

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: December 21, 2004
TO: **BOARD OF EDUCATION**
FROM: Dr. Joe A. Hairston, Superintendent
SUBJECT: **LEASE FOR BRIDGE CENTER**
ORIGINATOR: Rita Fromm, Chief of Staff

RECOMMENDATION

That the Board of Education approve the lease with Merritt-EC, LLC for property to house the Bridge Center.

Background Information:

Estimated Operating Funds Fiscal Impact: \$ \$18,600 per month for FY 05
Possible Funding Source: Operating Budget__

THIS LEASE, made this ____ day of _____, 2004 by and between MERRITT-EC, LLC, hereinafter called "Landlord," and BOARD OF EDUCATION OF BALTIMORE COUNTY, hereinafter called "Tenant."

WITNESSETH, that in consideration of the rental hereinafter agreed upon and the performance of all the conditions and covenants hereinafter set forth on the part of the Tenant to be performed, the Landlord does hereby lease unto the said Tenant, and the latter does lease from the former the following premises (hereinafter sometimes called the "premises"):

BEING those premises containing approximately 14,400 square feet and outlined in red on the Plat attached hereto as Exhibit A, said premises being located within the building known as 1740 Twin Springs Way, Suites A-D, Baltimore, Maryland 21227;

for the term of five (5) years, beginning on the later to occur of (a) March 1, 2005 provided Landlord has substantially completed all work and installations to be made by Landlord to the premises as provided in the Exhibits hereto ("Landlord's Work") or (b) the date of substantial completion of Landlord's Work, and the term shall end sixty (60) months following Lease commencement, at and for the following rentals:

Term:	Annual Rate:	Monthly Rate:	Per Sq. Ft.:
Year 1	\$223,200.00	\$18,600.00	\$15.50
Year 2	\$229,968.00	\$19,164.00	\$15.97
Year 3	\$236,736.00	\$19,728.00	\$16.44
Year 4	\$243,936.00	\$20,328.00	\$16.94
Year 5	\$251,280.00	\$20,940.00	\$17.45

(a) As used herein, the "First Rental Year" shall mean the period from the commencement of the Lease term to the end of the twelfth (12th) full calendar month thereafter; subsequent Lease years shall commence on the first (1st) day of the next month of the Lease term and on each anniversary thereafter. Tenant covenants and agrees to pay all rentals reserved hereunder to Landlord, without notice or demand, in advance, on the first (1st) day of each month during the term of this Lease, without setoff or deduction. The rental for any fractional monthly periods at the beginning or at the end of each Lease year shall be prorated on a per diem basis and shall be payable on the date upon which the Lease term commences, and on the first (1st) day of the last partial month of the Lease term, respectively. Tenant covenants and agrees that it will not prepay any rent more than one (1) month in advance without Landlord's prior written consent.

(b) All rentals shall be paid to MERRITT PROPERTIES, LLC at 2066 Lord Baltimore Drive, Baltimore, Maryland 21244, or at such other place or to such appointee of the Landlord as the Landlord may from time to time designate in writing.

This Lease is made subject to the following additional terms, covenants and conditions:

1. Payment of Rental.

Tenant covenants and agrees to pay the rental herein reserved and each installment thereof promptly when and as due, without setoff or deduction whatsoever. Tenant further agrees that it will not prepay rent more than one (1) month in advance without Landlord's prior written consent.

2. Use.

(a) Tenant covenants and agrees to use and occupy the premises solely for the following purposes:

EDUCATIONAL FACILITY

Tenant agrees to comply with all applicable zoning and other laws and regulations, and provide and install at its own expense any additional equipment or alterations required to comply with all such laws and regulations as required from time to time. Tenant will not permit, allow or cause any public or private auction sales or sheriffs' or constables' sales to be conducted on or from the premises. Tenant further covenants and agrees (i) to use the premises in a manner which does not interfere with the rights of quiet enjoyment of any other tenants of the building and which is not a nuisance, (ii) to maintain all mechanical equipment and sound producing or reproducing equipment within the premises in good working order free from vibration or noise which may interfere with the quiet enjoyment of other tenants of the building, and (iii) not to make any objectionable use of the premises to generate any objectionable odor therefrom.

(b) Tenant has advised Landlord that it intends to hold classes within the premises and that it will in no event have more than 120 people occupy the premises. Such classes will be conducted so that the number of people occupying the premises at any one time will not overburden the parking facilities adjacent to the building. All parking is free, unreserved and non-exclusive for the use of Tenant, its agents, employees and invitees and the other tenants of the building and their agents, employees and invitees. Tenant's use of the parking facilities shall not cause a violation of the parking ratio required by applicable Baltimore County law with respect to such facilities.

3. Utilities.

(a) Tenant agrees to pay as additional rent Tenant's pro rata share of the water rent and sewer service charges chargeable to the total building in which the premises are located, based upon the size of the premises in proportion to the total square footage of the building, which sum shall be due within thirty (30) days after Landlord's written demand. If required by Landlord, Tenant agrees that it will, upon written notice from Landlord, install a water meter and sewer service meter (if possible) at Tenant's expense and thereafter pay all water and sewer service charges for the premises based on such meter readings.

(b) Tenant shall also pay all costs of electricity, gas, telephone and other utilities used or consumed on the premises, together with all taxes, levies or other charges on such utilities. If Tenant defaults in payment of any such utilities, charges or taxes, and such default continues beyond any applicable notice and cure period herein set forth, Landlord may, at its option, pay the

same for and on Tenant's account, in which event Tenant shall promptly reimburse Landlord therefor.

(c) In addition, Tenant shall pay, as additional rent, 34.29% (being the same percentage which the square foot floor area of the premises bears to the entire leasable area of the building) of Landlord's costs of public service electric usage which is not separately metered for Tenant's premise. Tenant shall also pay 34.29% of the costs of public service electric usage for lighting the parking and other common areas, which sum shall be due within thirty (30) days after Landlord's demand.

(d) Landlord represents that utilities for HVAC, electricity and/or gas, water and water service which are necessary for the operation of the premises shall be available upon commencement of the Lease term and shall be in good working order. Tenant shall perform its own janitorial service within the premises and shall, at Tenant's sole cost, remove all trash from the premises and place it within the dumpster to be located at a location approved by Landlord outside the building. The cost of the dumpster shall be paid by Tenant.

4. Compliance with Laws.

(a) Tenant covenants and agrees that it will, at its own expense, observe, comply with and execute all laws, orders, rules, requirements and regulations of any and all governmental departments, bodies, bureaus, agencies and officers, and all rules, directions, requirements and recommendations of the local board of fire underwriters and the fire insurance rating organizations having jurisdiction over the area in which the premises are situated, or other bodies or agencies now or hereafter exercising similar functions in the area in which the premises are situated (collectively "Laws"), in any way pertaining to the premises or the use and occupancy thereof. In the event Tenant shall fail or neglect to comply with any of the Laws and such failure continues beyond any applicable notice and cure period herein set forth (provided that if such failure results in an emergency condition requiring immediate corrective action, no such notice or cure period shall be applicable), Landlord or its agents may enter the premises and take all such action and do all such work in or to the premises as may be necessary in order to cause compliance with such laws, orders, rules, requirements or recommendations, and Tenant covenants and agrees to reimburse Landlord promptly upon demand for the expense incurred by Landlord in taking such action and performing such work.

(b) Without limiting the generality of paragraph (a) hereof, Tenant shall at all times keep the premises in compliance with the Americans With Disabilities Act and its supporting regulations, and all similar Laws. If Landlord's consent would be required for alterations to bring the Premises into compliance, Landlord agrees not to unreasonably withhold its consent.

5. Assignment and Subletting.

(a) Tenant covenants and agrees not to assign this Lease, in whole or in part, nor sublet the premises, or any part or portion thereof, nor grant any license or concession for all or any part thereof, without the prior written consent of the Landlord in each instance first had and obtained, which consent shall not be unreasonably withheld, conditioned or delayed. If such assignment or subletting is permitted, Tenant shall not be relieved from any liability whatsoever

under this Lease. In the event that the amount of the rent or other consideration to be paid to the Tenant by any assignee or sublessee is greater than the rent required to be paid by the Tenant to the Landlord pursuant to this Lease, Tenant shall pay to Landlord any such excess as is received by Tenant from such assignee or sublessee. Any consent by Landlord to an assignment or subletting of this Lease shall not constitute a waiver of the necessity of such consent as to any subsequent assignment or subletting. An assignment for the benefit of Tenant's creditors or otherwise by operation of law shall not be effective to transfer or assign Tenant's interest under this Lease unless Landlord shall have first consented thereto in writing.

(b) In the event this Lease contains a renewal option exercisable by Tenant, Landlord's consent to an assignment or sublease of the premises or any portion thereof during the original Lease term shall be deemed to be conditioned upon the agreement of Tenant and such assignee or sublessee that such renewal right or option shall terminate and be of no further force or effect unless Landlord's consent to such assignment or sublease expressly provided otherwise. Consequently, unless so provided otherwise, any assignment or sublease during the original Lease term shall automatically constitute a termination of the right of Tenant or such assignee or sublessee to exercise any renewal option contained herein.

(c) In the event Tenant desires to assign this Lease or to sublease all or any substantial portion of the premises, Landlord shall have the right and option to terminate this Lease, which right or option shall be exercisable by written notice from Landlord to Tenant within thirty (30) days from the date Tenant gives Landlord written notice of its desire to assign or sublease.

(d) Notwithstanding any of the foregoing provisions of this Section 5, the use of the premises by an agency, department, board or commission of Tenant or of Baltimore County, as defined by Section 10-5-102 of the Baltimore County Code, as amended from time to time, or by an agency, department, board or commission of the State of Maryland, shall not be considered an assignment or subletting and may be done at the sole discretion of Tenant. Any such use of the premises as described in the preceding sentence shall not constitute grounds for Tenant's loss of its renewal rights under paragraph 5(b) or Landlord's right to terminate this Lease pursuant to paragraph 5(c).

6. Loading Capacity.

Tenant covenants and agrees not to load the premises beyond its present carrying or loading capacity.

7. Increase in Landlord's Insurance Rates.

Tenant will not do, or suffer to be done, anything in or about the premises, or keep or suffer to be kept, anything in or about the premises which will contravene or affect any policy of insurance against loss by fire or other hazards, including, but not limited to, public liability, now existing or which the Landlord may hereafter place thereon, or which will prevent the Landlord from procuring such policies in companies acceptable to Landlord at standard rates. Tenant agrees to pay for any increases in Landlord's insurance premiums caused by the occupancy of Tenant, the nature of the business carried on by Tenant in the premises, or otherwise resulting from any act of Tenant, its

agents, servants, employees or customers, or anything done or suffered to be done by Tenant, its agents, servants, employees or customers.

8. Insurance - Indemnity.

(a) Tenant covenants and agrees that from and after the earlier of the commencement of this Lease or the date of delivery of the premises from Landlord to Tenant, Tenant will carry and maintain, at its sole cost and expense and in the amounts specified and in the form hereinafter provided, the following types of insurance:

(i) Commercial General Liability. Commercial general liability insurance covering the premises and Tenant's use thereof against claims for bodily injury or death and property damage occurring upon, in or about the premises, such insurance to afford protection to the limit of not less than one million dollars (\$1,000,000) arising out of any one occurrence. The insurance coverage required under this Section 8(a)(i) shall, in addition, extend to any liability of Tenant arising out of Tenant's indemnities hereinafter provided, as well as Independent Contractors' Liability, Products/Completed Operations Liability, Personal Injury Liability and Contractual Liability. If such insurance contains an annual aggregate limit, the annual aggregate limit may not be diminished by claims occurring at locations other than the premises. Notwithstanding the foregoing, Tenant's Commercial General Liability Insurance shall not be required to exceed the limit of liability established under the applicable sovereign immunity statute (\$100,000.00 per occurrence as of the date of this Lease, provided that if such sovereign immunity statute is not applicable, Tenant shall be required to carry a combined single limit of \$1,000,000.00 as set forth above. Tenant may carry such insurance as part of group insurance provided Tenant furnishes Landlord a certificate as provided below showing that such insurance is in force.

Boilers. If Tenant's premises shall contain a boiler or other pressure vessel, Tenant shall carry Boiler and Machinery Insurance with a direct damage limit not less than the full value of the building in which Tenant's premises are situated. Such insurance shall be written on a "repair and replacement" (replacement cost) basis.

Tenant Improvements and Property. Insurance covering all leasehold improvements, and other improvements installed by Tenant upon the premises, trade fixtures and personal property from time to time in, on or upon the premises and any alterations, improvements, additions or changes made by Tenant thereto in an amount not less than ninety percent (90%) of their full replacement cost from time to time during the Lease term, providing protection against special causes of loss as defined within the property insurance form promulgated by the Insurance Services Office, Inc. Such insurance shall be on an agreed value (no coinsurance) basis and shall have a deductible of not more than one thousand dollars (\$1,000.00). Any policy proceeds from such insurance, so long as this Lease shall remain in effect, shall be held in trust by Tenant's insurance company first for the repair, reconstruction, restoration or replacement of any covered property in which Landlord has an insurable interest, before they are used for any other purpose.

(ii) Plate Glass. Plate glass insurance covering all plate glass in the premises. Tenant shall be and remain liable for the repair and restoration of all such plate glass.

(iii) Worker's Compensation. Worker's compensation insurance covering Tenant's employees for statutory benefits payable in the state in which the premises are located and including employer's liability insurance with limits of not less than one hundred thousand dollars (\$100,000.00) per accident, one hundred thousand dollars (\$100,000.00) per employee for disease and five hundred thousand dollars (\$500,000.00) as a policy limit for disease.

(b) All policies of insurance to be provided by Tenant shall be issued in form acceptable to Landlord by insurance companies with general policyholder's rating of not less than A: XI as rated in the most current available "Best's" Insurance Reports, and qualified to do business in the state in which the premises are located. Tenant shall deliver certificates of all insurance required to be carried by Tenant to Landlord within ten (10) days after the earlier of the commencement of this Lease or delivery of possession of the premises to Tenant and thereafter at least fifteen (15) days prior to the expiration of each such policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All such policies of insurance shall contain a provision that the company writing said policy will give to Landlord at least thirty (30) days' notice in writing in advance of any cancellations, or lapse, or the effective date of any reduction in the amounts of insurance. In the event Tenant shall fail to promptly furnish any insurance herein required, Landlord may effect the same and Tenant shall promptly reimburse Landlord upon demand, as additional rent, the premium so paid by Landlord. If, upon Tenant's failure, rather than purchase separate insurance coverage, Landlord chooses to include Tenant's coverage under Landlord's insurance policies, then Tenant shall promptly reimburse Landlord upon demand, as additional rent, the greater of the increase in Landlord's premium resulting therefrom or One Thousand Dollars (\$1,000.00). All such public liability, property damage and other casualty policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry. All such public liability and property damage policies shall contain a provision that Landlord shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant or any other named insured. Any insurance provided for may be affected by a policy or policies of blanket insurance, covering additional items or locations; provided, however, that (i) Landlord shall be named as an additional insured thereunder as its interests may appear; (ii) the coverage afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance; (iii) any such policy or policies (except any covering the risks referred to in paragraph [i]), shall specify therein (or Tenant shall furnish Landlord with a written statement from the insurers under such policy specifying) the amount of the total insurance allocated to the "Tenant Improvements and Property" more specifically detailed in paragraph (iii), above; and (iv) the requirements set forth herein are otherwise satisfied. Any insurance policies herein required to be procured by Tenant shall contain an express waiver of any right of subrogation by the insurance company against the Landlord, and all other tenants or occupants of space in the building.

(c) To the extent permitted by law, Tenant shall, and does hereby, indemnify and hold harmless Landlord from and against any and all liabilities, fines, claims, damages and actions, costs and expenses of any kind or nature (including reasonable attorneys' fees) (i) relating to or arising from the use and occupancy of the premises; (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 Tenant, or (iii) due to or arising out of any breach, violation or nonperformance of any covenant, condition or agreement in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, observed or performed, unless such damage or injury shall be occasioned by the negligence or willful act or omission of the Landlord, in which event, Landlord shall indemnify and hold harmless Tenant to the extent of such negligence or willful act or omission.

(d) To the extent permitted by law, Landlord shall and does hereby indemnify and hold harmless Tenant from and against any and all liabilities, fines, claims, damages and actions, costs and expenses of any kind or nature (including reasonable attorneys' fees) (i) relating to or arising from the use and occupancy of the building by Landlord, (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 Landlord, or (iii) due to or arising out of any breach, violation or non-performance of any covenant, condition or agreement in this Lease set forth on the part of Landlord to be fulfilled, kept, observed or performed, unless such damage or injury shall be occasioned by the negligence or willful act or omission of the Tenant, in which event, Tenant shall indemnify and hold harmless Landlord to the extent of such negligence or willful act or omission.

(e) Landlord agrees that it will secure and maintain all risk property insurance or group self-insurance which insures against or covers direct physical loss of or damage to the building in which the premises is located, on a replacement valuation basis, with limits of not less than ninety percent (90%) of the insurable replacement cost of the building. Landlord also agrees to secure and maintain, at its own expense, commercial general liability insurance or group self-insurance which insures against or covers bodily injury, property damage and personal injury claims arising from Landlord's ownership, maintenance or use of the building or operations incidental thereto, with a limit equal to or exceeding a combined single limit of \$1,000,000.00 for bodily injury or property damage.

(f) To the fullest extent permitted by law, the parties hereto hereby waive any right of recovery from each other for any loss or damage to the property of either (or resulting loss of income or extra expense) to the extent that such loss or damage is insured under or covered by insurance carried by the waiving party, or required to be carried by the waiving party, regardless of the cause of such loss or damage, including negligence on the part of either party, or its employees, agents, officials or volunteers. To the fullest extent permitted by law the parties hereto also on behalf of their respective insurers waive any right of subrogation against each other.

9. Alterations.

Tenant shall not make any alterations to the premises, or any part thereof, without prior written consent of Landlord in each instance first had and obtained, which consent shall not be unreasonably withheld, conditioned or delayed. If Tenant shall desire to make such alterations,

plans for the same shall first be submitted to and approved by Landlord, and all work and installations shall be performed by Tenant at its own expense in accordance with approved plans. Tenant agrees that all such work shall be done in a good and workmanlike manner, that the structural integrity of the building shall not be impaired, and that no liens shall attach to the premises by reason thereof. Tenant agrees to obtain, at Tenant's expense, all permits required for such alterations.

10. Ownership of Alterations.

Unless Landlord shall elect in writing, at the time Landlord consents to any alteration pursuant to Section 9, that all or part of any such alteration made by Tenant shall remain on the premises after the termination of this Lease, the premises shall be restored to their original condition by Tenant before the expiration of this Lease at Tenant's sole expense. Upon such election by Landlord, any such alterations, improvements, betterments or mechanical equipment, including but not limited to, heating and air conditioning systems, shall become the property of Landlord as soon as they are affixed to the premises, and all right, title and interest thereof of Tenant shall immediately cease. Tenant shall promptly pay any franchise, minor privilege or other tax or assessment resulting directly or indirectly from any alterations or improvements made by Tenant to the premises. Tenant shall repair promptly, at its own expense, any damage to the premises caused by bringing into the premises any property for Tenant's use, or by the installation or removal of such property, regardless of fault or by whom such damage shall be caused. Notwithstanding the foregoing provisions, so long as Tenant is not in default hereunder beyond any applicable cure and notice period, Tenant shall be entitled to remove any fixtures, equipment or furnishings furnished or supplied by Tenant at any time during the term hereof, and Tenant further agrees that unless any such default exists and has not been cured as aforesaid.

11. Repairs and Maintenance.

(a) Except as provided in the Exhibits hereto and elsewhere in this Lease, the premises are leased to Tenant "as is," and except as herein expressly provided, Landlord shall be under no liability, nor have any obligation to do any work or make any repairs in or to the premises, and any work which may be necessary to outfit the premises for Tenant's occupancy or for the operation of Tenant's business therein is the sole responsibility of Tenant and shall be performed by Tenant at its own cost and expense. Tenant and Landlord agree that the premises will be delivered in accordance with the attached Exhibits, and Landlord warrants and represents that at the commencement of the Lease term all HVAC, wiring, electrical, plumbing and other facilities serving the premises shall be built-out in good working order and good condition. Tenant shall have an opportunity to inspect the premises and all such facilities prior to the commencement of the Lease term. Except as otherwise provided in this Lease Tenant acknowledges that Landlord has made no warranties or representations with respect to the condition or state of repairs of the premises.

(b) Tenant will, during the term of this Lease, keep the premises and appurtenances (including windows, doors, plumbing, heating and electrical facilities and installations) in good order and repair and will make all necessary repairs thereof at its own expense, except that Landlord will make all necessary repairs (except painting) to the exterior masonry walls and roof of the building. Landlord will be responsible for all structural repairs to the

building and/or replacements including HVAC units servicing the premises provided Tenant has a maintenance agreement with Landlord. Landlord will be responsible for the repairs to the common areas, provided Tenant gives Landlord written notice of the need for such repairs, and Landlord shall have a reasonable time in which to complete such repairs. Tenant agrees to carry, throughout the term of this Lease and any renewal or extensions hereof, a maintenance and/or service agreement or policy on the HVAC system in the demised premises, or at Tenant's option, Tenant may secure such maintenance and/or service agreement or policy from Landlord, in which event Tenant will pay Landlord's standard charges within thirty (30) days after receipt of Landlord's invoice for the same. Tenant shall provide Landlord with a copy of such policy or a certificate evidencing such coverage, prior to the commencement of the Lease term. In the event that the repairs required to be made by Landlord are necessitated as a result of negligence or misuse by Tenant, its agents, servants, employees, licensees or guests, or by any contractor engaged by or on behalf of Tenant, such repairs shall be made by and be paid for by Tenant. Tenant also agrees to pay as additional rent 34.29% of Landlord's cost of snow and ice removal from the parking and other common areas adjacent to the building. Tenant will, at the expiration of the term or at the sooner termination thereof by forfeiture or otherwise, deliver up the premises in the same good order and condition as they were at the beginning of tenancy, reasonable wear and tear excepted. Tenant further agrees that it will maintain the premises at its own expense in a clean, orderly and sanitary condition, free of insects, rodents, vermin, and other pests; and that it will not permit undue accumulation of garbage, trash, rubbish or other refuse, but will remove the same at its own expense and will keep such refuse in proper containers within the interior of the premises until called for to be removed. Tenant further agrees that it will not install any additional electrical wiring or plumbing unless it has first obtained Landlord's written consent thereto, and, if such consent is given, Tenant will install the same at its own cost and expense, and Tenant shall obtain, at Tenant's expense, all permits required for such installation.

(c) In the event Tenant shall not proceed promptly and diligently to make any repairs or perform any obligation imposed upon it by subparagraphs (a) and (b) hereof beyond any applicable period of notice and cure after receiving written notice from Landlord to make such repairs or perform such obligation, then and in such event, Landlord may, at its option, enter the premises and do and perform the things specified in said notice, without liability on the part of Landlord for any loss or damage resulting from any such action by Landlord, and Tenant agrees to pay promptly upon demand any cost or expense incurred by Landlord in taking such action. Notwithstanding the foregoing, if Tenant's failure to make any such repairs or perform any such obligation results in an emergency condition endangering health or safety, Landlord may enter the premises and perform Tenant's obligations as set forth in the preceding sentence without prior notice to Tenant.

12. Tax and Insurance Escalation.

(a) The premises hereby leased comprise approximately thirty-four and twenty-nine hundredths percent (34.29%) of the total land and/or building(s) within which the premises are located.

(b) Tenant covenants and agrees to pay Landlord, as additional rent, thirty-four and twenty-nine hundredths percent (34.29%) of any increase in real estate taxes assessed against the land and/or building(s) in excess of the taxes for the 2004/2005 fiscal year whether as a result of

an increase in the assessment or tax rate, or the levy, assessment or imposition of any tax on real estate as such not now levied, assessed or imposed, which payment shall be due and payable within fifteen (15) days after Landlord's written demand. The foregoing shall apply to increases in real estate taxes assessed against the land or building(s) generally, and not resulting from improvements placed thereon by Tenant. In the event of any increases in real estate taxes resulting from improvements, alterations or additions made by Tenant, Tenant shall pay the entire amount of said increase. If this Lease shall be in effect for less than a full fiscal year, Tenant shall pay a pro rata share of taxes, based upon the number of months that this Lease is in effect. "Taxes" as used herein shall include, but not by way of limitation, all paving taxes, special paving taxes, Metropolitan District charges, and any and all other benefits or assessments which may be levied on the premises or the land or building(s) in which the same are situate (including any Owner's or Community Association to which to land is subject), but shall not include any income tax on the income or rent payable hereunder. "Taxes" shall also include all reasonable expenses incurred by Landlord (including attorneys' fees and costs) in contesting any increase in, or applying for any reduction of, a tax assessment.

(c) Tenant also covenants and agrees to pay Landlord, as additional rent, thirty-four and twenty-nine hundredths percent (34.29%) of any increase in insurance premiums (as hereinafter defined) in excess of the annualized premiums for the most recent policy period prior to the commencement of this lease, which payment shall be due and payable within thirty (30) days after Landlord's written demand. As used herein, "insurance premiums" means the total premium cost of all insurance carried by Landlord with respect to the total land and building(s) within which the premises are located, including, but not limited to, all Real Property and Rental Value perils insured against under an "All Risk" insuring agreement, primary General Liability insurance and Umbrella and/or Excess Liability insurance.

13. Default.

(a) Any of the following events shall constitute a default by Tenant:

(i) If the rent (basic or additional) shall be in arrears, in whole or in part for ten (10) days after written notice from Landlord; or

(ii) If Tenant shall have failed to perform any other term, condition, or covenant of this Lease on its part to be performed for a period of thirty (30) days after notice of such failure from Landlord, provided that if such failure is not capable of being cured within thirty (30) days, Tenant shall have additional time as required to effect such cure if within such thirty (30) day period Tenant commences a cure and thereafter diligently prosecutes the same to completion; or

(iii) If the premises are vacant, unoccupied or deserted for a period of sixty (60) days or more at any time during the term; or

(iv) If Tenant is adjudicated a bankrupt or insolvent by any court of competent jurisdiction, or if any such court enters an order, judgment or decree finally approving any petition against Tenant seeking reorganization, liquidation, dissolution or similar relief or if a receiver, trustee, liquidator or conservator is appointed for all or

substantially all of Tenant's assets and such appointment is not vacated within ten (10) days after the appointment, or if Tenant seeks or consents to any of the relief hereinabove enumerated in this subparagraph (iv) or files a voluntary petition in bankruptcy or insolvency or makes an assignment of all or substantially all of its assets for the benefit of creditors or admits in writing of its inability to pay its debts generally as they come due or files Articles of Dissolution, or similar writing indicating its intention to wind up or liquidate its business, with the appropriate authority of the place of its incorporation; or

(v) If Tenant's leasehold interest under this Lease is sold under execution, attachment or decree of court to satisfy any debt of Tenant, or if any lien (including a mechanic's lien) is filed against Tenant's leasehold interest and is not discharged within ten (10) days thereafter.

(b) Upon the happening of an Event of Default as defined in paragraph (a) hereof, Landlord, in addition to any and all legal and equitable remedies it may have, shall have the following remedies:

(i) To distrain for any rent or additional rent in default; and

(ii) At any time after default, without further notice except as provided in Section 13(a) above, to declare this Lease terminated and enter the premises with legal process; and in such event Landlord shall have the benefit of all provisions of law now or hereafter in force respecting the speedy recovery of possession from Tenant's holding over or proceedings in forcible entry and detainer, and Tenant waives any and all provisions for notice under such laws.

Notwithstanding such reentry and/or termination, Tenant shall immediately be liable to Landlord for the sum of the following: (a) all rent and additional rent then in arrears, without apportionment to the termination date; (b) all other liabilities of Tenant and damages sustained by Landlord as a result of such Event of Default, including, but not limited to, the reasonable costs of reletting the premises and any broker's commissions payable as a result thereof; (c) all of Landlord's costs and expenses (including reasonable counsel fees) in connection with such default and recovery of possession; (d) the difference between the rent reserved under this Lease for the balance of the term and the fair rental value of the premises for the balance of the term to be determined as of the date of reentry; or at Landlord's option in lieu thereof, Tenant shall pay the amount of the rent and additional rent reserved under this Lease at the times herein stipulated for payment of rent and additional rent for the balance of the term, less any amount received by Landlord during such period from others to whom the premises may be rented on such terms and conditions and at such rentals as Landlord, in its sole discretion, shall deem proper; and (e) any other damages recoverable by law. If Tenant commits an Event of Default, Tenant shall pay to Landlord all reasonable costs and expenses incurred by Landlord as a result thereof, including a reasonable attorney's fee.

(c) In the event Tenant fails to pay Landlord any rental payment or other charge due hereunder within ten (10) days after the date due, Tenant shall pay a late charge equal to ten

percent (10%) of the rental payment or other such charge, which late charge shall be collectible as additional rent and shall be payable by Tenant to Landlord within thirty (30) days after written notice from Landlord to Tenant assessing the same. In addition, any such rental payment or other charge which is delinquent for five (5) days or more, shall bear interest from the date on which same was due at the prime rate of interest then being charged by M & T Bank (the "Default Rate").

(d) Landlord agrees to use commercially reasonable efforts to mitigate its damages in the event Landlord re-enters the premises because of Tenant's default.

14. Damage or Destruction.

(a) If, during the Lease term, the premises hereby leased are damaged by fire or other casualty, but not to the extent that Tenant is prevented from carrying on business in the premises, Landlord shall promptly cause such damage to be repaired; if such damage renders a substantial portion of the premises untenable, the rent reserved hereunder (except Tenant's share of any charges for water) shall be reduced during the period of its untenability proportionately to the amount by which the area so rendered untenable bears to the entire area leased hereunder, and such reduction shall be apportioned from the date of the casualty to the date when the leased premises are rendered fully tenantable. Notwithstanding the foregoing, in the event such fire or other casualty damages or destroys any of Tenant's leasehold improvements, alterations, betterments, fixtures or equipment, Tenant shall cause the same to be repaired or restored at Tenant's sole cost and expense and Landlord shall have no liability for the restoration or repair thereof.

(b) If, during the Lease term, the premises or a substantial portion of the building in which the premises is situated are rendered wholly untenable as the result of fire, the elements, unavoidable accident or other casualty, Landlord shall have the option either to restore the premises to their condition immediately prior to the casualty or to terminate this Lease, such option shall be exercised by Landlord by written notice to Tenant within thirty (30) days after the fire, accident or casualty. In the event of such termination, the rent reserved hereunder shall be adjusted as of the date of the fire, accident or casualty. If Landlord elects to restore the premises, such restoration shall be completed as promptly as reasonably possible and the rent reserved hereunder shall abate until the premises are again rendered tenantable.

(c) Notwithstanding any of the foregoing provisions of this Section 14, if Landlord elects to repair or restore the premises, but Landlord fails to substantially restore the same within one hundred eighty (180) days following the date of such fire or other casualty, Tenant shall have the right to terminate this Lease by written notice of termination to Landlord given after the expiration of such one hundred eighty (180) day period so long as such notice is given prior to Landlord's substantial restoration of the premises. Further, if the premises is rendered wholly untenable during the last year of the Lease term or during any renewal term, Tenant shall have the right to terminate this Lease by written notice to Landlord given within thirty (30) days following the date of such fire or other casualty.

15. Possession.

In case possession of the premises, in whole or in part, cannot be given to Tenant on or before the commencement of the term of this Lease, Landlord agrees to abate the rent proportionately until possession is given to Tenant, and Tenant agrees to accept such pro rata abatement as liquidated damages for the failure to obtain possession on the commencement date herein specified. The parties hereto covenant and agree that if the term of this Lease commences on a date other than the date herein specified, they will, upon the request of either of them, execute an agreement in recordable form setting forth the new commencement and termination dates of the Lease term. Under no circumstances shall Landlord be under any liability for failure to deliver possession of the premises to Tenant on the date herein specified.

16. Exterior of Premises - Signs.

(a) Tenant covenants and agrees that it will not place or permit any sign, billboard, marquee, lights, awning, poles, placard, advertising matter, or other thing of any kind (collectively "Sign"), in or about the exterior of the premises or the building in which the premises are situate, nor paint or make any change in, to or on the exterior of said premises to change the uniform architecture, paint or appearance of the building, without in each such instance obtaining the prior written consent of Landlord. In the event such consent is given, Tenant agrees to pay any minor privilege or other tax arising as a result of any such installation immediately when due. Tenant shall obtain, at Tenant's expense, all permits required for such installation. Tenant further agrees to maintain any Sign as may be approved by Landlord in good condition and repair at all times.

(b) Tenant further covenants and agrees not to pile or place anything on the sidewalk, parking lot or other exterior portion of the premises or building or in the front, rear or sides of the building, nor block the sidewalk, parking lot or other exterior portion of the premises or building, nor do anything that directly or indirectly will interfere with any of the rights of ingress or egress or of light from any other tenant, nor do anything which will, in any way, change the uniform and general design of any property of Landlord in which the premises are situate. In the event this Lease covers all or substantially all of an entire building, Tenant agrees to keep all sidewalks, steps and porches free and clear of ice, snow and debris.

17. [Intentionally omitted].

18. For Rent/Sale Signs.

Upon thirty (30) days prior notice to Tenant, Landlord shall have the right to place a "For Rent" sign on any portion of said premises for six (6) months prior to termination of this Lease and to place a "For Sale" sign thereon at any time. During such six-month period, Landlord may show the premises and all parts thereof to prospective tenants between the hours of 9:00 a.m. and 5:00 p.m. on any day except Sunday or any legal holiday on which Tenant shall not be open for business.

19. Water and Other Damage.

Landlord shall not be liable for, and Landlord is hereby released and relieved from, all claims and demands of any kind by reason of or resulting from damage or injury to person or property of Tenant or any other party, directly or indirectly caused by (a) dampness, water, rain or snow, in any

part of the premises or in any part of any other property of Landlord or of others, and/or (b) falling plaster, steam, gas, electricity, or any leak or break in any part of the premises or from any pipes, appliances or plumbing or from sewers or the street or subsurface or from any other place or any part of any other property of Landlord or of others or in the pipes of the plumbing or heating facilities thereof, unless caused by the negligence of Landlord, its agents, employees or contractors.

20. Right of Entry.

Landlord and its agents, servants, employees, including any builder or contractor employed by Landlord, shall have the absolute and unconditional right, license and permission, at any and all reasonable times, to enter and inspect the premises or any part thereof, and at the option of Landlord, to make such reasonable repairs and/or changes in the premises as Landlord may deem necessary or proper and/or to enforce and carry out any provision of this Lease. Landlord shall give Tenant 24 hours notice to enter the premises except in the case of an emergency and Landlord will use reasonable efforts not to interrupt Tenant's business.

21. Termination of Term.

(a) It is agreed that the term of this Lease shall expire and terminate at the end of the original term hereof (or at the expiration of the last renewal term, if this Lease contains a renewal option and the same is properly exercised), without the necessity of any notice by or to any of the parties hereto, unless otherwise provided herein. If Tenant shall occupy the premises after such expiration or termination, it is understood that Tenant shall hold the premises as a tenant from month-to-month, subject to all the other terms and conditions of this Lease, at an amount equal to 125% of the highest monthly rental installment reserved in this Lease. Landlord shall, upon such expiration or termination of this Lease, be entitled to the benefit of all public general or local laws relating to the speedy recovery of possession of lands and tenements held over by Tenants that may be now in force or may hereafter be enacted.

(b) At the time Tenant surrenders the premises to Landlord, the premises shall be in compliance with all applicable building code requirements insofar as such requirements relate to Tenant's use and occupancy of the premises or to any installations, alterations or improvements made by Tenant thereto.

22. Condemnation.

(a) If, during the term of this Lease, all or a substantial part of the premises shall be taken by or under power of eminent domain, this Lease shall terminate as of, and the rent (basic and additional) shall be apportioned to and abate from and after, the date of taking. Except as set forth in paragraph (d) below, Tenant shall have no right to participate in any award or damages for such taking and hereby assigns all of its right, title and interest therein to Landlord. For the purposes of this paragraph, "a substantial part of the premises" shall mean such part that the remainder thereof is rendered inadequate for Tenant's business and that such remainder cannot practicably be repaired and improved so as to be rendered adequate to permit Tenant to carry on its business with substantially the same efficiency as before the taking.

(b) If, during the Lease term, less than a substantial part of the premises (as hereinabove defined) is taken by or under power of eminent domain, this Lease shall remain in full force and effect according to its terms; and except as set forth in paragraph (d) below, Tenant shall

not have the right to participate in any award or damages for such taking and Tenant hereby assigns all of its right, title and interest in and to the award to Landlord. In such event Landlord shall, at its expense, promptly make such repairs and improvements as shall be necessary to make the remainder of the premises adequate to permit Tenant to carry on its business to substantially the same extent and with substantially the same efficiency as before the taking; provided that in no event shall Landlord be required to expend an amount in excess of the award received by Landlord for such taking. If, as a result of such taking, any part of the premises is rendered permanently unusable, the basic annual rent reserved hereunder shall be reduced in such amount as may be fair and reasonable, which amount shall not exceed the proportion which the area so taken or made unusable bears to the total area which was usable by Tenant prior to the taking. If the taking does not render any part of the premises unusable, there shall be no abatement of rent.

(c) For purposes of this section, “taking” shall include a negotiated sale or lease and transfer of possession to a condemning authority under bona fide threat of condemnation for public use, and Landlord alone shall have the right to negotiate with the condemning authority and conduct and settle all litigation connected with the condemnation. As hereinabove used, the words “award or damages” shall, in the event of such sale or settlement, include the purchase or settlement price.

(d) Nothing herein shall be deemed to prevent Tenant from claiming and receiving from the condemning authority, if legally payable, compensation for the taking of Tenant’s own tangible property and such amount as may be payable by statute or ordinance toward Tenant’s removal and relocation expenses.

23. Subordination.

Tenant covenants and agrees that all of Tenant’s rights hereunder are and shall be subject and subordinate to the lien of any mortgage hereafter placed on the premises or any part thereof, except the Tenant’s personal property or trade fixtures, and to any and all renewals, modifications, consolidations, replacements, extensions or substitutions of any first mortgage. Such subordination shall be automatic, without the execution of any further subordination agreement by Tenant. If, however, a written subordination agreement, consistent with this provision, is required by a mortgagee, Tenant agrees to execute, acknowledge and deliver the same within thirty (30) days after Landlord’s written request.

24. Landlord’s Right to Perform Tenant’s Covenants.

If Tenant shall fail to perform any covenant or duty required of it by this Lease or by law, Landlord shall have the right (but not the obligation) to perform the same, and if necessary to enter the premises for such purposes without notice. The reasonable cost thereof to Landlord shall be deemed to be additional rent hereunder payable by Tenant, and Landlord shall have the same rights and remedies with respect to such additional rent as Landlord has with respect to the rental reserved hereunder.

25. Attornment.

(a) If Landlord assigns this Lease or the rents hereunder to a creditor as security for a debt, Tenant shall, after written notice to Tenant of such assignment and upon demand by

Landlord or the assignee, Tenant shall pay all sums thereafter becoming due Tenant hereunder to such assignee. Tenant shall also, upon receipt of such notice, have all policies of insurance required hereunder endorsed so as to protect the assignee's interest as it may appear and shall deliver such policies, or certificates thereof, to the assignee.

(b) If, at any time during the term of this Lease, the Landlord of the leased premises shall be the holder of a leasehold estate covering premises which include the leased premises, and if such leasehold shall terminate or be terminated for any reason, or if, at any time during the term of Lease a mortgage to which this Lease is subordinate shall be foreclosed, Tenant agrees at the election and upon demand of any owner of the premises which include the leased premises, or of any mortgagee in possession thereof, or of any holder of a leasehold thereafter affecting premises which include the leased premises, or of any purchaser at foreclosure, to attorn, from time to time, to any such owner, mortgagee, holder or purchaser upon the terms and conditions set forth herein for the remainder of the term demised in this Lease. Provided however, that Tenant shall not be obligated to attorn unless, if Tenant shall so request in writing, such holder, owner, mortgagee or purchaser shall execute and deliver to Tenant an instrument wherein said holder, owner, mortgagee or purchaser agrees that so long as Tenant performs all the terms, covenants and conditions of this Lease, on Tenant's part to be performed, Tenant's possession under the provisions of this Lease shall not be disturbed by such holder, owner, mortgagee or purchaser.

(c) The foregoing provisions shall inure to the benefit of any such owner, mortgagee, holder or purchaser and shall apply notwithstanding that this Lease may terminate upon the termination of any such leasehold estate or upon such foreclosure, and shall be self-operative upon any such demand, without requiring any further instrument to give effect to such provisions. Tenant, however upon demand of any such owner, mortgagee, holder or purchaser, agrees to execute, from time to time a reasonable instrument in confirmation of the foregoing provisions, reasonably satisfactory to any such owner, mortgagee, holder or purchaser, in which Tenant shall acknowledge such attornment and set forth herein and shall apply for the remainder of the term originally demised in this Lease.

26. Non-Waiver of Future Enforcement.

The receipt of rent by Landlord, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provisions of this Lease. No failure on the part of Landlord or of the Tenant to enforce any covenant or provision herein contained nor any waiver of any right hereunder by Landlord or Tenant, shall discharge or invalidate such covenant or provision or affect the right of Landlord or Tenant to enforce the same in the event of any subsequent default. The receipt by Landlord of any rent or any sum of money or any other consideration hereunder paid by Tenant after the termination, in any manner, of the term herein demised, or after the giving by Landlord of any notice hereunder to effect such termination, shall not reinstate, continue or extend the term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by Landlord to Tenant prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Landlord. Neither acceptance of the keys nor any other act or thing done by

Landlord or any agent or employee during the term herein demised shall be deemed to be an acceptance of a surrender of said premises, excepting only an agreement in writing signed by Landlord accepting or agreeing to accept such surrender.

27. Personal Property Taxes.

Tenant shall be responsible for and shall pay any taxes or assessments levied or assessed during the term of this Lease against any leasehold interest of Tenant or personal property or trade fixtures of Tenant of any kind, owned by Tenant or placed in, upon or about the premises by Tenant.

28. Recordation of Lease.

Tenant agrees that it will, upon Landlord's request, execute a Memorandum of the Lease in a form suitable for recording under applicable Maryland law. The party recording such Memorandum of Lease shall pay all costs of recordation, including transfer taxes and documentary stamp taxes thereon.

29. Notices.

Any notice required by this Lease shall be sent by certified mail or by a recognized overnight delivery service such as Federal Express with a receipt by addressee to Landlord at: 2066 Lord Baltimore Drive, Baltimore, Maryland 21244. Any notice required by this Lease shall be sent by certified mail to Tenant at:

Attn: Don J. Dent, Executive Director
Planning and Support Operations
1040 G Greenspring Drive
Timonium, Maryland 21093

and

Nevett Steele, Jr.,
Assistant County Attorney for the Board of Education of Baltimore County
6901 Charles Street
Towson, Maryland 21204

Either party may, at any time, or from time to time, designate in writing a substitute address for that above set forth, and thereafter all notices to such party shall be sent by certified mail to such substitute address.

30. Waiver of Jury Trial.

THE LANDLORD AND THE TENANT WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS LEASE. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS LEASE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE TENANT AND THE TENANT

ACKNOWLEDGES THAT NEITHER THE LANDLORD, NOR ANY PERSON ACTING ON BEHALF OF THE LANDLORD, HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE TENANT FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS LEASE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, IN THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

31. Severability.

(a) It is agreed that, for the purpose of any suit brought or based on this Lease, this Lease shall be construed to be a divisible contract, to the end that successive actions may be maintained thereon as successive periodic sums shall mature or be due hereunder, and it is further agreed that failure to include in any suit or action any sum or sums then matured or due shall not be a bar to the maintenance of any suit or action for the recovery of said sum or sums so omitted.

(b) If any terms, clause or provision of this Lease is declared invalid by a court of competent jurisdiction, the validity of the remainder of this Lease shall not be affected thereby but shall remain in full force and effect.

32. Successors and Assigns.

(a) Except as herein provided, this Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Tenant, its successors and assigns, and shall inure to the benefit of Tenant and only such assignees of Tenant to whom an assignment by Tenant has been consented to in writing by Landlord. In the event more than one person, firm or corporation is named herein as Tenant, the liability of all parties named herein as Tenant shall be joint and several.

(b) In the event Landlord's interest under this Lease is transferred or assigned and written notice thereof is given to Tenant, the Landlord herein named (or any subsequent assignee or transferee of Landlord's interest under this Lease who gives such notice to Tenant) shall automatically be relieved and released from and after the date of such transfer or conveyance from all liability hereunder accruing after such transfer or assignment. Further, Tenant specifically agrees to look solely to Landlord's interest in the building for the recovery of any judgment from Landlord, it being agreed that Landlord shall never be personally liable for any such judgment. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any other action not involving the personal liability of Landlord to respond in monetary damages from assets other than Landlord's interest in the building or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord.

33. [Intentionally Omitted].

34. Notices to Mortgagee.

Tenant agrees that a copy of any notice of default from Tenant to Landlord shall also be sent to the holder of any mortgage or deed of trust on the premises; provided Tenant has been given written notice of the fact that such mortgage or deed of trust has been made and the name and address of the mortgagee or holder of the deed of trust; and Tenant shall allow said mortgagee or holder a reasonable time, not to exceed sixty (60) days from the receipt of said notice, to cure, or cause to be cured, any such default. If such default cannot reasonably be cured within the time specified herein, then such additional time as may be necessary shall be allowed, provided the curing of such default is commenced and diligently pursued (including, but not limited to, commencement of foreclosure proceedings if necessary to effect such cure) in which event this Lease shall not be terminated while such remedies are being thus diligently pursued.

35. Estoppel Certificate.

Tenant shall, at any time and from time to time during the term of this Lease or any renewal thereof, upon request of Landlord, execute, acknowledge, and deliver to Landlord or its designee, a statement in writing, certifying that this Lease is unmodified and in full force and effect if such is the fact (or if there have been any modifications thereof, that the same is in full force as modified and stating the modifications), the dates to which the rents and other charges have been paid in advance, if any, and any defaults or claimed defaults by Landlord. Any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of the estate of Landlord or by the mortgagee or any assignee of any mortgagee or the trustee or beneficiary of any deed of trust constituting a lien on the premises or upon property in which the premises are situate.

36. Environmental Provisions.

(a) Tenant and its successors and assigns shall use and operate the building, the property and the leased premises, respectively, at all times during the term hereof, under and in compliance with all federal and State of Maryland laws and regulations, and in compliance with all applicable Environmental Legal Requirements. "Environmental Legal Requirements" shall mean any applicable law relating to public health, safety or the environment, including, without limitation, relating to releases, discharges or omissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls ("PCB's") or asbestos, or asbestos containing products, to the disposal, treatment, storage or management of solid or other hazardous or harmful wastes or to exposure to toxic, hazardous or other harmful materials (collectively "Hazardous Substances") to the handling, transportation, discharge or release of gaseous or liquid substance and any regulation or final order or directive issues pursuant to such statute or ordinance, in each case applicable to the premises, the building or its operation, construction or modification, including without limitation the following: the Clean Air Act, the Federal Water Pollution Control Act ("FWPCA"), the Safe Drinking Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, as amended by the Solid and Hazardous Waste Amendments of 1984 ("RCRA"), the Occupational Safety and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Solid Waste Disposal Act, and any state statutes addressing similar matters, and any

state statute providing for financial responsibility for clean-up or other actions with respect to the release or threatened release of any of the above-referenced substances.

(b) Tenant hereby indemnifies and saves Landlord harmless from all liabilities and claims arising from the use, storage or placement of any Hazardous Substances upon the premises or elsewhere within the Building or property of Landlord (if brought or placed thereon by Tenant, its agents, employees, contractors or invitees); and Tenant shall (i) within thirty (30) days after written notice thereof, take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Legal Requirements and (ii) within thirty (30) days after written demand therefor, reimburse Landlord for any amounts expended by Landlord to comply with any Environmental Requirements with respect to the premises or with respect to any other portions of Landlord's Building or property as the result of the placement or storage of Hazardous Substances by Tenant, its agents, employees, contractors or invitees, or in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines or other penalty payments.

(c) For purposes of this provision, Tenant shall be deemed to have violated the Environmental Legal Requirements if (i) any notice or order is directed to either Landlord or Tenant by any governmental agency, body, or court alleging that such violation has occurred; or (ii) if Landlord obtains and delivers to Tenant a report prepared by an engineer or other party engaged in the business of testing or determining the existence of Hazardous Substances, which report states that there are Hazardous Substances used, stored or placed upon the premises. In the event Tenant is deemed to have violated any of the Environmental Legal Requirements as set forth in the preceding sentence, Landlord shall have the right and option, after fifteen (15) days prior written notice to Tenant, to terminate this lease by written notice thereof to Tenant, in which event Landlord shall retain all rights and remedies, and Tenant shall be subject to all liabilities, set forth in Article 13 of this lease notwithstanding such termination. Notwithstanding the foregoing provisions, Tenant shall have the right to contest, at Tenant's sole cost, any such notice from a governmental agency, body or court or any such report prepared by an engineer or other party engaged in the business of testing or determining the existence of Hazardous Substances, provided that if such contest postpones compliance with any such notice, order or report and thereby renders the premises or the remainder of the building subject to life safety or other hazards, Tenant shall nevertheless be required to immediately have such work performed as may be necessary in order to fully remediate the condition causing such safety or other hazards.

37. Captions.

The captions of the various sections of this Lease are for convenience only and are not a part of this Lease. Such captions shall not be construed to define or limit any of the provisions of this Lease.

38. Final and Entire 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.

39. Tenant Representative.

The name, address and telephone number of Tenant's representative to be contacted in event of emergency:

Don J. Dent, Executive Director
Planning and Support Operations
1040 G Greenspring Drive
Timonium, Maryland 21093

Phone No. 410-887-7821

40. Additional Rent.

All sums of money required to be paid by Tenant to Landlord pursuant to the terms of this Lease, unless otherwise specified herein, shall be considered additional rent and shall be collectible by Landlord as additional rent, in accordance with the terms of this Lease. Nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder or to limit any other remedy of Landlord.

41. Additional Items.

Landlord shall deliver the premises "turn-key" per the attached floor plan, attached as Exhibit B, and the attached workletter, attached as Exhibit C. The approved specifications describe the work and materials that are the responsibility of the Landlord, with noted exceptions that are to be performed by the Tenant. Landlord will make all reasonable efforts to substantially complete all Tenant Improvements in accordance with the attached Exhibits within sixty (60) days after the lease execution date.

42. Time.

Time is of the essence for all purposes in this Lease.

43. Quiet Enjoyment.

Landlord represents that it has the right and capacity to enter into this Lease. Landlord covenants and agrees that, upon Tenant's paying the rent and performing and observing all of Tenant's Lease obligations, Tenant may peaceably and quietly have, hold and enjoy the premises for the term of this Lease without hindrance or molestation by anyone claiming paramount title or claims through Landlord, subject, however, to all of the covenants, agreements, terms and conditions and other obligations of this Lease. It is understood and agreed that this provision shall be binding upon Landlord, its successors and assigns in interest, only with respect to such breaches occurring during Landlord's and its successors and assigns in interests' respective ownership of Landlord's interest hereunder.

44. Renewal Terms.

Provided Tenant is not then in default hereunder beyond any applicable notice and cure period, Tenant shall have the right and option to extend the term of this Lease for two (2) renewal terms of five (5) years each, provided Tenant gives Landlord written notice of its exercise of its option to renew not later than one hundred eighty (180) days prior the expiration of the then current Lease

term. If Tenant gives such notice in a timely manner, this Lease shall be extended for the renewal term as to which such notice is given under the same terms and conditions as are herein set forth except that (i) Landlord shall not be required to perform any work or make any installations in or to the premises as provided in Exhibits B and C hereto; and (ii) the base annual rental for the first year of each such renewal term shall be the then market rate (which is the same rental rate then being charged for comparable buildings in the same market area), but not less than the rental rate for the last year of the preceding term. The rental as so determined for the first year of the renewal term shall be increased by three percent (3%) per annum for each succeeding year of the renewal term.

AS WITNESS the hands of the parties hereto the date and year first above written.

WITNESS:

MERRITT-EC, LLC

By: MERRITT MANAGEMENT CORPORATION, AGENT

By: _____ (SEAL)
Landlord

WITNESS/ATTEST:

BOARD OF EDUCATION OF BALTIMORE COUNTY

By: _____ (SEAL)

Joe A. Hairston

Superintendent Of Schools

Baltimore County Public Schools

By: _____

James R. Sasiadek

President

Board of Education of Baltimore County

APPROVED FOR LEGAL FORM
COUNTY AND SUFFICIENCY*

(SUBJECT TO EXECUTION BY THE AUTHORIZED
SUPERINTENDENT AND PRESIDENT OF THE
BOARD OF EDUCATION OF BALTIMORE COUNTY)

Office Of The County Attorney

*Approval of Legal Form and Sufficiency Does Not Convey
Approval Or Disapproval of the Substantive Nature of this
Transaction. Approval is Based Upon Typeset Document-
All Modifications Require Re-approval..

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MERRITT-EC, LLC, LANDLORD
AND BOARD OF EDUCATION OF BALTIMORE COUNTY, TENANT**

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December 6, 2004

Note: Items in *Italics* are Merritt's standard warehouse office specifications, all other items are requirements of Baltimore County Public Schools.

GENERAL:

Codes – Area to be constructed based on mixed use / educational use group requirements of the current building; plumbing and electrical codes adopted by Baltimore County, Maryland; NFPA 101 Life Safety Code and ASHREA Standard 62-2001 Ventilation for Acceptable Indoor Air Quality.

Electrical – all data conduits to be minimum 1" EMT. All locations indicating empty boxes and conduits to be provided with pull sting.

Computer Power – Provide UL K-13 120/208V primary B 120/208V secondary shielded isolation transformer (75KVA minimum size) for all dedicated computer outlet circuits. Provide 225A 120/208V, 3 Phase, MCB 84 space double section panelboard for all dedicated computer outlet circuits. Panelboard shall be provided with an isolated ground and 200% neutral. Provide transient surge suppression unit for the main building service panel, the main distribution panel on secondary side of the isolation transformer and panel serving computer loads.

Miscellaneous Items – Provide vertical blinds at all exterior windows. Provide cubical curtains and track in Nurse's area of health care quality, similar to products by Hill-Rom, location determined by BCPS.

PARTITIONS:

Free standing partitions to be 1/2" sheet-rock over 3 5/8" metal studs; with fiberglass insulation. Masonry walls to be furred with 1 5/8" metal studs with 1/2" drywall. Finish to be two coats flat latex paint.

BCPS – 1/2" fire rated gypsum board to be provided where required by code.

CEILINGS:

To be 2' X 4' - 5/8" thick fissured acoustical mineral tile in metal grid, 9' above finished floor.

FLOORS:

To be tufted carpet of 26 oz. - 100% olefin (or equal) with woven Polypropylene back applied directly to concrete floor or 1/8" Armstrong vinyl tile (as specified).

BCPS – May select both types of floor finishes to be used at various locations in the facility.

LIGHTS:

2' X 4' lay-in fluorescent fixtures with 3 - 4' lamps each, sufficient to provide 80 foot-candles at 30" above finished floor.

BCPS – Lighting in classroom areas should be designed with a 50 to 55 foot-candle (mean value) at 30" above floor. Three tube fixtures in classrooms shall be controlled by two switches, outer tubes on one switch and middle tube controlled by another switch.

HVAC:

Roof-mounted package with gas heat /air conditioning unit using ducted supplies and returns. Ventilation to be provided in restroom.

BCPS – No more than four (4) classrooms to be on one unit with preference of individual room control of temperature. Unit(s) for office areas may have one thermostat for control for rooms with similar exposure. Provide ventilation for the Pantry due to heat dissipating owner supplied equipment. Provide ductless split system packaged cooling unit for data wiring closet. Provide separate "on demand" exhaust in Nurses room.

SPRINKLERS:

Wet system with recessed chrome heads, in accordance with NFPA Standards.

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Page 2

DOORS: *3'0" X 6'8" solid-core birch doors with stain finish in metal frames, with satin chrome hardware.*

BCPS – all door hardware to be commercial heavy duty grade. All interior door locks shall be style to accept MEDICO seven pin removable lock cores, with cores, keying and keys to be provided by BCPS. All exterior door cylinders to be the style to accept MEDICO seven pin removable lock cores, with cores, keying and keys to be provided by BCPS.

ELECTRIC: *One (1) light switch and three (3) duplex receptacles per private office, location to be determined by Tenant. Additional switches, outlets, dedicated lines, circuits for Tenant's equipment and other special requirements to be provided at Tenant's expense.*

BCPS – Some selected rooms may require minimum of one duplex receptacle on each wall of a room. Provide one 220 or 208 volt receptacle in the work area for a photo copier, BCPS to advise the voltage.

Classrooms – in addition to the standard electrical receptacles listed above the “teaching wall, teachers station” shall be provided with a duplex receptacle mounted 80” above finished floor (AFF) and beside the receptacle a standard single gang electrical box with 1” conduit down to a double gang electrical box mounted 18” AFF, with 1”conduit extending in wall to above ceiling for data wiring. Two (2) duplex receptacles mounted 18” AFF to be provided, with all receptacles at this location on a dedicated circuit. Student stations to be located at “back wall” to be provided with a double gang electrical box mounted 18” AFF, with 1”conduit extending in wall to above ceiling for data wiring. Beside the data outlet provide two (2) duplex receptacles mounted 18” AFF, receptacles to be on a dedicated circuit.

Classroom Computer Labs – to be provided with electrical requirements for the “teacher station” as stated above. Computer station locations to be provided with three (3) single gang electrical boxes mounted 18” AFF, with 1”conduit extending in wall to above ceiling for data wiring. Provide three quad duplex receptacles mounted 18” AFF, each quad receptacle to be on a dedicated circuit.

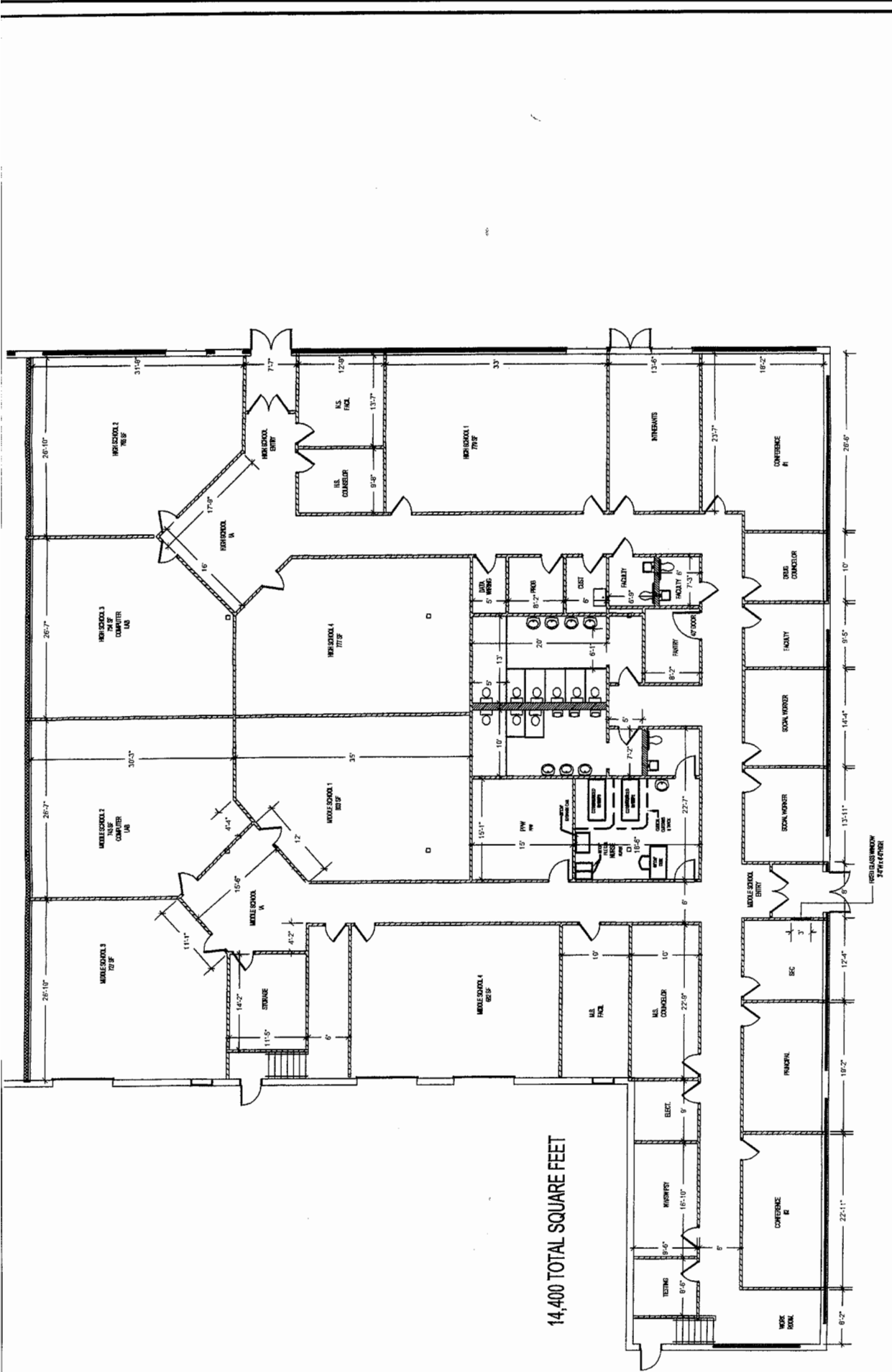
Offices – “Clerical station” locations to be provided with one (1) single gang electrical box mounted 18” AFF, with 1”conduit extending in wall to above ceiling for data wiring. Beside the data outlet provide one (1) duplex receptacle mounted 18” AFF. Provide dedicated circuit for every two (2) receptacles. Some offices may require more than one “clerical station”, plan on providing 12 additional “stations”. Conference Rooms to receive one (1) station.

Data Closet – provide three double duplex outlets, each on a dedicated circuit. BCPS will provide locations. Closet shall contain one (1) “Clerical Station”

Fire and Security Alarms Systems – Provide a fire alarm system as required by code for educational facilities. Fire alarm system is to be compatible for connection to security system for monitoring at BCPS central station. Security system will be provided and installed by BCPS.

RESTROOMS: *Restrooms to comply with all requirements of the Code for Handicapped Persons. Ceramic tile to be installed on restroom floors and walls to a height of 4'.*

BCPS – Walls above tile wainscot to be painted with two coats of acrylic epoxy. All toilet room accessories to be stainless steel, including handicapped grab bars. All paper product dispensers shall accommodate paper products that are supplied by BCPS. Soap dispensers will be provided by BCPS for installation by Merritt.



14,400 TOTAL SQUARE FEET

TITLE:	BRIDGE CENTER
DATE:	12/02/04
SCALE:	1/16" = 1'-0"
SHEET NO:	A-1

BCPS REVISION