

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2019 Legislative Session

Legislative Day No. 12__

Bill No. 54-2019

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

AN ACT pursuant to Section 612 of the Howard County Charter, approving the Lease Agreement between Howard County, Maryland and Delta-Greenwood, LLC, a Maryland limited liability company, for 28,511 square feet of space at 8869 Greenwood Place, Savage, Maryland, to be used by the Department of Public Works, Bureau of Utilities; authorizing the County Executive to enter into the Agreement and to make changes to the Agreement before executing it, under certain conditions; and generally relating to a multi-year lease of certain premises by Howard County from Delta-Greenwood, LLC.

Introduced and read first time _____, 2019. Ordered posted and hearing scheduled.

By order _____
Diane Schwartz Jones, 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 _____, 2019.

By order _____
Diane Schwartz Jones, Administrator

This Bill was read the third time on _____, 2019 and Passed ____, Passed with amendments ____, Failed ____.

By order _____
Diane Schwartz Jones, Administrator

Sealed with the County Seal and presented to the County Executive for his approval this ___ day of _____, 2019 at ___ a.m./p.m.

By order _____
Diane Schwartz Jones, Administrator

Approved/Vetoed by the County Executive _____, 2019.

Calvin Ball, 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**, the County is in need of warehouse space to accommodate planned
2 improvements at the Little Patuxent Water Reclamation Plant (the “Plant”); and

3
4 **WHEREAS**, Delta-Greenwood, LLC, a Delaware limited liability company (the
5 “Landlord”) is the owner of a building known as 8869 Greenwood Place, Savage, Maryland
6 20863 (the "Building") containing approximately 89,468 square feet of leasable space and is
7 located near the Plant; and

8
9 **WHEREAS**, Howard County would like to lease 28,511 square feet of the Building
10 from the Landlord pursuant to a Lease Agreement (“the Lease”) substantially in the form
11 attached as Exhibit 1 for a term of ten years; and

12
13 **WHEREAS**, certain improvements shall be made to the leased space and the term
14 of Lease shall begin on the date the improvements are substantially completed; and

15
16 **WHEREAS**, the Lease Agreement requires the payment by the County of funds from
17 an appropriation in a later fiscal year and therefore requires County Council approval as a
18 multi-year agreement pursuant to Section 612 of the Howard County Charter.

19
20 **NOW, THEREFORE,**

21
22 *Section 1. Be It Enacted by the County Council of Howard County, Maryland, that, in*
23 *accordance with Section 612 of the Howard County Charter, it approves the Lease*
24 *Agreement between Howard County, Maryland and Delta-Greenwood, LLC, substantially in*
25 *the form attached as Attachment 1.*

26
27 *Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland,*
28 *that the County Executive is authorized to enter into Lease Agreement in the name of and on*
29 *behalf of the County.*

1 **Section 3. And Be It Further Enacted** by the County Council of Howard County, Maryland,
2 *that the County Executive, prior to execution and delivery of the Lease Agreement, may make*
3 *such changes or modifications to the Lease Agreement as he deems appropriate in order to*
4 *accomplish the purpose of the transaction authorized by this Act, provided that such changes*
5 *or modifications shall be within the scope of the transaction authorized by this Act; and the*
6 *execution of the Lease Agreement by the County Executive shall be conclusive evidence of*
7 *the approval by the County Executive of all changes or modifications to the Lease Agreement,*
8 *and the Lease Agreement shall thereupon become binding on the County in accordance with*
9 *its terms.*

10

11 **Section 4. And Be It Further Enacted** by the County Council of Howard County, Maryland,
12 *that this Act shall become effective immediately upon its enactment.*

LEASE AGREEMENT

DELTA-GREENWOOD, LLC

Landlord

HOWARD COUNTY, MARYLAND

Tenant

8869 GREENWOOD PLACE, SAVAGE MD 20763

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LEASE AGREEMENT

THIS **LEASE AGREEMENT** (the "Lease") is made this _____ day of _____, 2019 (the "Effective Date"), by and between **DELTA-GREENWOOD, LLC**, a Delaware limited liability company (the "Landlord"), registered with and in good standing with the Maryland State Department of Assessments and Taxation and **HOWARD COUNTY, MARYLAND** (the "County" or the "Tenant"), a body corporate and politic.

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

1. **LEASED PREMISES.** Landlord is the owner of that building known as 8869 Greenwood Place, Savage, Maryland 20863 (the "Building") located on the real property legally described in **Exhibit A-1** attached hereto and incorporated herein (the "Land"). The Building contains approximately 89,468 square feet of leasable space 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. The Building and the Common Areas, as hereinafter defined are, collectively referred to as the "Property," all as shown on **Exhibit A** attached hereto and incorporated herein.

Landlord hereby leases unto County, and County hereby leases from Landlord, portion of the Building comprising a total of approximately 28,511 square feet of rentable space in the Building, (the "Leased Premises"), as identified on **Exhibit A**. County shall have the right of access to and unrestricted use of the Leased Premises twenty-four (24) hours per day, seven (7) days per week during the Term.

"Common Areas" shall mean all areas of the Land for the common use or benefit of the tenants of the Building and their employees, agents, and other invitees, including, without limitation: all parking areas, pedestrian walkways, landscaped areas, driveways and access roads, entrances and exits. County and its employees and business invitees shall be entitled to the non-exclusive use of the Common Areas during the Lease Term, in common with Landlord and with other persons authorized by Landlord from time to time to use the Common Areas, subject to the Rules and Regulations (as defined below in Section 31(h)).

2. **TERM.** The initial term of this Lease (the "Initial Term") shall commence on the date the Initial Improvements are Substantially Completed (as defined below in Section 6(a)) in accordance with the terms herein (the "Commencement Date"), and end at 11:59 p.m. on the last day of the 120th full month following 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 Council Bill Number CB____-2019. The Landlord and the County shall execute the Declaration of Commencement Date (the "Declaration") the form of which is attached hereto as **Exhibit F** 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, County shall execute and return the Declaration to Landlord within twenty (20) days following County's receipt of same; otherwise County 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 (the "Extension Option") for one (1) additional period of five (5) years (the "Option Period") upon the same terms and conditions contained in this Lease except for the amount of Base Rent, which shall be determined in accordance with the following paragraph. The Extension Option is 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 (a "Government Agency").

The Base Rent payable by County to Landlord during the Extension Term shall be the greater of (i) the Base Rent applicable to the last year of the initial Lease Term and (ii) the then prevailing market rate for comparable space in the Property and comparable buildings in the vicinity of the Property, taking into account the size of the Lease, the length of the renewal term, market escalations and the credit of County. The Base Rent shall not be reduced by reason of any costs or expenses saved by Landlord by reason of Landlord's not having to find a new tenant for such premises (including, without limitation, brokerage commissions, costs of improvements, rent concessions or lost rental income during any vacancy period). In the event Landlord and County fail to reach an agreement on such rental rate and execute the Amendment (defined below) at least 6 months prior to the expiration of the Lease, then County's exercise of the renewal option shall be deemed withdrawn and the Lease shall terminate on its original expiration date.

The determination of Base Rent does not reduce the County's obligation to pay or reimburse Landlord for Operating Expenses and other reimbursable items as set forth in the Lease, and County shall reimburse and pay Landlord as set forth in the Lease with respect to such Operating Expenses and other items with respect to the Premises during the Extension Term without regard to any cap on such expenses set forth in the Lease

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

references in this Lease to the expiration date or to the end of the Term shall be considered to mean the termination or end of the applicable Option Period.

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

3. RENT.

a. **Annual Rent 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. The base rent per square foot portion of the Annual Rent shall be increased annually at the rate of two and one-half percent (2.5%) after the 1st 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. Subject to Landlord obtaining control of the Leased Premises from the Existing Tenant (provided that Landlord will exercise commercially reasonable efforts to obtain control of the Leased Premises from the Existing Tenant promptly after execution of this Lease), the County shall be granted early access to the Leased Premises no later than 3 weeks prior to the Commencement Date, free of charge, for the installation of the County's fiber, telephone, data, cabling, equipment, furniture and fixtures. The County shall coordinate such work with Landlord (or, if directed by Landlord, the general contractor at the Leased Premises) to avoid any safety issues, interference with Landlord's Work, delays to Landlord's construction schedule.

County shall pay to Landlord in advance, without demand, subsequent monthly installments of Annual Rent on, or before, the first day of each calendar month following the Commencement Date (prorated for any fractional calendar month). All payments by County to Landlord (or to such other party or at such location as Landlord may from time to time specify in writing) shall be made by Electronic Fund Transfer or Automated Clearing House, provided that Landlord provides County with the completed (i) Request for Taxpayer Identification Number and Certification Form W-9, and (ii) Howard County, Maryland Office of Purchasing Vendor Information Form. The obligation of County to pay Annual Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. County shall not abate, reduce, or set-off any amounts due and payable hereunder except as may be expressly provided in this Lease. 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. Said rental shall be paid to Landlord via Electronic Fund Transfer or Automated Clearing House as set forth above, 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	Monthly Installment of Annual Rent Based on 28,511 square feet	Annual Rent Based on 28,511 square feet
Commencement Date to End Year 1	\$6.45 per square foot	\$15,324.66	\$183,895.95
Year 2	\$6.61 per square foot	\$15,707.78	\$188,493.35
Year 3	\$6.78 per square foot	\$16,100.47	\$193,205.68
Year 4	\$6.95 per square foot	\$16,502.99	\$198,035.82
Year 5	\$7.12 per square foot	\$16,915.56	\$202,986.72
Year 6	\$7.30 per square foot	\$17,338.45	\$208,061.39
Year 7	\$7.48 per square foot	\$17,771.91	\$213,262.92
Year 8	\$7.67 per square foot	\$18,216.21	\$218,594.50
Year 9	\$7.86 per square foot	\$18,671.61	\$224,059.36
Year 10	\$8.06 per square foot	\$19,138.40	\$229,660.84

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 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 five (5) business days after such notice, Landlord may assess a late payment fee of \$100.00. The Landlord and the County agree that the rent due on July 1 of each lease year may be paid on or before July 20th 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 for the calendar year in question. By April 30th of each year (and as soon as practical after the expiration or termination of this Lease or, at Landlord's option, after a sale of the Property), Landlord shall provide the County with a statement of Operating Expenses for the preceding calendar year or part thereof including copies of invoices, if available, for the actual Operating Expenses incurred, along with

reasonable supporting documentation of such Operating Expenses. Within sixty (60) days after delivery of the statement of Operating Expenses (along with such reasonable supporting documentation) to the County, 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 thirty (30) days.

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) All taxes, assessments, governmental charges, and fees that are assessed during the Lease Term net of any fees paid to tax consultants and attorneys for the purpose of appealing the Taxes and which efforts reduced the Taxes but not including any fees paid to tax consultants and attorneys for other purposes or which are not attributed to a reduction in Taxes; (ii) the cost of insurance premiums carried by Landlord; (iii) utilities; (iv) maintenance, repair and replacement of all portions of the Property incurred during the Lease Term, including without limitation, paving and parking areas, roads, non-structural components of exterior walls, non-structural components of the roof (including the roof membrane), alleys, and driveways, mowing, landscaping, snow removal, exterior painting, utility lines, fire sprinklers and fire protection systems, heating, ventilation and air conditioning systems (as defined below), lighting, electrical systems and other mechanical and building systems; (v) the current amortized portion of any capital repairs or replacements to the Property provided such capital repair or replacement costs were incurred during the Lease Term and that such costs are amortized on a straight line basis over a period equal to the useful life of the improvement as determined by Generally Accepted Accounting Principles; (vi) amounts paid to contractors and subcontractors for work or services performed in connection with any of the foregoing; (vii) charges or assessments of any association to which the Property is subject; (viii) a property management or administration fee payable to a property manager, including Landlord, or any affiliate of Landlord, equal to three (3%) percent of gross receipts due and payable by County to Landlord under this Lease; (ix) if an insured loss was incurred in the Leased Premises, the amount of the deductible under the all-risk property insurance covering the Building in an amount of the uninsured loss not to exceed \$15,000; (x) security services, if any; (xi) sweeping and debris removal from the Common Areas; and additions or alterations made by Landlord to the Property or the Building in order to comply with Legal Requirements that have come into effect or become applicable to the Property after the Commencement Date (and other than those expressly required herein to be made by County), provided that the cost of additions or alterations that are required to be capitalized for federal income tax purposes shall be amortized on a straight line basis over a period equal to the useful life thereof as determined by Generally Accepted Accounting Principles.

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.

County shall not be obligated to pay for Controllable Operating Expenses in any year to the extent they have increased by more than five percent (5%) per annum, compounded annually on a cumulative basis from the actual amount of Controllable Operating Expenses incurred in calendar year 2020. For purposes of this paragraph, Controllable Operating Expenses shall mean all Operating Expenses as set forth in this Section 4.b of the Lease, except for Taxes, insurance premiums, costs in connection with adverse weather conditions (including, without limitation, snow removal), cost of repairs which could not have been reasonably anticipated by a prudent Landlord, costs in connection with compliance with Legal Requirements that have come into effect or become applicable to the Property after the Commencement Date, third-party property management fees (to the extent any are actually incurred), repairs or maintenance necessary exclusively as a result of activities of County or its agents at the Property, and utility costs. Controllable Operating Expenses shall be determined on an aggregate basis and not on an individual basis, and the cap on Controllable Operating Expenses shall be determined on Operating Expenses as they have been adjusted for vacancy or usage pursuant to the terms of the Lease. In the event the original Leased Premises is expanded, the first full calendar year following any expansion shall become the base year for the purposes of calculating the cap on increases to Controllable Operating Expenses after any such expansion date.

c. **Exclusions from Operating Expenses.** Notwithstanding anything to the contrary in this Lease, Operating Expenses do not include (i) debt service under mortgages or ground rent under ground leases; (ii) leasing commissions, or the costs of renovating space for tenants; (iii) repairs, alterations, additions, improvements or replacements made to rectify or correct any defect in the design, materials or workmanship of the Leased Premises, the Building or the Property; (iv) costs of repairs, restoration, replacements or other work occasioned by fire, windstorm or other casualty (including the costs of any deductibles paid by Landlord) and either payable (whether paid or not) by insurance required to be carried by Landlord under this Lease, or otherwise paid by insurance then in effect obtained by Landlord the adjudicated negligence or adjudicated intentional tort of Landlord, or any representative, employee or agent of Landlord, the act of any other tenant in the Leased Premises, the Building or the Property, or any other tenant's agents, employees, licensees or invitees to the extent the applicable cost is, in the Landlord's reasonable judgment, practically recoverable from such person; (v) costs incurred (less costs of recovery) for any items to the extent such amounts are, in Landlord's reasonable judgment, recoverable by Landlord under a manufacturer's, materialman's, vendor's or contractor's warranty; (vi) non-cash items, such as deductions for depreciation and amortization of the Leased Premises, the Building or the Property and the Leased Premises, the Building or the Property equipment, or interest on capital invested; (vii) legal

fees or retainers, accountants' fees (viii) expenses incurred in connection with disputes with other tenants or occupants of the Building or associated with the enforcement of any lease or defense of Landlord's title to or interest in, the Building or the Property or any part thereof; (ix) costs incurred due to violation by Landlord or any other tenant in the Building or the Property of the terms and conditions of any lease; (x) the cost of any service provided to the County or other occupants of the Building or the Property for which Landlord is entitled to be reimbursed; (xi) charitable or political contributions; (xii) interest, penalties or other costs arising out of Landlord's failure to make timely payments of its obligations; or (xiii) costs, expenses, depreciation or amortization for repairs and replacements required to be made by Landlord under this Lease.

d. **County's Proportionate Share** "The County's Proportionate Share" means 31.87%, which is the percentage obtained by dividing the rentable square feet of the Leased Premises by the rentable square feet of the Building.

e. **Invoices; Right to Audit.** No later April 30th of each calendar year during the Lease Term, Landlord shall deliver to County an Operating Expense Reconciliation Invoice ("Invoice") and an Operating Expense Summary Report listing the Operating Expenses for the prior year of the Lease Term ("Report"). Provided (i) no Event of Default exists under this Lease, (ii) no payments of Base Rent, Operating Expenses, or other amounts due under the Lease are outstanding, and (iii) County has a reasonable belief that the Invoice and Report contain an error to the detriment of County, County, at its sole cost and expense, shall have the right to examine property invoices evidencing such costs and expenses as provided in the Invoice and Report which County believes to be in error as more specifically provided herein. Such review of Landlord's property invoices may occur not more than once per year at Landlord's local market office during reasonable business hours. Landlord agrees to make the property invoices, for the calendar year in question, pertaining to those items which County reasonably believes to be in error, a copier and conference room available to County for a period not to exceed fifteen (15) business days to examine such property invoices. In the event County desires to exercise the foregoing right, County shall deliver written notice of County's intent to review the property invoices, and shall identify the item(s) contained in the Invoice and Report which County believes to be in error, no later than sixty (60) days following County's receipt of the Invoice and Report. Time is of the essence with regards to the delivery of such notice. Upon Landlord's receipt of County's notice, Landlord and County shall work in good faith to schedule a time and date for such property invoice examination which shall be acceptable to both parties. In the event that County accurately determines that the Invoice and Report contain an error to the detriment of County, Landlord shall immediately provide a revised Invoice and Report to County. If County has already paid the Invoice, Landlord shall refund such overpayment within thirty (30) days. Notwithstanding anything contained herein to the contrary, in no event shall County retain any person paid on a contingency fee basis to act on behalf of County with regards to the foregoing rights to review the property invoices and Landlord shall have no obligation to allow any such representative paid on a contingency fee basis access to Landlord's records. Notwithstanding anything contained in this Lease to the contrary, County agrees

that County's sole remedy pertaining to an error in the Invoice or Report shall be for the recovery from Landlord an amount equal to the amount overpaid by County.

5. **DELIVERY OF POSSESSION.** Landlord agrees to deliver to County, and County agrees to accept from Landlord, possession of the Leased Premises as of the Commencement Date. The parties intend for the Leased Premises to be delivered to the County on or before January 31, 2020, as a "turn-key" build out (subject to the terms and conditions set forth herein) ready for the intended use as office and warehouse space.

6. **INITIAL 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 "Initial Improvements".

a. **Timely Completion of Initial Improvements.** The Landlord agrees that the completion of the Initial Improvements by January 31, 2020 (the "Target Delivery Date") is a material term of this Lease as the County is relocating its personnel to accommodate planned improvements to the administrative building at the Little Patuxent Water Reclamation Plant. County shall provide Landlord permit drawings for the Initial Improvements in sufficient time for Landlord to commence construction of the Initial Improvements by December 1, 2019, and Landlord shall thereafter proceed with and diligently complete the Initial Improvements. As soon as such improvements have been Substantially Completed, Landlord shall notify County in writing of the date that the Initial Improvements were Substantially Completed. The Initial Improvements shall be deemed substantially completed ("Substantially Completed" or "Substantial Completion") as of the date that Landlord receives a certificate of use and occupancy issued by the Department of Inspections, Licensing and Permits of Howard County, Maryland. Provided, however, that in the event that such certificate is delayed or withheld, or if Landlord's work with respect to the Initial Improvements are delayed, as a result of work at the Leased Premises being completed by the County, Substantial Completion shall be deemed to have occurred on the date such certificate of use and occupancy reasonably would have been issued but for the occurrence of the County's work at the Premises. County agrees to use best efforts not to complete any work at the Leased Premises that would cause such permit to be delayed or withheld. County shall be solely responsible for delays caused by County's request for any changes in the plans, County's request for long lead items or County's interference with the construction of the Initial Improvements, and such delays shall not cause a deferral of the Commencement Date. 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").

In the event that Substantial Completion, subject to adjustment for County-caused delays and Force Majeure as set forth above, of the Initial Improvements does not occur on or before the Target Delivery Date, Landlord shall credit against the County's obligation for the payment of Base Rent an amount equal to one (1) day of Base Rent due and payable under this Lease for each day Substantial Completion of the Initial Improvements is delayed beyond the Target Delivery Date until said credits are fully realized by the County.

b. **Landlord's Work.** As used herein, the term "Landlord's Work" shall mean (i) the Initial Improvements to be completed by Landlord under the terms of the Work Agreement and (ii) other amenities or improvements to the Building or Property at the Landlord's expense, as defined herein, including such improvements required in order for the Building or Property to comply with the Legal Requirements, as shown in **Exhibit C**, 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 cosmetic and other minor 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, and will use commercially reasonable efforts to correct such punch list items within thirty (30) days following Substantial Completion of the Initial Improvements.

7. **USE.** County shall use and occupy the Leased Premises for office and warehouse use and legally permitted uses by a government.

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. **INTENTIONALLY DELETED.**

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 Two Million Dollars (\$2,000,000) combined single limit per occurrence with a Two Million Dollar (\$2,000,000) 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 all risk property insurance covering the full replacement cost of the Building and commercial general liability insurance on the Property in forms and amounts customary for properties substantially similar to the Property which may be included in a blanket policy or captive insurance program (in which case the cost of such insurance allocable to the Property or Building will be determined by Landlord based upon the total insurance cost calculations). Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, rent loss insurance. All insurance premiums incurred by Landlord with respect to the Property shall be included in Operating Expenses. County will not use the Leased Premises in any manner that would void County's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any insurance credits. If an increase in the cost of any insurance on the Building or the Property is caused by County's use of the Leased Premises, then County shall pay the amount of such increase to Landlord.

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 that is equal to the longest statutory limitation in effect under Maryland law with respect to the filing of a personal injury claim. 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. As a condition of indemnification, Landlord agrees to notify the County of any suits, claims or potential claims within thirty (30) days of its own notice of such suits, claims or potential claims.

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. The County shall be responsible for the repair and maintenance of any security system serving the Leased Premises.

b. **Maintenance of Building and Exterior of Leased Premises.** Landlord shall maintain, repair and replace, as applicable, subject to including in Operating Expenses, all (i) windows, doors, interior and exterior walls, ceilings, flooring and floor coverings, (ii) common areas, the roof and the exterior of the Building, as well as the structure thereof, and (iii) 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. 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 to gain access to the Building, Leased Premises and Property in an emergency; provided, however, that the County shall use commercially reasonable efforts to avoid interference with other tenant or occupants of the Building.

In the event of an emergency (being defined as an imminent threat of personal injury to County's employees or material damage to County's equipment or other property at the Leased Premises), County shall have the right to make such temporary, emergency repairs to the roof, foundation, floors and exterior walls of the building of which the Leased Premises are a part, or the roof membrane, skylights, roof vents, drains and downspouts of the Property, and the exterior and under slab utility systems for the Property, as may be reasonably necessary to prevent such material damage to the equipment or property of County situated in the Leased Premises, or such personal injury to County's employees, provided County has no reasonable alternative and has notified or attempted in good faith to notify Landlord's representative of such emergency by telephone (with subsequent written notice as soon as practicable). The provisions of this paragraph do not constitute an authorization by Landlord for County to enter the premises of any other tenant of the Property, and County has not been designated as Landlord's agent for the purposes of any such entry. Landlord shall reimburse County for the reasonable, out-of-pocket costs incurred by County in making such emergency repairs to the roof, foundation or exterior walls, as applicable, up to (but not to exceed) \$10,000.00 with respect to each such occurrence, within thirty (30) days after submission by County to Landlord of an invoice therefore, accompanied by reasonable supporting documentation for the costs so incurred.

13. **SERVICES.**

a. **Electricity.** The electricity for the Leased Premises shall be separately metered (or sub-metered) at Landlord's expense and the cost of the electricity supplied paid for directly by County.

b. **HVAC.** County shall maintain, repair and replace the HVAC system and equipment for the Leased Premises. Notwithstanding the foregoing, the Landlord, at Landlord's sole cost, shall replace any HVAC unit if the County expends more than \$7,500 in repair costs in a calendar year for such unit. 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 water and sewer services for the Building, including without limitation the Leased Premises.

d. **Voice and Data.** County shall contract directly for the installation and maintenance of its voice and data systems and a telecommunications service provider

for all phone, internet and network services, including the use of the roof of each Building. County and Landlord shall coordinate during the period of Landlord's Work to determine if voice and data installation should take place during this time. Landlord shall have reasonable approval rights for wiring installation.

e. **Miscellaneous**. Landlord shall use its commercially reasonable efforts to clear snow and ice from the driveways and sidewalks within the Property in a manner to allow the continued business operations of the County. Janitorial services for the Leased Premises shall be provided by the County, at its sole cost and expense and therefore not included as an Operating Expense charged to the County.

f. **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 two (2) days following Landlord's receipt of notice from the County, then Base Rent shall abate as to the portion of the Leased Premises rendered unusable during the period beginning on the 3rd day of the interruption and ending on the date the service is restored. Subject to Legal Requirements, County shall have the right to install a portable generator in the event of loss of electric service.

14. **DEFAULT**. If County fails (i) to pay installments of Annual Rent and such failure continues for five (5) business days after Landlord has given written notice to County, or (ii) to pay installments of Operating Expenses and such failure continues for five (5) business 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.** County may park operable vehicles in areas of the Property designated for non-reserved parking and park operable vehicles and trailers overnight at the truck loading docks and designated truck and trailer parking areas for the Leased Premises, provided there is no interference with the access of other tenants to the Building to parking lots and truck courts. Landlord may allocate parking spaces among County and other tenants if Landlord reasonably determines such allocation is beneficial to the Property; provided, however, Landlord acknowledges and agrees that Landlord will not allocate any parking spaces to other tenants which may reduce County's pro rata share of the common area parking with other tenants of the

Property. Landlord shall not be responsible for enforcing County's parking rights against any third parties. If County fails to comply with any of the parking requirements, and such failure continues for more than 3 business days after written notice from Landlord (which may be given to County's on-site manager, as such person has been identified from time to time with Landlord's property manager), Landlord may, in addition to any other rights, cause vehicles in violation to be towed at County's cost without liability to Landlord. Landlord shall permit the County to install (i) electric car parking and plug-ins (but subject, however, to Landlord's review of the County's plans and specifications therefor and Landlord's approval of the proposed location thereof), (ii) bike racks and (iii) outdoor seating areas on the grounds adjacent to the Leased Premises in a location approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed.

17. **SIGNS.** County, at County's sole expense, may install signage at the Building in accordance with the standard signage allowed other tenants of the Building, which may include on the Building's entrance directory and/or suite entry door 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, and Landlord's option, such electricity usage shall be included in Operating Expenses, or 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 (except in the event of an emergency, in which case no such restrictions shall apply), 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.

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 retains possession of the Leased Premises after the Expiration Date, such possession shall be subject to immediate termination by Landlord, and all terms of this Lease shall be applicable during such holdover period except i) any expansion, renewal, or similar right or option, and ii) Base Rent for the holdover period shall be one hundred fifty percent (150%) of the then-effective Base Rent. All other amounts payable under this Lease shall continue under the terms of this Lease. In addition, County shall be liable for all damages incurred by Landlord as a result of such holding over. Holding over by County (with or

without consent of Landlord) shall not extend this Lease except as otherwise expressly provided, and this Paragraph shall not be construed as consent for County to retain possession of the Leased Premises. For purposes of this Paragraph, "possession of the Leased Premises" shall continue until Landlord has complete control over the Leased Premises, all keys have been delivered, and County has fulfilled all required obligations upon termination of the Lease concerning the condition and repair of the Leased Premises.

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.** If any part of the Leased Premises or the Property are taken for any public or quasi public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would materially interfere with or impair Landlord's ownership or operation of the Building or Property, then upon written notice by Landlord this Lease shall terminate and Base Rent and Operating Expenses shall be apportioned as of such date. If part of the Leased Premises is Taken, and this Lease is not terminated as provided above, the Base Rent and Operating Expenses shall be proportionately reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to County, and County hereby assigns to Landlord County's interest, if any, in such award. Without diminishing Landlord's award, County shall have the right to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by County for moving expenses and damage to County's Trade Fixtures.

21. **SUBORDINATION; RECORDATION OF LEASE.** Landlord represents to County that as of the date hereof the Building is not subject to or encumbered by a mortgage or ground lease. County's interest in the Premises shall not be subordinate to any future mortgage or deed of trust on the Building, and County shall not be obligated to execute an instrument subordinating this Lease or County's interest in the Premises to any future mortgage or deed of trust on the Building, unless concurrently with such subordination the holder of such mortgage or deed of trust agrees in such instrument of subordination not to disturb County's possession of the Premises (so long as no default exists under the Lease) in the event such holder acquires title to the Premises through foreclosure, deed in lieu of foreclosure or otherwise. County agrees, at the election of the holder of any such mortgage, or lessor for any ground lease, to attorn to any such holder or lessor. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without County's consent, by notice in writing to County. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust. 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:

Prologis
6711 Columbia Gateway Drive, Suite 130
Columbia, Maryland 21046

with a copy to:

Prologis
Attn. General Counsel
1800 Wazee Street
Suite 500
Denver, CO 80202

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
9200 Berger Road
Columbia, Maryland 21046

Bureau of Utilities
Department of Public Works
Attention: Robert Hindt – County's On-Site Manager
8869 Greenway Place
Savage, Maryland 20763

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.** County agrees to execute and deliver to Landlord or Landlord's designee, within fifteen (15 business days after Landlord's request an estoppel certificate containing customary and commercially reasonable provisions. No cure or grace period provided in this Lease shall apply to County's obligations to timely deliver an estoppel certificate.

29. **ENVIRONMENTAL REQUIREMENTS.** Except for Hazardous Materials contained in: (i) products used by County in de minimis quantities for ordinary cleaning and office purposes; (ii) forklift propane, (iii) diesel fuel in equipment or vehicles stored in the Leased Premises (provided that no on-site refueling shall be allowed to occur); (iv) Permitted Hazardous Materials identified in **Exhibit G** attached hereto and incorporated herein; and (v) products stored and/or distributed by County in their original, sealed, and unopened containers, County shall not permit or cause any party to bring any Hazardous Material upon the Leased Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Leased Premises without Landlord's prior written consent. County, at its sole cost and expense, have the right to install carbon monoxide detectors, shall operate its business in the Leased Premises in strict compliance with all Environmental Requirements, shall promptly provide copies of any notices, letters or reports it receives regarding Hazardous Materials at the Leased Premises, and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Property by County, its agents, employees, contractors,

subtenants or invitees ("County Parties"). County shall complete and certify disclosure statements requested by Landlord relating to County's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Leased Premises. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, official norms, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant regulated by any Environmental Requirements, asbestos, radioactive materials and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, County is and shall be deemed to be the "operator" of County's "facility" and the "owner" of all Hazardous Materials brought on the Leased Premises by County, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom. No cure or grace period provided in this Lease shall apply to County's obligations to promptly commence and diligently pursue its remediation obligations in accordance with the terms and conditions of this Paragraph.

Notwithstanding anything to the contrary in this Paragraph, County shall have no liability of any kind to Landlord as to Hazardous Materials on the Leased Premises caused or permitted by (i) Landlord, its agents, employees, contractors or invitees; or (ii) any other tenants in the Property or their agents, employees, contractors, subtenants, assignees or invitees.

Subject to Maryland's Local Government Tort Claims Act, approved budget appropriations and applicable law, County shall indemnify, defend, and hold the Landlord Parties harmless from and against any and all losses, claims, demands, actions, suits, damages (including, without limitation, punitive damages paid to third parties), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos disturbed or brought into the property, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which County is obligated to remediate as provided above or any other breach of the requirements under this Paragraph by County, or County Parties, regardless of whether County had knowledge of such noncompliance. The obligations of County under this Paragraph shall survive any termination of this Lease for a period that is equal to the longest statutory limitation period applicable to the County as a tenant of real property under applicable environmental law. Nothing contained in this Section 29 or this Lease shall be construed as the County having waived any of the defenses of immunity provided to it under law. 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. As a condition of indemnification, Landlord agrees to notify the County of any suits, claims or potential claims within thirty (30) days of its own notice of such suits, claims or potential claims.

Landlord shall have, upon seven (7) days prior written notice to the County and coordinated with the County's on-site manager access to the Leased Premise to perform, every six months, inspections and tests of, the Leased Premises to determine County's compliance with Environmental Requirements, its obligations under this Section, or the environmental condition of the Leased Premises; provided that nothing in the foregoing sentence shall limit Landlord's right to enter the Leased Premises as needed to respond reasonably to an emergency at the Leased Premises. The County's on-site manager may request the County's environmental engineer to be present at the time of the inspections and tests. Except for the final inspection and test of the condition of the Leased Premises performed immediately after the County surrender of possession of the Leased Premises and prior to the occupancy of the Leased Premises by the Landlord or other party, Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against County. Landlord will use commercially reasonable efforts to minimize interference with the County's operations at the Leased Premises during periods of such inspections and tests. At the time of the final inspection and test of the condition of the Leased Premises, the County's environmental engineer shall be consulted, and the County, at the County's sole cost, shall engage an independent environmental consultant that is reasonably acceptable to Landlord to perform the necessary inspection and test of the condition of the Leased Premises (up to and including a Phase I environmental assessment and such follow up assessments as are reasonably necessary in the opinion of the independent environmental consultant to determine that the County has satisfied its environmental obligations under this Lease). Absent manifest error contained in the report, a satisfactory report of such independent environmental consultant shall be conclusive that the County has no further obligations to the Landlord under this Section 29 of the Lease.

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 CBRE, Inc. 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 in accordance with the terms of a separate commission agreement entered into between the Landlord and County'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.**

c. **Political Contribution Disclosure.** 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.** 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. **Rules and Regulations.** County shall comply with all rules and regulations reasonably established by Landlord from time to time covering use of the Leased Premises and the Property (the "Rules and Regulations"). Landlord shall not have any liability or obligation for the breach of any of the Rules and Regulations by other tenants in the Property.

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

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

j. **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.

[Signatures follow on next page.]

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

LANDLORD:

WITNESS/ATTEST:

DELTA - GREENWOOD, LLC
a Delaware limited liability company

By: Delta - MD1, LLC
a Delaware limited liability company
its managing member

By: Authorized Person

Name: _____

Title: _____
of Prologis, Inc., a Maryland
corporation

[County signatures on the following page.]

ATTEST:

HOWARD COUNTY, MARYLAND

Lonnie Robbins
Chief Administrative Officer

By: _____(SEAL)
Calvin Ball
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 _____, 20__:

Gary W. Kuc
County Solicitor

Lisa S. O'Brien
Senior Assistant County Solicitor

EXHIBIT A--1
Legal Description of the Land

Parcel L-1 as shown on a subdivision plat entitled “Corridor Industrial Park, Section 1, Parcels G-1, H-1, L-1, and a portion of the Park, Utility, and Drainage Reservation, a Resubdivision of Parcels G, H, and L, and a portion of the Park, Utility, and Drainage Reservation” recorded as Plat Number 4583 in the Land Records of Howard County, Maryland, containing approximately 4.995 acres.

EXHIBIT B
WORK AGREEMENT

Landlord agrees to perform at Landlord's sole cost and expense the following improvements (the "Initial Improvements"):

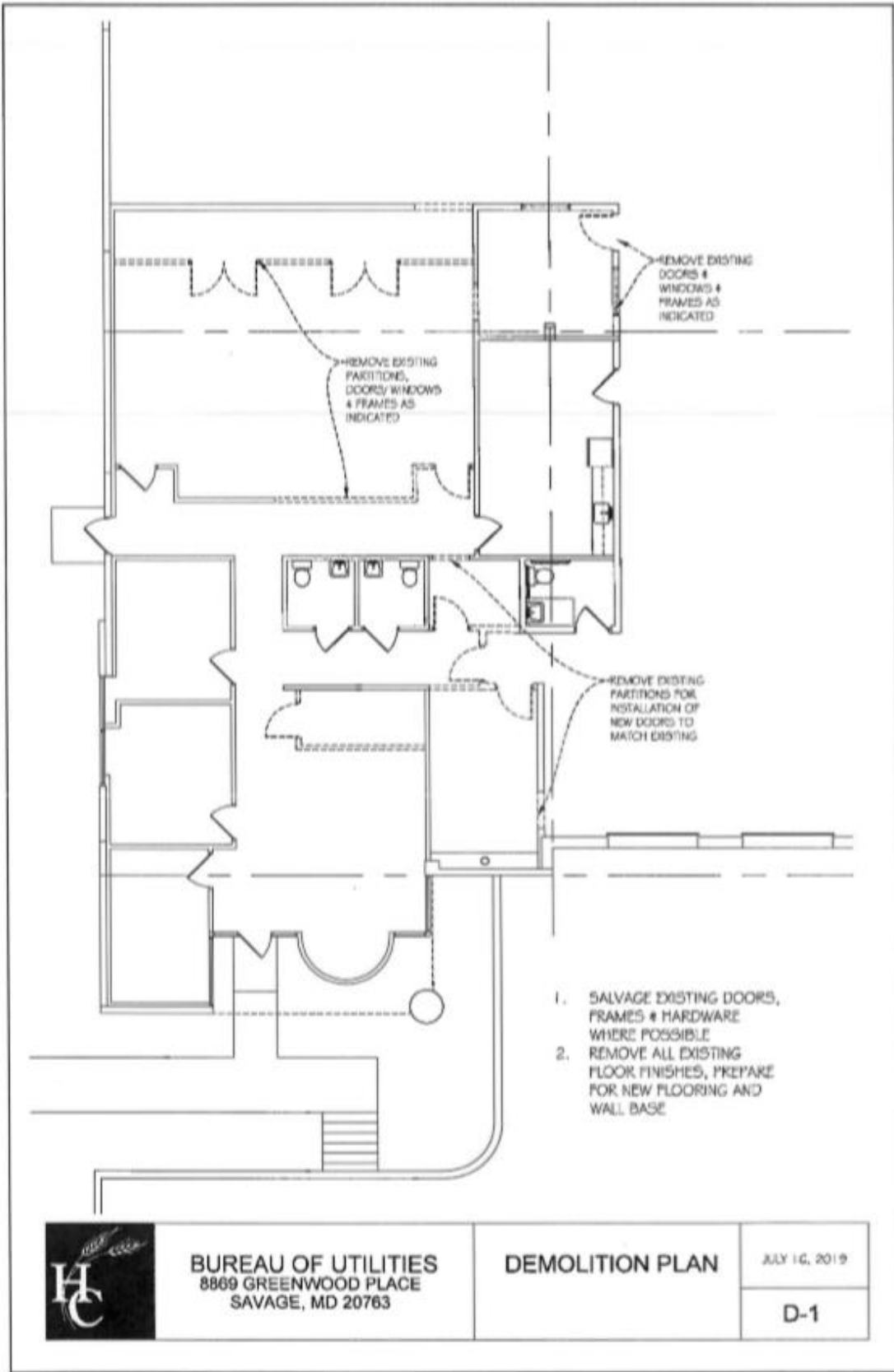
- 1) **Construction of one (1) Motorized 14' high x 12' wide insulated sectional door in the location identified by County and shall be constructed no later than March 1, 2020; provide conduit and rough-in for County installed card reader.**
- 2) **Installation of one (1) 30' x 14' wide pre-cast ramp to support 40,000 LBS. in the location identified by County and shall be installed no later than March 1, 2020.**
- 3) **Demolition of the interior office area in accordance with the demolition plan titled "D-1 – Bureau of Utilities 8869 Greenwood Place, Savage, MD 20763" dated July 16, 2019, attached hereto.**
- 4) **Construction of the office space as shown on the space plan titled "A-1 – Bureau of Utilities 8869 Greenwood Place, Savage, MD 20763" dated July 16, 2019 (Rev 8/26/19), attached hereto, to include card reader rough-ins in accordance with diagram titled "Diagram Door Systems Coordination", attached hereto.**
- 5) **The interior and exterior of the office space shall be painted in its entirety with primer and two finish coats of paint, finish as selected by. Provide one (1) accent wall per occupied room.**
- 6) **Landlord's Platinum Selection for finishes.**

(a) Landlord shall receive a construction management fee of 5% (not to exceed \$10,000 under any circumstances), payable by County within 30 days following receipt of Landlord's invoice, which fee shall be calculated based upon the scope of work of the Initial Improvements as described herein, taking into account costs generally payable for similar services within the market area in which the Property is located.

(b) If County shall desire any changes, County shall advise Landlord in writing and Landlord shall determine whether such changes can be made in a reasonable and feasible manner. All costs of reviewing any requested changes, and all costs of making any changes to the Initial Improvements which County may request and which Landlord may agree to shall be at County's sole cost and expense and shall be paid to Landlord upon demand and before execution of the change order.

(c) County's failure to take possession of or to occupy the Leased Premises shall not serve to relieve County of its obligations arising on the Commencement Date or to delay the payment of rent by County. Subject to applicable Legal Requirements, County shall be allowed to install its tenant improvements, Trade Fixtures or other property on the Leased Premises during the final stages of Landlord's construction provided that County does not interfere with completion of construction or

cause any labor dispute. County hereby agrees to indemnify, defend, and hold Landlord harmless from any loss or damage to such property, and all liability, loss, or damage arising from any injury to the Property or the property of Landlord, its contractors, subcontractors, or materialmen, and any death or personal injury to any person or persons arising out of such installations, unless any such loss, damage, liability, death, or personal injury was caused by Landlord's negligence. Any such occupancy or installation of tenant improvements or Trade Fixtures in the Leased Premises shall be in accordance with the provisions governing County-Made Alterations and Trade Fixtures in the Lease, and shall be subject to County providing to Landlord satisfactory evidence of insurance for personal injury and property damage related to such installations and satisfactory payment arrangements with respect to installations permitted hereunder. Delay in putting County in possession of the Leased Premises shall not serve to extend the Lease Term or to make Landlord liable for any damages arising therefrom.



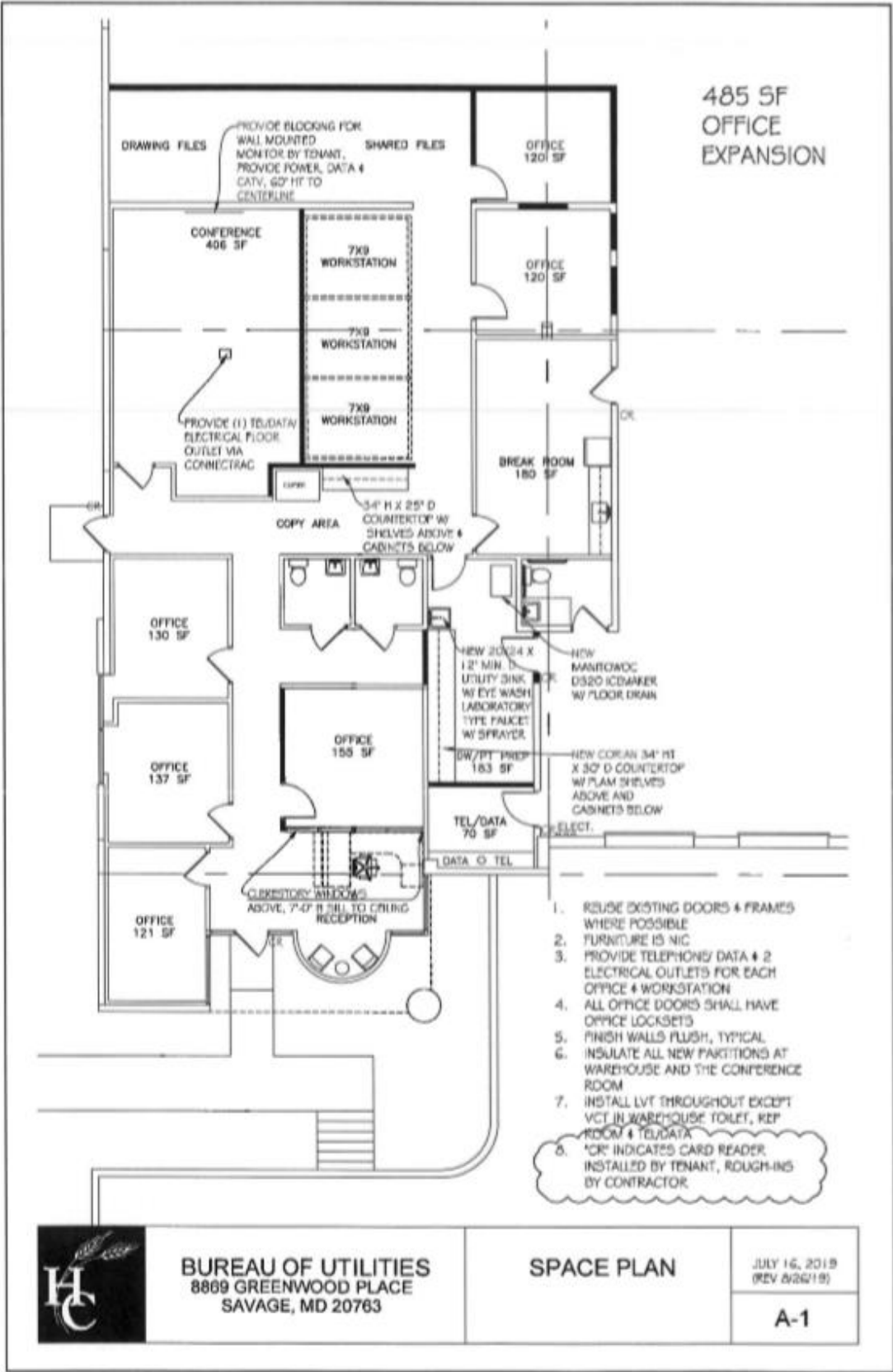
BUREAU OF UTILITIES
 8869 GREENWOOD PLACE
 SAVAGE, MD 20763

DEMOLITION PLAN

JULY 16, 2019

D-1

485 SF
OFFICE
EXPANSION

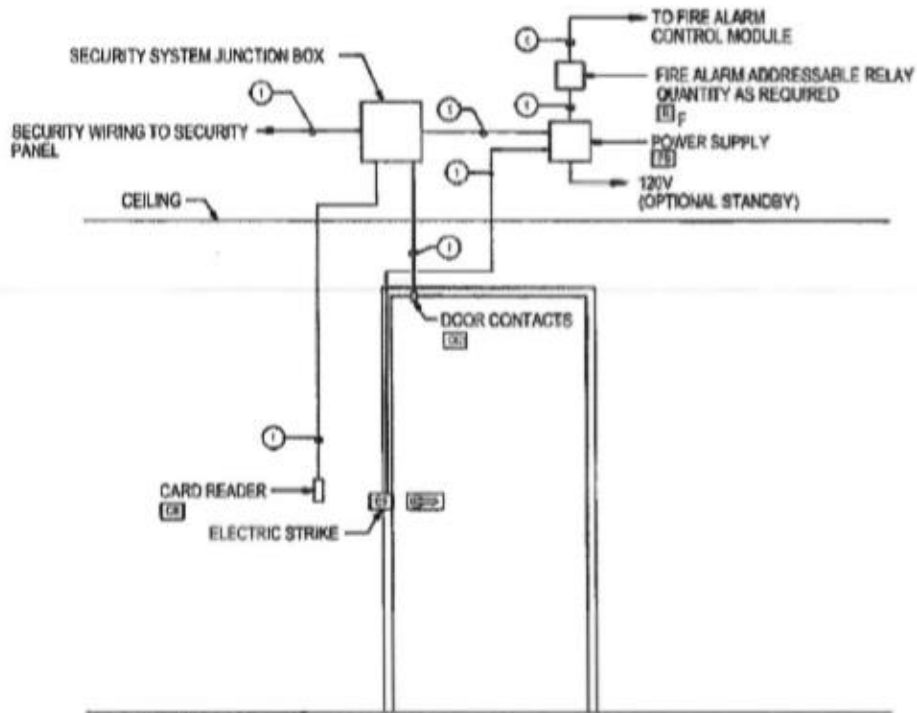


BUREAU OF UTILITIES
8889 GREENWOOD PLACE
SAVAGE, MD 20763

SPACE PLAN

JULY 16, 2019
(REV 8/26/19)

A-1



GENERAL NOTES:

- A THIS DETAIL SHOWS MANY DOOR SYSTEMS. NOT EVERY DOOR WILL HAVE EVERY SYSTEM. INSTALL SYSTEMS AT EACH DOOR PER PLAN. USE THIS DETAIL FOR GUIDANCE ON HOW TO CONNECT SYSTEMS PRESENT AT ANY GIVEN DOOR. COORDINATE WITH DOOR HARDWARE SCHEDULE ON ARCHITECTURAL DRAWINGS.
- B COORDINATE ALL REQUIREMENTS WITH DOOR HARDWARE SCHEDULE, ARCHITECTURAL DRAWINGS, AND MANUFACTURER'S INSTALLATION INSTRUCTIONS. PROVIDE ALL CONNECTIONS, WIRE, CONDUIT AND JUNCTION BOXES AS REQUIRED FOR COMPLETE INSTALLATION PER MANUFACTURER'S REQUIREMENTS.
- C MOUNT ALL ABOVE CEILING COMPONENTS ON SECURE SIDE OF DOOR.

SPECIFIC NOTES:

- ① PROVIDE WIRE IN CONDUIT PER MANUFACTURER'S RECOMMENDATIONS.



DIAGRAM

DOOR SYSTEMS COORDINATION

NOT TO SCALE

EXHIBIT C
LANDLORD'S IMPROVEMENTS

- Extend (height) of (2) Exhaust Vents too close to an outside air intake on a rooftop unit
- Extend the sanitary vent up and away from the same outside air intake near the same rooftop unit
- Install exterior lighting at (2) egress doors

EXHIBIT D
RULES AND REGULATIONS

1. The sidewalk, entries, and driveways of the Property shall not be obstructed by County, or its agents, or used by them for any purpose other than ingress and egress to and from the Leased Premises.
2. County shall not place any personal property or objects in the parking areas, landscaped areas or other areas outside of its Leased Premises, or on the roof of the Building.
3. Except for service dogs, no animals shall be allowed in, or on, any part of the Building or the Property.
4. If County desires telegraphic, telephonic or other electric connections in the Leased Premises, Landlord or its agent will direct the electrician as to where and how any conduit or wires may be introduced; and, without such direction, no boring or cutting of existing wires or conduit is permitted. Any such installation or connection shall be made at County's expense.
5. County shall not install or operate any steam or gas boiler. The use of oil, gas or flammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Property.
6. Parking any type of recreational vehicles or boats is specifically prohibited on or about the Property.
7. County shall be permitted to store vehicles inside the Leased Premises, subject to County's compliance, at County's sole cost with the following requirements: (i) other than the fuel contained in the engine fuel tank, no fuel may be stored anywhere at the Leased Premises or the Property, nor shall any vehicle refueling take place anywhere at the Leased Premises or the Property; (ii) no vehicle repairs or maintenance shall occur anywhere at the Leased Premises or the Property; (iii) County is solely responsible, at County's cost, for compliance with Legal Requirements (including, without limitation, County's design, permitting and installation of a carbon monoxide/nitrogen oxide (diesel exhaust) detection and ventilation system), and all fire department requirements and approvals in connection with such use, (iv) no hot works (e.g. for example, and not in limitation, cutting or welding), or painting within 20 feet of any vehicles inside the Leased Premises, (v) County must comply with the requirements of insurers of the Leased Premises and Building, and (vi) County shall store and stack tires in the Leased Premises in accordance with Legal Requirements (collectively, "Permitted Vehicle Storage"). Other than Permitted Vehicle Storage, Parking any type of trucks, trailers or other vehicles in the Building is specifically prohibited. In no event shall any inoperable vehicles be parked at the Property nor shall any "For Sale" or other advertising signs be displayed for any parked vehicle. No repair, maintenance or washing of vehicles shall take place on the Property. All vehicles shall be parked in designated parking areas in conformity with all signs and other markings.

8. County shall maintain the Leased Premises free from rodents, insects and other pests.
9. Landlord reserves the right to exclude or expel from the Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Property.
10. All moveable trash receptacles provided by the trash disposal firm for the Leased Premises must be kept in the trash enclosure areas provided, and all trash receptacles shall remain closed at all times.
11. The Leased Premises shall not be used for lodging, sleeping or cooking (other than kitchenette or break room use) or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.
12. County assumes full responsibility for protecting the Leased Premises from theft, robbery and pilferage.
13. County shall not permit recreational or medical marijuana to be grown, sold, dispensed, or consumed on the Leased Premises or Property.
14. County shall not permit smoking in any interior area of the Premises.
15. County shall provide notice to Landlord that County, or County Parties, require access to the roof of the Building, along with the date such access is required, prior to accessing the roof of the Building. County shall follow all Legal Requirements, including, but not limited to, OSHA requirements when County or County Parties access the roof of the Building, and shall use reasonable and appropriate safety precautions in order to ensure such employees, contractors, or agents are not subject to injury or death.

EXHIBIT E
RIGHT OF FIRST OFFER

(a) "Offered Space" shall mean 22,800 SF of adjacent space "Suite C".

(b) Provided that as of the date of giving the Offer Notice, (x) tenant is the County originally named herein, (y) County actually occupies all of the Premises then-demised under this Lease, and (z) no Event of Default or event which but for the passage of time in the giving of notice, or both, would constitute an Event of Default has occurred and is continuing, if at any time during the Lease Term any lease for any portion of the Offered Space shall expire, then Landlord, before offering such Offered Space to anyone, other than the tenant then occupying such space (or its affiliates), shall offer to County the right to include the Offered Space within the Premises on the same terms and conditions upon which Landlord intends to offer the Offered Space for lease. If the Offered Space is vacant on the date hereof, Landlord shall have no obligation to offer the Offered Space to County until the Offered Space, or a portion thereof, has been leased and such lease thereafter expires.

(c) Landlord's offer shall be made by written notice ("Offer Notice") and shall designate the space being offered and the terms upon which Landlord intends to offer the Offered Space. County may accept the offer set forth in the Offer Notice by delivering to Landlord an unconditional acceptance (hereinafter called "Tenant's Notice") of such offer within 5 business days after delivery by Landlord of the Offer Notice to County. Time is of the essence with respect to the giving of Tenant's Notice. If County does not accept (or fails to timely accept) the offer in the Offer Notice, Landlord shall be under no further obligation to County with respect to the Offered Space.

(d) County must accept all Offered Space offered by Landlord at any one time and may not exercise its right with respect to only part of such space. If Landlord desires to lease more space than the Offered Space to one tenant, Landlord may offer to County all such space which Landlord desires to lease, and County must exercise its rights hereunder with respect to all such space.

(e) If County declines any Offered Space offered by Landlord, County shall be deemed to have irrevocably waived all further rights under this Exhibit, and Landlord shall be free to lease the Offered Space to third parties including on terms which may be less favorable to Landlord than those offered to County.

EXHIBIT F
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. County'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 G: STORAGE AND USE OF PERMITTED HAZARDOUS MATERIALS

1. Permitted Hazardous Materials and Use. County has requested Landlord's consent to Use (hereinafter defined) the Hazardous Materials listed below in its business at the Project (the "Permitted Hazardous Materials"). Landlord hereby consents to the Use of the Permitted Hazardous Materials subject to the terms of this Exhibit. Any Use of the Permitted Hazardous Materials in, on, or about the Project shall be done in a manner consistent with good engineering practice and in compliance with all Environmental Requirements.

Permitted Hazardous Materials (including maximum quantities):

1 small acid cabinet with up to 5 one-gallon containers of lab grade acid at the most. Typically only 1-2 bottles at a time.

Use. The generation, receipt, maintenance, treatment, manufacturing, storage, use, process, transportation, or disposal (the "Use") involving the Permitted Hazardous Materials are further described below [If limited to receiving and storage, so specify]:

Laboratory uses consisting of _____.

2. No Current Investigation. County represents and warrants that it is not currently subject to an inquiry, regulatory investigation, enforcement order, or any other proceeding regarding the generation, use, treatment, storage, or disposal of a Hazardous Material.

3. Indemnification. County's indemnity obligations under the Lease with respect to Hazardous Materials shall include the Use of Permitted Hazardous Materials.

4. Disposal Upon Lease Termination. At the expiration or earlier termination of the Lease Term, County, at its sole cost and expense, shall, in strict compliance with all applicable Environmental Requirements: (i) remove and dispose of any drums, containers, receptacles, structures, or tanks storing or containing (or which have stored or contained) Hazardous Materials and the contents thereof; (ii) remove, empty, and purge all underground and above ground storage tank systems, including connected piping, of all vapors, liquids, sludges, and residues; (iii) close out any permits, registrations, business plans, etc. with the relevant authorities; and (iv) complete the decontamination of any ventilation systems, structural elements, flooring, and other elements of the Project affected by such Use of Hazardous Materials. County's obligations under this paragraph shall survive any expiration or termination of this Lease.