

Introduced 7/2/18  
Public Hearing 7/16/18  
Council Action 7/27/18  
Executive Action 8/6/18  
Effective Date 8/6/18

## County Council Of Howard County, Maryland

2018 Legislative Session

Legislative Day No. 10

Bill No. 52 -2018

Introduced by: The Chairperson at the request of the County Executive

AN ACT pursuant to Section 612 of the Howard County Charter, approving a Lease Agreement between Howard County, Maryland and Columbia Commercial Developments, Inc. for the lease of space located at 7125 Riverwood Drive, Columbia, Maryland; and authorizing the County Executive to take certain actions in connection with the Lease Agreement.

Introduced and read first time July 2, 2018. Ordered posted and hearing scheduled.  
By order Jessica Feldmark  
Jessica Feldmark, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on July 16, 2018.

By order Jessica Feldmark  
Jessica Feldmark, Administrator

This Bill was read the third time on July 27, 2018 and Passed , Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order Jessica Feldmark  
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 30<sup>th</sup> day of July, 2018 at 11 a.m./p.m.

By order Jessica Feldmark  
Jessica Feldmark, Administrator

Approved ~~Wet~~oed by the County Executive Aug 6, 2018

Allan H. Kittleman  
Allan H. Kittleman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, as part of the construction of the new Circuit Court pursuant to Capital  
2 Project C0290, the County needs to raze the existing Dorsey Building located at Bendix Road and  
3 relocate the offices for the Department of Inspections, Licenses, and Permits, Inspections and  
4 Enforcement Division; and

5  
6           **WHEREAS**, Columbia Commercial Developments, Inc., by the deed dated December 31,  
7 1984 and recorded among the Land Records of Howard County, Maryland (the "land Records")  
8 at Liber 1314, is the owner of approximately 9.019 acres of real property shown as Parcel 449 on  
9 Tax Map 41 and shown as Parcel B on the subdivision plat entitled "Rivers Corporate Park, Section  
10 1, Area 2, Parcels A, B, C, D and Lot 1" recorded as Plat Numbers 6015 - 6020, in the Land  
11 Records and improved with an industrial building comprised of 100,000 square feet of leasable  
12 space known as 7125 Riverwood Drive, Columbia, Maryland (the "Building"); and

13  
14           **WHEREAS**, specifically, the County propose to lease a portion of the Building consisting  
15 of: 36,584 square feet of rentable space in Pod B and Pod C of the Building, and an additional  
16 22,191 square feet of rentable space in Pod D of the Building, comprising a total of approximately  
17 58,775 square feet of rentable space in the Building, associated parking areas, a fenced outside  
18 storage area, and other related amenities (collectively, the "Leased Premises") for use by the  
19 Department of Inspections, Licenses, and Permits, Inspections and Enforcement Division; and

20  
21           **WHEREAS**, the County and the Landlord desire to enter into a Lease Agreement, for the  
22 lease of the Leased Premises substantially in the form attached as Exhibit 1, for a term of ten years  
23 with the option to extend the term for two additional periods of five-years each; and

24  
25           **WHEREAS**, the Lease Agreement requires the payment by the County of funds from an  
26 appropriation in later fiscal years and therefore requires County Council approval as a multi-year  
27 agreement pursuant to Section 612 of the Howard County Charter.

28  
29           **NOW, THEREFORE,**

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland that in accordance  
2 with Section 612 of the Howard County Charter, it approves the Lease Agreement between  
3 Howard County and Columbia Commercial Developments, Inc. for the Leased Premise for a term  
4 of ten years, and the two renewal options of five years each, substantially in the form of Exhibit 1  
5 attached to this Act.

6  
7 **Section 2. And Be It Further Enacted** by the County Council of Howard County, Maryland that  
8 the County Executive is hereby authorized to execute the Lease Agreement for such term in the  
9 name of and on behalf of the County.

10  
11 **Section 3. And Be It Further Enacted** by the County Council of Howard County, Maryland that  
12 the County Executive, prior to execution and delivery of the Lease Agreement, may make such  
13 changes or modifications to the Lease Agreement as he deems appropriate in order to accomplish  
14 the purpose of the transactions authorized by this Act, provided that such changes or modifications  
15 shall be within the scope of the transactions authorized by this Act; and the execution of the Lease  
16 Agreement by the County Executive shall be conclusive evidence of the approval by the County  
17 Executive of all changes or modifications to the Lease Agreement, and the Lease Agreement shall  
18 thereupon become binding upon the County in accordance with its terms.

19  
20 **Section 4. And Be It Further Enacted** by the County Council of Howard County, Maryland that  
21 this Act shall be effective immediately upon its enactment.

**LEASE AGREEMENT**

**COLUMBIA COMMERCIAL DEVELOPMENTS, INC.**

**Landlord**

**HOWARD COUNTY, MARYLAND**

**Tenant**

**7125 Riverwood Drive, Pods B, C & D**

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- Exhibit A- Depiction of Leased Premises
- Exhibit B- Declaration of Commencement Date
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- Exhibit D- Landlord's Improvements
- Exhibit E- Form of Estoppel Certificate

## LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date"), by and between **COLUMBIA COMMERCIAL DEVELOPMENTS, INC.** a Maryland corporation (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 December 31, 1984 and recorded among the Land Records of Howard County, Maryland (the "Land Records") at Liber 1314, folio 561 is the owner of approximately 9.019 acres of real property shown as Parcel 449 on Tax Map 41 and shown as Parcel B on subdivision plat entitled "Rivers Corporate Park, Section 1, Area 2, Parcels A, B, C, D and Lot 1" recorded as Plat Numbers 6015 - 6020, in the Land Records and improved with an industrial building known as 7125 Riverwood Drive, Columbia, Maryland 21045 (the "Building"). The Building has 100,000 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 Building including the improvements constructed for the County herein (collectively the "Property").

Landlord hereby leases unto County, and County hereby leases from Landlord, a portion of the Building comprising: 36,584 square feet of rentable space in Pod B and Pod C of the Building, and an additional 22,191 square feet of rentable space in Pod D of the Building, comprising a total of approximately 58,775 square feet of rentable space in the Building, associated parking areas, a fenced outside storage area (the "Outside Storage Area"), and other related amenities as set forth in this Lease (the "Leased Premises"), as identified on **Exhibit A** attached hereto and incorporated herein. (Rentable square feet of the Building and Leased Premises shall be measured pursuant to current accepted Builders, Owners, and Managers Association (BOMA) standards and prior to execution of the Lease, the number of rentable square feet contained in the Leased Premises shall have been confirmed by field measurement or test-fit performed by an architect or engineer which is acceptable to the County.) 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.

2. **TERM.** The initial term of this Lease (the "Initial Term") shall commence on the date the Landlord delivers the Leased Premises with the Tenant Improvements by Landlord substantially complete in accordance with the terms herein and no later than April 12, 2019 (the "Commencement Date"), and end at 11:59 p.m. on the last day of the month at the completion of ten (10) years from the Commencement Date (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 \_\_\_\_\_. The Landlord and the County shall execute the Declaration of Commencement Date (the "Declaration") the form of which is attached hereto as **Exhibit B** to confirm, among other things, the Commencement Date, the Initial Term and the Initial Term Expiration Date. The Landlord shall complete and execute the Declaration after the Commencement Date and, if true and correct, Tenant shall execute and return the Declaration to Landlord within twenty (20) days following Tenant's receipt of same; otherwise Tenant shall notify Landlord of its objections to the information contained in the Declaration within such twenty (20)-day period. Failure to execute the Declaration shall not affect the commencement or expiration of the Initial Term.

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 two (2) additional periods of five (5) years (each an "Option Period") upon the same terms and conditions contained in this Lease. The Extension Options are personal to the County and may not be exercised or assigned, voluntarily or involuntarily, by or to any person or entity other than the County or another governmental or quasi-governmental department, division or agency of Howard County, Maryland or the State of Maryland.

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 one hundred eighty (180) 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 on the Commencement Date, reasonable wear and tear excepted and the Tenant Improvement shall remain.

### 3. RENT.

a. **Annual Rent and Payment.** In consideration for the use of the Leased Premises under the Lease, the County shall pay to Landlord, in twelve equal monthly installments, an annual rent ("Annual Rent") as shown in the rent schedule below which includes the base rent per square foot and the County's Proportionate Share of the Operating Expenses for the base year, as defined herein. The base rent per square foot portion of the Annual Rent shall be increased annually at the rate of two percent (2% ) after the 1<sup>st</sup> full year of the Initial Lease Term. Increases in the County's Proportionate



Share of Operating Expenses may be payable as set forth in Section 4 herein. As may be set forth in the Work Agreement, the County shall be granted early access to the Leased Premises at least four (4) weeks prior to the Commencement Date, free of charge, for the installation of the County's furniture, fixtures, and equipment.

Landlord shall invoice the County for each monthly installment of the Annual Rent and shall specify on the invoice the amount 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, promptly as and when due subject to the setoff rights pursuant to Section 12.b, if any, of the County as expressly set forth in this Lease. Said rental shall be paid to Landlord at the following address: Columbia Commercial Developments, Inc., C/O Fadden Leasing, 424 Forth Avenue, Indialantic, FL. 32903 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.

Period	Base Rent per square foot	Annual Rent Based on 58,775 square feet	Tenant Improvement Allowance Based on 58,775 square feet	Annual Installment of Tenant Improvements Allowance Based on 58,775 square feet	Total Annual Rent Installment	Monthly Rent Installment
Year 1	\$9.85	\$578,933.55	\$4.74	\$278,593.50	\$857,527.25	\$71,460.60
Year 2	\$10.05	\$590,688.75	\$4.74	\$278,593.50	\$869,282.25	\$72,440.18
Year 3	\$10.25	\$602,443.75	\$4.74	\$278,593.50	\$881,037.25	\$73,419.77
Year 4	\$10.45	\$614,198.75	\$4.74	\$278,593.50	\$892,792.25	\$74,399.35
Year 5	\$10.66	\$626,541.50	\$4.74	\$278,593.50	\$905,135.00	\$75,427.91
Year 6	\$10.88	\$639,472.00	\$4.74	\$278,593.50	\$918,065.50	\$76,505.45
Year 7	\$11.09	\$651,814.75	\$4.74	\$278,593.50	\$930,408.25	\$77,534.02
Year 8	\$11.32	\$665,333.00	\$4.74	\$278,593.50	\$943,926.50	\$78,660.54
Year 9	\$11.54	\$678,263.50	\$4.74	\$278,593.50	\$956,857.00	\$79,738.08
Year 10	\$11.77	\$691,781.75	\$4.74	\$278,593.50	\$970,375.25	\$80,864.60

b. **Late Payment Charge.** Except for the rent due on July 1 of each lease year, 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 \$500.00. The Landlord and the County agree that the rent due on July 1 of each lease year may be paid on or before July 20<sup>th</sup> without penalty, in order to

accommodate the start of the new fiscal year of the County. In no event shall the County be subject to interest on any portion of the Annual Rent herein.

4. **OPERATING EXPENSES.**

a. **General.** The County shall pay, in monthly installments, the County's Proportionate Share of Operating Expenses, as Additional Rent, the County's Proportionate Share for the calendar year in question. If any portion of the Building is not fully occupied during the calendar year, Landlord shall gross up Operating Expenses which vary with occupancy for such period so that Operating Expenses are computed as though the Building had been fully occupied. By April 30<sup>th</sup> 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 including copies of invoices for the actual Operating Expenses incurred. Within sixty (60) days after delivery of the statement of Operating Expenses (including invoices for the Operating Expenses incurred) 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 remaining portion of the County's Proportionate Share of the actual Operating Expenses for the Leased Premises. In the event the County's Proportionate Share of the actual Operating Expenses incurred is less than the total payments of Operating Expenses made by the County for the preceding Calendar year, the Landlord shall refund such overpayment within fifteen (15) business days. The Landlord specifically agrees that Controllable Operating Expenses shall not increase by more than three percent (3%) 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. For avoidance of doubt, County and Landlord hereby acknowledge and agree that the operating costs of mechanical (HVAC), plumbing, electrical, trash collection and recycling program, and janitorial to the Leased Premises are not included in the Operating Expenses. Instead, County is responsible for obtaining such services in its own name and paying such costs in full.

b. **Inclusions in Operating Expense.** "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 cost of insurance premiums carried by Landlord for the Building.

(ii) Landlord's cost to maintain the Property other than the costs associated with repairs and maintenance attributable to portions of the Building leased (or

available for lease) to others, such as, landscape, parking area maintenance (snow and ice removal), cost of outdoor lighting, and fire protection.

(iii) To the extent not otherwise payable by the County pursuant to this Lease, all real estate taxes with respect to the Property.

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. **Exclusions from Operating Expenses.** Notwithstanding anything to the contrary in this Lease, Operating Expenses described above shall not include:

(i) Ground rent and interest on and amortization of mortgages or other loans of Landlord or the costs of refinancing the Building or portion thereof.

(ii) Salaries of Landlord's employees not engaged in the operation, management, maintenance or repair of the Building.

(iii) Leasing commissions, advertising expenses and other such expenses incurred in leasing or marketing space within the Building.

(iv) Expenses incurred by Landlord to maintain, repair, prepare, renovate, repaint or redecorate any space within the Building other than the Leased Premises.

(v) Expenses for the replacement of any item covered under warranty.

(vi) 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.

(vii) Expenses for any item or service which County pays directly to a third party (i.e., electricity, janitorial, trash collection and recycling program, mechanical (HVAC) and security for the Leased Premises) 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 Building, or third parties (other than through the payment of Operating Expense under other leases).

(viii) Landlord's general overhead and administrative expenses.

(ix) Any cost or other sum incurred as a result of the gross negligence of Landlord or any agent, employee, contractor or invitee of Landlord.

(x) Landlord's legal fees.

(xi) Depreciation expense of the Building and amortization expenses.

(xii) Income, excess profits or corporate capital stock tax imposed or assessed upon Landlord.

(xiii) Cost of any service provided by Landlord for a tenant or former tenant or for other premises in the Building which service is not provided by Landlord to the Leased Premises pursuant to the terms of this Lease.

(xiv) 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).

(xv) Interest or penalties resulting from delinquent payments by Landlord.

(xvi) Any costs of work covered by a warranty or guaranty for which the Landlord is liable.

(xvii) Any costs not associated with the Property, such as travel costs, entertainment costs, expenses and fees to remain in good standing in the state of Maryland, and any costs incurred by an affiliate of Landlord.

(xviii) The cost of any improvements to the Property that are capital improvements.

d. **County's Proportionate Share** "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 Building or fifty-eight and seventy-six one hundredths percent (58.76%). If the rentable square feet of the Building and Leased Premises is re-measured by Landlord, then the County's Proportionate Share may be decreased, but not increased, accordingly.

e. **Invoices, Right to Audit.** 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) consistently applied 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 if County is found to have been overcharged by 5% or more in any calendar year related to Operating Expenses. The Landlord shall reimburse the amount of the overpayment of such expenses to the County and, if applicable, reimburse the County for the cost of the audit.

5. **DELIVERY OF POSSESSION.** Landlord agrees to deliver to County, and County agrees to accept from Landlord, possession of the Leased Premises when Landlord advises County in writing that the Tenant Improvements are completed as set forth herein. 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.

6. **TENANT IMPROVEMENTS.** The Landlord and the County have entered into a Work Agreement hereby incorporated herein and attached hereto as **Exhibit C** for the completion of the improvements to the Leased Premises for the County's use of the Leased Premises throughout the Term. The improvements to the Leased Premises as specified in the Work Agreement and any plans or drawings referenced in the Work Agreement are the "Tenant Improvements."

a. **Timely Completion of Tenant Improvements.** The Landlord agrees that the timely completion of the Tenant Improvements on or before April 12, 2019 is a material term of this Lease as the County is relocating its agencies to accommodate the new court house capital project. Accordingly, the Tenant shall provide the Design Intent Plan, as defined in the Work Agreement, on or before August 15, 2018 and Landlord agrees that the Tenant Improvements shall be Substantially Complete on or before the Completion Date as set forth in the Work Agreement. For purposes of this Lease, the Tenant Improvements shall be considered "Substantially Complete" on the date the certificate of use and occupancy is issued by the Department of Inspections, Licensing and Permits of Howard County, Maryland. If Landlord encounters delays in delivering possession of the Leased Premises to County due to Events of Force Majeure, 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 6 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").

b. **Landlord's Work.** As used herein, the term "Landlord's Work" shall mean (i) the Tenant Improvements to be completed by Landlord under the terms of the Work Agreement and subject to the Tenant Improvement Allowance herein and (ii) other amenities or improvements to the Building or Property at the Landlord's expense (not included in the Tenant Improvement Allowance), as described herein and including such improvements required in order for the Building or Property to comply with the Legal Requirements, as shown in **Exhibit D**, attached hereto and hereby incorporated herein. All of Landlord's Work shall be performed by Landlord and shall comply with all Legal Requirements, as defined herein. Landlord shall obtain, at Landlord's expense, and comply with all permits required by the Legal Requirements in connection with the performance of the Landlord's Work (collectively, the "Building Permits"). "Punch list" items, as referred to in this Section 6 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. Landlord shall provide by the Completion Date, at Landlord's expense in addition to the Tenant Improvements, the following: (i) all construction elements needed to remove any barriers for access to the Leased Premises (except the entrance to the Loan Closet if located at the rear of the Building) in accordance with the Americans with Disabilities Act and other elements that may be required to bring the Leased Premises in compliance with the Legal Requirements, as set forth in the agreed upon plans and (ii) inspect, and repair or replace all HVAC equipment and (iii) inspect, and repair or replace the loading dock doors to a good working order and condition. In addition, Landlord shall at its expense, (i) remove the stairs and seal door between Pods A and B and provide a new HVAC unit in Pod D-2, (ii) inspect, and repair or replace the roof to the Building, and (iii) install roof pads by the roof hatch and each of the HVAC units. The roof hatch shall be with Occupational Safety and Health Act requirements.

c. **Tenant Improvement Allowance; Landlord's Obligation.** The Landlord has agreed to provide a Tenant Improvement Allowance for the completion of the Tenant Improvements in the amount of Two Million Dollars (\$2,000,000.00) at County's sole cost. In no event shall the County be liable to any contractor or other third party performing the Landlord's Work. The Landlord's Work shall be warranted for a repair and replacement for a period of two (2) years.

7. **USE.** County shall use and occupy the Leased Premises for office and warehouse use and 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.

8. **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").

9. **ASSIGNMENT BY COUNTY.** 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 7 above.

10. **INSURANCE, SUBROGATION and INDEMNIFICATION.**

a. **County's Self-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(c)(2) or this Lease shall be construed as the County having waived any of the defenses of immunity provided to it under law.

11. **ALTERATIONS.** Except for any improvements required to maintain and repair the interior of the Leased Premises in accordance with this Lease or the installation of trade fixtures, furniture and equipment necessary for the County use of the Leased Premises, 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.

12. **REPAIRS AND MAINTENANCE.**

a. **Maintenance of Interior of Leased Premises.** County shall maintain the interior of the Leased Premises in good order and condition, ordinary wear and tear excepted, at its expense. The County shall be responsible for the repair and maintenance of: (i) any security system serving the Leased Premises, (ii) the auxiliary power and emergency power services, and (iii) the HVAC systems serving the Leased Premises

b. **Maintenance of Building and Exterior of Leased Premises.** Landlord shall maintain, repair and replace, as applicable, all (i) windows, exterior glass, exterior walls, exterior lighting, and exterior doors, excluding any exterior door modified for a security system, (ii) common areas, the roof, and the exterior of the Building, as well as the structure thereof, (iii) landscaped areas, 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. In addition, Landlord shall repair any damage to the Leased Premises caused by Landlord or its agents. 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. Notwithstanding the foregoing, to the extent required for the County's operations the County may clear snow or ice from the driveway and parking areas and Landlord shall reimburse County for the cost of such work as an offset to the



next month's rent. 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. County shall maintain the Outside Storage Area shown shaded in yellow on Exhibit A. Landlord agrees that County may, at its expense, (i) expand the drive-in bay door to ten (10) feet in width and (ii) install a generator in the Outside Storage Area to service the Leased Premises.

c. Intentionally Deleted.

13. **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, Building and Leased Premises with electricity and the electricity supplied to the Leased Premises shall be suitable for County's intended use as general office and warehouse space. The electricity for the Leased Premises shall be separately metered (or sub-metered) at Landlord's expense. County shall contract directly with local Utility provider for electrical service and the cost of the electricity supplied paid for directly by County.

b. **HVAC.** County shall maintain and repair the HVAC system and equipment for the Leased Premises. Landlord, at Landlord's sole cost, shall replace a HVAC unit if repair cost in a single calendar year exceed five thousand dollars (\$5,000.00). 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. **Natural Gas.** A portion of the Building, approximately seventy-five thousand (75,000) square feet is serviced by natural gas and is not separately metered. The Leased Premises includes fifty-eight thousand seven hundred fifty-five (58,755) square feet of this area. Landlord shall maintain and supply adequate natural gas service for the Building. The County's proportionate share of natural gas of the Building is seventy-eight and thirty-four one hundredths percent (78.34%). Landlord shall provide County with a monthly invoice of the exact natural gas supplied. County shall pay its proportionate share of the exact natural gas supplied to the Building. Landlord, at Landlord's expense, shall cap-off any natural gas line on the roof of the Building not in use.

e. **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 the 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.

f. **Miscellaneous.** County shall furnish, supply and maintain, repair and replace, as applicable, all hallways, light fixtures (including light bulbs), stairways, lobbies, restroom facilities in the Leased Premises and fenced outside storage area. 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. Janitorial services, including removal and recycling of County's trash for the building shall be provided by the County, at its sole cost and expense and therefore not included as an operating expense charged to the County.

g. **Loss of Service.** 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.

14. **DEFAULT.** If County fails (i) to pay installments of Annual Rent and such failure continues for ten (10) 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.

15. **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 untenable 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.

16. **PARKING AND GROUNDS.** During the Term, County, at no additional charge, shall have the exclusive right to use up to 220 parking spaces in the parking lot serving the Building, comprising of: (i) fifty-five (55) parking spaces clearly identified and reserved for County fleet vehicles at the Northeast corner of the parking lot serving the Building as shown shaded in orange on Exhibit A, (ii) thirty-eight (38) parking spaces clearly identified and reserved for County fleet vehicles at the Southernmost end of the parking lot serving the Building as shown cross-hatched in orange and black on Exhibit A, (iii) one hundred twenty-seven (127) parking spaces in the parking lot serving the Building, (iv) the ten (10) handicap parking spaces, two (2) of which are van accessible, as shown in green on Exhibit A, and the right to use the remainder of the parking lot

serving the Building. Landlord shall provide three (3) clearly identified thirty (30) minute reserved parking spaces along the front entrance of the Building serving the Leased Premises for public use. County may, at its expense, install and maintain electric car parking plug-ins within the aforesaid one hundred twenty-seven (127) parking spaces designated solely to the County in the parking lot serving the Building for County personnel. Landlord shall permit the County to install bike racks and outdoor seating areas on the grounds adjacent to the Building in a location approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. The County shall have the exclusive right to utilize all of the loading docks in the Leased Premises. In addition, Landlord at its expense shall provide the ADA accessible pathways to the front entrances of the Leased Premises.

17. **SIGNS.** County shall provide building-signage and awnings on the Building's front and rear entrance directories and/or suite entry doors if required by the County. 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. 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. **LANDLORD'S RIGHT OF ENTRY.** Provided that an employee of the County (including emergency personnel) is present on the Leased Premises the 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, or (ii) 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. Any persons entering the Leased Premises on behalf of Landlord must be escorted by an employee of the County.

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 hundred fifty percent (150%) 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:

Columbia Commercial Developments, Inc.  
C/O Fadden Leasing  
424 Forth Avenue  
Indialantic, FL. 32903

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 fifteen (15) 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. **BROKERS.** Landlord and County hereby warrant to each other that it has not dealt with any broker, agent or finder entitled to any commission, fee or others compensation by reason of the execution of the Lease, except that the County has retained Chartwell Enterprises, LLC as the County's broker ("County's Broker"), and that the Landlord has retained Leasing Management Specialists as the Landlord's broker ("Landlord's Broker") and that they know of no other real estate agent broker or agent who is entitled to a commission or fee in connection with this Lease. Landlord shall pay County's Broker a commission of four percent (4%) of the total Base Rent of the Initial Term to County's Broker at lease Commencement Date. Landlord shall pay Landlord's Broker in accordance with the terms of a separate commission agreement entered into between the Landlord and Landlord's Broker. 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.

31. **GENERAL**

a. **Governing Law.** The provisions of the Lease shall be governed by the laws of the Howard County and the State of Maryland. The Landlord agrees that any dispute arising under this Lease shall be filed in the Circuit Court of Maryland for Howard County.

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;

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.

d. **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.

e. **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.

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

g. **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.

h. **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.

i. **Public Information Act**. The County is subject to the Maryland Public Information Act, which requires public access to most of the County's records and documents, such as this Lease.



## 32. PURCHASE RIGHT OF FIRST OFFER.

a. In the event Landlord wishes to market the Building for sale, and (i) the Building remains 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 Building, the County shall have a right of first offer to purchase the Building pursuant to the terms of this Section 33 (the "Purchase ROFO"). Prior to transferring its interest in the Building or entering into any agreement providing for the transfer of its interest in the Building, 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 Building 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 Building 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 Building 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. Landlord and County shall reach an agreement on the sale price of the Building.

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 Building 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 Building pursuant to the terms of the Disposition Agreement, the Purchase ROFO shall lapse and Landlord shall be free to sell the Building 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. The Purchase ROFO shall be subject and subordinate to any mortgage now, or hereafter placed, upon the Subject Building 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 Building, 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. Subject to current tenants (as of the effective date of this lease) rights, provided no default has occurred and further provided that the Building remains 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 Building (the "Refusal Space"), subject to the same terms and conditions of this Lease, before such space is leased to any third party, and provided at least two (2) years remain under the Term of the Lease.

b. Landlord shall offer the Refusal Space to the County upon the same terms, covenants and conditions as provided in this Lease for the 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 may be adjusted as agreed upon between the Landlord and the County 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 (the "Offer"). 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.

c. If the County notifies Landlord in writing of the acceptance of the Offer within ten (10) business days (the "Offer Period") 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.

d. If the County does not notify Landlord in writing of its acceptance of the Offer in the Offer Period, Landlord shall thereafter be able to lease the applicable portion of the Refusal Space to others upon such terms and conditions as Landlord may determine.

[Signatures follow on next page.]

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*[Faint, illegible text, likely bleed-through from the reverse side of the page.]*

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

**LANDLORD:**

**WITNESS/ATTEST:**

**COLUMBIA  
COMMERCIAL DEVELOPMENTS, INC.**  
a Maryland Corporation

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**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:**

\_\_\_\_\_  
Janet R. Irvin, Director  
Department of Finance

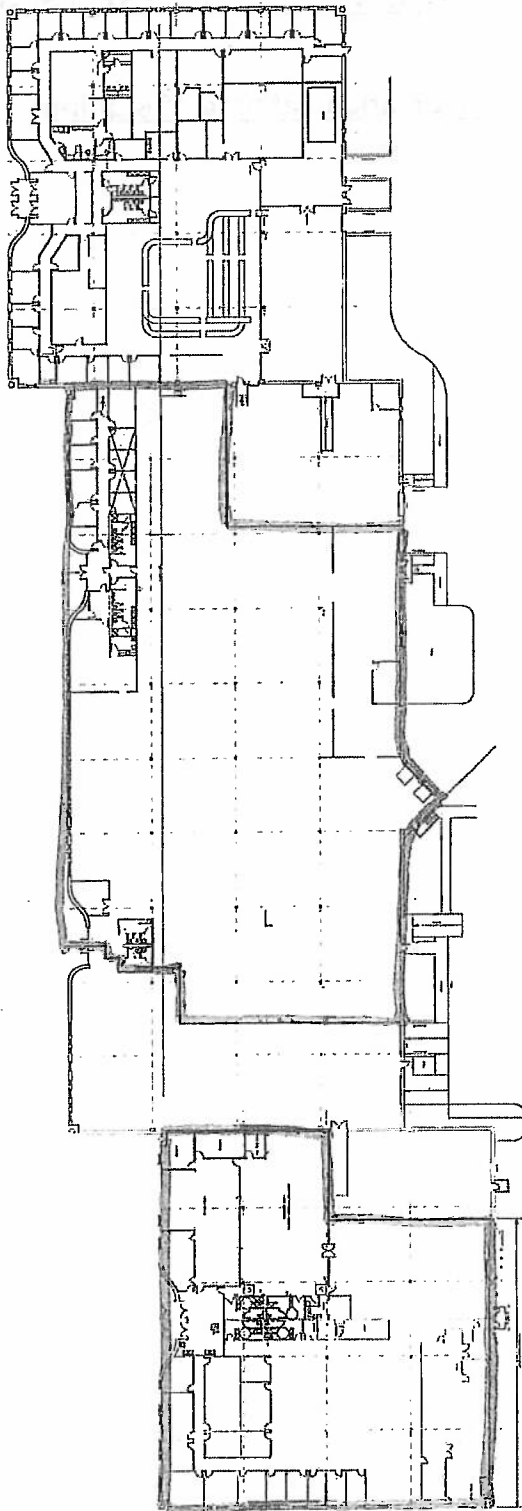
Approved for Form and Legal Sufficiency  
on this \_\_\_\_ day of \_\_\_\_\_, 2018:


\_\_\_\_\_  
Gary W. Kuc  
County Solicitor

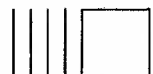
\_\_\_\_\_  
Lisa S. O'Brien  
Senior Assistant County Solicitor

**EXHIBIT A**  
**DEPICTION OF LEASED PREMISES**

**[to be added at time of signing]**




 Proposed Landing Plan  
 Scale: 1/8" = 1'-0"



Overall  
 Floor Plan  
 1" = 100'


**Lloyd**  
 ARCHITECTS

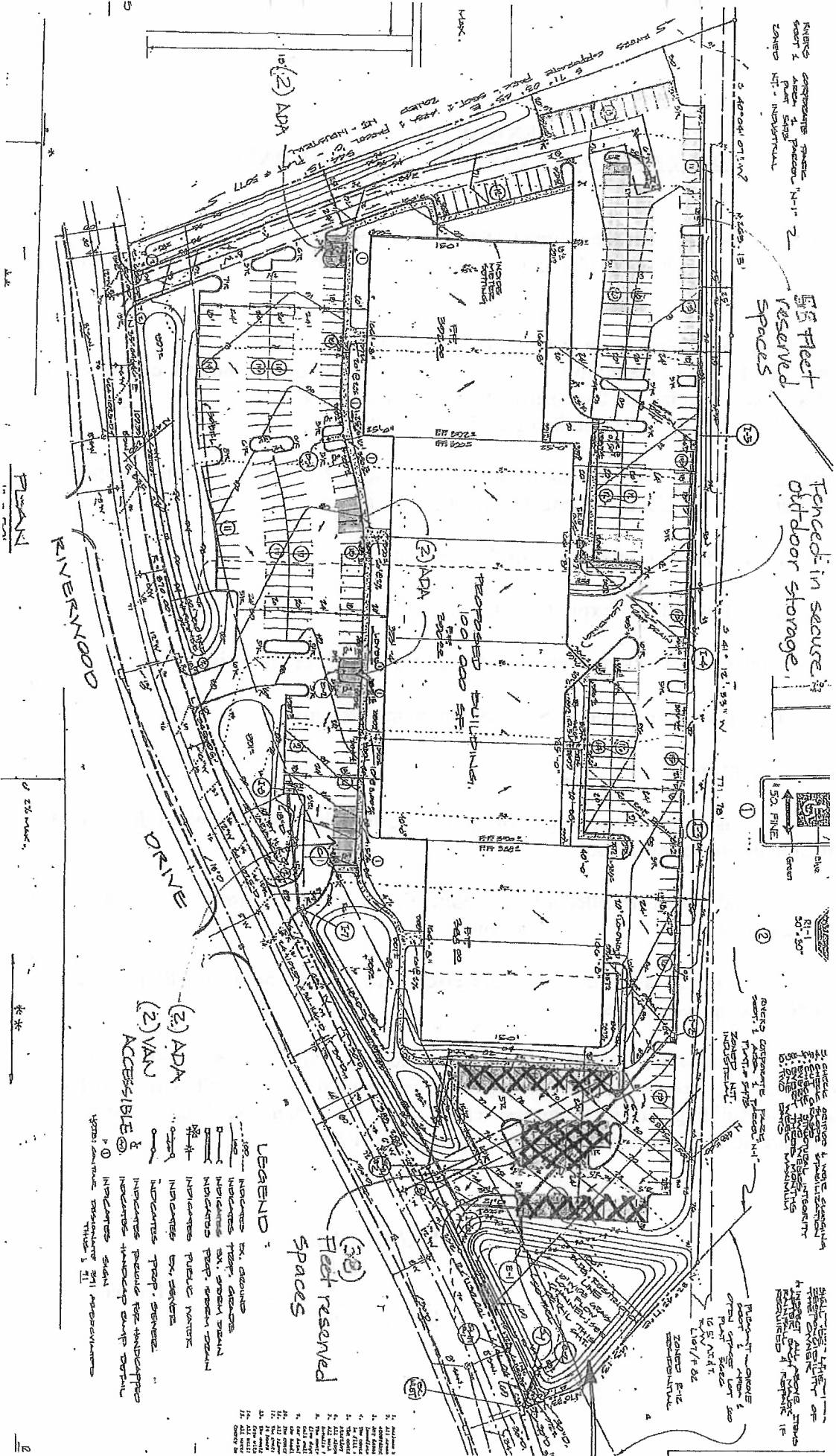
7125  
 Riverwood  
 Drive  
 Columbia, Maryland

3/20/12

LOD1

7125 Riverwood

Exhibit A





**EXHIBIT B**  
**DECLARATION OF COMMENCEMENT DATE**

This Declaration of Commencement Date is made as of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ ("Landlord"), and \_\_\_\_\_ ("County"), who agree as follows:

1. Landlord and County entered into a Lease Agreement dated \_\_\_\_\_, 20\_\_ (the "Lease"), in which Landlord leased to County, and County leased from Landlord, certain Leased Premises described therein in the office building located at \_\_\_\_\_ (the "Building"). All capitalized terms herein are as defined in the Lease.

2. Pursuant to the Lease, Landlord and County agreed to and do hereby confirm the following matters as of the Commencement Date of the Term:

- a. the Commencement Date of the Lease is \_\_\_\_\_;
- b. the Initial Term Expiration Date of the Lease is \_\_\_\_\_;
- c. the number of rentable square feet of the Leased Premises is \_\_\_\_\_;
- d. Tenant's Proportionate Share of Operating Expenses is \_\_\_\_\_ %;

3. County confirms that:

- a. it has accepted possession of the Leased Premises as provided in the Lease but subject to all the terms thereof;
- b. Landlord has fulfilled all of its obligations under the Lease as of the date hereof except as follows: \_\_\_\_\_; and
- c. the Lease is in full force and effect and has not been modified, altered, or amended, except as follows.

4. The provisions of this Declaration of Commencement Date shall inure to the benefit of, or bind, as the case may require, the parties and their respective successors and assigns, and to all mortgagees of the Building, subject to the restrictions on assignment and subleasing contained in the Lease, and are hereby attached to and made a part of this Lease.

**LANDLORD:**

\_\_\_\_\_, limited  
liability company

**EXHIBIT C**  
**WORK AGREEMENT**

Capitalized terms not otherwise defined in this Work Agreement shall have the meanings set forth in the Lease. In the event of any conflict between the terms of this Work Agreement and the other terms of the Lease, the terms most favorable to the County shall prevail for the design and construction of the Tenant Improvements. The Landlord and Tenant agree that the Tenant Improvements are to be delivered to the County as a turnkey project and Landlord has agree to provide a Tenant Improvement Allowance of \$2,000,000.00, as set forth in the Tenant Improvement Budget, attached hereto as Schedule A. **The Landlord agrees that time is of the essence for the completion of the Tenant Improvements and delivery of the possession of the Leased Premises to the County no later than April 12, 2019 (the "Completion Date").** The County agrees to provide the Design Intent Plan, further defined herein Section C(1), to the Landlord no later than August 15, 2018 in order for the Landlord to deliver the Leased Premises with the Tenant Improvements by the Completion Date. The Landlord and County agree that if the delivery of the possession of the Leased Premises to County does not occur on or before April 12, 2019, the Landlord shall pay to County liquidated damages in an amount equal to one-thousand five-hundred Dollars (\$1,500.00) per day until delivery of the possession of the Leased Premises to the County.

**A. TENANT IMPROVEMENTS.** Landlord shall furnish and install in the Leased Premises in accordance with the terms of this Work Agreement, the improvements set forth in the Tenant's Plans (hereinafter defined) which shall have been approved by County in accordance with Paragraph B below (the "Tenant Improvements"). The Tenant Improvements shall utilize the Building standard materials and comply with the Building standards for construction set forth on Schedule B-1 attached hereto (collectively, the "**Building Standards**"). Except as otherwise set forth herein, the costs of all space planning, and architectural and engineering work for or in connection with the Tenant Improvements, including without limitation all drawings, plans, specifications, permits or other approvals relating thereto, and all insurance, bonds and other requirements and conditions hereunder, and all costs of demolition and construction shall be paid for by County, subject to the application of the Improvement Allowance in accordance with the terms of this Work Agreement. Landlord shall coordinate with its contractors for the County to install the telecommunications, fiber, and security systems, at County's expense. Landlord shall also coordinate with the County for the delivery of the County's furnishings for the Leased Premises. Landlord, or Landlord's contractor, shall apply for all building permits required for the Tenant Improvements. Landlord shall provide existing fire sprinkler system in working order and code compliant. Landlord shall pay for any modifications to base life safety systems to accommodate County new occupancy.

**B. LANDLORD'S IMPROVEMENTS.** Landlord shall provide, at Landlord's expense in addition to the Tenant Improvements, the following: (i) all construction elements needed to remove any barriers for access to the Premises (except the entrance to the loan Closet if located at the rear of the Building) in accordance with the Americans with Disabilities

Act and other elements that may be required to bring the Leased Premises in compliance with the Legal Requirements, as set forth in the agreed upon plans and (ii) inspect, and repair or replace all HVAC equipment and loading dock doors to a good working order and condition. In addition, Landlord shall at its expense, (i) remove the stairs and seal door between Pods A and B and provide a new HVAC unit in Pod D-2, (ii) inspect, and repair the roof to the Building, (iii) install roof pads by the roof hatch and HVAC units. Upon the completion of the Landlord's Improvements, the County shall inspect the Landlord's Improvements and provide to Landlord a punch list of items of Landlord's Improvements that need to be repaired or replaced to acceptable for County's use of the Leased Premises. All of Landlord's Improvements shall be warranted for repair and replacement for a period of two (2) years.

### C. PLANS AND SPECIFICATIONS

1. **Design Intent Plan.** The County shall provide the Landlord with a space concept plan for the Leased Premises (the "**Design Intent Plan**") showing, inter alia, the layout of the Leased Premises upon completion of the Tenant Improvements, and certain materials, finishes and architectural details to be included in the Tenant Improvements, which Design Intent Plan may be embellished by the Landlord's Architect, \_\_\_\_\_ (the "Architect"), who shall be licensed to practice in the state of Maryland. The County shall be provided with an opportunity to review and approve any changes to the Design Intent Plan.

2. **Architect.** Landlord shall cause the Architect and, together with the Engineers (hereinafter defined), to prepare the Construction Documents (hereinafter defined) consistent with the Design Intent Plan. The parties expressly acknowledge and agree that, unless expressly provided to the contrary in the Design Intent Plan with respect to particular components of the Tenant Improvements, all Tenant Improvements depicted in the Construction Documents shall be in conformance with the Building Standards. The cost of preparation of the Construction Documents shall be borne by County and paid for out of Tenant Improvement Allowance.

3. **Engineers.** Landlord shall retain the services of an engineering firm selected by selected by Architect and reasonably acceptable to the County (the "**Engineers**"; and, together with the Architect, the "**Design Professionals**") to: (i) design the type, number and location of all mechanical systems in the Leased Premises, including without limitation the heating, ventilating and air conditioning system therein, and to prepare all of the mechanical plans; (ii) assist with the electrical design of the Leased Premises, including the location and capacity of light fixtures, electrical receptacles and other electrical elements, and to prepare all of the electrical plans; (iii) assist with plumbing-related issues involved in designing the Leased Premises and to prepare all of the plumbing plans; (iv) assist with the structural elements of the Design Professionals' design of the Leased Premises and to prepare all the structural plans; and (v) prepare the fire suppression and life-safety systems for the Leased Premises.

4. **County Review and Approval.** County acknowledges and agrees that the Tenant Improvements shall be designed and constructed in conformity with the Design Intent Plan and the Building Standards or other comparable materials approved by Landlord and which are readily available in the Baltimore metropolitan area. County shall be provided the draft Construction Documents from the Design Professionals and estimated construction costs in the process of the final design development: at the 50% completion and at 90% completion. At each stage of completion, the County shall provide its written comments on the Construction Documents for the Design Professionals to address in the Construction Documents no later than ten (10) business days after the County's receipt of the Construction Documents. The Construction Documents shall include an estimate of the costs for each line item in the Tenant Improvement Budget. The County shall approve the Construction Documents for release to Bid only after comments for the 50% and 90% completion have been resolved by the Design Professionals and Landlord.

5. **Landlord's Approval.** Landlord's approval of the Construction Documents (including revisions thereto) shall not be unreasonably withheld, conditioned or delayed. Landlord shall note with reasonable particularity those items, if any, shown on the Construction Documents which are not acceptable to Landlord.

6. **Tenant Plans.** The Construction Documents, once approved by Landlord and County in accordance with the terms of this Section B and as may be thereafter modified by Landlord-approved Change Orders, are referred to collectively as the "Tenant Plans."

#### D. CHANGES TO TENANT PLANS.

1. **Change Order.** Any and all changes to the Tenant Plans or Tenant Improvements requested by County shall be in writing (each a "Change Order"). All Change Orders shall be subject to the prior approval of Landlord, which approval may be withheld by Landlord in its reasonable discretion.

2. **Change Order Statement.** Upon County's written request made at the time County requests any Change Order, Landlord shall deliver to County a written statement ("**Change Order Statement**") specifying (a) the estimated increase in the cost of Tenant Improvements resulting from a Change Order, as reasonably determined by Landlord, and (b) any delay in the anticipated date of substantial completion of the Tenant Improvements resulting from such Change Order. Within three (3) business days following Landlord's delivery of a Change Order Statement to County, County shall provide Landlord with written notice electing to either (a) reaffirm County's request for the Change Order, or (b) revoking its request for the Change Order. County's failure to respond to Landlord within the foregoing three (3) business day period may, at Landlord's election, be deemed a revocation by County of its request for the Change Order. If County reaffirms County's request for a Change Order within such three (3) business day period, Landlord shall have the right to proceed with the work in such Change Order and County shall be responsible for any and all costs and delays associated with such Change Order;

provided, however, County hereby acknowledges and agrees that the Change Order Statement (i) represents Landlord's good-faith estimate of the costs and delays associated with any Change Order, (ii) is provided solely as an accommodation to County, and (iii) shall not be deemed to limit County's responsibility for all costs and delay associated with any Change Order regardless of whether such costs and/or delay exceed the costs and/or delay set forth in the Change Order Statement.

3. **Change Order Costs and Delays.** Landlord shall not be responsible for delay in occupancy by County, nor shall the Commencement Date be delayed, because of any delay caused by Change Orders (whether or not such Change Order is approved by Landlord, or revoked (or deemed revoked) by County). County shall be solely responsible for all costs and expenses associated with any Change Order (subject to application of the Improvement Allowance), and for any and all delay resulting therefrom, including without limitation costs or expenses relating to (i) any additional architectural or engineering services and related design expenses, (ii) any changes to materials in process of fabrication, (iii) cancellation or modification of supply or fabricating contracts, or (iv) removal or alteration of work or plans completed or in process. All such costs and expenses shall be deemed Construction Costs. Notwithstanding the foregoing, the Landlord's contractor Change Orders mark-up shall be no greater than a combined ten percent (10%) overhead plus profit and the maximum mark-up of all subcontractor or C/O shall not exceed a combined total of eight percent (8%) of overhead plus mark-up.

## **E. COST OF TENANT IMPROVEMENTS**

1. **Construction Costs.** All costs of design and construction of the Tenant Improvements, including without limitation the costs of all space planning, architectural and engineering work related thereto, all governmental and quasi-governmental approvals and permits required therefor, all construction costs, contractors' overhead and profit, insurance and other requirements, costs associated with any Change Orders, and all other costs and expenses incurred in connection with the Tenant Improvements (collectively, "**Construction Costs**"), shall be paid by County, subject, however, to the application of the Improvement Allowance as set forth herein. Notwithstanding the foregoing to the contrary, Construction Costs shall not include, and County shall not be liable for the payment of: (i) any changes to common areas of the Building (such as, for example only, common area restrooms) that may be required by Legal Requirements as a result of the construction of those Tenant Improvements; it being agreed that the costs of any such changes which are required as a result of any Tenant Improvements which are not Standard Improvements (such as, for example only, any general assembly space) may be included in Construction Costs; or (ii) costs incurred by Landlord to cure any violation of Legal Requirements existing as of the Effective Date, or (iii) the Landlord's Work.

2. **Improvement Allowance.** Landlord agrees to grant County an improvement allowance ("**Improvement Allowance**") in the amount of \$2,000,000.00 (or \$4.74 per rentable square foot of the Leased Premises), to be applied only against the

Construction Costs incurred by Landlord and as otherwise provided in this Work Agreement.

**3. Costs Exceeding Improvement Allowance.** All Construction Costs in excess of the Improvement Allowance shall be paid by County (or if previously paid by Landlord, shall be reimbursed to Landlord by County) within thirty (30) days of receipt by County of invoices therefor, including an accounting of the Improvement Allowance to date and release of lien from Landlord's contractor. County shall have the right to review and approve the Architect's fees, contractor bids, shop drawings, change orders and pay applications.

**4. Excess Improvement Allowance.** If the Improvement Allowance exceeds the Construction Costs, such excess Improvement Allowance shall be paid by Landlord to County within thirty (30) days following the determination of the excess Improvement Allowance.

## F. CONSTRUCTION

**1. Contractor; Bid Package.** Landlord shall prepare a bid package (the "**Bid Package**"), requiring a competitive bid format developed by Landlord and reasonably acceptable to County, that provides for the parties' ability to easily identify and understand all material cost elements of the bid responses, including without limitation subcontractor costs, add alternates and deducts, long lead items, clarifications, exclusions, general conditions, fees and change order mark up, appropriate insurance coverage, and will contain such other requirements as County may reasonably request or as Landlord in its reasonable discretion shall determine. The bid package shall require (i) warranties of workmanship and supplies of no less than one (1) year shall be required and inure to the benefit of the County and Landlord and (ii) payment and performance bonds covering the contract for the completion of the Tenant Improvements and the payment of all obligations thereunder. The Landlord shall solicit bids from at least three (3) licensed contractors (at least two (2) of which shall be designated by Landlord and one (1) of which shall be designated by County and approved by Landlord (provided that, if County does not give Landlord its designation within five (5) business days after Landlord requests such designation, then County shall be deemed to have waived its right to make any such designation)). The Landlord with input from the County, Engineers, and Architect shall select the successful bidder for the contract for construction of the Tenant Improvements (the "**Construction Contract**"). Following the execution of the Construction Contract, Landlord shall cause Contractor to commence and diligently pursue to completion by the Completion Date, in a good and workmanlike manner, the construction of the Tenant Improvements in accordance with the Tenant Plans and the Legal Requirements.

**2. Contractor Draw Requests.** Landlord shall submit to County, for County's review, a copy of each draw request delivered by Contractor under the Construction Contract (each a "**Contractor Draw Request**") prior to Landlord's payment of same. County's failure to object to Landlord's payment of any Contractor Draw Request within

three (3) business days after receipt shall be deemed County's approval of such Contractor Draw Request.

**3. Construction Supervision.** All Tenant Improvements shall be performed by the Contractor. Landlord may, at its expense, retain another construction supervisor ("**Construction Supervisor**") as Landlord's construction supervisor in connection with the construction of the Tenant Improvements.

**4. Periodic Inspection; Construction Meetings.** County's designated representative herein, is authorized by Landlord to make periodic inspections of the Leased Premises during construction during reasonable business hours, provided County is accompanied by a representative of Landlord or the Contractor. County shall be notified of the regularly scheduled construction progress meetings and may attend such meetings. In the event that the County's observations of the construction of the Tenant Improvements are inconsistent with the Construction Documents, the County shall report such observations to the Landlord for the Landlord to address or raise such concerns at the Construction meetings.

**5. Delays.**

a. If Landlord shall be delayed in substantially completing the Tenant Improvements or in delivering the Leased Premises to County, as a result of any act, neglect, failure or omission of County, its employees or agents, such delay shall be deemed a "**Tenant Delay**", excluding all acts by County and its employees and contractors in exercising its regulatory duties.

b. Except as otherwise expressly provided herein, in the event that Landlord submits any drawings, plans or other materials to County for County's approval, County shall, in writing, within ten (10) business days thereafter, either: (i) approve such drawings, plans or other submittals in writing; or (ii) request that Landlord make specific changes thereto. County's failure to respond to any such written request for County's approval within the foregoing ten (10) business day period shall result in a day of Tenant Delay for each day thereafter in which no response is made, and such failure may, at Landlord's election, be deemed an approval of Landlord's submission.

**G. ACCEPTANCE OF LEASED PREMISES.**

**1. Punch List.** Approximately three (3) business day prior to the delivery of possession of the Leased Premises, Landlord, County, Design Professionals, and the Contractor shall make an inspection of the Leased Premises to determine whether the construction and installation of the Tenant Improvements has been completed in accordance with the Tenant Plans and to prepare a punch list (the "**Punch List**") of work requiring correction or completion by Contractor. Any disputes between Landlord and County concerning any Punch List item not resolved by Landlord and County shall be decided by Space Planner and an independent third-party architect selected by Landlord and reasonably acceptable to County, and any such decision reached by such architects

shall be binding on Landlord and County. Except with respect to Latent Defects (hereinafter defined), a failure by County to include on the Punch List any failure of the Tenant Improvements to comply with the Tenant Plans which failure was discoverable upon reasonably diligent inspection and inquiry shall constitute County's acceptance of the Tenant Improvements with such errors or omissions and Landlord shall have no obligation to correct any such errors or omissions in the Tenant Improvements. Landlord shall use commercially reasonable efforts to cause Contractor to correct or complete all Punch List items prior to the delivery of possession of the Leased Premises and no later than fifteen (15) business days following date of inspection of the Tenant Improvements. The County shall not be obligated to accept possession of the Leased Premises if the Punch List contains any item or items which would materially and adversely interfere with the use of the Leased Premises for general office purposes.

2. **Latent Defects.** In the event a Latent Defect is discovered by County and written notice thereof is received by Landlord within three hundred sixty-five (365) days following the Commencement Date, Landlord will diligently pursue and seek to enforce any warranties provided by Contractor with respect to such Latent Defect. As used herein, the term "**Latent Defect**" means any failure of the Tenant Improvements to comply with the Tenant Plans (as the same may have been revised pursuant to the terms of this Work Agreement) which failure was not discoverable with reasonably diligent inspection and inquiry prior to the Commencement Date.

3. **Warranties.** Landlord shall assign to County all warranties associated with the Tenant Improvements to the County. Such assignment of warranties shall not relieve the Landlord from its obligation to promptly correct any Punch List items or Latent Defects, at no expense to County.

**H. TENANT IMPROVEMENTS REMAIN.** All items of the Tenant Improvements, whether or not the cost is covered by the Improvement Allowance, shall become the property of Landlord upon expiration or earlier termination of the Lease and shall remain on the Leased Premises upon the termination of the Lease.

**I. COUNTY'S REPRESENTATIVE.** County hereby designates Mark Stromdahl, Chief Bureau of Facilities, Department of Public Works, whose email address is mcstromdahl@howardcountymd.gov and whose telephone number is 410-313-5757 and his designated project manager for the Leased Premises, to act as County's representative for purposes of authorizing and executing any and all documents, workletters, plans, specifications, cost estimates, or other writings and changes thereto needed to effect this Work Agreement, and any and all changes, additions or deletions to the work contemplated herein, and Landlord shall have the right to rely on any documents executed by such authorized party. Landlord shall not be required to proceed with any Tenant Improvements without written authorization from County's Representative. Neither County nor County's Representative shall be authorized to direct Landlord's contractors or subcontractors in the performance of the Tenant Improvements, and in the event that Landlord's contractors or subcontractors perform any of the Tenant Improvements under the direction of County or County's Agent, then Landlord shall have



no liability for the cost of such Tenant Improvements, for the cost of corrective work required as a result of such Tenant Improvements, for any legal noncompliance or for any delay that may result from the performance of such Tenant Improvements.

**SCHEDULE B-1**  
**BUILDING STANDARDS AND BASIS-OF-DESIGN INFORMATION**  
**COUNTY'S BUILDING STANDARDS:**

**PARTITIONS:**

- (A) Office: 5/8" sheetrock each side of 3 5/8" metal studs to underside of deck with interior batt insulation.
- (B) Demising: 5/8" sheetrock each side of 3 5/8" metal studs to structure with interior batt insulation.

**DOORS:**

- (A) Office: 3'-0" X 7'-0" - 1 3/4" solid core wood, single clear lite glazing, premium grade paint. 5-1/2" nominal top rail and stiles and 11" nominal bottom rail.
- (B) Miscellaneous: 3'-0" X 7'-0" - 1 3/4" solid core wood, premium grade paint.
- With the exception of main entrance doors, all doors and hardware leading into the Tenant space from the public corridor will be Building Standard and are to be recessed if the door swings out.
- Design of main entrance must be submitted to the building management for approval.

**INTERIOR DOOR FRAMES:**

- Three-piece, knock-down, hollow metal door frames.
- Finish: Paint selected by County.

**HARDWARE:**

- **Lock/latch sets:**
  - o Standard is Sargent with Best Cylinders - LB key way (Alternate: Yale, Schlage, or approved equal).
  - o Finish for all door hardware shall be (Satin Chrome) unless otherwise noted.
  - o Lever lockset is standard interior doors.
  - o Mortise lockset is standard suite entry doors.
  - o Latch set - Passage Function; Satin Stainless Steel with Floor Stop.
  - o Lockset- Keyed - Office Function (outside key/inside always unlocked) Brushed Stainless Steel, Floor Stop.
  - o Lever Latch set - Office Lock Function -ANSI F82 (Function Outside Key/ Inside Push-Button Lock) with Floor Stop.
  - o Floor stop: (1<sup>st</sup> Choice) - Dome floor stop IVES 436 Dome Stainless Steel or equal.
  - o Wall stop: (2<sup>nd</sup> Choice) - IVES 407 CCV Stainless Steel or equal.
  - o Closer: LCN 4010T (pull side) or4110 (push side); LCN 3130 concealed in door or equal.
  - o Hinges: McKinney TB2314 or equal (Standard weight, ball bearing, SST, Full Mortise).
  - o Silencers: Ives #20 or equal.

**ACOUSTIC CEILING PANEL & GRID:**

- Manufacturer: Armstrong, Prelude XL or equal 2' x 4' Beveled Tegular Ceiling Tiles 15/16".

**CARPET:**

- Carpet tile. Case by case basis and is to be approved by County.

**HARD SURFACE FLOORING:**

- Case by case basis and is to be approved by County.

**FLOOR TILE:**

- Case by case basis and is to be approved by County.

**PAINT:**

- Case by case basis and is to be approved by County.

**BASE:**

- 4" rubber cove base. Case by case basis and is to be approved by County.

**WINDOW TREATMENT:**

- Case by case basis and is to be approved by County.

**FIRE PROTECTION:**

- The building, or portions thereof, shall be completely sprinkled by a combination wet sprinkler-standpipe system. Building standard sprinkler heads are to be semi-recessed sprinkler heads. The entire system shall be in accordance with NFPA 13 and 14 and shall meet all requirements of State and local authorities and the Owner's Insurance Underwriter.

**NORMAL POWER:**

- Receptacles and Equipment Connections
- Industrial heavyduty specification grade switches and receptacles shall be provided. Receptacles shall be 20A, 125V rated wide body style with triple wipe brass power contacts, mounting strap with integral ground contacts and an impact resistant nylon face. Switches shall be 20A, 125/277V rated FSUL WS 896-E and UL 20 approved.
- County to select receptacle face plate type. All receptacle face plates shall be professionally (label maker) labeled with panel and circuit number(s).
- Where applicable, miscellaneous mechanical equipment shall be fed from 480volt motor control centers, distribution panels, or branch circuit panelboards as appropriate. Miscellaneous equipment such as overhead doors, elevators, etc. shall be supplied from 480volt or 208volt branch panelboards as required.

**LIGHTING SYSTEMS:**

- All interior spaces shall be provided with lighting fixtures designed to enhance the aesthetics and to provide illumination levels consistent with current standards as defined by the Illuminating Engineering Society of North America (IESNA) "Lighting Handbook". In general, all interior lighting fixtures will utilize LED light sources wherever practical. All LED lighting to have a color temperature of 5000 Kelvin.

- Exit lights shall be specified with energy efficient, non-visible type, light emitting diode (LED) source with green letters.

#### **LIGHTING CONTROLS:**

- Switches shall be provided for all spaces. Interior offices, file room, and restrooms shall have occupancy sensor controlled switches. Vacancy Sensors or Occupancy Sensors, whichever applies, should be installed in all areas unless directed otherwise. Lighting relay control cabinets will be provided on each floor to control the automatic off function of all fixtures on normal power that are not controlled by sensors. The main control/time clock for the lighting relay control cabinets shall be located in the first floor cabinet. The design shall be based on the Watt Stopper company lighting control products.
- County to select switch face plate type.

#### **EMERGENCY LIGHTING:**

- Emergency lighting shall be provided throughout the egress paths, stairwells, equipment rooms, and exit ways. All exit signs and egress lighting within the County space is required to be connected to the building's Emergency Power System and must comply with County, State, and Federal Codes and ADA Regulations. Corridor emergency lighting circuits shall be wired directly to the emergency panel branch circuit breaker.

#### **VARIABLE FREQUENCY CONTROLLERS:**

- Each controller will have an input line reactor. Starters for motors 40HP and above shall have a solid state soft start bypass starter. Controllers for motors below 40HP shall have across-the-line bypass starters.

#### **FIRE ALARM SYSTEMS:**

- The Owner's Fire Alarm system may need to be upgraded to meet current Life Safety Codes. If so, a complete multiplexed addressable fire alarm system shall be provided throughout the building in accordance with the requirements of NFPA and ADA. The fire alarm system shall include a control panel located in the main electrical room and a remote annunciator panel located in the Fire Command Center near the main entrance lobby. Manual pull stations, smoke detectors, thermal detectors, duct detectors, signaling devices (speaker/strobes), sprinkler flow switches, and sprinkler tamper switches shall be provided as required by NFPA and ADA. Concealed duct detectors shall have remote alarm lights located in corridors mounted 72" above the floor. All fire alarm wiring shall be installed in EMT conduit.

**EXHIBIT D**  
**LANDLORD'S IMPROVEMENTS**

**[to be added at time of signing]**

**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 \_\_\_\_\_, 201\_\_:

\_\_\_\_\_

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:

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on August 6, 2018.

Jessica Feldmark  
Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jessica Feldmark, Administrator to the County Council