

THIRD AMENDMENT TO LEASE AGREEMENT
4508 Walsh Street, Bethesda, Maryland

THIS THIRD AMENDMENT TO LEASE AGREEMENT ("Amendment") is made as of this 6th day of June, 2014 (the "Effective Date") by and between and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic ("Lessor") and **THE WRITER'S CENTER**, a District of Columbia nonprofit corporation ("Lessee") (Lessor and Lessee are collectively referred to herein as the "Parties").

RECITALS

R-1. Lessor and Lessee are parties to a Lease Agreement dated July 21, 1992, as amended by that certain First Amendment to Lease Agreement dated July 6, 1998 and that Second Amendment to Lease Agreement dated July 25, 2006 (collectively, the "Lease"), pursuant to which Lessee leases from Lessor, the land and improvements known as 4508 Walsh Street, Bethesda, Maryland (the "Premises").

R-2. Lessor and Lessee desire to enter into this Amendment in order to modify the Lease, all in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Lease as follows:

1. Recitals. The recitals set forth above are incorporated herein and made a part of this Amendment to the same extent as if set forth herein in full.

2. Term. The current term of the fifteen (15) year Lease expired on December 31, 2013. The Parties hereby agree to modify Paragraph 2 of the Lease, entitled TERM, to extend the term for an additional fifteen (15) years as follows (such additional fifteen year period being referred to herein as the "Extended Term"):

The term hereby created shall commence January 1, 2014 and expire at midnight on December 31, 2028.

3. Renewal Option. Lessor and Lessee hereby agree that upon the conclusion of the Extended Term pursuant to Section 2 of this Amendment and provided that the Lessee is not in default of the terms of the Lease (as modified by this Amendment), the Parties shall agree to renew the term of the Lease (as modified by this Amendment) for a renewal term upon such terms and conditions to be negotiated by the Parties not less than one (1) year prior to the end of the Extended Term. Such negotiated terms and conditions shall include, without limitation, agreement upon any improvements to the Premises required to be performed by Lessee during such renewal term. If agreement on such terms and conditions cannot be reached with exercise of due diligence by the Parties, the matter shall be submitted to arbitration in accordance with the dispute provisions provided in Article 30 of the Lease. Exercise of the Renewal Option is conditioned upon Lessee completing both Phase One and Phase Two Improvement's as more

particularly described on the attached Exhibit C. Completion of both Phase One and Phase Two of the Exhibit C shall be defined as the date that the Lessee has received their Use and Occupancy Permits from the appropriate governmental agencies for both Phase One and Two.

4. Rent. Notwithstanding Paragraphs 5 and 6 of the Lease to the contrary, the annual rent payable by Lessee during the Extended Term is hereby abated, subject to Lessee's compliance with the provisions of Section 7 of this Amendment. In the event that the Lessee has not commenced the work set forth in Phase I of the Exhibit C, five (5) years from the date of this Amendment to Lease, the Lessee shall commence to pay Market Rent less the demonstrated value of services being provided at the time, excluding capital improvements made to the Premises. Market Rent shall be determined by the three (3) broker method customary in determining Market Rent. Commencement of Phase One of the Exhibit C shall be defined as the date that the following conditions have been met: (i) the written approval by Lessor of Lessee's Plans (as defined in paragraph 4 of Exhibit D and (ii) all necessary building permits and other authorizations from appropriate governmental agencies, required, have been fully obtained by Lessee.

5. Use of the Premises. Notwithstanding Paragraph 8 of the Lease to the contrary, the Premises are to be used for the educational and cultural programs of the Lessee and its sublessees approved as set forth in Paragraph 21 of the Lease, as modified by this Amendment, and for community use as set forth in Paragraph 9 of the Lease, as modified by this Amendment. These organizations' programs may include readings of literary works, professional seminars, theatrical presentations, musical productions or events, plays, classes and educational programs, all substantially in accordance with the organizations' program description as submitted to the Lessor, a copy of which is appended hereto as Exhibit B and hereby replaces the Exhibit B attached to the Lease. The Lessor reserves the right to prohibit activities or uses of the building which, in the Lessor's determination, and at its sole discretion, are not consistent with the Lessor's understanding of the Lessee's program description, as set forth in the replacement Exhibit B attached hereto and made a part hereof.

6. Use of the Premises by Community Groups. Notwithstanding Paragraph 9 of the Lease to the contrary, subject to a nominal charge for expenses, non-dedicated meeting facilities within the Premises shall remain available to the community groups and individuals during the Term of the Lease, as modified by this Amendment. Lessee agrees to make such facilities available for use by community groups and individuals when such use will not interfere with the Lessee's previously scheduled activities.

7. Capital Improvements.

(a) Notwithstanding Paragraph 10 of the Lease to the contrary, Lessor hereby acknowledges that Lessee, in lieu of the payment of annual rent to Lessor during the Extended Term, shall perform or cause to be performed certain capital improvements and renovations to the Premises (the "Improvements") more particularly described in and shown on the conceptual plans attached to and made a part of this Amendment as Exhibit C (the "Conceptual Plans"). The plans,

specifications, budget and construction of the Improvements shall be subject to the terms of the Work Agreement attached hereto and made a part hereof as Exhibit D (the "Work Agreement").

(b) Notwithstanding Paragraph 10 of the Lease to the contrary, all of the Improvements shall be deemed "non-elective capital improvements" for purposes of Paragraph 4 of the Original Lease.

(c) Notwithstanding Paragraph 10 of the Lease, Lessor will not be responsible for reimbursing those "non-elective capital improvements that were paid for out of any funds granted by Montgomery County, Maryland or any other government or public agency.

8. Destruction of Premises. Notwithstanding Paragraph 18 of the Lease to the contrary, Lessor shall not have the right to terminate the Lease, as modified by this Amendment, due to a casualty, without first providing Lessee with the opportunity to rebuild the Premises using Lessee's insurance proceeds.

9. Mailing Notice. The address for the Lessor in the Lease is hereby amended and changed to the following:

Montgomery County, Maryland
Department of General Services
101 Monroe Street, Ninth Floor
Rockville, Maryland 20850
Attention: Director

and with a copy that does not constitute notice to:

Montgomery County, Maryland
Office of the County Attorney
101 Monroe Street, Third Floor
Rockville, Maryland 20850
Attention: County Attorney

10. Miscellaneous.

(a) Except as amended by this Amendment, all terms and conditions of the Lease have been performed by both parties and are hereby ratified and affirmed. To the extent there is any inconsistency between the Lease and this Amendment, the provisions of this Amendment control.

(b) All capitalized terms in this Amendment shall have the same meanings as in the Lease unless expressly provided otherwise herein.

(c) This Amendment and all of the covenants and provisions hereof shall inure to the benefit of and be binding upon the respective legal representatives, successors and assigns of the parties hereto.

(d) This Amendment may be executed in several counterparts, each of which shall be deemed an original and such counterparts shall constitute but one and the same instrument.

(e) The laws of the Montgomery County, Maryland shall govern the validity, performance and enforcement of this Amendment.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Lease as of the date first written above.

WITNESS:

LESSOR:

MONTGOMERY COUNTY, MARYLAND

Julie L White
Print Name: Julie L White

By: Ramona Bell-Pearson
Name: Ramona Bell-Pearson
Title: Assistant Chief Administrative Officer

APPROVED AS TO FORM AND LEGALITY:

RECOMMENDED:

Office of the County Attorney

By: Alexandra Thompson
Name: Alexandra Thompson
Title: Associate County Attorney
Date signed: 5/20/14

By: Cynthia Brennan
Name: Cynthia Brennan
Title: Director, Office of Real Estate
Date signed: 5/16/14

WITNESS:

LESSEE:

THE WRITER'S CENTER, a District of Columbia nonprofit corporation

Patricia Harris
Print Name: Patricia Harris

By: Sarah Mott Freeman
Name: SARAH MOTT FREEMAN
Title: CHAIR, BOARD OF DIRECTORS
THE WRITER'S CENTER

REPLACEMENT EXHIBIT B

Center Programs in Walsh Street

1. The Center currently offers over 230 workshops per year at its Walsh Street facility, plus an additional 70 workshops on-line and at satellite locations that include the Maryland Hall for the Creative Arts in Annapolis, the McLean Community Center and the Hill Center at the old Naval Hospital on Capital Hill. These workshops cover all genres of writing and address topics of special interest to our members such as blogging and digital publishing.
2. The Center presently offers approximately 70 public events a year, including author readings, panel discussions, and day-long seminars.
3. The Center runs a small book gallery that features one of the largest selections of literary journals and magazines in the mid-Atlantic area and also sells books at author readings and on-line via Amazon Associates.
4. The Center publishes the *Workshop & Event Guide* three times per year, which features articles and interviews, a listing of upcoming workshops and events, advertisements by local businesses, and notices of recent publications by local authors.
5. The Center also publishes two issues of *Poet Lore* each year, which was founded in 1889 and the oldest continuously published poetry journal in the USA.
6. The Center maintains a website, www.writer.org, which contains a full listing of our workshops and events and is visited 900,000 times each year.
7. The Center regularly hosts readings by the winners of writing contests at local high schools and foreign authors who are sponsored by their embassies.
8. The Center provides programmatic support with funds provided by the National Endowment for the Arts for a writing program at Walter Reed National Military Medical Center that serves combat veterans recovering from post-traumatic stress and traumatic brain injury.
9. The Center makes wall spaces throughout its building available to Yellow Barn Art Studios for art exhibitions by their teachers and students.
10. The Center rents out its 185-seat theatre and rehearsal spaces to local independent companies that include Quotidian Theatre Company, Flying V Theatre, Pinky Swear Theatre and Improv Theatre.

EXHIBIT C

Description of the Improvements and Conceptual Plans

Phase 1: Basement renovation, including sump pumps, French drains, abatement of mold, demolition of non-bearing walls in long corridor, creation of temporary office space in garage, creation of writer's studio, and some renovation of upstairs bathrooms in compliance with ADA guidelines.

Phase 2: Demolition of existing roof, construction of second floor "shell" (including roof), installation of 3-stop elevator shaft, rebuild of front entrance to accommodate handicapped ramp.

EXHIBIT D

Work Agreement

This Exhibit D (also referred to herein as the "Work Agreement") is attached to and made a part of the Lease Agreement originally dated July 21, 1992, as amended by that certain First Amendment to Lease Agreement dated July 6, 1998 and that certain Second Amendment to Lease Agreement dated July 25, 2006 and that certain Third Amendment to Lease dated _____, 2014 (collectively, the "Lease"), by and between Montgomery County, Maryland ("Lessor") and The Writer's Center ("Lessee"), for the land and improvements known as 4508 Walsh Street, Bethesda, Maryland.

1. Improvements. Lessee, at its sole cost and expense, shall furnish and install in the Premises in accordance with the terms of this Work Agreement, the improvements set forth in the Lessee's Plans (hereinafter defined) which are subject to Lessor's approval, such approval to be granted or withheld in accordance with Section 4 below (the "Improvements"). The Improvements shall be constructed in phases pursuant to a construction schedule included in the Contract Documents (hereinafter defined). All costs of all design, space planning, and architectural and engineering work for or in connection with the Improvements, including, without limitation, all drawings, plans, specifications, licenses, permits or other approvals relating thereto, and all insurance, bonds and other requirements and conditions hereunder, and all costs of demolition and construction, shall be at Lessee's sole cost and expense, subject to the rent abatement more particularly described in the Second Amendment to Lease Agreement.

2. Architect. Lessee has retained the services of McInturff Architects (the "Architect"), who will design the Premises and prepare the Contract Documents. The Architect shall prepare or cause to be prepared all plans and specifications described in Section 3 below.

3. Final Plans. Lessee shall furnish to Lessor for its review and approval proposed detailed plans for the Improvements (the "Final Plans") prepared by the Architect. The Final Plans shall contain the information and otherwise comply with the requirements therefor described in Exhibit C to the Lease. Lessor shall advise Lessee of Lessor's approval or disapproval of the Final Plans within ten (10) business days after Lessee submits the Final Plans to Lessor. Lessee shall revise the proposed Final Plans to meet Lessor's objections, if any, and resubmit the Final Plans to Lessor for its review and approval within five (5) business days after Lessor notifies Lessee of Lessor's objections, if any. If the Final Plans are not approved or rejected by Lessor within said five (5) business day period, then Lessee may send a notice to Lessor stating in large bold print at the top of such notice that Lessor's failure to approve or reject the Final Plans previously submitted within five (5) Business Days after such second notice shall be deemed Lessor's approval of the submitted Final Plans.

4. Contract Documents. Promptly following Lessor's approval of the Final Plans, Lessee shall furnish to Lessor for its review and approval, all architectural plans, working drawings and specifications and construction schedule (the "Contract Documents") necessary and sufficient (a) for the construction of the Improvements in accordance with the Final Plans; and (b) to enable Lessee to obtain a building permit for the construction of the Improvements by the Contractor (hereinafter defined). The Contract Documents shall contain the information and

otherwise comply with the requirements therefore described in Exhibit C attached to the Lease. Lessor shall advise Lessee of Lessor's approval or disapproval of the Contract Documents, or any of them, within thirty (30) days after Lessee submits the Contract Documents to Lessor. Lessee shall revise the Contract Documents to meet Lessor's objections, if any, and resubmit the Contract Documents to Lessor for its review and approval within ten (10) business days after Lessor notifies Lessee of Lessor's objections, if any. Lessor's approval of the Final Plans and the Contract Documents shall not be unreasonably withheld. Notwithstanding anything herein to the contrary, approval by Lessor of the Contract Documents shall not constitute an assurance by Lessor that the Contract Documents: (1) satisfy applicable code requirements, or (2) are sufficient to enable the Contractor to obtain a building permit for the undertaking of the Improvements in the Premises. The Final Plans and the Contract Documents are referred to collectively herein as the "Lessee's Plans".

5. Contractor. Lessee shall retain Added Dimensions Construction (Attention: Alan Kanner, Principal), a general contractor licensed in the State of Maryland to undertake construction of the Improvements (the "Contractor"). The Contractor shall be responsible for obtaining, at Lessee's cost, all permits and approvals required for the construction of the Improvements.

6. Construction. In undertaking the Improvements, Lessee and the Contractor shall strictly comply with the following conditions:

(a) No work involving or affecting the Building's structure or the plumbing, mechanical, electrical or life/safety systems of the Building shall be undertaken without (i) the prior written approval of Lessor in its sole discretion, whether pursuant to its approval of Lessee's Plans or otherwise; (ii) compliance by Lessee with the insurance requirements set forth below; and (iii) compliance by Lessee with all of the terms and provisions of this Work Agreement;

(b) All Improvement work shall be performed in strict conformity with (i) the final approved Lessee's Plans; (ii) all applicable codes and regulations of governmental authorities having jurisdiction over the Premises; and (iii) valid building permits and other authorizations from appropriate governmental agencies, when required, which shall be obtained by Lessee, at Lessee's expense; and

(c) Before any work is commenced or any of Lessee's, Contractor's or any subcontractor's equipment is moved onto any part of the Premises, Lessee shall deliver to Lessor policies or certificates complying with the Lessor's insurance requirements described in Exhibit E attached to and made a part of the Lease.

7. Cooperation. Lessor shall reasonably cooperate with Lessee, at no cost to Lessor, in connection with Lessee's and its Contractor's efforts to obtain any permits, approvals or licenses for the Improvements, including, without limitation, signing any applications for such permits, approvals or licenses.

8. Inspections. Lessor is authorized, at its sole cost and expense, to make such inspections of the Premises during construction as it deems reasonably necessary or advisable.

EXHIBIT E

Lessor's Insurance Requirements

MANDATORY INSURANCE REQUIREMENTS –

Lease Agreement dated July 21, 1992, as amended by that certain First Amendment to Lease Agreement dated July 6, 1998 and that Second Amendment to Lease Agreement dated July 25, 2006 and that Third Amendment to Lease dated _____, 2014 (collectively, the "Lease"), pursuant to which The Writer's Center (a) leases from Montgomery County, Maryland, the land and improvements known as 4508 Walsh Street, Bethesda, Maryland (the "Premises"), and (b) has the right to construct certain improvements on the Premises.

Prior to exercising its rights under the Lease, The Writer's Center shall deliver to the County certificates (and policies if requested) of insurance from an issuer(s) acceptable to the County reflecting the coverages specified in this Exhibit. The County must be named as an additional insured on all required policies. Prior to any of The Writer's Centers' employees, contractors, agents and invitees entering onto the Premises pursuant to the Lease, The Writer's Center shall ensure that such person or entity has insurance coverage as described in this Exhibit and that the County is named as an additional insured under such coverage.

Commercial General Liability

A minimum limit of liability of *one million dollars (\$1,000,000)*, combined single limit, for bodily injury and property damage coverage per occurrence including the following coverages:

- Contractual Liability
- Premises and Operations
- Independent Contractors
- Products and Completed Operations

Professional Liability

Professional liability insurance covering errors and omissions and negligent acts committed during the period of contractual relationship with the County with a limit of liability of at least *one million dollars (\$1,000,000)*, per claim and aggregate and a maximum deductible of \$25,000. Contractor/proposer agrees to provide a one-year discovery period under this policy.

Worker's Compensation/Employer's Liability

Meeting all statutory requirements of the State of Maryland Law and with the following minimum Employers' Liability limits:

- Bodily Injury by Accident - \$100,000 each accident*
- Bodily Injury by Disease - \$500,000 policy limits*
- Bodily Injury by Disease - \$100,000 each employee*

Automobile Liability

Insurance including coverage for owned, hired and non-owned automobiles with limits of liability not less than \$1,000,000 Combined Single Limit each accident for Bodily Injury and Property Damage.

Builder's Risk insurance

With limits not less than the \$1,000,000, with such Builder's Risk insurance to include all risk coverage including earthquake and flood damage to existing property, coverage for loss/damage to the interior portions and shall not contain any exclusion for damage of the buildings under construction/renovation due to rain, sleet, snow, flood, earthquake, storms/weather, when the roof, walls and windows are not completed.

Additional Insured

Montgomery County, Maryland, its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on Contractor's Commercial and Excess/Umbrella Insurance for liability

arising out of contractor's products, goods and services provided under this contract.

Policy Cancellation

Should any of the above policies be cancelled before the expiration date thereof, written notice must be delivered to the County in accordance with the policy provisions.

Certificate Holder

Montgomery County
101 Monroe Street, Ninth Floor
Rockville, Maryland 20850
Attn: David E. Dise, CPPO,
Director, Department of General Services
Phone: 240-777-6194