

**FIRST AMENDMENT
TO
STANDARD INDUSTRIAL/COMMERCIAL
SINGLE-TENANT LEASE - NET,
DATED NOVEMBER 17, 2022**

This First Amendment to Standard Industrial/Commercial Single-Tenant Lease-Net, dated November 17, 2022 ("**First Amendment**"), is dated as of April 25, 2025, for reference purposes only, and is entered into by and between HERO LLC ("**Lessor**") and THE CITY OF SAN DIEGO, a California municipal corporation ("**Lessee**"). Lessor and Lessee are sometimes referred to in this First Amendment, each individually, as a "**Party**" or, collectively, as the "**Parties**." This First Amendment is entered into by Lessor and Lessee with reference to the following recited facts ("**Recitals**"):

RECITALS

A. Lessor and Lessee entered into that certain Standard Industrial/Commercial Single-Tenant Lease-Net, dated November 17, 2022, commencing on November 17, 2022 ("**Lease**"), affecting that certain real property located at 1801 Logan Avenue, San Diego, California 92101; and

B. Lessor and Lessee enter into this First Amendment to extend the term of the Lease under the terms, provisions, and conditions set forth in this First Amendment.

NOW, THEREFORE, LESSOR AND LESSEE AGREE, AS FOLLOWS:

1. **Section 54 Amendment.** Section 54 to the Lease is amended to read in its entirety as follows:

54. **Lease Term and Additional Extension:** The Initial Lease shall be for an initial term beginning with the Lease Commencement Date and ending on June 30, 2023, with two (2), one (1) year extension options ("**Extension**"), as set forth in section 64, below. Rent payment for the initial term has been appropriated in Lessee's Fiscal Year 2023 budget. Lessee timely exercised the two (2) Extensions, and the term of the second Extension expires on June 30, 2025.

The Parties agree to a third (3) option period commencing, without the requirement of further action by Lessor or Lessee, on July 1, 2025, and ending on June 30, 2026 ("**Additional Extension**"). Rent for the Additional Extension is to be increased by 3% for a total rental rate in the amount of \$147,518.15 each month.

Payment of rent for each Extension and the Additional Extension will be contingent upon the City Council appropriating sufficient funds in the Annual Appropriations Ordinance. Lessee will give Lessor notice of any failure of City Council to appropriate sufficient funds and will terminate the Lease and vacate the Premises prior to the next fiscal year (July 1) if such failure occurs.

2. **Confirmation of Agreement.** The Lease, as amended by this First Amendment, is in all respects confirmed and all the terms, provisions, and conditions of the Lease, as amended by this First Amendment, shall be and remain in full force and effect.
3. **Incorporation of Recitals.** The Recitals are true and correct and are incorporated into this First Amendment by this reference, as though fully set forth in this First Amendment.
4. **Entire Agreement.** The Lease, as amended by this First Amendment, represents the entire understanding between the Parties as to the subject matter of the Lease, as so amended.
5. **Counterparts.** This First Amendment may be signed by the authorized representatives of the Parties in multiple counterpart originals (including electronic counterpart originals), each of which shall be deemed an original, and all such counterpart originals, when taken together, shall constitute one agreement.
6. **Principles of Interpretation.** No inference in favor of or against any Party shall be drawn from the fact that such Party drafted any part of this First Amendment. The Parties participated substantially in the negotiation, drafting, and revision of this First Amendment, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in this First Amendment may be used in the singular, plural, past tense, or future tense, regardless of how it is defined, all in accordance with ordinary principles of English grammar, which shall govern all language in this First Amendment. The words "include" and "including" in this First Amendment shall be construed to be followed by the words: "without limitation." Each collective noun in this First Amendment shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to a document, including this First Amendment, refers to such document, as modified from time to time (excepting any modification that violates the Lease), and includes all exhibits, schedules, addenda, and riders to such document. The word "or" in this First Amendment includes the word "and," except where the context clearly requires otherwise. Every reference to a law, statute, regulation, order, form, or similar governmental requirement in this First Amendment refers to each such requirement as amended, modified, renumbered, superseded, or succeeded, from time to time.
7. **Governing Law.** The procedural and substantive laws of the State of California shall govern the interpretation and enforcement of this First Amendment, without application of conflicts of laws principles or statutes.
8. **Binding on Successors and Assigns.** This First Amendment shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors, and assigns.
9. **No Other Representations or Warranties.** Except as expressly set forth in this First Amendment, no Party makes any representation or warranty material to this First Amendment to any other Party.
10. **Incorporation of Defined Terms.** All terms, phrases, or words indicated to be defined terms by initial capitalization in this First Amendment that are not specifically defined in this First Amendment (if any) shall have the meaning ascribed to the same term, phrase, or word in the Lease.

11. **Electronic Signatures.** The Parties agree: (a) to deliver and accept signatures on or pursuant to this First Amendment by e-mail or electronic means (including digital signatures); and (b) that signatures delivered by e-mail or electronic means (including digital signatures) shall be binding as originals upon the Party so signing and delivering.

Lessor and Lessee sign and enter into this First Amendment, by and through the signatures of their respective authorized representatives, as follows:

LESSOR:

Hero LLC


By: Rahul Arya (Apr 25, 2025 10:01 PDT)

Name: Rahul Arya

Title: CEO

LESSEE:

The City of San Diego, a California
municipal corporation

By: Aida L. Contreras
Aida L. Contreras
Deputy Director, Real Estate
Economic Development Department

APPROVED AS TO FORM
on 05/01/2025 :

HEATHER FERBERT
City Attorney

By: Hilda Mendoza
Hilda Mendoza (May 1, 2025 12:39 PDT)
Hilda R. Mendoza
Deputy City Attorney