issuance is in the best interests of the General Partner and the Partnership.

With the exception of Common Units, any Partnership Interests issued in accordance with Section 4.2(a)(i)(1) hereof shall be designated and described in a schedule that shall automatically be attached to this Agreement. Attached hereto as Schedule 4.2(a)(1) is the Designation of 7.75% Series A Cumulative Redeemable Preferred Units. Attached hereto as Schedule 4.2(a)(2) is the Designation of 7.50% Series B Cumulative Redeemable Preferred Units. Attached hereto as Schedule 4.2(a)(3) is the Designation of Senior Common Units.”

3. Except as set forth herein, all of the terms and conditions of the Agreement shall continue in full force and effect following the execution of this Amendment.

4. This Amendment may be executed in any number of original or facsimile counterparts and, when so executed, all of such counterparts shall constitute a single instrument binding upon all parties hereto notwithstanding that all parties are not signatory to the original or facsimile or to the same counterpart.

5. This Amendment shall be effective upon the execution hereof by the General Partner.

6. In the event any provision of this Amendment is determined to be invalid or unenforceable, such provision shall be deemed severed from the remainder of this Amendment and replaced with a valid and enforceable provision as similar in intent as reasonably possible to the provision so severed, and shall not cause the invalidity or unenforceability of the remainder of this Amendment.

**[Signature Page Follows]**

**In Witness Whereof**, the parties hereto have hereunder affixed their signatures to this Amendment to First Amended and Restated Agreement of Limited Partnership of Gladstone Commercial Limited Partnership as of the 29th day of April, 2010.

**GENERAL PARTNER:**

**GCLP Business Trust II**

By: \_\_\_\_  
Name: David Gladstone  
Title: Trustee

By: \_\_\_\_  
Name: Danielle Jones  
Title: Trustee

**ORIGINAL LIMITED PARTNER:**

**GCLP Business Trust I**

By: \_\_\_\_  
Name: David Gladstone  
Title: Trustee

By: \_\_\_\_  
Name: Danielle Jones  
Title: Trustee

**GLADSTONE COMMERCIAL CORPORATION**

**Gladstone Commercial Corporation**

By: \_\_\_\_

Name: David Gladstone

Title: Chairman and Chief Executive Officer

**GLADSTONE COMMERCIAL LIMITED PARTNERSHIP**  
**SCHEDULE 4.2(a)(3) TO FIRST AMENDED AND RESTATED**  
**AGREEMENT OF LIMITED PARTNERSHIP**  
**DESIGNATION OF**  
**SENIOR COMMON UNITS**

- (i) **Designation and Number.** A class of Partnership Units, designated “Senior Common Units,” is hereby established. The number of Senior Common Units authorized for issuance shall be 3,833,333.
- (ii) **Maturity.** The Senior Common Units have no stated maturity and will not be subject to any sinking fund or mandatory redemption.
- (iii) **Rank.** The Senior Common Units, with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Partnership, will rank (i) senior to the Common Units of the Partnership with respect to distribution rights and on parity with the Common Units of the Partnership with respect to rights upon liquidation, dissolution or winding up of the Partnership, (ii) senior to all Partnership Interests ranking junior to the Senior Common Units with respect to distribution rights or rights upon liquidation, dissolution or winding up of the Partnership; (iii) on parity with all Partnership Interests issued by the Partnership, the terms of which Partnership Interests specifically provide that such Partnership Interests rank on a parity with the Senior Common Units with respect to distribution rights or rights upon liquidation, dissolution or winding up of the Partnership (the “Parity Preferred Units”); (iv) junior to the 7.75% Series A Cumulative Redeemable Preferred Units and the 7.50% Series B Cumulative Redeemable Preferred Units; and (v) junior to all existing and future indebtedness of the Partnership. The term “Parity Preferred Units” does not include convertible debt securities, which will rank senior to the Senior Common Units prior to conversion.
- (iv) **Distributions.** (a) Holders of the Senior Common Units are entitled to receive, when and as declared by the General Partner, out of funds legally available for the payment of distributions, cash distributions in an amount equal to \$1.05 per Senior Common Unit per annum, declared daily and paid at the rate of \$0.0875 per Senior Common Unit per month. Distributions will be cumulative from the date of issue of the Senior Common Units, and will be payable monthly on or about the last day of each month beginning with the first full month after issuance of the Senior Common Units.
- (b) No distributions on Senior Common Units shall be declared by the General Partner or paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the Partnership, including any agreement relating to its indebtedness, prohibits such declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment of such distributions would constitute a breach thereof or a default thereunder, or if such declaration or payment shall be restricted or prohibited by law.
- (c) Notwithstanding the foregoing, distributions on the Senior Common Units will accumulate whether or not the Partnership has earnings, whether or not restrictions exist in respect thereof, whether there are funds legally available for the payment of such distributions and whether or not such distributions are declared. Accumulated but unpaid distributions on the Senior Common Units will not bear interest, and holders of the Senior Common Units will not be entitled to any distributions in excess of full cumulative distributions described above. No distributions will be declared or paid or set apart for payment on any Partnership Interests or any other series of Parity Preferred Units or any series or class of equity securities ranking junior to the Senior Common Units (other than a distribution of the Partnership’s Common Units or any other class of Partnership Interests ranking junior to the Senior Common Units as to distributions and upon liquidation) for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Senior Common Units for all past distribution periods and the then current distribution period.
- (v) **Liquidation Preference.** Holders of Senior Common Units will not have any liquidation preference.
- (vi) **Redemption.** In the event that any REIT Senior Common Shares are redeemed either by Gladstone Commercial Corporation or by the holders thereof, the Partnership shall be deemed to have automatically redeemed, as of the effective date of the redemption of the REIT Senior Common Shares, an equivalent number of Senior Common Units at an equivalent redemption price per Senior Common Unit.
- (vii) **Voting Rights.** Holders of the Senior Common Units will not have any voting rights.
- (viii) **Exchange Option.** In the event that any REIT Senior Common Shares are exchanged for REIT Shares in accordance with the Articles Supplementary Establishing and Fixing the Rights and Preferences of Senior Common Stock (the “*Senior Common Articles Supplementary*”), an equivalent number of Senior Common Units shall be automatically converted into a number of Common Units equal to the number of REIT Shares issued upon exchange of REIT Senior Common Shares.
- (ix) **Automatic Conversion.** Each Senior Common Unit shall be converted into a Common Unit in accordance with the same exchange ratio applied to the conversion of REIT Senior Common Shares into REIT Shares automatically upon any of the following events: (a) an acquisition of Gladstone Commercial Corporation by another company by means of any transaction or series of related transactions to which Gladstone Commercial Corporation is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of voting securities of Gladstone Commercial Corporation outstanding immediately prior to such transaction continue to retain at least 50% of the total voting power represented by voting securities of the Gladstone Commercial Corporation or those of such other surviving entity outstanding immediately after such transaction or series of transaction; (b) a sale of all or substantially all of the assets of Gladstone Commercial Corporation; or (c) a liquidation, dissolution or winding up of Gladstone Commercial Corporation.

(x) **Anti-Dilution**. If the outstanding REIT Senior Common Shares are increased or decreased or otherwise adjusted pursuant to Article Third, Section 8 of the Senior Common Articles Supplementary, appropriate adjustment will be made to the number of Senior Common Units and the relative terms thereof.