

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Second Amendment") is made by and between the City of San Diego, a California municipal corporation ("CITY"), and Jorge A. Chavez, an individual and President of J. JP & R, International, Inc., a California corporation ("LESSEE"), to be effective as of April 1, 2006 (the "Effective Date"), as follows:

RECITALS

- A. CITY and LESSEE entered into that certain World Trade Center San Diego Lease ("Lease"), dated October 13, 2004, as amended by that certain First Amendment to Lease dated March 23, 2005, and as extended by that certain letter agreement dated October 6, 2005, to expire on October 31, 2006.
- B. Under the Lease, CITY leased to LESSEE and LESSEE leased from CITY a portion of the office building ("Building") known as "World Trade Center San Diego" located at 1250 Sixth Avenue, San Diego, California.
- C. The Lease is in full force and effect, and neither LESSEE nor CITY has actual knowledge of any default or breach by the other under the Lease.
- D. LESSEE wishes to rent additional space in the Building, commencing April 1, 2006. Therefore, CITY and LESSEE agree to further amend the Lease as provided herein.

FOR VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged, CITY and LESSEE agree as follows:

- 1. Premises. Section 2, Space Leased, of the Lease is deleted in its entirety and replaced by the following:

Space Leased. The space leased hereunder is that portion of the second floor of the Building known as Suites 211, 212, 213, and Cubicle 71 (collectively, the "Premises"), consisting of approximately 547 rentable square feet as shown on the attached Exhibit "A." CITY and LESSEE agree that the square footage figures set forth herein are approximations for reference only, are reasonable approximations, and shall not be subject to revision except in conjunction with a physical change in the size of the Premises or a relocation within the Building either as provided in the Lease or as shall be agreed to by CITY and LESSEE.

- 2. Use. Section 3, Use of Premises, is deleted in its entirety and replaced with the following:

Use of the Premises is limited to general office use and such other related uses as approved in writing in advance by the City Manager.

3. Rent. Section 9, Rent, of the Lease is deleted in its entirety and replaced with the following:

Rent. The current monthly rental rate for Suites 211 and 213 is, collectively, seven hundred thirty-five dollars (\$735). The current monthly rental rate for Suite 212 and Cubicle 71 is, collectively, three hundred ninety-five dollars (\$395). The total current monthly rental rate for the Premises is one thousand one hundred thirty dollars (\$1,130). City shall grant LESSEE a one-time credit of one hundred fifty dollars (\$150) for the purpose of repainting Suite 212. LESSEE shall pay CITY rent for the Premises under this Lease as follows:

April 1, 2006 through April 30, 2006	nine hundred eighty dollars (\$980)
May 1, 2006 through October 31, 2006	one thousand one hundred thirty dollars (\$1,130) per month

Provided CITY and LESSEE extend the Lease for an additional year as may be allowed under the Lease, LESSEE shall pay to CITY monthly rent for the Premises of one thousand one hundred eighty-six dollars and fifty cents (\$1,186.50) for the period of November 1, 2006 through October 31, 2007, which reflects a five percent (5%) annual rent increase.

4. Accident Reports. Section 15, Insurance (b) (iii) Accident Reports, shall be amended to change the amount from ten thousand dollars (\$10,000) to five thousand dollars (\$5,000).
5. Authority. Each individual executing this Second Amendment on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Second Amendment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Second Amendment is binding upon such person or entity in accordance with its terms. Each person executing this Second Amendment on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to the City Manager, that such authority is valid and that such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.
6. San Diego's Strong Mayor Form of Governance. All references to "City Manager" in this Second Amendment, the Lease, and all subsequent amendments thereto shall be deemed to refer to "Mayor." This section shall remain in effect for the duration CITY operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the San Diego City Charter.
7. Entire Understanding. The Lease, including this Second Amendment, represents the complete and final understanding of the parties. No further modification or amendment

of the Lease shall be effective unless set forth in a written instrument executed by both parties. This is an integrated agreement.

IN WITNESS WHEREOF, this Second Amendment is executed to be effective as of the Effective Date.

CITY:

THE CITY OF SAN DIEGO, a California municipal corporation

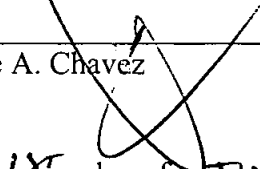
Date: 5/24/06

By: 
Name & Title: Acting Mayor Director

LESSEE:

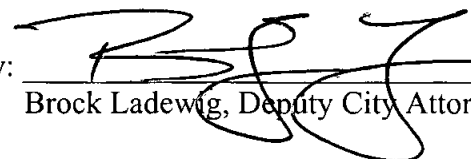
JORGE A. CHAVEZ, an individual and President of J.JP & R International, Inc., a California corporation

Date: 5-23-06

By: 
Jorge A. Chavez

APPROVED AS TO FORM AND LEGALITY this 1st day of JUNE, 2006.

MICHAEL J. AGUIRRE, City Attorney

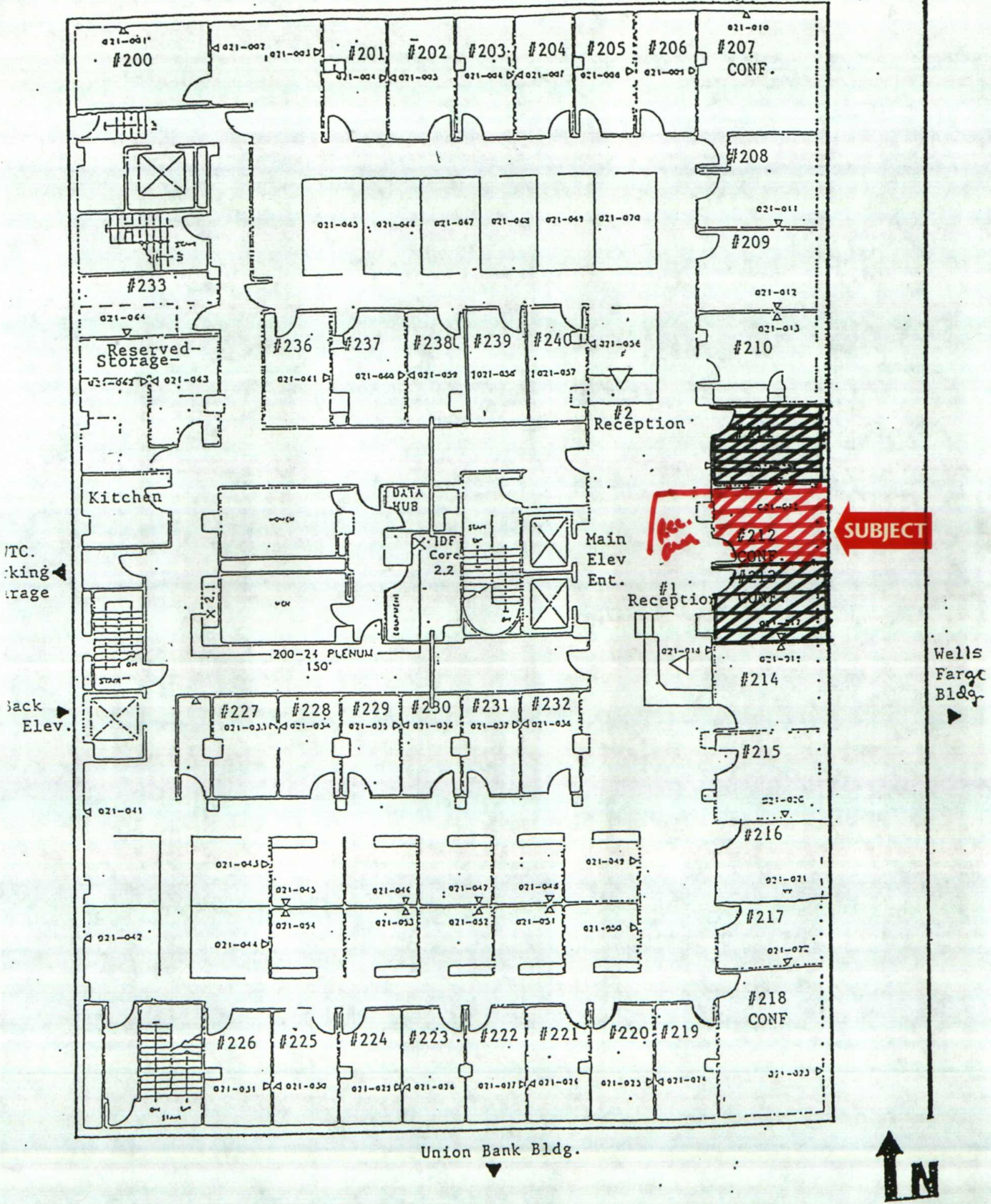
By: 
Brock Ladewig, Deputy City Attorney

5/5/06

CRG/cj

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EXHIBIT "A" THE WORLD TRADE CENTER SECOND FLOOR



Union Bank Bldg.



FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO THE LEASE AGREEMENT is made and entered into this 23RD day of March, 2005 between the CITY OF SAN DIEGO, a California municipal corporation ("Lessor"), and Jorge A. Chavez Echeverria, as an individual, d/b/a. J.J.P & R International, Inc. ("LESSEE").

RECITALS

1. The parties entered into the Lease Agreement dated October 13, 2004 ("the Lease"), wherein Lessor leased to Jorge A. Chavez Echeverria that certain real property known as 1250 Sixth Avenue, Suite 211, San Diego, California 92101 (the "Premises") consisting of approximately 186 rentable square feet.
2. The Lease is in full force and effect, and neither Lessee nor Lessor has actual knowledge of any default or breach by the other under the Lease.
3. The parties now desire to amend the Lease dated October 13, 2004, as provided in this First Amendment to Lease Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, Lessor and Lessee agree as follows:

ARTICLE ONE - AMENDMENTS

1. Section 2 Space Leased of the Lease is deleted in its entirety and replaced by the following:

A portion of the 2nd floor, also known as Suite 211 and Suite 213 ("Premises") consisting of approximately 317 rentable square feet as shown on the attached Exhibit "A." It is understood and agreed that the square footage figures set forth in this Lease are approximations for reference only. CITY and LESSEE agree that these approximations are reasonable and shall not be subject to revision except in conjunction with an actual change in the size of the Premises or a change in the space available for lease in the Building.

2. Section 9 Rent of the Lease is deleted in its entirety and replaced by the following:

The initial Rent for Suite 211 is \$350.00 per month. The Rent for Suite 213 is \$350.00 per month. Total Rent for the Premises is \$700.00 per month. The Rent schedule is as follows:



Nov. 1st
Nov. 1st

April 1, 2005 through April 30, 2005 3/1st
May 1, 2005 through October 29, 2005 3/1st
October 30, 2005 through October 29, 2006
October 30, 2006 through October 29, 2007 3/1st

\$550.00 per month
\$700.00 per month
\$735.00 per month
\$771.75 per month

Lessee shall receive a onetime rent credit of \$150.00 as denoted above for the purpose of repainting Suite 213.

3. Section 12. Security Deposit of the Lease is deleted in its entirety and replaced by the following:

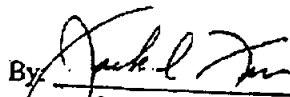
Security Deposit: It is understood by both parties a Good faith deposit in the amount of Three Hundred Fifty Dollars (\$350.00) has been deposited by the LESSEE to the City for Suite 211. An additional deposit of \$350.00 shall be deposited for Suite 213. Total security deposit amount will be \$700.00. If at the end of the term of this Lease, LESSEE has performed all of the provisions of this Lease, the deposit or any remaining balance shall be returned to LESSEE without interest. The security deposit may be increased by CITY proportionate to any increase in rent.

4. The Lease, as amended by this First Amendment to Lease Agreement, represents the complete and final understanding of the parties with respect to the subject matter of the Lease. No further modification or amendment of the Lease shall be effective unless set forth in a written instrument executed by a duly authorized representative of the parties. This is an integrated agreement.
5. The effective date of this Amendment will be April 1, 2005.

IN WITNESS WHEREOF, this Lease Amendment is executed by City, acting by and through its City Manager, and by Lessee, acting by and through its lawfully authorized officers.

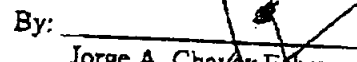
LESSOR:

CITY OF SAN DIEGO, a California
municipal Corporation

By: 
City Manager, By
Jack D. Farris, Deputy Director

LESSEE:

JORGE A. CHAVEZ ECHEVERRIA, as an
individual d/b/a J. JP & R International Inc.

By: 
Jorge A. Chavez Echeverria, President



April 1, 2005 through April 30, 2005	31st	\$550.00 per month
May 1, 2005 through October 29, 2005	31st	\$700.00 per month
October 30, 2005 through October 29, 2006		\$735.00 per month
October 30, 2006 through October 29, 2007	31st	\$771.75 per month

Lessee shall receive a onetime rent credit of \$150.00 as denoted above for the purpose of repainting Suite 213.

3. Section 12. Security Deposit of the Lease is deleted in its entirety and replaced by the following:

Security Deposit: It is understood by both parties a Good faith deposit in the amount of Three Hundred Fifty Dollars (\$350.00) has been deposited by the LESSEE to the City for Suite 211. An additional deposit of \$350.00 shall be deposited for Suite 213. Total security deposit amount will be \$700.00. If at the end of the term of this Lease, LESSEE has performed all of the provisions of this Lease, the deposit or any remaining balance shall be returned to LESSEE without interest. The security deposit may be increased by CITY proportionate to any increase in rent.

4. The Lease, as amended by this First Amendment to Lease Agreement, represents the complete and final understanding of the parties with respect to the subject matter of the Lease. No further modification or amendment of the Lease shall be effective unless set forth in a written instrument executed by a duly authorized representative of the parties. This is an integrated agreement.
5. The effective date of this Amendment will be April 1, 2005.

IN WITNESS WHEREOF, this Lease Amendment is executed by City, acting by and through its City Manager, and by Lessee, acting by and through its lawfully authorized officers.

LESSOR:

CITY OF SAN DIEGO, a California
municipal Corporation

By: _____

City Manager, By
Jack D. Farris, Deputy Director

LESSEE:

JORGE A. CHAVEZ ECHEVERRIA, as an
individual d/b/a J. JP & R International Inc.

By: _____

Jorge A. Chavez Echeverria, President

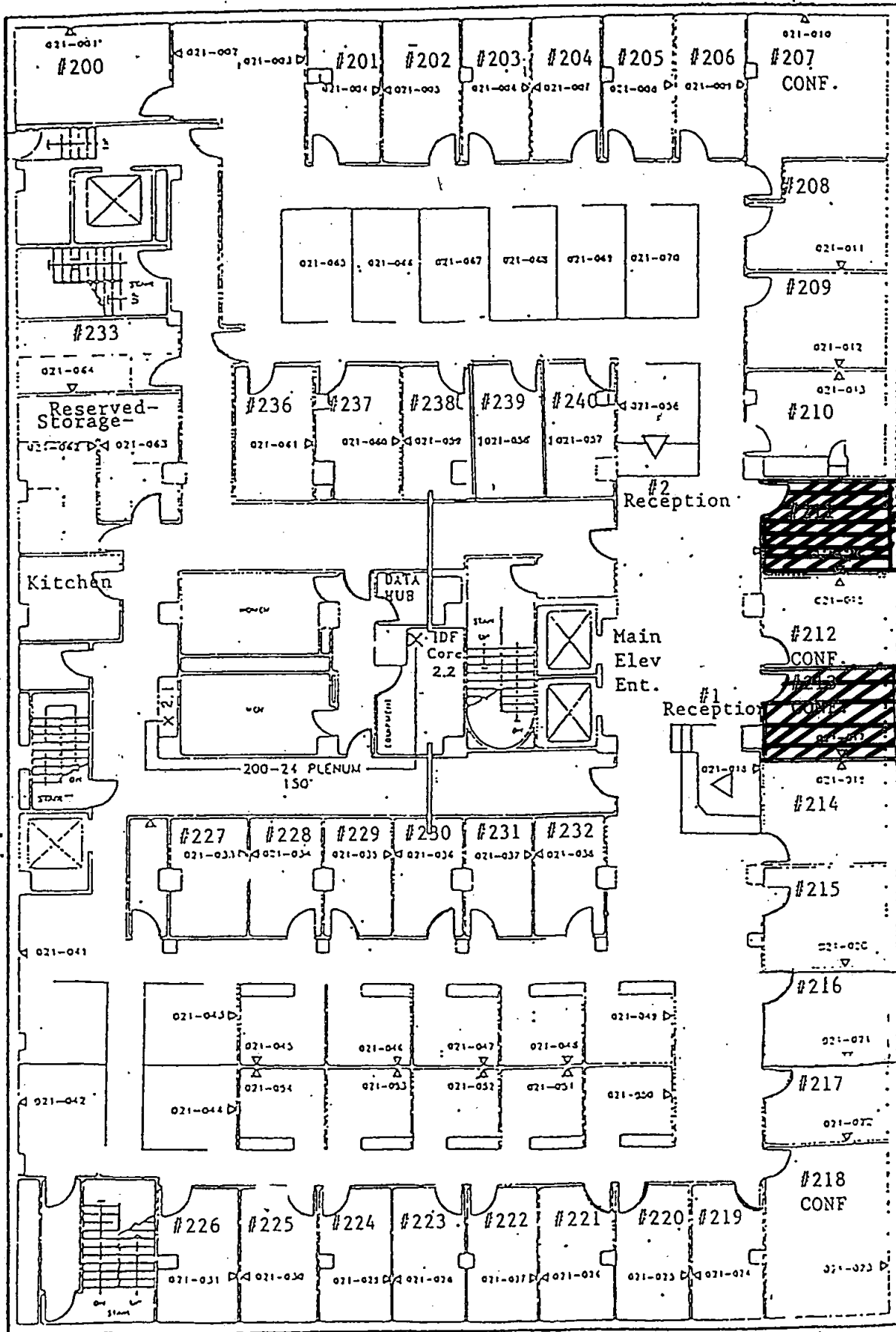
APPROVED AS TO FORM AND LEGALITY, this 13th day of April, 2005.

MICHAEL J. AGUIRRE, City Attorney

By: 
Elisa A. Cusato, Deputy City Attorney

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EXHIBIT "A" THE WORLD TRADE CENTER SECOND FLOOR



Union Bank Bldg.

