

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 001
	TO LEASE NO. GS-09B-03111
ADDRESS OF PREMISES: 4542 Ruffner Street Suites 350 and 360 San Diego, CA 92111-2237	PDN Number: N/A

THIS AMENDMENT is made and entered into between Pegasus Enterprises, LP a California limited partnership

whose address is: 4542 Ruffner Street
Suite 387
San Diego, CA 92111-2237

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to establish Beneficial Occupancy, add effective dates into the rent schedule, establish the Government Termination Rights date, include Change Order Work and provide a means for a lump sum payment of the Change Order Work as identified herein this Lease Agreement.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government as follows:

Page 1 of the Lease entitled, "Lease Term", Section 1.03A, and Section 1.05 are hereby deleted in their entirety and the following new are substituted, and Paragraph 1 has been added to the Lease thereof.


Page 1 of the Lease entitled, "Lease Term"

To Have and To Hold the said Premises with its appurtenances for the term beginning on October 10, 2014 through October 9, 2029 subject to Termination Rights as set forth in Section 1.05 of the Lease.

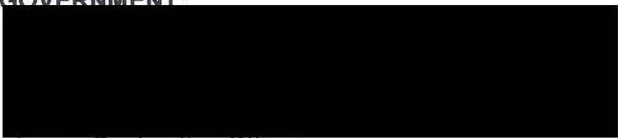

This Lease Amendment contains 3 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.


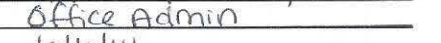
FOR THE LESSOR:

Signature: 
 Name: Manager of General Partner
 Title: Mark Mandell
 Entity Name: Pegasus Enterprises, LP
 Date: 10/16/14

FOR THE GOVERNMENT:

Signature: 
 Name: 
 Title: Lease Contracting Officer
GSA, Public Buildings Service
 Date: 11/05/14

WITNESSED FOR THE LESSOR BY:

Signature: 
 Name: 
 Title: Office Admin
 Date: 10/16/14

1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	Effective October 10, 2014 through October 9, 2019 (Firm Term)	Effective October 10, 2019 through October 9, 2024 (Non Firm Term)	Effective October 10, 2024 through October 9, 2029 (Non Firm Term)
SHELL RENT ¹	\$67,107.52	\$77,788.15	\$90,175.73
TENANT IMPROVEMENTS RENT ²	\$55,196.85	\$0.00	\$0.00
OPERATING COSTS ³	\$35,309.48	\$35,309.48	\$35,309.48
TOTAL ANNUAL RENT	\$157,613.85	\$113,097.63	\$125,485.21

¹Shell rent (Firm Term) calculation: \$13.76 (yrs 1-5), \$15.95 (yrs 6-10), \$18.49 (yrs 11-15) per RSF multiplied by 4,877 RSF

²The Tenant Improvement Allowance of \$237,924.00 is amortized at a rate of 6 percent per annum over 5 years.

³Operating Costs rent calculation: \$7.24 per RSF multiplied by 4,877 RSF

*BSAC is N/A

In instances where the Lessor amortizes the TI for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any unamortized costs beyond the Firm Term.

1.05 Termination Rights (Aug 2011)

The Government may terminate this Lease in whole or in part effective anytime on or after October 10, 2019 by giving at least ninety (90) days prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing."

1. CHANGE ORDER WORK

A. Upon Government execution of this Lease Agreement, the Lessor shall provide all labor, materials, and equipment to install the following into the Premises.

Change Order (1): 19 Solar Screen Roller Shades Color: Charcoal (Black) Lift: Beaded cord loop, black Openess Factor: 11 Shades with 5% openness 8 Shades with 1% openness	
Total	
Deduct remaining TI Allowance	(\$1,727.51)
Total Lump sum due to Lessor (via agency credit card):	

B. The Government shall make a "LUMP SUM" payment, via agency credit card, of [REDACTED] within 30 days upon receipt of an invoice after completion and acceptance of the work and the space by the Government. Payment will be due only for items which are both: (a) listed in this paragraph, and (b) (i) shown on the Government's approved layouts or (ii) changes requested in writing by the Contracting Officer.

C. Title to items for which the Government makes a "LUMP SUM" payment shall vest in the Government. These items can be removed in a commercially reasonable fashion by the Government at any time. The Lessor waives any restoration in connection with these items. Unless the Government has removed the items from the Premises, the Lessor shall remain

INITIALS:


LESSOR

&


GOV'T

responsible for maintenance, replacement, and repair of all items provided by the Lessor under this lease. If, after the lease term, any extensions or succeeding lease term, the Government elects to abandon any items in place, title shall pass to the Lessor. This paragraph shall also apply throughout the term of the lease to any work requested by the Government after occupancy.

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INITIALS: MM & HM
LESSOR GOVT