

Warehouse Lease Amendment #3 — Third Extension

This warehouse lease amendment is dated on or about the 13 day of January 2022 and is by and between the landlord, namely, DANIEL, DANIEL AND DANIEL, a Maryland Limited Partnership (“Landlord”), and the tenant, namely, MONTGOMERY COUNTY, MARYLAND (“County”), a body corporate and politic and a political subdivision of the State of Maryland. The Landlord and the County (collectively, “Parties”) agree:

Article #1 Statement of Facts

The Parties state that:

a) By the initial lease document dated on or about February 3, 2006, (1) the County leased the Premises, namely, 2 – 4 Metropolitan Court, Gaithersburg, Maryland, consisting of 12,600 rentable square feet for use by the Montgomery County Public Library (MCPL) Materials Management Center (MMC); and (2) the initial term of this lease ended March 31, 2011.

b) By the first amendment to this Lease, dated on or about April 26, 2011, the term of this Lease was extended for five non-calendar years through March 31, 2016.

c) By the second amendment to this Lease, dated on or April 1, 2016, the term of this lease was extended for five lease years through June 30, 2021.

d) The purposes of this amendment are (1) to extend the term and (2) provide for improvements to the Premises.

Article #2 Priority

This Lease now comprises this amendment and the initial document as previously amended. This amendment supersedes the initial document as previously amended but parts in the initial document as previously amended that are not changed in this amendment remain unchanged and in force. Some parts in the initial Lease document as previously amended are repeated here.

Article #3 Extension

The Lease term for the Premises is hereby extended for the THIRD extension of FIVE non-calendar years starting December 1, 2021 (“Third Extension Date”), and with a scheduled termination date of November 30, 2026.

Article #4 Base Rent Schedule

#4.1 Landlord's Depository. The County shall send all money to the Landlord's present depository or to any other party or address as the Landlord may direct by notice on one or more occasions. Rent may be paid by electronic funds transfer (EFT). If an EFT arrangement is not in effect, then the Landlord's depository is now at:

Daniel, Daniel and Daniel
c/o Standard Properties, Inc.
5500 MacArthur Boulevard, NW
Washington, DC 20016

#4.2 Base Rent Schedule. For this extension, the County shall (a) pay base rent of \$1,026,073.89 (exclusive of additional rent) and (b) pay all monthly base rent installments in advance by the first day of each calendar month by this schedule:

Third Extension Base Rent Installment Schedule

Period	Period starting date	No. of months	Monthly base rent installment (\$)	Period base rent (\$)
Lease year #16	December 1, 2021	12	\$16,170.00	\$194,040.00
Lease year #17	December 1, 2022	12	\$16,622.76	\$199,473.12
Lease year #18	December 1, 2023	12	\$17,088.20	\$205,058.37
Lease year #19	December 1, 2024	12	\$17,566.67	\$210,800.00
Lease year #20	December 1, 2025	12	\$18,058.53	\$216,702.40
Total base rent (exclusive of additional rent)				\$1,026,073.89

#4.3 Annual Escalations. As shown in the base rent installment schedule, commencing on December 1, 2022, and every annual anniversary thereafter, the Base Rent shall be increased by two and eight-tenths percent (2.8%).

Article #5 Base Year Reset

#5.1 Base Year Reset. Commencing on the Third Extension Date, the "Base Year" for increases in insurance cost and increases in Real Estate Taxes are reset as stated in this article.

#5.2 Increases in Insurance Costs. In the initial lease document, article #7 COUNTY'S PRO RATA SHARE, the fourth and fifth sentences are (a) void and (b) deemed to be replaced with the following:

The County shall pay, annually and in advance by November 1st of each year, the County's pro rata share of increases (during the third extension term) in the cost of all risk of physical loss and general liability insurance for the Building that exceeds the November 2021 through October 2022 insurance year. If this cost increases for the 2022–23 insurance year, then the County's first payment will be the November 2022 payment.

#5.3 Increases in Real Estate Taxes. In the initial lease document, paragraph #8.A. County to Pay Increases, the text is (a) void and (b) deemed to be replaced with the following:

The County shall pay, annually and in advance by November 1st of each year, the County's pro rata share of increases (during the third extension term) in Real Estate Taxes (as defined in paragraph #8.B., Definition) that exceed the July 2021 through June 2022 tax year. If the Real Estate Taxes increase for the 2022–23 tax year, then the County's first payment will be the November 2022 payment.

Article #6 Improvements

#6.1 Landlord's Work. The Landlord, at its sole cost and expense, shall provide Landlord's Work. The Landlord's Work shall only include the modifications set forth below. Except as otherwise noted, the Landlord's Work will be conducted using Building Standard materials for general office and warehouse use. The Landlord's Work includes the following:

- a) **HVAC.** Ensure the HVAC system is in good operating order and replace units that are impracticable to repair. The Landlord's preliminary survey shows that at least four units will be replaced.
- b) **Vinyl Tile.** Replace tile in loading dock bathroom and other mutually agreed to locations.
- c) **Carpet.** Replace carpet as directed.
- d) **Painting.** Repaint walls and doors as directed.

e) **Wall bumpers and corner guards.** Procure and install wall bumpers and corner guards as directed.

f) **Doors and drywall.** Repair damaged doors and drywall as discussed throughout Premises.

g) **Clean open ceiling areas.** Clean exposed equipment, ductwork, conduit, piping, and structure in open ceiling areas. This work will be done on weekends; the County will give access with reasonable notice on mutually agreed-upon days.

h) **Transition strips.** Replace transition strips in mutually agreed to areas of the Premises.

i) **Roof leaks.** Investigate and repair roof leak in the open office area.

#6.2 Completion. The Landlord shall use reasonable efforts to complete Landlord's Work within 60 days from full execution of this amendment.

#6.3 Reasonable Satisfaction. The Landlord shall complete Landlord's Work to the reasonable satisfaction of the County.

Article #7 Sundry Sections

#7.1 AS-IS. Except as stated in article #6, Improvements, the County accepts the Premises AS-IS.

#7.2 Reserved Parking. The Landlord shall install reserved parking signs on mutually-agreed on spaces near the Premises' main entrance. The County shall enforce these restrictions.

#7.3 Trash Enclosure. Subject to the Landlord's reasonable approval, the County (at its expense) has the option to build a trash enclosure. The County shall obtain permits, if required, and the enclosure will be located in and as a part of the parking spaces allocated to the County. The County shall maintain this enclosure.

#7.4 No Broker. 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.



#7.5 Delivery Required. This amendment (a) is not an offer, option, nor reservation and (b) becomes binding only on both execution and delivery by both the Landlord and the County.

Signatures

IN WITNESS WHEREOF, the Parties hereto have executed this lease amendment:

WITNESS:

Landlord: DANIEL, DANIEL AND DANIEL

By: Anne-Marie Crawford

By: Travis Daniel

Printed: TRAVIS DANIEL
General Partner

Date signed: 1-10-22

WITNESS:

Tenant: MONTGOMERY COUNTY, MARYLAND

By: Adhine Cramer

By: Fariba Kassiri

Name: Fariba Kassiri
Title: Deputy Chief Administrative Officer

Date signed: 1/13/22

APPROVED AS TO FORM AND
LEGALITY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

By: Neal Anker
Name: Neal Anker
Title: Associate County Attorney

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

Date signed: 01/11/2022

Date signed: 1/12/2022