

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (the “Third Amendment”) is executed and effective as of the 7th day of June, 2022 (the “Third Amendment Effective Date”), by and between **BSREP II MD OFFICE JEFFERSON LLC**, a Delaware limited liability company (“Landlord”), and **MONTGOMERY COUNTY, MARYLAND** (“County”).

RECITALS:

WHEREAS, Landlord and County are parties to that certain Lease Agreement dated July 24, 2008, as amended by that certain First Amendment to Lease (“First Amendment”) dated June 26, 2013, as further amended by that certain Second Amendment to Lease (“Second Amendment”) dated March 9, 2020 (collectively, the “Lease”) whereby County leases from Landlord approximately 2,079 rentable square feet of space known as Suite 440 (the “Suite 440 Premises”), approximately 23,907 rentable square feet of space known as Suite 500 (the “Suite 500 Premises”), and approximately 5,550 rentable square feet of space known as Suite 550 (the “Suite 550 Premises”, and together with the Suite 440 Premises and Suite 500 Premises, the “Leased Premises”) of the building located at 600 Jefferson Plaza, 600 E. Jefferson Street, Rockville, Maryland 20852 (the “Building”);

WHEREAS, the Lease expires on March 31, 2029; and

WHEREAS, Landlord and County desire to memorialize their understanding regarding replacement, maintenance and repair of certain supplemental HVAC units serving the Leased Premises, all as more particularly provided below; and

WHEREAS, Landlord and County desire to amend the Lease upon the terms, conditions, covenants and agreements set forth in this Third Amendment.

WITNESSETH:

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) in hand paid by each party to the other, the mutual promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the parties agree as follows:

1. The recitals contained above are true to the best of the parties’ knowledge and are incorporated by reference herein. Any term used herein that is defined in the Lease shall have the same meaning as specified in the Lease unless otherwise specifically provided herein.

2. On the Third Amendment Effective Date, the following is added to Paragraph 14:

“Notwithstanding anything in the Lease (including, but not limited to, Sections 13 and 14) to the contrary, County and Landlord mutually agree that County, at County’s sole cost and expense, shall maintain, repair, and replace when necessary as determined by the County’s HVAC contractor as set forth below, all of the newly installed supplemental HVAC’s (“Supplemental Units”) serving the Leased Premises. County shall ensure that all Supplemental Units undergo quarterly maintenance by a qualified licensed and insured HVAC contractor. County must provide the Landlord with the following: 1) Copy of County’s contract with the licensed HVAC vendor and 2) Copy of the licensed HVAC vendor’s current certificate of insurance. County shall request access from the Landlord to the Building for any work on the Supplemental Units upon twenty-four (24) hours’ notice except during emergency circumstances. All work conducted on the Supplemental Units must be completed during normal business hours except in the event of an emergency. All Supplemental Units must be separately metered. County shall be responsible for payment of utility usage for all Supplemental Units within thirty (30) days upon receipt of an invoice from the Landlord. Landlord may not charge an administrative fee for the cost of the utility usage to the County. All expenses associated with Supplemental Units’ utility usage shall be deemed additional rent. In the event that County fails to contract with an HVAC contractor for or actually cause the maintenance or repair of the Supplemental Units on a regular basis or replacement of the Supplemental Units as needed, Landlord, at its option, may contract for and cause to be performed such maintenance, repair and replacement services on behalf of County, and County shall pay Landlord the cost of such service on a monthly basis as Additional Rent hereunder.”

3. During the time period commencing May 2021 through March 2022, the County’s supplemental HVAC units were not operational. Landlord procured and installed five (5) new Supplemental Units to serve the Leased Premises. The County agrees to pay for the procurement and installation of these Supplemental Units as additional rent. The County shall be responsible for paying the Landlord in the amount of Fifty-one thousand, seven hundred fifty and 00/100 dollars (\$51,750.00) within five (5) days of the Third Amendment Effective Date.

4. The Landlord and County have acknowledged that overtime utility charges were incurred as a result of the loss of the Supplemental Units serving the County’s Leased Premises. Consequently, Landlord incurred overtime HVAC charges while operating the Building HVAC units to compensate for such loss (“OT HVAC Balance”). Furthermore, Landlord and County mutually agree that the sum of OT HVAC Balance shall be divided equally between both Parties. Therefore, the County shall pay half of the OT HVAC Balance usage for the time period commencing May 2021 through March 2022 in the amount of One hundred eighty-eight thousand, two hundred twelve and 50/100 dollars (\$188,212.50). Payment shall be due within (5) days of the Third Amendment Effective Date.

5. County represents and warrants to Landlord that County has not employed any other broker, agent or finder, in carrying on the negotiations relating to this Third Amendment, and County will indemnify and hold Landlord harmless from any claims for commissions or fees due from any person claiming to represent County.

6. As of the Third Amendment Effective Date, County acknowledges that all work to be performed by Landlord under the Lease (including, without limitation, under Paragraphs 14 and 15 of the Second Amendment) has been fully performed in accordance with the terms of the Lease and all improvement allowances provided for in the Lease have been paid to or forfeited by County. County hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no offset or defense thereto. County certifies that, as of the execution hereof, there are no defaults or unfulfilled obligations of County or Landlord under the Lease.

7. Amendment of Landlord's Notice and Payment Addresses. Landlord's notice and payment addresses set forth in the Lease are hereby deleted and the following are substituted in lieu thereof:

Landlord's Notice Addresses:

BSREP II MD OFFICE JEFFERSON LLC
c/o Brookfield Property Group
655 New York Avenue, NW, Suite 800
Washington, DC 20001
Attention: Greg Meyer

With copies to:

BSREP II MD OFFICE JEFFERSON LLC
c/o Brookfield Property Group
250 Vesey Street, 15th Floor
New York, New York 10281
Attention: Asset Manager

Landlord's Address for Payment of Rent:

If delivered via US Mail:

BSREP II Montrose Metro LLC
P.O. Box 716139
Philadelphia, PA 19171-6139

If Overnight:

Lockbox Services - # 716139
BSREP II Montrose Metro LLC
MAC Y1372-045
401 Market Street
Philadelphia, PA 19106

Or such other place as Landlord may designate from time to time.”

8. Landlord Disclosure. County acknowledges that certain Landlord agents and/or leasing representatives are licensed Salespeople or Associate Brokers under the laws of the State of Maryland.

9. County hereby covenants, warrants and represents: (1) that each individual executing or attesting and delivering this Third Amendment on behalf of County is duly authorized to do so in accordance with the organizational documents of County; (2) that this Lease is binding upon County; and (3) that the execution and delivery of this Lease by County will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, loan, credit agreement, partnership agreement or other contract or instrument to which County is a party or by which County may be bound.

10. Tax Status of Beneficial Owner. County recognizes and acknowledges that Landlord and/or certain beneficial owners of Landlord qualify as real estate investment trusts pursuant to Sections 856, et seq. of the Internal Revenue Code and that avoiding (a) the loss of such status, (b) the receipt of any income derived under any provision of the Lease, as amended, that does not constitute “rents from real property” (in the case of real estate investment trusts), and (c) the imposition of income, penalty or similar taxes (each an “Adverse Event”) is of material concern to Landlord and such beneficial owners. In the event that the Lease, as amended, or any document contemplated hereby could, in the opinion of counsel to Landlord, result in or cause an Adverse Event, County agrees to reasonably cooperate with Landlord in negotiating an amendment or modification thereof and shall at the request of Landlord execute and deliver such documents reasonably required to effect such amendment or modification.


11. This Third Amendment (including any and all exhibits, addenda and/or riders attached to this Third Amendment, each of which is hereby made a part of this Third Amendment with full force and effect as is set forth herein) contains the entire agreement of the parties in regard to the Leased Premises and this Third Amendment. Except as amended hereby, all of the terms and provisions of the Lease shall be and remain in full force and effect.

12. This Third Amendment will not be binding upon any party until this document has been executed by all parties thereto.

[signatures appear on following page]


IN WITNESS WHEREOF, Landlord and County have executed and delivered this Third Amendment under seal on the date first above written.

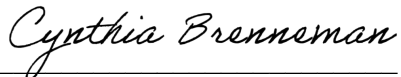
COUNTY:
MONTGOMERY COUNTY

By: 
Name: Fariba Kassiri
Title: Deputy Chief Administrative Officer
Date: 6/7/22

APPROVED AS TO FORM AND
LEGALITY OFFICE OF THE
COUNTY ATTORNEY

RECOMMENDED

By: 
Name: Neal Anker
Title: Associate County Attorney
Date: 6/3/2022

By: 
Name: Cynthia Brenneman
Title: Director Office of Real Estate
Date: 06/03/2022

LANDLORD:

**BSREP II MD OFFICE JEFFERSON
LLC,**

a Delaware limited liability company

By Greg Meyer
Greg Meyer, Authorized Signatory

Date: 25-May-2022

Certificate Of Completion

Envelope Id: 82637CB1603F46D18AB9D8F2E9FD9D2E

Status: Completed

Subject: Please DocuSign: (5.12.22) JeffersonMontgomery County - Third Amendment (Extension, HVAC)-v6.doc

Source Envelope:

Document Pages: 6

Signatures: 1

Envelope Originator:

Certificate Pages: 2

Initials: 0

Brenda Stevenson

AutoNav: Enabled

181 Bay Street

Envelopeld Stamping: Disabled

Suite 700

Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Toronto, ON M5J 2T3

brenda.stevenson@brookfieldproperties.com

IP Address: 74.220.103.60

Record Tracking

Status: Original

Holder: Brenda Stevenson

Location: DocuSign

5/25/2022 11:34:04 AM

brenda.stevenson@brookfieldproperties.com

Signer Events**Signature****Timestamp**

Greg Meyer

greg.meyer@brookfieldproperties.com

Executive Vice President, Greater DC Re

Brookfield Properties

Security Level: Email, Account Authentication
(None)

Sent: 5/25/2022 11:38:57 AM

Viewed: 5/25/2022 11:43:18 AM

Signed: 5/25/2022 11:43:52 AM

Signature Adoption: Pre-selected Style

Signed by link sent to

greg.meyer@brookfieldproperties.com

Using IP Address: 74.220.103.60

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Brett Stein

brett.stein@brookfieldproperties.com

Vice President

Brookfield Properties

Security Level: Email, Account Authentication
(None)

Sent: 5/25/2022 11:43:53 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Witness Events**Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

5/25/2022 11:38:57 AM

Envelope Summary Events	Status	Timestamps
Certified Delivered	Security Checked	5/25/2022 11:43:18 AM
Signing Complete	Security Checked	5/25/2022 11:43:52 AM
Completed	Security Checked	5/25/2022 11:43:53 AM
Payment Events	Status	Timestamps