GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	SUPPLEMENTAL AGREEMENT NO. 8	DATE 2/1/2011
SUPPLEMENTAL LEASE AGREEMENT	TO LEASE NO. **GS-09B-02456 Building No. CA8085**	

ADDRESS OF PREMISES **United Grocers Building, 801 R Street, Fresno, CA 93721-2300**

THIS AGREEMENT, made and entered into this date by and between **BALTARA ENTERPRISES, LP**

whose address is: 2025 N Gateway Blvd., Suite 101
Fresno, CA 93721-1619

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

WHEREAS, the parties hereto desire to amend the above Lease to establish beneficial occupancy effective December 3, 2010 and adjust the rent based on the amortization of final tenant improvement costs (see attached exhibit).

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

Paragraph 1 is hereby deleted in its entirety and replaced with the following paragraph 1:

1. The Lessor hereby leases to the Government the following described premises: 43,350 rentable square feet (RSF) yielding approximately 35,720 ANSI/BOMA Office Area square feet and related space located on the first (1st) and second (2nd) floors at the United Grocers Building, 801 R Street, Fresno, CA 93721-2300, together with two (2) on-site, structured (or surface canopied), reserved parking spaces, to be used for such purposes as determined by the General Services Administration, as depicted on the attached (Exhibits A & B) (the "Premises").

Paragraph 2 is hereby deleted in its entirety and replaced with the following paragraph 2:

2. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning **December 3, 2010 through December 2, 2020** subject to termination and renewal rights as may be hereinafter set forth.

Paragraph 3 is hereby deleted in its entirety and replaced with the following paragraph 3:

3. The Government shall pay the Lessor annual rent of **$1,195,288.45** at the rate of **$99,607.3708333** per month in arrears. Rent for a lesser period shall be prorated.

[redacted]	Annual Rent (Years 1-5)	Monthly Rent (Years 1-5)	Annual Rent (Years 6-10)	Monthly Rent (Years 6-10)
Shell Rental Rate:	$662,388.00	$55,199.00	$728,626.80	$60,178.90
Operating Cost Rate:	$172,892.80	$14,407.7333333	$172,892.80	14,407.7333333
TI Rental Rate:	$360,007.65	$30,000.6375	$0.00	$0.00
Full Service Rent:	**$1,195,288.45**	$99,607.371250	**$901,519.60**	$75,126.6333333
Full Service Rent per RSF:	$27.5729746251	[redacted]	$20.7962998846	[redacted]

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

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

LESSOR **BALTARA ENTERPRISES, LP**

BY _____ (Signature) William Dyck President (Title)

IN PRESENCE OF _____ (Signature)

[redacted]

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY Robert W. Nimmo (Signature) _____ (Contracting Officer, US General Services Administation)

Rent checks shall be payable to : Baltara Enterprises, LP
2025 N. Gateway Blvd., Suite 101
Fresno, California 93727-1619

Paragraph 9 is deleted in its entirety and replaced with the following Paragraph 9:

9. TAX ADJUSTMENT: Pursuant to Paragraph 4.2, "Tax Adjustment," for purposed of tax escalation, the Government occupies 43,350/43,350 rentable square feet (100%). The rate is established at **$0.113165** per rentable square foot per annum.

Paragraph 14 is deleted in its entirety and replaced with the following Paragraph 14:

14. TENANT IMPROVEMENT ALLOWANCE: The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "How to Offer." The Tenant Improvement Allowance of **$1,515,092.00** (see attached exhibit) shall be amortized over 5-year firm term of lease agreement at an interest rate (amortization rate) of **7.00%** per year.

Paragraph 22 is deleted in its entirety and replaced with the following Paragraph 22:

22. COMMISSION AND COMMISSION CREDIT:
The Lessor and Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [redacted] of the commission that is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [redacted]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Creidt" paragraph in the SFO attached to and forming a part of this lease.

Not withstanding Paragraph 3 of this 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 and continue as indicated in this schedule for adjusted Montly Rent:

First Month's Rental Payment of **$99,607.37** minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent.

Second Month's Rental Payment of **$99,607.37** minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent.

Paragraph 28 is hereby added:

28. TAX ADJUSTMENT (CALIFORNIA DEVIATION 10/98)
A. For the purpose of this Tax Adjustment clause:
1. The term "Base Year" shall mean the first Tax Year for which a Full Assessment of the completed project is in effect for the entire Tax Year.

2. The term "Base Year Taxes" means the Real Estate Taxes paid for the Base Year. If an Improvement (other than an Improvement which results in a change of Base Year) or a Change in Ownership occurring during the Base Year is not fully reflected in Real Estate Taxes for the entire Base Year, Base Year Taxes shall be adjusted as follows: Base Year Taxes shall be increased by the amount of additional Real Estate Taxes which would have been paid for the Base Year if the Improvement or Change in Ownership had been fully reflected in the Real Estate Taxes for the entire Base Year.

3. The term "Change in Ownership" has the same definition as in California Revenue and Taxation Code, Part 0.5, Chapter 2, as amended or replaced from time to time.

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4. The term "Current Year Taxes" means Real Estate Taxes paid for each Tax Year following the Base Year, excluding increases in Real Estate Taxes (whether the increases result from increased rate and/or valuation) attributable to any Improvement or Change in Ownership which occurs or is completed after the Base Year.

5. The term "Full Assessment" means that the taxing jurisdiction has considered all contemplated Improvements to the assessed property in the valuation of the same. Partial assessments for New Construction will not be used for establishing the Base Year.

6. The term "Improvement" means any addition, alteration or improvement to real property, excluding however construction which (i) is performed by or at the request of the Government, (ii) is for the sole benefit of the Government, and (iii) is not required to make the property ready for occupancy by the Government in accordance with the terms of the lease or otherwise required by the lease.

7. The term "New Construction" has the same definition as in California Revenue and Taxation Code Section 70, as amended or replaced from time to time, which includes, without limitation, major rehabilitation, and change in use.

8. The term "Real Estate Taxes" means only ad valorem taxes which are assessed against the building and/or the land upon which the building is located, without regard to benefit to the property, for the purpose of funding general Government services. "Real Estate Taxes" shall not include, without limitation, penalties for nonpayment or delay in payment, special assessments, business improvement district assessments, or any other present or future taxes or Governmental charges that are imposed upon Lessor or assessed against the Building and/or the land upon which the building is located.

9. The term "Tax Year" means the fiscal year used by the state of California for real estate taxes: July 1 through June 30.

B. The Lessor shall furnish the Contracting Officer with copies of all notices which may affect the valuation of said land and buildings for Real Estate Taxes thereon, as well as all notices of a tax refund, deduction or credit, all tax bills and all paid tax receipts, or where tax receipts are not given, other similar evidence of payment acceptable to the Contracting Officer (hereinafter, evidence of payment), and a proper invoice (as described in the Prompt Payment clause of this lease, GSAR 552.232-75) of the tax adjustment including the calculation thereof, for each Tax Year. Lessor warrants the accuracy and completeness of any invoices submitted. Notices which may affect valuation and notices of a tax refund, deduction or credit are due within ten (10) business days of receipt. All other documentation shall be submitted by June 15 of each Tax Year. Failure to submit the proper invoice and evidence of payment within such time frame shall be a waiver of the right to receive payment resulting from an increased tax adjustment under this clause.

C. The Government shall make a single annual lump sum payment to the Lessor for its share of any increase in Current Year Taxes during the lease term over Base Year Taxes, or receive a rental credit or lump sum payment for its share of any decreases in Current Year Taxes during the lease term below the Base Year Taxes. The amount of lump sum payment or rental credit shall be based upon evidence of valuation and payment submitted by the Lessor to the Contracting Officer in accordance with paragraph (b).

1. In the event of an increase in Current Year Taxes over Base Year Taxes, the Lessor shall submit a proper invoice of the tax adjustment including the calculation thereof together with all tax bills and evidence of payment to the Contracting Officer. The Government shall be responsible for payment of any tax increase over the Base Year Taxes only if the proper invoice and evidence of payment is submitted by the Lessor on or before June 15 of the current year. The due date for making payment shall be the thirtieth (30th) calendar day after receipt of evidence of payment and all other required documentation by the Contracting Officer or the end of the Tax Year, whichever is later. No increase will be paid, due, or owing unless all evidence of valuation and payment have been previously submitted to the Contracting Officer.

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2. In the event of a decrease in Current Year Taxes from Base Year Taxes, or in the event of any refund or tax deduction, the Lessor shall notify the Contracting Officer in accordance with paragraph (b) of this clause. The Government shall be entitled to and shall receive a credit for the prorata reduction in Real Estate Taxes, regardless of whether the Government has made a tax adjustment payment for that Tax Year. The Government's share of the credit will be determined in accordance with paragraph (d) of this clause and shall be taken as a deduction from the rent. Any credit due the Government after the expiration or earlier termination of the Lease (including but not limited to credits resulting from a decrease in Real Estate Taxes pursuant to a tax credit due the Lessor; a reduction in the tax assessment; or a tax appeal proceeding for a Tax Year of the Lease, or portion thereof) shall be made by a lump sum payment to the Government or as a rental credit to any succeeding lease as determined by the Contracting Officer. Lessor shall remit to the Government any lump sum payment resulting from a tax refund within fifteen (15) calendar days after payment by the taxing authority to Lessor or Lessor's designee. Lessor shall remit any other lump sum payment to Government by June 15 of the Tax Year during which the lease year terminates. If the credit due to the Government is not paid by the due date, interest shall accrue on the late payment at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. The interest penalty shall accrue daily on the amount of the credit and be compounded in thirty (30) day increments inclusive from the first day after the due date through the payment date. The Government shall have the right to pursue the outstanding balance of any tax credit using all such collection methods as are available to the United States to collect debts. Such collection rights shall survive the expiration of this lease.

D. The Government shall pay its share of tax increases or receive its share of any tax decrease based on the ratio of the rentable square feet occupied by the Government to the total rentable square feet in the building or complex ("percentage of occupancy"). This percentage shall be subject to adjustment to take into account additions or reductions of the amount of space as may be contemplated in this lease or amendments hereto. If the lease terminates before the end of a Tax Year, payment for the tax increase due as a result of this Tax Adjustment clause for the Tax Year will be prorated based on the number of days the Government occupied the space.

E. The Government may direct the Lessor upon reasonable notice to initiate a tax appeal or the Government may decide to contest the tax assessment on behalf of the Government and the Lessor or for the Government alone. The Lessor shall furnish to the Government information necessary for appeal of the tax assessment in accordance with the filing requirements of the taxing authority. If the Government decides to contest the tax assessment on its own behalf or on behalf of the Government and the Lessor, the Lessor shall cooperate and use all reasonable efforts including but not limited to affirming the accuracy of the documents, executing documents required for any legal proceeding and taking such other actions as may be required. If the Lessor initiates an appeal on behalf of the Government, the Lessor shall be entitled to deduct the reasonable costs of the appeal from any resulting savings before allocation of the savings in accordance with paragraph (d) of this clause.

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