

THIRD AMENDMENT TO LICENSE AGREEMENT

This Third Amendment to License Agreement made and executed this 13 day of January 2023 (this “Third Amendment”), by and between Montgomery County, Maryland, a body corporate and politic and a political sub-division of the State of Maryland (the “County”) and KinderCare Education LLC (formerly known as Knowledge Learning Corporation), a Delaware limited liability company authorized to conduct business in the state of Maryland (the “Licensee”), (the County and the Licensee together the “Parties”). Capitalized terms not defined herein shall have the meaning set forth in in the License Agreement (defined below).

WHEREAS, pursuant to the Lease Agreement dated January 28, 1992, between the County and the Washington Metropolitan Area Transit Authority (“WMATA”), WMATA granted the County a leasehold interest (“WMATA Lease”) in the building located at 15910 Somerville Drive, Gaithersburg, Maryland 20855 (“Building”).

WHEREAS, the WMATA Lease expired on December 27, 2021 and the County has a month-to-month tenancy pursuant to paragraph 23 of the WMATA Lease, and the County and WMATA are currently negotiating a new lease;

WHEREAS, The County and the Licensee entered into a License Agreement dated November 6, 2009, as amended by the First Amendment to License Agreement dated July 8, 2020 and the Second Amendment to License Agreement dated December 28, 2020 (collectively the “License Agreement”) for space in the Building for a childcare center (“Licensed Premises”);

WHEREAS, the License Agreement expired June 30, 2022, and Licensee continues to occupy the Licensed Premises with the County’s consent on a month-to-month basis;

WHEREAS, due to the Covid 19 Pandemic (“Covid -19”), the County agreed to abate the License Fee (as defined in Section 4 of the License Agreement, entitled “License Fee”) for the months April, May and June of 2020, and the Department Health and Human Services (“HHS”) paid the License Fee for July, August and September; effectively giving Licensee a rent abatement for six (6) month’s (“Covid 19 Abatement”) as set forth in the Second Amendment to License Agreement;

WHEREAS, due to the Covid 19 Pandemic, HHS agreed to continue to pay the License Fee for the months of October, November and December 2020, the full 2021 calendar year, the full 2022 calendar year, and the months of January through June in calendar year 2023 (“Additional Covid 19 Abatement”), effectively giving Licensee an additional License Fee abatement of 33 months;

WHEREAS, notwithstanding the Additional Covid 19 Abatement, Licensee continued to pay its monthly License Fee to the County, in the amount of Five Thousand Five Hundred Seventy-Six Dollars and Sixty-Six Cents (\$5,576.66), (“Monthly License

Fee”) for the months of October 1, 2020 through October 31, 2022, a total of 25 months, in the amount of One Hundred Thirty Nine Thousand Four Hundred Sixteen Dollars and Fifty Cents (\$139,416.50) (“License Fee Credit”);

WHEREAS, effective November 1, 2022, Licensee stopped paying its Monthly License Fee and shall continue to not pay its Monthly License Fee through June 30, 2023, the end date of the Additional Covid 19 Abatement;

WHEREAS, effective July 1, 2023, Licensee will begin receiving a credit of its Monthly License Fee until such time that the License Fee Credit is fully expended, on or about July 31, 2025;

WHEREAS, the Parties mutually desire to amend the terms and conditions of the License Agreement to reflect the receipt by Licensee of both the Additional Covid 19 Abatement and the Licensee Fee Credit.

NOW THEREFORE, for the mutual promises herein contained and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The above stated recitals constitute material terms of this Third Amendment and are incorporated as if fully stated herein.

2. Definitions. Unless otherwise set forth in this Third Amendment to License Agreement, all capitalized terms shall have the same meanings as set forth in the License Agreement.

3. License Fee: Section 4 of the License Agreement is hereby amended by adding the following as a new paragraph:

Section 4(g): Additional Covid 19 Abatement and License Fee Credit

(a) Due to the Covid 19 Pandemic, HHS agrees to pay the License Fee for the month’s October through December 2020, the year 2021, the year 2022, and January 1, 2023 through June 30, 2023, as the Additional Covid 19 Abatement. County and Licensee agree and acknowledge that Licensee has no obligation to make any License Fee payments to County for the period covered by the Additional Covid 19 Abatement; and

(b) Effective July 1, 2023, the Licensee will receive the License Fee Credit, equal to One Hundred Thirty Nine Thousand Four Hundred Sixteen Dollars and Fifty Cents (\$139,416.50), in equal Monthly License Fee credits of Five Thousand Five Hundred Seventy-Six Dollars and Sixty-Seven Cents (\$5,576.66) each, until the License Fee Credit is fully expended, on or about July 31, 2025; and

(c) Commencing August 1, 2025, Licensee shall re-commence the full payment of the Monthly License Fee due and payable on August 1, 2025 and each month thereafter, pursuant to the terms and conditions of the License Agreement.

(d) In the event that WMATA (i) terminates the Counties month-to-month tenancy or (ii) WMATA does not agree to a new lease term that extends beyond July 31, 2025, the County agrees to pay Licensee the remainder of the License Fee Credit in full, within ninety (90) days from the date that the WMATA Lease expires.

(e) In the event that the KinderCare is not awarded the License Premises for a new license term as part of the HHS County re-bid process, the County agrees to pay Licensee the remainder of the License Fee Credit in full, within ninety (90) days from the date that is the later of (i) Licensee is required to vacate the License Premises or (ii) Licensee vacates the License Premises, under the terms and condition of the License Agreement.

4. The County's obligations under this Third Amendment are subject to, limited by, and contingent upon the appropriation and availability of funds.


5. Ratification of License. This Third Amendment to the License Agreement is incorporated into the License Agreement and shall be deemed a part thereof, and except as amended by this Third Amendment, all of the terms and conditions of the License Agreement shall be and hereby remain in full force and effect.

Signatures on the following page

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be properly executed.

COUNTY:

MONTGOMERY COUNTY, MARYLAND

By: 

Name: Name: Fariba Kassiri

Title: Deputy Chief Administrative Officer

Date: 1/13/23

LICENSEE

KINDERCARE EDUCATION, LLC


By:  F3542A8F00C7492...

Name: Mark Warren

Title: VP, Real Estate, Facilities and Development

Date: December 19, 2022 | 11:34 AM PST

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: 
Neal Anker
Associate County Attorney

Date: 1/10/2023

RECOMMENDED:

By: 
Cynthia L. Brenneman, Director
Office of Real Estate

Date: 1/8/2023

Certificate Of Completion

Envelope Id: 74102CCC885145668DBA8089E4F0DB45

Status: Completed

Subject: Complete with DocuSign: Third Amendment-Montgomery County-KinderCare 12.6.22Final.pdf

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Signatures: 1

Envelope Originator:

Certificate Pages: 1

Initials: 0

Carrie Fort-Ludwig

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1420 Fifth Avenue Suite 4200

Envelopeld Stamping: Enabled

Seattle, WA 98101

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

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Holder: Carrie Fort-Ludwig

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Signer Events

Mark Warren

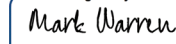
mwarren@kc-education.com

VP Facilities, Real Estate & Development

KinderCare Education, LLC.

Security Level: Email, Account Authentication
(None)**Signature**

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