

SECURITY PACIFIC PLAZA

San Diego, California

*TPC LEASE
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Pacific Southwest Realty Company

TO:

San Diego Data Processing Corporation
A California Corporation

OFFICE BUILDING LEASE

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SECURITY PACIFIC PLAZA

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THIS LEASE, made this 3rd day of April, 1992 between PACIFIC SOUTHWEST REALTY COMPANY, a Delaware Corporation as Lessor, and San Diego Data Processing Corporation, a California corporation, as Lessee.

WITNESSETH: That

Lessor does hereby lease to Lessee and Lessee hereby hires from Lessor those certain premises (hereinafter called "premises") as indicated on Exhibit "A" attached hereto and hereby by reference thereto made a part hereof, said premises consist of approximately 7,978 rentable square feet, being situated on the 4th floor of that certain building known as Security Pacific Plaza, located at 1200 Third Avenue, in the City of San Diego, County of San Diego, State of California.

Said letting and hiring is upon and subject to the terms, covenants and conditions herein set forth and the Lessee covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance.

ARTICLE 1. EXHIBITS

The following plats, plans and special provisions are attached hereto as exhibits, and, by this reference, made a part of this Lease:

Exhibit "A"	Floor Plan
Exhibit "B"	Rules and Regulations
Exhibit "C"	Lessee Improvements
Attachment	Addendum to Lease/Proposal to Lease
Attachment	ADA Addendum

ARTICLE 2. PURPOSE

The premises are to be used for general office purposes and for no other purpose without the written consent of Lessor.

ARTICLE 3. TERM

The initial term of this Lease shall be for one hundred twenty (120) months. The commencement date shall be whichever of the following dates first occur: (a) the date when the premises are deemed ready for occupancy as set forth in exhibits attached thereto, or (b) the date when Lessee shall take possession and occupy the premises for purposes other than construction, but (c) in no event later than August 1, 1992. INITIAL
HERE

The commencement date and expiration date shall be acknowledged in writing by Lessor and Lessee.

ARTICLE 4. POSSESSION

If the Lessor, for any reason whatsoever, cannot deliver possession of the said premises to Lessee at the commencement of the term hereof, this Lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom, but in that event all rent shall be abated during the period between the commencement of the said term and the time when Lessor delivers possession.

ARTICLE 5. RENT

Lessee agrees to pay to Lessor as rental for the premises the sum of Ten Thousand Seven Hundred Seventy and 30/100ths (\$10,770.30) Dollars, on or before the first day of the first full calendar month of the term hereof and a like sum on or before the first day of each and every successive calendar month thereafter during the term hereof. ~~Lessor hereby acknowledges receipt from Lessee of the sum of Ten Thousand Seven Hundred Seventy and 30/100ths (\$10,770.30) Dollars~~ which shall constitute the first month's rent of this lease. In the event the term of this Lease commences on a day other than the first day of a calendar month, then upon the day of commencement of the term hereof, Lessee shall pay as rental to Lessor for the period from the day of commencement to the first day of the next successive calendar month that proportion of said monthly rental which the number of days between said day of commencement and the first day of the next succeeding calendar month bears to 30. In the event the term of this Lease ends on a day other than the last day of a calendar month, then upon the first day of the last calendar month of the term hereof Lessee shall pay to Lessor as rental for the period from said first day of the last calendar month to and including the last day of the term hereof that proportion of the monthly rental which the number of days between said first day of said last calendar month and the last day of the term of said Lease bears to 30.

Said rental shall be paid to Lessor, without deduction or offset in lawful money of the United States of America at the Office of the Building, or to such other person or at such other place as Lessor may from time to time designate in writing.

The base rent shall be \$1.35 per rentable square foot per month, fully serviced. This rate shall remain flat over the initial term of the lease.

ARTICLE 6. RENTAL ADJUSTMENTS

For the purpose of this Article, the following terms are defined as follows:

Base Year: The calendar year 1992.

Comparison Year: Each calendar year of the term after the Base Year.

Direct Expenses: All direct costs of operation and maintenance, as determined by standard accounting practices, shall include the following costs by way of illustration, but not be limited to: real estate taxes and assessments, whether assessed against the Lessor or assessed against the Lessees and collected by the Lessor or both; water and sewer charges; insurance premiums; utilities; janitorial services; labor costs incurred in the management of the building, if any; air conditioning, elevator maintenance; supplies; materials; equipment; and tools. ("Direct Expenses" shall not include depreciation on the building of which the premises are a part or equipment therein, loan payments, executive salaries or real estate broker's commissions.)

Rentable Area: The rentable area shall be computed measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor; with no deductions for columns and projections necessary to the building structure.

If the Direct Expenses paid or incurred by the Lessor for the Comparison Year on account of the operation or maintenance of the building of which the premises are a part are in excess of the Direct Expenses paid or incurred for the Base Year, then the Lessee shall pay 2.989% of the increase. This percentage is that portion of the Rentable Area of the building occupied by the Lessee hereunder. Lessor shall endeavor to give the Lessee on or before the first day of March of each year following the respective Comparison Year a statement of the increase in rent payable by Lessee hereunder, but failure by Lessor to give such statement by said date shall not constitute a waiver by Lessor of its right to require an increase in rent. Upon receipt of the statement for the first Comparison Year, Lessee shall pay in full the total amount of increase due for the first Comparison Year, and in addition for the then current year the amount of any such increase shall be used as an estimate for said current year and this amount shall be divided into twelve (12) equal monthly installments and Lessee shall pay to Lessor, concurrently with the regular monthly rent payment next due following the receipt of such statement, an amount equal to one monthly installment multiplied by the number of months from January in the calendar year in which said statement is submitted to the month of such payment, both months inclusive. Subsequent installments shall be payable concurrently with the regular monthly rent payments for the balance of that calendar year and shall continue until the next Comparison Year's statement is rendered. If the next or any succeeding Comparison Year results in a greater increase in Direct Expenses, then upon receipt of a statement from Lessor, Lessee shall pay a lump sum equal to such total increase in Direct Expenses over the Base Year, less the total of the monthly installments of estimated increases paid in the previous calendar year for which comparison is then being made to the Base Year; and the estimated monthly installments to be paid for the next year following said Comparison Year shall be adjusted to reflect such increase. If in any Comparison Year the Lessee's share of Direct Expenses be less than the preceding year, then upon receipt of Lessor's statement, any overpayment made by Lessee on the monthly installment basis provided above shall be credited towards the next monthly rent falling due and the estimated monthly installments of Direct Expenses to be paid shall be adjusted to reflect such lower Direct Expenses for the most recent Comparison Year.

Even though the term has expired and Lessee has vacated the premises, when the final determination is made of Lessee's share of Direct Expenses for the year in which this Lease terminates, Lessee shall immediately pay any increase due over the estimated expenses paid and conversely any overpayment made in the event said expenses decrease shall be immediately rebated by Lessor to Lessee.

In the event any increase or decrease of the Direct Expenses of the building can be attributed to a substantial difference in occupancy levels for the Base Year and Comparison Year, then the Direct Expenses for the Base Year shall be equitably adjusted to reflect those Direct Expenses which theoretically would have occurred had the building been occupied in the Base Year at approximately the same occupancy level as the Comparison Year.

Notwithstanding anything contained in this Article, the rental payable by Lessee shall in no event be less than the rent specified in Article 5 hereof.

ARTICLE 7. USES PROHIBITED

Lessee shall not do or permit anything to be done in or about the premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the building or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof or any of its contents. Lessee shall not do or permit anything to be done in or about the premises which will in any way obstruct or interfere with the rights of other Lessees or occupants of the building or injure or annoy them or use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the premises. Lessee shall not commit or suffer to be committed any waste in or upon the premises.

ARTICLE 8. COMPLIANCE WITH LAW

Lessee shall not use the premises or permit anything to be done in or about the premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the premises, excluding structural changes not related to or affected by Lessee's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Lessee in any action against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any law, statute, ordinance or governmental rule, regulation or requirement shall be conclusive of that fact as between Lessor and Lessee.

ARTICLE 9. ALTERATIONS AND REPAIRS

Lessee agrees by taking possession of the premises that such premises are then in a tenantable and good condition: that Lessee will take good care of the premises and promptly notify the Lessor in writing of any damage thereto by the Lessee, its employees or invitees and will not make any repairs to the leased premises without permission of Lessor.

Lessor or others, under the supervision of Lessor, may make such repairs and the cost thereof to Lessor, including supervision, shall be paid by Lessee to Lessor upon demand. Said premises shall not be altered, repaired or changed without the written consent of Lessor, and Lessee hereby waives the provisions of Subdivision (1) of Section 1932 and of Section 1941 of the Civil Code of California, and all rights to make repairs at Lessor's expense under the provisions of Section 1942 of said Civil Code; and that unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be done either by or under direction of Lessor, but at the cost of Lessee, and shall be the property of Lessor, and shall remain upon and be surrendered with the premises excepting, however, that at Lessor's option, Lessee shall, at Lessee's expense, when surrendering the premises, restore the same to their original condition; that all damage or injury done to the premises by Lessee or by any persons who may be in or upon the premises during the term hereof, shall be paid for by Lessee; and that Lessee shall, at the termination of this Lease by the expiration of time or otherwise, surrender and deliver up the premises to Lessor in as good condition as when received by Lessee from Lessor, reasonable wear, tear and casualty excepted. Lessee shall pay for all damage to the buildings, as well as all damage to tenants or occupants thereof caused by Lessee's misuse or neglect of the premises or the appurtenances thereto.

Nothing herein contained shall restrict Lessee at its own expense from making repairs to the premises providing that: (a) such repairs shall be made by a financially responsible contractor; (b) the schedule of entry into the building and upon the premises and the performance of work by such contractor shall be subject to the reasonable scheduling and coordination requirements of Lessor; (c) such contractor shall use its best efforts to avoid any union conflict resulting from or in connection with its work in the building, and in the event of any such conflict which may result in any work stoppage in the building, such contractors shall, upon written request from Lessor, cease work and/or leave the premises and/or building until such conflict is settled; and (d) Lessee will not make repairs to the air conditioning/heating systems, electrical or plumbing systems or of a structural nature.

ARTICLE 10. ABANDONMENT

Lessee shall not vacate or abandon the premises at any time during the term, and if Lessee shall abandon, vacate or surrender said premises or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed to be abandoned.

ARTICLE 11. LIENS

Lessee shall keep the premises and the property in which the premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee.

ARTICLE 12. ESTIMATE OF INCREASES IN OPERATING COSTS AND TAXES

During December of each calendar year or as soon thereafter as practicable, Lessor, at its option, may give Lessee written notice of its estimate of amounts payable under this Article 12 for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Lessee shall pay to Lessor 1/12 of such estimate amounts, provided that if such notice is not given in December, Lessee shall continue to pay on the basis of the prior year's estimate until the month after such notice is given. If at any time or times it appears to Lessor that the amounts payable under this Article 12 for the current calendar year will vary from its estimates by more than 5%, Lessor shall by written notice to Lessee, revise its estimate for such year, in which case subsequent payments by Lessee for such year shall be based upon such revised estimate. An annual adjustment reflecting the difference between the Actual Taxes and Operating Costs, as defined in this Article, for such calendar year and the projected Taxes and Operating Costs thereof shall be made by Lessor at the time of the issuance of the Rental Adjustment comparative statement.

ARTICLE 13. INDEMNIFICATION

Lessee agrees to hold harmless and to indemnify Lessor from and against any and all claims arising from injury to persons, loss of life or damage to property occurring in or about the Premises and from and against any and all costs, expenses and liabilities (including without limitation reasonable attorneys' fees) incurred by Lessor in connection with any such claim or any proceeding based thereon, to the extent such injury, loss of life or damage arises out of the negligence or willful act or failure to act of (i) Lessee, or any of its officers, employees, agents, contractors, or licensees; or (ii) any visitors, guests or invitees of Lessee while in the Premises. Throughout the term of this Lease, Lessee shall maintain in effect public liability and property damage insurance with limits of liability of not less than \$1,000,000.00 single limit. Lessor is aware of and accepts that the City of San Diego is self-insured entity. Lessor agrees to save Lessee harmless from and to indemnify Lessee against any and all claims arising from injury to persons, loss of life or damage to property occurring in or about the Premises and from and against any and all costs, expenses and liabilities incurred by Lessee in or in connection with any such claim or any proceeding based thereon, to the extent such injury, loss of life or damage arises out of the negligence or willful act or failure to act of Lessor, or any of its offices, employees, servants, agents, contractors, or licensees, provided, however, that in no event shall Lessor be liable to Lessee for any damage to the premises or for any loss, damage or injury to any property of Lessee therein or thereon occasioned by bursting, rupture leakage or overflow of any plumbing or other pipes (including without limitation, water, steam and/or refrigerant lines), sprinklers, tanks, drains, drinking fountains or washstands, or other similar cause in, above, upon or about the Premises of the building in which the premises are located. For the protection of Lessee, Lessor agrees that such guarantees and warranties as it shall obtain from contractors, subcontractors and vendors involved in the construction of the Premises or Security Pacific Plaza, shall be made available to and shall be for benefit of Lessee to the full extent of the terms thereof. Lessor agrees to use its best efforts to enforce such guarantees and warranties against such contractors, subcontractors and vendors for the benefit of the Premises and Lessee, and Lessor agrees that, upon written request by Lessee, it will execute any assignments, powers of attorney or other documents necessary or desirable to enable Lessee, to the extent of any damage to the property of Lessee resulting from causes covered by such guarantees and warranties, to enforce such guarantees and warranties against such contractors, subcontractors and vendors; provided that before executing any document which would authorize Lessee to bring suit in Lessor's name, Lessor may require Lessee to agree to indemnify Lessor against any costs or expense, including reasonable attorneys' fees, which may be incurred by Lessor in connection with such suit.

ARTICLE 14. WAIVER OF SUBROGATION

Lessor and Lessee hereby grant to each other, on behalf of the insurer providing fire and extended coverage insurance to either of them covering the premises, improvements therein and contents thereof, a waiver of any right of subrogation that any such insurer of any one party may acquire against the other party by virtue of payment of any such loss under such coverage, such waiver to be effective so long as each is empowered to grant such waiver under the terms of its insurance policies involved without payment of additional premium.

ARTICLE 15. SERVICES AND UTILITIES

Lessor agrees to furnish to the premises during reasonable hours of generally recognized business days, to be determined by Lessor, and subject to the rules and regulations of the building of which the premises are a part, water and electricity suitable for the intended use of the premises, heat and air conditioning required in Lessor's judgment for the comfortable use and occupation of the premises, janitor service, and elevator service. Lessor shall also maintain and keep lighted the common stairs, entries and toilet rooms in the building of which the demised premises are a part. Lessor shall not be liable for, and Lessee shall not be entitled to, any abatement or reduction of rental by reason of Lessor's failure to furnish any of the foregoing when such failure is caused by accidents, breakage, repairs, strikes, lockouts or other labor disturbances or disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Lessor. Lessor shall not be liable under any circumstances for loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing. Wherever heat generating machines or equipment are used in the premises which affect the temperature otherwise maintained by the air conditioning system, Lessor reserves the right to install supplementary air conditioning units in the premises and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, shall be paid by Lessee to Lessor upon demand by Lessor.

Lessee will not, without the written consent of Lessor, use any apparatus or device in the premises, including but without limitation thereto, electronic data processing machines, punch card machines and machines using current in excess of 110 volts, excepting a reasonable quantity of duplicating machines using 208 volts, which will in any way increase the amount of electricity or water usually furnished or supplied for use of the premises as general office space; nor connect with electric current, except through existing electrical outlets in the premises, or water pipes, any apparatus or device, for the purposes of using electric current or water. If Lessee shall require water or electric current in excess of that usually furnished or supplied for use of the premises as general office space, Lessee shall first procure the consent of the Lessor, which consent shall not be unreasonably withheld, to the use thereof, and Lessor may cause a water meter or electric current meter to be installed in the premises so as to measure the amount of water and electric current consumed for any such other use. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Lessee and Lessee agrees to pay to Lessor promptly upon demand therefor by Lessor for all such water and electric current consumed as shown by said meters at the rates charged for such services by the local utility, furnishing the same, plus any additional expense incurred in keeping account of the water and electric current so consumed.

ARTICLE 16. PERSONAL PROPERTY TAXES

Lessee agrees to pay or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all equipment, furniture, fixtures and other personal property located in the premises; except that which may be owned by Lessor.

ARTICLE 17. EXCISE TAXES

Lessee shall assume and pay to Lessor at the time of paying the rent any excise, sales, gross receipts or other taxes (other than a net income or excess profits tax) which may be imposed on or measured by such rent or may be imposed on or on account of the letting and which Lessor may be required to pay or collect under any law in effect or hereafter enacted.

ARTICLE 18. RULES AND REGULATIONS

Lessee shall faithfully observe and comply with the rules and regulations as listed in Exhibit "B" attached hereto. Lessor shall not be responsible to Lessee for the non-performance by any other tenant or occupant of the building of any said rules and regulations.

ARTICLE 19. HOLDING OVER

After expiration of the term Lessee remains in possession of the Premises with Lessor's permission (express or implied), Lessee shall become a lessee from month-to-month only, upon the terms herein specific, but at a monthly rental equivalent to the then prevailing rental paid by Lessee at the expiration of the term of this Lease pursuant to all of the provisions of Articles 5 and 6 hereof, payable in advance on or before or upon the first day of each month, and Lessee shall continue in possession until such tenancy shall be terminated by Lessor, or until Lessee shall have given to Lessor a written notice at least one month prior to the date of termination of such monthly tenancy of his intention to terminate such tenancy.

ARTICLE 20. ENTRY BY LESSOR

Lessor reserves and shall at any and all times have the right to enter the premises to inspect the same, to supply janitor service and any other service to be provided by Lessor to Lessee hereunder, to submit said premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the premises and any portion of the building of which the premises are a part, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always provided the entrance to the premises shall not be blocked thereby, and further providing that the business of the Lessee shall not be interfered with unreasonably. Lessee hereby waives any claim for damages for any injury or inconvenience to or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Lessor shall at all times have and retain a key with which to unlock all of the doors in, upon and about the premises, excluding Lessee's vaults and safes, and Lessor shall have the right to use any and all means which Lessor may deem proper to open said doors in an emergency, in order to obtain entry to the premises, and any entry to the premises obtained by Lessor by any of said means, or otherwise, shall not under circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the premises, or an eviction of Lessee from the premises or any portion thereof.

ARTICLE 21. DEFAULT

The occurrence of any of the following shall constitute a material default and breach of this Lease by Lessee:

(i) Any failure by Lessee to pay the rental or to make any other payments required to be made by Lessee hereunder (where such failure continues for ten (10) days after written notice thereof by Lessor to Lessee).

(ii) The abandonment or vacation of the premises by Lessee.

(iii) A failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof by Lessor to Lessee, provided, however, that if the nature of such default is such that the same cannot be reasonably cured within such thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

(iv) The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of all Lessee's assets located at the premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.

In the event of any such default by Lessee, then in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the immediate option to terminate this Lease and all rights of Lessee hereunder by giving written notice of such intention to terminate. In the event that Lessor shall elect to so terminate this Lease, then Lessor may recover from Lessee:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Lessee proves could have been reasonably avoided; plus

(iii) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(iv) at Lessor's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

The term "rent" as used herein shall be deemed to be and to mean the rental, rental adjustment payments and all other sums required to be paid by Lessee pursuant to the terms of this Lease.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

In the event of any such default by Lessee, Lessor shall also have the right, with or without terminating this Lease, to re-enter the premises and remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee.

In the event of the vacation or abandonment of the premises by Lessee or in the event that Lessor shall elect to re-enter as provided above or shall take possession of the premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Lessor does not elect to terminate this Lease as provided above, then Lessor may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the premises or any part thereof for such term or terms and conditions as Lessor in its sole discretion may deem advisable with the right to make alterations and repairs to the premises.

In the event that Lessor shall elect to so relet, then rentals received by Lessor from such reletting shall be applied; first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any cost of such reletting; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied by the payment of rent hereunder, be less than the rent payable during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor immediately upon demand therefor by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting.

No re-entry or taking possession of the premises by Lessor pursuant to this Article 21 shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Lessor because of any default by Lessee, Lessor may at any time after reletting elect to terminate this Lease for any such default.

ARTICLE 22. RECONSTRUCTION

In the event the premises or the building of which the premises are a part are damaged by fire or other perils covered by extended coverage insurance, Lessor agrees to forthwith repair the same; and this Lease shall remain in full force and effect, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, such proportionate reduction to be based upon an amount equal to the proportion which the number of square feet of floor area in the demised premises rendered untenable bears to the total number of square feet of gross floor area in the demised premises immediately prior to such damage or destruction.

In the event the premises or the building of which the premises are a part are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Lessor shall forthwith repair the same, provided the extent of the destruction be less than twenty five percent (25%) of the then full replacement value of the premises or the building of which the premises are a part. In the event the destruction of the premises of the building is to an extent greater than twenty five percent (25%) of the then full replacement value, then Lessor shall have the option either: (1) to repair or restore such damage provided such repair can be completed within ninety (90) days from the date of destruction, this Lease continuing in full force and effect, but the rent to be proportionately reduced as hereinabove provided; or (2) give notice to Lessee at any time within thirty (30) days after such damage, terminating this Lease as of the date specified in such notice which date shall be no less than thirty (30) days nor more than sixty (60) days after the giving of such notice. In the event of giving of such notice, this Lease shall expire and all interest to the Lessee in the premises shall terminate on the date so specified in such notice and the rent, reduced by any proportionate reduction, based upon an amount equal to the proportion which the number of square feet of floor area in the demised premises rendered untenable bears to the total number of square feet of gross floor area in the demised premises immediately prior to such damage or destruction, shall be paid up to date of such termination.

Lessor shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any panels, decoration, office fixtures, railing, ceiling, floor covering, partitions or any other property installed in the premises by Lessee.

Should the whole or any part of the premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, all awards payable on account of such condemnation and taking shall be payable to Lessor, and Lessee hereby waives all interest in or claim to said awards, or any part thereof, except as the award is applicable to Lessee's fixtures or improvements.

If only a part of the premises is condemned and taken and the remaining portion thereof is not suitable for the purposes for which Lessee has leased the said premises, Lessee shall have the right to terminate this Lease. If by such condemnation and taking a part only of the premises is taken, and the remaining part thereof is suitable for the purposes for which Lessee has leased said premises, this Lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it relates to the total value of the premises.

ARTICLE 25. SALE BY LESSOR

ARTICLE 26. SUBORDINATION AND OFFSET STATEMENTS

ARTICLE 27. ATTORNEYS' FEES AND COSTS

ARTICLE 28. SURRENDER OF PREMISES

ARTICLE 29. WAIVER

13. adelpic, 100

ARTICLE 30. NOTICES

All notices and demands which may or are required to be given by either party to the other hereunder shall be in writing. All notices and demands by the Lessor to the Lessee shall be sent by United States mail certified or registered, postage prepaid, addressed to the Lessee at the premises, or to such other place as the Lessee may from time to time designate in a notice to the Lessor. All notices and demands by the Lessee to the Lessor shall be sent by United States certified or registered mail, postage prepaid, addressed to the Lessor at the Office of the Building, or to such other person or place as the Lessor may from time to time designate in a notice to the Lessee.

ARTICLE 31. DEFINED TERMS AND MARGINAL HEADINGS

The words "Lessor" and "Lessee" as used herein shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there be more than one Lessee, the obligations hereunder imposed upon Lessee shall be joint and several. The marginal headings and titles to paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

ARTICLE 32. TIME

Time is of the essence of this Lease and each and all of its provisions.

ARTICLE 33. SCOPE OF AGREEMENT

This agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof.

ARTICLE 34. SUCCESSORS AND ASSIGNS

The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

ARTICLE 35. PARKING

Tenant shall have the right to rent parking for eight (8) cars in the building's parking facilities at the monthly rates, and upon terms and conditions as may be established.

ARTICLE 36. RELOCATION

If the demised premises contain less than 1,500 square feet, Lessor reserves and is hereby granted the right, upon not less than thirty (30) days written notice to Lessee, to relocate Lessee and to substitute as the demised premises hereunder other premises within the Building for the premiss originally leased hereunder for all uses and purposes as though originally leased to Lessee at the time of execution hereof; provided, however, that the substituted premises shall contain an area of not less than the square footage contained in the originally leased premises, all without any increase in the rent hereunder. Lessor agrees to pay the expenses reasonably incurred by Lessee, incidental to such substitution of premises, including but not limited to moving expenses, door lettering and expenses in connection with change of telephone and stationery. Lessor agrees to furnish the substitute premises with decoration and improvements similar to those in the originally leased premises.

ARTICLE 37. SECURITY DEPOSIT

Lessee has deposited with Lessor the sum of Ten Thousand Seven Hundred Seventy and 30/100ths (\$10,770.30) Dollars. Said sum shall be held by Lessor as security for the faithful performance by Lessee of all the terms, covenants, and conditions of this Lease to be kept and performed by Lessee during the term thereof. If Lessee defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Lessor may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any other amount which Lessor may spend or become obligated to spend by reason of Lessee's default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of said deposit is so used or applied, Lessee shall, upon demand therefore, deposit cash with Lessor in an amount sufficient to restore the security deposit to its original amount, and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep this security deposit separated from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee (or, at Lessee's option, to the last assignee of Lessee's interests hereunder) at the expiration of the lease term. In the event of termination of Lessor's interest in this Lease, Lessor shall transfer said deposit to Lessor's successor in interest.

ARTICLE 38. INITIAL CONSTRUCTION

Lessor agrees to deliver the premises to Lessee with the Building Standard Improvements. Any other Non-Building Standard Improvements which are the responsibility of Lessor shall be set forth in exhibits attached hereto.

ARTICLE 39. INVALIDATION

Invalidation of any one of the terms, conditions, restrictions or other provisions contained herein by judgment or court order shall in no way affect any other of the terms, conditions, restrictions or provisions hereof, and the same shall remain in full force and effect.

ARTICLE 40. ASSIGNMENT AND SUBLETTING

Lessee shall not assign, transfer, mortgage or encumber this Agreement or sublet the demised premises or any part thereof, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Lessor in each instance. The consent by Lessor to any such assignment, transfer, mortgage, encumbrance, subletting or use by other shall not relieve Lessee from the further performance of any of the terms and conditions of this Agreement. If Lessee be a partnership, a withdraw or change (voluntary, involuntary, by operation of law otherwise) of any of the partners thereof, or if Lessee be composed of more than one person, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) from one thereof or unto the other or others thereof, or if Lessee be a corporation, a change in the ownership (voluntary, involuntary, by operation of law or otherwise) of twenty-five percent (25%) or more of its capital stock from the ownership existing on the date of execution hereof, shall be deemed an assignment prohibited hereby unless the written consent of Lessor thereto has theretofore been obtained. In no event shall Lessee sublet the demised premises at a rate less than rental rate for comparable space in the Building at the time of such subletting. Consent of Lessor shall be subject to the qualifications and limitations that such assignment or sublease be effectuated without any additional costs to Lessor, and that any and all expenses that accrue, as a result of the permissible assignment or sublease, shall be born jointly and severally as Lessee and Assignee or Sublessee may determine between themselves.

In the event Lessee should desire to assign this Agreement or sublet the leased premises or any part thereof, Lessee shall give Lessor written notice of such desire at least sixty (60) days in advance of the date on which Lessee desires to make such assignment or sublease. Lessor shall then have a period of thirty (30) days following receipt of such notice within which to notify Lessee in writing that Lessor elects either; (1) to terminate this Agreement as to the space so affected as of the date so specified by Lessee, in which event Lessee will be relieved of all further obligation hereunder as to such space; or (2) to permit Lessee to assign or sublet such space subject, however, to subsequent written approval of the proposed Assignee or Sublessee by Lessor; or (3) to refuse to consent (with cause only) to Lessee's assignment or subleasing such space and to continue this Lease in full force and effect as to the entire leased premises. If Lessor should fail to notify Lessee in writing of such election within said thirty (30) day period, Lessor shall be deemed to have elected option (2) above. No assignment or subletting by Lessee shall relieve Lessee of any obligation under this Lease. Any attempted assignment or sublease by Lessee in violation of the terms and covenants of this paragraph shall be void.

If Lessee requests Lessor to consent to a proposed assignment or subletting, Lessee shall pay to Lessor, whether or not consent is ultimately given, an administrative charge of \$200.00 to cover the time and expenses incurred in reviewing Lessee's request and supporting documentation.

Fifty percent (50%) of all rent received by Lessee from its sublessees in excess of the rent payable by Lessee to Lessor under this Lease shall be paid to Lessor. Fifty percent (50%) of any sums to be paid by an assignee to Lessee in consideration of the assignment of this Lease shall be paid to Lessor.

No assignment or subletting by Lessee shall relieve Lessee of any obligations under this Lease. Any attempted assignment or sublease by Lessee in violation of the terms and covenants of this paragraph shall be void.

ARTICLE 41. CAPITAL INVESTMENT ITEMS

In addition to building operating costs outlined in Article 6, Rental Adjustments, the direct cost of operation and maintenance shall include the amortization of the cost of installation by Lessor of capital investment items which are primarily for the purpose of reducing operating costs or any items which may be required by government authority. All such items are amortized over an appropriate period, but not more than ten years (10), with an interest factor equal to the prime rate of Security Pacific National Bank (but not to exceed the highest rate permitted by law) at the time of Lessor's having incurred said expenditures.

ARTICLE 42. LATE CHARGES

Lessee acknowledges that late payment by Lessee to Lessor of rent or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may not be imposed on Lessor by the terms of any mortgage or trust deed covering the premises. Therefore, in the event Lessee should fail to pay any installment of rent or any sum due hereunder within ten (10) days after such amount is due, Lessee shall pay to Lessor as additional rent, a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

ARTICLE 43. TITLE OF LESSOR

Lessor is the Lessee under a lease dated July 24, 1979, ("Master Lease") between Lessor and Edwin S. Lowe, ("Master Lessor"). This lease shall be subject to and subordinate to the Master Lease, and any modifications, replacements, alterations, or substitutes thereof; and if the Master Lease is terminated prior to the expiration of the term of this Lease, Lessor's rights under this Lease shall ipso facto vest in and thereafter belong to Master Lessor or its successors, and Lessee agrees to attorn to and recognize said Master Lessor as the Lessor under this Lease.

ARTICLE 44. CANCELLATION OF EXISTING LEASE

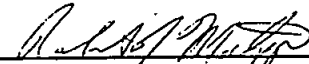
Upon occupancy of Suite 400, Lessee's lease of Suite 720 of Security Pacific Plaza will be canceled.

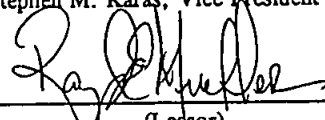
IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease the day and year first above written.

PACIFIC SOUTHWEST REALTY COMPANY

SAN DIEGO DATA PROCESSING CORPORATION,
A CALIFORNIA CORPORATION

By: 
Stephen M. Karas, Vice President

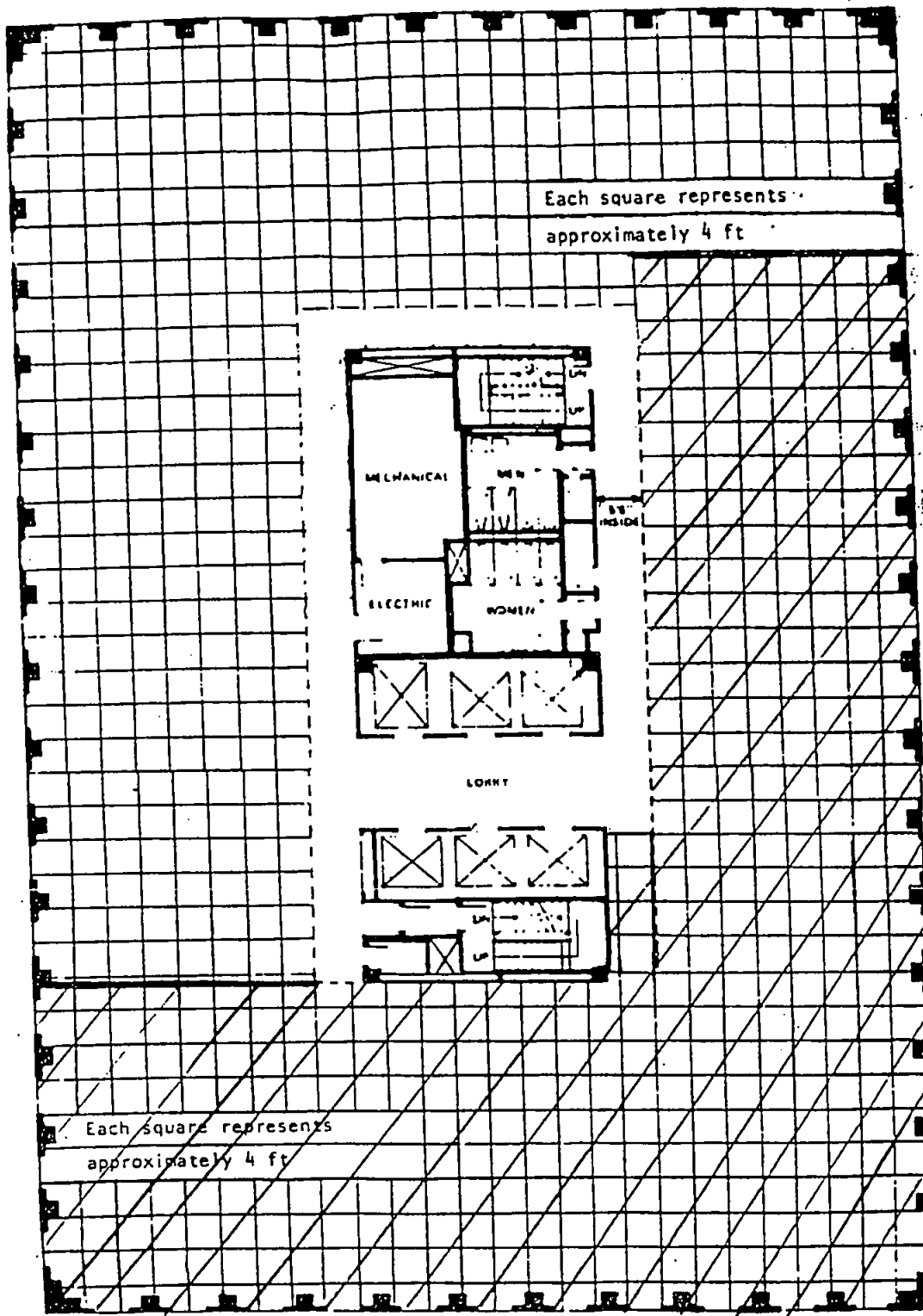
By: 
Robert J. Metzger, Executive Vice President

By: 
(Lessor)
RAYMOND E. MUELLER
Vice President

By: _____
(Lessee)

SECURITY PACIFIC PLAZA

N



SUITE 400
Approx. 7,978 rentable sq. ft.
Fourth Floor

[Signature]
LESSOR'S INITIALS

[Signature]
LESSEE'S INITIALS

EXHIBIT "A"

EXHIBIT "B"

Rules and Regulations Attached to and Made a Part of This Lease

1

No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Lessor first had and obtained, and Lessor shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Lessee.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Lessee by a person approved of by Lessor.

Lessor shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the premises; provided, however, that Lessor is to furnish and install a building standard window drapery at all exterior windows.

2

No Lessee shall obtain for use upon the premises, ice, drinking water, towel or other similar service or accept barbering or bootblacking services on the premises, except from persons authorized by the Lessor and at the hours and under regulations fixed by the Lessor.

3

The bulletin board or directory of the Building will be provided exclusively for the display of the name and location of Lessee only and Lessor reserves the right to exclude any other names therefrom.

4

The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the Lessees or used by them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, stairways, balconies and roof are not for the use of the general public and the Lessor shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Lessor shall be prejudicial to the safety, character, reputation and interests of the Building and its Lessees, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Lessee normally deals in the ordinary course of Lessee's business unless such persons are engaged in illegal activities. No Lessee and no employees or invitees of any Lessee shall go upon the roof of the Building.

5

Lessee shall not alter any lock or install any new or additional locks or any bolts on any door of the premises.

6

The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Lessee who, or whose employees or invitees, shall have caused it.

7

Lessee shall not overload the floor of the premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the premises or any part thereof.

8

No furniture, freight or equipment of any kind shall be brought into the Building without the consent of Lessor and all moving of the same into or out of the Building shall be done at such time and in such manner as Lessor shall designate. Lessor shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Lessor, stand on wood strips of such thickness as is necessary to properly distribute the weight. Lessor will not be responsible for loss of or damage to any such safe or property from any cause, and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Lessee.

Lessee shall not employ any person or persons other than the janitor of Lessor for the purpose of cleaning the premises unless otherwise agreed to by Lessor.* Except with the written consent of Lessor, no person or persons other than those approved by Lessor shall be permitted to enter the building for the purpose of cleaning the same. Lessee shall not cause any unnecessary labor by reason of Lessee's carelessness or indifference in the preservation of good order and cleanliness. Lessor shall in no way be responsible to any Lessee for any loss of property on the premises, however occurring, or for any damage done to the effects of any Lessee by the janitor or any other employee or any other person. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture or other special services.

10

Lessee shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the premises, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to the Lessor or other occupants of the Building by reason of noise, odors, and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the premises or the Building.

11

No cooking shall be done or permitted by any Lessee on the premises, nor shall the premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.

12

Lessee shall not use or keep in the premises or the building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Lessor.

13

Lessor will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Lessor. The location of telephones, call boxes and other office equipment affixed to the premises shall be subject to the approval of Lessor.

14

Each Lessee, upon the termination of the tenancy, shall deliver to the Lessor the keys of offices, rooms and toilet rooms which shall have been furnished the Lessee or which the Lessee shall have had made, and in the event of loss of any keys so furnished, shall pay the Lessor therefor.

15

No Lessee shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the premises in any manner except as approved by the Lessor. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be born by the Lessee by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

16

No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by the Lessor.

17

On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Lessor shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Lessor reserves the right to prevent access to the Building during the continuance of the same by closing the doors or otherwise, for the safety of the Lessees and protection of property in the Building and the Building.

18

Lessee shall see that the doors of the premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Lessee or Lessee's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Lessee shall make good all injuries sustained by other tenants or occupants of the Building or Lessor.

19

Lessor reserves the right to exclude or expel from the Building any person who, in the judgment of Lessor, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

20

The requirements of Lessee will be attended to only upon application to the Office of the Building. Employees of Lessor shall not perform any work or do anything outside of their regular duties unless under special instruction from the Lessor, and no employee will admit any person (Lessee or otherwise) to any office without specific instructions from the Lessor.

21

No vending machine or machines of any description shall be installed, maintained or operated upon the premises without the written consent of the Lessor.

22

Lessor shall have the right, exercisable without notice and without liability to Lessee, to change the name and the street address of the Building of which the premises are a part.

23

Lessee shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.

24

Without the written consent of Lessor, Lessee shall not use the name of the Building in connection with or in promoting or advertising the business of Lessee except as Lessee's address.

25

Lessor shall furnish heating and air conditioning during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday, except for holidays. In the event Lessee requires heating and air conditioning during off hours, Sundays, or holidays, Lessor shall on notice provide this at an hourly rate to be established by Lessor.

26

The word "Building" as used herein means the building of which the premises are a part.

EXHIBIT "C"

Lessee Improvements

Lessor will provide improvements in Suite 400, as specified in a floor plan to be attached as "Exhibit C-1," in an amount not to exceed \$20.00 per usable square foot. The Lessee improvements must be mutually approved by Lessee and Lessor no later than April 17, 1992 and will not include furniture and furnishings - which are Lessee's responsibility.


Landlord's Initials


Tenant's Initials

"ATTACHMENT"

ADDENDUM TO LEASE/PROPOSAL TO LEASE

DATED

April 3, 1992

Landlord warrants and represents that, except as set forth below, neither the Premises nor the building or land upon which the Premises is located (collectively the "Property") contain asbestos, PCB transformers, or other hazardous, toxic or contaminated materials or substances, or underground storage tanks (all of which are hereinafter referred to as "Hazardous Materials") and that no Hazardous Materials will be present in or on the Property from and after the date of this Lease/Proposal to Lease or otherwise used or permitted to be used in, on, or about the Property by Landlord or by any other tenant.

If at any time Hazardous Materials are determined to be present on the Property (other than as set forth below), Landlord shall take all steps necessary to promptly remove or otherwise abate all such Hazardous Materials in accordance with all rules, regulations and laws. Landlord shall use its best efforts not to materially interfere with the conduct of Tenant's business during any such removal or abatement process.

All exceptions to the foregoing representations and warranties are listed below (if there are no exceptions, write "No Exceptions"):

Current report on file in building office, Suite 405.

LANDLORD:

TENANT:

STEPHEN M. KARAS, VICE PRESIDENT

Robert J. Metzger, Executive Vice President

RAYMOND E. MUELLER
Vice President

NOTICE TO OWNERS AND PROSPECTIVE TENANTS AND BUYERS OF REAL
PROPERTY REGARDING THE AMERICANS WITH DISABILITIES ACT

Please be advised that an owner or tenant of real property may be subject to the Americans With Disabilities Act (the ADA), a Federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to your property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons by January 26, 1992. The regulations under Title III of the ADA are codified at 28 CFR Part 36.

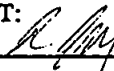
We recommend that you and your attorney review the ADA and the regulations, and, if appropriate, your proposed lease or purchase agreement, to determine if this law would apply to you, and the nature of the requirements. These are legal issues. You are responsible for conducting your own independent investigation of these issues. CB Commercial cannot give you legal advice on these issues.

By your signature below, you acknowledge receipt of this Notice and hereby give broker permission to distribute this Notice to all prospective tenants and buyers for this property.

LANDLORD:

 _____

TENANT:

 _____

EIGHTH AMENDMENT TO LEASE

THIS EIGHTH AMENDMENT TO LEASE ("Amendment") is entered into as of _____, 1999, by and between CIVIC CENTER ASSOCIATES, a California limited liability company, as successor to Pacific Southwest Realty Company, a Delaware corporation ("Lessor"), and SAN DIEGO DATA PROCESSING CORPORATION, a California corporation ("Lessee"), as an amendment to that certain Lease dated April 3, 1992, as amended by an Amendment to Lease dated November 22, 1994, a Second Amendment to Lease dated April 1, 1996, a Third Amendment to Lease dated October 31, 1996, a Fourth Amendment to Lease dated March 28, 1997, a Fifth Amendment to Lease dated August 15, 1997, a Sixth Amendment to Lease dated October 15, 1997, and a Seventh Amendment to Lease dated April 15, 1998 (collectively, "Lease"). Capitalized terms used herein and not otherwise defined shall have the same meanings given to them in the Lease.

Lessor and Lessee hereby amend the Lease as follows:

1. Deleted Premises. Upon and subject to the provisions and conditions of this paragraph, Lessor and Lessee intend to delete and otherwise remove from the Premises and the provisions of the Lease Suites 410, 412 and 414 (2,487 total rentable square feet and 2,120 total useable square feet) in the Building (collectively, "Deleted Premises"). The Deleted Premises shall be deemed so deleted from the Premises and Lessee's obligation for the payment of rent and operating expenses for the Deleted Premises shall terminate upon the date the following conditions are fulfilled to the satisfaction of Lessor, in Lessor's sole discretion ("Deletion Date"):

(a) The acceptance by the City of San Diego ("City") of possession of the Deleted Premises as part of City's existing Lease in the Building; and

(b) The commencement of the payment of rent and operating expenses for the Deleted Premises by City.

Upon the satisfaction of the conditions set forth in subparagraphs (a) and (b) above, Lessor, Lessee and City shall execute a document evidencing the applicable Deletion Date. Until the Deletion Date, the Deleted Premises shall constitute a portion of the Premises subject to the provisions and conditions of the Lease.

2. Lease Modifications Upon The Deletion Date. Effective upon the Deletion Date, the Deleted Premises shall no longer be considered a part of the Premises and the Lease shall be deemed modified as follows:

(a) The Premises shall thereafter be deemed to consist of and otherwise constitute approximately 7,938 rentable square feet on the fourth floor and approximately 14,696 rentable square feet on the fourteenth floor, for a total of

approximately 22,634 rentable square feet, in the Building. The Premises shall then be particularly described as follows:

<u>Suite:</u>	<u>Rentable Square Feet:</u>
400	2,937
424	5,001
1400	5,734
1402	1,060
1405A	3,566
1405	4,336
<u>TOTAL</u>	<u>22,634</u>

(b) The applicable Base Rent shall remain the same on a per rentable square foot basis, but shall be adjusted to take into account the deletion of the Deleted Premises from the Lease. The Base Rent under the Lease is subject to adjustment, however, as set forth in paragraphs 4 and 8 hereof.

(c) Lessee's applicable share of operating expenses after the deletion of the Deleted Premises, shall be reduced to 8.479%.

3. Extension of Lease Term. The term of the Lease is hereby extended to July 31, 2007 ("Extended Expiration Date"). Lessee is hereby granted the right and option to extend the term of the Lease ("Option"), subject to all the provisions and conditions contained in the Lease, for a period commencing upon the Extended Expiration Date and continuing to and including July 23, 2014 ("Option Period") by giving a binding notice of exercise of the Option ("Option Notice") to Lessor at least six (6) months, before the Extended Expiration Date. Thereafter, the "Market Rate" (as herein defined) for the Option Period shall be calculated pursuant to paragraph 8 below. If Lessee is, however, in default on the date of giving the Option Notice, at any time after such exercise but before the Option Period is to commence, or on the date the Option Period is to commence, the Option Period shall not commence, and this Lease shall expire upon the Extended Expiration Date, unless Lessor, in Lessor's sole discretion, determines that the Option Period shall commence despite such default (which determination shall in no way prevent Lessor from exercising any of the other rights and remedies available to Lessor hereunder). The Option Period shall be upon the same provisions and conditions contained in this Lease, except for the payment of Rent during the Option Period, and any reference in the Lease to the "Term" of the Lease shall be deemed to include the Option Period and apply thereto, unless it is expressly provided

otherwise. Lessee shall have no other right to extend this Lease beyond the Option Period.

4. Base Rent Adjustment. Commencing on August 1, 2002 and continuing until July 31, 2007, the monthly base rental rate under the Lease shall be adjusted to and will otherwise be \$1.60 per rentable square foot per month. If Lessee elects to exercise the Option, as set forth in paragraph 3 above, then the rental rate during the Option Period shall be as set forth in paragraph 8 below.

5. Base Year Adjustment. With respect to operating expenses, effective August 1, 2002, the applicable provisions in the Lease for the Premises shall be modified to state a new base year of 2002.

6. Refurbishment Allowance. On August 1, 2002, Lessor shall make available to Lessee a refurbishment allowance for the Premises equal to \$5.00 per rentable square foot. Lessor shall fund this amount to Lessee upon and subject to the following provisions and conditions:

- (a) Lessee must utilize such funds on or before August 1, 2003;
- (b) Lessee may only utilize such funds for the purpose of making physical improvements to the Premises; Lessee has no right to request or receive all or any portion of the refurbishment allowance as a cash payment or a credit against sums otherwise payable by Lessee under the Lease. These funds shall not be used for moveable Lessee furniture, fixtures and equipment;
- (c) Lessee must provide to Lessor invoices evidencing the expenditure of the funds being so requested;
- (d) Lessor shall not be obligated to fund such amount if Lessee is in default under the Lease;
- (e) Lessee's rights under this paragraph are not assignable.

7. Brokers. The parties acknowledge that the Irving Hughes Group, Inc. ("IHG"), broker for Lessee and CB Richard Ellis, Inc. ("CB"), broker for Lessor (collectively, "Brokers"), shall be paid commissions by Lessor with respect to the extension of the term of the Lease set forth herein. The commission to IHG shall be in the amount of 4% of the total Lease consideration for the 60 month Lease term extension. One-half (1/2) of this amount shall be due and payable to IHG upon the execution of this Amendment; the second one-half (1/2) shall be due and payable upon the same date; provided, however, the second one-half (1/2) amount shall be discounted at 10% for the number of months from the date of this Amendment to August 1, 2002. No commission shall be payable to Brokers if Lessee extends the term of the Lease, as set forth in paragraph 3 above.

8. Market Rate. The base monthly rent during each month of the Option Period shall be the greater of: (i) the base monthly rent in effect in the last month of the final Lease year prior to the Option Period; or (ii) the "Market Rate" (as defined hereinafter) for the Premises for a period commencing on the first day of the Option Period. The "Market Rate" shall mean the then prevailing monthly market rate for a comparable term commencing on the first day of the Option Period for tenants of comparable size and creditworthiness for comparable space in the vicinity of the Building, taking into account all relevant factors, including without limitation, the size, type, location and improved quality of the Premises, without discount.

Market Rate shall be determined as follows:

(a) If Lessee provides Lessor with its binding Option Notice pursuant to Paragraph 3 above, then at some point near the six (6) months prior to the commencement of the Option Period (or, at Lessor's election, at an earlier point), Lessor shall calculate and inform Lessee of the Market Rate. If Lessee rejects the Market Rate as calculated by Lessor, Lessee shall inform Lessor of its rejection in writing within ten (10) days after Lessee's receipt of Lessor's calculation, and Lessor and Lessee shall commence negotiations to agree upon the Market Rate. If Lessee fails to timely reject Lessor's calculation of the Market Rate it will be deemed to have accepted such calculation. If Lessor and Lessee are unable to reach agreement within twenty-one (21) days after Lessor's receipt of Lessee's notice of rejection, then the Market Rate shall be determined in accordance with subparagraph 8 (b) below.

(b) If Lessor and Lessee are unable to reach agreement on the Market Rate within said twenty-one (21) day period, then within seven (7) days, Lessor and Lessee shall each simultaneously submit to the other in a sealed envelope its respective good faith estimate of the Market Rate. If the higher of such estimates is not more than one hundred five percent (105%) of the lower, then the Market Rate shall be the average of the two. Otherwise, the dispute shall be resolved by arbitration in accordance with subparagraph 8 (c) and (d) below.

(c) Within seven (7) days after the exchange of estimates, the parties shall select as an arbitrator an independent MAI appraiser with at least five (5) years of experience in appraising commercial office space in the metropolitan area in which the Premises are located ("Qualified Appraiser"). If the parties cannot agree on a Qualified Appraiser, then within a second period of seven (7) days, each shall select a Qualified Appraiser and within ten (10) days thereafter the two appointed Qualified Appraisers shall select a third Qualified Appraiser and the third Qualified Appraiser shall be the sole arbitrator. If one party shall fail to select a Qualified Appraiser within the second seven (7) day period, then the Qualified Appraiser chosen by the other party shall be the sole arbitrator.

(d) Within twenty-one (21) days after submission of the matter to the arbitrator, the arbitrator shall determine the Market Rate by choosing whichever of the estimates submitted by Lessor and Lessee the arbitrator judges to be more accurate. The

arbitrator shall notify Lessor and Lessee of its decision, which shall be final and binding. If the arbitrator believes that expert advice would materially assist him, the arbitrator may retain one (1) or more qualified persons to provide expert advice. The fees of the arbitrator and the expenses of the arbitration proceeding, including the fees of any expert witnesses retained by the arbitrator, shall be paid by the party whose estimate is not selected. Each party shall pay the fees of its respective counsel and the fees of any witness called by that party.

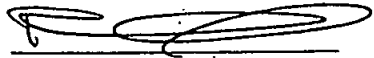
9. Force and Effect. Lessor and Lessee hereby confirm that the Lease, as modified, hereby remains in full force and effect, and each party is bound by all the provisions and conditions hereof.

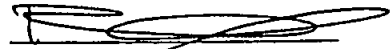
In Witness Hereof, Lessor and Lessee execute this Amendment as the date first above written.

LESSOR:

Civic Center Associates, LLC,
a California limited liability company

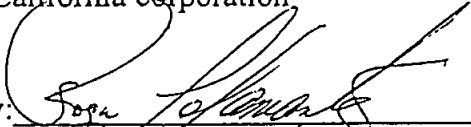
By: Rock Asset Management, Inc.,
a California corporation,
Its manager

By: 
Name: Richard Wolfen
Title: President

By: 
Name: Richard Wolfen
Title: Secretary

LESSEE:

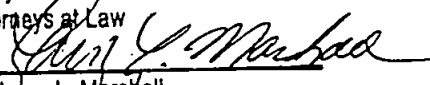
San Diego Data Processing Corporation,
a California corporation

By: 
Name: ROGER TALAMANTEZ
Title: PRESIDENT & CEO

Approved as to Form:

Foley Lardner
Attorneys at Law

By:


Larry L. Marshall
General Counsel
San Diego Data Processing Corp.



THE CITY OF SAN DIEGO

Real Estate Assets Department
1200 Third Ave., Ste. 1700
San Diego, CA 92101-4199

FAX TRANSMITTAL

Date: 4-10-00 6-5-00

The following 4 pages (including cover sheet) are for:

To: Joshua LEONARD

From: Diana MONACO

Fax # (213) 688-0100

Fax # (619) 236-6706

Phone # _____

Phone # 236-6081

Comments:

I thank you for responding to our request.
Please see my revisions on the Engagement
letter.

DM

If you do not receive all of the pages, please call: _____

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW, RECEIPT BY AN UNINTENDED RECIPIENT DOES NOT CONSTITUTE A WAIVER OF ANY APPLICABLE PRIVILEGE.

If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via the U.S. Postal Service.



TENANT ENGAGEMENT LETTER

LEASE CONSULTING SERVICES

This Engagement Letter ("Agreement") dated this 15th day of March, 2000, is by and between The City of San Diego ("Tenant") and Deloitte & Touche LLP ("D&T").

I. SCOPE OF SERVICES

Tenant hereby engages D&T to perform Lease Consulting Services relating to all of the Tenant's leases and related amendments (the "Lease") as made available to D&T regarding Tenant's tenancy per the attached Exhibit A.

The purpose of the lease consulting service (also known as lease auditing) is to inspect the Landlord's books and records to determine proper allocation of operating expense and tax pass-throughs charged to the Tenant, or any other relevant charges from lease commencement through the latest escalation year as permitted by Lease and Landlord. D&T shall prepare a preliminary inspection analysis based on reading each lease and analyzing past operating expense trends by line item.

Tenant shall use reasonable efforts to support D&T in gaining access to Landlord's books and records for inspection. D&T shall prepare a lease report indicating exceptions, if any, in operating and property tax accounts, such as utilities, repairs and maintenance, janitorial, security, administrative costs, management fees, common areas, property taxes, gross-ups, etc. Adequate supporting evidence shall be provided to fully document claims with the Landlord. The report shall first be prepared as a draft for internal Tenant usage. Once approved, the lease report shall be issued to the Tenant for forwarding onto the Landlord. Once the Landlord responds, D&T shall prepare an additional counter response under the same drafting procedures.

Upon Tenant's approval, D&T on behalf of the Tenant, shall assist in negotiations with the Landlord to recover any funds that were improperly charged for all relevant retroactive and prospective years throughout the term of the Lease.

In addition, upon Tenant request we will engage a professional lease/space measurement firm to verify the reliability of the Tenant's leased square footage.

These services do not constitute an engagement to provide audit, compilation, review, or attestation services as described in the pronouncements on professional standards issued by the American Institute of Certified Public Accountants.

II. COMPENSATION

Fixed Plus Contingency Fee

D&T shall receive for this lease audit:

~~\$7,500 (Seven thousand five hundred dollars) due when the initial final report is issued, plus,~~

^{30%}~~35%~~ (Thirty-five percent) of all savings actually achieved retroactively. Tenant shall be first reimbursed the \$7,500 from the initial gross recoveries prior to D&T's remaining 35% share. All payments are due within 30 days of billing.

III. TERM

The term of this Agreement shall commence on the date hereof and expire ^{six (6)}~~twelve (12)~~ months hereafter unless D&T or Tenant, with the prior written permission of the other party, is conducting ongoing Lease Consulting Services on this Lease.

IV. GENERAL

- A. Good Faith. All parties shall act reasonably and in good faith.
- B. Limitation on Damages and Indemnification
- i. The Tenant agrees that D&T and its personnel shall not be liable to the Tenant for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the Tenant to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event shall D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.
 - ii. The Tenant shall indemnify and hold harmless D&T and its personnel from all claims, liabilities, and expenses relating to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T.
 - iii. The limitation on liability and indemnification provisions of this engagement letter shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.
- C. Arbitration. In the event a claim or controversy arises concerning any provision of this Agreement, the parties agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The unsuccessful party shall pay the costs of conducting the arbitration.
- D. Attorney Fees. If either party commenced litigation against the other for specific performance of the terms of this Agreement, the prevailing party shall be entitled to

The initial agreement was a contingency fee of 30%. We do not budget additional fees.
PTM

recover from the other party such costs and reasonable attorney fees as may have been incurred.

- E. Any changes to this Agreement must be in writing and agreed to by both parties. Contract disputes will be determined under the laws of the State of California.
- F. Confidentiality. It is understood and agreed that all work product resulting from D&T's Services shall remain the exclusive property of D&T and that the Client will preserve the confidentiality of the format and contents of any reports, analyses or other documents prepared by D&T.
- G. The Parties' addresses for notice are listed below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dated indicated above.

THE CITY OF SAN DIEGO, ^{a California Municipal Corporation}
REAL ESTATE ASSETS Department

Print Name: JANE E. VICKER, ~~ASSET~~

Signature: _____

Its: Deputy Director

Date: _____

1200 Third Avenue, Suite 1700
San Diego, California 92101-4199

DELOITTE & TOUCHE LLP

Print Name: Joshua W. Leonard

Signature: _____

Its: Partner

Date: _____

1000 Wilshire Boulevard
Los Angeles, California 90017-2472

Rjm.
APPROVED AS TO FORM AND LEGALITY, this _____ day of _____

_____, 2000.

CASEY GWINN, City Attorney

By: _____
Prescilla Dugard, Deputy City Attorney

June 14, 2000

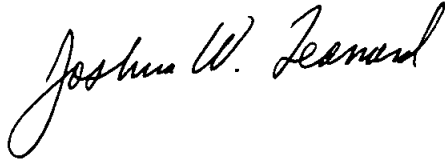
Ms. Diana Lozano-Monaco, R. P. A.
Property Agent, Real Estate Assets Department
The City of San Diego
1200 Third Avenue, Suite 1700
San Diego, California 92101-4199

RE: Lease Auditing Services

Dear Ms. Lozano-Monaco:

We appreciate the opportunity to perform lease inspection services on behalf of The City of San Diego. Please execute both contracts and send one copy back to my attention. If you have any questions, please contact me at 213-553-1717.

Yours truly,

A handwritten signature in cursive script that reads "Joshua W. Leonard". The signature is written in black ink and is positioned below the "Yours truly," text.

Joshua W. Leonard
Partner

Enclosures

~~TENANT ENGAGEMENT LETTER~~

LEASE CONSULTING SERVICES Agreement

Consulting Services Agreement

This Engagement Letter ("Agreement") dated this 1st day of June, 2000, is by and between The City of San Diego ("Tenant") and Deloitte & Touche LLP ("D&T").

A California municipal corporation

I. SCOPE OF SERVICES

- Tenant hereby engages D&T to perform Lease Consulting Services relating to all of the Tenant's leases and related amendments (the "Lease") as made available to D&T regarding Tenant's City's tenancy per the attached 550 West "C" Street, San Diego, California. 92101

The purpose of the lease consulting service (also known as lease auditing) is to inspect the Landlord's books and records to determine proper allocation of operating expense and tax pass-throughs charged to the Tenant or any other relevant charges from lease commencement through the latest escalation year as permitted by Lease and Landlord. D&T shall prepare a preliminary inspection analysis based on reading each lease and analyzing past operating expense trends by line item.

Tenant shall use reasonable efforts to support D&T in gaining access to Landlord's books and records for inspection. D&T shall prepare a lease report indicating exceptions, if any, in operating and property tax accounts, such as utilities, repairs and maintenance, janitorial, security, administrative costs, management fees, common areas, property taxes, gross-ups, etc. Adequate supporting evidence shall be provided to fully document claims with the Landlord. The report shall first be prepared as a draft for internal Tenant usage. Once approved, the lease report shall be issued to the Tenant for forwarding onto the Landlord. Once the Landlord responds, D&T shall prepare an additional counter response under the same drafting procedures.

Upon Tenant's approval, D&T on behalf of the Tenant, shall assist in negotiations with the Landlord to recover any funds that were improperly charged for all relevant retroactive and prospective years throughout the term of the Lease.

In addition, upon Tenant request we will engage a professional lease/space measurement firm to verify the reliability of the Tenant's leased square footage.

is this an additional cost?

D&T

1200 Third Avenue, Suite 1700.

II. COMPENSATION

Fixed Plus Contingency Fee

D&T shall receive for this lease audit:

\$7,500 (Seven thousand five hundred dollars) due when the initial final report is issued plus out-of-pocket travel expenses not to exceed \$750, plus

30% (Thirty percent) of all savings actually achieved retroactively. Tenant shall be first reimbursed the \$7,500 and out-of-pocket expenses from the initial gross recoveries prior to D&T's remaining 30% share. All payments are due within 30 days of billing.

III. TERM

The term of this Agreement shall commence on the date hereof and expire twelve-(12) months hereafter unless D&T or Tenant with the prior written permission of the other party, is conducting ongoing Lease Consulting Services on this Lease.

IV. GENERAL

A. Good Faith. All parties shall act reasonably and in good faith.

B. Limitation on Damages and Indemnification

i. The Tenant agrees that D&T and its personnel shall not be liable to the Tenant for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the Tenant to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event shall D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.

ii. The Tenant shall indemnify and hold harmless D&T and its personnel from all claims, liabilities, and expenses relating to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T.

— iii. The limitation on liability and indemnification provisions of this engagement letter shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. *except willful or gross negligence of D & T*

C. Arbitration. In the event a claim or controversy arises concerning any provision of this Agreement, the parties agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The unsuccessful party shall pay the costs of conducting the arbitration.

D. Attorney Fees. If either party commenced litigation against the other for specific performance of the terms of this Agreement, the prevailing party shall be entitled to

recover from the other party such costs and reasonable attorney fees as may have been incurred.

- E. Any changes to this Agreement must be in writing and agreed to by both parties. Contract disputes will be determined under the laws of the State of California.
- F. Confidentiality. It is understood and agreed that all work product resulting from D&T's Services shall remain the exclusive property of D&T and that the Tenant will preserve the confidentiality of the format and contents of any reports, analyses or other documents prepared by D&T.
- G. The Parties' addresses for notice are listed below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dated indicated above.

THE CITY OF SAN DIEGO, a California
Municipal Corporation
Print Name: JANE E. VICKERS

Signature: _____

Its: Deputy Director

Date: _____

~~550 West "C" Street, Suite 2000~~
~~San Diego, California 92101~~
1200 Third Avenue Suite 1700
San Diego, Ca 92101

add City Attorney signature

DELOITTE & TOUCHE LLP

Print Name: Joshua W. Leonard

Signature: _____

Its: Partner

Date: _____

350 South Grand Avenue
Los Angeles, California 90017-3462

APPROVED AS TO FORM AND LEGALITY this _____ day
of _____, 2000.

CASEY GWINN, City Attorney

By: Debra J. Benier, Deputy City Attorney

LEASE CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") dated this 1st day of June, 2000, is by and between **The City of San Diego, a California Municipal Corporation** ("City") and Deloitte & Touche LLP ("D&T").

I. SCOPE OF SERVICES

City hereby engages D&T to perform Lease Consulting Services relating to the City's lease and related amendments (the "Lease") as made available to D&T regarding the City's tenancy at 1200 Third Avenue, Suite 1700, San Diego, California 92101.

The purpose of the lease consulting service (also known as lease auditing) is to inspect the Landlord's books and records to determine proper allocation of operating expense and tax pass-throughs charged to the City, or any other relevant charges from the lease commencement through the latest escalation year as permitted by Lease and Landlord. D&T shall prepare a preliminary inspection analysis based on reading each lease and analyzing past operating expense trends by line item.

City shall use reasonable efforts to support D&T in gaining access to Landlord's books and records for inspection. D&T shall prepare a lease report indicating exceptions, if any, in operating and property tax accounts, such as utilities, repairs and maintenance, janitorial, security, administrative costs, management fees, common areas, property taxes, gross-ups, etc. Adequate supporting evidence shall be provided to fully document claims with the Landlord. The report shall first be prepared as a draft for internal City review. Once approved, the lease report shall be issued to the City for forwarding onto the Landlord. Once the Landlord responds, D&T shall prepare an additional counter response under the same drafting procedures.

Upon City's approval, D&T on behalf of the City, shall assist in negotiations with the Landlord to recover any funds that were improperly charged for all relevant retroactive and prospective years throughout the term of the Lease.

In addition, upon City request we will engage a professional lease/space measurement firm to verify the reliability of the City's leased square footage.

II. COMPENSATION

Fixed Plus Contingency Fee

D&T shall receive for this lease audit:

\$7,500 (Seven thousand five hundred dollars) due when the initial final report is issued plus out-of-pocket travel expenses not to exceed \$750, plus

30% (Thirty percent) of all savings actually achieved retroactively. City shall be first reimbursed the \$7,500 and out-of-pocket expenses from the initial gross recoveries prior to D&T's remaining 30% share. All payments are due within 30 days of billing.

III. TERM

The term of this Agreement shall commence on the date hereof and expire twelve-(12) months hereafter unless D&T or City, with the prior written permission of the other party, is conducting ongoing Lease Consulting Services on this Lease.

IV. GENERAL

A. Good Faith. All parties shall act reasonably and in good faith.

B. Limitation on Damages and Indemnification

i. The City agrees that D&T and its personnel shall not be liable to the City for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the City to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event shall D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.

ii. The City shall indemnify and hold harmless D&T and its personnel from all claims, liabilities, and expenses relating to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T.

iii. The limitation on liability and indemnification provisions of this engagement letter shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), except willful or gross negligence of D&T.

C. Arbitration. In the event a claim or controversy arises concerning any provision of this Agreement, the parties agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The unsuccessful party shall pay the costs of conducting the arbitration.

- D. Attorney Fees. If either party commenced litigation against the other for specific performance of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorney fees as may have been incurred.
- E. Any changes to this Agreement must be in writing and agreed to by both parties. Contract disputes will be determined under the laws of the State of California.
- F. Confidentiality. It is understood and agreed that all work product resulting from D&T's Services shall remain the exclusive property of D&T and that the City will preserve the confidentiality of the format and contents of any reports, analyses or other documents prepared by D&T.
- G. The Parties' addresses for notice are listed below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dated indicated above.

**THE CITY OF SAN DIEGO, A CALIFORNIA
MUNICIPAL CORPORATION
REAL ESTATE ASSETS DEPARTMENT**

DELOITTE & TOUCHE LLP

Print Name: Jane E. Vickers

Print Name: Joshua W. Leonard

Signature: _____

Signature: _____

Its: Deputy Director

Its: Partner

Date: _____

Date: _____

1200 Third Avenue, Suite 1700
San Diego, California 92101

1000 Wilshire Boulevard
Los Angeles, California 90017-2472

Approved as to form and legality this _____ day of _____, 2000.

Casey Gwinn, City Attorney

By: _____

- Debra J. Bevler, Deputy City Attorney

From: "Josh Leonard" <josleonard@dtus.com>
To: CCP.Property(npb)
Date: Thu, Jun 1, 2000 7:16 PM
Subject: Lease Consulting Contract

Hello Diana,

Attached please find the revised lease audit contract based on a 30% contingency fee with an advance of a \$7,500 fee plus travel expenses not to exceed \$750, due upon issuance of the final report.

Please let me know if you have any questions. We hope to get started before 6 weeks. We are currently looking for the lease file.

If you are satisfied with the contract, please sign the contract and mail two to me at the address at the bottom of the contract and I will counter sign.

Thank you,

Josh Leonard
213-553-1717

CC: "Marissa Torres" <matorres@dtus.com>, "Robin Aung..."

FYI CC: Will Griffith
Lucille Goodman
Jane Vickers.

P.02/04

[Handwritten initials]

TENANT ENGAGEMENT LETTER

LEASE CONSULTING SERVICES

This Engagement Letter ("Agreement") dated this 9th day of March, 1999, is by and between The City of San Diego ("Tenant") and Deloitte & Touche LLP ("D&T").

I. SCOPE OF SERVICES

Tenant hereby engages D&T to perform Lease Consulting Services relating to ~~all of the Tenant's leases~~ and related amendments ~~(the "Lease")~~ as made available to D&T regarding Tenant's tenancy at 1200 Third Avenue, San Diego, California, 92101.

The purpose of the lease consulting service (also known as lease auditing) is to inspect the Landlord's books and records to determine proper allocation of operating expense and tax pass-throughs charged to the ~~Tenant~~, or any other relevant charges from ~~lease commencement~~ through the latest escalation year as permitted by Lease and Landlord. D&T shall prepare a preliminary audit analysis based on reading ~~each~~ lease and analyzing past operating expense trends by line item.

~~Tenant~~ shall use reasonable efforts to support D&T in gaining access to Landlord's books and records for inspection, D&T shall prepare a lease report indicating exceptions, if any, in operating and property tax accounts, such as utilities, repairs and maintenance, janitorial, security, administrative costs, management fees, common areas, property taxes, etc. Adequate supporting evidence shall be provided to fully document claims with the Landlord. The report shall first be prepared as a draft for internal ~~Tenant~~ usage. Once approved, the lease report shall be issued to the ~~Tenant~~ for forwarding on to the Landlord. Once the Landlord responds, D&T shall prepare an additional counter response under the same drafting procedures.

Upon ~~Tenant's~~ approval, D&T on behalf of the ~~Tenant~~, shall proceed to negotiate with the Landlord to recover any funds that were improperly charged for all relevant retroactive and prospective years throughout the term of the Lease.

In addition, upon ~~Tenant~~ request we will engage a professional lease/space measurement firm to verify the reliability of the ~~Tenant's~~ leased square footage.

the lease between Civic Center Associates as successor to Pacific Southwest Realty Co. (Landlord) and the City of San Diego (Tenant)

the City

the City's

City

the City's

City's

TENANT ENGAGEMENT LETTER
Tenant Audit Services Assignment

II. COMPENSATION

For the work of this Project performed by D&T, Client agrees to compensate D&T as follows:

^{35%}
~~30%~~ (Thirty-five percent) of all savings achieved retroactively and no future recoveries.

All fees are due thirty (30) days after billing, *or as soon as the City received its Operating Expense credit from the Landlord.*

III. TERM

The term of this Agreement shall commence *the date of* ~~on the date hereof and expire twelve (12) months hereafter unless D&T or Tenant, with the prior written permission of the other party, is conducting ongoing Lease Consulting Services on this lease.~~ *upon execution by the City and*

expire three (3) months

IV. GENERAL

A. Good Faith. All parties shall act reasonably and in good faith.

thereafter or until final completion of this lease audit.

B. Limitation on Damages and Indemnification.

i. The Tenant agrees that D&T and its personnel shall not be liable to the ~~Tenant~~ ^{city} for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the ~~Tenant~~ ^{city} to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event shall D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.

ii. ^{city} The ~~Tenant~~ shall indemnify and hold harmless D&T and its personnel from all claims, liabilities, and expenses relating to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T.

iii. The limitation on liability and indemnification provisions of this engagement letter shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

C. Arbitration. In the event a claim or controversy arises concerning any provision of this Agreement, the parties agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The unsuccessful party shall pay the costs of conducting the arbitration.

D. Attorney Fees. If either party commenced litigation against the other for specific performance of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorney fees as may have been incurred.

E. Any changes to this Agreement must be in writing and agreed to by both parties. Contract disputes will fall under the laws of the State of California.

TENANT ENGAGEMENT LETTER
Tenant Audit Services Assignment

F. The Parties' addresses for notices are listed below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated above.

THE CITY OF SAN DIEGO, a California
municipal Corporation

DELOITTE & TOUCHE LLP

By: _____

By: _____

Its: William D. GRIFFIN
Real Estate Assets Director
Acting

Its: _____

Date: _____

Date: _____

1200 Third Avenue, Suite 1700, MS 51A
San Diego, California 92101
ATTN: D. LOZANO

1000 Wilshire Boulevard
Los Angeles, California 90017-2472

City Atty Sig

APPROVED AS TO FORM AND LEGALITY this _____
day of _____ 1999.

CASBY GUINN, City Attorney

By: _____
Prescilla Ducard, Deputy City Attorney

**Deloitte &
Touche LLP**

Fax Transmission

To:

DIANA LOZANO

Office:

The City of San Diego

Fax Number:

619/236-6706

Comments:

Attached please find the tenant engagement letter for your review (Please call

(Josh w/ comments or questions, 213/553-1717.)

From:

MARISSA TORRES

Office:

DELOITTE & TOUCHE

Fax Number:

213/694-5971

Number of Pages (including this one):

4

Date:

03/09/99

To confirm receipt, or if you do not receive all pages, please call:

213/553-1767

Confidentiality Notice: This page and any accompanying documents contain confidential information intended for a specific individual and purpose. This telecopied information is private and protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying or distribution, or the taking of any action based on the contents of this information, is strictly prohibited.

**Deloitte Touche
Tohmatsu
International**

Global Leaders in
Accounting and Auditing,
Management Consulting
and Tax Services

TENANT ENGAGEMENT LETTER
Tenant Audit Services Assignment

II. COMPENSATION

performance under this agreement by City
For the work of this Project performed by D&T, Client agrees to compensate D&T as follows:

35%
30% (Thirty ~~five~~ percent) of all savings achieved retroactively and no future recoveries.

All fees are due thirty (30) days after billing, ~~or as soon as the City~~
received its Operating Expense Credit from the Landlord.

III. TERM

The term of this Agreement shall commence ~~on the date hereof and expire twelve (12) months~~
the date of
upon execution by the City and
~~hereafter unless D&T or Tenant, with the prior written permission of the other party, is conducting~~
~~ongoing Lease Consulting Services on this lease.~~ *expire three (3) months*

IV. GENERAL

A. Good Faith. All parties shall act reasonably and in good faith. *thereafter or until final completion of this lease*

B. Limitation on Damages and Indemnification. *However, the audit report. Lease Consulting fees shall not exceed 30 months from original City date.*

i. The ~~Tenant~~ *City* agrees that D&T and its personnel shall not be liable to the Tenant for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the ~~Tenant~~ *City* to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. In no event shall D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.

ii. The ~~Tenant~~ *City* shall indemnify and hold harmless D&T and ~~its~~ *its* personnel from all claims, liabilities, and expenses relating to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of D&T. *How is this determined?*

iii. The limitation on liability and indemnification provisions of this ~~engagement letter~~ *agreement* shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

C. Arbitration. In the event a claim or controversy arises concerning any provision of this Agreement, the parties agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The unsuccessful party shall pay the costs of conducting the arbitration. *(OK w/ City attorney?)*

D. Attorney Fees. If either party commenced litigation against the other for specific performance of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorney fees as may have been incurred.

E. Any changes to this Agreement must be in writing and agreed to by both parties. *Contract*
disputes will fall under the laws of the State of California.

TENANT ENGAGEMENT LETTER
Tenant Audit Services Assignment

F. The Parties' addresses for notices are listed below.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated above.

THE CITY OF SAN DIEGO, a California
municipal Corporation

DELOITTE & TOUCHE LLP

By: William T. Griffith

By: _____

Its: Real Estate Assets Director
Active

Its: _____

Date: CIVIC CENTER PLAZA BUILDING

Date: _____

1200 Third Avenue, Suite 1700, MS 51A
San Diego, California 92101-4199
ATTN: D. LOZANO

1000 Wilshire Boulevard
Los Angeles, California 90017-2472

City / Atty / Sig

APPROVED AS TO FORM AND LEGALITY this _____
day of _____ 1999.

CASEY GUINN, City Attorney

[Signature]

By: _____
Proscilla Dueard, Deputy City Attorney

**Deloitte &
Touche LLP**

Fax Transmission

To:

DIANA LOZANO

Office:

The City of San Diego

Fax Number:

619/236-6706

Comments:

Attached please find the tenant engagement letter for your review (Please call

(Josh w/ comments or questions, 213/553-1717.)

From:

MARISSA TORRES

Office:

DELOITTE & TOUCHE

Fax Number:

213/694-5971

Number of Pages (including this one):

4

Date:

03/09/99

To confirm receipt, or if you do not receive all pages, please call:

213/553-1767

Confidentiality Notice: This page and any accompanying documents contain confidential information intended for a specific individual and purpose. This telecopied information is private and protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying or distribution, or the taking of any action based on the contents of this information, is strictly prohibited.

**Deloitte Touche
Tohmatsu
International**

Global Leaders in
Accounting and Auditing,
Management Consulting
and Tax Services

BLACKLINED

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is entered into by Pacific Southwest Realty Company, a Delaware corporation ("Landlord"), and The City of San Diego, a municipal corporation ("Tenant"), with respect to a Lease and an Initial T. I. Agreement entered into as of October 21, 1991 between Landlord and Tenant (collectively, the "Lease"), as modified by an Amended and Restated Tenant Improvement Agreement ("Agreement"). Since the execution of the Lease and the Agreement, construction of the Tenant Improvements has commenced and the normal and customary issues have been raised in connection with the meaning of certain provisions of the Agreement. On October 30, 1992, representatives of the Landlord and Tenant met and resolved all known issues that were open as of October 30, 1992. To memorialize the understanding reached on October 30, 1992, the Landlord and the Tenant hereby agree as follows:

1. Except as modified or clarified by this Memorandum, the Lease and the Agreement remain in full force and effect.

2. Unless terms are otherwise defined herein to the contrary, all terms shall have the same meaning as the defined terms set forth in the Lease and the Agreement.

3. To the extent that reinforcement of the ceilings of floors 2, 4, 6 and 11 are made, the entire cost of such reinforcement shall be paid for by the Tenant and deducted from the portion of the Tenant Improvement Allowance covered by Section 10.1(i) of the Agreement ("T. I. Allowance").

4. Certain services were performed by Karsten/Hutman Margolf ("KHM") and/or by the Donovan Irving Group ("Donovan Irving") in connection with the Asbestos Work. Pursuant to Section 10.1(ii) of the Agreement, an allowance was to be provided by the Landlord for the performance of the Asbestos Work equal to the lower of the actual cost of performing the Asbestos Work on all Parcels other than the Ground Floor Parcel and the amount of Ten Dollars (\$10.00) per square foot of Modified Rentable Area for all Parcels which consist of full floors which Tenant leases in their entirety and Ten Dollars (\$10.00) per square foot of Usable Area on all Parcels, which do not consist of full floors (but the Ground Floor Asbestos Work was to be performed pursuant to Section 11 of the Agreement), which shall be applied by Landlord toward the Asbestos Work ("Asbestos Work Allowance"). Landlord has agreed to pay Twenty-Four Thousand Dollars (\$24,000.00) to KHM in connection with the services performed by KHM and/or Donovan Irving in connection with the Asbestos Work and deduct such amount from the Asbestos Work Allowance. Any other fees and costs owed to Donovan Irving and/or to KHM shall not be the responsibility of the Landlord

and shall not be paid by Landlord. Tenant has informed Landlord that the remaining fees and costs owing to KHM and/or Donovan Irving will either be written off or waived by KHM and Donovan Irving pursuant to a separate agreement between KHM, Donovan Irving and the Tenant, but regardless of such separate agreement, Tenant agrees that Landlord's liability in connection with fees and costs owed to KHM and Donovan Irving in connection with the performance of Asbestos Work is limited to Twenty-Four Thousand Dollars (~~\$24.00~~\$24,000).

5. Landlord shall clean and rehang all existing draperies (or replace, when necessary) in connection with the construction and installation of the Initial Tenant Improvements without the cost of same being paid by the Tenant or deducted from the T. I. Allowance.

6. Certain minimal overtime costs were incurred by the Landlord in connection with the completion of the construction of the Tenant Improvements in the first (1st) and third (3rd) floors. The Landlord has agreed to absorb the incremental extra costs of the overtime hours so that all such work performed in connection with the construction of the Tenant Improvements on such floors would be deducted from the T. I. Allowance on a straight-time basis, with the incremental extra cost of overtime being absorbed and paid by the Landlord without deduction from the T. I. Allowance.

7. To the extent that the Landlord receives a rebate from San Diego Gas and Electric because of the installation of energy efficient light fixtures in the Premises, the amount of such rebate shall be added to the T. I. Allowance so that the T. I. Allowance will be increased by the amount of any such rebate received by the Landlord.

8. In connection with the construction of the Tenant Improvements, fire separation walls and doors are required in elevator lobbies throughout the Premises. In connection with the installation of fire separation walls and doors in elevator lobbies in the Premises, Landlord shall pay for the first Thirty Thousand Dollars (\$30,000.00) of such cost without deduction from the T. I. Allowance and the Tenant shall have the responsibility for the payment of all costs in excess of Thirty Thousand Dollars (\$30,000.00). The Thirty Thousand Dollar (\$30,000.00) limitation pertains to the entire Premises, rather than any particular floor.

9. In connection with the construction of the Tenant Improvements, certain work needs to be performed ~~in connection with the~~ the elevator lobbies, including demolition of the existing improvements and the installation of HVAC, and new ceiling/ and new light replacement fixtures in such elevator lobbies. In connection with this work, Tenant shall ~~pay~~have the responsibility for the payment, and Landlord shall deduct from the T. I. Allowance, the cost of purchasing and installing two

(2) additional light fixtures in each elevator lobby to the extent that additional light fixtures are required in excess of the light fixtures which existed before the demolition. All asbestos abatement work in such areas shall be performed by the Landlord and deducted from the Asbestos Work Allowance. The remaining costs of demolition and construction, to the extent not consisting of Asbestos Work, shall be paid for by the Landlord without deduction from the T. I. Allowance.

10. During the construction of the Tenant Improvements, certain construction work was required to be performed outside of the Premises in order to reinforce floors, etc. In this connection, certain costs were incurred in relocating existing tenants. The amount of all such costs shall be charged to the Tenant and deducted from the T. I. Allowance.

11. In connection with the construction of the Tenant Improvements, certain HVAC ducts were relocated in order to install structural steel reinforcement. The cost of such relocation of the HVAC ducts shall be absorbed by the Tenant and deducted from the T. I. Allowance.

Except as set forth above, the Lease and the Agreement shall remain in full force and effect and unmodified. This Memorandum of Understanding shall constitute an amendment to the Agreement.

LANDLORD:

TENANT:

PACIFIC SOUTHWEST REALTY COMPANY,
a Delaware corporation

THE CITY OF SAN DIEGO,
a Municipal corporation

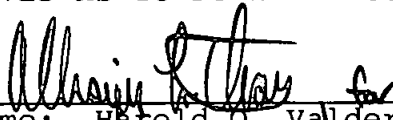
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

By:  _____
Name: Harold O. Valderhaug
Title: Deputy City Attorney

Building: Security Pacific Plaza
Address: 1200 Third Avenue, San Diego, California 92101
Landlord: Pacific Southwest Realty Company, a Delaware Corporation
Tenant: City of San Diego, a Municipal Corporation
Lease Reference Date: October 21, 1991
Lease Term: Ten (10) years
Proposed Lease Commencement Date: 7-1-92 (estimated) **Actual:** 3-15-93
Space:

<u>Floors</u>	<u>Rentable Square Feet</u>
Ground	4,000 - 4506 + 506
2nd	12,588 - 14202 + 1614
3rd	14,777 ✓
5th	14,777 ✓
6th	14,777 ✓
7th	14,777 ✓
9th	14,777 ✓
10th	14,777 ✓
11th	14,777 ✓
12th	14,777 ✓
13th	12,270 3479 - 8791
16th	4,600 8728 + 4128
17th	14,777 ✓
	<u>166,451</u>
	1348 + 1348

Total Rentable Area: 166,451 square feet

Base Rent:

<u>Year</u>	<u>Per s.f./Month</u>	<u>Per s.f./Year</u>	<u>Total Monthly Rent</u>	<u>Total Annual Rent</u>
1	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
2	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
3	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
4	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
5	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
6	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
7	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
8	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
9	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
10	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20

Effective Rental Rate: \$1.35/s.f./month \$16.20/s.f./year

Tenant Improvement Allowance (TIA): \$25/Modified Rentable Square Foot (RSF). TIA also applies to currently occupied space.

Space Planning Allowance: \$.55/Usable Square Foot (USF) over and above TIA.

Relocation/Moving Allowance: \$3.00/RSF. \$2.00/RSF for departments relocating within building. If a department temporarily relocates to

ORIGINAL

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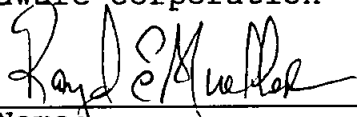
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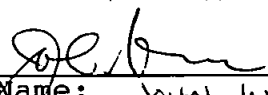
Except as set forth above, the Lease and the Agreement shall remain in full force and effect and unmodified. This Memorandum of Understanding shall constitute an amendment to the Agreement.

LANDLORD:

PACIFIC SOUTHWEST REALTY COMPANY,
a Delaware corporation

By: 

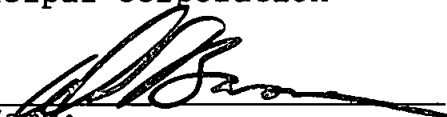
Name: RAYMOND E. MUELLER
Title: Vice President

By: 

Name: JOHN W. DAVIS
Title: SENIOR VICE PRESIDENT

TENANT:

THE CITY OF SAN DIEGO,
a Municipal corporation

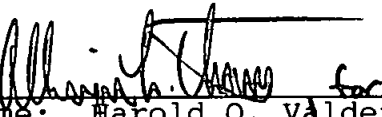
By: 

Name: DON BARONE
Title: Don Barone, Management
Assistant to the City Manager

By: _____

Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

By: 

Name: HAROLD O. VALDERHAUG
Title: Deputy City Attorney

From: Diana Lozano-Monaco
To: "josleonard@dtus.com"@LANLAB.SMTP Gateway
Subject: Re: Re[4]: Lease Consulting Contract

Josh, Please go ahead and contact the landlord asking for any information you need. You may want to contact the on-site building manager, Suzi Green at (619) 232-8919 for the information. In the meantime, you asked me to send you information on the CAM reconciliations and a copy of the lease documents. I will do that. Thanks.

>>> "Josh Leonard" <josleonard@dtus.com> 06/14 1:01 PM >>>

Diana,

We have cleared the conflict check for the landlord. The two signed contracts are in the mail today to you. When ready, let me know when you want to contact the landlord. We will prepare a list of items that we want him to assemble before we arrive. We may be able to get this scheduled in the next week or two (possibly).

Thanks

Josh
213-553-1717

Reply Separator

Subject: Re: Re[2]: Lease Consulting Contract
Author: NPB@sdcity.sannet.gov at Internet-USA
Date: 6/12/2000 3:32 PM

CC: "jdowds@dtus.com"@LANLAB.SMTP Gateway, "matorres..."

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes March 16, 2000, is entered into by and between Civic Center Associates, a California limited liability company, as successor to Pacific Southwest Realty Company, a Delaware corporation ("Landlord"), and The City of San Diego, a California municipal corporation ("Tenant"), as an amendment to that certain Lease, dated October 21, 1991, as amended by that certain Amendment to Lease, dated February 1, 1997, that certain Second Amendment to Lease dated December 31, 1997, that certain Third Amendment to Lease dated July 1, 1999, that certain Fourth Amendment To Lease dated October 18, 1999, and that certain Fifth Amendment to Lease dated November 8, 1999, between Landlord and Tenant (the "Lease"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease.

Landlord and Tenant hereby amend the Lease as follows:

1. Expansion Premises. The premises described in the Lease shall be expanded to include the following described areas on the 1st floor of the building ("Expansion Premises"):

<u>Suite:</u>	<u>Rentable Area:</u>	<u>Useable Area:</u>
100	11,239	10,948

The Expansion Premises are particularly shown on Exhibit "A" attached hereto and incorporated herein by this reference. As used in the Lease, the term "Premises" shall include the Expansion Premises, effective on the Commencement Date (defined below). The Premises, as so expanded, shall be comprised of approximately 210,808 square feet of Rentable Area.

2. Commencement Date. Tenant's rights and obligations with respect to the Expansion Premises under the Lease, as amended herein, shall commence upon the "Commencement Date" (as defined in the Tenant Improvement Agreement). Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the Expansion Premises.

3. Base Monthly Rent. The Base Monthly Rent for the Expansion Premises shall commence on the Commencement Date and will be as follows:

<u>Period</u>	<u>Monthly Rent</u>
From the Commencement Date until 3/31/03	\$15,172.65 (\$1.35 per RSF)

4/1/03 - 3/31/08

\$15,734.60 (\$1.40 per RSF)

4/1/08 - 7/23/14

\$16,296.55 (\$1.45 per RSF)

If the Commencement Date begins on a day other than the first day of a month, the rent for the partial month shall be prorated on a per diem basis.

4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 74.76% to 78.97% on the Commencement Date.

5. Base Year for Expansion Premises. The Base Year for the Expansion Premises is calendar year 1992. Per Paragraph 5 of the Second Amendment to Lease, the Base Year shall be adjusted to a new Base Year of 2003 effective April 1, 2003.

6. No Relocation Allowance. Because the Expansion Premises are not being leased hereunder during the first three (3) years of the Term of the Lease, Tenant shall not receive a Relocation Allowance for the Expansion Premises.

7. Tenant Improvements. The installation and payment for improvements and alterations to the Expansion Premises shall be as set forth in the Tenant Improvement Agreement attached hereto as "Exhibit "B"" and incorporated herein by this reference. Other than as set forth in the Tenant Improvement Agreement, Landlord shall not be obligated to make any further modifications, changes or additional improvements to the Expansion Premises or expend any additional sums therefor.

8. Space Planning Allowance. Landlord shall pay to Tenant the Space Planning Allowance provided for under the Lease for the Expansion Premises.

9. Brokers. The parties acknowledge that The Irving Hughes Group, Inc. ("IHG"), broker for Tenant, and CB Richard Ellis, Inc. ("CB"), broker for Landlord ("Brokers"), shall be paid commissions by Landlord with respect to the Expansion Premises. The commission to IHG for the Expansion Premises shall be in the amount of 3.25% of the Base Monthly Rent for the first sixty (60) months of the term plus 1.5% of Basic Monthly Rent for the remainder of the term. Each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment except to the Brokers. Each party further agrees to indemnify and hold the other party harmless, from any cost, liability and expense (including attorneys' fees and the allocated costs of Landlord's in-house attorneys) which the other party may incur as the result of any breach of this Paragraph 9.

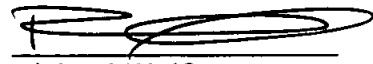
10. Ratification. Landlord and Tenant hereby confirm that the Lease, as modified herein, remains in full force and effect, and each party is bound by all of the provisions set forth therein.

IN WITNESS THEREOF, Landlord and Tenant have executed this Sixth Amendment as of the day and year first above-written.

LANDLORD:

Civic Center Associates, LLC,
a California limited liability company
By: Rock Asset Management, Inc.,
a California corporation,
Its manager

By: 
Name: Richard Wolfen
Title: President

By: 
Name: Richard Wolfen
Title: Secretary

TENANT:

The City of San Diego,
a California municipal corporation

By: _____
Name: Jane E. Vickers
Title: Deputy Director
Real Estate Assets Department

[signature block continues on next page]

APPROVED AS TO FORM AND LEGALITY this
____ day of _____, 2000

Casey Gwinn, City Attorney

By: _____
Prescilla Dugard
Deputy City Attorney

TENANT IMPROVEMENT AGREEMENT

This Tenant Improvement Agreement ("Agreement") dated March 16, 2000, is entered into by and between Civic Center Associates, a California limited liability company ("Landlord"), and the City of San Diego, a California municipal corporation ("Tenant"). Landlord and Tenant are executing with this Agreement a Sixth Amendment to the Lease ("Amendment") covering the Expansion Premises, more particularly described in the Amendment, in the Building more particularly described in the Lease. Landlord and Tenant hereby agree that Landlord shall improve and prepare the Expansion Premises on Tenant's behalf and for Tenant's occupancy, on the terms and conditions set forth in this Agreement and outlined in the Final Plans (defined in Section 2.6 below). To induce Landlord and Tenant to enter into the Amendment and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant mutually agree as follows:

1. Representatives, Definitions and Commencement Date.

1.1 Representatives and Definitions. Landlord appoints Landlord's Representative to act for Landlord and Tenant appoints Tenant's Representative to act for Tenant in all matters covered by this Agreement. All inquiries, requests, instructions, authorizations and other communications with respect to the matters covered by this Agreement will be made to Landlord's Representative or Tenant's Representative, as the case may be. Either party may change its Representative under this Agreement at any time with three (3) business days prior written notice to the other party.

Tenant Improvements: All improvements as shown on the approval final Plans.

Tenant's Representative: Diana Lozano-Monaco, Real Estate Assets Department.

Landlord's Representative: Suzanne Green. CB Richard Ellis.

Landlord's Space Planner ("Space Planner"):

Landlord's Contractor ("Contractor"): To be selected as provided below.

1.2 Commencement Date. The "Commencement Date" shall be the earlier of: (i) the date Tenant commences business operations from the Expansion Premises, (ii) the date Landlord delivers to Tenant a factually correct written notice stating (a) that the Expansion Premises are "Substantially Complete" as defined in Section 6 below, or (b) the date the Expansion Premises would have been Substantially Complete were it not for any Tenant Delay (as defined in section 16 below,) or any Force Majeure Delay (as defined in Section 17 below), or (iii) July 1, 2000. Notwithstanding the foregoing, if the San Diego City Council has not approved the Sixth Amendment by April 11, 2000, then Landlord shall have the right, but not the obligation and in Landlord's sole discretion, to terminate the Sixth Amendment upon seven (7) days written notice to Tenant.

2. Plans and Specifications.

2.1 Preparation and Approval of Space Plan. The Space Planner shall prepare and submit to Landlord and Tenant for approval a space plan showing architectural, special mechanical, plumbing and electrical requirements, all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, partitions layouts, reflected ceiling plans, location of electrical outlets, and locations of switches and telephone outlets and specifications ("Space Plan") and shall submit the Space Plan to Landlord and Tenant for approval. Landlord and Tenant will approve the Space Plan no later than April 11, 2000. Space Planner shall contract directly with Landlord.

2.2 Preliminary Cost Estimate. After approval of the Space Plan, Landlord or Contractor shall promptly prepare a preliminary estimate of the cost of the Tenant Improvements ("Preliminary Cost Estimate") described in the Space Plan. If the Preliminary Cost Estimate is acceptable to Tenant, Tenant shall authorize Space Planner to prepare the Work Drawings. If the Preliminary Cost Estimate is unacceptable to Tenant, Tenant shall meet within five (5) business days with the Space Planner to revise the Space Plan to assure that the Preliminary Cost Estimate is either (a) no more than the Tenant Improvement Allowance or (b) in excess of the Tenant Improvement Allowance by an amount which Tenant agrees to pay.

2.3 Preparation and Approval of Working Drawings. After approval of the Preliminary Cost Estimate, the Space Planner shall prepare drawings ("Working Drawings") which shall be compatible with the design, construction and equipment of the Building, comply with all laws, be capable of logical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined in Section 2.4 below), and contain all partitions locations, plumbing locations, special air conditioning requirements, reflected ceiling plans, office equipment locations, special security systems and specifications. Such Working Drawings must incorporate items as may be specified by Landlord as required for use in the Building.

Tenant shall approve the Working Drawings within five (5) business days after receipt of same or designate by notice given within such time period to Landlord the specific changes required to be made to the Working Drawings, which Landlord shall make and return the Working Drawings to Tenant, which Tenant shall approve or disapprove within three (3) business days after Tenant receives Working Drawings. This procedure shall be repeated until all of the Working Drawings are finally approved by Tenant and written approval has been delivered to and received by Landlord.

Tenant shall approve the Engineering Drawings, or such portion as has from time to time been submitted, within three (3) business days after receipt of same or designated by notice given within such time period to Landlord the specific changes required to be made to the Engineering Drawings, which Landlord shall make and shall

return the Engineering Drawings to Tenant, which Tenant shall approve or disapprove within three (3) business days after Tenant receives the revised Engineering Drawing. This procedure shall be repeated until all of the Engineering Drawings are finally approved by Tenant and written approval has been delivered to and received by Landlord.

2.4 Preparation and Approval of Engineering Drawings. After the Working Drawings are approved by Landlord, Landlord shall submit to the Space Planner engineering drawings prepared by an engineer approved by Landlord, showing complete mechanical, electrical, plumbing, HVAC, telecommunication and computer cabling plans ("Engineering Drawings"). The Engineering Drawings may be submitted in one or more stages at one or more times.

Tenant shall approve the Engineering Drawings, or such portion as has from time to time been submitted, within five (5) business days after receipt of same or designated by notice given within such time period to Landlord the specific changes required to be made to the Engineering Drawings, which Landlord shall make and shall return the Engineering Drawings to Tenant, which Tenant shall approve or disapprove within three (3) business days after Tenant receives the revised Engineering Drawings. This procedure shall be repeated until all of the Engineering Drawings are finally approved by Tenant and written approval has been delivered and received by Landlord.

2.5 Integration of Working Drawings and Engineering Drawings into Final Plans. After approval of the Engineering Drawings with the approved Engineering Drawings (collectively, "Final Plans").

3. Selection of Contractor; Final Pricing.

Landlord and Tenant shall select the Contractor to construct the Tenant Improvements based on proposed contract price, project team and schedule. Tenant shall have the right to approve the Contractor so selected and the final cost proposal ("Final Pricing") for construction of the Tenant Improvements in accordance with the Working Drawings, which approval shall not be unreasonably withheld or delayed. If the Final Pricing is more than the Preliminary Cost Estimate Landlord shall so notify Tenant in writing and Tenant shall within five (5) business days following receipt of such notice either (i) approve in writing to pay the amount by which the Final Pricing exceeds the Preliminary Cost Estimate (excluding that portion designated as Landlord's costs under Section 11 of this Agreement), and if it exceeds the Tenant Improvement Allowance, pay such excess amount upon completion of the project, (ii) cause the Space Planner to revise the Final Plans so that the Final Plans can be modified to assure that the Final Pricing is no more than the Tenant Improvement Allowance or (iii) cause Space Planner to revise the Final Plans so that the Final Plans can be modified to assure the Final Pricing is acceptable to Tenant. The Contractor shall be duly licensed in the State of California and shall be experienced in the construction of Tenant Improvements in similar high-rise office buildings in the San Diego area. The Contractor shall be

required to have a minimum bonding capacity acceptable to Landlord and Tenant. The Contractor so selected shall contract directly with Landlord.

4. Payment for Tenant Extra Work.

"Tenant Extra Work" means the amount by which the Tenant Improvement Cost exceeds the Tenant Improvement Allowance. Tenant shall pay to Landlord upon completion of the project, within thirty (30) business days of Landlord's written request therefor, the total amount payable by Tenant for Tenant Extra Work.

5. Change Orders.

Tenant may authorize changes in the work during construction, only by written instructions from Tenant's Representative to Landlord's Representative on a form approved by Landlord. All such changes shall be subject to Landlord's prior written approval. Prior to commencing any change, Landlord shall prepare and deliver to Tenant, for Tenant's approval, a change order (the "Change Order") setting forth the additional time required to perform the change and the total cost of such change, which may include associated architectural, engineering and construction contractor's fees. If Tenant fails to approve such Change Order within three (3) business days after delivery by Landlord, Tenant shall be deemed to have withdrawn the proposed Change Order and Landlord shall not proceed to perform the change. Upon Landlord's receipt of Tenant's approval, Contractor shall proceed to perform the change and Tenant shall pay for such Change Order out of its Tenant Improvement Allowance or as Tenant Extra Work, as the case may be. Any delay in the construction of Tenant Improvements resulting from the submission of any Change Order caused by the Tenant shall be deemed a Tenant Delay.

6. Substantial Completion.

As used in the Lease and this Agreement, the term "Substantial Completion of the Tenant Improvements" and the term "Substantially Complete" shall mean that (i) Landlord has procured an Authorization to Occupy/Certificate of Occupancy (or an equivalent from the City for such work) and (ii) such work has been performed substantially in accordance with this agreement except for finishing details of construction, decoration, mechanical, and other adjustments and other items of the type commonly found on an architectural "punch list", none of which materially interferes with Tenant's use or occupancy of the Expansion Premises for normal business operations.

7. Construction of the Expansion Premises.

Contractor shall construct the Tenant Improvements within the Expansion Premises under contract with the Landlord. Following approval of the Final Plans and Final Pricing by Tenant, Contractor will cause application to be made to the appropriate governmental authorities for necessary approval and permits. Upon receipt of the necessary approvals and permits and subject to receipt of the payment required under Section 4 of this Agreement, Contractor shall begin construction.

8. Tenant's Punch List.

8.1 Once the Tenant Improvements are substantially completed and prior to Landlord's delivery of the Expansion Premises to Tenant, Landlord shall give Tenant ten (10) days prior notification of a meeting for Tenant to inspect the Tenant Improvements. Tenant's Representative shall completely examine the Expansion Premises and prepare with Landlord's Representative and Contractor a list of all visible items to be completed by Contractor to finish the Tenant Improvements. The list shall be signed by Landlord, Tenant and Contractor and all items shall be completed as soon as possible, not to exceed thirty (30) days. Once Tenant has accepted delivery of the Expansion Premises, a second notice shall be provided with respect to Punch List items in accordance with Section 4.2 of the Lease.

8.2 Any items damaged by Tenant or Tenant's agents during the Tenant's move in or occupancy shall be repaired or replaced by Contractor at Tenant's sole cost and expense for touch-up painting which shall be completed at Landlord's expense.

9. Tenant Improvement Allowance.

9.1 Tenant Improvement Allowance. Landlord agrees to provide Tenant with an allowance ("Tenant Improvement Allowance") up to the amount of \$273,700.00 (\$25.00 per square foot of Usable Area) which shall be applied to, but not limited to, all "hard" and "soft" construction costs, including Tenant's data lines and telecommunications cabling, construction management services and furniture. Landlord shall be responsible for the cost of all electrical, mechanical and structural engineering and any and all costs of city permits, licenses and fees required in connection with the construction of the Tenant Improvements, but such costs shall be deducted from the Tenant Improvement Allowance. Tenant shall not be charged for the use of electricity, water, elevator or hoist during construction of any Tenant Improvements.

9.2 Space Planning Expenses. The Space Planner will provide space planning and construction document services in connection with the design and construction of the Tenant Improvements. Landlord shall pay the Space Planner up to \$0.55 per square foot of Usable Area (\$6,021.40) for the cost of space planning and such cost shall not be charged against the Tenant Improvement Allowance. To the extent that Space Planner's fees and/or costs exceed \$0.55 per square foot of Usable Area, such excess costs shall be deducted from the Tenant Improvement Allowance.

9.3 Excess. In the event the total combined cost to (i) complete the Tenant Improvements, and (ii) all other costs which Landlord is permitted to deduct from the Tenant Improvement Allowance or which Tenant is otherwise responsible for pursuant to this Agreement which Landlord has paid are less than the Tenant Improvement Allowance, Landlord shall provide Tenant with written notice of the same no later than thirty (30) days following Landlord's Substantial Completion of such Tenant

Improvements. Landlord shall pay the unused portion of the Tenant Improvement Allowance, in the form of a check, within thirty (30) days of occupancy.

10. Building Standard.

Tenant shall utilize Landlord's contractor and Landlord's designated specifications. Tenant shall otherwise have the right to select all items (including finish materials and colors) of Tenant Improvements within the Expansion Premises, subject to Landlord's approval.

11. Shell Construction.

11.1 Landlord shall, at its expense, separate and apart from the Tenant Improvement Allowance, provide as part of the initial construction of the Expansion Premises the following items: (i) finished concrete floor (except where deleted to accommodate Tenant's future plumbing requirements) on a single plane without depression or raised areas, except for tolerances within construction industry standards; (ii) outside walls, structural columns, demising walls with exposed studs to accommodate Tenant's future electrical requirements; (iii) 111/208 3 phase power supplied to a central location within the Building, together with electrical sub-panels as needed in the Expansion Premises; (iv) sprinkler system for the Building which shall be deemed to include Tenant's Interior sprinkler system along with the lowering of sprinkler heads to ceiling height and located in accordance with Tenant's Space Plans; and (v) HVAC main loop during ducting which shall not be deemed to include Tenant's ultimate ducting distribution.

12. Tenant's Right to Construct Tenant Improvements.

In the event Landlord fails to commence the construction of the Tenant Improvements within fifteen (15) days following approval of the Final Plans and the obtaining of all required permits to construct the Tenant Improvements and complete the construction of the Tenant Improvements as contemplated by this Agreement within ninety (90) days following approval of the Final Plans and the obtaining of all required permits to construct the Tenant Improvements and that failure continues for more than thirty (30) days after written notice from Tenant of such failure, which thirty (30) days period shall be extended by one (1) day for each day that Landlord is prevented from commencing or completing the Tenant Improvements by reason of Force Majeure and/or Tenant delays, Tenant may commence or complete all or any portion of the Tenant Improvements in a commercially reasonable manner in accordance with this Agreement and subject to the provisions of Article 7 of the Lease or terminate the Lease for nonconformance as to only the Expansion Premises. Landlord shall reimburse Tenant within thirty (30) days after written demand for all actual and documented costs incurred by Tenant in performing the construction work following Landlord's default, except for the amounts that Tenant was otherwise required to pay or be responsible for under this Agreement. In the event any amounts so demanded by Tenant are not paid when due, Tenant may offset the costs of construction, together with interest on the

outstanding amounts at the Interest Rate, against Base Monthly Rent as it becomes due under this Lease until Tenant has been reimbursed in full

13. Intentionally Omitted.

14. Miscellaneous.

In the event of any conflict between the terms of this Agreement and the Lease, the terms of this Agreement shall control. Notices shall be given in accordance with the Lease. The Default and Remedies Section 13.2 shall be specifically applicable to this Agreement, and Tenant shall not be in default under this Agreement, and Tenant shall not be in default under this Agreement until Tenant has received the notices required by Section 13.2 and has failed to cure within the applicable cure period.

15. Landlord's Review Responsibilities.

Tenant agrees and understands that the review of all plans pursuant to this Agreement by Landlord is solely to protect the interests of Landlord in the Building and the Expansion Premises, and, with the exception of the Base Building Plans and the Engineering Drawings, Landlord and only Landlord (and not its agents, contractors or vendors) shall not be the guarantor of, nor responsible for, the correctness or accuracy of any plans or compliance of such plans with applicable laws. Tenant shall not be responsible for the correctness or accuracy of any plans or compliance of such plans under applicable laws.

16. Tenant Delay.

The term "Tenant Delay" as used in the Lease, this Agreement, or the Addendum shall mean any delay that Landlord may encounter in the performance of Landlord's obligations under the Lease or this Agreement because of any act or omission of any nature by Tenant or its agents or vendors, including any: (1) delay attributable to change in or additions to the Final Plans or to the Tenant Improvements requested by Tenant; (2) delay attributable to the postponement of any Tenant Improvements at the request of Tenant; (3) delay by Tenant in the giving of authorizations or approvals within the time limits set forth in this Agreement; and (4) delay attributable to the failure of Tenant to pay, when due, any amounts to be paid by Tenant pursuant to this Agreement. Tenant shall pay all actual and document costs and expenses incurred by Landlord which results from any Tenant Delay, including, without limitation, any and all documented actual costs and expenses attributable to increases in the cost of labor or material.

No Tenant Delay shall be deemed to have occurred unless and until Landlord has given written notice to Tenant specifying the action or inaction which Landlord contends constitutes a Tenant Delay. If such action or inaction is not cured within two (2) business days after Tenant's receipt of such notice, then a Tenant Delay as set forth in such notice, shall be deemed to have occurred commencing as of the date Tenant received such notice and continuing for the number of days the Substantial Completion

of the Expansion Premises was in fact delayed as a direct result of such action or inaction. Copies of all notices shall be sent to Diana Monaco, 1200 Third Avenue, Suite 1700, San Diego, California 92101.

17. Force Majeure Delay.

The term "Force Majeure Delay" used in this Agreement shall mean any delay in the completion of the Tenant Improvements which is attributable to any: (1) actual, industry wide delay of failure to perform by Landlord affecting all similar works of construction in the San Diego, California, area or in the Building, attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, act of the public enemy, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or Landlord and/or Tenant to secure building permits and approvals (including any failure to obtain a temporary certificate of occupancy) within a reasonable time period; (2) delay in completing the Final Plans or the construction of the Tenant Improvements, and/or Tenant's move into the Expansion Premises because of changes in any applicable laws, Base Building Plans, or the interpretation thereof; or (3) delay attributable to lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry-wide or Building-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of either party to pay, money, including rental and other charges, pursuant to the Lease).

No Force Majeure Delay shall be deemed to have occurred unless and until the party claiming such Force Majeure Delay has provided written notice to the other party specifying the action or inaction that such notifying party contends constitutes a Force Majeure Delay. If such action or inaction is not cured within two (2) business days after receipt of such notice, then a Force Majeure Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice was received and continuing for the number of days the Substantial Completion of the Expansion Premises was in fact delayed as a direct result of such action or inaction.

[signatures on following page]

LANDLORD:

Civic Center Associates, LLC

A California limited liability company

By: Rock Asset Management, Inc.

A California corporation,

Its manager

By: 

Name: Richard Wolfen

Title: President

By: 

Name: Richard Wolfen

Title: Secretary

TENANT:

The City of San Diego,

A California municipal corporation

By: _____

Name: Jane E. Vickers

Title: Deputy Director

Real Estate Assets Department

APPROVED AS TO FORM AND LEGALITY,

This _____ day of _____, 2000.

Casey Gwinn, City Attorney

By: _____

Prescilla Dugard

Deputy City Attorney



Bank of America

Corporate Real Estate

ENTERED

JUL 15 1994

OFFICE OF REAL ESTATE PROJECT

June 21, 1994

Mr. David Seyfarth
Management Assistant to the City Manager
The City of San Diego
1010 Second Avenue, Suite 1600
San Diego, California 92101

Re: Settlement and Amendment to Office Lease Between
Pacific Southwest Realty Company ("Landlord") and
the City of San Diego ("City")

Dear Mr. Seyfarth:

As you are aware, over the past several months we have been attempting to negotiate a settlement of the existing dispute regarding the City's obligation to pay Base Monthly Rent, certain additional rent for parking spaces and related "late fees", all as more particularly described in our letter to the City of February 16, 1994. I would like to thank you for your continuing efforts to resolve this dispute in a friendly, mutually-beneficial manner. I am pleased that we have now agreed upon such a resolution, as evidenced by our memorandum of settlement dated June 9, 1994. The purpose of this letter is to modify the Lease in accordance with our memorandum of settlement so as to fully and finally settle the dispute.

First, with respect to the Base Monthly Rent due under the Lease, we have agreed that this rental is still \$1.35 per square foot of Rentable Area. As you know, since January of this year, the City has only paid \$1.33 per square foot, which resulted in a monthly underpayment of \$3,337.06 (\$0.02 x 166,853). As a result, we have agreed that the City will reimburse the following amount to Landlord for such underpayment:

January 1994	\$3,337.06
February 1994	\$3,337.06
March 1994	\$3,337.06
April 1994	\$3,337.06
May 1994	\$3,337.06
June 1994	<u>\$3,337.06</u>

Total	\$20,022.36
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Beginning with the July rental payment (and continuing each month thereafter unless adjusted in accordance with the existing Lease provisions), the City's Base Monthly Rent payment shall be \$225,251.55 ($\$1.35 \times 166,853$).

Second, with respect to the additional rental due under the Lease for parking, we have agreed that, despite the express provisions of Article 4, Section 11 of the Lease Addendum, the City shall only be deemed to have leased thirty three (33) parking spaces (relating to the first 33,000 square feet of space leased by the City) and that these 33 spaces will be deemed to have been leased to the City on a discounted basis commencing on February 1, 1993 and ending June 30, 1994. Although the current parking rates in the building are \$105 per month, the City shall only be charged a discounted rate of \$84 per space (20% discount). As you know, the City has never paid any additional parking rental to the Landlord, which, based upon the compromise described above has resulted in a monthly underpayment since February 1, 1993 of \$2,772 ($\84×33). As a result, we have agreed that the City will reimburse Landlord a total of \$47,124 ($\$2,772 \times 17$ months) for such underpayment.

Third, we have agreed that, except as set forth above, the City shall have no further obligation under the Lease to rent parking spaces from Landlord. Similarly, we have agreed that the Landlord has no further obligation under the Lease to set aside or provide any additional parking spaces to the City. As a result, the provisions of Article 4, Section 11 of the Lease Addendum are hereby deleted in their entirety.

Fourth, we have agreed that throughout the term of the Lease, City may rent additional parking spaces within the Civic Center Plaza on a month-to-month basis, provided that additional parking spaces are then available and being offered to the public for monthly rental, based upon the following discounted charges:

<u>No. of Additional Spaces</u>	<u>Parking Charges</u>
1 - 24 Parking Spaces	then current market rate <u>less</u> 10% discount
Each additional space	then current market rate <u>less</u> 20%

Fifth, we have agreed that the City will not have to pay any of the late charges previously demanded by Landlord as a result of the City's failure to timely pay all of the Monthly Base Rent and additional parking rental referred to above.

As conditions precedent to the effectiveness of this agreement, each of the following conditions must be fully satisfied on or before July 1, 1994:

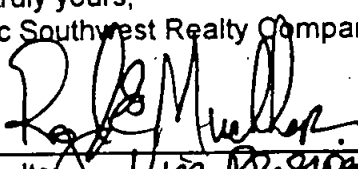
- (a) Landlord shall have received from City a copy of this letter fully executed by the City in the space provided below;
- (b) Landlord shall have received from City funds in the amount of \$67,146.36 (representing \$20,022.36 for the unpaid Base Monthly Rent and \$47,124 for the unpaid additional parking rentals); and
- (c) Bank of America and the Trust that owns the building shall have approved of the settlement set forth in this letter agreement and amendment.

Except as specifically hereby amended, the Lease shall remain unaffected by this letter agreement and amendment and shall remain in full force and effect. Landlord and Tenant each hereby reaffirm their respective obligations under the Lease, as such Lease is amended hereby. This amendment shall form a part of the Lease, and all references in the Lease to the defined term "Lease" shall mean that document as hereby modified. This amendment shall supersede and replace the memorandum of the settlement dated June 9, 1994.

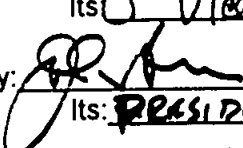
If you are in agreement with the terms and conditions for settlement set forth herein, please so indicate by executing and returning to the Landlord in care of the undersigned the enclosed copy of this letter agreement no later than 5:00 p.m. (PST) on July 1, 1994. In the event such executed copy is not received by such time, or if any of the other conditions set forth above are not timely satisfied, the settlement set forth herein shall automatically be deemed null and void and of no further force or effect.

Please note that this letter constitutes a settlement offer, and if you do not unconditionally accept the settlement offer described above, then this letter shall not be admissible in any judicial, arbitration or other proceeding, and this letter shall not constitute a modification or waiver of any of the rights and obligations of the Landlord under the Lease.

Very truly yours,
Pacific Southwest Realty Company

By: 

Its: Vice President

By: 

Its: PRESIDENT

By signing in the space provided below, the undersigned authorized representatives of the City of San Diego hereby accept and agree to the settlement and lease amendment set forth above:

Dated: June 29, 1994

THE CITY OF SAN DIEGO
a municipal corporation

By: David Seyfarth
Its: Management Assistant to
the City Manager
By: _____
Its: _____

ORDINANCE NUMBER O- 17716 (O-92-58)
(NEW SERIES)

ADOPTED ON NOV 25 1991

AN ORDINANCE AUTHORIZING A TEN-YEAR LEASE
AGREEMENT WITH PACIFIC SOUTHWEST REALTY FOR
OFFICE SPACE IN SECURITY PACIFIC PLAZA AT
1200 THIRD AVENUE

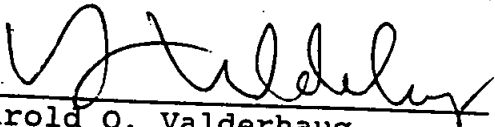
BE IT ORDAINED, by the Council of The City of San Diego, as
follows:

Section 1. That the City Manager is hereby authorized to
execute, for and on behalf of The City of San Diego, a ten (10)-
year lease agreement (with option to terminate after seven years)
with PACIFIC SOUTHWEST REALTY for office space in Security
Pacific Plaza at 1200 Third Avenue, at \$1.35 per rentable square
foot per month, under the terms and conditions set forth in that
lease agreement on file in the office of the City Clerk as
Document No. OO- 17716.

Section 2. This ordinance shall take effect and be in force
on the thirtieth day from and after its passage.

APPROVED: JOHN W. WITT, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

HOV:ps
10/16/91
Or.Dept:Prop.
Job:220983
O-92-58
Form=o+t

Passed and adopted by the Council of The City of San Diego on

NOV 25 1991

by the following vote:

YEAS: Roberts, Hartley, Pratt, Behr, McCarty, Filner.

NAYS: None.

NOT PRESENT: None.

INELIGIBLE: Wolfsheimer, Henderson, Mayor O'Connor.

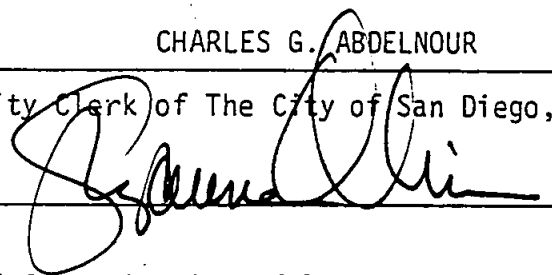
AUTHENTICATED BY:

MAUREEN O'CONNOR

Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

By , Deputy

(Seal)

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. 0-17716 (New Series) of the City of San Diego, California.

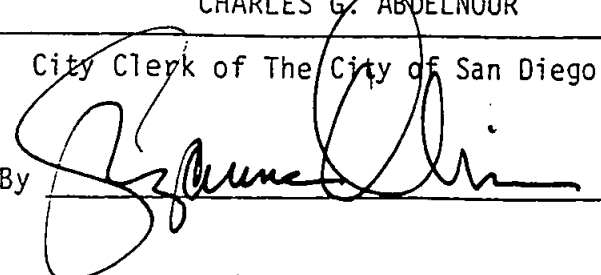
I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on OCT 22 1991, and on NOV 25 1991.

I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

By , Deputy

(Seal)

ORDINANCE NUMBER O- 19665 (NEW SERIES)DATE OF FINAL PASSAGE SEP 27 2007

Diane

B.

SIA

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE A TWELFTH AMENDMENT TO THE LEASE BETWEEN THE CITY AND CIVIC CENTER ASSOCIATES, LLC, TO ADD SPACE LEASED IN THE CIVIC CENTER PLAZA BUILDING LOCATED AT 1200 THIRD AVENUE, SAN DIEGO, CALIFORNIA.

WHEREAS, pursuant to San Diego City Charter section 99, this ordinance requires a two-thirds' majority vote of the members elected to the Council to pass; and

WHEREAS, The City Of San Diego [City], as tenant, and Civic Center Associates, LLC, a California limited liability company [CCA], as landlord, are parties to that certain Lease dated October 21, 1991, as amended eleven times, relating to the City's leasing of office space in the Civic Center Plaza building [CCP Building], located at 1200 Third Avenue, San Diego, California; and

WHEREAS, the City intends to lease the entire 14th floor and Suite 424, comprising approximately 19,890 square feet of additional space in the CCP Building pursuant to a Twelfth Amendment to the Lease [Amendment], to be effective as of August 1, 2007, through the end of the Lease term, which is July 23, 2014; and

WHEREAS, the space on the 14th floor was subleased from San Diego Data Processing Corporation, Inc., a California corporation, through July 31, 2007; and

WHEREAS, the current market rent for properties comparable to the CCP Building has been determined by the City's Real Estate Assets Department to range from \$1.75 per square foot to \$2.55 per square foot; and

WHEREAS, the monthly rental rate under the Amendment will be \$1.40 per square foot until March 31, 2008, then \$1.45 per square foot through the remainder of the Lease term, plus operating expenses projected to be \$.06 per square foot per month in Fiscal Year 2008 [FY08]; and

WHEREAS, all but \$1,887 of the FY08 proposed rental cost of \$350,254.90 under the Amendment is already designated for such purpose in the City's approved budget; NOW, THEREFORE,

BE IT ORDAINED, by the City Council of The City of San Diego, as follows:

Section 1. That the Mayor or his designee is authorized to execute and deliver, for and on behalf of The City of San Diego, a Twelfth Amendment to Lease [Amendment] amending that certain Lease dated October 21, 1991, by and between The City Of San Diego, as tenant, and Civic Center Associates, LLC, a California limited liability company, as landlord, and relating to the addition of approximately 19,890 square feet of office space to the Lease premises located in the Civic Center Plaza building at 1200 Third Avenue, San Diego, California, under the terms and conditions set forth in the Amendment on file in the office of the City Clerk as Document No. OO- 19665.

Section 2. That the Auditor and Comptroller is authorized and directed to expend up to \$350,254.90 in Fiscal Year 2008 as required under the Amendment, and to make such fund transfers and re-allocations as may be necessary and prudent to effect such payment.

Section 3. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been available to the City Council and the public prior to the day of its passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

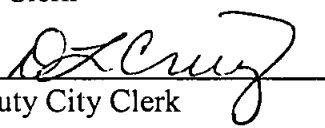
By


Brock Ladewig
Chief Deputy City Attorney

BL:bas
07/09/07
Or.Dept:READ
O-2008-1
MMS # 5049

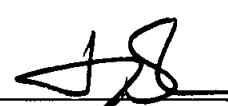
I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of SEP 18 2007.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 9.27.07

(date)


JERRY SANDERS, Mayor

Vetoed: _____

(date)

JERRY SANDERS, Mayor

(O-2000-6)

ORDINANCE NUMBER O- 18679 (NEW SERIES)

ADOPTED ON SEP 14 1999

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD LEASE AMENDMENT TO THE MASTER LEASE WITH PACIFIC SOUTHWEST REALTY COMPANY FOR LEASING ADDITIONAL SQUARE FEET IN THE CIVIC CENTER PLAZA BUILDING.

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That the City Manager is authorized to execute, for and on behalf of The City of San Diego, a third lease amendment to the Master Lease with Pacific Southwest Realty Company, on file in the office of the City Clerk as Document No. OO-17716, to lease approximately 12,242 additional square feet on the 15th floor of the Civic Center Plaza Building, at an initial monthly rent of \$16,526.70, commencing October 1, 1999, and ending July 23, 2014, under the terms and conditions set forth in that Third Amendment to Lease on file in the office of the City Clerk as Document No. OO- 18679.

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$157,240.30 from General Fund 100, Citywide Office Space JO 060143, for rent for FY2000.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force on the 30th day after its adoption by the City Council, and no business tax certificate for commercial activities inconsistent with the provisions of this ordinance shall be issued unless application therefor was made prior to the date of adoption of this ordinance.

APPROVED: CASEY GWINN, City Attorney

By Prescilla Dugard
Prescilla Dugard
Deputy City Attorney

PD:cdk
07/07/99
Aud.Cert.2000083
Or.Dept:REA
O-2000-6

Passed and adopted by the Council of The City of San Diego on
SEP 14 1999 by the following vote:

YEAS: MATHIS, WEAR, KEHOE, STEVENS, WARDEN, VARGAS,
MAYOR GOLDING.

NAYS: STALLINGS, MCCARTY.

NOT PRESENT: NONE.

AUTHENTICATED BY:

SUSAN GOLDING
Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(Seal)

By: _____, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-18679 (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on
AUG 02 1999 and on SEP 14 1999.

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego,
California

(Seal)

By: Mary L. Cepeda, Deputy

Building: Security Pacific Plaza

Address: 1200 Third Avenue, San Diego, California 92101

Landlord: Pacific Southwest Realty Company, a Delaware Corporation

Tenant: City of San Diego, a Municipal Corporation

Lease Reference Date: October 21, 1991

Lease Term: Ten (10) years

Proposed Lease Commencement Date: ~~7-1-92~~ (estimated) **Actual:** 3-15-93 per
LL letter 3-25-93

Space:

<u>Floors</u>	<u>Rentable Square Feet</u>
Ground	4,000
2nd	12,588
3rd	14,777
5th	14,777
6th	14,777
7th	14,777
9th	14,777
10th	14,777
11th	14,777
12th	14,777
13th	12,270
16th	4,600
17th	14,777
	<u>166,451</u>

where
w/ 7 floors
NO
time refinement
live
per seced.
53

Total Rentable Area: 166,451 square feet

Base Rent:

<u>Year</u>	<u>Per s.f./Month</u>	<u>Per s.f./Year</u>	<u>Total Monthly Rent</u>	<u>Total Annual Rent</u>
1	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
2	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
3	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
4	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
5	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
6	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
7	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
8	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
9	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20
10	\$1.35	\$16.20	\$224,708.85	\$2,696,506.20

166,853
see 2 months 1993

Effective Rental Rate: \$1.35/s.f./month \$16.20/s.f./year

Tenant Improvement Allowance (TIA): \$25/Modified Rentable Square Foot (RSF). TIA also applies to currently occupied space.

Space Planning Allowance: \$.55/Usable Square Foot (USF) over and above TIA.

Relocation/Moving Allowance: \$3.00/RSF. \$2.00/RSF for departments relocating within building. If a department temporarily relocates to

accommodate tenant improvement construction and then moves back, Landlord provides \$2.00/RSF for each move.

Refurbishment Allowance: \$5.00/Modified RSF or \$5.00/USF (if Tenant occupies less than a full floor) at commencement of the 6th year. No credit if unused.

Base Year for Direct Operating Expense and Property Tax Pass-Throughs: 1992 Base Year with expenses extrapolated as if the building were at 95% occupancy. Expense pass-throughs subject to a 5% per year lid.

Proposition 13 Tax Protection: Throughout the initial term of the lease.

Tenant's Share of Operating Expenses: 62.35%

Options To Extend: 2 @ 5 years each with notice not less than 6 months prior to expiration.

Rental Rate During Option Periods: 90% of "Fair Market Rent"

Options To Expand: Annual @ 3% $\pm$ 15% of space occupied with 6 months' notice. Landlord to have a 12 month window within which to deliver space. First Right to Lease on any space becoming available. Landlord to give Tenant 6 months' notice if possible.

Expansion Space Rent: \$1.35/s.f./month, plus all direct operating expense and tax pass-throughs.

Expansion Space Improvement Allowance: Proration of original.

Contraction Rights: 10% of space occupied per year (non-cumulative). Termination penalty (described below) applies if space is not occupied for at least 5 years.

Termination Right: At end of 7th year of lease term with 6 months' prior written notice. No sooner than the end of the 36th month of any extension period.

Termination Penalty: None, if space is occupied for at least 5 years. Unamortized TIA and real estate commissions is the penalty if space is occupied for less than 5 years. If space is occupied for at least 2 years after expenditure of a refurbishment allowance, no penalty shall apply. If not, Tenant is to pay unamortized monies.

Purchase Option: Right of First Refusal

Assignment and Subletting: Yes.

Bonus Rent: Any bonus rent from subleasing split 50/50.

Parking: 1/1,000 RSF

Parking Rates: "Prevailing market." If Tenant waives parking, base monthly rent will be reduced by \$.02/RSF for space on which parking has been waived. (See Amendment of 6/21/94)

Security Deposit: N/A

Miscellaneous: Rent for space currently occupied reduces to \$1.35 at the commencement of the month following the month in which the Lease is executed by Tenant. Therefore, the rent for currently occupied space in the Building decreases to \$1.35/s.f./month as of 1-1-92.