

Addendum A
City of Gaithersburg

Security Deposit

1. Lessor hereby acknowledges receipt from Lessee of a security deposit in the amount specified in Section (I) of the Lease Agreement, paid prior hereto, to be held as security for the faithful performance by Lessee of the covenants, conditions, rules and regulations contained herein. If Lessee is eligible and has qualified for utility assistance through the Department of Human Services, Lessee shall make payments for utility services directly to Lessor, and Lessee hereby agrees to the Security Deposit in an amount equivalent to up to two (2) months' rent. The Security Deposit shall be held in an interest-bearing account in accordance with applicable law.

The Security Deposit, or any portion thereof, may be withheld for unpaid rent and/or other unpaid leasehold charges; the amount of surcharge assessed against Lessor under § 7-301(C)(5)(II) of the Courts and judicial Proceedings Article; actual damages incurred by Lessor due to breach of this Lease Agreement or for damage by Lessee or Lessee's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, and furnishing owned by Lessor. Damages may include, but are not limited to, the costs of cleaning and extermination services incurred by Lessor due to Lessee's failure to take reasonable actions to prevent pest infestation. Such failure may include, but is not limited to: (a) not reporting pest-related concerns to Lessor in a timely manner, (b) denying Lessor access to the premises for prompt treatment, and/or (c) not maintaining appropriate housekeeping standards within the leased premises. It is understood and agreed, however, that irrespective of said Security Deposit, rent shall be paid when due, in accordance with the terms hereof.

Lessee shall have the right to be present when Lessor or Lessor's agent inspects the leased premises in order to determine if any damage was done to the leased premises, if Lessee notifies Lessor by certified mail of Lessee's intention to move, the date of moving, and Lessee's new address. The notice to be furnished by Lessee shall be mailed to Lessor at least fifteen (15) days prior to the date of moving. Upon receipt of the notice, Lessor will notify Lessee by certified mail of the time and date when the leased premises is to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Lessee's notice.

Lessee shall have a right to receive, by first class mail, delivered to the last known address of Lessee, a written list of the charges against the Security Deposit claimed by Lessor and the actual costs, within forty-five (45) days after the termination of the tenancy. Lessor will be obligated to return any unused portion of the Security Deposit, by first class mail, addressed to Lessee's last known address within forty-five (45) days after the termination of the tenancy. Failure of Lessor to comply with Maryland's Security Deposit Law may result in Lessor being liable to Lessee for a penalty of up to three (3) times the Security Deposit withheld, plus reasonable attorney's fees.

In the event of sale or transfer of the leased premises by Lessor, Lessor will have the right to transfer, in accordance with applicable law, the Security Deposit to the transferee, and Lessor shall be considered released by Lessee for all liability for the return of such Security Deposit, and Lessee shall look to Lessor's transferee solely for the return of said Security Deposit. It is agreed that this shall apply to every transfer or assignment made of the Security Deposit to any such transferee. The Security Deposit shall not be mortgaged, assigned, or encumbered by Lessee without prior written consent of Lessor and any attempt to do so shall be void.

Rental Payment; Late Fee; Returned Payment Charge; Legal Fees and Costs; Attorney's Fees

2. Rent is due and payable in advance on the first day of each month ("due date"). Where Lessee fails to make all rental payments and payment of other sums due and owing under this Lease Agreement on or before the due date, Lessor may seek possession of the leased premises by filing a complaint for possession with the District Court of Maryland as soon as allowed by law. Payment or receipt of a lesser amount than the rent herein stipulated or - in the event of hold-over by Lessee after the expiration of the Lease Term, the amount equal to the rent to be paid during such hold-over period - shall not be deemed to be other than on account. The deposit by Lessee of all or any part of the stipulated or required rent in Escrow, in Trust or in any form with any party other than Lessor or Lessor's designated agent, without the prior written consent of Lessor, shall not be deemed payment to Lessor.

All payments tendered by a personal check, draft, or money order shall not be deemed made until good funds are actually received by Lessor and posted to Lessee's account. Placement of payments in an overnight slot, depository, or mail slot shall not be deemed as receipt by Lessor. Payments made using a credit or debit card, or electronic payment methods including, but not limited to, a digital/mobile wallet or app, ACH transfers, or echeck, may take up to three business days for funds to clear, and such payments shall not be deemed made until good funds are actually received by Lessor and posted to Lessee's account. Lessor will issue a written receipt for payments made in cash or by money order.

Payment received after the tenth of the month in which the rent is due, shall be made by certified funds such as cashier's check or money order, and shall be subject to a late fee of five percent (5%) of the unpaid rent due for the rental period in which the payment is delinquent.

Should a financial institution return a check, draft, money order, credit card, electronic transfer, or any form of payment tendered on Lessee's behalf as unpaid for any reason including, but not limited to, non-sufficient funds or a dispute by payor, Lessee shall reimburse Lessor for all charges or costs incurred by

Lessor as a result, including a returned payment fee of thirty-five dollars (\$35.00) for each such occurrence. Should any payment be returned unpaid and subsequently re-tendered after the tenth day of the month, the Lessee will also be responsible for any applicable late fees as permitted by law. In the event of a payment reversal or chargeback, Lessor, in its sole discretion and without prior notice, may revoke Lessee's access to online or electronic payment platform. Furthermore, Lessor shall have the right to require all future payments be made by certified funds, such as cashier's checks or money orders.

**Lease Expiration and
Renewal; Holding Over
Tenancy By The
Month; Rent Increases**

3. Upon the expiration of the term of this Lease Agreement by a lapse of time, and in the event that Lessee does not elect a two-year renewal term which shall have been offered in writing by Lessor to Lessee prior to expiration of the Lease Term, then Lessee shall automatically become a month-to-month Lessee at the same rental rate in effect on the date of expiration or at a new month-to-month rental rate to be determined by Lessor, provided that Lessor provides a written notice to Lessee ninety (90) days prior to such increase. If Lessee has entered into this Lease Agreement for the initial term of two (2) years, Lessor reserves the right to increase the rent in accordance with applicable laws, effective upon or after the expiration of the first lease year, provided that Lessor provides a written notice to Lessee ninety (90) days prior to such increase. Any such notice of rent increase will be sent to the leased premises by first-class mail with a certificate of mailing unless Lessee elects to receive such notices by electronic delivery. After the effective date provided in the notice, the rent increase shall become legally binding and enforceable upon Lessee by virtue of Lessee's continued occupancy of the leased premises, whether or not Lessee shall have communicated to Lessor Lessee's assent or dissent to such rent increase. Notice of rent increase issued by Lessor shall be in conformity with applicable laws both as to form and substance. To the extent that statutory provisions with respect to rent increases conflict with this section, those statutory provisions shall govern and supersede the terms set forth herein.

**Notice to Terminate
Tenancy**

4. To terminate tenancy without cause at the expiration of a lease term or any month-to-month tenancy, Lessee shall provide Lessor a written notice at least sixty (60) days prior to the expiration of the lease term or tenancy. Such notice shall be hand-delivered or mailed to Lessor so that it is received by Lessor prior to the first day of the next month in which rent is due, and shall be effective on the last day of the given month.

If Lessee fails to provide timely written notice in accordance with this section, Lessee shall be deemed to be holding over upon expiration of the lease term through the date the keys to the leased premises are personally handed to a representative of Lessor. Any payment and acceptance of rent or other charges after the effective date of any notice to terminate or vacate shall not constitute a waiver of such notice. All such funds accepted by Lessor shall be held on account for any rent in arrears, holdover charges, and any other lawful charges or damages as set forth under the Lease Agreement and applicable law.

Lessor may terminate tenancy without reason or cause as follows: (a) For a lease term of twelve (12) months or less, or during a month-to-month tenancy, by providing at least sixty (60) days' written notice to Lessee prior to the expiration of the term; (b) For a lease term greater than twelve (12) months, by providing at least ninety (90) days' written notice to Lessee prior to lease expiration. All termination notices by Lessor shall be hand-delivered or mailed to Lessee prior to the first day of the next month in which rent is payable, and said notice will be effective the last day of the given month.

In the event of any inconsistency, applicable statutory provisions governing notice of termination shall prevail and be substituted for the foregoing provisions to the extent of any inconsistency.

**Legally Authorized
Early Termination by
Lessee**

5. This Lease Agreement may be terminated by Lessee upon thirty (30) days' written notice to Lessor for any of the following reasons:
- (1) Involuntary change of employment requiring Lessee to relocate outside the Washington metropolitan area;
 - (2) The death of the major wage earner listed in the Lease;
 - (3) Involuntary unemployment of Lessee;
 - (4) Lessee or Lessee's child being a victim of abuse in accordance with Md. Code, Real Prop. Art. § 8-5A-01 et seq.;
 - (5) Documented harassment or unlawful invasion of Lessee's privacy rights by Lessor in a manner prohibited under Md. Code, Crim. Law Art., §§ 3-800 et seq. or §§ 3-900 et seq.;
 - (6) Lessee or Lessee's spouse being (a) sixty-two (62) years of age or older; (b) unable to live independently; and (c) needing to move into a nursing home or other senior citizen housing;
 - (7) Lessee being incarcerated or declared mentally incompetent by a court of law or licensed physician;
 - (8) Lessor's failure to correct a violation of applicable law that adversely affects the immediate health and safety of Lessee in the leased premises or a common area available for use by Lessee, within thirty (30) days after being ordered by the City Department of Community, Neighborhood, and Housing Services ("Department") to correct if: (a) Lessee has allowed Lessor reasonable access to make the required repairs; and (b) after reinspection within the prescribed period of time, the Department determines that the violation has not been corrected;
 - (9) Lessee has been called to serve on active duty for the military, or has received (a) permanent change of station orders, (b) temporary duty orders for a period exceeding 90 days, (c) orders requiring Lessee to move into quarters located on a military installation, or (d) a release from active duty, including (i) retirement, (ii) separation or discharge under honorable conditions, and (iii)

demobilization of Lessee who is an activated reservist or a member of the National Guard who was serving on active duty orders for at least 180 consecutive days;
(10) Other reasonable cause beyond Lessee's control, including a qualifying medical condition under section 8-212.2 of the Real Property Article of the Maryland Code.

If Lessee qualifies for early termination under this section, Lessee shall be released from any further liability for payment of Monthly Rent for the unexpired portion of the Lease Term. However, for all early terminations under this section - excluding subsection (8) - Lessee shall be responsible for a termination fee equal to one (1) month's rent or actual damages incurred by Lessor, whichever is less. In addition to the termination fee set forth herein, Lessee shall remain liable to Lessor for payment of (1) all unpaid rent and lawful charges due through the final date of occupancy; (2) the cost of repairing damages beyond ordinary wear and tear; and (3) prorated turnover costs, including but not limited to cleaning, carpet replacement, and painting, based on the length of occupancy, to the fullest extent permitted by law.

Covenants to Repair and Maintain; Warranty of Habitability

6. Lessor acknowledges general responsibility for the maintenance of the leased premises and expressly warrants that the leased premises are habitable and comply with requirements of Chapter 5, Buildings, Chapter 11, Fire Safety, Chapter 13, Landlord-Tenant Relations, Chapter 18-AA, Rental Housing Licensing, and Chapter 24, Zoning, of the City of Gaithersburg Municipal Code, as amended, all of which sections are incorporated by reference into this Lease Agreement.

Access by Lessor for Inspection, Maintenance, and/or Servicing

7. Lessor shall retain duplicate keys to all doors of the leased premises.

Lessor shall have the right to access the leased premises during normal business hours, including weekends and federal or state holidays, for the purpose of making repairs, improvements, alterations, providing services, or inspecting the leased premises or the building in which the leased premises are located, provided that due notice is given to Lessee and no reasonable objection is raised by Lessee. Any maintenance or service request made by Lessee shall constitute express authorization for Lessor to enter the leased premises without notice, unless Lessee specifically requests prior notice in writing at the time of the request. Lessee shall not, under any circumstances, unreasonably withhold or delay access to Lessor.

Lessor shall have the right to enter the leased premises, with no less than twenty-four (24) hours' notice to Lessee, for the purpose of exhibiting the leased premises to prospective tenants, purchasers, or mortgagees. Such entry shall occur during normal business hours, including weekends and federal or state holidays, unless otherwise agreed by the parties. Lessee shall not, under any circumstances, unreasonably withhold or delay access to Lessor for this purpose.

Notwithstanding all the above, in case of emergency, or where Lessor has good cause to believe that Lessee may be in violation of the Lease Agreement or applicable law, or that the leased premises may have been damaged by Lessee or any occupants, Lessor may enter the leased premises without notice. Furthermore, nothing herein shall prohibit Lessor from entering upon the leased premises without notice to give access to authorized government or emergency personnel as required by law.

Lessee Resources

8. General information and assistance regarding (a) lease addenda and (b) evictions are available through the Department of Community, Neighborhood, and Housing Services:

Phone: (240) 805-1119
Email: housing@gaitthersburgmd.gov
Address: 31 Summit Avenue, Gaithersburg, Maryland 20877
Hours: Monday through Friday, 8:00 AM – 5:00 PM

Landlord-Tenant Handbook Acknowledgement

9. Pursuant to Section 13-14(i) of the Gaithersburg City Code, Lessee is entitled to receive a hard copy of the Landlord-Tenant Handbook. A digital version is also available at the City of Gaithersburg website: <https://www.gaitthersburgmd.gov/services/neighborhood-services/landlord-tenant-affairs>.

I hereby acknowledge that:

- A. _____(initial) _____(date) I received a hard copy of the Landlord-Tenant Handbook from Lessor at the beginning of the Lease Term.
- B. _____(initial) _____(date) I declined the hard copy of the Landlord-Tenant Handbook offered by the Lessor at the beginning of the Lease Term and instead accepted referral to the digital version available on the City's website, referenced above.

Two-Year Lease Option

10. Gaithersburg City law requires landlords, unless there is reasonable cause otherwise, to offer all prospective tenants lease agreements for initial terms of two (2) years. Such an offer may be accepted at the option of the prospective tenant. Prior to entering this lease, the tenant hereby acknowledges that (initial and date on option below):

- A. ____ (initial) ____ (date) I was offered and accepted a two-year lease term by the landlord and understand I may receive a rent increase after twelve (12) months from commencement of the lease term subject to Section 13-20(e) of the Gaithersburg City Code.
- B. ____ (initial) ____ (date) I was offered but rejected a two-year lease term by the landlord.
- C. ____ (initial) ____ (date) I received a copy of a written statement in which the landlord asserts and explains a reasonable cause for failing to offer me a two-year initial lease term and was advised of my rights to challenge such statement by filing a complaint with the Office of Landlord-Tenant Affairs. :

Consent to Electronic Delivery of Notices

- 11. By initialing below, Lessee consents to receive all notices that Lessor elects to provide electronically and authorizes delivery through the residential online portal and/or the email address on file. Lessee agrees to maintain accurate and up-to-date contact information in accordance with Paragraph 28 of the General Lease Terms. Lessee further understands that certain categories of electronic communications may be subject to opt-out and may exercise this option by submitting a written request to Lessor at the business office of the property.

_____ (initial) _____ (date)	_____ (initial) _____ (date)
_____ (initial) _____ (date)	_____ (initial) _____ (date)
_____ (initial) _____ (date)	_____ (initial) _____ (date)
_____ (initial) _____ (date)	_____ (initial) _____ (date)

Automatic Sprinkler System Disclosure

- 12. This rental property is not protected by an automatic sprinkler system.