



Robert S. Croslin
Mayor

Tracey E. Nicholson
City Administrator

Hannah McCann
Feldman Ruel
via email

June 27, 2024

Lease Proposal
4631 Baltimore Avenue
Hyattsville, MD 20781

Dear Hannah,

We are pleased to present the following counter-proposal for the tenancy of the City of Hyattsville ("Tenant"), at 4631 Baltimore Avenue, Hyattsville, MD 20781 ("Property").

Building: The Building totals approximately 5,919 square feet on an approximately 14,836 square foot lot, herein referred to as "the Property."

Lease Term: 252 months (21 years)

Lease Commencement Date: August 1, 2024

Lease Termination Date: July 30, 2045

Base Rental Rate: For the period commencing August 1, 2024 through July 31, 2025 the initial base rental rate shall be \$10.00 per square foot, triple net, equal to \$4,932.50 per month.

Termination Option: Tenant shall have the right to terminate the Lease on or before the twenty-fourth (24th) month of the Term with six (6) months' prior written notice to Landlord.

Rent Escalations: The Base Rent shall increase 1.75% annually.

CAM Expenses: Tenant shall be responsible for Landlord's actual costs for taxes and insurance, paid via monthly estimate to be reconciled annually.

Tenant Improvements: Landlord shall provide a Tenant Improvement Allowance sufficient to bring the building into compliance with Prince George's County codes necessary to receive a Use & Occupancy Permit for the Tenant's Proposed uses. Upon Lease Commencement, the Tenant will secure contractor(s) and provide Landlord a scope of work for improvements to be completed with Landlord's prior approval, not to be unreasonably withheld, to bring the Building into compliance with Prince George's County Code beginning August 1, 2024 and continuing for eighteen (18) months until Feb 1, 2026 Landlord will provide a credit of \$3,667.00 per month towards Base Rent. Upon the earlier of either the issuance to Tenant of a Use & Occupancy permit by the County, or February 1, 2026 Tenant will provide to Landlord a reconciliation of the actual costs of the improvements then completed. If the actual costs of the Tenant Improvements are less than the amount that has been credited from lease commencement to February 1, 2026, Tenant will pay to Landlord the difference as Base Rent within 30 days of the completion of the reconciliation. If the costs of the improvements exceed the amount that has been credited, Landlord will provide an additional Base Rent credit to Tenant divided equally across the months between the date of reconciliation and August 1, 2026, not to exceed an additional \$24,000. For the avoidance of doubt, the timeline for rent credits begins August 1, 2024, a delay in lease commencement past that date will reduce the total amount of Tennant Improvement Allowance provided by the Landlord to the Tennant by an amount to be prorated to the actual commencement date.

Security Deposit: One month of Base Rent, to be refunded in Year 11 if Tenant is not in default of the Lease.

Right of First Option: During the Term, Landlord shall first notify Tenant of any intent to market the Premises for sale and shall accord Tenant a one hundred twenty (120) day exclusive period to reach agreement with Landlord on terms and conditions of a sale.

Brokerage Commission: Tenant warrants that no brokers represented the Tenant in this transaction.

The terms and conditions outlined in this proposal are non-binding until reflected in a lease agreement which has been executed by both Tenant and Landlord. Tenant reserves the right to modify or withdraw this proposal, without notice, at any time up to the execution and delivery of a formal lease agreement by both parties. This proposal shall be valid until July 3, 2024.

We look forward to discussing this proposal with you, please reach out with any questions.

Sincerely,



Hal Metzler
Senior Deputy Director of Public Works

For Tracey Douglas – City Administrator

LANDLORD

Agreed and Accepted:

DocuSigned by:
Brian Athey
AF1040CA763049F...

By: Brian Athey

Date: 6/28/2024 | 12:42 PM EDT

TENANT

DocuSigned by:
Hal Metzler
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Hal Metzler

Senior Deputy Director of Public Works
For Tracey Douglas - City Administrator
6/27/2024 | 4:16 PM PDT