



THE CITY OF SAN DIEGO

February 27, 2008

Mr. Kraig Kristofferson  
CBRE  
1200 3<sup>rd</sup> Ave., Ste. 400  
San Diego, CA 92101

Reference: 13<sup>th</sup> Amendment, Civic Center Plaza, Suite 1326

Dear Mr. Kristofferson:

As we have discussed, the commencement date of the 13<sup>th</sup> Amendment to the Lease for Suite 1326 has changed from January 1, 2008 to March 1, 2008. Certain dates within the lease must be changed in order to properly reflect actual timing of events in this transaction. Landlord and Tenant hereby concur and approve of the following date changes within the lease. The 13<sup>th</sup> Amendment has been changed accordingly.

1. Commencement Date in Section 2 of the 13<sup>th</sup> Amendment to the Lease has been changed to March 1, 2008.
2. Expiration Date remains as July 23, 2014.
3. All other terms and conditions of the Lease remain in full effect.

The revised Page One of the amendment with the corrected Commencement date has been attached to the original per our previous conversations.

If you have any questions or comments, please call me at (619) 236-6124. Thank you.

Sincerely,

Mary Lou Houghton  
Property Agent

MH/cb

I:\WPO\2008\HOUGHTON\ML-KRISTOFFERSON.doc



**Real Estate Assets**

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199  
Tel (619) 236-6020 Fax (619) 236-6706

### THIRTEENTH AMENDMENT TO LEASE

This THIRTEENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes June 15, 2007, 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, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, that certain Eleventh Amendment to Lease dated July 10, 2003 and that certain Twelfth Amendment to Lease dated May 16, 2007, 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 13<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite</u> | <u>Rentable Area</u> |
|--------------|----------------------|
| Suite 1326   | 3,385                |

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 243,176 square feet of Rentable Area.

2. Commencement Date. Tenant's rights and obligations with respect to Suite 1326 of the Expansion Premises under the Lease, as amended herein, shall commence March 1, 2008 (Commencement Date). Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the entire Expansion Premises, including suite 1326.
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>         |
|------------------|-----------------------------|
| 3/1/08 – 3/31/08 | \$4,739.00 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14 | \$4,908.25 (\$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.

COPY

THIRTEENTH AMENDMENT TO LEASE

This THIRTEENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes June 15, 2007, 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, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, that certain Eleventh Amendment to Lease dated July 10, 2003 and that certain Twelfth Amendment to Lease dated May 16, 2007, 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 13<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite</u> | <u>Rentable Area</u> |
|--------------|----------------------|
| Suite 1326   | 3,385                |

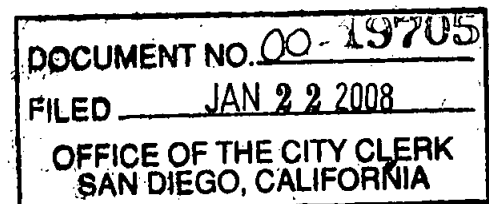
The Expansion Premises are particularly shown on Exhibit "A" attached hereto and incorporated herein by this reference. As used in the Lease, the term "Premises" shall include the Expansion Premises, effective on the Commencement Date (defined below). The Premises, as so expanded, shall be comprised of approximately 243,176 square feet of Rentable Area.

2. Commencement Date. Tenant's rights and obligations with respect to Suite 1326 of the Expansion Premises under the Lease, as amended herein, shall commence January 1, 2008 (Commencement Date). Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the entire Expansion Premises, including suite 1326.

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>         |
|------------------|-----------------------------|
| 1/1/08 – 3/31/08 | \$4,739.00 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14 | \$4,908.25 (\$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 89.82% to 91.09% on the Commencement Date.
5. Base Year for Expansion Premises. Per Paragraph 5 of the Second Amendment to Lease, the Base Year was 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. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, Landlord shall not be obligated to make any further modifications, changes or additional improvements to the Expansion Premises or expend any additional sums therefore.
8. Brokers. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment. Each party further agrees to indemnify and hold the other party harmless from any cost, liability and expense (including attorney's 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 8.
9. 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 WHEREOF, this Amendment to Lease is executed by the City of San Diego acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

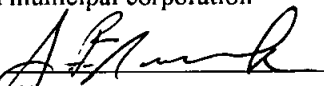
By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

**The City of San Diego,**  
a California municipal corporation

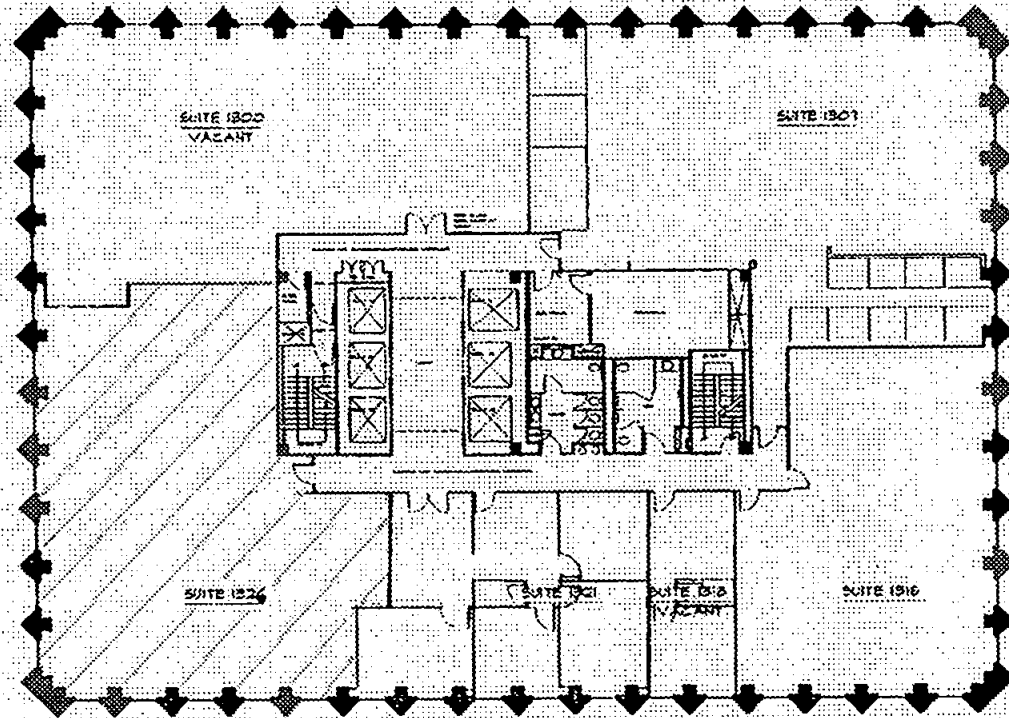
By:   
Name: \_\_\_\_\_  
Title: Director  
Real Estate Assets Department

APPROVED AS TO FORM AND LEGALITY THIS

21st day of Feb., 2007

\_\_\_\_\_, City Attorney

By:   
Deputy City Attorney



# CIVIC CENTER PLAZA

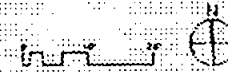
FLOOR 13

MAX TENANT  
20,000 S.F.  
30,000 S.F.  
3,000,000 S.F.

**B S H A**  
DESIGN GROUP INC.

KOLL MANAGEMENT SERVICES

1500 THIRD AVENUE, SUITE 100  
SAN DIEGO, CALIFORNIA 92101  
(619) 321-8900  
PLOT DATE 05/09/04



# EXAMPLE

## OWNERSHIP INFORMATION

**SUBJECT - 12th Amendment to Civic Center Plaza Lease**

| <b>Firm</b>                         | <b>Principal</b>       | <b>Ownership Information</b> |
|-------------------------------------|------------------------|------------------------------|
| <i>Civic Center Associates, LLC</i> | Rick Wolfen, President | <i>Privately-held</i>        |
|                                     |                        |                              |
|                                     |                        |                              |

ORDINANCE NUMBER O- 19705DATE OF FINAL PASSAGE JAN 31 2008

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE A THIRTEENTH 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 twelve 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 expand the lease to include Suite 1326 on the 13<sup>th</sup> floor, comprising approximately 3,385 square feet of additional space in the CCP Building pursuant to a Thirteenth Amendment to the Lease [Amendment], to be effective as of January 1, 2008, through the end of the Lease term, which is July 23, 2014; 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 \$2.51 per square foot to \$3.00 per square foot; and

WHEREAS, the City Treasurer will be utilizing the space which will enhance their operating efficiency by relocating the Revenue Collections Division from the Executive Complex; and

WHEREAS, this will provide vacant space for departments currently occupying the World Trade Center; 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 shall increase from 89.82% to 91.09% on the commencement date; and

WHEREAS, the \$30,160.35 cost will be funded from anticipated saving in Fiscal Year 08 in Fund 100, Department 601, org. 2500, Object Account 4682; 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 Thirteenth 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 3,385 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- 19705.

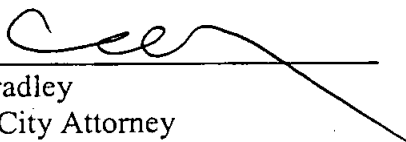
Section 2. That the Auditor and Comptroller is authorized and directed to expend \$30,160.35 in Fiscal Year 2008 as required under the Amendment, and to make such fund transfers and re-allocations as may be necessary and prudent to effect such payment.

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

  
Todd Bradley  
Deputy City Attorney

TB:bas  
10/11/07  
Or.Dept:READ  
O-2008-52  
MMS #5446

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JAN 22 2008.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 1-31-08  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on January 22, 2008, by the following vote:

**YEAS:**                   **PETERS, FAULCONER, ATKINS, YOUNG, MAIENSCHIN,  
FRYE, MADAFFER, & HUESO.**

**NAYS:**                   **NONE.**

**NOT PRESENT:**       **NONE.**

**RECUSED:**           **NONE.**

AUTHENTICATED BY:

**JERRY SANDERS**

Mayor of The City of San Diego, California

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(Seal)

By: Gil Sanchez, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-19705 (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 January 7, 2008, and on January 31, 2008.

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.

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy

TWELFTH AMENDMENT TO LEASE

This TWELFTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes May 16, 2007, 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, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, and that certain Eleventh Amendment to Lease dated July 10, 2003, 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 14<sup>th</sup> and 4<sup>th</sup> floors of the building ("Expansion Premises"):

| <u>Suite</u>                  | <u>Rentable Area</u> |
|-------------------------------|----------------------|
| Entire 14 <sup>th</sup> Floor | 14,777               |
| Suite 424                     | <u>5,113</u>         |
| <b>Total</b>                  | <b>19,890</b>        |

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 239,791 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 August 1, 2007. 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>          |
|------------------|------------------------------|
| 8/1/07 – 3/31/08 | \$27,846.00 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14 | \$28,840.50 (\$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.

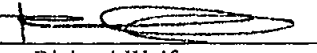
4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 82.37% to 89.82% on the Commencement Date.
5. Base Year for Expansion Premises. Per Paragraph 5 of the Second Amendment to Lease, the Base Year was adjusted to a new Base Year of 2003 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. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, Landlord shall not be obligated to make any further modifications, changes or additional improvements to the Expansion Premises or expend any additional sums therefore.
8. Brokers. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment. Each party further agrees to indemnify and hold the other party harmless from any cost, liability and expense (including attorney's 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 8.
9. 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.

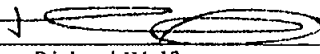
IN WITNESS WHEREOF, this Amendment to Lease is executed by the City of San Diego acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

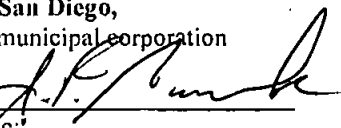
By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

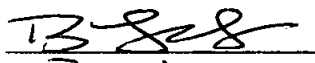
**The City of San Diego,**  
a California municipal corporation

By:   
Name:   
Title: Director  
Real Estate Assets Department

APPROVED AS TO FORM AND LEGALITY THIS

20<sup>th</sup> day of AUGUST, 2007

MICHAEL J. AGUIRRE City Attorney

By:   
BRUCE LEWIN  
Deputy City Attorney

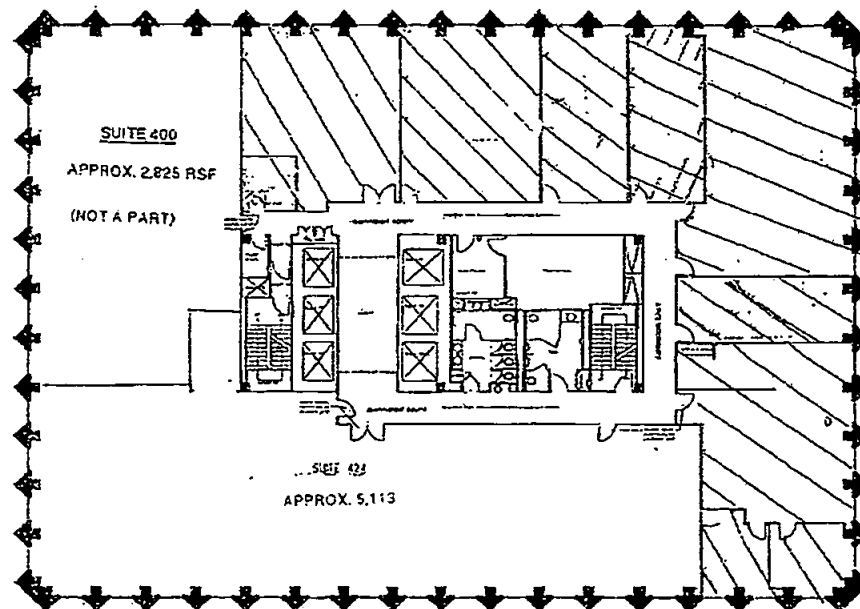


EXHIBIT A  
EXPANSION PRENTISES



AREA NOT INCLUDED

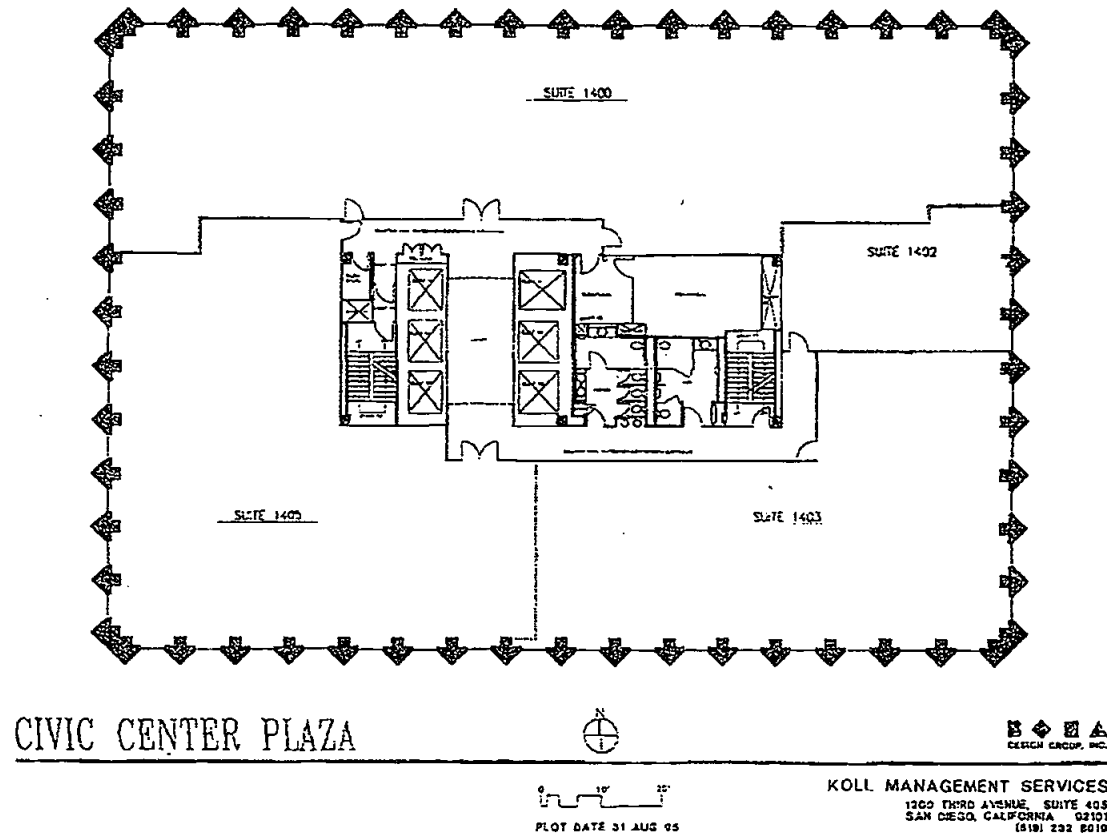
CIVIC CENTER PLAZA



| FLOOR         | 4 | R.S.F.    | U.S.F.    | R/U FACTOR |
|---------------|---|-----------|-----------|------------|
| SINGLE-TENANT |   | 74,898.27 | 13,470.80 | 1.058667   |
| MULTI-TENANT  |   | 14,090.27 | 12,529.00 | 1.172808   |


  
 PLOT DATE 31 AUG 65

KOLL MANAGEMENT SERVICES  
1700 THIRD AVENUE, SUITE 405  
SAN DIEGO, CALIFORNIA 92101  
1517 712 8226



DUPLICATE

ELEVENTH AMENDMENT TO LEASE

This ELEVENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes July 10, 2003, 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, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, 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 16<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite</u> | <u>Rentable Area</u> | <u>Useable Area</u> | <u>Modified Rentable Area</u> |
|--------------|----------------------|---------------------|-------------------------------|
| 1624         | 1,919                | 1,697               | 1,799                         |

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 219,901 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 September 1, 2003 or occupancy by Tenant, whichever is earlier. 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>         |
|------------------|-----------------------------|
| 9/1/03 – 3/31/08 | \$2,686.60 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14 | \$2,782.55 (\$1.45 per RSF) |

DOCUMENT NO. 00 - 19213

FILED SEP 02 2003

OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

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.

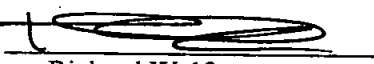
4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 81.66% to 82.37% on the Commencement Date.
5. Base Year for Expansion Premises. Per Paragraph 5 of the Second Amendment to Lease, the Base Year shall be adjusted to a new Base Year 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 therefore.
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, ("IHG"), and CB Richard Ellis, Inc. ("CB"), ("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 attorney's 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.

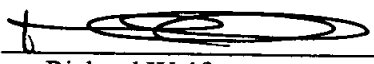
IN WITNESS WHEREOF, this Amendment to Lease is executed by the City of San Diego acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

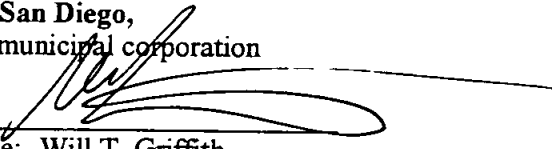
By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

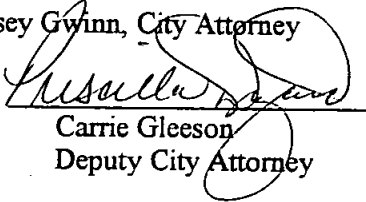
**The City of San Diego,**  
a California municipal corporation

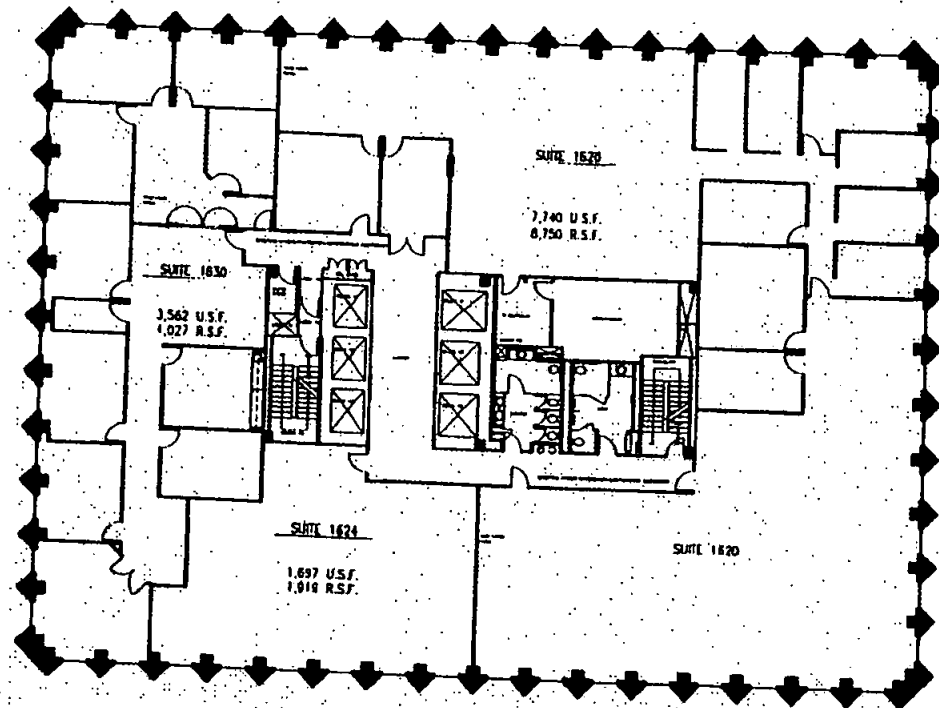
By:   
Name: Will T. Griffith  
Title: Director  
Real Estate Assets Department

APPROVED AS TO FORM AND LEGALITY THIS

16<sup>th</sup> day of September, 2003

Casey Gwinn, City Attorney

By:   
Carrie Gleeson  
Deputy City Attorney



# CIVIC CENTER PLAZA

| FLOOR - 16    | R.F.      | U.S.F.    | R/S FACTOR |
|---------------|-----------|-----------|------------|
| SINGLE TENANT | 14,996.27 | 12,870.00 | 1.058907   |
| MULTI-TENANT  | 14,996.27 | 12,996.63 | 1.130575   |

PLOT DATE 08/20/84

EXHIBIT "A"

1200 THIRD AVENUE, SUITE 401  
SAN DIEGO, CALIFORNIA 92101  
800 832 9910

## **TENANT IMPROVEMENT AGREEMENT**

This Tenant Improvement Agreement ("Agreement"), dated July 10, 2003, 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 an Eleventh 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 business (3) days' prior written notice to the other party.

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

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

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

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

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) September 1, 2003 (subject to Force Majeure Delay as defined in Section 17 below). Notwithstanding the foregoing, if the San Diego City Council has not approved the Eleventh Amendment by September 1, 2003, then Landlord shall have the right, but not

the obligation and in Landlord's sole discretion, to terminate the Eleventh 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, 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 July 15, 2003. 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 engineer designated by Landlord to prepare the Engineering Drawings or any portion thereof shall not charge Tenant a higher price per square foot for preparing such plans than such engineer would charge Landlord for preparing comparable plans for Landlord's building management office located in the Building. 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 Drawing. 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 Working 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 had 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 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 except 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 \$44,975.00 (\$25.00 per square foot of Modified Rentable Area) which may be applied to, but not limited to, all "hard" and "soft" construction costs, including Tenant's data lines, 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, licensed and fees required in connection with the construction of the Tenant Improvements, but such costs shall be deducted from the Tenant Improvement Allowance. Landlord shall receive no fee for profit, overhead or general conditions. In addition, 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 (\$933.35) 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 Tenants 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 is 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 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 or contractors/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. The Tenant shall not be responsible for the correctness or accuracy of any plans or compliance of such plans with 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 92101-4199.

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 order of any government or regulatory body; (2) delay attributable to the failure of 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. (3) 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 (4) 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.

**LANDLORD:**

Civic Center Associates, LLC  
A California limited liability company

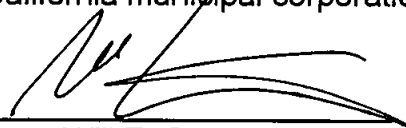
By: Rock Asset Management, Inc.,  
A California corporation,  
Its manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

**TENANT:**

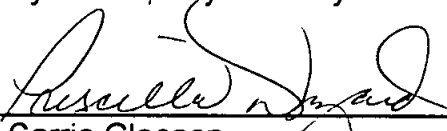
The City of San Diego,  
A California municipal corporation

By:   
Name: Will T. Griffith  
Title: Director  
Real Estate Assets Department

**APPROVED AS TO FORM AND LEGALITY,**

This 16<sup>th</sup> day of September, 2003.

Casey Gwinn, City-Attorney

By:   
Carrie Gleeson  
Deputy City Attorney

0-19213

RECEIVED  
CITY CLERK'S OFFICE  
03 SEP 16 PM 12:06 B  
SAN DIEGO, CALIF.

ORDINANCE NUMBER O- 19213 (NEW SERIES)

ADOPTED ON SEP 02 2003

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO  
EXECUTE AN AMENDMENT TO OFFICE LEASE  
AGREEMENT WITH CIVIC CENTER ASSOCIATES FOR  
OFFICE SPACE.

WHEREAS, the Treasurer's Investment Program, currently located at the Executive Complex, needs to be relocated to the 16th Floor of the Civic Center Plaza Building at 1200 Third Avenue, to allow the Collection Program staff to be consolidated within its current space at the Executive Complex; and

WHEREAS, the City and Civic Center Associates, have negotiated an amendment to the City's office lease for space at the Civic Center Plaza building for the new space under the following terms: (1) the new area to be leased will be approximately 1,919 square feet; (2) the space will be used for general office use for the Investment Program; (3) the space will be leased at a monthly rental rate of \$1.40 per square foot or \$2,686.60; and (4) the term of the amendment will be for approximately ten years, with a lease termination date of July 23, 2014;

WHEREAS, the landlord will refurbish the leased area at the landlord's sole cost and expense, estimated to be \$44,975.00; NOW, THEREFORE,

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, an Eleventh Amendment to Lease with Civic Center Associates, a California

limited liability company, for the lease of approximately 1,919 square feet, for a total monthly rental rate of \$2,686.60, for a term of approximately ten years, under the terms and conditions set forth in that Office Lease agreement on file in the office of the City Clerk as Document No.

OO-17716, as amended, and the Eleventh Amendment to Lease on file in the office of the City Clerk as Document No. OO- 19213 (C.A. No. O-2004-16).

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$26,866.00 for rent for Fiscal Year 2004 from Citywide Fund No. 100, Department 601.

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 thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By Prescilla Dugard  
Prescilla Dugard  
Deputy City Attorney

PD:dm:cdk  
08/01/03  
Or.Dept:READ  
Aud.Cert. 2400117  
O-2004-16  
Form=leaseo.frm

Passed and adopted by the Council of The City of San Diego on **September 2, 2003** by the following vote:

**YEAS: PETERS, ZUCCHET, ATKINS, LEWIS, MAIENSCHIN, INZUNZA, MAYOR MURPHY.**

**NAYS: FRYE, MADAFFER**

**NOT PRESENT: NONE**

**AUTHENTICATED BY:**

**DICK MURPHY**

Mayor of The City of San Diego, California.

**CHARLES G. ABDELNOUR**

City Clerk of The City of San Diego, California

(Seal)

By: Manuel E. Ketcham, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-19213 (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 **August 5, 2003** and on **September 2, 2003**.

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: Manuel E. Ketcham, Deputy

TENTH AMENDMENT TO LEASE

This TENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes April 25, 2002, 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, that certain Fifth Amendment to lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, and that certain Ninth Amendment to lease dated January 30, 2001, 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 16<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite</u> | <u>Rentable Area</u> | <u>Useable Area</u> |
|--------------|----------------------|---------------------|
| 1630         | 4,027                | 3,562               |

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 217,982 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 May 16, 2002 or occupancy by Tenant, whichever is earlier. 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 | \$5,436.45 (\$1.35 per RSF) |
| 4/1/03 – 3/31/08                         | \$5,637.80 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14                         | \$5,839.15 (\$1.45 per RSF) |

DOCUMENT NO. 00-19108

FILED OCT 07 2002  
OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

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.

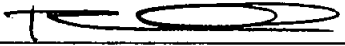
4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 80.15% to 81.66% on the Commencement Date.
5. Base Year for Expansion Premises. The Base Year for the Expansion Premises is calendar year 1992. Per Paragraph 5 of the Second Amendment 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 therefore.
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, ("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 attorney's 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.

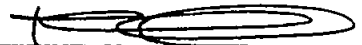
IN WITNESS THEREOF, Landlord and Tenant have executed this Tenth Amendment as of the day and year first above-written. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

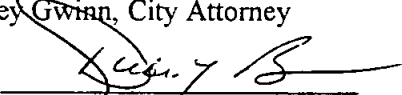
**The City of San Diego,**  
a California municipal corporation

By:   
Name: Tim C. Rothans  
Title: Deputy Director  
Real Estate Assets Department

APPROVED AS TO FORM AND LEGALITY THIS

3rd day of Dec., 2002

Casey Gwinn, City Attorney

By:   
Debra J. Bevier  
Deputy City Attorney

0-19108

SUITE 1620

Reception

32' x 15'9"

EXISTING 1-HOUR RATED/NON-CONFORMING CORRIDOR

SUITE 1630

ALL CH. 15  
COUNTER 24"

BOX

CORR

OPEN CAB.

BOX STORAGE

STORAGE BOX

BLDG. STOR.

SHAD. #1

UP

DN

STAIR #0

VEST. #3

VEST. #4

TEL. CAB.

ELEV. #4

ELEV. #5

ELEV. #4

LOBBY

SUITE 1624

EXH 7

## TENANT IMPROVEMENT AGREEMENT

This Tenant Improvement Agreement ("Agreement"), dated April 25, 2002, 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 Tenth 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 business (3) 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) May 5, 2002 (subject to Force Majeure Delay as defined in Section 17 below). Notwithstanding the foregoing, if the San Diego City Council has not approved the Tenth Amendment by June 1, 2002, then Landlord shall have the right, but not the obligation and in Landlord's

sole discretion, to terminate the Tenth 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, 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 May 15, 2002. 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 engineer designated by Landlord to prepare the Engineering Drawings or any portion thereof shall not charge Tenant a higher price per square foot for preparing such plans than such engineer would charge Landlord for preparing comparable plans for Landlord's building management office located in the Building. 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 Drawing. 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 Working 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 had 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 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 except 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 \$89,050.00 (\$25.00 per square foot of Usable Area) which may be applied to, but not limited to, all "hard" and "soft" construction costs, including Tenant's data lines, 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. Landlord shall receive no fee for profit, overhead or general conditions. In addition, 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 (\$1,959.10) 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 Tenants 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 is 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 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 or contractors/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. The Tenant shall not be responsible for the correctness or accuracy of any plans or compliance of such plans with 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 92101-4199.

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 order of any government or regulatory body; (2) delay attributable to the failure of 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. (3) 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 (4) 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.

**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: Tim C. Rothans  
Title: Deputy Director  
Real Estate Assets Department

**APPROVED AS TO FORM AND LEGALITY,**

This \_\_\_\_\_ day of \_\_\_\_\_, 2002.

Casey Gwinn, City Attorney

By: \_\_\_\_\_  
Debra J. Bevier  
Deputy City Attorney

ORDINANCE NUMBER 19108

ADOPTED ON OCT 07 2002

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO  
EXECUTE AN TENTH AMENDMENT TO LEASE  
AGREEMENT WITH CIVIC CENTER ASSOCIATES FOR  
OFFICE SPACE.

WHEREAS, the Office of the City Attorney, currently located in the Civic Center Plaza building, has expanded beyond current capacity; and

WHEREAS, space contiguous to that already occupied by the City Attorney's Office on the 16<sup>th</sup> floor has become available; and

WHEREAS, the City and Civic Center Associates have negotiated an Tenth Amendment to Lease for the lease of an additional approximate 4,027 square feet on the 16<sup>th</sup> floor of the Civic Center Plaza building at the initial rental rate of \$1.35 per square foot or \$5,436.45 per month; commencing May 16, 2002, and terminating July 23, 2014, the expiration date of the Master Lease; and

WHEREAS, the landlord will complete all needed tenant improvements at landlord's sole cost and expense, estimated to be \$89,050.00; NOW, THEREFORE,

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, an Tenth Amendment to Lease with Civic Center Associates for additional office space of approximately 4,027 square feet on the 16th floor of the Civic Center Plaza Building, for the Office of the City Attorney, commencing May 16, 2002, and terminating July 23, 2014, at

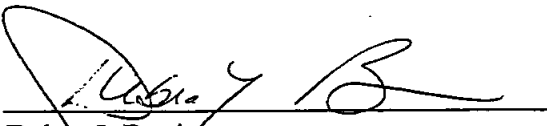
an initial monthly rent of \$5,436.45, under the terms and conditions set forth in that Tenth Amendment to Lease agreement on file in the office of the City Clerk as Document No. OO- 19108

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$73,000.00 from the Office Space Program Budget, DE #2300033, Line 1, out of the relocation fund account already budgeted in FY02. Fund No. 100, Dept. 601 will pay rent from July 1, 2002, to June 30, 2003. The City Attorney's Office will pay the rent from May 16, 2002 to June 30, 2002, out of its department budget.

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 thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By   
Debra J. Bevier  
Deputy City Attorney

DJB:mm  
07/24/02  
Dept:REA  
Job: 220008-004  
Aud.Cert:2300258  
O-2003-41  
Form=leaseord.frm

Passed and adopted by the Council of The City of San Diego on OCT 07 2002 by the following vote:

YEAS: PETERS, WEAR, ATKINS, STEVENS, MAIENSCHIN, FRYE,  
MADAFFER, INZUNZA, MAYOR MURPHY

NAYS: NONE.

NOT PRESENT: NONE.

AUTHENTICATED BY:

DICK MURPHY

Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

(Seal)

By: Mary H. Cepeda, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. 0-19108 (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

SEP 24 2002 and on OCT 07 2002.

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 H. Cepeda, Deputy

COPY

NINTH AMENDMENT TO LEASE

ORIGINAL

This NINTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes January 30, 2001, 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 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, that certain Fifth Amendment to Lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, and that certain Eighth Amendment to Lease dated September 5, 2000, 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<sup>&</sup> the Lease as follows:

1. Expansion Premises. The premises described in the Lease shall be expanded to include the following described areas on the 13<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite</u> | <u>Rentable Area</u> | <u>Useable Area</u> |
|--------------|----------------------|---------------------|
| 1316         | 2,325                | 2,032               |

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 213,955 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 ~~August~~ <sup>MARCH</sup> 1, 2001, or occupancy by Tenant, whichever is earlier. Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the Expansion Premises. Dxm

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 | \$3,138.75 (\$1.35 per RSF) |
| 4/1/03 – 3/31/08                         | \$3,255.00 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14                         | \$3,371.25 (\$1.45 per RSF) |

DOCUMENT NO. 00-18952

FILED JUN 1 2 2001

OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

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 79.28% to 80.15% 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. Due to the minimal modifications required, space planning services shall not be provided. Landlord shall cause to be constructed and installed in the Premises, consistent with Landlord's specifications and scheduling, those improvements and additions, and only those improvements and additions, described on Exhibit "B" attached hereto and incorporated herein by this referenced (collectively, "Expansion Premises Alterations"). Landlord shall cause the Expansion Premises Alterations to be constructed and installed at Landlord's sole cost and expense utilizing such contractors, subcontractors and materialmen as Landlord may select. Other than the Expansion Premises Alterations, Landlord shall not be obligated to make any further modifications, changes, additions or improvement to the Expansion Premises, and Tenant shall not have the right to issue or require any change orders for the same.
8. Brokers. The parties acknowledge that The Irving Hughes Group, ("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 8.
9. 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 Ninth Amendment as of the day and year first above-written. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

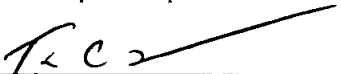
By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

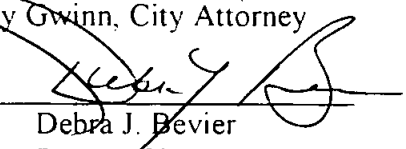
**The City of San Diego,**  
a California municipal corporation

By:   
Name: ~~Jane E. Vickers~~ TIM C. ROBERTS  
Title: Deputy Director  
Real Estate Assets Department

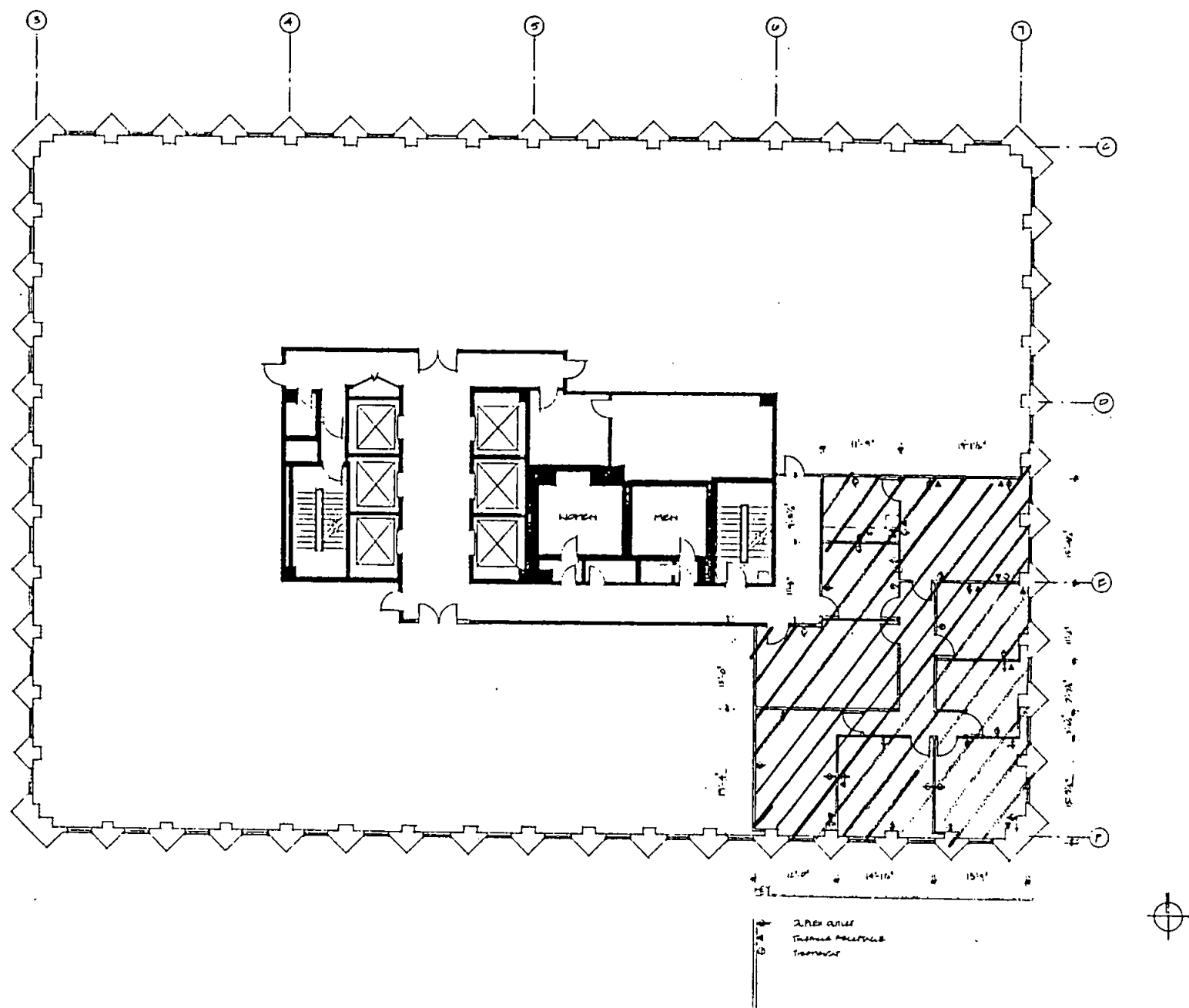
APPROVED AS TO FORM AND LEGALITY THIS

19<sup>th</sup> day of June, 2001

Casey Gwinn, City Attorney

By:   
Debra J. Bevier  
Deputy City Attorney

0-18952



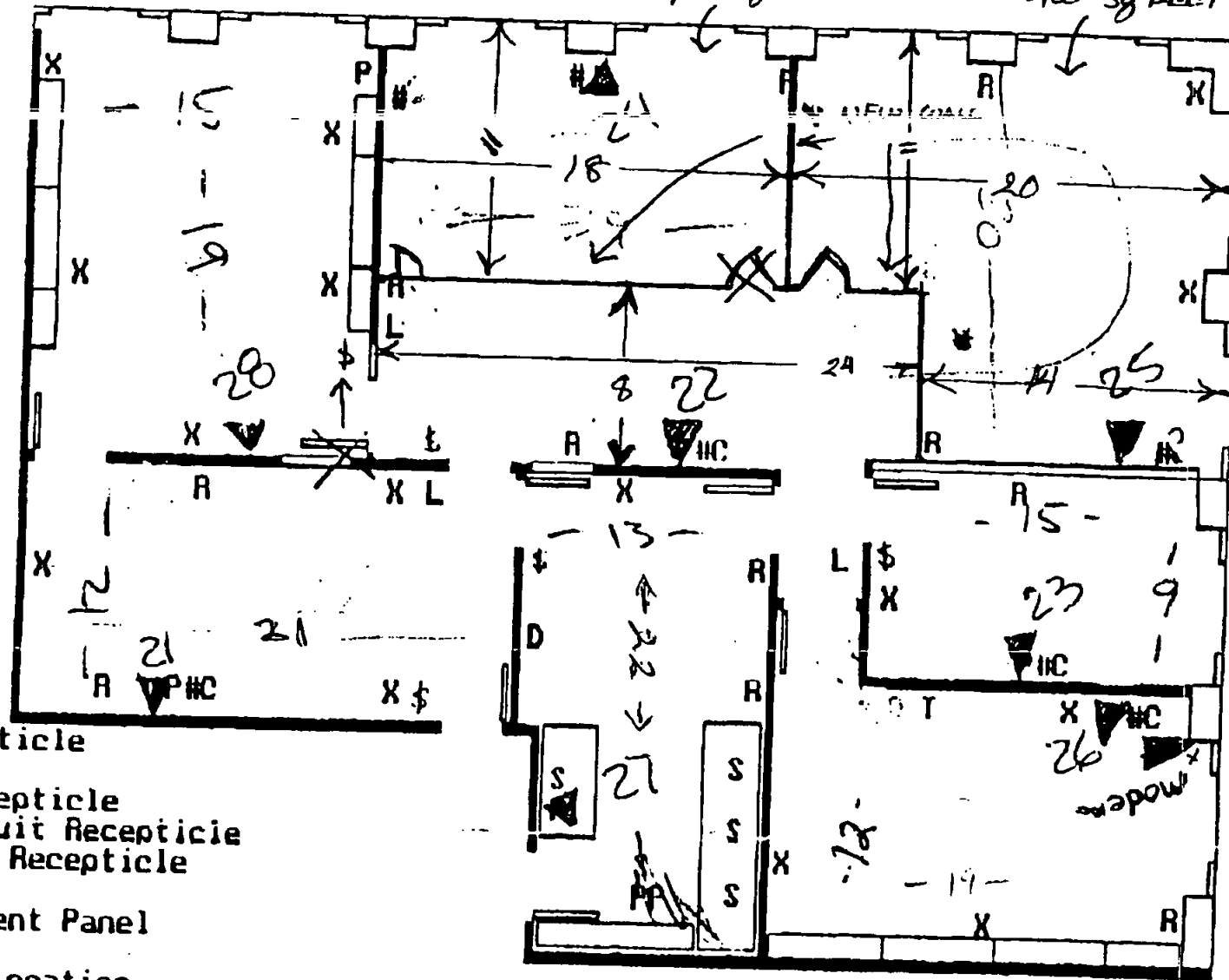
SUITE 1316  
EXHIBIT A

NEW WALLS 42 FEET

2 DOOR & JAMS

198 SQ FEET

400 SQ FEET



- X=Existing Recepticle
- R=New Recepticle
- #=New Duplex Recepticle
- D=Dedicated Circuit Recepticle
- S=Special Height Recepticle
- P=Phone Jack
- PP=Phone Equipment Panel
- C=Computer Cable
- T=Main Computer Location
- L=Climate Control

EXHIBIT "B"

ORDINANCE NUMBER O- 18952 (NEW SERIES)

ADOPTED ON JUN 12 2001

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO  
EXECUTE A NINTH AMENDMENT TO LEASE AGREEMENT  
WITH CIVIC CENTER ASSOCIATES FOR OFFICE SPACE.

WHEREAS, the Labor Relations Department is currently sharing space with other City departments on the 5<sup>th</sup> floor of the Executive Complex Building, 1010 Second Avenue, and has expanded beyond current capacity at that location; and

WHEREAS, the City and Civic Center Associates have negotiated a Ninth Amendment to Lease for the lease of an additional approximate 2,325 square feet on the 13<sup>th</sup> floor of the Civic Center Plaza building, 1200 Third Avenue, at the initial rental rate of \$3,138.75 per month; the occupancy of the new space will be effective March 1, 2001, and will terminate July 23, 2014, the expiration date of the Master Lease; and

WHEREAS, Civic Center Associates will install the tenant improvements at landlord's sole cost and expense; the cost of the improvements is estimated at \$12,500.00; NOW,  
THEREFORE,

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 Ninth Amendment to Lease with Civic Center Associates for additional office space of approximately 2,325 square-feet on the 13th floor of the Civic Center Plaza building, for the Labor Relations Department, commencing March 1, 2001, and terminating July 23, 2014, at an initial monthly rent of \$3,138.75, under the terms and conditions set forth in that Ninth

Amendment to Lease agreement on file in the office of the City Clerk as

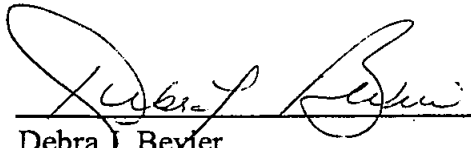
Document No. OO- 18952 .

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$12,555.00 from the Labor Relations Fund 100, Department 080 for rent from the FY 2001 budget.

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 thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By   
Debra J. Beyler  
Deputy City Attorney

DJB:jc  
04/23/01  
Or.Dept:REA  
O-2001-142  
Form=leaseo.frm

Passed and adopted by the Council of The City of San Diego on June 12, 2001 by the following vote:

YEAS: PETERS, WEAR, ATKINS, STEVENS, MAIENSCHIN, FYRE, MADAFFER, INZUNZA, MAYOR MURPHY

NAYS: NONE NOT PRESENT: NONE.

AUTHENTICATED BY:

DICK MURPHY  
Mayor of The City of San Diego, California

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

(Seal)

By: Esther Ramos, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O- 18952 (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 MAY 29, 2001 and on JUNE 12, 2001.

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: Esther Ramos, Deputy

EIGHTH AMENDMENT TO LEASE

This EIGHTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes September 5, 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 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, that certain Fifth Amendment to Lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, 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 15<sup>th</sup> floor of the building ("Expansion Premises"):
 

|              |                      |                     |
|--------------|----------------------|---------------------|
| <u>Suite</u> | <u>Rentable Area</u> | <u>Useable Area</u> |
| 1500         | 822                  | 697                 |

The Expansion Premises are particularly shown on Exhibit "A" attached hereto and incorporated 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 211,630 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 | \$1,109.70 (\$1.35 per RSF) |
| 4/1/03 – 3/31/08                         | \$1,150.80 (\$1.40 per RSF) |
| 4/1/08 – 7/23/14                         | \$1,191.90 (\$1.45 per RSF) |

DOCUMENT NO. 00-18895

FILED NOV 27 2000

OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

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 78.97% to 79.28% 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, ("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 Eighth Amendment as of the day and year first above-written.

LANDLORD:

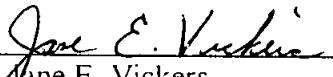
Civic Center Associates, LLC,  
a California limited liability company  
By: Rock Asset Management, Inc.  
a California corporation,  
Its manager

By:   
Name: Richard Wolfen  
Title: President

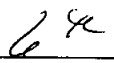
By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

The City of San Diego,  
a California municipal corporation

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

APPROVED AS TO FORM AND LEGALITY THIS

 day of , 2000

Casey Gwinn, City Attorney

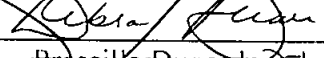
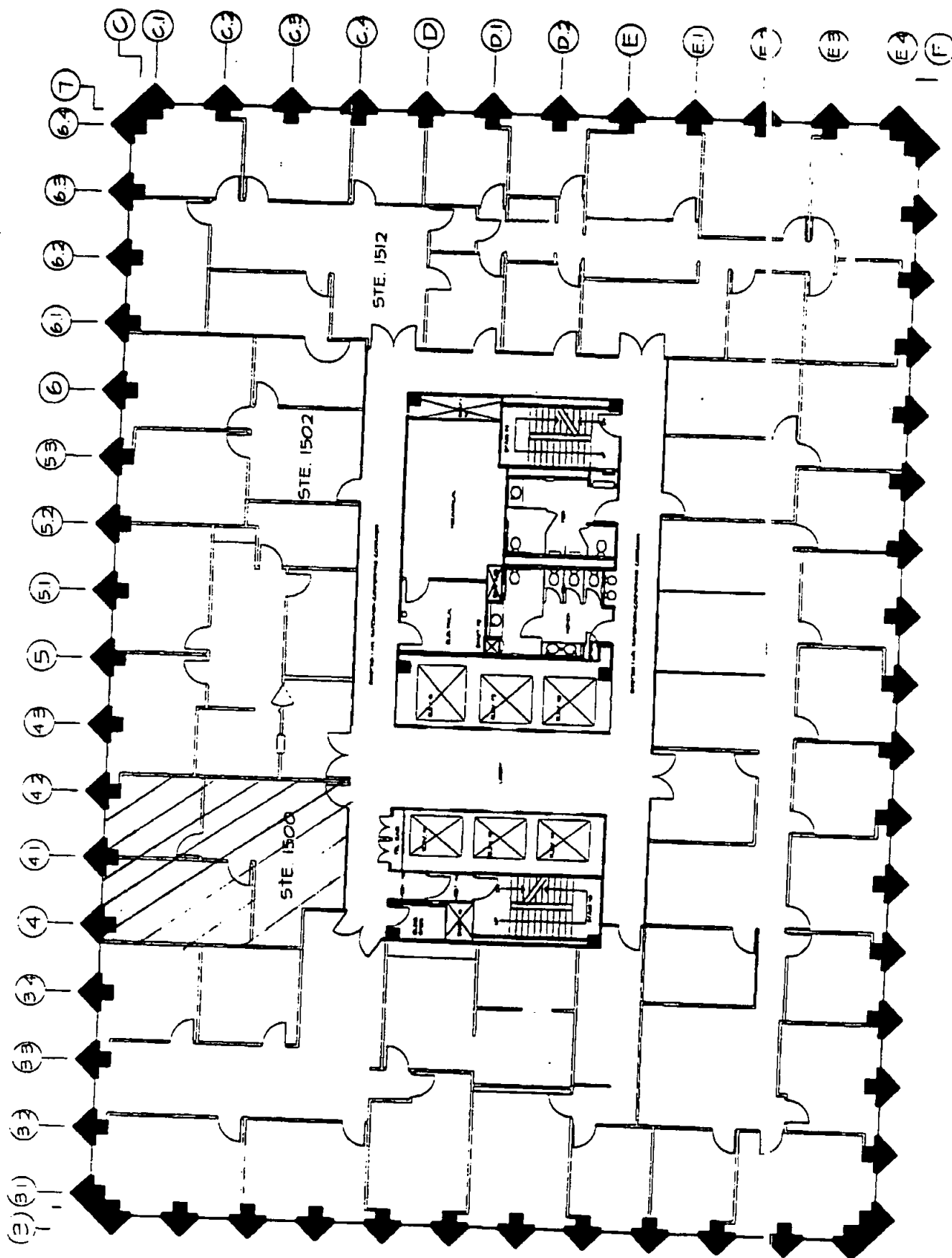
By:   
~~Prescilla Dugard~~ Debra J. Bevier  
Deputy City Attorney

EXHIBIT A  
PREMISES FLOOR PLAN



# EXHIBIT "B"

## TENANT IMPROVEMENT AGREEMENT

This Tenant Improvement Agreement ("Agreement"), dated September 5, 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 an Eighth 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 appoint 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 business (3) 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) November 1, 2000 (subject to Force Majeure Delay as defined in Section 17 below). Notwithstanding the foregoing, if the San Diego City Council has not approved the Eighth Amendment by October 31, 2000, then Landlord shall have the right, but not the

obligation and in Landlord's sole discretion, to terminate the Eighth 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, exists, 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, 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 September 15, 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 (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 engineer designated by Landlord to prepare the Engineering Drawings or any portion thereof shall not charge Tenant a higher price per square foot for preparing such plans than such engineer would charge Landlord for preparing comparable plans for Landlord's building management office located in the Building. 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 Drawing. 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 had 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 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 \$18,470.50 (\$26.50 per square foot of Usable Area) which may be applied to, but not limited to, all "hard" and "soft" construction costs, including Tenant's data lines, 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. Landlord shall receive no fee for profit, overhead or general conditions. In addition, 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 (\$383.35) 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 Tenants 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 is 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 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 or contractors/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. The Tenant shall not be responsible for the correctness or accuracy of any plans or compliance of such plans with 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 92101-4199.

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 order of any government or regulatory body; (2) delay attributable to the failure of 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. (3) 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 (4) 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.

**LANDLORD:**

Civic Center Associates, LLC  
A California limited liability company

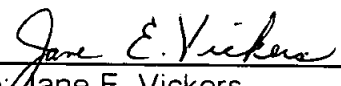
By: Rock Asset Management, Inc.,  
A California corporation,  
Its manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

**TENANT:**

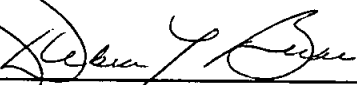
The City of San Diego,  
A California municipal corporation

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

**APPROVED AS TO FORM AND LEGALITY,**

This 6<sup>th</sup> day of June, 2000.

Casey Gwinn, City Attorney

By:   
~~Prescilla Dugard~~ Debra J. Bevier  
Deputy City Attorney

ORDINANCE NUMBER O- 18895

ADOPTED ON NOV 27 2000

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO  
EXECUTE AN EIGHTH AMENDMENT TO LEASE  
AGREEMENT WITH CIVIC CENTER ASSOCIATES FOR  
OFFICE SPACE.

WHEREAS, the Office of the City Attorney, currently located in the Civic Center Plaza building, has expanded beyond current capacity, and

WHEREAS, the City and Civic Center Associates have negotiated an Eighth Amendment to Lease for the lease of an additional approximate 822 square feet on the 15th Floor of the Civic Center Plaza building at the initial rental rate of \$1,109.70 per month, the fair market rate as determined by City valuation staff; the occupancy of the new space will be effective November 1, 2000, and will terminate July 23, 2014, the expiration date of the Master Lease; NOW, THEREFORE,

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, an Eighth Amendment to Lease with Civic Center Associates for additional office space of approximately 822 square feet on the 15th Floor of the Civic Center Plaza Building, for the Office of the City Attorney, commencing November 1, 2000, and terminating July 23, 2014,

at an initial monthly rent of \$1,109.70, under the terms and conditions set forth in that Eighth Amendment to Lease agreement on file in the office of the City Clerk as Document No.

OO- 18895

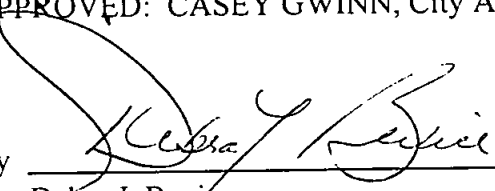
Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$8,877.60 from the City Attorney's Fund 100, Department 45, for rent from the Fiscal Year 2001 budget.

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 thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By

  
\_\_\_\_\_  
Debra J. Beyier  
Deputy City Attorney

DJB:cmg  
10/10/00  
Or.Dept:REA  
Aud.Cert: 2100480  
O-2001-74

Passed and adopted by the Council of The City of San Diego on November 27, 2000 by the following vote:

YEAS: MATHIS, WEAR, KEHOE, STEVENS, BLAIR, STALLINGS, McCARTY, VARGAS, MAYOR GOLDING.

NAYS: NONE.

NOT PRESENT:

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: Ramone Lewis *RL*, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O- 18895 (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 November 14, 2000 and on November 27, 2000.

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: Ramone Lewis *RL*, Deputy

LESLIE E. DEVANEY  
ANITA M. NOONE  
LESLIE J. GIRARD  
SUSAN M. HEATH  
GAEL B. STRACK  
ASSISTANT CITY ATTORNEYS

Debra Bevier  
Deputy City Attorney

OFFICE OF  
**THE CITY ATTORNEY**  
CITY OF SAN DIEGO

Casey Gwinn  
CITY ATTORNEY

CIVIL DIVISION  
1200 THIRD AVENUE, SUITE 1100  
SAN DIEGO, CALIFORNIA 92101-4184  
TELEPHONE (619) 533-5800  
FAX (619) 533-5856; 533-5847

January 23, 2001

Mr. Brian T. Seltzer  
SELTZER CAPLAN McMAHON VITEK  
2100 Symphony Towers  
750 B Street  
San Diego, California 92101

RE: Revised Seventh Amendment to Lease

Dear Mr. Seltzer:

Enclosed please find a proposed revised Seventh Amendment to Lease between Civic Center Associates and the City of San Diego.

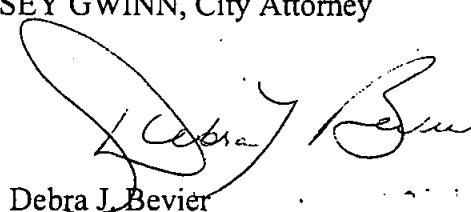
The following changes were made to the previous version: I have changed the identification date from December 15, 2000 to January 31, 2001 - this is located in the first paragraph of the amendment; I added paragraph No. "8"; and I changed the alignment of the signature blocks.

If this amendment meets your approval, we will need three signed originals. Feel free to call me with any comments or questions.

Sincerely yours,

CASEY GWINN, City Attorney

By:

  
Debra J. Bevier  
Deputy City Attorney

DJB:jc:Civ.  
Enclosure  
cc: Diana Monaco

## SEVENTH AMENDMENT TO LEASE

This SEVENTH AMENDMENT TO LEASE, dated for identification purposes January 31, 2001, 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, that certain Fifth Amendment to Lease dated November 8, 1999, and that certain Sixth Amendment to Lease dated March 16, 2000, between Landlord and tenant (collectively referred to herein as the Lease).

Landlord and Tenant hereby amend the Lease as follows:

1. Landlord and Tenant agree that:
  - a) Tenant is entitled to reopen the existing sliding doors that open into the main building lobby (Sliding Doors);
  - b) that the Sliding Doors shall provide a means (but not the only such means) for access, ingress and egress to the Premises.
2. Because the use of the Sliding Doors does not extend beyond the current boundary of the Premises (1200 Third Avenue, Suite 100, consisting of approximately 11,239 rentable square feet), there shall be no increase in:
  - a) the rentable area of the Premises;
  - b) the Base Monthly Rent; or
  - c) Tenant's Percentage Share of Operating Expenses.
3. Tenant shall not receive any additional Relocation Allowance by reason of this Seventh Amendment to Lease.
4. That all costs and expenses associated with reopening and placing the Sliding Doors back into operation, if any, shall be at the sole cost of Tenant.
5. That Landlord shall not be obligated to make any modifications, changes, additions or improvements to the Premises or any part of the Building of which the Premises are a part by reason of the reopening of the Sliding Doors.
6. That Tenant shall comply with all applicable laws, ordinances and regulations of any governmental authority with jurisdiction over the Premises pertaining to the use of the Sliding Doors prior to putting the Sliding Doors into use for the public. That the granting of any needed permits shall be evidence of such compliance. Additionally, on or before the signing of this

Seventh Amendment to Lease, Tenant shall provide Landlord written verification of the Fire Department's review of the Sliding Doors and finding of compliance with applicable fire codes.

7. In utilizing the Sliding Doors, Tenant will not create, cause to be created or allow any congestion of customers in the Building Lobby Area; in particular, Tenant shall not allow lines of customers to extend out of the Leased Premises into the Building Lobby Area, nor shall Tenant allow such customers to disrupt or impair the normal use and enjoyment of the Building Lobby Area from other tenants of the building.

8. That Tenant agrees not to exceed the current allowable occupancy load for the subject space; the current allowable occupancy load being 112.39 people.

This Seventh Amendment to Lease may be subject to City Council approval.

IN WITNESS THEREOF, this Seventh Amendment to Lease is executed by City, acting by and through its City Manager or designee, and by Landlord, acting by and through its lawfully authorized officer.

LANDLORD:  
Civic Center Associates, LLC,  
a California limited liability company

TENANT:  
The City of San Diego,  
a California municipal corporation

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

By: \_\_\_\_\_  
Name: Jane E. Vickers  
Title: Deputy Director,  
Real Estate Assests

By: \_\_\_\_\_  
Name: Richard Wolfen  
Title: President

By: \_\_\_\_\_  
Name: Richard Wolfen  
Title: Secretary

Approved as to form and legality this  
\_\_\_\_\_ day of January, 2001.

CASEY GWINN, City Attorney

By: \_\_\_\_\_  
Debra J. Bevier  
Deputy City Attorney

### SEVENTH AMENDMENT TO LEASE

This SEVENTH AMENDMENT TO LEASE, dated for identification purposes January 31, 2001, 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, that certain Fifth Amendment to Lease dated November 8, 1999, and that certain Sixth Amendment to Lease dated March 16, 2000, between Landlord and tenant (collectively referred to herein as the Lease).

Landlord and Tenant hereby amend the Lease as follows:

1. Landlord and Tenant agree that:

- a) Tenant is entitled to reopen the existing sliding doors that open into the main building lobby (Sliding Doors);
- b) that the Sliding Doors shall provide a means (but not the only such means) for access, ingress and egress to the Premises.

2. Because the use of the Sliding Doors does not extend beyond the current boundary of the Premises (1200 Third Avenue, Suite 100, consisting of approximately 11,239 rentable square feet), there shall be no increase in:

- a) the rentable area of the Premises;
- b) the Base Monthly Rent; or
- c) Tenant's Percentage Share of Operating Expenses.

3. Tenant shall not receive any additional Relocation Allowance by reason of this Seventh Amendment to Lease.

4. That all costs and expenses associated with reopening and placing the Sliding Doors back into operation, if any, shall be at the sole cost of Tenant.

5. That Landlord shall not be obligated to make any modifications, changes, additions or improvements to the Premises or any part of the Building of which the Premises are a part by reason of the reopening of the Sliding Doors.

6. That Tenant shall comply with all applicable laws, ordinances and regulations of any governmental authority with jurisdiction over the Premises pertaining to the use of the Sliding Doors prior to putting the Sliding Doors into use for the public. That the granting of any needed permits shall be evidence of such compliance. Additionally, on or before the signing of this

Seventh Amendment to Lease, Tenant shall provide Landlord written verification of the Fire Department's review of the Sliding Doors and finding of compliance with applicable fire codes.

7. In utilizing the Sliding Doors, Tenant will not create, cause to be created or allow any congestion of customers in the Building Lobby Area; in particular, Tenant shall not allow lines of customers to extend out of the Leased Premises into the Building Lobby Area, nor shall Tenant allow such customers to disrupt or impair the normal use and enjoyment of the Building Lobby Area from other tenants of the building.

8. That Tenant agrees not to exceed the current allowable occupancy load for the subject space; the current allowable occupancy load being 112.39 people.

This Seventh Amendment to Lease may be subject to City Council approval.

IN WITNESS THEREOF, this Seventh Amendment to Lease is executed by City, acting by and through its City Manager or designee, and by Landlord, acting by and through its lawfully authorized officer.

LANDLORD:

Civic Center Associates, LLC,  
a California limited liability company

By: Rock Assets 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

Approved as to form and legality this  
\_\_\_\_\_ day of December, 2000.

Casey Gwinn, City Attorney

By: \_\_\_\_\_  
Debra J. Bevier  
Deputy City Attorney

**From:** Gary Tillinghast  
**To:** Diana Lozano-Monaco  
**Date:** 1/23/01 3:17PM  
**Subject:** Re: Civic Center Plaza - City Treasurer space - 1st floor

Diana -

I'm glad you had the sq. footage available to calculate with. I wanted to add that "Maximum Occupant Load" signs are not required to be posted in occupancies like yours; only in public assemblies. (That's just in case Rick asks you to do that, you can tell him it is not required by code.)

...Gary

>>> Diana Lozano-Monaco 01/23 1:23 PM >>>

Ok, that would be a load of 109.48 people. Taking the usable sf of 10,948 divided by 100. Rentable sf would include the core factor, being the elevator sf, main lobby sf and sf of the main corridors of the building. I assume you calculate this by using the usable sf. Thanks again.

FYI, the rentable sf is 11, 239. We are charged rent on the rentable.

>>> Gary Tillinghast 01/23/01 12:36PM >>>

Diana - I don't know what the square footage is of that space, but the occupant load is determined by taking that square footage figure and dividing it by 100.

That might be on the tenant improvement plans, but I don't have those either. Good luck. Worst case scenario is you might have to measure.

Occupant loads are not very critical in offices and are rarely exceeded there as might occur in a bar or other public assembly.

...Gary

>>> Diana Lozano-Monaco 01/23 12:05 PM >>>

Hi Gary, Debra Bevier, Deputy City Attorney and I had a meeting this morning with Rick Wolfen, the CCP landlord you spoke to several days ago regarding the fire and life safety codes. Thank you again for your help. Rick was very happy with the conversation you had with him. We are in the process of finalizing the 7th lease amendment for the Treasurer's space on the rules and regulations of utilizing the lobby. We need to add in the amendment the allowable occupancy load for the Treasurer's space. Rick mentioned that you briefly referenced the allowable load. Can you tell me what the maximum allowable load is for this space? Thank you.

LESLIE E. DEVANEY  
ANITA M. NOONE  
LESLIE J. GIRARD  
SUSAN M. HEATH  
GAEL B. STRACK  
ASSISTANT CITY ATTORNEYS

Debra Bevier  
Deputy City Attorney

OFFICE OF  
**THE CITY ATTORNEY**  
CITY OF SAN DIEGO

**Casey Gwinn**  
CITY ATTORNEY

CIVIL DIVISION  
1200 THIRD AVENUE, SUITE 1100  
SAN DIEGO, CALIFORNIA 92101-4184  
TELEPHONE (619) 533-5800  
FAX (619) 533-5856; 533-5847

December 4, 2000

RECEIVED  
CITY OF  
00 DEC -5 PM 4:10  
CAL ESTATE ASSOCIATES

Mr. Brian T. Seltzer  
SELTZER CAPLAN McMAHON VITEK  
2100 Symphony Towers  
750 B Street  
San Diego, California 92101

RE: Seventh Amendment to Lease

Dear Mr. Seltzer:

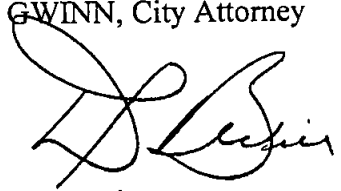
Enclosed please find a proposed Seventh Amendment to Lease between Civic Center Associates and the City of San Diego.

I believe this amendment addresses the two major concerns of your client, that being lobby congestion and wide compliance of the sliding doors.

Sincerely yours,

CASEY GWINN, City Attorney

By:

  
Debra J. Bevier  
Deputy City Attorney

DJB:jc:Civ.  
Enclosure  
cc: Diana Monaco

## SEVENTH AMENDMENT TO LEASE

This SEVENTH AMENDMENT TO LEASE, dated for identification purposes December 15, 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, that certain Fifth Amendment to Lease dated November 8, 1999, and that certain Sixth Amendment to Lease dated March 16, 2000, between Landlord and tenant (collectively referred to herein as the Lease).

Landlord and Tenant hereby amend the Lease as follows:

1. Landlord and Tenant agree that:

- a) Tenant is entitled to reopen the existing sliding doors that open into the main building lobby (Sliding Doors);
- b) that the Sliding Doors shall provide a means (but not the only such means) for access, ingress and egress to the Premises.

2. Because the use of the Sliding Doors does not extend beyond the current boundary of the Premises (1200 Third Avenue, Suite 100, consisting of approximately 11,239 rentable square feet), there shall be no increase in:

- a) the rentable area of the Premises;
- b) the Base Monthly Rent; or
- c) Tenant's Percentage Share of Operating Expenses.

3. Tenant shall not receive any additional Relocation Allowance by reason of this Seventh Amendment to Lease.

4. That all costs and expenses associated with reopening and placing the Sliding Doors back into operation, if any, shall be at the sole cost of Tenant.

5. That Landlord shall not be obligated to make any modifications, changes, additions or improvements to the Premises or any part of the Building of which the Premises are a part by reason of the reopening of the Sliding Doors.

6. That Tenant shall comply with all applicable laws, ordinances and regulations of any governmental authority with jurisdiction over the Premises pertaining to the use of the Sliding Doors prior to putting the Sliding Doors into use for the public. That the granting of any needed permits shall be evidence of such compliance. Additionally, on or before the signing of this

Seventh Amendment to Lease, Tenant shall provide Landlord written verification of the Fire Department's review of the Sliding Doors and finding of compliance with applicable fire codes.

7. In utilizing the Sliding Doors, Tenant will not create, cause to be created or allow any congestion of customers in the Building Lobby Area; in particular, Tenant shall not allow lines of customers to extend out of the Leased Premises into the Building Lobby Area, nor shall Tenant allow such customers to disrupt or impair the normal use and enjoyment of the Building Lobby Area from other tenants of the building.

This Seventh Amendment to Lease may be subject to City Council approval.

IN WITNESS THEREOF, this Seventh Amendment to Lease is executed by City, acting by and through its City Manager or designee, and by Landlord, acting by and through its lawfully authorized officer.

LANDLORD:  
Civic Center Associates, LLC,  
a California limited liability company

By: Rock Assets 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

Approved as to form and legality this  
\_\_\_\_\_ day of December, 2000.

Casey Gwinn, City Attorney

By: \_\_\_\_\_  
Debra J. Bevier  
Deputy City Attorney

www.scmv.com  
619.685.3003  
619.685.3100 FAX

2100 SYMPHONY TOWERS  
750 B STREET  
SAN DIEGO, CALIFORNIA 92101

BRIAN T. SELTZER, ESQ.

bseltzer@scmv.com  
619.685.3025  
619.702.6808 FAX

SELTZER | CAPLAN | McMAHON | VITEK

A LAW CORPORATION

August 22, 2000

Sent Via Facsimile

Ms. Diana Monaco  
The City of San Diego  
Real Estate Assets Department  
Mail Station 51-A  
Civic Center Plaza  
1200 Third Avenue, Suite 1700  
San Diego, CA 92101-4199

Ms. Suzi Green  
C B Richard Ellis  
1200 Third Avenue, Suite 405  
San Diego, California 92101

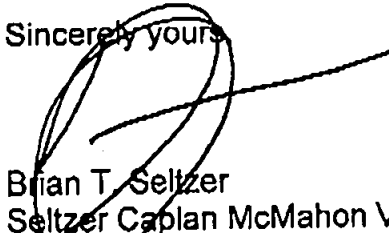
RE: Our File No. 5654.51142

Dear Diana and Suzi:

At the request of Rick Wolfen enclosed herein please find a proposed form of Seventh Amendment to Lease between Civic Center Associates and The City of San Diego.

Please call me with your comments.

Sincerely yours

  
Brian T. Seltzer  
Seltzer Caplan McMahon Vitek  
A Law Corporation

BTS:lmc

Enclosure

cc: Mr. Rick Wolfen (via facsimile w/ encl.)  
O:\5654\51142\Corres\Let Lozano Green-01(021).doc

SEVENTH AMENDMENT TO LEASE

THIS SEVENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes \_\_\_\_\_, 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, that certain Fifth Amendment to Lease dated November 8, 1999, and that certain Sixth Amendment to Lease dated ~~May 15~~ 2000 (individually, "Sixth Amendment"), 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. Landlord and Tenant agree, upon and subject to the provisions and conditions of this Amendment, that:

a) Tenant shall be entitled to install storefront improvements ("Storefront Improvements") upon that portion of the Premises identified on Exhibit "A" attached hereto and incorporated herein by this reference ("Access Area");

b) the scope of the Storefront Improvements shall be as described in Exhibit "B" attached hereto and incorporated herein by this reference; and

c) once the Storefront Improvements are installed in the Premises, then the Access Area shall provide an alternative (but not the only) means for access, ingress and egress to the Premises.

2. As used in the Lease, the term "Premises" already includes the Access Area. Because none of the Storefront Improvements extend beyond the current boundary of the Premises, there shall be no increase in:

- a) the rentable area of the Premises
- b) the Base Monthly Rent; or
- c) Tenant's Percentage Share of Operating Expenses

3. Tenant shall not receive a Relocation Allowance by reason of the acts and actions being taken pursuant to this Amendment.

This is not a storefront. It's a space inside the building.  
DM

what STORE FRONT?

we need to see what they mean by "Access area" before we can approve this.

what is Access Area? Exhibit "A" is missing.

where is Exhibit B?

Exhibit B is supposed to be the T-I improvement agreement.

all improvements are within the premises - not in the building lobby. DM.

4. In utilizing the Access Area and installing the Storefront Improvements therein, Tenant warrants, represents, acknowledges to and agrees in favor of Landlord as follows:

a) Tenant has inspected the Access Area and all existing improvements in the Access Area.

b) Landlord has not made any representations or warranties concerning the Access Area and(or) the requirements and costs associated with the installation and utilization of the Storefront Improvements therein, and Tenant is relying solely and completely upon its own review and assessment of the same, and Landlord accepts no liability or responsibility for the same, except for Landlord's construction obligations expressly set forth herein, *again, we need to see on a map what the access area is.*

c) Tenant is accepting and utilizing the Access Area and all improvements situated thereon, "As Is," in their present state and condition, without any representations or warranties from Landlord of any kind whatsoever, either express or implied, except for Landlord's construction obligations set forth herein *and in the Sixth Amendment, Tenant Improvement Agreement.*

d) Landlord has made no representation or warranty ~~and accepts no liability or responsibility~~ respecting the use, condition, ~~operation or management of~~ the Access Area or the improvements situated thereon or the Storefront Improvements, or compliance with any applicable laws, rules and(or) regulations, except for Landlord's construction obligations set forth herein *and in the Sixth Amendment.*

5. At all times during the term of this Lease, Tenant shall, at its own cost and expense and at no cost and expense to Landlord, maintain the Access Area and the Storefront Improvements in good order and repair, and make all repairs and replacements that may become necessary to the Access Area and the Storefront Improvements. Any and all repairs and replacements required by this paragraph, both ordinary and extraordinary and both structural and nonstructural, shall be made promptly by Tenant as required and shall be of ~~first-class~~ *the same* quality and workmanship and shall comply with all applicable laws, regulations, and ordinances of any governmental authority with jurisdiction.

6. *should further T.I.s occur,* Tenant shall, at its own cost and expense and during the term of this Lease, make any and all changes, alterations, additions, or modifications to the Access Area and Storefront Improvements that may be required by the building ordinances of the City of San Diego, County of San Diego, and by any laws of the State of California or the United States of America, or by the requirements and regulations of any governmental authority. Under no circumstances shall Landlord be required to make any expenditure for any such change, addition, modification or improvement.

7. Landlord shall be responsible for the design and construction of the Storefront Improvements, which shall be undertaken by a general contractor ("Contractor") selected by Landlord. The cost of the Storefront Improvements shall include all costs and fees paid by Landlord in connection with architects, space planners and other professionals hired by Landlord to facilitate the Storefront Improvements. The costs for the Storefront Improvements, as so described, shall be

*2 and Tenant.*

added to and included in the Tenant Improvement Allowance and space planning allowance already provided for in the Sixth Amendment. The amounts so provided for in the Sixth Amendment shall not be increased by reason of the Storefront Improvements. Landlord makes no representation or warranty as to the ultimate cost of the Storefront Improvements. If the cost of the Storefront Improvements, together with other allocable costs, exceeds the amounts provided in the Sixth Amendment for the Tenant Improvement Allowance or the space planning allowance, then Tenant shall and will pay the same to Landlord, on demand, without setoff. The Storefront Improvements shall be deemed within the scope of, part of and otherwise subject to the terms of the Tenant Improvement Agreement attached to the Sixth Amendment.

8. Landlord shall not be obligated to make any modifications, changes, additions or improvements to the Premises or any part of the Building of which the Premises are a part by reason of the Storefront Improvements.

9. With respect to the Storefront Improvements, Tenant acknowledges and agrees to comply with the following:

a) The Storefront Improvements shall not in any way impair the structural stability of the Building, access, ingress and egress to the Building or ~~diminish the value of the Building or the Premises.~~

b) The lobby area of the Building is shown on Exhibit "C" attached hereto and incorporated herein by this reference ("Lobby Area"). In utilizing the Access Area and the Storefront Improvements, Tenant will not create or cause to be created any congestion of persons in the Lobby Area; in particular, at no time shall any line of customers in the Premises extend out of the Access Area into the Lobby Area or the outside adjoining plaza area. The Storefront Improvements shall be designed and constructed so as to facilitate the access and ingress and egress of all persons entering and exiting the Premises by use of the Access Area without disruption or impairment of the normal use and enjoyment of the Lobby Area. If, in Landlord's judgement, Tenant's use of the Access Area and the Storefront Improvements disrupts or impairs the normal use and enjoyment of the Lobby Area, then:

(a) Landlord can assess Tenant and Tenant shall pay Landlord as additional rent the costs associated with any such disruption or impairment; and

(b) Landlord can require Tenant, and Tenant hereby agrees to, discontinue its use of the Access Area and Storefront Improvements.

c) The actual plans and specifications for the Storefront Improvements shall be approved in writing by Landlord (not to be unreasonably withheld or delayed).

d) Contractor shall construct the Storefront Improvements, within the Premises under contract with Landlord. Contractor will cause application to be made to the appropriate governmental authorities for necessary approvals and permits. Upon receipt of the necessary approvals and permits, Contractor shall begin construction. Before the commencement of construction, as so provided, the Contractor shall deliver to Landlord, in form and context acceptable to Landlord: (i) an indemnification for injury

*We don't have control over value of this building*

*don't have. Not Attached.*

*need adequate notice time to remedy any disruption*

*THM*

*this is between the Landlord & Contractor. We cannot agree to something we have no agreement with.*

*They can address this in their agreement w/ Contractor.*

or damage sustained during the course of construction caused by Contractor or its employees, agents or subcontractors; and (ii) a certificate of insurance, evidencing comprehensive liability insurance, in an amount acceptable to Landlord, evidencing Landlord as a named additional insured.

*pm*

e) The Storefront Improvements, *(except furniture, modular walls)* upon completion, shall become the property of Landlord and shall remain on and be surrendered with the Premises at the expiration or earlier termination of the Lease.

f) The Storefront Improvements shall comply with all applicable laws, ordinances, and regulations of any governmental authority with jurisdiction over the Premises, with the initial cost of compliance considered a construction cost for the Storefront Improvements; thereafter, Tenant shall pay all costs of compliance. *if costs exceed the T.I. allowance.*

g) Tenant, by its actions and signing program, shall encourage patrons of the ground floor Premises to access the same through either the Storefront Improvements or through the existing doors on the adjoining plaza; the signs for the same shall be of equal size and prominence. The doors in the Storefront Improvements shall not be left open, for other than a brief period, into the Lobby Area.

*I really don't think this is right. This is within our space & does not affect the Building lobby.*

h) To the extent that the installation, construction, use and(or) operation of the Access Area and Storefront Improvements require, now or hereafter, modifications and(or) improvements to the Lobby Area or any other part of the Building, whether by reason of the application of laws, code updates or otherwise, as the same may change from time to time, then Tenant shall be responsible for the full cost of the same.

i) Tenant shall be responsible for and shall pay for any damage it or its Contractor or subcontractors cause to the Premises or the Building surrounding the Premises by reason of the use and(or) operation of the Access Area and Storefront Improvements.

*I thought the landlord was hiring the Contractor.*

*ok j)* Landlord shall be under no obligation to make any changes or modifications to the Lobby Area or the furnishings therein by reason of the Access Area or Storefront Improvements.

k) Tenant shall not allow its patrons in the ground floor Premises to use the furniture in the Lobby Areas as a waiting area.

*Building*

10. Tenant hereby waives all claims against Landlord for damage to any property or for any injury, illness or death of any person in, upon or about the Premises or the Storefront Improvements arising at any time and from any cause whatsoever other than by reason of the gross negligence or willful misconduct of Landlord, its agents or employees. Tenant hereby indemnifies and defends Landlord against and holds Landlord harmless from all claims, expenses and liability for any damage to any property or for any injury, illness or death of any person occurring in or on the Premises or the Access Area ~~or the Lobby Area or any part thereof arising at any time~~

again, this is between them and their used contractor.

by reason of the installation, construction, use and(or) operation of the Access Area and(or) the Storefront Improvements.

11. Nothing in this Seventh Amendment changes, modifies or relieves Tenant of the obligation to pay rent when now required under the Lease, including ~~particularly the Sixth Amendment~~ the sixth amend. is under the lease, so why point this out? SEVENTH

IN WITNESS THEREOF, Landlord and Tenant have executed this ~~Sixth Amendment~~ SEVENTH of the day and year first above-written. This SEVENTH (TH) lease amendment is

executed by City, acting by and through its City Manager, and by Landlord, acting by and through its lawfully authorized officers.

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 - DEBRA J. BEVIER  
Deputy City Attorney

## Exhibit A

Expansion Premises

They should not — submit  
blank pages. Amendment  
will not be accepted unless  
the Exhibit is complete.  
= Exhibit B.?

Bm

DUPLICATE

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 1<sup>st</sup> 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<br>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.

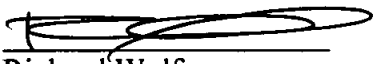
10. Ratification. Landlord and Tenant hereby confirm that the Lease, as modified herein, remains in full force and effect, and each party is bound by all of the provisions set forth therein.

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

LANDLORD:

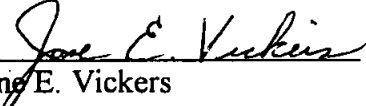
Civic Center Associates, LLC,  
a California limited liability company  
By: Rock Asset Management, Inc.,  
a California corporation,  
Its manager

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]

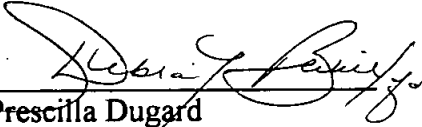
0-18804

MAY 15 2000

APPROVED AS TO FORM AND LEGALITY this  
23<sup>rd</sup> day of May, 2000

Casey Gwinn, City Attorney

By:

  
Prescilla Dugard  
Deputy City Attorney

City Treasurer Space CCP

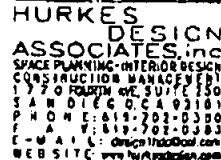


EXHIBIT A

DUPLICATE

**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]

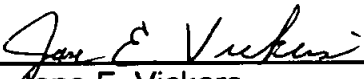
LANDLORD:  
Civic Center Associates, LLC  
A California limited liability company

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

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

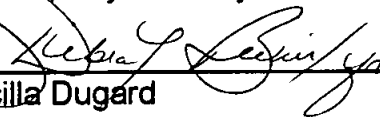
TENANT:  
The City of San Diego,  
A California municipal corporation

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

APPROVED AS TO FORM AND LEGALITY,

This 23<sup>rd</sup> day of May, 2000.

Casey Gwinn, City Attorney

By:   
Prescilla Dugard  
Deputy City Attorney

0-18804

MAY 15 2000

ORDINANCE NUMBER O- **18804** (NEW SERIES)

ADOPTED ON **MAY 15 2000**

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A SIXTH AMENDMENT TO LEASE AGREEMENT WITH CIVIC CENTER ASSOCIATES FOR THE CITY OF SAN DIEGO TREASURER DEPARTMENT.

WHEREAS, the City and Civic Center Associates have negotiated a Sixth Amendment to Lease at the initial rental rate of \$15,172.65 per month, the fair market rate as determined by City valuation staff; NOW, THEREFORE,

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 Sixth Amendment to Lease with Civic Center Associates for office space of approximately 11,239 square feet on the 1st floor of the Civic Center Plaza Building, for the City of San Diego Treasurer Department, commencing July 1, 2000, and terminating July 23, 2014, at an initial monthly rent of \$15,172.65, under the terms and conditions set forth in that lease agreement on file in the office of the City Clerk as Document No. OO- **18804**.

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$182,071.80 from the General Fund 100 for rent from FY2001 budget, contingent upon the approval of the FY2001 budget by the Mayor and City Council.

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 thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By Prescilla Dugard  
Prescilla Dugard  
Deputy City Attorney

PD:cdk  
03/28/00  
Or.Dept:REA  
O-2000-161  
Form=leaseo.frm

Passed and adopted by the Council of The City of San Diego on May 15, 2000 by the following vote:

YEAS: MATHIS, WEAR, STEVENS, WARDEN, STALLINGS,

VARGAS, MAYOR GOLDING.

NAYS: McCARTY.

NOT PRESENT: KEHOE.

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: Esther C. Woronicz, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-18804 (New Series) of The City of San Diego, California.

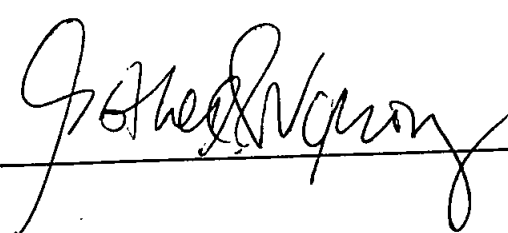
I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on MAY 01 2000 and on May 15, 2000.

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: , Deputy

FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes September 16, 1999, 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 and that certain Fourth Amendment To Lease dated <sup>August</sup> 31, 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 13<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite:</u> | <u>Rentable Area:</u> | <u>Useable Area:</u> |
|---------------|-----------------------|----------------------|
| 1300          | 3,210                 | 2,805                |

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 199,569 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 October 5, 1999. 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<br>until 3/31/03 | \$4,333.50 (\$1.35 per RSF) |
| 4/1/03 - 3/31/08                            | \$4,494.00 (\$1.40 per RSF) |

4/1/08 - 7/23/14

\$4,654.50 (\$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 will increase from 73.56% to 74.76% 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. Landlord shall not pay to Tenant or otherwise provide or pay a Tenant Improvement Allowance or a Space Planning Allowance. Instead, Landlord shall cause to be constructed and installed in the Premises, consistent with Landlord's specifications and scheduling, those improvements and additions, and only those improvements and additions, described on Exhibit "B" attached hereto and incorporated herein by this reference (collectively, "Expansion Premises Alterations"). Landlord shall cause the Expansion Premises Alterations to be constructed and installed at Landlord's sole cost and expense utilizing such contractors, subcontractors and materialmen as Landlord may select. Other than the Expansion Premises Alterations, Landlord shall not be obligated to make any further modifications, changes, additions or improvements to the Expansion Premises, and Tenant shall not have the right to issue or require any change orders for the same.

8. 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 (commencing March 1, 2002) for the first sixty (60) months of the term plus 1.5% of Basic Monthly Rent for the remainder of the term (all of which shall be discounted at 10% for the total number of months from the execution date of this Fifth Amendment to March 1, 2002). 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.

9. 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 Fifth Amendment as of the day and year first above-written.

LANDLORD:

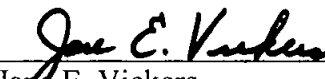
Civic Center Associates, LLC,  
a California limited liability company  
By: Rock Asset Management, Inc.,  
a California corporation,  
Its manager

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]

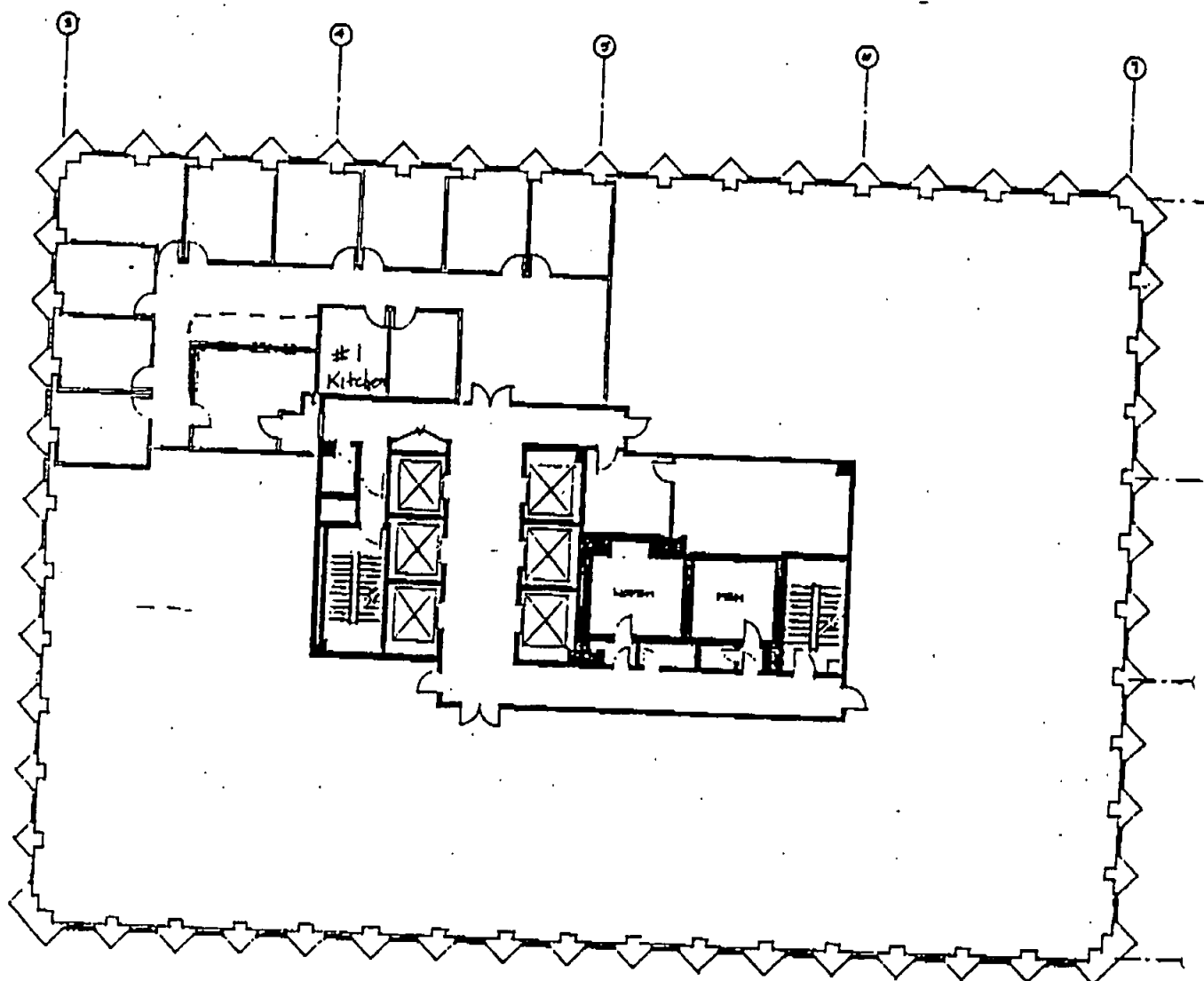
APPROVED AS TO FORM AND LEGALITY this  
24<sup>th</sup> day of November, 1999

Casey Gwinn, City Attorney

By: Prescilla Dugard  
Prescilla Dugard  
Deputy City Attorney

W

EXHIBIT A  
PREMISES FLOOR PLAN



----- New wall

W

## **EXHIBIT B**

### **Tenant Improvements for Suite 1300**

1. Install sink, associated plumbing and insta-hot under sink. Install upper and lower cabinets (white) in Kitchen (Room 1).
2. Remove carpet and install VCT in Kitchen (Room1).
3. Conference Room: Demo old conference room wall. Add new wall out past light fixture 1 ft. in from hallway walls. New wall to be glass with mullions.
4. Install blinds along glass wall.
5. Miscellaneous: Patch holes; touch-up paint in total space; patch carpet in conference room with carpet removed from kitchen.

**18715**

ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

ADOPTED ON NOV 0 8 1999

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A FIFTH AMENDMENT TO LEASE WITH CIVIC CENTER ASSOCIATES FOR EXPANSION OF THE CITY'S COMMUNITY SERVICES DEPARTMENT.

WHEREAS, the City and Civic Center Associates have negotiated a Fifth Amendment to Lease at the initial rental rate of \$4,333.50 per month, the fair market rate as determined by City valuation staff; NOW, THEREFORE,

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 Fifth Amendment to Lease with the Civic Center Associates for the Community Services Department which is expanding into approximately 3,210 square feet on the 13th floor of the Civic Center Plaza Building, at an initial annual rent of \$4,333.50 per month, for a term of approximately 15 years commencing October 5, 1999, and terminating on July 23, 2014 (the expiration date of the Master Lease), under the terms and conditions set forth in that amendment to lease agreement on file in the office of the City Clerk as Document No. OO-\_\_\_\_\_.

Section 2. That the City Auditor and Comptroller is authorized to expend an amount not to exceed \$38,442.33 from the General Fund 100, Department 042 for FY 2000 budget.

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.

By: [Signature], Deputy

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

APPROVED: CASEY GWINN, City Attorney

By Prescilla Dugard  
Prescilla Dugard  
Deputy City Attorney

PD:cdk  
10/11/99  
10/12/99 COR.COPY  
Or.Dept:REA  
Aud.Cert.:2000369  
O-2000-56  
Form=leaseo.frm

## FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes August 31, 1999, 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, as amended by that certain Second Amendment to Lease dated December 31, 1997, and by that certain Third Amendment to Lease dated July 1, 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 4<sup>th</sup> floor of the building ("Expansion Premises"):

| <u>Suite:</u>                    | <u>Rentable Area:</u> | <u>Useable Area:</u> |
|----------------------------------|-----------------------|----------------------|
| <u>Suites 410, 412 &amp; 414</u> | 2,487                 | 2,120                |

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 196,359 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 September 15, 1999. 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<br>until 3/31/03 | \$3,357.45 (\$1.35 per RSF) |

4/1/03 - 3/31/08

\$3,481.80 (\$1.40 per RSF)

4/1/08 - 7/23/14

\$3,606.15 (\$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 will increase from 72.62% to 73.56% 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. Landlord shall not pay to Tenant or otherwise provide or pay a Tenant Improvement Allowance or a Space Planning Allowance. Instead, Landlord shall cause to be constructed and installed in the Premises, consistent with Landlord's specifications and scheduling, those improvements and additions, and only those improvements and additions, described on Exhibit "B" attached hereto and incorporated herein by this reference (collectively, "Expansion Premises Alterations"). Landlord shall cause the Expansion Premises Alterations to be constructed and installed at Landlord's sole cost and expense utilizing such contractors, subcontractors and materialmen as Landlord may select. Other than the Expansion Premises Alterations, Landlord shall not be obligated to make any further modifications, changes, additions or improvements to the Expansion Premises, and Tenant shall not have the right to issue or require any change orders for the same.

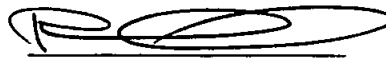
8. Brokers. The parties acknowledge that The Irving Hughes Group, Inc. ("IHG"), broker for Tenant, and CB Richard Ellis, Inc. ("CB"), broker for Landlord ("Brokers"), shall be paid commissions by Landlord with respect to the Expansion Premises. The commission to IHG for the Expansion Premises shall be in the amount of 3.25% of the Base Monthly Rent (commencing August 1, 2002) for the first sixty (60) months of the term plus 1.5% of Basic Monthly Rent for the remainder of the term (all of which shall be discounted at 10% for 34 ½ months). 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.

9. 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 Third Amendment as of the day and year first above-written.

LANDLORD:

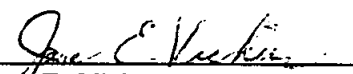
Civic Center Associates, LLC,  
a California limited liability company  
By: Rock Asset Management, Inc.,  
a California corporation,  
Its manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

The City of San Diego,  
a California municipal corporation

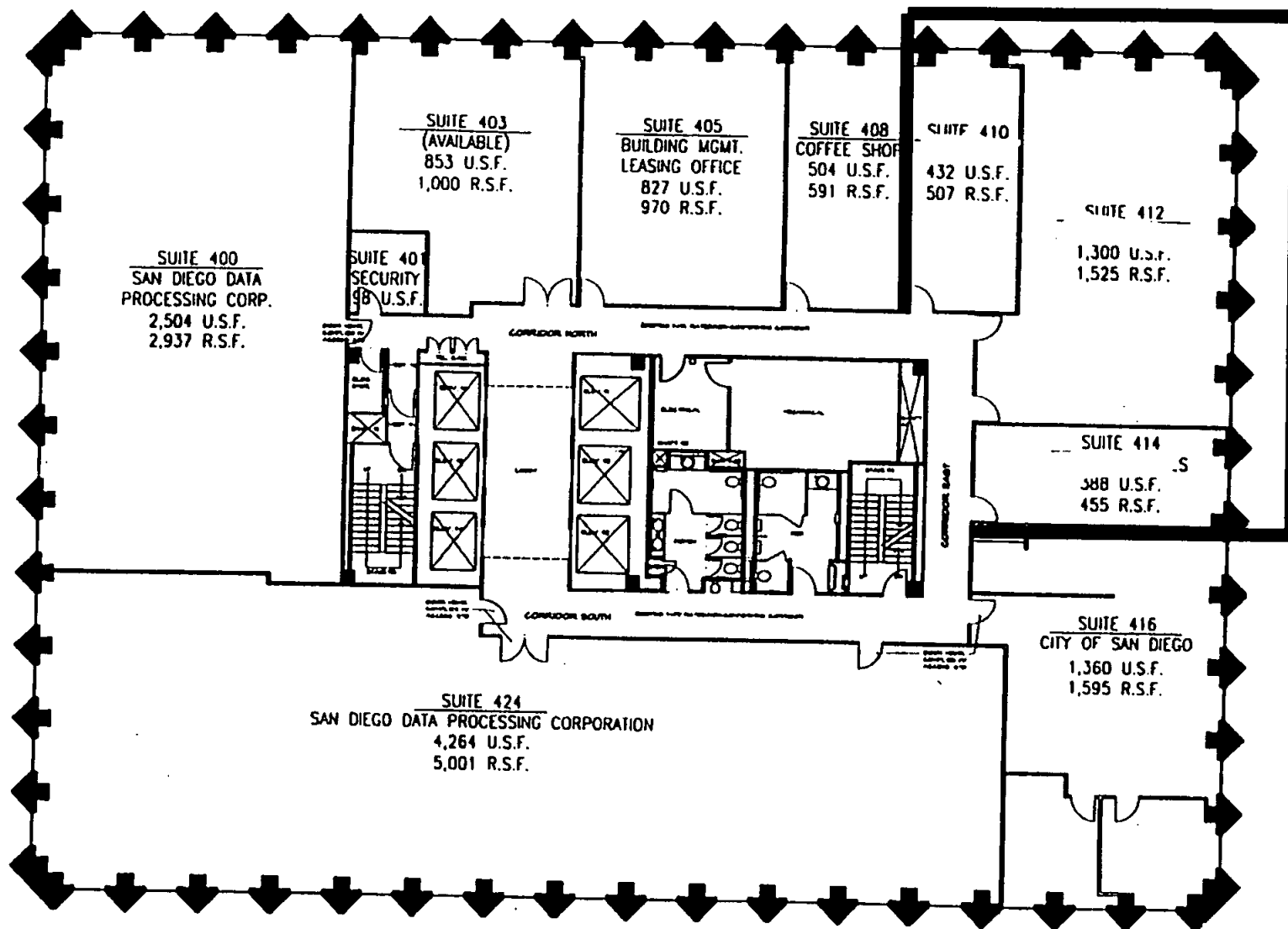
By:   
Name: Jane E. Vickers  
Title: Deputy Director  
Real Estate Assets Department

[signature block continues on next page]

APPROVED AS TO FORM AND LEGALITY this  
28<sup>th</sup> day of October, 1999

Casey Gwinn, City Attorney

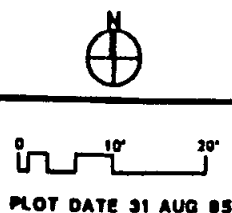
By: Prescilla Dugard  
Prescilla Dugard  
Deputy City Attorney



# CIVIC CENTER PLAZA

## FLOOR 4

|               |           |           |          |
|---------------|-----------|-----------|----------|
| SINGLE-TENANT | 14,896.27 | 13,870.88 | 1.059507 |
| MULTI-TENANT  | 14,896.27 | 12,828.90 | 1.172895 |



## EXHIBIT B

### Tenant Improvements for Suites 410, 412, and 414

1. Cut a new doorway and install a new door and jamb between Suites 416 and 414 (left-hand swing).
2. Add a sound proof door with a built-in (double pane) window to the existing doorway between Suite 414 and 412. (Left hand swing).
3. Add a door to the existing doorway between Suites 412 and 410 (right hand swing).
4. Create a 6-inch hole at the bottom of the wall between Suites 414 and 412. Add insulation materials around hole - PVC sleeve.
5. Raise a 20(22) X 20(22) ft. square section of ceiling tile 2 ft. up from its existing height in Suite 412. Install additional tiles between the existing and raised ceiling section.
6. Suspend hangers for metal pipe lighting grid in Suite 412 down through the raised section of ceiling to a level of one foot below the raised ceiling section.
7. Install 6 to 8 electrical outlets with individual circuits in the raised ceiling section of Suite 412.
8. Provide ceiling support hangers for curtain draw track-67 ft. long - heavy-duty straight track.
9. Sprinkler pipe relocation both supply lines and sprinkler heads.
10. Removal of four (4) existing 2 x 4 foot light fixtures.
11. Relocate existing LAN connection to be moved to an existing wall plate in Suite 410. New telephone line ext. 533-4785 be connected in Suite 410 to an existing wall plate.
12. Purchase and install two curtains in black - two curtains in blue (exact color TBD) for studio area to block light.
13. Electrical Load - conduct a tie tracer on electrical history on one side of floor to determine power capacity in each suite and insure that you do not shut off another tenant's power. From these results; may need to install a subpanel. May need to dedicate ceiling area.
14. Heat Load - 55-watt bulbs in studio. Need to balance HVAC for heat load and look at CFM flow (noise). Make sure room is on a separate zone.
15. Paint studio area ceiling black.
16. Suite 410 - move light switch outlet to other side of wall when new door is installed.

General Specifications for Track and Curtains (attached).



### **General Specifications: Heavy Duty Straight Track**

Track shall be 14 gauge galvanized steel, roll-formed to 2-5/8" wide X 2-3/4" high channel with continuous slot in bottom. Suspend track on 7' maximum. Install end stop with cord support at each track end.

Single carriers, spaced on 12" centers, constructed of two polyethylene wheels fastened parallel to carrier body. Supply with heavy-duty hook, swivel eye and trim chain for attachment of curtain. Black Super Tough nylon shall be molded around shielded and greased ball bearing to form carrier body. Install round neoprene bumper between each carrier to reduce noise.

Master carriers shall be 4-wheel assemblies with bodies formed from 11-gauge steel with press-fit ball bearings. Connect to operating line with two-formed steel cord clamp, attached to each body. Supply each master carrier with twin heavy-duty hooks, swivel eyes and trim chains for attachment of leading edge of curtain.

Single and double end pulleys shall clamp securely to the underside of the track and shall contain 4" diameter sheaves enclosed in steel housings to prevent operating line from escaping the grooves. Sheaves shall be Nylatron GS molded around shielded and greased ball bearings and grooved to accommodate up to 3/8" operating line.

Provide floor block in 12 gauge steel housing containing 4" Nylatron GS, ball bearing sheave. Sheave axle shall lock at any point within 9" vertical slots to allow tension adjustment of operating line.

Black operating line shall be 3/8" diameter, stretch-resistant rope with spun polyester outer jacket double over solid polyester core.

All steel components shall be zinc plated to resist corrosion.

### **General Specifications: Curtains - Two each in colors TBD.**

Curtains shall be 16 to 25 oz Velour or Oxford fabric. (Weight and fabric to be determined) Curtains may be required to be light blocking. Curtains shall be of a height to cover from track to within 1/2" of floor. Length shall be approximately 80'. Curtains to be manufactured so as to mount to above carriers.

### **General Specifications: Light Grid**

Light Grid shall be 20' X 20' overall in a 4' X 4' grid pattern. Pipe shall be 1.5" schedule 40 Black Pipe. Pipe fittings shall be hot dipped galvanized, malleable iron. Suspend Grid as needed.

W

COPY

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE ("Amendment"), dated for identification purposes July 1, 1999, 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, as amended by that certain Second Amendment to Lease dated December 31, 1997, 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 15<sup>th</sup> floor of the building (collectively, "Expansion Premises"):

| <u>Suite:</u>                            | <u>Rentable Area:</u> | <u>Useable Area:</u> |
|------------------------------------------|-----------------------|----------------------|
| " <u>Suites 1502, 1512, &amp; 1515</u> " | 4,713                 | 4,098                |
| " <u>Suite 1524</u> "                    | 5,062                 | 4,402                |
| " <u>Suite 1550</u> "                    | 2,467                 | 2,145                |
| Total                                    | 12,242                | 10,645               |

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 193,872 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 on the Commencement Date as determined pursuant to Section 1.2 of the Tenant Improvement Agreement attached hereto as Exhibit "B" and entered into concurrently herewith ("Tenant Improvement Agreement").

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<br>until 3/31/03 | \$16,526.70 (\$1.35 per RSF) |
| 4/1/03 - 3/31/08                            | \$17,138.80 (\$1.40 per RSF) |
| 4/1/08 - 7/23/14                            | \$17,750.90 (\$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 will increase from 68.03% to 72.62% 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. Tenant shall construct Tenant Improvements in the Expansion Space and Landlord shall provide the Tenant Improvement Allowance pursuant to the terms and conditions of the Tenant Improvement Agreement.

8. Notices. Section 14 of the Basic Lease Provisions is amended to change the place for notices to Landlord as follows:

Civic Center Associates  
c/o Rock Asset Management  
Attn: Mr. Richard Wolfen  
9777 Wilshire Blvd., Suite 710  
Beverly Hills, California 90212

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 CB shall be paid pursuant to a separate agreement between Landlord and CB. The commission to IHG for Suites 1502, 1512, 1515 and 1550 shall

be in the amount of 3.25% of the Base Monthly Rent payable for the sixty (60) month period commencing on August 1, 2002, and 1.5% of the Base Monthly Rent for the balance of the Term set forth in Section 6 of the Basic Lease Provisions, due and payable one-half upon execution of this Amendment and one-half upon Tenant's occupancy of Suites 1502, 1512, 1515 and 1550. The commission to IHG for Suite 1524 shall be in the amount of 3.25% of the Base Monthly Rent payable for the first sixty (60) months and 1.5% of the Base Monthly Rent for the balance of the Term set forth in Section 6 of the Basic Lease Provisions (all of which shall be discounted at 10% for 42 months) due and payable one-half upon execution of this Amendment and one-half upon Tenant's occupancy of Suite 1524. 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. Tenant Improvement Agreement. Concurrently with the execution hereof the parties shall execute a Tenant Improvement Agreement in the form of Exhibit "B" attached hereto and incorporated herein by this reference.

11. 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 Third 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

[signature block continues on next page]

TENANT:

The City of San Diego,  
a California municipal corporation

By: Jane E. Vickers

Name: Jane E. Vickers

Title: Deputy Director

Real Estate Assets Department

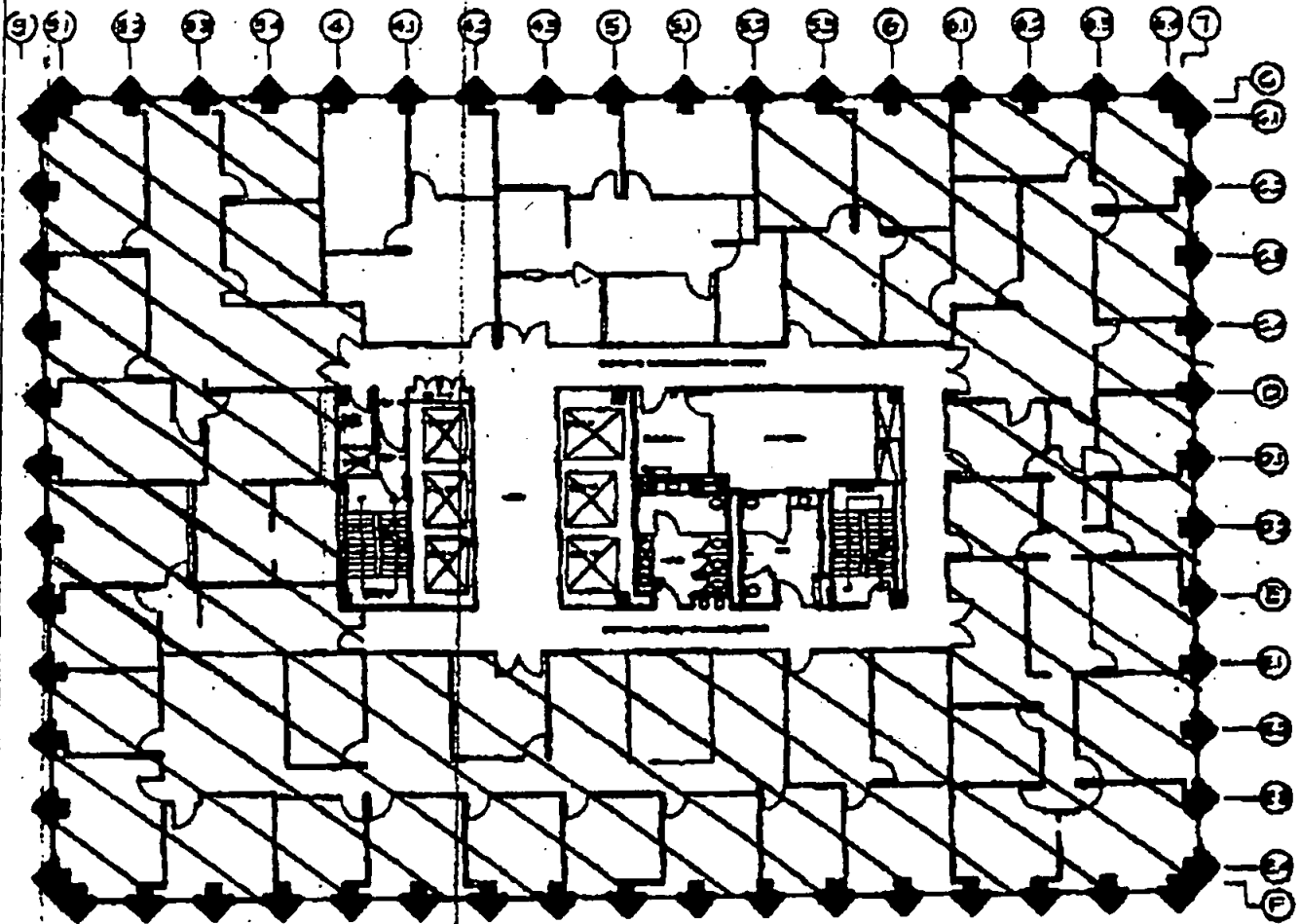
APPROVED AS TO FORM AND LEGALITY this  
1<sup>st</sup> day of October, 1999

Casey Gwinn, City Attorney

By: Prescilla Dugard

Prescilla Dugard  
Deputy City Attorney

EXHIBIT A  
EXPANSION PREMISES



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## EXHIBIT "B"

### TENANT IMPROVEMENT AGREEMENT

(Tenant to Construct)

This Tenant Improvement Agreement ("Agreement"), dated July 1, 1999, is entered into by and between Civic Center Associates, a California limited liability company ("Landlord"), and The City of San Diego, a municipal corporation ("Tenant"). Landlord and Tenant are executing simultaneously with this Agreement a Third Amendment to the Lease ("Amendment") covering the Expansion Premises, more particularly described in the Amendment, in the Building more particularly described in the Lease. For purposes of this Tenant Improvement Agreement, the Expansion Premises are separately shown and defined as "Suites 1502, 1512, 1515 and 1550" and "Suite 1524". Landlord and Tenant hereby agree that Tenant 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 2.5 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 and Definitions.

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 business (3) days' prior written notice to the other party.

Tenant Improvements: All improvements as shown on the approved Final Plans.

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

Landlord's Representative: Suzanne Green, CB Richard Ellis

Tenant's Space Planner ("Space Planner"): Arch Cad

Contractor ("Contractor"): Royal Pacific Construction, Inc.

1.2 Commencement Date. The "Commencement Date" as to Suites 1502, 1512, 1515 and 1550 shall be the earlier of: (i) the date Tenant commences business operations from Suites 1502, 1512, 1515 and 1550 or any of them; or (ii) ninety

one (91) days after the date that the San Diego City Council approves the Third Amendment, but subject to extension (only as to this subparagraph (ii)) for any Landlord Delay (as defined in Section 16) or any Force Majeure Delay (as defined in Section 17). The Commencement Date for Suite 1524 shall be the date that San Diego Data Processing ceases to pay rent for that space. Notwithstanding the foregoing, if the San Diego City Council has not approved the Third Amendment by July 31, 1999, then Landlord shall have the right, but not the obligation and in Landlord's sole discretion, to terminate the Third Amendment upon seven (7) days written notice to Tenant.

## 2. Plans and Specifications.

2.1 Preparation and Approval of Space Plan. The Space Planner has prepared and submitted to Landlord and Tenant for approval a space plan showing architectural, special mechanical, plumbing, and electrical requirements, all demising walls, corridors, entrances, exists, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, partition layouts, reflected ceiling plans, location of electrical outlets, and location of switches and telephone outlets ("Space Plan"). Landlord and Tenant have approved the Space Plan. Space Planner shall contract directly with Tenant, and Landlord shall have no responsibility for the direct payment to the Space Planner. Landlord does not warrant the accuracy and completeness of the Space Plan.

2.2 Preliminary Cost Estimate. Contractor has prepared a preliminary estimate of the cost of the Tenant Improvements ("Preliminary Cost Estimate") described in the Space Plan. Landlord does not warrant the accuracy and completeness of the Preliminary Cost Budget. Since the Preliminary Cost Estimate was acceptable to Tenant, Tenant authorized Space Planner to prepare the "Working Drawings" (as defined below).

2.3 Preparation and Approval of Working Drawings. Space Planner shall (if it has not already done so) 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 partition locations, plumbing locations, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings must incorporate such items as have been specified by Landlord as required for use in the Building as set forth in the Tenant Improvement Standards. Landlord does not warrant the accuracy and completeness of the Working Drawings.

Tenant has approved the Working Drawings.

2.4 Preparation and Approval of Engineering Drawings. Tenant has submitted to Space Planner engineering drawings prepared by an engineer approved

by Landlord and Tenant, showing complete mechanical, electrical, plumbing, HVAC, telecommunication, and computer cabling plans ("Engineering Drawings").

Tenant has approved the Engineering Drawings. Landlord does not warrant the accuracy and completeness of the Engineering Drawings.

2.5 Integration of Working Drawings and Engineering Drawings into Final Plans. Space Planner, on behalf of Tenant, shall integrate the Working Drawings with the Engineering Drawings (collectively, "Final Plans"). Landlord does not warrant the accuracy and completeness of the Final Plans.

3. Selection of Contractor, Final Pricing.

Tenant has selected the Contractor to construct the Tenant Improvements. Contractor shall contract directly with Tenant. Landlord shall have no responsibility for the direct payment to Contractor, nor does Landlord warrant the qualifications, quality and timeliness of Contractor.

4. Payment for Tenant Extra Work.

"Tenant Extra Work" means the dollar amount by which the actual cost to complete Suites 1502, 1512, 1515 and 1550 and Suite 1524 pursuant to the Final Plans, as may be changed pursuant to Section 5 below, exceeds the amount of the Tenant Improvement Allowance. Tenant shall be solely responsible for paying for the Tenant Extra Work.

5. Change Orders.

Tenant may authorize changes in the work during construction, subject to Landlord's prior written approval. Landlord's approval of such a change shall not increase the amount of the Tenant Improvement Allowance.

6. [Intentionally Deleted].

7. Construction of the Expansion Premises.

Contractor shall construct the Tenant Improvements within the Expansion Premises under contract with Tenant. Landlord shall not be obligated to directly contract with Contractor. Contractor will cause application to be made to the appropriate governmental authorities for necessary approvals and permits. Upon receipt of the necessary approvals and permits, Contractor shall begin construction. Before the commencement of construction, as so provided, Tenant shall cause Contractor to deliver to Landlord, in form and context acceptable to Landlord: (i) an indemnification for injury or damage sustained during the course of construction caused by Contractor or its

employees, agents or subcontractors; and (ii) a certificate of insurance, evidencing comprehensive liability insurance, in an amount acceptable to Landlord, evidencing Landlord as a named additional insured. Before commencement of construction, Landlord shall post on the Expansion Premises a Notice of Nonresponsibility, as provided under applicable law.

8. Risk of Loss; Damage.

8.1 Tenant shall be responsible for all risk of loss occurring during the course of construction of the Tenant Improvements. In that regard, once construction of the Tenant Improvements commences, Tenant shall be responsible for completing the Tenant Improvements consistent with the Final Plans.

8.2 Tenant shall be responsible for and shall pay for any damage it or its Contractor or subcontractors cause to the Building.

9. Tenant Improvement Allowance.

9.1 Tenant Improvement Allowance. Landlord agrees to pay Tenant the following amounts ("Tenant Improvement Allowance"), subject to the fulfillment of the following conditions: (i) completion of construction of the Expansion Space consistent with the Final Plans; (ii) expiration of all applicable lien periods provided there are no mechanic's liens filed against the Premises; and (iii) the occurrence of the Commencement Date:

| <u>Suite:</u>                     | <u>Amount per square foot of Usable Area:</u> | <u>Total Amount:</u> |
|-----------------------------------|-----------------------------------------------|----------------------|
| Suites 1502, 1512 , 1515 and 1550 | \$25.00                                       | \$156,075.00         |
| Suite 1524                        | \$17.64                                       | <u>\$77,651.00</u>   |
|                                   |                                               | \$233,726.00         |

Landlord's sole obligation with respect to the construction shown in the Final Plans shall be the payment of the Tenant Improvement Allowance, as so provided. All other costs, foreseen or unforeseen, relating to construction within the Expansion Premises, pursuant to the Final Plans or otherwise, shall be Tenant's obligation, including, but not limited to, all "hard" and "soft" construction costs, including Tenant's data lines and telecommunications cabling, construction management services and furniture. Tenant shall be responsible for the cost of all electrical, mechanical and structural engineering, and all costs of permit, licenses and fees required in connection with the construction of the Tenant Improvements. Landlord shall receive no fee for profit, overhead, or general conditions. Tenant shall not be charged for the use of electricity, water, elevator or hoists 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 Tenant the following amounts for the cost of space planning and such amounts shall be in addition to the Tenant Improvement Allowance:

| <u>Suite:</u>                       | <u>Amount per square<br/>foot of Usable Area:</u> | <u>Total Amount:</u> |
|-------------------------------------|---------------------------------------------------|----------------------|
| Suites 1502, 1512, 1515<br>and 1550 | \$0.55                                            | \$3,434.00           |
| Suite 1524                          | \$0.39                                            | <u>\$1,717.00</u>    |
|                                     |                                                   | \$5,151.00           |

If Space Planner's fees and/or costs exceed the foregoing, such excess costs shall be paid by Tenant. Landlord shall pay said amounts upon the same conditions as the payment of the Tenant Improvement Allowance.

10. [Intentionally Deleted].

11. Shell Construction.

Separate and apart from the Tenant Improvement Allowance, Landlord shall pay Contractor up to the amount of \$82,601.21 to 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 Tenants 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 shell 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 Plan; (v) HVAC main loop ducting which shall not be deemed to include Tenant's ultimate ducting distribution; and (vi) the cost of all demolition required by Tenant, handicap code compliance including any required restroom renovation and spot abatement of asbestos in the Expansion Premises (utilizing the existing ceiling and lighting system), including any additional costs incurred by subcontractors to work around any existing asbestos. Landlord shall not be required to expend any additional sums with respect to the construction or condition of the Expansion Premises and in that regard: (a) Tenant accepts the Expansion Premises in their present "as is" condition, and (b) Tenant will be responsible for any additional costs, foreseen or unforeseen, that may arise. In this regard, Tenant acknowledges that Tenant and its representatives have had a full and

complete opportunity to inspect the Expansion Premises. Landlord shall be paid said amount upon the same conditions as to the payment of the Tenant Improvement Allowance.

12. Tenant's Payment for Constructing the Tenant Improvements.

Landlord shall pay Tenant the Tenant Improvement Allowance (as provided in Section 9.1) and the Space Planning Expenses (as provided in Section 9.2), and the amount specified in the last sentence of Section 11, within ten (10) days after the date the conditions set forth in Section 9.1 are satisfied. Landlord shall have the right to offset (credit) the amounts so owed against any past due amounts owed by Tenant to Landlord under the Lease. Landlord shall have the right to issue such payments in the form of joint checks payable to City and the applicable Contractor and subcontractors.

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 shall be specifically applicable to 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 Landlord shall not be the guarantor of, nor responsible for, the correctness or accuracy of any such plans or compliance of such plans with applicable laws.

16. Landlord Delay.

The term "Landlord Delay" as used in the Lease and this Agreement shall mean any delay that Tenant may encounter in the performance of Tenant's obligations under this Agreement caused directly and solely by: (1) changes in or additions to the Tenant Improvements requested by Landlord, except as required for safety, compliance with law or compliance with the Final Plans; (2) postponement of any Tenant Improvements at the written request of Landlord, except as required for safety, compliance with law or compliance with the Final Plans; (3) delay by Landlord in the giving of authorizations or approvals within the time limits set forth in this Agreement; and (4) the failure of Landlord to pay, when due, any amounts required to be paid by

Landlord pursuant to this Agreement. Landlord shall pay all actual and documented costs and expenses incurred by Tenant which result from any Landlord Delay, including, without limitation, any and all documented actual costs and expenses attributable to increases in the cost of labor or materials. If any such delay occurs, then Tenant must notify Landlord of the same, in writing, within 48 hours of occurrence, or Tenant waives its rights. Landlord, in the case of such a delay, shall only be responsible for Tenant's provable, actual damages, and not for consequential or punitive damages. Landlord shall not be responsible for delays caused by the incompleteness of the Final Plans, unforeseen conditions, unavailability of workers or other causes beyond Landlord's control. Landlord reserves the right to object to any claims for delay, as so stated.

No Landlord Delay shall be deemed to have occurred unless and until Tenant has given written notice, within the time period stated, to Landlord specifying the action or inaction which Tenant contends constitutes a Landlord Delay. If such action or inaction is not cured within two business days after Landlord's receipt of such notice, then a Landlord Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date Landlord received such notice and continuing for the number of days the Substantial Completion of the Expansion Premises was in fact delayed as a direct and actual result of such action or inaction.

17. Force Majeure Delay.

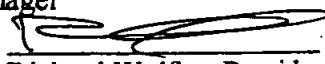
The term "Force Majeure Delay" as used in this Agreement shall mean any delay in the completion of the Tenant Improvements which is attributable to any: (1) actual, industry wide delay or failure to perform by Tenant affecting all similar works of construction in the San Diego, California, area or in 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 order of any government or regulatory body; (2) delay attributable to the failure of Landlord or Tenant to secure building permits and approvals (including any failure to obtain a temporary certificate of occupancy) within the same time period that normally prevailed for obtaining such permits and approvals in October, 1998; (3) delay in completing the construction of the Tenant Improvements, or Tenant's move into the Expansion Premises because of changes in any applicable laws or the interpretation thereof; or (4) 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).

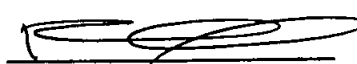
No Force Majeure Delay shall be deemed to have occurred unless and until the party claiming such Force Majeure Delay has provided written notice to the other party specifying the action or inaction that such notifying party contends constitutes a Force Majeure Delay. If such action or inaction is not 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.

LANDLORD:

Civic Center Associates, LLC,  
a California limited liability company

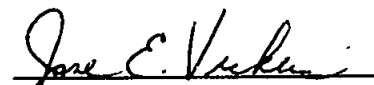
By: Rock Asset Management, Inc.,  
a California corporation,  
Its manager

By:   
Richard Wolfen, President

By:   
Richard Wolfen, Secretary

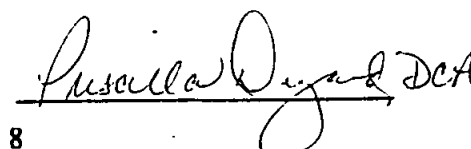
TENANT:

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 1 day of October, 1999.

Casey Gwinn, City Attorney

By:  DCA

Prescilla Dugard  
Deputy City Attorney

COPY

ORIGINAL

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Amendment"), dated for identification purposes December 31, 1997, is entered into by and between Pacific Southwest Realty Company, a Delaware corporation ("Landlord") and The City of San Diego, a municipal corporation ("Tenant") as an amendment to that certain Lease dated October 21, 1991, with Addendum to Lease attached thereto, between Landlord and Tenant (the "Lease"). The Lease was previously amended by an Amendment to Lease dated February 1, 1997 between Landlord and Tenant (the "First Amendment"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease and the First Amendment.

Landlord and Tenant hereby amend the Lease, as previously modified by the First Amendment, as follows:

1. Term. Section 6 of the Basic Lease Provisions is hereby modified to extend the Term of the Lease to July 23, 2014 ("Expiration Date"). Addendum Provision 4, which provides for two Renewal Options, is deleted in its entirety.

2. Base Monthly Rent. Section 8 of the Basic Lease Provisions (as modified by Addendum Provision 5) and Section 3 of the First Amendment are modified to provide for Base Monthly Rent for the entire 181,630 Rentable Area currently comprising the Premises for the remainder of the Term as follows:

| <u>Period</u>  | <u>Base Monthly Rent</u>      |
|----------------|-------------------------------|
| 1/1/98-3/31/03 | Per Lease and First Amendment |
| 4/1/03-3/31/08 | \$254,282.00 (\$1.40 per rsf) |
| 4/1/08-7/23/14 | \$263,363.50 (\$1.45 per rsf) |

3. Termination of Right to Cancel Lease. Section 2.7 of the Lease (added by Addendum Provision 6), which provides Tenant with a Cancellation Right, is deleted in its entirety.

4. Refurbishment Allowance. Article 38 of the Lease (added by Addendum Provision 12), which provides for a Refurbishment Allowance, is deleted in its entirety and the following revised Article 38 is added in lieu thereof:

ARTICLE 38 - REFURBISHMENT ALLOWANCE

38.1 Initial Payment. Within thirty (30) days following the Effective Date (defined below), Landlord shall pay to Tenant Seven Hundred Seventy-Eight Thousand Four Hundred Ten Dollars (\$778,410) (155,682 square feet of Modified Rentable Area x \$5.00) which may be used by Tenant for any purpose.

OC-95621.3

DOCUMENT NO. 00-18465  
FILED FEB 17 1998  
OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

**38.2 Future Refurbishment Allowances.** On April 1, 2003 and on April 1, 2008 Landlord shall provide Tenant with a cash refurbishment allowance ("Refurbishment Allowance") for that portion of the Premises which Tenant has occupied for five (5) full years as of each of the foregoing dates to be used by Tenant for the purpose of repainting, recarpeting, refurbishing and other miscellaneous repairs to the applicable portion of the Premises as Tenant, in its discretion, shall determine. The Refurbishment Allowance shall not exceed Five Dollars (\$5.00) per square foot of Modified Rentable Area within the applicable portion of the Premises for all floors which Tenant occupies in their entirety, and Five Dollars (\$5.00) per square foot of Usable Area within the applicable portion of the Premises for all floors which Tenant partially occupies. By way of example, assuming Tenant has not occupied any Expansion Space for five (5) full years as of each of the foregoing dates other than the eighth floor space, the Refurbishment Allowance on each such date would be Eight Hundred Forty-Seven Thousand Three Hundred Seventy Dollars (\$847,370) ( $155,682 + 13,792$  square feet of Modified Rentable Area  $\times$  \$5.00). Notwithstanding the payment procedure under Section 38.1 above or any prior practices, Tenant acknowledges that the Refurbishment Allowance shall be paid to Tenant by Landlord within ten (10) business days of Landlord's receipt of invoices marked "paid" and other supporting documentation reasonably requested by Landlord showing the payment by Tenant of the actual and reasonable costs incurred by Tenant for such repainting, recarpeting, refurbishing and other miscellaneous repairs for the space in question. For purposes of this Lease, the term "Modified Rentable Area" means all Usable Area plus the elevator lobbies, corridors and fire vestibules. Tenant shall not receive any credit against Base Monthly Rent or otherwise if Tenant shall fail to use the Refurbishment Allowance or any portion thereof. Tenant shall have twelve (12) months from the above dates to complete said improvements.

5. **Base Year.** As of April 1, 2003, the Base Years set forth in Section 19 of the Basic Lease Provisions and Section 5 of the First Amendment shall be adjusted to reflect a new Base Year of 2003.

6. **Option to Purchase Building.** Article 35 of the Lease (added by Addendum Provision 12) shall be modified to provide that Tenant must exercise its right to purchase the Building by notice to Landlord within ten (10) Business Days, rather than five (5) Business Days.

7. **Expansion Options.** Sections 2.4, 2.4.2 and 2.4.3 of the Lease (added by Addendum Provision 6) are modified as follows:

- a. Section 2.4 is modified to provide that the Expansion Options are subject to the availability of Expansion Space at the time of exercise of any Expansion Option.

b. Section 2.4.2 is modified to provide that the Tenant Improvement Allowance for all Expansion Space shall be: (i) for the period commencing April 1, 1998 through February 28, 2005, \$25.00 per square foot of Modified Rentable Area of the Expansion Space for those floors which Tenant occupies in their entirety and of \$25.00 per square foot of Usable Area of the Expansion Space for those floors which Tenant partially occupies; and (ii) thereafter, a prorated portion (prorated on a straight-line basis over the period commencing on March 1, 2005 through the end of the Term on July 23, 2014) of \$15.00 per square foot of Modified Rentable Area of the Expansion Space for those floors which Tenant occupies in their entirety and of \$15.00 per square foot of Usable Area of the Expansion Space for those floors which Tenant partially occupies.

c. Section 2.4.3 is modified in its entirety to read as follows:

"2.4.3 Expansion Space Rent. The Base Monthly Rent for each Expansion Space shall be in the same amount as the then-current Base Monthly Rent applicable to the Initial Premises (i.e. \$1.35 per square foot of Rentable Area as of the date hereof, \$1.40 per square foot of Rentable Area as of April 1, 2003 and \$1.45 per square foot of Rentable Area as of April 1, 2008). In addition to the Base Monthly Rent payable for each Expansion Space, Tenant shall pay Tenant's Percentage Share of Operating Expenses applicable to such Expansion Space based on the same Base Year as the then-current Base Year applicable to the Initial Premises (i.e., 1992 as of the date hereof and 2003 as of April 1, 2003). For purposes of illustration only, if Tenant occupies Expansion Space on April 1, 1999, and at that time Tenant's Percentage Share of Operating Expenses over and above the 1992 Base Year Operating Expenses is \$0.20 per square foot of Rentable Area, then in addition to the \$1.35 per square foot Base Monthly Rent then payable for the Expansion Space, Tenant shall also pay \$0.20 per square foot of Rentable Area for the Expansion Space as part of Tenant's Percentage Share of Operating Expenses up until April 1, 2003, at which time the Base Year shall be modified to reflect the new Base Year."

8. First Right To Lease. Sections 2.5.2 and 2.5.3 of the Lease (added by Addendum Provision 6) are modified as follows:

a. Section 2.5.2 is modified to provide that the Tenant Improvement Allowance for all Additional Space shall be: (i) for the period commencing April 1, 1998 through

February 28, 2005, \$25.00 per square foot of Modified Rentable Area for those floors which Tenant occupies in their entirety and \$25.00 per square foot of Usable Area of the Additional Space for those floors which Tenant partially occupies; and (ii) thereafter a prorated portion (prorated on a straight-line basis over the period commencing on March 1, 2005 through the end of the Term on July 23, 2014) of \$15.00 per square foot of Modified Rentable Area of the Expansion Space for those floors which Tenant occupies in their entirety and of \$15.00 per square foot of Usable Area of the Expansion Space for those floors which Tenant partially occupies.

- b. Section 2.5.3 is modified in its entirety to read as follows:

"2.5.3 Additional Space Rent. The Base Monthly Rent for each Additional Space shall be in the same amount as the then-current Base Monthly Rent (i.e., \$1.35 per square foot of Rentable Area as of the date hereof, \$1.40 per square foot of Rentable Area as of April 1, 2003 and \$1.45 per square foot of Rentable Area as of April 1, 2008). In addition to the Base Monthly Rent payable for each Additional Space, Tenant shall also pay Tenant's Percentage Share of Operating Expenses applicable to such Additional Space based on the same Base Year as the then-current Base Year (i.e., 1992 as of the date hereof and 2003 as of April 1, 2003). For purposes of illustration only, if Tenant occupies Additional Space on April 1, 1999, and at that time Tenant's Percentage Share of Operating Expenses over and above the 1992 Base Year Operating Expenses is \$0.20 per square foot of Rentable Area, then in addition to the \$1.35 per square foot Base Monthly Rent then payable for the Additional Space, Tenant shall also pay \$0.20 per square foot of Rentable Area for the Additional Space as part of Tenant's Percentage Share of Operating Expenses up until April 1, 2003, at which time the Base Year shall be modified to reflect the new Base Year."

9. Brokers. The parties acknowledge that The Irving Hughes Group, Inc. ("IHG"), broker for Tenant, and CB Commercial Real Estate Group, Inc. ("CB"), broker for Landlord (collectively, "Brokers") shall be paid commissions by Landlord with respect to this Amendment. The commission to CB shall be paid pursuant to a separate agreement between Landlord and CB. The commission to IHG shall be in the amount of 3.25% of the Base Monthly Rent for the period commencing April 1, 2000 through March 31, 2005, and 1.5% of the Base Monthly Rent for the period commencing April 1, 2005 and ending July 23, 2014; provided, however, IHG acknowledges and agrees that no commission will be paid with respect to the eighth floor Expansion Premises through March 31, 2003, the commission with respect to the eighth floor Expansion Premises

having been paid pursuant to the terms of the First Amendment. The entire commission to IHG shall be paid within thirty (30) days after the Effective Date set forth in Section 11 below. Each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment except to the Brokers as provided herein. Each party further agrees to indemnify and hold the other party harmless from any cost, liability and expense (including the attorneys' fees and the allocated costs of Landlord's in-house attorneys) which the other party may incur as a result of any breach of this Section 9.

10. Master Lease Assignment. Landlord has advised Tenant of the pending assignment of Landlord's interest under the Master Lease ("Leasehold Interest") to Rock Asset Management and Senturia Investments or their assignee ("Pending Assignment"). Following the closing of the Pending Assignment or, if the closing does not occur, following the termination of the Pending Assignment, Tenant shall have a second right of refusal, after the Master Lessor's first right of refusal to acquire the Leasehold Interest on the terms set forth in any future offer to acquire the Leasehold Interest (an "Offer"). Following receipt of an Offer which is acceptable to Landlord, Landlord shall provide written notice to Tenant of the terms of the Offer and Tenant shall have fifteen (15) days following the receipt of such notice to exercise its second right of refusal to acquire the Leasehold Interest. If Master Lessor does not exercise its first right of refusal to acquire the Leasehold Interest and Tenant has exercised its second right of refusal, Tenant shall acquire the Leasehold Interest on the terms set forth in the Offer. If Tenant fails to exercise its right or to close the acquisition of the Leasehold Interest on the terms set forth in the Offer, Landlord shall be free to accept the Offer and close the assignment of the Leasehold Interest on substantially the same terms set forth in the Offer. Tenant hereby acknowledges and agrees that any assignment of the Leasehold Interest will exclude the option contained in the Master Lease to extend the term for an additional fifteen (15) years unless the Master Lessor agrees in writing to fully release Landlord (as tenant under the Master Lease) from any and all obligations arising from and after the initial term of the Master Lease ending on July 23, 2014.

11. Conditions. This Amendment is conditioned upon final approval from the City Council of the City of San Diego on February 17, 1998 and the expiration of the thirty-day referendum period thereafter. Subject to the foregoing, this Amendment shall, therefore, be effective as of March 17, 1998 ("Effective Date").

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

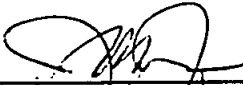
(Signature page follows)

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

LANDLORD:

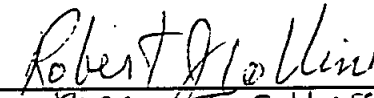
Pacific Southwest Realty Company, a Delaware  
corporation

By:   
Name: MICHAEL C. DAVIS  
Title: VICE PRESIDENT

By:   
Name: JAMES M. JACKSON  
Title: VICE PRESIDENT

TENANT:

The City of San Diego, a municipal corporation

By:   
Name: ROBERT M. COLLINS  
Title: REAL ESTATE ASSETS MGR

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT BY  
CITY ATTORNEY:

By:   
Name: William T. GRIFFITH  
Title: City Attorney

LAW OFFICES OF  
**PAUL, HASTINGS, JANOFSKY & WALKER LLP**

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ROBERT P. HASTINGS (1910-1996)  
COUNSEL  
LEE G. PAUL  
LEONARD S. JANOFSKY  
CHARLES M. WALKER

695 TOWN CENTER DRIVE  
COSTA MESA, CALIFORNIA 92626-1924

TELEPHONE (714) 668-6200

FACSIMILE (714) 979-1921

INTERNET [www.phjw.com](http://www.phjw.com)

January 5, 1998

343 SANSOME ST., STE. 1220  
SAN FRANCISCO, CALIFORNIA 94104-1303  
TELEPHONE (415) 445-7777

1299 OCEAN AVENUE  
SANTA MONICA, CALIFORNIA 90401-1078  
TELEPHONE (310) 319-3300

1055 WASHINGTON BOULEVARD  
STAMFORD, CONNECTICUT 06901-2217  
TELEPHONE (203) 961-7400

ARK MORI BUILDING, 30TH FLOOR  
12-32, AKASAKA 1-CHOME  
MINATO-KU, TOKYO 107, JAPAN  
TELEPHONE (03) 3586-4711

1299 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20004-2400  
TELEPHONE (202) 508-9500

WRITER'S DIRECT ACCESS

OUR FILE NO.

(714) 668-6231  
[jtdavidson@phjw.com](mailto:jtdavidson@phjw.com)

23814.79657

Rock Asset Management  
Senturia Investments, Inc.  
Suite 1930  
750 "B" Street  
San Diego, California 92101  
Attention: Neil R. Senturia

Re: Civic Center Plaza, San Diego, California  
Second Amendment to Lease Between Pacific Southwest  
Realty Company, Landlord and The City of San Diego,  
Tenant; Agreement of Purchase and Sale of Leasehold  
Interest and Joint Escrow Instructions ("Purchase  
Agreement")

Gentlemen:

On behalf of my client, Pacific Southwest Realty Company, and in  
accordance with Paragraph 17.2(d) of the above-referenced Purchase Agreement, we are  
requesting your written consent to the Second Amendment to Lease, a copy of which is  
attached hereto. Please acknowledge your consent to the Second Amendment to Lease by  
signing and returning to me an executed copy of this letter.

Sincerely,



Janet Toll Davidson  
for PAUL, HASTINGS, JANOFSKY & WALKER LLP

JTD:pen  
Enclosure

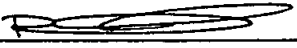
cc: Mr. Michael C. Davis  
Mr. Kraig Kristofferson

OC-96184.1

Rock Asset Management  
Senturia Investments, Inc.  
January 5, 1998  
Page 2

We hereby consent to the Second Amendment to Lease referred to in the foregoing letter.

Rock Asset Management

By:   
Its: PRESIDENT

Senturia Investments, Inc.

By:   
Its: Pres.

0 18465

COPY

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE ("Amendment"), dated for identification purposes February 1, 1997, is entered into by and between Pacific Southwest Realty Company, a Delaware corporation ("Landlord") and The City of San Diego, a municipal corporation ("Tenant") as an amendment to that certain Lease dated October 21, 1991 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 entire eighth floor of the Building comprising approximately 14,777 square feet of Rentable Area (approximately 13,792 square feet of Modified Rentable Area), as more particularly shown on Exhibit A attached hereto (the "Expansion Premises"). As used in the Lease, the term "Premises" shall include the Expansion Premises, effective on the Commencement Date (defined below).

USF.  
B.871/SF

2. Commencement Date. Tenant's rights and obligations with respect to the Expansion Premises under the Lease, as amended herein, shall commence on the Commencement Date as determined pursuant to Section 1.2 of the Tenant Improvement Agreement attached hereto as Exhibit B and entered into concurrently herewith ("Tenant Improvement Agreement").

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> |
|---------------------------------------------|---------------------|
| Months 1 - 12 (following Commencement Date) | \$16,254.70         |
| Months 13 - 24                              | \$17,732.40         |
| Months 25 - 36                              | \$18,471.25         |
| Months 37 - 48                              | \$19,210.10         |
| Months 49 - end of Term                     | \$19,948.95         |

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 will increase from 62.49% to 68.03% on the Commencement Date.

5. Base Year for Expansion Premises. The Base Year for the Expansion Premises is calendar year 1997.

6. Relocation Allowance. Notwithstanding that the Expansion Premises is not being leased hereunder during the first three (3) years of the Term of the Lease, Tenant shall receive a Relocation Allowance of up to \$44,331.00 (\$3.00 x Rentable Area) which shall be paid to Tenant as provided in Article 36 of the Lease.

7. Tenant Improvements. Landlord shall construct Tenant Improvements in the Expansion Space and provide the Tenant Improvement Allowance pursuant to the terms and conditions of the Tenant Improvement Agreement.

8. Notices. Section 14 of the Basic Lease Provisions is amended to change the place for notices to Landlord as follows:

Bank of America NT&SA  
Corporate Real Estate  
600 Wilshire Boulevard  
Second Floor, #24030  
Los Angeles, California 90071  
Attention: Real Estate Manager  
Telephone: (213) 228-2104

9. Artwork. Tenant will not install any artwork of any nature in the Premises which cannot be removed without damage or destruction to the artwork.

10. Brokers. The parties acknowledge that The Irving Hughes Group, Inc. ("IHG"), broker for Tenant and CB Commercial Real Estate Group, Inc. ("CB"), broker for Landlord ("Brokers"), shall be paid commissions by Landlord with respect to the Expansion Premises. The commission to CB shall be paid pursuant to a separate agreement between Landlord and CB. The commission to IHG shall be in the amount of 3.25% of the Base Monthly Rent payable for the first sixty (60) months and 1.5% of the Base Monthly Rent

for the balance, if any, of the Term set forth in Section 6 of the Basic Lease Provisions, due and payable one-half upon execution of this Amendment and one-half upon Tenant's occupancy of the Expansion Premises. 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 10.

11. Waiver of Jury Trial. Each of Landlord and Tenant hereby waives its rights to a trial by jury as to any matter arising out of or concerning the subject matter of the Lease, as amended hereby.

12. 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.

(Signature page follows)

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

LANDLORD:

Pacific Southwest Realty Company, a Delaware corporation

By: Spin Kilias  
Name: SPIN KILIAS  
Title: VP

By: Jim Berry  
Name: JIM BERRY  
Title: V.P.

TENANT:

The City of San Diego, a municipal corporation

By: Robert J. Collins  
Name: Robert J. Collins  
Title: Real Estate Assets Mgr 4/14/97

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT BY  
CITY ATTORNEY:

By: William T. Griffith  
Name: William T. Griffith  
Title: City Attorney

EXHIBIT A

EXPANSION PREMISES

## TENANT IMPROVEMENT AGREEMENT

(Landlord to Construct)

This Tenant Improvement Agreement ("Agreement"), dated February 1, 1997, is entered into by and between Pacific Southwest Realty Company, a Delaware corporation ("Landlord") and The City of San Diego, a municipal corporation ("Tenant"). Landlord and Tenant are executing simultaneously with this Agreement an 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 in 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 business (3) days' prior written notice to the other party.

Tenant Improvements: All improvements as shown on the approved Final Plans.

Tenant's Representative: Diana Lozano

Landlord's Representative: Don Petros

Tenant's Space Planner ("Space Planner"): Carrier Johnson Wu

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, or (ii) the date Landlord delivers to Tenant a factually correct written notice stating either (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).

## 2. Plans and Specifications.

2.1 Preparation and Approval of Space Plan. The Space Planner has prepared and submitted 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, partition layouts, reflected ceiling plans, location of electrical outlets, and location of switches and telephone outlets ("Space Plan") and has submitted the Space Plan to Landlord and Tenant for approval. Landlord and Tenant will approve the Space Plan within three (3) days of the execution of this Agreement.

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 Working Drawings. If the Preliminary Cost Estimate is unacceptable to Tenant, Tenant shall meet within three (3) 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

partition locations, plumbing locations, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. Such Working Drawings must incorporate such items as have been specified by Landlord as required for use in the Building as set forth in the Tenant Improvement Standards.

Tenant shall approve the Working Drawings within three (3) 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 shall return the Working Drawings to Tenant, which Tenant shall approve or disapprove within two (2) days after Tenant receives the revised 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.

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 engineer designated by Landlord to prepare the Engineering Drawings or any portion thereof shall not charge Tenant a higher price per square foot for preparing such plans than such engineer would charge Landlord for preparing comparable plans for Landlord's building management office located in the Building. The Engineering Drawings may be submitted in one or more stages and at one or more times.

Tenant shall approve the Engineering Drawings, or such portion as has from time to time been submitted, within three (3) 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 Engineering Drawings, which Landlord shall make and shall return the Engineering Drawings to Tenant, which Tenant shall approve or disapprove within two (2) 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.

2.5 Integration of Working Drawings and Engineering Drawings into Final Plans. After approval of the Engineering Drawings, the Space Planner will integrate the

approved Working 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 three (3) 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, or (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. 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, within fifteen (15) 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 will include associated architectural, engineering and construction contractor's fees. If Tenant fails to approve such Change Order within three (3) 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 the Tenant Improvements resulting from the submission of any Change Order shall be deemed a Tenant Delay.

6. Substantial Completion.

As used in this 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 item 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 the Final Pricing by Tenant, Contractor will cause application to be made to the appropriate governmental authorities for necessary approvals 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 Tenant's move in or occupancy shall be repaired or replaced by Contractor at Tenant's sole cost and expense except 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 \$344,800 (\$25.00 per square foot of Modified Rentable 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. Landlord shall receive no fee for profit, overhead, general conditions. In addition, Tenant shall not be charged for the use of electricity, water, elevator or hoists 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 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 credit the unused portion of the Tenant Improvement Allowance to Tenant, and Tenant, at Tenant's sole option, may use such credit to either (i) abate the payment of Base Monthly Rent as it becomes due, (ii) reduce Base Monthly Rent, or (iii) purchase furniture which shall immediately become the sole property of Tenant.

10. Building Standard.

Tenant shall utilize Landlord's contractor and Landlord's Tenant Improvement Standards as set forth in the Tenant Improvement Standards Manual prepared by Landlord, a copy of which Tenant hereby acknowledges having received. Tenant shall otherwise have the right to select all items (including finish materials and colors) of Tenant Improvements within the Expansion Premises and elevator lobbies, public corridors and toilet rooms (if applicable) for floors that Tenant occupies in their entirety.

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) 110/208 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 shell 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 Plan; and (v) HVAC main loop ducting which shall not be deemed to include Tenant's ultimate ducting distribution. In addition, Landlord shall pay for the cost of all demolition required by Tenant, handicap code compliance including any required restroom renovation and spot abatement of asbestos in the Expansion Premises (utilizing the existing ceiling and lighting system), including any additional costs

incurred by subcontractors to work around the existing asbestos.

12. Tenant's Right to Construct Tenant Improvements.

In the event Landlord fails to commence the construction of the Tenant Improvements within sixty (60) 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 one hundred twenty (120) 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) day 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. 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 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 shall not be the guarantor of, nor responsible for, the correctness or accuracy of any such plans or compliance of such plans with 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 contractors, including any: (1) delay attributable to changes 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 required to be paid by Tenant pursuant to this Agreement. Tenant shall pay all actual and documented costs and expenses incurred by Landlord which result from any Tenant Delay, including, without limitation, any and documented actual costs and expenses attributable to increases in the cost of labor or materials.

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 Craig Irving at The Irving Hughes Group, Inc., 501 West Broadway, Suite 2020, San Diego, California 92101.

17. Force Majeure Delay.

The term "Force Majeure Delay" as 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 or 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 order of any government or regulatory body; (2) delay attributable to the failure of Landlord and/or Tenant to secure building permits and approvals (including any failure to obtain a temporary certificate of occupancy) within the same time period that normally prevailed for obtaining such permits and approvals in December 1996; (3) 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 (4) 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.

LANDLORD:

PACIFIC SOUTHWEST REALTY COMPANY, a  
Delaware corporation

By: [Signature]  
Name: [Signature]  
Title: [Signature]

By: [Signature]  
Name: [Signature]  
Title: [Signature]

TENANT:

THE CITY OF SAN DIEGO, a municipal  
corporation

By: [Signature]  
Name: JANE E. VICKERS  
Title: Deputy Director 4/14/97

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_