

**Strategic Operations, Inc. / City of San Diego Lease
First Amendment**

THIS FIRST AMENDMENT, dated ~~August~~ ^{September} 28th, 2016, to the Original Lease dated October 5, 2010 is entered into between Strategic Operations, Inc., a California corporation ("Lessor"), and the City of San Diego, a California municipal corporation ("City"). The parties agree as follows:

RECITALS

- A. Lessor is the owner of the real property located at 4705 Ruffin Road, San Diego, California 92123-1611, upon which 2,160 square feet of trailer office space ("Premises") is being leased to the City for uses by the City's Police S.W.A.T. Administration. The real property is more specifically described in **Exhibit A** attached to this First Amendment to the Original Lease and is incorporated herein by this reference.
- B. City wishes to continue to lease the Premises in connection with the City Police Department.
- C. Lessor and City confirm the initial term of the Original Lease expires September 30, 2016.
- D. City has given Lessor timely written notice to exercise one (1) of two (2) - 5 year options to extend the Original Lease, consistent with and in strict accordance of Paragraph 5 of the Original Lease.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree to this First Amendment to the Original Lease on the following term and conditions:

- 1. Term: The term of the Original Lease shall be extended by five (5) years ("Extended Term"). The Extended Term shall be effective commencing on October 1, 2016 and shall expire on September 30, 2021.
- 2. Rent: City shall pay One Thousand Three Hundred Seventy-Six Dollars and Five Cents (\$1,376.05) per month during the first Lease Year of the Extended Term (the rental rates for each subsequent Lease Years during the Extended Term are set forth below). The Rent shall include the water, gas, and electric utilities servicing the Premises. Lessor's cost for long distance phone usage at the Premises will be reimbursed by City. The Rent and the previous month's phone payment are due on or before the first day of each calendar month during the Extended Term. Rent for any partial month rent shall be prorated.
- 3. Annual Rent Adjustments: At the beginning of the second Lease Year and at the beginning of each Lease Year thereafter during the Extended Term ("Adjustment Date"), the monthly rent shall be adjusted as follows:
The above rent schedule reflects an annual rent escalation equal to two and a half percent (2.5%) over the prior year's monthly rental rate.

Lease Year - Two \$1,410.45
Lease Year - Three \$1,445.71
Lease Year - Four \$1,481.85
Lease Year - Five \$1,518.90

4. Option to Renew: By this First Amendment to the Original Lease, City has exercised one (1) of its two (2) Lease extensions, and therefore, one (1) remaining 5-year option to renew shall remain. All other terms under Paragraph 5 of the Original Lease shall remain unchanged.
5. Entire Agreement: This First Amendment to the Original Lease contains all of the agreements of the parties with respect to the terms and conditions of this First Amendment to the Original Lease.

IN WITNESS WHEREOF, this First Amendment to the Original Lease Agreement is executed by City, acting by and through its Mayor, or his designee, and by Lessor, acting by and through its lawfully authorized officers.

LESSOR:
Strategic Operations Inc.

By: [Signature]
Stu Segall
President

Date: _____

CITY:

The City of San Diego, a California municipal corporation

By: [Signature]
Cybele L. Thompson, RPA, FMA, CCIM,
LEED AP - Lic # 01176298
Director, Real Estate Assets Department

Date: 8/18/16

Environmental Analysis Section Environmental Clearance:

Exempt from CEQA per CEQA Section 15301 (Existing Facilities).

Date: 9/19/16

By: [Signature]
Name: Alyssa Muto
Title: Deputy Director, Environment & Policy Planning Department Analysis

Approved as to form this 25th day of September, 2016.

IAN I. GOLDSMITH, City Attorney

By: [Signature]
Name: Debra J. Bevier
Title: Deputy City Attorney

EXHIBIT A

Depiction of Real Property Located at 4705 Ruffin Road, San Diego, CA
And Location of Premises Thereat

[Shown on following page]

EXHIBIT A

4705 Ruffin Road

