

MERCHANT PROPERTY MANAGEMENT, INC.

3773-30th Street, Suite B
San Diego, CA 92104
(619) 299-4024
Fax 299-9412

APRIL 1, 2008

Addendum to that certain office building lease agreement dated OCTOBER 20, 2000 by and between NEW WORLD LTD ("Landlord"), and THE CITY OF SAN DIEGO, A CALIFORNIA MUNICIPAL CORPORATION ("Tenant") for the space located at 5348 UNIVERSITY AVE, SUITE 100, SAN DIEGO, CA 92105.

The lease shall be modified as follows:

- 1.** Landlord and Tenant agree to extend the lease term from MAY 1, 2008 to APRIL 30, 2013.
- 2.** The initial rent for the period beginning May 1, 2008 to April 30, 2009 shall be \$6365.02 per month plus utilities. The rent shall be increased annually 2.5 % May 1 of each year, starting May 1, 2009.
- 3.** The following tenant improvements shall be made at the Landlord's expense:
Installation of an outside light in front of University Ave and installation of a new steel exterior door (Locks and hardware to be provided by tenant).
- 4.** Landlord's Indemnity Obligation: Landlord shall protect, defend, indemnify, and hold Tenant, its officers, representatives, agents, employees and elected officials harmless from and against any and all claims asserted or liability established which arise out of or are in any manner directly or indirectly connected with Landlords' development, active use, and all costs and expenses of investigating and defending against same, including without limitation reasonable attorney fees and costs; provided, however, that Landlord's duty to indemnify and hold harmless shall not include any claims or liability arising from the established negligence or willful misconduct of Tenant, its officers, representatives, agents, and employees.

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5. Tenant's Indemnity Obligation: Tenant shall protect, defend, indemnify, and hold Landlord harmless from and against any and all claims asserted or liability established which arise out of or are in any manner directly or indirectly connected with Tenant's occupancy, development, use, operation, and all costs and expenses of investigating and defending against same, including without limitation reasonable attorney fees and costs; provided, however, that Tenant's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of Landlord. Landlord may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification

6. All other terms and conditions of the lease agreement shall remain the same.

Agreed this 4th day of APRIL, 2008.


FRANK WONG
GENERAL PARTNER (Landlord)


JAMES F. BARWICK,
DIRECTOR REAL ESTATES ASSETS
DEPARTMENT, CITY OF SAN DIEGO (Tenant)