

## FIRST AMENDMENT TO LEASE AGREEMENT

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (the "Amendment"), a Maryland limited liability corporation is made, and is effective, this <sup>18<sup>th</sup></sup> day of June, 2014, by and between **DRAIMAN PROPERTIES 4, LLC**, hereinafter called "Owner," and **MONTGOMERY COUNTY MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland, through the Department of Liquor Control**, hereinafter called "County", (together the "Parties"), and is made upon the following predicates:

- A. Landlord and County entered into a Lease Agreement dated July 24, 2008, pursuant to which Landlord demised to County, and County leased from Landlord, the premises located at 4920 Hampden Lane, Bethesda, Maryland, 2014 as described therein, comprising approximately 5,000 rentable square feet of floor space (referred to herein as the "Leased Premises").
- B. The Owner has notified the County that certain alterations are needed to the building requiring the installation of a chase extending from the premises below the Leased Premises through to the roof, and that, pursuant to Section 22.01 of the Lease Agreement, the Owner will need to make alterations to the Leased Premises to accommodate the installation of the chase.
- C. As a consequence of the alterations and installation of the chase, the square footage of the Leased Premises will be reduced by **Ten (10)** square feet and, accordingly, the Minimum Rent and Pro-Rata share of Taxes and of Shopping Center Costs will be adjusted and reduced as of the date of Owner's entry into the Leased Premises to perform the alterations.
- D. The Parties have entered into this Amendment to confirm the adjustments to be made to the area of the Leased Premises and the payment obligations of the County for Minimum Rent, Taxes and Shopping Center Costs on account thereof, as more fully set forth below.

NOW THEREFORE, in consideration of the mutual premises set forth above, and other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, Owner and County agree as follows:

1. **Recitals.** The foregoing recitals are incorporated and adopted herein.
2. **Amendment of Lease; Alteration and Reduction of Leased Premises; Conditions of Work.**

Pursuant to Section 22.01 of the Lease Agreement, County acknowledges that Owner has given notice of Owner's requirement to make alterations to the building of which the Leased Premises are a part, including installation of a chase extending from the premises immediately below the Leased Premises through to the roof in the storage room within the Leased Premises in the approximate

location identified on Attachment "A" hereto, and the County agrees to cooperate with Owner in granting access to the Leased Premises for the purpose of constructing and installing the chase as provided herein.

Owner will provide County with not less than three business (3) days' prior notice of the date when Owner intends to commence work on the chase. County will be responsible, not later than the day immediately prior to the date specified by Owner for the commencement of work, to remove and relocate any inventory, equipment, shelving or other property located within the storage room to provide Owner a clear and unimpeded work area. Owner will take reasonable measures to protect any inventory, equipment, shelving or other property of Tenant within the Leased Premises, including any remaining in the storage room. Owner will cooperate with County to minimize any disruption and interference with County's operations, and shall not be permitted to store any equipment or materials within the Leased Premises overnight. Owner will remove any debris from the Leased Premises on a daily basis. Upon completion of the installation of the chase, Owner will enclose and drywall the chase and tape, spackle and paint the enclosing drywall to match any interior finish of the remainder of the storage area. As a condition of Owner's access and performance of any work within the Leased Premises, Owner shall use licensed contractors and shall provide County with evidence that either Owner or its contractors have general liability insurance of an amount not less than one million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence and Owner shall deliver a Certificate of Insurance evidencing the same.

3. **Amendment of Lease; Reduction of Minimum Rent.** From and after the date of completion of the Owner's work, above, (the "Adjustment Date") through the end of the sixth (6<sup>th</sup>) Lease Year, Owner will adjust the amount of monthly installment of Minimum Rent payable by Tenant under Section 2.01(f) of the Lease, by \$44.03, being the product of current rental rate per square foot under the Lease Agreement, \$55.07/square foot, times the square footage reduction of the Leased Premises as a consequence of the construction of the enclosure and chase.

Beginning with the commencement of the seventh (7<sup>th</sup>) Lease Year, the amount of the annual Minimum Rent and monthly installments of Minimum Rent payable under Section 2.01(g) through (j) of the Lease Agreement shall be amended and revised, as follows:

- "(g) The annual sum of Two Hundred Eighty-Three Thousand Forty-Three and 28/100 Dollars (\$283,043.28) payable, in advance, on the first day of each calendar month during the seventh Lease Year payable in equal and consecutive monthly installments of (\$23,586.94).
- (h) The annual sum of Two Hundred Ninety One Thousand Five Hundred Thirty-Four and 60/100 Dollars (\$291,534.60) payable, in advance, on the

first day of each calendar month during the eighth Lease Year payable in equal and consecutive monthly installments of (\$24,294.55).

- (i) The annual sum of Three Hundred Thousand Two Hundred Eighty and 68/100 Dollars (\$300,280.68) payable, in advance, on the first day of each calendar month during the ninth Lease Year payable in equal and consecutive monthly installments of (\$25,023.39).
- (j) The annual sum of Three Hundred Nine Thousand Two Hundred Eighty-Nine and 08/100 Dollars (\$309,289.08) payable, in advance, on the first day of each calendar month during the tenth Lease Year payable in equal and consecutive monthly installments of (\$25,774.09).

4. **Amendment of Lease; Reduction of Pro-Rata Share.** The Parties hereby agree that, as of the Adjustment Date, County's Pro-Rate Share of Taxes under Section 2.02 of the Lease Agreement is 14.03 % and that the County's Pro-Rata Share of Shopping Center Operating Costs under Section 10.01 of the Lease Agreement is 14.03%.

5. **Miscellaneous.** Upon completion of the work, the County may measure area of the enclosure and if the County's measurement is greater than the area reflected above, the Minimum Rent and Pro-Rata Share of Taxes and Shopping Center Costs will be readjusted based on the County's measurement and the Owner and Count will execute an Addendum to this Amendment to Lease to confirm the adjustments to Minimum Rent and County's Pro-Rata Share(s) accordingly.

6. Terms and Conditions Except as expressly modified herein, all other terms, conditions and provisions of the Lease Agreement remain in full force and effect.

IN WITNESS WHEREOF, Owner and County have caused this Amendment to be executed under seal, on the day and year first above written.

SIGNATURES ON THE FOLLOWING PAGE

**OWNER:**  
DRAIMAN PROPERTIES 4, LLC

Attest:

*[Signature]* 6/12/14

By: *[Signature]* 6/12/14  
David Draiman

**COUNTY:**  
MONTGOMERY COUNTY,  
MARYLAND

Attest:

*[Signature]*

By: *[Signature]*

APPROVED AS TO FORM AND  
RECOMMENDED LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

OFFICE OF REAL ESTATE

By: *[Signature]* 6/6/14

By: *[Signature]* 5/29/14  
Cynthia Brenneman, Director

ATTACHMENT "A"

*Approximate location of Enclosure & Chase*

[SEE ATTACHED]

