

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1
	TO LEASE NO. GS-09P-LCA00258
ADDRESS OF PREMISES 7338 SHORELINE DRIVE STOCKTON, CA 95129-4557	PEGASYS DOCUMENT NUMBER (PDN):

THIS AMENDMENT is made and entered into between **VERONA OFFICE PLAZA, LLC**; a California Limited Liability Corporation;

whose address is: 3525 Benjamin Holt Drive, Stockton, CA 95129-3403

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 and start of rent, to change the Tenant Improvement Allowance, and to adjust the Tenant Improvement amortization in the rent;

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 **APRIL 23, 2018** as follows:

A. The "LEASE TERM" paragraph is hereby DELETED and REPLACED with the following:

"LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning on **APRIL 23, 2018**, and continuing for a period of:

[REDACTED] Firm;

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government."

This Lease Amendment contains **THREE (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

FOR THE GOVERNMENT, General Services Administration:

Signature: **[REDACTED]**
Name: Merlin E. Nygren
Title: Lease Contracting Officer
Entity Name: Verona Office Plaza, LLC
Date: 4/25/18

Signature: **[REDACTED]**
Name: Merlin E. Nygren
Title: Lease Contracting Officer
Public Buildings Service
Date: MAY 02 2018

WITNESSED FOR THE LESSOR BY:

Signature: **[REDACTED]**
Name: Mark Covitardi
Title: Manager
Date: 4/25/18

B. Paragraph 1.01 "RENT AND OTHER CONSIDERATION" is hereby DELETED and REPLACED with the following:

"1.01 RENT AND OTHER CONSIDERATION (OCT 2017)

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

	FIRM TERM	NON-FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 712,889.88	\$ 831,096.12
OPERATING COSTS ²	\$ 261,647.52	\$ 261,647.52
TENANT IMPROVEMENT RENT ³	\$ 6,186.14	\$ 0.00
TOTAL ANNUAL RENT	\$ 980,723.54	\$1,092,743.64

¹Shell rent calculation:

(Firm Term) \$21.47 per RSF multiplied by the RSF stated under Paragraph 1.01

(Non-Firm Term) \$25.03 per RSF multiplied by the RSF stated under Paragraph 1.01

²Operating Costs rent calculation: \$7.88 per RSF multiplied by the RSF stated under Paragraph 1.01

³Tenant Improvements of \$30,930.64 are amortized at a rate of 0 (ZERO) percent per annum over 5 years.

B. INTENTIONALLY DELETED

C. In accordance with the Lease negotiations, the Lessor has offered free SHELL rent to the Government for the first FOUR (4) months of the Lease. Therefore, the first FOUR (4) months of the Lease shall be provided at a reduced cost to the Government.

D. INTENTIONALLY DELETED

E. INTENTIONALLY DELETED

F. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

G. INTENTIONALLY DELETED.

H. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

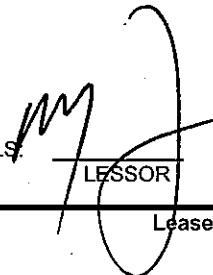

I. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.

J. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease."

INITIALS  & 
 LESSOR & GOV'T

C. Paragraph 1.08 "TENANT IMPROVEMENT RENTAL ADJUSTMENT" is hereby DELETED and REPLACED with the following:

"1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$1.03 (rounded) per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 (zero) percent. This 0 (zero) percent amortization rate only applies to the initial buildout of tenant improvements under this lease – from the commencement date of this lease to the end of the firm term.

B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over a period of 5 years.

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

D. If it is anticipated that the Government will spend more than the identified TIA, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent."

INITIALS:

LESSOR

&

GOVT