

COMMENCEMENT AGREEMENT

This COMMENCEMENT AGREEMENT (the "Commencement Agreement"), made and entered into as of this second day of July 2008, by and between **RUFFIN-SD, LLC**, a California limited liability company, ("Lessor") and **THE CITY OF SAN DIEGO**, with its principal office at 1200 Third Ave, Suite 1700, San Diego, CA ("Lessee");

WITNESSETH:

WHEREAS, Lessee and Lessor entered into that certain Lease Agreement dated August 3, 2007 (the "Lease"), for space designated as Suite 100, comprising approximately 14,358 rentable square feet in the Burns & Wilcox Center located at 9370 Chesapeake Dr, Suite 100, City of San Diego, County of San Diego, State of California, and

WHEREAS, the parties desire to establish the Commencement Date and Expiration Date as set forth below,

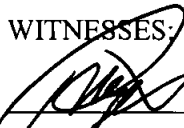
NOW, THEREFOR, in consideration of the mutual and reciprocal promises herein contained, Lessee and Lessor hereby agree that said described Lease is hereby modified in the following particulars:

1. The Lease by and between the Lessor and Lessee actually commenced on June 1, 2008 (the "Commencement Date"). The initial term of the said Lease shall terminate on May 31, 2014. Section 1.3, entitled "Term", and all references to Commencement Date and Termination Date in the lease are hereby amended. Payment for the period May 23, 2008 through May 31, 2008 is a result of tenant delay days.

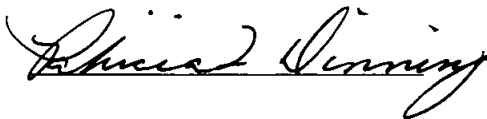
2. Except as modified and amended by this Commencement Agreement, the lease shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have caused this agreement to be duly executed as of the day and year first written.

WITNESSES:



PATRICIA L. DINNING
Print Name

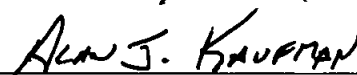


PATRICIA L. DINNING
Print Name

LESSOR:
RUFFIN-SD, LLC
A California limited liability company



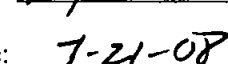
Signature

By: 

Print Name

Title: 

Title: MEMBER

Date: 

Date: 7-21-08

WITNESSES:

X Chris Balle
Diane Barwick
Print Name

Mary L Houghton

MARY L HOUGHTON
Print Name

LESSEE:
THE CITY OF SAN DIEGO

A.F. Barwick
Signature

By: James F. Barwick, CCIM
Print Director, Real Estate Assets

Title: _____

Date: 7-3-08