



THE CITY OF SAN DIEGO

September 29, 2011

Ms. Jane L. Uylaki
Real Estate Manager
Pro Build Company, LLC
7595 Technology Way, Suite 500
Denver, CO 80237

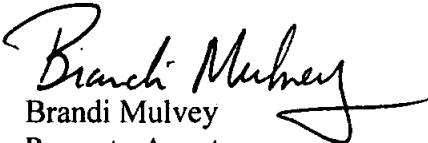
Reference: Market Value Adjustment Pursuant to Section 3.2 (c) of that certain Flat Rate Lease between the City of San Diego and ProBuild Company, dated April 7, 1992 and filed as Document No. RR-279654 in the Office of the City Clerk

Dear Jane:

Please find enclosed one (1) fully executed copy of the Addendum to Flat Rate Lease for your files.

Should you have any questions in the meantime, please call me at (619) 236-6727.

Sincerely,


Brandi Mulvey
Property Agent

BM/cb

I:\Support Staff Group\WPO\2011\MULVEY\L-UYLAKI.docx



Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199

Tel (619) 236-6020 Fax (619) 236-6706



ProBuild

September 19 2011

SENT VIA OVERNIGHT MAIL

Ms. Brandi Mulvey
Property Agent
The City of San Diego
1200 Third Avenue
Suite 1700, MS 51A
San Diego, CA 92101-4199

RECEIVED
2011 SEP 20 AM 11:11
CITY OF SAN DIEGO
OFFICE OF THE CITY CLERK

Re: Market Value Adjustment Pursuant to Section 3.2(c) of that certain Flat Rate Lease between the City of San Diego and ProBuild Company LLC, as successor in interest to Dixieline Lumber Company, dated April 7, 1992 and filed as Document No. RR-279654 in the Office of the City Clerk

Dear Ms. Mulvey:

Enclosed are two original copies of the Addendum to Flat Rate Lease which have been executed by ProBuild Company LLC as Tenant. Once the Landlord has executed the Addendum to Flat Rate Lease, please forward a fully executed copy to my attention at:

ProBuild Company LLC
7595 Technology Way, Suite 500
Denver, CO 80237

I have given the invoice to our AP Department for processing and am expecting the check for the difference in the monthly rent to be mailed to you this week. If you have any questions, feel free to call me at my direct number of 303-262-8367.

Very truly yours,

PROBUILD COMPANY LLC

Jane L. Uylaki
Real Estate Manager

/jlu
Enclosures

ADDENDUM TO FLAT RATE LEASE
Between
THE CITY OF SAN DIEGO
And
DIXIELINE LUMBER COMPANY

THIS ADDENDUM TO FLAT RATE LEASE BETWEEN THE CITY OF SAN DIEGO AND DIXIELINE LUMBER COMPANY ("Addendum") is made by THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), as lessor, and PROBUILD COMPANY LLC, a Delaware limited liability company ("PROBUILD"), as "LESSEE" by assignment and merger, and is herewith attached and incorporated into that certain FLAT RATE LEASE BETWEEN THE CITY OF SAN DIEGO AND DIXIELINE LUMBER COMPANY ("Lease"), dated April 7, 1992, and filed in the Office of the San Diego City Clerk on March 30, 1992, as Document No. RR-279654. This Addendum is made to document the following as required by the Lease:

1. CITY and PROBUILD are parties to the Lease as a result of that certain ASSIGNMENT OF LEASE dated August 18, 2003, whereby DIXIELINE LUMBER CORPORATION, a Delaware corporation, as lessee, assigned its rights and obligations under the Lease to DLC ACQUISITION, LLC, a Delaware limited liability company ("DLC"). DLC later changed its name to DIXIELINE LUMBER COMPANY LLC, a Delaware limited liability company ("Dixieline LLC"). Dixieline LLC was later merged into PROBUILD.
2. Pursuant to Lease Section 3.2 (c) Market Value Adjustments, CITY and LESSEE have each retained its own appraiser and obtained estimates of the fair market rent for the leased premises as of November 1, 2010.
3. The difference between CITY's and LESSEE's appraised estimated fair market rent was eighteen point seven percent (18.7%); the CITY's estimated fair market rent was \$38,625 and the LESSEE's estimate was \$32,767.
4. Pursuant to Lease Section 3.2 (c), "If the two estimates of fair market rent are within twenty percent (20%) of one another, . . . the fair market rent shall be the average of the two appraisal amounts and shall be incorporated into the lease by letter addendum thereto". Accordingly, the difference between the CITY's estimate and LESSEE's estimate were averaged to result in a new monthly rental rate (the "New Rent") of Thirty-Five Thousand Six Hundred Ninety-Six Dollars (\$35,696).
5. Pursuant to Lease Section 3.2 (c) Market Value Adjustments, "If determination of the fair market rent is made after the effective date of November 1, 2000, or November 1, 2010, the fair market rent will be retroactive to the effective date."
6. Based on the foregoing calculation of the New Rent, CITY and LESSEE agree that the New Rent is retroactively effective as of November 1, 2010.

IN WITNESS WHEREOF, this Addendum is executed by CITY, acting by and through its City Manager, and LESSEE, acting by and through its lawfully authorized officers.

PROBUILD COMPANY LLC, a Delaware limited liability company

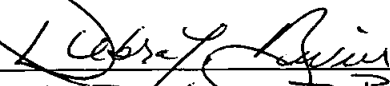
BY: 
Name: Michael Manfre
Title: SVP Corporate Development
Date: _____

THE CITY OF SAN DIEGO, a California municipal corporation

BY: 
Name: James F. Barwick, CCIM
Title: Director, Real Estate Assets
Date: _____

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney

BY: 
Name: Deborah T. Becker
Title: DCA
Date: 9/27/11