

Amendment 1 to Council Bill No. 55-2017

**BY: Chairperson at the request
of the County Executive**

**Legislative Day No. 11
Date: July 26, 2017**

Amendment No. 1

(This amendment corrects a reference to the term and substitutes a revised Lease Agreement. The revised lease provides greater detail into operating expenses, makes changes to the right to lease additional space and to purchase buildings, changes the timing of completion of tenant improvements, and adds general provisions.)

- 1 On page 1, in line 20, strike “30” and substitute “20”.
- 2
- 3 Remove the Lease Agreement, attached as Attachment 1 to the Bill as prefiled, and substitute a
- 4 revised Lease Agreement as attached to this Amendment.

LEASE AGREEMENT

LSOP 3 MD 3, LLC

Landlord

HOWARD COUNTY, MARYLAND

Tenant

9820 and 9830 Patuxent Woods Drive, Columbia, Maryland 21046

LEASE AGREEMENT

THIS **LEASE AGREEMENT** (the "Lease") is made this _____ day of _____, 2017 (the "Effective Date"), by and between **LSOP 3 MD 3, LLC**, a Delaware limited liability company (the "Landlord"), registered with and in good standing with the Maryland State Department of Assessments and Taxation and **HOWARD COUNTY, MARYLAND** (the "County"), a body corporate and politic.

WITNESSETH, that County covenants and agrees with Landlord as follows:

1. **LEASED PREMISES.** Landlord by the deed dated January 30, 2014 and recorded among the Land Records of Howard County, Maryland (the "Land Records") at Liber 15521, Folio 216 is the owner of approximately 8.84 acres of real property shown as Parcel A-4 on Plat Number 9509 in the Land Records and improved with two (2) one-story office buildings known as 9820 and 9830 Patuxent Woods Drive, Columbia Maryland 21046 (herein referred to separately as "9820" and "9830" and collectively as the "Buildings"). The Buildings have 55,739 square feet of leasable space including related amenities and any additional facilities in subsequent years as may be determined by Landlord to be reasonably necessary or desirable for the management, maintenance or operation of the Buildings including the improvements constructed for the County herein (collectively the "Property"). The Property is part of the "Patuxent Crossing" development consisting of eight office buildings having addresses of 9755, 9770, 9780, 9790, 9800, 9810, 9820, and 9830 Patuxent Woods Drive and collectively consisting of 294,319 rentable square feet (the "Project"),

Landlord hereby leases unto County, and County hereby leases from Landlord, the entirety of 9820 comprising a total of approximately 24,528 square feet of rentable area and the entirety of 9830 comprising approximately 31,211 square feet of rentable space (the "Leased Premises"), as identified on Exhibit A attached hereto and incorporated herein. County shall have the right of access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week during the Term. Both parties hereby acknowledge and agree that a portion of the 9820 Building consisting of approximately 6,728 rentable square feet as shown on Exhibit A is occupied by another tenant as of the date of this Lease (the "Existing Tenant"). The 9820 Building shall be known as the "Expansion Space" and the term "Leased Premises" shall not include the Expansion Space until such time as Landlord delivers the Expansion Space (the "Expansion Date"). From and after the Expansion Date the term Leased Premises shall include the Expansion Space. The Landlord shall use its commercially reasonable efforts to commence construction of the Tenant Improvements (as such terms is hereinafter defined) in the Expansion Space by January 8, 2018 (the "Penalty Date"). If Landlord does not commence construction of the Tenant Improvements in the Expansion Space by January 8, 2018 and such delay is not the result of a County Delay (as such term is hereinafter defined) Landlord shall provide the County with rent abatement in the amount of \$13,456.00 per month for the period beginning on the Penalty Date and ending on the earlier of (i) the date upon which Landlord commences construction of the Tenant Improvements in the Expansion Space and (ii) October 31, 2018. Notwithstanding the

foregoing, if Landlord is in a position to deliver some but not all of the Expansion Space prior to the date which would otherwise be the Expansion Date the County shall have the right (but not the obligation) to accept delivery of such portion of the Expansion Space and from and after such date the Leased Premises shall include such portion of the Expansion Space (with the remainder of the Expansion Space being added to the Leased Premises on the Expansion Date) and Annual Rent and the County's Proportionate Share shall be increased to reflect such increased square footage.

2. **TERM.** The initial term of this Lease (the "Initial Term") shall commence on the date the Landlord delivers the Leased Premises excluding the Expansion Space with the Tenant Improvements by Landlord substantially complete (the "Commencement Date"), and end at 11:59 p.m. on June 30, 2038 (the "Initial Term Expiration Date"), unless the Lease is earlier terminated or extended pursuant to any other provision of this Lease or applicable law. The parties acknowledge that this Lease has been approved by the County Council of Howard County as a multi-year obligation in accordance with CB55-2017.

a. **Extension Options.** If, at the end of the Initial Term or subsequent Option Period (defined below) of this Lease, (a) County is not in default of any of the terms, conditions or covenants of this Lease, beyond any applicable notice and cure period, and (b) County has not assigned or sublet the Leased Premises, except as permitted herein, then County shall have the option to extend the Term (each an "Extension Option") for three (3) additional periods of three years each (each an "Option Period") upon the same terms and conditions contained in this Lease, except that the Annual Rent for each Option Period shall be Market Rent, as determined in accordance with this Section 2. "Market Rent" shall be the anticipated rate in effect for the Leased Premises as of the commencement of the renewal term, together with any market rate increases during the renewal term, based upon the rents generally in effect for renewed leases of space in the area in which the Buildings are located of equivalent quality, size, utility and location, and taking into account the length of the renewal term and the credit standing of the County. Landlord shall lease the Leased Premises to the County in their then-current condition, and Landlord shall not provide to the County any allowances (e.g., moving allowance, construction allowance, free rent or the like) or other tenant inducements. In the event that the County shall exercise an option to renew this Lease, then the Market Rent shall be agreed upon in a meeting of the parties hereto held at least ninety (90) days prior to the expiration of the then current Term. If the parties are able to agree on an amount of Market Rent that is mutually satisfactory, then such agreements shall be placed in writing and shall be signed by the parties hereto and shall thereupon become a part of this Lease. If the parties hereto are unable to agree upon the Market Rent at least thirty (30) days prior to the commencement of the renewal term, then the disagreement shall be promptly submitted to arbitration. In such event, each party shall select an arbitrator having not less than ten (10) years' actual experience in the commercial real estate brokerage business, and the arbitrators so selected shall immediately meet for the purpose of hearing and deciding the dispute and fixing the relevant rate of rent. If the two arbitrators selected agree on Market Rent, their decision shall be binding on both parties. If the two arbitrators selected cannot agree on the Market Rent within ten (10) business days after appointment (the "Initial Review Period"), but the rates differ by less than five percent (5%), the Market Rent shall be the average of the two

rates. If the rates differ by more than five percent (5%), no later than five (5) business days following the expiration of the Initial Review Period, the two arbitrators shall select a third arbitrator with qualifications similar to their own. Within ten (10) business days following appointment, the third arbitrator shall select one of the two rental rates promulgated by the first two arbitrators as the Market Rent. If the arbitrators cannot agree on the third arbitrator, they shall petition the presiding judge of the local state court having jurisdiction to appoint such arbitrator to act as an umpire between the arbitrators selected by Landlord and the County. The decision of the third arbitrator or presiding judge, as the case may be, shall be binding on both parties. Landlord and the County shall each be responsible to pay their respective arbitrators and will share equally the cost of the third arbitrator.

The Extension Options are personal to the original County and may not be exercised or assigned, voluntarily or involuntarily, by or to any person or entity other than the original County. Further, the Extension Options are not assignable separate and apart from this Lease. In the event that at the time an Extension Option is exercisable by County, this Lease has been assigned or a sublease exists, the Extension Option(s) shall automatically terminate and shall be deemed null and void, and County, any assignee or any sublessee shall not have the right to exercise such Extension Option. Notwithstanding anything to the contrary contained herein, if an assignment or sublease has been made to another governmental or quasi-governmental department, division or agency of Howard County, Maryland or the State of Maryland (a "Government Agency"), the Extension Options may be exercised by the Government Agency.

b. Extension Notice. If County desires to exercise an Extension Option to extend the Term (subject to County's compliance with the standards set forth herein), County shall notify Landlord in writing of County's intention to do so at least two hundred seventy (270) calendar days prior to the expiration date of the Term. After proper and timely exercise of the Extension Option by County, all references in this Lease to "Term" shall be considered to mean the Initial Term or Option Period as extended, and all references in this Lease to the expiration date or to the end of the Term shall be considered to mean the termination or end of the applicable Option Period.

c. Surrender of Leased Premises. County shall, at the expiration of the Term or at the sooner termination thereof by forfeiture or otherwise, surrender the Leased Premises in the same good order and condition as existed at the beginning of the tenancy, reasonable wear and tear excepted.

3. RENT.

a. Annual Rent. The Annual Rent for the first eight (8) months of the Initial Lease Term is abated. For the Expansion Space only, such abatement of Annual Rent shall be for a period of eight (8) months commencing on the Expansion Date. Beginning with the ninth (9th) month of the Initial Lease Term, County shall pay to Landlord, in twelve equal monthly installments, an annual base rental ("Annual Rent") as shown in the rent schedule below. The annual escalated portion of the Annual Rent shall be increased annually at the rate of two percent (2%) after the 3rd year

Period	Base Rent	Monthly Based on 55,739 square feet	Annual Based on 55,739 square feet
Commencement Date to End of Eighth Consecutive month	Rent is abated	Rent is abated	Rent is abated
Ninth month - 20th month- Year 1	\$19.00 square foot*	\$88,253	\$1,059,041
Year 2	\$19.00 square foot	\$88,253	\$1,059,041
Year 3	\$19.00 square foot	\$88,253	\$1,059,041
Year 4	\$19.38 square foot	\$90,018	\$1,080,222
Year 5	\$19.77 square foot	\$91,819	\$1,101,826
Year 6	\$20.16 square foot	\$93,655	\$1,123,863
Year 7	\$20.57 square foot	\$95,528	\$1,146,340
Year 8	\$20.98 square foot	\$97,439	\$1,169,267
Year 9	\$21.40 square foot	\$99,388	\$1,192,652
Year 10	\$21.83 square foot	\$101,375	\$1,216,505
Year 11	\$22.26 square foot	\$103,403	\$1,240,835
Year 12	\$22.71 square foot	\$105,471	\$1,265,652
Year 13	\$23.16 square foot	\$107,580	\$1,290,965
Year 14	\$23.62 square foot	\$109,732	\$1,316,784
Year 15	\$24.10 square foot	\$111,927	\$1,343,120
Year 16	\$24.58 square foot	\$114,165	\$1,369,982
Year 17	\$25.07 square foot	\$116,449	\$1,397,382
Year 18	\$25.57 square foot	\$118,777	\$1,425,330
Year 19	\$26.08 square foot	\$121,153	\$1,453,836
Year 20 ending on June 30, 2038	\$26.60 square foot	\$123,576	\$1,482,913

* The County shall receive eight (8) months of Annual Rent abatement as to both the initial Leased Premises and the Expansion Space (i.e. Annual Rent for the initial Leased Premises abates for the first eight (8) months following the Commencement Date and Annual Rent for the Expansion Space abates for the first eight (8) months following the Expansion Date). By way of example only, if the Expansion Date occurs two (2) months following the Commencement Date, Tenant would pay no Annual Rent for the first eight (8) months following the Commencement Date and pay Annual Rent for the initial Leased

Premises only (and not the Expansion Space) for the ninth (9th) and tenth (10th) month following the Commencement Date. Landlord shall invoice the County for each monthly installment of the Annual Rent and Operating Expenses and shall specify on the invoice the Rent due and the Landlord's Employer Identification Number. Upon the receipt of such invoice, the County agrees to pay each monthly installment of the Annual Rent for each and every month, promptly as and when due subject to the setoff rights of the County as expressly set forth in this Lease. Said rental shall be paid to: LSOP 3 MD 3, LLC, addressed c/o PO Box 856579, Minneapolis, MN 55485-6579 or in such manner and at such other place or to such appointee of Landlord, as Landlord may from time to time designate on the invoice.

b. **Late Payment Charge.** If County fails to pay, when due and properly invoiced by Landlord, the monthly installment of Annual Rent, Operating Expenses or any other sum required by the terms of this Lease to be paid by County, then, the Landlord shall promptly notify the County that the payment of such amount has not been received and if the County does not remit the amount due within ten (10) days after such notice, Landlord may assess a late payment fee of \$100.00 or 5% of the unpaid amount, whichever is greater. Additionally, any unpaid Annual Rent or Operating Expenses which remains unpaid for sixty (60) days following Landlord's notice of non-payment shall accrue interest at the annual interest rate which is the lesser of (i) six percent (6%) per annum and (ii) the highest rate allowed by applicable law.

4. **OPERATING EXPENSES.**

a. Commencing on January 1, 2019 and continuing throughout the Term, the County shall pay, in monthly installments, the County's Proportionate Share of Operating Expenses for the calendar year in question in excess of Operating Expenses incurred during the 2018 calendar year base year (the "Base Year"). If any portion of the Buildings is not fully occupied during the Base Year Landlord shall gross up Operating Expenses which vary with occupancy for such period so that Operating Expenses are computed as though the Buildings had been fully occupied. If any expense (including without limitation any tax or insurance premium) included within the Operating Expenses incurred during the Base Year is thereafter reduced or eliminated (an "Expense Reduction"), then for the purpose of calculating the County's Proportionate Share of Operating Expenses, the applicable Base Year amount shall be reduced to reflect the Expense Reduction. By April 30th of each year (and as soon as practical after the expiration or termination of this Lease or, at Landlord's option, after a sale of the Property), Landlord shall provide the County with a statement of Operating Expenses for the preceding calendar year or part thereof. Within 30 business days after delivery of the statement with properly documented statements to the County and after any questioned expenses have been satisfactorily explained or disputed as set forth below, County shall pay to the Landlord the County's Proportionate Share of Operating Expenses for the Leased Premises. If the County does not give Landlord notice within 30 business days after receiving Landlord's statement that the County disagrees with the statement and specifying the items and amounts in dispute, the County shall be deemed to have waived the right to contest the statement and the amounts set forth in such statement shall thereafter be

deemed conclusive against the County. The Landlord specifically agrees that Controllable Operating Expenses shall not increase by more than five percent (5%) per year in the aggregate over the Initial Term of the Lease on a non-cumulative and non-compounding basis. Controllable Operating Expenses shall mean Operating Expenses other than taxes, insurance, utilities, snow and ice removal and security. Landlord's and the County's obligation to reconcile the Operating Expenses due the other pursuant to this Section shall survive the expiration or termination of this Lease.

b. "Operating Expenses" means all costs, fees, charges and expenses incurred or charged by Landlord in connection with the ownership, operation, maintenance and repair of, and services provided to, the Property, including, but not limited to, (i) the actual charges to Landlord for the janitorial and operation and maintenance of Buildings' mechanical (HVAC), plumbing, electrical, and fire suppression systems, (ii) the cost of insurance carried by Landlord allocable to the Buildings together with the cost of any deductible paid by Landlord in connection with an insured loss for the Buildings, (iii) Landlord's cost to maintain the Property, (iv) the cost of trash collection or recycling programs instituted at the Buildings, and (v) to the extent not otherwise payable by the County pursuant to this Lease, all real estate taxes with respect to the Buildings. Landlord shall endeavor to take advantage of discounts offered for the early or prompt payment of any Operating Expense, such as real estate taxes during any discount period and Landlord shall apply the benefit of any such discounted payment to the Operating Expenses. Landlord shall have the right to directly perform (by itself or through an affiliate) any services provided under this Lease provided that the Landlord's charges included in Operating Expenses for any such services shall not exceed competitive market rates for comparable services in Howard County, Maryland.

c. Notwithstanding anything to the contrary in this Lease, Operating Expenses described above shall not include: (A) ground rent and interest on and amortization of mortgages or other loans of Landlord or the costs of refinancing the Buildings or portion thereof, (B) salaries of Landlord's employees not engaged in the operation, management, maintenance or repair of the Buildings, (C) leasing commissions, advertising expenses and other such expenses incurred in leasing or marketing space within the Buildings, (D) expenses incurred by Landlord to prepare, renovate, repaint or redecorate any space leased to any other tenant or other occupant of the Buildings, (E) expenses for the replacement of any item covered under warranty, (F) costs correcting any penalty or fine incurred by Landlord due to Landlord's violation of any federal, state, or local law or regulation and any interest or penalties due for late payment by Landlord of any of the Operating Expenses, (G) expenses for any item or service which County pays directly to a third party or separately reimburses Landlord, and expenses incurred by Landlord to the extent the same are reimbursable (pursuant to the terms of leases or contracts at the Property) or reimbursed from any other tenants, occupants of the Buildings, or third parties (other than through the payment of Operating Expense under other leases), (H) Landlord's general overhead and administrative expenses, (I) any cost or other sum incurred as a result of the gross negligence of Landlord or any agent, employee, contractor or invitee of Landlord, (J) cost of capital improvements, (K) legal fees, (L) depreciation expense of the Buildings, (M) income, excess profits or corporate

capital stock tax imposed or assessed upon Landlord,(N) cost of any service provided by Landlord for other premises in the Buildings which service is not provided by Landlord to the Leased Premises pursuant to the terms of this Lease, (P) any cost to repair the common areas which are covered by insurance of Landlord or any other insured party (but only to the extent of amounts recovered from the insurer) and (Q) any costs associated with the repair, maintenance, or replacement of the other buildings in the Project.

d. "The County's Proportionate Share" means the percentage obtained by dividing the rentable square feet of the Leased Premises by the rentable square feet of the Buildings. Prior to the Expansion Date, the County's Proportionate Share shall be 55.99% (unless the County accepts early delivery of any portion of the Expansion Space in accordance with Section 1 of this Lease, in which case the County's Proportionate Share shall be proportionately increased). Following the Expansion Date, the County's Proportionate Share shall be 100%.

e. The invoices shall include, as backup material, certified true copies of invoices (for the Base Year and lease year) for the services for which Operating Expense are requested. For costs where such invoices are confidential, (i.e. salaries paid to Landlord's employees) the Landlord must certify and warrant that such payments for such costs were made. The County may physically audit the Landlord's records to determine the validity of reimbursement or credits due under this Lease. Landlord guarantees all financial records and tenant statements shall be prepared in accordance with generally accepted accounting principles (GAAP) and made available to County as reasonably requested from time to time. No such audit shall be performed on a contingency basis. If County exercises the right to audit the books and records associated with this Lease, County shall pay the expense of auditing the books and records. However, Landlord shall pay all audit expenses (not to exceed \$5,000) if County is found to have been overcharged by 5% or more in any calendar year related to Operating Expenses and the Landlord shall credit the amount of the overpayment of such expenses to the County.

f. For avoidance of doubt, both parties hereby acknowledge and agree that the costs of and Building security and electricity service to the Leased Premises are not including in Operating Expenses (and thus not paid over the Base Year). Instead, the County is responsible for obtaining such services in its own name and paying such costs in full.

5. **DELIVERY OF POSSESSION.** Landlord agrees to deliver to County, and County agrees to accept from Landlord, possession of the Leased Premises (excluding the Expansion Space which shall be delivered at a later date) when Landlord advises County in writing that the Landlord's Work has been "Substantially Completed" (as defined below) and the mechanical (including HVAC), plumbing, electrical, and fire suppression systems in the Leased Premises are operating as designed and County has completed its walk-through inspection and either accepts the Leased Premises "AS IS" or County delivers a punch list of items to Landlord to be completed by Landlord as soon

as reasonably possible. The parties intend for the Leased Premises to be delivered to the County as a “turn-key” build out (subject to the cost limitations set forth herein) ready for the intended use as office space.

“Substantially completed” shall mean the date the certificate of use and occupancy is issued by the Department of Inspections, Licensing and Permits of Howard County, Maryland.

Landlord anticipates delivering possession of the Leased Premises (excluding the Expansion Space which may be delivered on the Expansion Date) to County on February 1, 2018. If Landlord encounters delays in delivering possession of the Leased Premises to County, this Lease will not be void or voidable, nor will Landlord be liable to County for any loss or damage resulting from such delay. As used herein, the term “Events of Force Majeure” shall mean any delay encountered by Landlord in carrying out its obligations under this Section 5 resulting from strikes, lockouts, earthquakes, floods, unavailability of labor, inclement weather, unavailability of standard materials, customary facilities, equipment or supplies, governmental building moratoriums, governmental or administrative action or inaction, riot, insurrection, mob violence or civil commotion, war, acts of God, delays or inaction by utility providers, or other acts beyond the reasonable control of Landlord and not due to Landlord’s acts or omissions or financial condition (individually or collectively “Events of Force Majeure”). Notwithstanding anything contained herein to the contrary, the date of Substantial Completion (and thus the Commencement Date) shall be accelerated by one (1) day for each day of “County Delay” as such term is defined below.

A “County Delay” shall mean a delay caused directly or indirectly by any of the following: (a) the County’s failure to comply with any deadlines specified herein; (b) County’s request for changes or additions to the Landlord’s Work, or failure to timely pay for the additional amounts due as a result of a change order requested by County; (c) the County’s failure to pay when due any amounts required pursuant to this Lease; (d) the County’s request for materials, finishes or installations which are not available as needed to meet the general contractor’s schedule for Substantial Completion; (e) the County’s interference with the general contractor’s schedule; (f) the performance or completion of any work, labor or services by a party employed by the County; or (g) any other County caused delay. Notwithstanding the forgoing, a County Delay shall not occur if the County is acting in a regulatory role: for example, the County performs an inspection of the Landlord’s Work and notes that it does not comply with the County’s building code.

As used herein, the term “Landlord’s Work” shall mean (i) the Tenant Improvements to be completed by Landlord to build-out the Leased Premises (but not the Expansion Space) in accordance with the plans attached hereto as Exhibit B; including the demolition of walls as shown on Exhibit B, in addition to the Tenant Improvements; (ii) the installation of site amenities and furniture, fixtures and equipment around the Buildings as agreed upon and at Landlord’s expense up to \$25,000; and (iii) the design and construction of a six (6) foot wide path from the Patuxent Crossing development to the adjacent and existing Patuxent Branch Trail, all as set forth in Exhibit B attached hereto and incorporated

herein. To the extent the sidewalks within the Project do not have cross ramps with detectable warnings, the Landlord's Work shall also include the necessary improvements to comply with the Americans with Disabilities Act's requirements for the safe passage of persons with vision impairments or physical impairments from the point of the bus stop to the Buildings, provided that Landlord shall in no event be responsible for more than two (2) of such cross ramps. The Landlord shall expend no more than \$1,560,692 for the Tenant Improvements (provided that both parties acknowledge that such figure includes the cost of work to be performed to the Expansion Space that may be performed at a later time.)

All of Landlord's Work shall be performed at Landlord's expense (subject to the cap set forth above for the Tenant Improvements and in a good and workmanlike manner and consistent with the plans attached hereto as Exhibit B. Landlord's Work shall comply with all applicable governmental permits, laws, ordinances and regulations. Landlord shall obtain, at Landlord's expense, and comply with all permits required by all public authorities in connection with the performance of the Landlord's Work (collectively, the "Building Permits"). "Punch list" items, as referred to in this Section 5, are items that will require correction but that will not materially interfere with, or cause a delay to, County's occupancy of the Leased Premises as contemplated herein. Within fifteen (15) days following the date of delivery of possession of the Leased Premises, County shall deliver a punch list, if any, to Landlord. Landlord agrees to correct all such punch list items as soon as reasonably practicable, but in any event no later than twenty (20) business days from the date of the punch list.

Notwithstanding the foregoing, Landlord will not be obligated to deliver possession of any portion of the Leased Premises to County until Landlord has received from County (i) a copy of this Lease, fully executed by County, and (ii) copies of policies of insurance or certificates thereof as required under Article 10 of this Lease.

6. **USE.** County shall use and occupy the Leased Premises for general office use to provide services to the public and ancillary storage use as long as such uses are legally permitted uses by a government. The County may allow the State's agencies, quasi-governmental agencies, or non-profit entities to use a portion of the Leased Premises from time to time, in the County's sole discretion, and such uses shall not be deemed an assignment or subletting of this Lease.

7. **LAWS AND REGULATIONS.** Landlord and County shall observe and comply with all laws, orders, rules, requirements, ordinances and regulations of the United States and the State and City or County in which the Leased Premises are located, and of all governmental authorities or agencies and of any board of the fire underwriters or other similar organization (collectively the "Legal Requirements"), with respect to the Property, Building and the Leased Premises and the manner in which the Property, Building and Leased Premises are used by Landlord, County and, as applicable, other tenants of the Building. In no way limiting the generality of this section, Landlord and County shall complete all improvements or alterations to the Property, Building and/or Leased Premises, as applicable, in accordance with the Americans with Disability Act of

1990 (42 U.S.C., Section 12101 *et seq.*) and regulations and guidelines promulgated thereunder, as amended and supplemented from time to time, (collectively the “ADA”).

8. **ASSIGNMENT AND SUBLET.** The Landlord acknowledges that the County may allow agencies of the state of Maryland, quasi-governmental agencies and non-profits entities serving the citizens of the County to utilize a portion of the Leased Premises from time to time, subject to the terms and conditions of Section 6 above. County shall not assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer this Lease or permit the use of the Leased Premises by any persons other than a non-profit serving the citizens of the County, a County or a government agency, without Landlord’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

9. **INSURANCE, SUBROGATION and INDEMNIFICATION.**

a. County’s Insurance. Landlord acknowledges that County is self-insured and will maintain or appropriate reasonable reserves or funds, as the case may be, to cover claims, losses and damages that might arise or be incurred during its occupancy of the Leased Premises which otherwise may be covered by Business Personal Property Insurance covering Special Causes of Loss, Commercial General Liability insurance (written on an occurrence basis) which, unless approved by Landlord in writing, in no event shall be for coverage less than One Million Dollars (\$1,000,000) combined single limit per occurrence with a One Million Dollar (\$1,000,000) annual aggregate, and Workers’ Compensation insurance including Employer’s Liability insurance, which, unless approved by Landlord in writing, such Workers’ Compensation insurance shall be for the statutory benefits in the jurisdiction in which the Leased Premises are located.

b. Landlord’s Insurance. Throughout the term of this Lease, Landlord shall obtain and maintain

(i) Real Property Insurance against Special Causes of Loss and said insurance shall be subject to Replacement Cost valuation covering the Building and all of Landlord’s property therein in an amount required by its insurance company to avoid the application of any coinsurance provision, and

(ii) Commercial General Liability insurance (written on an occurrence basis) and said insurance shall include Contractual Liability coverage insuring the obligations assumed by Landlord under this Lease, Leased Premises and Operations coverage, Personal Injury Liability coverage, Independent Contractor’s Liability coverage. Such Commercial General Liability insurance shall be in amounts not less than One Million Dollars (\$1,000,000) combined single limit per occurrence with a Two Million Dollar (\$2,000,000) annual aggregate.

c. Waiver of Subrogation and Indemnity.

(i) If either party hereto is paid any proceeds under any policy of insurance naming such party as an insured on account of any loss or damage, then such party and its insurer hereby releases the other party, to the extent of the amount of such proceeds including applicable deductibles, from any and all liability for such loss or damage, notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party, its agents, invitees or employees; provided that such release shall be effective only as to loss or damage occurring while the appropriate policy of insurance of the releasing party provides for the insured's ability to recover thereunder. Each party shall assure that its insurance carriers agree to waive subrogation in the event of a loss.

(ii) Subject to Maryland's Local Government Tort Claims Act, approved budget appropriations and applicable law, County shall indemnify and hold harmless Landlord from and against all claims, damages, losses, liabilities, judgments, costs and/or expenses (i) relating to or arising out of County's sole acts or omissions from the use and occupancy of the Leased Premises, or (ii) due to or arising out of any mechanic's lien filed against the Building, or any part thereof, for labor performed or for materials furnished or claimed to be furnished to County, which have not been bonded by the County or contested by the County in accordance with the State court procedures. The provisions of this Section shall survive the termination of this Lease for a period of one (1) year with respect to any claims or liability accruing prior to such termination. Notwithstanding anything to the contrary contained in this section, County will act in good faith to secure appropriations sufficient to meet its obligations under this Section. Nothing contained in this Section 10(b)(2) or this Lease shall be construed as the County having waived any of the defenses of immunity provided to it under law.

10. **ALTERATIONS.** Except for improvements required to maintain and repair the interior of the Leased Premises or the installation of trade fixtures, furniture and equipment, the County shall make no alterations, installations, additions or improvements beyond the Landlord's Work in the Leased Premises (herein collectively referred to as "Alterations") in or to the Leased Premises without the Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed in the case of non-structural alterations, and may be withheld in Landlord's sole and absolute discretion in the case of structural alterations, and then only by contractors or mechanics reasonably approved by Landlord, and at such times and in such manner as Landlord may from time to time reasonably designate.

11. **REPAIRS AND MAINTENANCE.**

a. County shall maintain the interior of the Leased Premises in good order and condition, ordinary wear and tear excepted. The County shall be responsible for the repair and maintenance of any security system serving the Leased Premises.

b. Landlord shall maintain, repair and replace, as applicable, all (i) windows, doors, interior and exterior walls, ceilings, flooring and floor coverings, (ii) mechanical,

electrical and plumbing systems, HVAC equipment and systems, (iii) common areas, the roof and the exterior of the Building, as well as the structure thereof, and (iv) the parking facilities, private drives and ways and sidewalks, so that the Leased Premises, the Building and the Property remain in good order and repair, reasonable wear and tear excepted, and safe for occupancy and use. Such repair and maintenance shall include the seasonal services of landscaping and grass cutting of the Property and the removal of snow and ice from driveways and sidewalks, as needed. If Landlord does not initiate any required maintenance, repairs, or replacements within one (1) business day following written notice from the County and thereafter diligently pursue such required maintenance, repairs, or replacements to completion County shall have the right to perform such maintenance, repair or replacement, and recoup the cost of such work plus 5% as a reduction in the next due monthly installment of Annual Rent and/or Operating Expenses.

c. Provided the County is not in default beyond applicable notice and cure periods, Landlord agrees to provide an allowance of \$5.00 per square foot (\$278,695) for the refurbishment of the Leased Premises at the end of the tenth (10th) year of this Lease.

12. **SERVICES.** All Landlord's services to be provided to the Leased Premises twenty- four (24) hours per day three hundred sixty-five (365) days per year.

a. Electricity. Landlord shall furnish the Property, Buildings and Leased Premises with electricity and the electricity supplied to the Leased Premises shall be suitable for County's intended use as general office space. The electricity for the Leased Premises shall be separately metered (or sub-metered) at Landlord's expense and the cost of the electricity supplied paid for directly by County.

b. HVAC. Landlord shall maintain, repair and replace the HVAC system and equipment for the Building and the Leased Premises such that heating and air conditioning are supplied for the comfortable use and occupancy of the Leased Premises, as determined by the County. County shall have sole control over the temperature of the Leased Premises to regulate heating and air conditioning from within the Leased Premises.

c. Water and Sewer. Landlord shall maintain and supply adequate water and sewer services for the Building, including without limitation the Leased Premises.

d. Voice and Data. County shall contract directly for the installation and maintenance of its voice and data systems and a telecommunications service provider for all phone, internet and network services, including the use of the roof of each Building. County and Landlord shall coordinate during the period of Landlord's Work to determine if voice and data installation should take place during this time. Landlord shall have reasonable approval rights for wiring installation.

e. Miscellaneous. Landlord shall furnish, supply and maintain, repair and replace, as applicable, all hallways, light fixtures (including light bulbs), stairways, lobbies, restroom facilities and maintain the Building grounds, parking facilities and other common areas of the Property and Project at its sole cost and expense (subject to

inclusion in Operating Expenses), in a safe and sanitary condition and the County's share of cost for maintenance and repairs in excess of that incurred during the Base Year shall be passed through to the County as an Operating Expense as set forth herein. The Landlord shall use its commercially reasonable efforts to clear snow and ice from the driveways and sidewalks within the Project in a manner to allow the continued business operations of the County. The agreed upon standards for janitorial services to be provided by Landlord are attached hereto and incorporated herein as Exhibit C.

Landlord shall have no liability or responsibility to supply heat, air conditioning, plumbing, cleaning, and/or electric service, when prevented from so doing by laws, orders or regulations of any Federal, State, County or Municipal authority or by strikes, accidents, or by any other cause whatsoever, beyond Landlord's control and shall have no liability whatsoever for any interruptions in utility services. Notwithstanding the foregoing, if any of the foregoing services is interrupted due solely to the non-payment, gross negligence or willful misconduct of Landlord such that the County cannot and does not reasonably conduct its permitted use in the Leased Premises from the standpoint of prudent business management and the interruption continues for more than (1) one business day following Landlord's receipt of notice from the Tenant, then Annual Rent shall abate as to the portion of the Leased Premises rendered unusable during the period beginning on business day of the interruption and ending on the date the service is restored.

13. **DEFAULT.** If County fails (i) to pay installments of Annual Rent and such failure continues for five (5) days after Landlord has given written notice to County, or (ii) to pay installments of Operating Expenses and such failure continues for ten (10) days after Landlord gives written notice to County or (iii) to perform any other obligation of County under this Lease and such failure continues for thirty (30) days after Landlord has given written notice to County then, upon the happening of such event Landlord may terminate the Lease and repossess the Leased Premises and be entitled to recover as damages a sum of money equal to the total of the following amounts: (i) any unpaid rent or any other outstanding monetary obligation of County to Landlord under the Lease for the remainder of the then current Term of the Lease and (ii) all reasonable costs incurred in recovering the Leased Premises, and restoring the Leased Premises to good order and condition. The foregoing shall not limit any other remedies Landlord may have as a result of such default, it being acknowledged and agreed that Landlord shall be entitled to all remedies available at law and equity for any default by the County hereunder.

14. **DAMAGE.** In the case of the total destruction of the Leased Premises by fire, other casualties, the elements, or other cause, or of such damage thereto as shall render the same totally unfit for occupancy by County for more than one hundred twenty(120) days, this Lease, upon surrender and delivery to Landlord by County of the Leased Premises, together with the payment of the Annual Rent to the date of such occurrence and a proportionate part thereof to the date of damage, shall terminate, and the parties shall have no further obligations or liabilities under this Lease from the date of said termination, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Term. If the Leased Premises are rendered partly

untenantable by any cause mentioned in the preceding sentence, Landlord shall, at its own expense, within one hundred twenty (120) days from the date of the damage restore the Leased Premises with reasonable diligence, including without limitation modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building, and the rent shall be abated proportionately for the period of said partial untenability and until the Leased Premises are fully restored by Landlord to the prior or better condition.

Notwithstanding the terms of the foregoing paragraph, Landlord may elect not to rebuild and/or restore the Leased Premises and/or Building and instead terminate this Lease by notifying County in writing of such termination within sixty (60) days after the date of damage, such notice to include a termination date giving County ninety (90) days, from the date of said notice, to vacate the Leased Premises. Notwithstanding the foregoing, Landlord may elect this option of termination only if the Building is damaged by fire or other casualty or cause, whether or not the Leased Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred twenty (120) days from the date of damage (when such repairs are made without the payment of overtime or other premiums), (ii) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Property and/or the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be, or (iii) the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies. In addition, if the Leased Premises or the Building is destroyed or damaged to any substantial extent during the year of the Term, then notwithstanding anything contained in this Section, Landlord or County shall have the option to terminate this Lease by giving written notice to the other of the exercise of such option within thirty (30) days after such damage or destruction, in which event this Lease shall terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this section, County shall pay the Annual Rent and Operating Expenses properly apportioned up to such date of termination, and thereafter both parties shall be released and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Term.

15. **BANKRUPTCY.** In the event of the appointment of a receiver or trustee for County by any Federal or State court, in any legal proceedings under any provision of the Bankruptcy Act, which is not vacated within sixty (60) days, or in the event County is adjudicated bankrupt or insolvent, or shall make an assignment for the benefit of its creditors, then in any of said events, Landlord may, at its option, terminate this Lease by ten (10) days written notice, and re-enter upon said Leased Premises.

16. **PARKING AND GROUNDS.** During the Term, County, at no additional charge, shall have the non-exclusive, unreserved right to use up to 4 parking spaces in the parking lot serving the Project in which the Buildings are located per 1,000 rentable square feet of the Leased Premises and the grounds within the Project. Landlord shall permit the County to install bike racks and outdoor seating areas on the grounds adjacent

to the Buildings in a location approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed.

17. **SIGNS.** The County may provide, install and maintain exterior signs (with an electronic display and County logo) in a location approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed (the design of which is attached hereto as Exhibit D). Such signage shall be subject to the approval of all required governmental entities and any other required approvals. Additionally, if such signage is illuminated and the electricity serving such signage is not separately metered to the County, then the County shall reimburse Landlord within thirty (30) days following receipt of an invoice for all electricity costs associated with such illuminated signage.

18. **RIGHT OF ENTRY.** It is understood and agreed that Landlord, and its agents, servants, and employees, including any builder or contractor employed by Landlord, shall have, upon reasonable advance notice to County, the right, license and permission, at any and all reasonable times, (i) to inspect the Leased Premises for maintenance and repair, (ii) to show the Leased Premises to any prospective purchaser or tenant, or (iii) to make any alteration, improvement or repair to the Leased Premises. Notwithstanding the foregoing, (i) Landlord, and its agents, servants, and employees, including any builder or contractor employed by Landlord, shall not interfere with the business or operations of County, and (ii) if County is conducting sensitive, confidential matters or case work at the time planned for an entry by Landlord or anyone acting by, through or under Landlord, then Landlord shall reschedule such entry with County to a mutually agreeable date and time.

19. **EXPIRATION.** It is agreed that the Term expires on the Term Expiration Date, without the necessity of any notice by or to any of the parties hereto. If County occupies the Leased Premises after such expiration, it is understood that, in the absence of any written agreement to the contrary, County shall hold the Leased Premises as a holdover "Tenant from month to month", subject to all the other terms and conditions of this Lease, at one and one-half (1½) times the highest monthly rental installments reserved in this Lease or agreed to by Landlord and County in writing with respect to the Option Period, if applicable; provided that Landlord shall, upon such expiration, be entitled to the benefit of all public general or public local laws relating to the speedy recovery of the possession that may be now in force or may hereafter be enacted, excluding the recovery of consequential damages. As used in this Lease, a "month-to-month" tenancy shall mean that during such period either Landlord or County may terminate this Lease upon thirty (30) days' notice to the other party.

Not more than seven (7) days prior to expiration, County agrees to schedule an inspection with Landlord to confirm that the Leased Premises will be in the condition as provided in this Lease.

20. **CONDEMNATION.** It is agreed in the event that condemnation proceedings are instituted against a material portion of the Leased Premises and title taken by any Federal, State, or the County, then this Lease shall become null and void at

the date of settlement of condemnation proceedings and County shall not be entitled to recover any part of the award which may be received by Landlord.

21. **SUBORDINATION; REORDATION OF LEASE.** Landlord shall use its best efforts to obtain a subordination, non-disturbance and attornment agreement from its current lender holding a deed of trust on the Leased Premises on such lender's standard form, subject to such commercially reasonable modifications as the County and such lender shall mutually agree upon. The parties agree that this Lease shall not be recorded among the Land records of Howard County; however, a memorandum of this Lease may be recorded in the land records of Howard County at the County's cost.

22. **NOTICES.** Any written notice required by this Lease shall be deemed sufficiently given, on the day it is hand delivered if there is a verified signed receipt, or within three (3) business days if sent via first class mail, postage pre-paid, certified mail and there is a signed return receipt, or on the next business day if sent by overnight courier service if there is a verified signed receipt.

Any notice required by this Lease is to be sent to Landlord at:

LSOP 3 MD 3, LLC
c/o Greenfield Partners, LLC
2 Post Road West
Westport, CT 06880
Attention: Barry P. Marcus

Any notice required by this Lease is to be sent to County at the Leased Premises with a copy to:

Chief Real Estate Services Division
Department of Public Works
George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043

Chief of Bureau of Facilities
Department of Public Works
Dorsey Building
9250 Bendix Road
Columbia, Maryland 21045

23. **REMEDIES NOT EXCLUSIVE.** No remedy conferred upon either Landlord or County at law or in equity shall be considered exclusive of any other remedy, but shall be in addition to every other remedy available to Landlord or County as to claims arising under this Lease. Every remedy available to Landlord or County may be exercised concurrently or from time to time, as often as the occasion may arise.

24. **WAIVERS.** It is understood and agreed that nothing shall be construed to be a waiver of any of the terms, covenants and conditions herein contained, unless the same be in writing, signed by the party to be charged with such waiver, and no waiver of the breach of any covenant shall be construed as the waiver or the covenant of any subsequent breach thereof.

25. **PERFORMANCE.** It is agreed that the failure of either Landlord or County to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right provided for herein shall not be construed as a waiver or relinquishment for the future of such covenant or right, but the same shall remain in full force and effect, unless otherwise expressed in writing by Landlord or County.

26. **FINAL AGREEMENT.** This Lease contains the final and entire agreement between the parties hereto, and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

27. **QUIET ENJOYMENT.** County, upon paying the Annual Rent and Operating Expenses, and other charges herein provided, and observing and keeping all of its covenants, agreements, and conditions in this Lease, shall have the right of quiet enjoyment to the Leased Premises during the Term without hindrance or molestation by anyone claiming by, through or under Landlord

28. **ESTOPPEL CERTIFICATE.** Within ten (10) business days following a request in writing by Landlord, County shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit E attached hereto and incorporated herein (or such other form as reasonably may be required by any prospective mortgagee or purchaser of the Property, or any portion thereof), indicating any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee or purchaser.

29. **ENVIRONMENTAL REQUIREMENTS.** County shall not use or allow another person or entity to use any part of the Leased Premises for the storage, use, treatment, manufacture or sale of Hazardous Material. Landlord acknowledges, however, that County will maintain products in the Leased Premises which are incidental to the operation of its general office use, including, without limitation, photocopy supplies, secretarial supplies and limited janitorial supplies, which products contain chemicals which are categorized as Hazardous Materials. Landlord agrees that the use of such products in the Leased Premises in the manner in which such products are designed to be used and in compliance with applicable laws shall not be a violation by County of this section. As used in this Lease, the term "Hazardous Materials" shall mean any substance that is or contains petroleum, asbestos, polychlorinated biphenyls, lead, or any other substance, material or waste which is now or is hereafter classified or considered to be hazardous or toxic under any federal, state or local law, rule, regulation or ordinance relating to pollution or the protection or regulation of human health, natural resources or the environment (collectively, "Environmental Laws").

30. **EXCULPATION CLAUSE.** Subject to applicable law, no principal, partner, member, officer, director, or trustee of Landlord (collectively, "Landlord Affiliates") shall have any personal liability under any provision of this Lease and the County shall look solely to the equity of Landlord in the Property for the satisfaction of any claim by the County against Landlord.

31. **BROKERS.** Landlord and County hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except that Landlord has a commission agreement with Cushman & Wakefield of Maryland, Inc. (the "Broker") and that they know of no other real estate broker or agent who is entitled to a commission or fee in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Broker. Landlord shall pay all commissions earned by and due to the Broker.

32. **PURCHASE RIGHT OF FIRST OFFER.**

a. In the event Landlord wishes to market any of the buildings located within the Project (the "Subject Buildings") for sale, and (i) the Subject Buildings remain under common ownership with the Leased Premises, (ii) no default has occurred under this Lease, (iii) the County has not assigned or sublet any portion of its interest under this Lease, (iv) at least three (3) years remain on the Term of the Lease and (v) the County has provided Landlord with prior written notice of its desire to purchase the Subject Buildings, the County shall have a right of first offer to purchase the Subject Buildings pursuant to the terms of this Section 33 (the "Purchase ROFO"). Prior to transferring its interest in the Subject Buildings or entering into any agreement providing for the transfer of its interest in the Subject Buildings, Landlord shall send the County a written agreement setting forth the terms upon which Landlord is willing to transfer the same (such an agreement being referred to herein as a "Disposition Agreement"). Among other terms contained in the Disposition Agreement, Landlord shall have the right to require that the sale of the Subject Buildings be structured as a sale of REIT shares. The County shall have ten (10) days after its receipt of a Disposition Agreement to notify Landlord, in writing, of whether or not the County desires to acquire the Subject Buildings on the terms set forth therein; provided the County may endeavor to negotiate the terms of a Disposition Agreement with Landlord during such ten (10) day period. In the event the County notifies Landlord that it desires to acquire the Subject Buildings on the terms set forth in any Disposition Agreement within such ten (10) day period, the County and Landlord shall promptly enter into such Disposition Agreement, with such modifications thereto as may have been agreed upon, and the County shall have up to sixty (60) days to obtain, if required, the requisite County Council approval.

b. If the County shall fail to exercise the Purchase ROFO, after notice by Landlord of, as provided herein, such right shall be deemed to have lapsed and expired and shall be of no further force or effect. Thereafter, Landlord may freely sell the Subject Buildings to any other party, at any time, on any terms, in Landlord's sole discretion. If the County shall fail to timely perform any of its obligations as set forth herein or in the Disposition Agreement, or if the County shall opt not to exercise the Purchase ROFO or otherwise fails to close on the purchase of the Subject Buildings pursuant to the terms of the Disposition Agreement, the Purchase ROFO shall lapse and Landlord shall be free to sell the Subject Buildings and such sale shall be free and clear of the Purchase ROFO.

c. The Purchase ROFO is personal to the County and may not be assigned by the County in connection with an assignment of the Lease or otherwise. The Purchase ROFO may not be exercised by anyone other than the County. Any attempted assignment of the Purchase ROFO shall be of no effect and the Purchase ROFO shall become forever null and void as of the date of the purported assignment.

d. Notwithstanding anything contained herein to the contrary, in no event shall any of the following trigger the Purchase ROFO:

(i) The sale of the Subject Buildings to a government entity;

(ii) The sale of the Subject Buildings to a party controlled by Landlord, which controls Landlord or which is under common control with Landlord;

(iii) The sale of the Subject Buildings in connection with a sale of all or substantially all of Landlord's assets, shares or interests;

(iv) The entering into of any management agreement or any similar agreement which transfers control of the Subject Buildings by Landlord;

(v) The entering into by Landlord of any ground lease, mortgage, or trust deed upon all or any portion of the Subject Buildings or any renewals, modifications, consolidations, replacements, extensions, and re-financings thereof; or

(vi) The sale or entering into a contract for the sale of more than one property wherein the Subject Buildings are one of such properties (which shall expressly include the sale of more than one property of which the Subject Buildings is one structured as a sale of REIT.

e. The Purchase ROFO is expressly subject and subordinate to any rights of tenants in the Subject Buildings existing as of the date of this Lease.

The Purchase ROFO shall be subject and subordinate to any mortgage now, or hereafter placed, upon the Subject Buildings and to any renewals, modifications, consolidations, replacements, extensions, and re-financings thereof. The Purchase ROFO shall not apply to any foreclosure of Landlord's interest in the Subject Buildings, and upon

any such foreclosure, the Purchase ROFO shall terminate and be of no further force and affect.

33. RIGHT OF FIRST REFUSAL TO LEASE.

a. Provided no default has occurred and further provided that the Subject Buildings remain under common ownership with the Leased Premises, the County shall have a right of first refusal with respect to any space that comes available for lease in any of the Subject Buildings (the "Refusal Space"), subject to the terms and conditions set forth below, before such space is leased to any third party, and provided at least three (3) years remain under the Term of the Lease.

b. The foregoing right shall be subject to the existing tenants' or occupants' of the Refusal Space renewing their existing leases, whether pursuant to an option to extend previously granted or otherwise, and in all events is subject and subordinate to any existing rights of any other parties to lease the Refusal Space, if such existing rights have already been granted prior to the date of this Lease (collectively "Prior Optionees").

c. In the event any bona fide third party (a "Potential Tenant") expresses interest in leasing all or any portion of the Refusal Space during the initial Term ("Third Party Interest"), and no Prior Optionee exercises its right of refusal, Landlord shall offer the applicable portion of the Refusal Space to the County upon the same terms, covenants and conditions as provided in this Lease for the original Leased Premises, except that (a) the Annual Rent, the County's payment of expenses, and the tenant improvement allowance (subject to adjustment as provided herein) and other economic terms shall be the same as the terms included in the offer for the Refusal Space from the Potential Tenant that was acceptable to Landlord (the "Offer"); and (b) the parties shall negotiate a work letter addressing the procedure for preparation and approval of the plans for any tenant improvements in the Refusal Space, as well as the construction thereof. If the Offer is for a longer period than remaining under this Lease, the term of the lease of the Refusal Space shall be co-terminous with the Term of the Lease, and the Annual Rent rates, tenant improvement allowances and other concessions set forth in the Offer shall be adjusted, as Landlord shall determine, to reflect any lesser term remaining under the Term of the Lease. Except for the tenant allowance contained in the Offer, the County shall accept the Refusal Space "As-Is," and the County shall have no further rights with respect to the Refusal Space. For avoidance of doubt, if the County exercises this Right of First Refusal, the County shall be required to lease the entire space referred to in the Offer, not just the portion thereof which is part of the Refusal Space, unless Landlord elects, in its sole and absolute discretion, to only lease the County the portion thereof located within the Refusal Space.

d. If the County notifies Landlord in writing of the acceptance of such offer within five (5) days after Landlord has delivered the Offer to the County, Landlord and the County shall enter into a written agreement modifying and supplementing the Lease and specifying that such Refusal Space accepted by the County is a part of the Leased Premises, and containing other appropriate terms and conditions relating to the addition of the Refusal Space to this Lease (including specifically any increase or adjustment of the

rent as a result of such addition). If the County exercises the right to lease the Refusal Space, said lease and the rent on the Refusal Space shall commence the later of thirty (30) days after the County's notice exercising the right, or the date the Refusal Space is available for occupancy, and shall continue for the duration of the Term of the Lease.

e. If the County does not notify Landlord in writing of its acceptance of such offer in such five (5) day period, Landlord shall thereafter be able to lease the applicable portion of the Refusal Space to the Potential Tenant upon such terms and conditions as Landlord may determine.

f. Any termination of this Lease shall terminate all rights of the County with respect to the Refusal Space. The rights of the County with respect to the Refusal Space shall not be severable from this Lease, nor may such rights be assigned or otherwise conveyed in connection with any permitted assignment of this Lease. Landlord's consent to any assignment of this Lease shall not be construed as allowing an assignment or a conveyance of such rights to any assignee. Nothing herein contained should be construed so as to limit or abridge Landlord's ability to deal with the Refusal Space or to lease the Refusal Space to other tenants, Landlord's sole obligation being to offer, and if such offer is accepted, to deliver the Refusal Space to the County in accordance with this provision.

g. This Lease shall not be void or voidable, nor shall Landlord be liable to the County for any loss or damage resulting from any delay in delivering possession of the Refusal Space to the County, but abatement of the Annual Rent attributable to the Refusal Space from the date of the County's acceptance of the Offer with respect to the Refusal Space to the date of actual delivery of the Refusal Space, shall constitute full settlement of all claims that the County might have against Landlord by reason of the Refusal Space not being delivered upon the date of the County's acceptance of Landlord's offer.

h. If the Lease or the County's right to possession of the Leased Premises shall terminate in any manner whatsoever before the County shall exercise the right herein provided, or if the County shall have subleased the Leased Premises or assigned the Lease with respect to all or any portion of the Leased Premises, then immediately upon such termination, sublease, or assignment, the right herein granted shall simultaneously terminate and become null and void. Such right is personal to the County and non-transferable. UNDER NO CIRCUMSTANCES WHATSOEVER SHALL THE ASSIGNEE UNDER A COMPLETE OR PARTIAL ASSIGNMENT OF THIS LEASE, OR A SUBTENANT UNDER A SUBLEASE OF THE LEASED PREMISES, HAVE ANY RIGHT TO EXERCISE THE RIGHT GRANTED HEREIN.

34. **GENERAL**

a. **Governing Law.** The provisions of the Lease shall be governed by the laws of the State of Maryland and the parties hereby expressly agree that the courts of the State of Maryland shall have jurisdiction to decide any question arising hereunder.

b. Efficiency Standards. Landlord shall endeavor to maintain current International Building Code efficiency standards for all fixtures in the Leased Premises; to detect and repair leaks in distribution lines and plumbing fixtures; to retrofit or replace fixtures as required; to manage system pressure so as to reduce usage; and when feasible, install efficient landscape design and irrigation techniques and wastewater reclamation and recycling of water for non-potable applications.

c. Political Contribution Disclosure. The Landlord shall comply with Sections 14-101 through 14-108 of the Election Law Article of the Annotated Code of Maryland, which requires that every person that enters into, during any 12 month period, one or more contracts, leases, or other agreements with the State, a county, or an incorporated municipality, or their agencies, involving a cumulative consideration of at least \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions to a candidate, or a series of such contributions, in a cumulative amount in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a sale, purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding 24 months; and (2) if the contribution is made after sale, purchase or the execution of a lease or contract, then twice a year, throughout the lease or contract term, (a) within 5 days after the end of the 6-month period ending January 31; and (b) within 5 days after the end of the 6-month period ending July 31.

d. Recycling Plan. The Landlord shall ensure and facilitate the County's participation in applicable recycling plans and shall collect and properly recycle recyclable materials.

e. Retention of Records. The Landlord shall retain and maintain all records and documents relating to this Lease for three years after final payment by the County hereunder or for such time period specified under any applicable statute of limitations, whichever is longer, and shall make said records available for inspection and audit by authorized representatives of the County or its designee, at all reasonable times.

f. Representations and Warranties. The Landlord hereby represents and warrants that:

(i) It is qualified to do business in and in good standing with the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;

(ii) It is not in arrears with respect to the payment of any monies due and owing Howard County, Maryland or the State of Maryland, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Lease;

(iii) It shall comply with all federal, state and local laws, regulations, and ordinances applicable to its activities and obligations under this Lease; and

(iv) It shall obtain at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Lease.

g. Addendum. The Landlord agrees to fully complete, execute and/or comply with the affidavits and addenda that are attached to the Lease and fully incorporated as a part of the Lease by reference thereto.

h. Lease Amendments. The Lease may be amended, but only in writing, signed and executed with all formalities and signatures with which this Lease is signed and executed.

i. Interpretation. As used herein, all references made (a) in the neuter, masculine or feminine gender shall be deemed made in all such genders, (b) in the singular or plural number shall be deemed made in the plural or singular number as well, (c) to Landlord or County shall be deemed to refer to each person so named above and its successors and assigns, and (d) to a Section, subsection, paragraph or subparagraph shall, unless expressly stated to the contrary therein, be deemed made to such part of this Lease. The headings of such parts are provided herein only for convenience of reference, and shall not be considered in construing their contents. Any writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof. The Lease may be signed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties execute this lease, under seal, the day and year first above written:

LANDLORD:

WITNESS/ATTEST:

LSOP 3 MD 3, LLC
a Delaware limited liability company

(SEAL)

By: _____

Name: _____

Title: _____

[Member and Authorized Signatory]

ATTEST:

HOWARD COUNTY, MARYLAND

Lonnie Robbins
Chief Administrative Officer

By: _____(SEAL)
Allan H. Kittleman
County Executive

RECOMMENDED FOR APPROVAL:

James M. Irvin, Director
Department of Public Works

APPROVED FOR SUFFICIENCY OF FUNDS:

Stanley J. Milesky, Director
Department of Finance

Approved for Form and Legal Sufficiency
on this ____ day of _____, 2017:

Gary W. Kuc
County Solicitor

Lisa S. O'Brien
Senior Assistant County Solicitor

EXHIBIT A
DEPICTION OF LEASED PREMISES

9820 and 9830 Patuxent Woods Drive, Columbia Maryland 21046

Exhibit A
9820 / 9830 Patuxent Woods

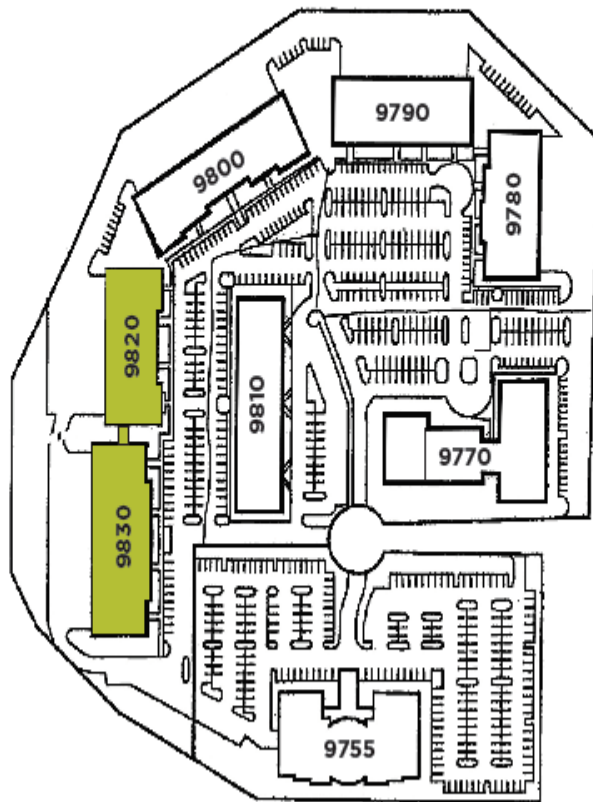


EXHIBIT B
LANDLORD'S WORK

Tenant Improvements prepared by Architect

Removal of Interior Walls

Completion of outdoor trail connecting Patuxent Crossing Development to the Patuxent
Branch Trail

Landscaping and exterior improvements

[Plans to be attached prior to execution]

Exhibit C
CLEANING SCHEDULE

DAILY

1. Empty all waste baskets and receptacles. Replace soiled liners and transport to dumpster area for removal. Adhere to recycling program. Any spillage is to be cleaned immediately.
2. Empty and damp wipe all ashtrays where applicable.
3. Dust all uncluttered horizontal surfaces on the following: Desks, Credenzas, Bookcases, Chairs, File and Storage cabinets, Tables, Pictures and Frames (as needed), Counters, Ledges, Shelves, and Telephones.
4. Vacuum all carpeted traffic areas and remove minor carpet stains.
5. Sweep all resilient tile floor coverings with chemically treated dry mop.
6. Damp mop all resilient tile floor surfaces as required to remove spillage.
7. Clean, disinfect and polish all drinking fountains.
8. Remove all fingerprints, severe or light scuff marks, water marks or stains on floors, doors, walls, and ceilings.
9. Service/clean all restrooms.

WEEKLY

1. Dust high partition ledges and moldings.
2. Detail vacuum all carpeted areas.
3. Spot clean doors and outlet switch plates.
4. Stiff brush or vacuum furniture (to remove lint and dirt).
5. Dust windowsills.

MONTHLY

1. Dust ceiling vents and grates as required.
2. Spray buff tile floors.
3. Dust window blinds.

SEMI-ANNUALLY

1. Clean interior window glass.
2. Clean light fixtures.

ANNUALLY

1. Strip and refinish tile floors.
2. Clean exterior window glass.

EXHIBIT D
Building Identification Sign

EXHIBIT E
Form of Tenant Estoppel Certificate

The undersigned (the "Tenant") hereby certifies that it is the County under the Lease described in **Exhibit A**, attached hereto and made a part hereof. Tenant hereby further acknowledges that it has been advised that the Lease may be assigned to a purchaser of, and/or collaterally assigned in connection with a proposed financing secured by, the property on which the "Leased Premises" under the Lease are located, and certifies both to the landlord under the lease (the "Landlord") and to any and all prospective purchasers (the "Purchasers") and mortgagees of such property, including any trustee on behalf of any holders of notes or other similar instruments, and any holders from time to time of such notes or other instruments, and their respective successors and assigns (collectively the "Mortgagees") that as of the date hereof:

1. The information set forth in **Exhibit A** is true and correct.
2. Tenant is in occupancy of the Leased Premises and the Lease is in full force and effect and, except as set forth in **Exhibit A**, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the space rented under the Lease, oral or written.
3. All material conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease, Tenant has not received any notice of default under the Lease, and, to Tenant's knowledge, there are no events which have occurred that with the giving of notice or the passage of time or both, would result in a default by Tenant under the Lease.
5. Tenant has not paid any rents or sums due under the Lease more than 30 days in advance of the date due under the Lease and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any rent or sums due and payable under the Lease except as set forth in **Exhibit A**.
6. To Tenant's knowledge, there are no uncured defaults on the part of the Landlord under the Lease, Tenant has not sent any notice of default under the Lease to the Landlord, and there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Landlord thereunder, and at the present time Tenant has no claim against Landlord under the Lease.
7. Except as expressly set forth in **Exhibit A**, there are no provisions for, and Tenant has no rights with respect to, renewal or extension of the initial term of the Lease, terminating the term, or leasing or occupying additional space or purchasing the Leased Premises.
8. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency laws.

9. Tenant has the authority to execute and deliver this estoppel certificate.

10. This estoppel certificate shall be binding upon the successors, assigns and representatives of Tenant and shall inure to the benefit of all Purchasers and Mortgagees.

IN WITNESS WHEREOF, Tenant has duly executed this Certificate this _____ day of _____, 20__.

ATTEST:

HOWARD COUNTY, MARYLAND

Chief Administrative Officer

By: _____(SEAL)

County Executive

RECOMMENDED FOR APPROVAL:

_____, Director
Department of Public Works

APPROVED FOR SUFFICIENCY OF FUNDS:

_____, Director
Department of Finance

Approved for Form and Legal Sufficiency
on this ____ day of _____, 2017:

County Solicitor

Senior Assistant County Solicitor

EXHIBIT A TO TENANT ESTOPPEL CERTIFICATE

Lease, Lease Terms and Current Status

- A. Date of Lease:
- B. Parties:
 - 1. Landlord:
 - 2. Tenant d/b/a:
- C. Leased Premises known as:
- D. Modifications, Assignments, Supplements or Amendments to Lease:
- E. Commencement Date:
- F. Expiration of Current Term:
- G. Rights to renew, to extend, to terminate, to rent or occupy additional space or to purchase any portion of the property:
- H. Security Deposit Paid to Landlord: None
- I. Current Annual Rent (Annualized): \$
- J. Current Operating Expenses (Annualized): \$
- K. Current Total Rent: \$
- L. Square Feet Demised: