

FIRST AMENDMENT TO SUBLEASE AGREEMENT

This **FIRST AMENDMENT TO SUBLEASE AGREEMENT** ("First Amendment") is made this 20th day of June, 2018, between the **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES** ("Landlord" or "University"), and **PEGASUS HOTEL LLC**, a Delaware limited liability company ("Tenant").

WHEREAS, Landlord and Tenant are parties to a Sublease Agreement (the "**Sublease Agreement**") having an effective date on or about June 22, 2016 (the "**Effective Date**"), pursuant to which Landlord leased to Tenant a portion of the University of Central Florida campus (the "**Campus**") for the purpose of Tenant constructing and operating on the Campus a Hotel/Conference Center; and

WHEREAS, Landlord and Tenant have agreed to modify the Sublease Agreement as set forth in this First Amendment.

NOW THEREFORE, in consideration and mutual covenants herein set forth, and other good and valuable consideration, the parties agree as follows:

1. Recitals: Defined Terms. The above recitals are incorporated into this First Amendment by reference, and the parties agree that the defined terms set forth in the Sublease Agreement shall have the same meaning in this First Amendment unless otherwise required hereby.

2. Effective Date. Landlord and Tenant agree that the Effective Date of the Lease was June 22, 2016 and authorize each party to insert that date onto the first page of the Lease.

3. Correction of Lease Modification Date. The second "WHEREAS" clause on page 1 of the Sublease Agreement is hereby changed to read as follows: "WHEREAS, on January 7, 2003, the BTITF and Landlord entered into a Lease Modification Agreement pursuant to which Landlord assumed the rights and obligations of the Board of Regents under the Lease;"

4. Commencement of Construction. The provisions of Section 4.1.1 and of 4.6 of the Sublease Agreement which require commencement of construction of the Hotel/Conference Center, subject to Force Majeure, by one (1) year after the Effective Date are hereby modified to require commencement of construction no later than September 1, 2018, subject to Force Majeure and to any written Landlord approval for further extension in Landlord's sole discretion.

5. Minimum Requirements for Hotel/Conference Center. Section 4.4 of the Sublease Agreement is amended to read as follows:

The Hotel/Conference Center shall contain a minimum of 95,000 square feet and a maximum of 125,000 square feet under roof and will provide for 179 keys; Kitchen and dining facilities to support the keys and conference facilities; bar and lounge facilities; a minimum of 4 conference rooms accommodating a minimum of 10 people each; a 5000 square foot ballroom, divisible into 4 sections and capable of accommodating a minimum of 700 persons standing, and

a minimum of 180 surface parking spaces and a maximum of 225 parking spaces for guests and employees.

6. Legal Description; Landscape Easement. The legal description of the "Property" which is referenced in Section 1.1 of the Sublease Agreement and described on the first page of Exhibit "A" is hereby modified and amended to read as set forth on the Exhibit "A" attached to this First Amendment. The Landscaping Easement that is shown on the Exhibit A-1 site plan attached to the Sublease Agreement is extended northerly along the east and west boundaries of the Property to include the areas between the modified legal description of the Property and the adjacent rights of way.

7. Base Rent Increase. The annual Base Rent amount of \$200,000 that is applicable after the first two years of the Sublease Term, as set forth in Section 3.1 of the Lease, is hereby increased to \$265,200.00.

8. Adjustments to Variable Rent Threshold. In light of the number of keys increasing from 135 keys to 179 keys, the variable rent threshold is increased and the provisions of the first two paragraphs of Section 3.3 of the Sublease Agreement are hereby deleted from the Sublease Agreement in their entirety, and instead and in place thereof is hereby inserted two new first paragraphs of Section 3.3 which shall hereafter be as follows:

"3.3 Adjustments to Variable Rent Threshold. The "**Variable Rent Threshold**" used in calculating the Variable Rent payment amount shall initially be \$14,585,185.00 beginning in the first Lease Year. Thereafter, the Variable Rent Threshold shall increase annually (but never decrease) to an amount (the "**Adjusted Variable Rent Threshold**") calculated by multiplying the Variable Rent Threshold by the percentage by which the Adjusted Index Level exceeds the Base Index Level. For purposes of this Lease, and the application of the foregoing mathematical formula, the following terms shall have the following meanings, to wit:

3.3.1 The term "Index" shall mean and be defined as the cost of living index published by the Bureau as the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, (1982-1984 = 100 reference base).

3.3.2 The term "Bureau" shall mean and be defined as the Bureau of Labor Statistics of the United States Department of Labor.

3.3.3 The term "Base Index Level" for any given Lease Year shall mean and be defined as the level of the Index in effect on the first day of the second Lease Year.

3.3.4 The term "Adjusted Index Level" for any given Lease Year shall mean and be defined as the level of the Index in effect on the first day of the Lease Year in question.

By way of example, if the Base Index Level on the first day of the second Lease Year is 240 and the Adjusted Index Level on the first day of the third Lease Year is 244.8, the percentage increase in the Index is 102% (i.e. 244.8 divided by 240). The amount of Adjusted Variable Rent Threshold would therefore be \$14,876,888 (i.e. \$14,585,185 multiplied by 102%). If the actual total gross revenue generated from the

Hotel/Conference Center during second Lease Year is \$15,000,000, then the Variable Rent payable on the first day of the fourth month of the third Lease Year would be calculated pursuant to Section 3.2 above as \$3,693.34 (i.e. \$15,000,000 less \$14,876,888 multiplied by 3%).”

9. Bond. Pursuant to Section 4.1.4 of the Sublease, Landlord acknowledges that no bond is required from Batson-Cook Company as the general contractor for the construction of the Hotel/Conference Center.

10. Management. The last sentence of Section 6.7 is hereby deleted from the Sublease Agreement in its entirety and is replaced with the following:

“Landlord has approved Pinnacle Hotel Management Company, LLC, or any of its affiliates, as a Manager, and will approve any other manager that is of equal or better reputation and experience.”

11. Change of Notice Address. The address for the Tenant set forth in Article 29 of the Sublease Agreement is hereby changed to read as follows:

“Pegasus Hotel, LLC
c/o Development Ventures Group, Inc.
Attn: Dennis Biggs, President and CEO
350 Fifth Avenue, Suite 5340
New York, NY 10118
E-mail: dbiggs@devengroup.us

12. Miscellaneous. Except as herein modified and amended, the Sublease Agreement shall remain in full force and effect in accordance with its terms. If and to the extent that the Sublease Agreement may be deemed to have “automatically terminated” pursuant to Section 4.6 of the Sublease Agreement, the Sublease Agreement is hereby reinstated ab initio and any such termination shall be null and void and of no further force and effect. The provisions, terms, or conditions of this First Amendment shall not be construed as a consent of the State of Florida to be sued and no such consent is granted except as provided by Florida Statutes or case law. The Sublease Agreement shall be governed by Florida law, and shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

[Signatures are set forth on the following pages]

[Attached to First Amendment]

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals as of the day and year first above written.

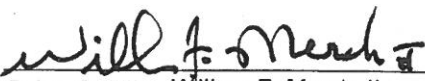
UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES


Witness Signature

Angel Carlos
Printed Name


Witness Signature

Carmen Sofia Jarquin
Printed Name

By: 
John C. Hitt William F. Merck, II
Acting President

Approved as to form and legality:

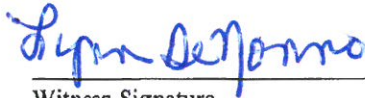


Signed: Tuesday, June 26, 2018

Office of the General Counsel
University of Central Florida

[Attached to First Amendment]

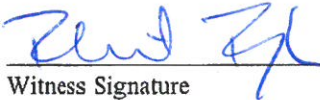
PEGASUS HOTEL LLC, a Delaware limited
liability company



Witness Signature

LYNN DENONNO

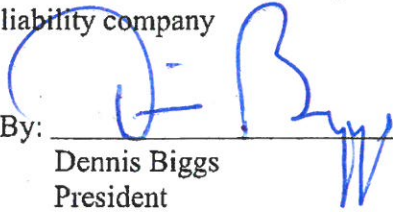
Printed Name



Witness Signature

Robert Kylee

Printed Name

By: 

Dennis Biggs
President

EXHIBIT "A"
LEGAL DESCRIPTION OF THE PROPERTY

A portion of Section 3, Township 22 South, Range 31 East, Orange County, Florida, being more particularly described as follows:

Commence at the South Quarter Corner of Section 3, Township 22 South, Range 31 East, Orange County, Florida; thence South $89^{\circ}30'24''$ West, a distance of 1195.08 feet along the South line of the Southwest Quarter of said Section 3 to a point on the Easterly Right of Way of State Road 434 per Florida Department of Transportation Right of Way Map section 75037-2501; thence the following Four (4) courses and distances along said Easterly Right of Way: North $14^{\circ}50'32''$ West, a distance of 65.92 feet; thence North $59^{\circ}24'26''$ West, a distance of 60.17 feet to a point on a non-tangent curve concave Westerly, having a radius of 11394.16 feet, a central angle of $00^{\circ}10'34''$ and a chord bearing of North $01^{\circ}18'40''$ East; thence from a tangent bearing North $01^{\circ}23'57''$ East, Northerly 35.02 feet along the arc of said curve to the point of tangency thereof; thence North $01^{\circ}13'23''$ East, a distance of 79.61 feet; thence departing said Right of Way South $89^{\circ}59'13''$ East, a distance of 23.99 feet to the POINT OF BEGINNING; thence North $01^{\circ}12'54''$ East, a distance of 54.20 feet; thence North $01^{\circ}04'23''$ West, a distance of 199.25 feet; thence North $01^{\circ}02'40''$ East, a distance of 122.77 feet; thence North $00^{\circ}09'44''$ East, a distance of 375.75 feet; thence North $00^{\circ}37'14''$ East, a distance of 270.62 feet; thence South $88^{\circ}42'25''$ East, a distance of 287.70 feet; thence South $28^{\circ}12'37''$ West, a distance of 128.74 feet; thence South $11^{\circ}25'55''$ West, a distance of 126.73 feet to a point on a non-tangent curve concave Easterly, having a radius of 469.77 feet, a central angle of $09^{\circ}40'15''$ and a chord bearing of South $06^{\circ}04'46''$ West; thence from a tangent bearing South $10^{\circ}54'54''$ West, Southerly 79.29 feet along the arc of said curve; thence South $01^{\circ}14'30''$ West, a distance of 92.77 feet to a point on a non-tangent curve concave Easterly, having a radius of 468.33 feet, a central angle of $08^{\circ}01'18''$ and a chord bearing of South $02^{\circ}46'10''$ East; thence from a tangent bearing South $01^{\circ}14'29''$ West, Southerly 65.57 feet along the arc of said curve; thence South $29^{\circ}58'36''$ East, a distance of 372.45 feet; thence South $44^{\circ}25'26''$ West, a distance of 166.65 feet; thence North $87^{\circ}43'34''$ West, a distance of 6.70 feet; thence South $44^{\circ}25'26''$ West, a distance of 140.10 feet; thence North $89^{\circ}59'13''$ West, a distance of 162.75 feet to the POINT OF BEGINNING.

Containing 5.92 acres, more or less.