Town Council
AGENDA
Monday, March 18, 2024 - 5:30 PM
Council Chambers, Easton Town Office
14 S Harrison Street

4:30 PM Building Code Adoption Workshop

5:30 PM: Call to Order by President Gunsallus.

Opening remarks and Pledge of Allegiance by Councilmember Montgomery.

Approval of Minutes.

Minutes of the March 3, 2024 meeting.

Municipal Official Items.

Items by Mayor Cook.

Items by Town Manager

Items by Town Attorney.

Legislation.

Res. No. 6183, "A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE TOWN OF EASTON AND THE STATE OF MARYLAND FOR A DISTRICT COURT FACILITY LOCATED IN THE TOWN OF EASTON."

Res. No. 6184, "A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE TOWN OF EASTON AND THE STATE OF MARYLAND FOR A MARYLAND VETERANS AFFAIRS OFFICE LOCATED IN THE TOWN OF EASTON."

Public Hearings.

(cont'd.) PUBLIC HEARING to solicit public comment on Ord. No. 809, which proposes amendments to Chapter 28 of the Town Code (Zoning). The purpose of the proposed amendments is to revise the Code to regulate cannabis-related uses in light of the State of Maryland's approval of various recreational cannabis uses.

Ord. 809, "AN ORDINANCE OF THE TOWN OF EASTON AMENDING CHAPTER 28 OF THE TOWN CODE (ZONING)."

5:35 PM PUBLIC HEARING to discuss Ord. No. 810, Budget Modification.

Ord. No. 810, "AN ORDINANCE OF THE TOWN OF EASTON AMENDING THE TOWN BUDGET FISCAL YEAR 2024 FOR THE AMERICAN RESCUE PLAN ACT."

Public Participation/Comments.

Items by Members of the Council:

Adjournment.

Audit Outbrief with CliftonLarsonAllen.

The public can access the meeting as follows:
https://www.eastonmd.gov/129/Agendas-Minutes

If you are an Easton Cable subscriber, you can view the meeting through TV-Channel 98.

Please note: There is a possibility of all or part of the meeting may be held in Closed Session.

RESOLUTION NO. 6184

A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE TOWN OF EASTON AND THE STATE OF MARYLAND FOR A MARYLAND VETERANS AFFAIRS OFFICE LOCATED IN THE TOWN OF EASTON

INTRODUCED BY: ________________________________

WHEREAS, the State of Maryland Department of General Services has requested that the Town lease to the State a portion of a parcel of municipally-owned property located on the west side of Harrison Street in Easton, Maryland which is a building currently known as the Welcome and Resource Center at 11 S. Harrison Street for use by the Maryland Veteran's Affairs Office which is a building currently leased for use by the Maryland Veterans Affairs Office pursuant to Resolution Number 6020; and

WHEREAS, as a result of the request, Town official and State officials have prepared an agreement entitled "STATE OF MARYLAND INTERGOVERNMENTAL LEASE" (the "Lease Agreement"), under the terms of which the Town shall lease office space 300 net leasable square feet with the right to use other common areas for the use of the Maryland Veterans Affairs MDVA) for a term of five (5) years at an annual rent of $1 as described in the Lease Agreement (a specimen of the Lease Agreement is attached to this Resolution as "Exhibit "A"); and

WHEREAS, the Town Council has determined that entering into the Lease Agreement with the State of Maryland for the purposes of leasing a Maryland Veterans Affairs Office to the State will benefit the Town and its residents by providing a convenient and centrally located facility for the Maryland Veterans Affairs Office, by providing the Maryland Veterans Affairs Office with a facility to enhance its operational efficiency, by maintaining Easton, and Easton's downtown area in particular, as a center for governmental activities in Talbot County and by otherwise contributing to the economic health of the Town; and

WHEREAS, the Town Council determines that entering into the Lease Agreement with the State of Maryland for the purposes of leasing a Maryland Veterans Affairs Office will fulfill public purposes and inure to the benefit of the Town and its residents.

NOW, THEREFORE, be it resolved by the Easton Town Council:

Section 1. The recitals set forth above are incorporated herein by reference and made a part of this Resolution.

Section 2. The Town Council hereby determines that the Lease Agreement, and the terms thereof, arc reasonable and that the execution and delivery thereof are in the best interest of the Town and its residents and the Town Council hereby authorizes, ratifies, confirms and approves the execution and delivery of the Lease Agreement to the State upon the terms and conditions stated therein.

Section 3. The Mayor and the Town Manager are hereby authorized to execute and deliver to the State of Maryland, one or more fully executed counterparts of the Lease Agreement.

Section 4. The Mayor is hereby authorized to make such modifications to the form of the Lease Agreement prior to its execution and delivery as she deems appropriate provided, however, that no such change shall alter the substance of the Lease Agreement attached hereto as Exhibit "A".

Section 5. This Resolution shall become effective after adoption by the Town Council and upon approval by the Mayor.

Curry	-
Abbatiello	-
Montgomery	-
Davis	-
Gunsallus	-

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this

___________ day of ________________, 2024.

____
Frank Gunsallus, Town Council President

Delivered to the Mayor by me this _______ day of ____________, 2024.

____
Kathy M. Ruf, Town Clerk

APPROVED:

Date: _____________________ _____________________________________
Megan JM Cook, Mayor

EFFECTIVE DATE: _________________________, 2024.

ORE File No: 3617 Type of Lease: Lease Renewal Specifications Date: July 2009 Leasing Contact: Jason Nicholas	**STATE OF MARYLAND** **INTERGOVERNMENTAL LEASE** (Revised 4/2014)

THIS INTERGOVERNMENTAL LEASE AGREEMENT ("Lease"), fully executed by the parties this day of Two Thousand Twenty-Four ("2024")("Effective Date"), is between **the Town of Easton, Talbot County, Maryland** (hereinafter called the "Lessor"), and the State of Maryland, (hereinafter called the "Lessee") to the use of the **Judiciary of Maryland, District Court of Maryland**.

WHEREAS, the Lessor owns a one-story office building (the "**Building**") known as the George P. Murphy Building, 108 West Dover Street, Easton, Maryland 21601 in Talbot County (the "**Land**"). Hereinafter the Land and the Building shall be collectively referred to as the "**Property**".

The Lessor demises and leases unto Lessee the entirety of the building known and described as offices and courtroom at 108 West Dover Street, Easton, Maryland 21601, hereinafter the "**Demised Premises**", together with the right to use in common with others, the Property common areas including but not limited to: sidewalks and parking areas, exclusive of the portion of the property known as the Easton Police Department located at 106 West Dover Street, Easton, Maryland 21601.

The Demised Premises contain 11,527 net usable square feet of space, more or less (hereinafter "NUSF"), as defined in the State of Maryland General Performance Standards and Specifications for Leased Space as of 07/2014.

The term of the Lease is three (3) year(s) and zero (0) month(s), and subject to Section 7 of the State of Maryland Intergovernmental Lease, General Conditions Form DGS-680-3B (1), attached hereto as Addendum A-1, shall commence on May 1, 2024, hereinafter the "**Commencement Date**" and shall terminate on April 30, 2027, hereinafter the "Termination Date".

This Lease specifically incorporates the following as terms and conditions of this Lease:

1. State of Maryland General Performance Standards and Specifications for Leased Space as of 07/2014.

2. Regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) as of the Effective Date of this Lease.

3. State of Maryland Intergovernmental Lease, General Conditions Form DGS-680-3B (1), attached hereto as **Addendum A-1**.

4. Lease Affidavit-Intentionally deleted.

5. The following Exhibits:

☒	**Exhibit A-1**	Existing Floorplan
☐	**Exhibit A-2**	Additional Description of Property
☒	**Exhibit A-3**	Site Plan of Property and Parking Plan
☐	**Exhibit A-4**	Approved Space Plan (to be attached)
☐	**Exhibit B**	Lessor's Construction Budget (to be attached)
☐	**Exhibit C**	Estoppel Sample
☐	**Exhibit E**	HVAC/Mechanical Equipment and Maintenance Standards
☐	**Exhibit F**	Supplemental Lease Format Sample
☐	**Exhibit G**	Acceptance Form
☐	**Exhibit H**	Describe -

6. Lessor and Lessee:

LESSOR	LESSEE
Name: Town of Easton, Maryland	Department / Agency: Judiciary of Maryland, District Court of Maryland

Address: 14 South Harrison Street Easton, Maryland 21601	Address: 903 Commerce Road, Annapolis, MD 21401

E-mail:	drichardson@eastonmd.gov	E-mail:	Michelle.simpson@mdcourts.gov
EIN:	52-6000787		

On Site Contact:	Donald Richardson	On Site Contact:	Michelle Ruble Simpson, Facilities Manager
Phone:	410-822-2525	Phone:	410-260-2702
E-mail:	drichardson@eastonmd.gov	E-mail:	Michelle.simpson@mdcourts.gov

Emergency Contact:	Donald Richardson	Emergency Contact:	Lisa Ritter, Director of Engineering and Central Services
Emergency Phone:	410-822-2525	Emergency Phone:	410-260-1229
E-mail:	drichardson@eastonmd.gov	E-mail:	Lisa.ritter@mdcourts.gov

Notice Address: 14 South Harrison Street Easton, Maryland 21601	Notice Address: 903 Commerce Road, Annapolis, MD 21401 With Copy to DGS Lease Management 300 W. Preston Street, Room 601 Baltimore, MD 21201

6. Lessor's affirmation of title and authority to lease the Property:

X Fee Simple- X Copy of Deed
☐ Leasehold- ☐ Copy of Lease

Instrument Date:	October 21, 1958
County:	Talbot County
Recording Reference:	Liber 350 Folio 383
Grantor:	William Reddie and L. Clark Ewing, Trustees
Grantee:	Mayor and Council of Easton also known as Town of Easton
Notes:	N/A
Lessor confirms the information above and attests to the below Signatory's title and authority to execute this Lease Agreement.	
Authorized Signatory:	Megan JM Cook
Signatory Title:	Mayor

8. Lessee's Using Units:

Using Unit	% of Demised Premises Use	% of Demised Premises Expenses	Type of Use	Type of Use
Judiciary of Maryland, District Court of Maryland	100%	100%	Admin Office	Admin Office
Notes: Judiciary Office & Courtrooms				

9. Parking:

The State exercises its right of not paying local taxes and the Lessor agrees to and at all times shall claim this exemption with respect to parking space leased to Lessee.

	Reserved Spaces	Use in Common Spaces
Number of Spaces	Five (5)	Entire Parking Lot (See Notes)
Location of Spaces	Parking Lot	N/A
Rate per Space ('N/A' if included in Rent)	Free of Charge	N/A
Notes: Lessee shall have full access to the common area parking lot surface during working hours. Parking is depicted in Exhibit A-3.		

10. Improvements to be made by Lessor within 180 days after the Lease Commencement:

☐ None
☒ Construction, Renovation or Repair of Demised Premises

1. Re-carpet portions of the Demised Premises that are at the end of their life span. Lessor and Lessee shall determine the specific areas requiring re-carpeting following the Commencement Date.
2. Retile the damaged lobby tile of the Demised Premises.
3. Paint the Building interior throughout. Lessor and Lessee shall determine the specific areas requiring re-painting following the Commencement Date. 4. Deep clean or replace the baseboard trim throughout the interior perimeter of the Demised Premises.
5. The Demised Premise will be broom cleaned upon commencement of this Lease.
6. The Lessor shall make modifications per Americans with Disabilities Act ("ADA") requirements to entry doors (including, but not limited to, automated doors) by coordinating with the District Court schedule.

Lessor shall coordinate with Lessee to conduct the Improvements work to involve minimal disruption with the District Court schedule and Lessee's use of the Demised Premises. In the event Improvements work is required to be done after-hours, Lessor shall give three days notice to Lessee in advance of work.

All work to the Demised Premises shall conform to the Department of General Services Performance Standards and Specifications for the State of Maryland Leased Facilities, Revised July, 2013.

In the event the Lessor's Work is not completed as aforesaid, the Rent provided for herein shall abate until the Lessor's Work is completed and accepted by the Department of General Services. The Department of General Services shall have 10 business days following receipt of Lessor's written notice of completion of work to inspect the Demised Premises.

11. Term of the Lease:

Term:	Three (3) years

Number of Renewal Terms	Two (2)
Length of Each Renewal	One (1) year

Notes: Renewals to be negotiated and are subject to BPW approval.

12. Base Rent:

Years	Per Square Foot Amount	Monthly	Annual
1-3	$22.00	$21,132.83	$253,594.00

13. Renewal and Renewal Rent:

☐ Lessee's Renewal and Renewal Rent to be negotiated and subject to BPW approval.
☒ Lessee's Rent to be paid during a Renewal Term shall be presented for approval to the BPW at the time that the BPW is asked to approve the Renewal Term. The parties to this Lease understand and agree that the inclusion of the Renewal Term rent, or any other term in this Lease, shall in no way be construed as BPW approval of such Renewal Term rent or any other renewal term(s). Any such term must be specifically approved by the BPW in a future Lease or Supplemental Lease Agreement. The BPW shall at all times retain its authority under Annotated Code of Maryland, State Finance and Procurement Article section 12-204 (b) to either approve or reject any proposed rent or other terms for a requested Renewal Term

Renewal Number	Length of Renewal Term	Per Square Foot Amount	Monthly	Annual
1	One (1) year	$23.25	$22,333.56	$268,002.75
2	One (1) year	$24.50	$23,534.29	$282,411.50

Renewal(s) subject to the following additional terms and conditions:

Any Renewal Term, and all terms for such renewal, must be approved by the Board of Public Works.

14. Operating Services Expenses:

Operating Service Expense	**Procured by**	**Invoiced to**	**Paid by**	**Passed through to Lessee**	**% passed through to Lessee**	**Base Year**
Electricity	Lessor	Lessor	Lessor	☒ Yes No	100%	$20,100.00
Heating Fuel	Lessor	Lessor	Lessor	☒ Yes No	100%	Included in Electricity
Cleaning Services & Supplies (including, but not limited to Waste Collection and Recycling)	Lessee	Lessee	Lessee	☐ Yes X No	N/A	N/A
Sewer and Water	Lessor	Lessor	Lessor	☐ Yes X No	N/A	N/A
Snow and Ice Removal	Lessor	Lessor	Lessor	☐ Yes X No	N/A	N/A
Landscaping	Lessor	Lessor	Lessor	☐ Yes X No	100%	$8,600.00
Other: Air Conditioning Fuel	Lessor	Lessor	Lessor	☒ Yes No	100%	Included in Electricity
Base Year Notes: 7/1/2022 to 6/30/2023						
Notes: N/A						

14A. Real Estate Taxes:

Percentage of Property's Real Estate Taxes passed through to Lessee	N/A
Base Year Notes: N/A	
Notes: N/A	

Using Unit(s) percentage share
N/A
N/A
Notes: N/A

15. Maintenance Inspections to occur in accordance with Section 8.6 of Addendum A, however no less than:

☐ Semi-annually	☐ Quarterly	☒ Annually

16. Other Terms and Conditions:

Discuss: N/A

17. This Lease shall only be effective and binding upon the State with full execution by the parties and approval by the Maryland Board of Public Works. Lessor has no right to institute any action or proceedings to compel the State to present this Lease to the Board of Public Works or to compel the Board of Public Works to approve this Lease. In the event this Lease is not fully executed or approved by the State, Lessor's only remedy shall be to declare this Lease null and void.

18. In the event of any conflict between this Standard Lease Form DGS-680-3 and any other document attached hereto, incorporated by reference, or otherwise made part of this Lease, apart from applicable Maryland Annotated Code Statutes and COMAR regulations, the provisions of this Intergovernmental Lease shall prevail.

19. This Intergovernmental Lease Agreement may be executed in one or more or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The signature of a party transmitted electronically shall constitute and have the same force and effect as the original signature of the party.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and assigns have set their hand and seal on the day and year first above written.

ATTEST:	**LESSOR**: TOWN OF EASTON, MARYLAND
______________________________	______________________ (SEAL)
By:	By: Megan JM Cook Its: Mayor
ATTEST:	**LESSEE**: STATE OF MARYLAND, to the use of JUDICIARY OF MARYLAND District Court
______________________________	______________________ (SEAL)
By:	By: John P. Morrissey Its: Chief Judge

Execution of the above Intergovernmental Lease was authorized and approved by the Board of Public Works at a meeting held on _____________ as DGS Action Agenda Item __________.

____
Department of General Services
Office of Real Estate

This Intergovernmental Lease has been reviewed for form and legal sufficiency and approved by the Office of the Attorney General on ___________ by ______________________, Assistant Attorney General.

____
Department of General Services
Assistant Attorney General

Addendum A-1
STATE OF MARYLAND INTERGOVERNMENTAL LEASE
GENERAL CONDITIONS FORM DGS-680-3B (1)
(Revised 4/2014)

1 Definitions.

The following terms have the following meanings in addition to their usage within the text of this Lease:

Approved Construction Budget means that budget which has been jointly approved and signed by the using Unit(s) and DGS Office of Real Estate, prior to construction which delineates the cost to be incurred by Lessor of the required and excess Tenant Improvements to the Demised Premises.

Approved Space Plans mean plans which have been jointly approved and signed by the using Unit(s) and DGS Office of Real Estate, prior to construction.

Base Year means the year agreed upon by Lessee and Lessor for which a baseline value is established for calculating amounts owed for operating services expenses.

BPW means the Maryland State Board of Public Works.

Broker means the brokerage firm retained, if any, by DGS Office of Real Estate.

DGS means State of Maryland, Department of General Services.

Lease, unless otherwise provided in the Form DGS 680-3, means all the provisions set forth in the fully executed Form DGS 680-3, this Form 680-3B, and all other addenda, exhibits and riders that are referenced in the fully executed Form 680-3 and attached hereto.

Lease Year means (a) the period beginning at 12:01 a.m. on the Commencement Date and ending at the end of the day immediately before the first anniversary of the first day of the first full calendar month in the Term, and (b) each successive period of 12 calendar months thereafter during the Term.

Normal Working Hours shall mean 7am to 7pm Monday through Friday and 7am to 2pm on Saturday except those days designated as holidays by the State.

Occupancy is the date Lessee begins operating from the Demised Premises.

Operating Expenses shall mean those expenses incurred by Lessor in the operation of the property upon which the Demised Premises is located which are specifically designated in Section 14 of the Lease as “Operating Expense”.

ORE means State of Maryland, Department of General Services Office of Real Estate

Person means any natural person, trustee, corporation, partnership, limited liability company or other legal entity.

Section means that all references made to any Section shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section of this Lease.

Space Plans (Plans) means those plans submitted to the using Unit(s) and ORE for approval which specify the design and construction of the Tenant Improvements, prepared at Lessor's expense. The Plans shall conform to the site and building conditions and to all required applicable laws, statutes, ordinances, Executive Orders, and codes (including without limitation building, health, and fire codes) of all applicable governmental authorities.

Substantial Completion means the completion of construction or other work required to bring the Building and Demised Premises up to the Lessee's requirements, including the Lessor's acquiring of all necessary permits and inspections related to occupancy which may be subject to minor punch list items.

Supplemental Lease means an amendment to the Lease that was duly approved by the parties hereto and the Board of Public Works.

Tax Year means the fiscal year for which the real property taxes are levied by the governmental authority, i.e. July 1 through June 30 of said year.

Tenant Improvements means those improvements regarding the Demised Premises requested and required by the using Unit(s) and ORE to be completed before Lessee(s) occupancy may begin.

Termination Costs means the reasonable value of any non-recurring costs incurred but not amortized in the price of the Lease which are a) any brokerage commissions paid to the State's Broker, less any amortized portion of the brokerage commissions calculated on a straight-line basis as of the date of termination, and b) construction costs required to build out the Demised Premises from pre-Lease condition to the condition specified in the Approved Space Plan, the Lease Standards, and any Request for Proposal specifications in accordance with costs delineated in Lessor's Construction Budget, less i) any construction costs paid for in cash by the Lessee, ii) costs amortized as of the date of termination, including legal fees, architectural/engineering costs, bank charges and fees, and, interests costs incurred during construction and attributable to the Tenant Improvements. Termination Costs shall not include any Lessor anticipatory Rents, expenses, or profits which have not been earned up to the date of termination.

Payment of Rent.

2.1 Rent Invoices. Lessee will not automatically pay the Rent; Lessor must send a bill for each monthly payment to each State Unit (hereinafter referred to as "Unit") listed in this Lease for the amounts set forth in this Lease.

2.2 Rental Payments. Rental payments shall be payable at the office of the Lessor, during normal business hours and shall be due on the first day of the month.

2.3 Multi-Year Leases Contingent Upon Appropriations. If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Lease succeeding the first fiscal period, this Lease shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Lessor's rights under any termination clause in this Lease. The effect of termination of the Lease hereunder will be to discharge both the Lessor and the State from future performance of the Lease, but not from their rights and obligations existing at the time of termination. The Lessor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the Lease. The State shall notify the Lessor as soon as it has knowledge that funds may not be available for the continuation of this Lease for each succeeding fiscal period beyond the first. [COMAR 21.07.01.10; SF 13-217 (d), (e)]

2.4 Submission of Invoices. All invoices for Rent or other expenses submitted pursuant to this Lease shall be submitted directly to the appropriate Unit(s) listed in this Lease unless otherwise specifically provided for herein.

2.5 Required Information. All invoices shall be made out to the Unit and must contain the following information: state "Invoice" on the bill; reference the Board of Public Works number and date indicated at the end of this Lease; type of billing (i.e. "Rent"); the Lessor's Federal Employer's ID Number or if an individual, the Lessor's social security number, and additional information as may be specifically required elsewhere in this Lease. [SF 15-102]

2.6 Payment by the State. Payments to the Lessor pursuant to Section 2.4 and this Lease shall be made no later than 30 days after the State's receipt of a proper invoice from the Lessor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable, are prohibited. [COMAR21.07.0l.18; SF 15-103, 104]

2. 7 Interest on Late Payments. Except for Rent or other expenses submitted pursuant to this Lease, the Lessor hereby agrees that, notwithstanding the provisions of State Finance and Procurement Article of the Annotated Code of Maryland, Title 15, Subtitle 1, interest on any payments due under the terms of this Lease shall not be payable unless such payments remain unpaid for more than 45 days after receipt of a proper invoice and such payments shall accrue interest from the 31st day after receipt of a proper invoice. [SF 15-104]

2.8 Lessor's Transfer of the Property. In the event of any transfer of the Property, the assignment of this Lease shall only be effective if the newly designated owner of the Property (the "New Owner") shall: (a) be qualified to do business in the State of Maryland, (b) be permitted to do business with the State, and not subject to debarment, (c) provide copies of the deed transferring the Property to the New Owner to ORE within ten (10) days of said transfer and/or assignment, (d) record the deed transferring the Property to the New Owner within thirty (30) days of the New Owner's acquisition of title, and (e) request in writing to enter into a Supplemental Lease with Lessee, including execution of the standard State lease affidavit, amending the Lessor information within sixty (60) days of acquisition of the Property. In the event that the New Owner of the Property is not qualified to do business in the State of Maryland, or if the New Owner fails in its other obligations under this Section 2.8, the State of Maryland, in its unfettered discretion, shall have the right to terminate the Lease upon written notice to the New Owner.

2.9 Maximum Rent. Lessor agrees and asserts that the annual Rent does not exceed fifteen per cent (15%) of the fair market value of the Demised Premises at the date of the Lease. State Finance and Procurement Article, Section 12-205 of the Annotated Code of Maryland.

Operating Expenses.

3 .1 Operating Expense Calculations. Effective at the conclusion of the second Lease year as set out in this Lease, and each succeeding Lease year of this Lease, the Lessee shall pay as an additional expense, and not as additional rent, or shall receive as a credit, its proportionate share of any increase or decrease in Operating Expenses.

3.2 Modification of Base Year for Warranty. If applicable, the base year set out in this Lease for any item which is under a guarantee or warranty shall be modified the first full Lease year following expiration of the item's guarantee or warranty.

3.3 Real Estate Tax Invoicing. If applicable, any amounts due by the Lessee for Real Estate Taxes shall be invoiced annually throughout the Term. The Lessee shall pay as an additional expense, and not as additional rent, or shall receive as a credit its proportionate share of any increase or decrease in Real Estate Taxes. The annual invoicing period for real estate taxes shall be within 90 days after the completion of the real estate tax year; for example, no later than September 30th based on the current tax year of July1st through the succeeding June 30th.

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3.4 Other Operating Expense Invoicing. The invoicing period for all other Operating Expenses shall be within 90 days of the end of each annual Lease year; for example, if the Lease commences April 1st, invoicing no later than June 30th based on the invoicing period of April 1st through the succeeding March 31st.

3.5 Lease Termination Invoicing. Upon Lease termination all invoices, including invoices for real estate taxes, shall be adjusted to the date of Lease termination and shall be submitted within 90 days after the Lease termination date. Invoices submitted more than 90 days after the end of the invoicing period shall not be honored. Any payments due by the Lessee shall be paid in one lump sum. Credits due the Lessee shall be credited to the Lessee's monthly rent payments immediately. In the event the credit exceeds the amount of one monthly rent payment, the full amount of the monthly rent shall be credited until the full credit has been recovered.

3.6 Method for Invoicing. Invoices for Operating Expenses shall be made out to the using Unit. Lessor shall send a copy of such invoice to: The Department of General Services, Office of Real Estate, Attn: Chief of Leasing, 300 W. Preston St., Rm 601, Baltimore, MD 21201 for review and approval before payment. In addition to the information required by Section 2.5, such invoices shall include, as backup material, certified true copies of invoices (for the Base Year and escalation year) for the services for which escalations are requested. For costs where such invoices are confidential, (i.e. salaries paid to Lessor's employees) the Lessor must certify and warrant that such payments for such costs were made. ORE shall have the right by methods acceptable to the

Lessor and Lessee, to physically audit the Lessor's records to determine the validity of reimbursement or credits due under this Lease.

3. 7 Audit Expenses. Lessee shall have the right at any time to audit the books and records of the Lessor. Lessor guarantees all financial records and tenant statements shall be prepared in accordance with generally accepted accounting principles (GAAP) and rendered to Lessee in any similar format Lessee may reasonably request from time to time. If Lessee exercises the right to audit the books and records associated with this Lease, Lessee shall pay the expense of auditing the books and records. However, Lessor shall pay all audit expenses if Lessee is found to have been overcharged by 15% or more on any bill related to Operating Service Expenses or Real Estate Taxes.

Assignment.

4.1 Lessee's Assignment. Lessee may assign this Lease and the Demised Premises upon prior written consent of the Lessor, whose consent shall not be unreasonably withheld, conditioned or delayed. An assignment or transfer of this Lease from one Unit or agency of the Maryland State Government to another shall not be deemed an assignment for purposes of this Section.

4.2 Use of the Demised Premises. Use of the Demised Premises by a Unit(s) of the State of Maryland other than the Unit(s) designated in this Lease is not an assignment or a subletting and may be done at the discretion of the Lessee.

Condition Upon Termination.

5 Condition Upon Termination. Lessee will, at the expiration or sooner termination of the Term, deliver up the Demised Premises in the same condition they were in at the beginning of the tenancy, reasonable wear and tear, and such damage as cannot be attributed to the carelessness or neglect of the Lessee, its employees, agents or invitees excepted.

Construction, Improvements, Replacements.

6.1 Construction of Tenant Improvements. Lessor shall, at Lessor's sole cost and expense, develop, design and construct on and in the Demised Premises, and the building of which the Demised Premises are a part, Lessee's Tenant improvements ("Tenant improvements").

6.2 Preparation of Space Plans. Promptly after the BPW approves this Lease, and in accordance with Lessor's Construction Budget and the appropriate State of Maryland General Performance Standards and Specifications for Leased Facilities, Lessor shall at its expense prepare and submit to Lessee for review and approval proposed space plans. The Plans shall conform to the site and building conditions and to all required applicable laws, statutes, ordinances, Executive Orders, and codes (including without limitation building, health, and fire codes) of all applicable governmental authorities as to the design and construction of the Tenant improvements.

6.3 Architect(s) and Engineer(s). Lessor shall select and provide Architect(s) and Engineers (Mechanical, Electrical, Plumbing), where applicable, to prepare the plans for and construct the Tenant improvements (the "Plans"). Architect(s) and Engineer(s) employed by Lessor must be currently licensed and in good standing with the State of Maryland.

6.4 Compliance With All Laws. All plans, construction and improvements to the Demised Premises shall comply with all applicable Federal, State and Local building codes and requirements, as may be amended from time to time, including but not limited to the Maryland Building Performance Standards of the Public Safety Article of the Annotated Code of Maryland, Title 12, Subtitle 5; the Maryland Building Rehabilitation Code of the Public Safety Article of the Annotated Code of Maryland, Title 12, Subtitle Ten; The Americans with Disabilities Act of 1990 (ADA); and the Maryland Building Code for the Handicapped (MBCH).

6.5 Review and Approval of Space Plans. Upon written approval by Lessee and DGS Office of Real Estate, which shall constitute the Approved Space Plans ("Approved Space Plans") and Lessor's Approved Construction Budget ("Approved Construction Budget"), marked Exhibit A-4 and B, respectively, for all purposes of this Lease, Lessor shall execute said plans and the improvements thereon shall constitute the Lessor's work for all purposes hereof. In addition to the aforementioned consultations and approvals, and those that may be required under any applicable law, Lessor shall otherwise consult with and gain approval from DGS Office of Real Estate throughout the design and construction phases for the Tenant Improvements to the Demised Premises. In order to facilitate any Lessee approval, Lessor shall submit all Plans, permits, supporting materials, and other necessary documentation to DGS Office of Real Estate for its review, comment, approval, and periodic inspection prior to and during construction, including evidence of performance, labor and materials bonds in amounts satisfactory to the State. All reviews and comments shall be provided within 5 business days of receipt but approval may be withheld at the discretion of the DGS Office of Real Estate. No construction, improvements or renovation may begin without the written review, comment, and approval of DGS Office of Real Estate. No modification or alteration to the design and construction plans approved by DGS Office of Real Estate may be made without subsequent written approval of DGS Office of Real Estate. DGS Office of Real Estate shall designate, and may re-designate, one individual or body of reviewers who shall throughout the term of the construction, design, and implementation process be responsible for and authorized to act on behalf of DGS Office of Real Estate.

6.6 Fit Up. The Lessor shall be entitled to reimbursement for certain fit up items which exceed the State's standard fit up requirements ("Excess Fit Up") and the Lessee shall be entitled to a credit for those fit up items which are less than the State's standard requirements. The State's standard fit up is as set forth in the State of Maryland Department of General Services Specifications and Requirements for Leased Facilities that is applicable to this Lease (the "Lease Standards"). Excess Fit Up costs include any item(s) over and above the stated required quantities listed in the Lease Standards, items not included in the Lease Standards but for which an approved Change Order exists, and DGS Office of Real Estate approved overhead and profit for said excess construction items. Invoices for excess construction costs due under this clause shall be made out to the using Unit concerned but shall be sent, by the Lessor, to the Office of Real Estate, Department of General Services for review before payment. In addition to the information required in Section 2.5, such invoices shall include, as backup material, an itemized listing of how the total was determined and copies of bills for materials and labor as appropriate. The State's standard fit up items are:

a. 1 linear foot of portioning per 10 square feet of leased space (Sound transmission class of35).
b. 1 linear foot of sound conditioned partitioning (Sound transmission class of 50) for 10 linear feet of partitioning.
c. 2 doors for ingress and egress from each leased area on each floor.
d. 1 interior door for each 25 linear feet of partitioning required.
e. I duplex electric outlet per 100 square feet of leased space.
f. I telephone outlet per 150 square feet of leased space.
g. 1 220-volt electric outlet per floor.
h. 1 dedicated special purpose electric outlet per 1,000 square feet of leased space.
i. ¾" (three-quarter inch) rated plywood on 50% of wall area in telecommunications/data closets.

6.7 Performance of Work. The Lessor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Lease.

6.8 Time Extensions. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Lessor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Lessor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Lessor or the subcontractors or suppliers.

6.9 Tenant Improvements After Occupancy. In the case of Tenant Improvements to be constructed after State occupancy and/or the Commencement Date of the any original Term of the Lease, Lessor shall not demolish or destroy any existing Tenant Improvements upon the Demised Premises without the prior written consent of DGS Office of Real Estate.

6.10 Paint and Carpet. Lessor shall repaint the Demised Premises upon a request of the Lessee to do so and shall also be responsible for any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures required to accomplish the repainting. Lessee may not make such a request any more frequently than once every five (5) years from Commencement Date. Lessor shall re-carpet the Demised Premises upon a request of the Lessee to do so and shall also be responsible for any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures required to accomplish the re-carpeting. Lessee may not make such a request any more frequently than once every ten (10) years from Commencement Date. Carpet replacements under warranty conditions do not preclude the enforcement of this clause. Paint and carpet specifications are located in the State of Maryland General Performance Standards and Specifications for Leased Facilities

6.11 Construction Progress and Coordination. On a routine basis during the planning and construction of the Tenant Improvements, Lessor shall meet with DGS Office of Real Estate so that Lessor may review with State the progress of plans and construction, so that Lessor and State may coordinate the construction of the Tenant Improvements, and determine the construction schedules and methods that will have minimum impact on operations, if any, of any State activities on the Demised Premises, and other agencies or units of the State using any facilities at the Demised Premises.

6.12 Damage and Repair. Lessor shall be solely responsible for repairing any buildings, roads, parking lots, grounds, utilities or other structures, improvements and areas on the Demised Premises, the Property, or the Building, damaged by vehicles or machinery of Lessor's Contractor(s), suppliers, or agents before, during or after construction.

6.13 Construction Equipment. Lessor shall require its Contractor(s) to guarantee that all machinery, tools, equipment, vehicles and supplies are secured at all times. The State shall not be responsible for the safe keeping or theft of any machinery, tools, equipment, vehicles, or supplies of Lessor or Lessor's Contractor(s), suppliers, or agents. The State shall not be responsible for the security and safety of any construction equipment or supplies.

6.14 Utilities. If utilities have to be relocated or disrupted due to construction of the Tenant Improvements, the relocation or disruption shall be done at the cost and expense of Lessor and in accordance with any provisions set forth in this Lease. In the event that utilities are relocated, the Lessor shall move all affected, existing utility equipment on the Demised Premises, Property, and/or Building to the new location at Lessor's expense.

6.15 No Waiver of Requirements. State's execution of this Lease does not imply approval nor imply exception to any permit requirement of the State of Maryland. The Lessor's construction of, renovations to, and improvements on, the Demised Premises shall be in compliance with the requirements of all applicable laws, ordinances, rules and regulations. Lessor shall be responsible for obtaining all applicable permits, licenses, inspections and approvals required for construction of, renovations to, and improvement to the Demised Premises, and shall deliver to State copies of all necessary permits, licenses, inspections and approvals prior to taking any action requiring such permits, licenses, inspections and approvals. The Lessor shall be responsible for and assume all liability in connection with any public hearings conducted in connection with the issuance of any permit, license or other governmental approval.

6.16 Construction Standards. Lessor shall require any contractor(s) constructing the Tenant Improvements and associated improvements on the Demised Premises to construct them in a good and workmanlike manner, in accordance with the Approved Plans, Approved Construction Budget, the Lease Standards and all applicable laws, statutes, ordinances, and codes, and if applicable, require the contractor(s) to complete the work without unreasonable interference with any of State’s operations on the Demised Premises.

Commencement and Occupancy.

7.1 Rent Abatement. Notwithstanding any other provision of this Lease, the Tenant Improvements required under this Lease shall be completed before Lessee's occupancy shall begin. In the event the Demised Premises are not completed on the date specified within this Lease, the rent provided for herein and Lessee's obligations pursuant to this Lease shall abate until the Demised Premises are fully occupied by the Lessee or until 10 business days after inspection and acceptance by the Department of General Services, whichever event shall first occur. In order to allow Lessee sufficient time to schedule and conduct an inspection of the Demised Premises, for the purpose of full or partial occupancy, Lessor shall give Lessee written notice that the Demised Premises have been completed and all required use or occupancy permits have been obtained. Lessee shall have 10 business days after receipt of Lessor's written notice to conduct its inspection of the Demised Premises.

7.2 Partial Occupancy. Lessee may, prior to completion of the renovations, occupy any portion of the Demised Premises mutually agreed upon by Lessor and Lessee. Rent payable during such partial occupancy shall be paid proportionately to the area occupied by the Lessee and the rent payable shall be adjusted to the actual term of such partial occupancy.

7.3 Occupancy. Occupancy is the date Lessee begins operating from the Demised Premises. Storage of furniture or equipment in the Demised Premises as may be mutually agreed upon by Lessor and Lessee shall not constitute "constructive occupancy" or acceptance of the space by the Lessee.

7.4 Supplemental Commencement Date. Regardless of the date specified at the outset of the Lease, the initial term of this Lease shall commence on the date the Demised Premises are fully occupied and shall terminate at the end of the length of time specified for the Term. If the term of this lease would begin and/or end other than on the first day of the month, Lessee shall pay proportionate rent at the same monthly rate set forth in this Lease for such partial month and all other terms and conditions of this Lease shall be in force and effect during such partial month. If the Commencement Date is altered as a result of this provision, the specific Commencement Date of this Lease shall be established by Supplemental Lease hereto.

7.5 Building Rules and Regulations. The Lessee, its agents and employees shall comply, to the extent authorized by applicable law, with reasonable building rules and regulations approved in advance by Office of Real Estate, Department of General Services. The Lessor may modify these rules and regulations from time to time, but such changes must first be approved by the Procurement Officer for leasing, Office of Real Estate, Department of General Services. To effect a change, the Lessor shall submit the rule or regulation change to the Procurement Officer for approval. Upon approval, the Procurement Officer shall, by letter, notify each of the parties to the Lease and the change shall become effective upon the date of the Procurement Officer's letter. Whenever any rule shall conflict with the provisions of this Lease, the Lease provision shall prevail.

Repairs and Maintenance.

8.1 Damage or Defects. Lessee, upon discovery, shall give to Lessor prompt written notice of any accidents or damage to, or defects in, the roof, the exterior of the building, plumbing, electrical service, electric lights, or HV AC apparatus. These defects and/or damage shall be remedied by Lessor, including any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures, if such moving is required to remedy the defect. It is understood by the parties that this does not impose an obligation upon the Lessee to inspect the building for accidents, damage or defects nor hold the Lessee liable for failure to do so.

8.2 Lessor's Responsibility for Repairs. All repairs to the Demised Premises including repairs to the exterior of the Building, no matter how caused are to be made and paid for by the Lessor, including any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures, if such moving is required to make the repairs.

8.3 Lessee's Responsibility for Repairs. The Lessee shall only be responsible for the financial reimbursement to the Lessor of the actual costs for repairs made by the Lessor or its agent to the Demised Premises caused by the negligence of the Lessee, its agents, employees or invitees. Lessor shall provide to the Lessee copies of the actual invoices for work caused by the negligence of the Lessee, its agents, employees or invitees. Notwithstanding anything to the contrary, Lessee's liability for the reimbursement of said costs shall be contingent upon Lessor obtaining written approval of costs from Department of General Services Office of Real Estate (DGS) prior to the commencement of any work.

8.4 Failure to Repair. In the event the Lessor fails to a) replace promptly any broken item; b) make necessary repairs; or c) maintain the Building and Property as herein provided for, the Lessee is herewith empowered and authorized, but not obligated to, after written notice has been given the Lessor, to make all necessary repairs or perform the required maintenance, charging the Lessor for the making of such repairs or performing said maintenance and deducting the cost thereof from any subsequent payment or payments of Rent due under the terms of the Lease or by such other legal process it might elect. In the event Lessor fails to repair or perform maintenance and Lessee elects not to repair or perform the maintenance, DGS, on behalf of the Lessee, shall have the right to withhold (abate) payment of Rent until such time as Lessor completes said repairs or maintenance in a manner satisfactory to DGS Office of Real Estate.

8.5 Fire Evacuation Plan. The Lessor agrees to maintain and post a current fire evacuation plan approved by the Fire Department for the Building, and to work with the Lessee in appointing floor fire captains to implement the evacuation plan.

8.6 Regular Maintenance Inspections. The Lessor shall designate an authorized representative and agrees to conduct regular maintenance inspections with the Lessee's designee, or also with such frequency as Lessee shall request. The inspections shall identify concerns and problems by the Lessee. The Lessor shall respond in writing within ten (10) days following said inspection detailing action plans and completion times. Both the Lessor and Lessee shall provide points of contact with telephone, facsimile numbers, and e-mail addresses to each other and to DGS Office of Real Estate. At the election of DGS Office of Real Estate, failure to perform said inspections shall result in the forfeiture of escalation payments.

8.7 Actionable Mold. The term "Actionable Mold" is mold of types and concentrations in excess of that found in the local outdoor air, visible within the Demised Premises, and/or that which is deemed in Lessee's reasonable judgment to be disruptive to Lessee's operations. Any Actionable Mold must be removed at the sole cost and expense of Lessor. The Lessor shall provide space to the State of Maryland that is free from Actionable Mold and free from any conditions that reasonably can be anticipated to permit the growth of Actionable Mold or are indicative of the possibility that Actionable Mold will be present ("Indicators").

8.8 Mold Inspection. At such times as the DGS may direct, including but not limited to: a flood, water damage not caused by the Lessee or improper repairs giving rise to Actionable Mold caused by the Lessor, the Lessor, at its sole cost, expense and risk shall: (i) cause an industrial hygienist certified by the American Board of Industrial Hygienists or a qualified consultant, approved beforehand by ORE ("the Inspector") to inspect and evaluate the space for the presence of Actionable Mold or mold Indicators; and (ii) cause the Inspector to deliver the results of its inspection and evaluation (the "Report") to the DGS within 30 days after it conducts same and, in all events, at the same time that it delivers the Report to Lessor. With the delivery of the Report, the Inspector shall notify ORE, in writing via cover letter to the report, if the Inspector discovers or suspects the existence of Actionable Mold or Indicators in the leased space.

8.9 Mold Casualty. The presence of Actionable Mold in the premises may be treated as a Casualty, as hereinafter defined in this Lease, as determined by the DGS, in accordance with the Casualty provisions contained in this Lease. In addition to the terms of the Casualty provisions of this Lease, should the Demised Premises, or a portion thereof, be determined by DGS to be unfit for occupancy due to Actionable Mold resulting from an act of negligence by the Lessor or its agents, the Lessor shall provide reasonably acceptable alternative space at the Lessor's expense, including the cost of moving, and any required alterations thereto.

8.10 Mold Remediation. If the Report indicates that Actionable Mold or Indicators are present in the Demises Premises and appurtenant areas, the Lessor, at its sole cost, expense, and risk, shall within ten (10) business days after its receipt of the Report: 1) retain an experienced mold remediation contractor acceptable to the ORE to prepare and submit to ORE and Lessor a remediation plan (the "Remediation Plan") and within thirty (30) calendar days after the ORE's approval of the Remediation Plan, remediate the Actionable Mold or the Indicators in the Demised Premises and appurtenant areas. Prior to commencing such remediation, Lessor shall send ORE a notice stating: (i) the date on which the Actionable Mold remediation shall start and how long it is projected to continue; (ii) which portion of the Demised Premises or appurtenant area shall be subject to the remediation; and (iii) the remediation procedures and standards to be used to implement the Remediation Plan and the clearance criteria to be employed at the conclusion of the remediation; and 2) notify, in accordance with any applicable Federal, state, and local health and safety requirements, the Lessee's employees as well as all other occupants of and visitors to the Demised Premises of the nature, location and schedule for the planned remediation and reasons therefore. For the prevention of mold any building materials impacted by water or condensate must be removed and replaced by the Lessor. For purposes of definition, the term "appurtenant areas" means such areas of the property or building in which the Demised Premises is located which are common areas or are otherwise shared with other tenants or the Lessor for access to or use of the Demised Premises, or are areas immediately adjacent to the Demised Premises which due to their proximity pose an adverse effect upon business operations of Lessee on account of the presence of Actionable Mold.

The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by the U.S. Environmental Protection Agency, as same may be amended or revised from time to time, and any other applicable federal, state, or local laws, regulatory standards and guidelines.

8.11 Mold Remediation Inspection. The Lessor acknowledges and agrees that the Lessee and ORE shall have a reasonable opportunity to inspect the Demised Premises and appurtenant areas after conclusion of any remediation. If the results of the Lessee's and ORE's inspection indicate that the remediation does not comply with the Remediation Plan or any other applicable federal, state, or local laws, regulatory standards or guidelines, the Lessor, at its sole cost, expense and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

8.12 Failure to Remediate. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the Actionable Mold, the Lessee or ORE at Lessee's direction may implement a corrective action program and deduct its costs from the Rent and/or terminate the Lease and seek any other remedy available to it at law or in equity.

8.13 Building Performance Standards. The Lessor guarantees that the Demised Premises, common areas and other portions of the Property over which Lessor has control comply in all respects with the following, as may be amended from time to time: (a) the provisions of the Public Safety Article, Title 12, Subtitle 5 of the Annotated Code of Maryland (Maryland Building Performance Standards); (b) The Americans with Disabilities Act of 1990 (42 United States Code, Section 12101, et seq.); and (c) the Occupational Safety and Health Standards of the State of Maryland and the United States, including but not limited to the presence of friable asbestos or other hazardous materials or chemicals; and (d) the codes and standards as delineated in the General Performance Standards and Specifications for State of Maryland Leased Facilities. If Lessor has knowledge or is notified that other lessees in or on the Property/Building are not in compliance with these laws, Lessor shall take such action as is necessary to ensure proper compliance.

8.14 Non-Compliance with Building Performance Standards. Should either the Lessor or Lessee be cited for any non-compliance or violation of any Act, Code or standards set forth or referenced in this Lease, the Lessor shall at its own expense by the date specified by such citation, correct all violations which are not specifically concerned with the placement or physical characteristics of the Lessee's furniture or equipment or which are not directly attributable to the negligence of the Lessee, its employees, or invitees.

Alterations by Lessee.

9 .1 Alterations by Lessee. Lessee shall not make any alterations, additions, or improvements without Lessor's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, and all alterations, additions or improvements made by either of the parties hereto upon the Demised Premises shall be the property of the Lessor and shall remain upon and be surrendered with the Demised Premises at the termination of this Lease, provided, however, that the Lessee shall have the privilege of installing any signs, furniture, fixtures, or machinery necessary in the conduct of its business and these same shall remain the property of the said Lessee, and may be removed by the Lessee during its tenancy.

9 .2 Signs. Lessee may install such signs as it wishes within the Demised Premises without permission to do so from the Lessor. Lessee may also install such signs outside of the Demised Premises at locations and of such size as the Lessor may approve, in accordance with local regulations regarding exterior signage.

9 .3 Lines and Wiring. Lessee may install lines or special wiring for telephones and other electronic or communications equipment necessary in the conduct of its business and these shall remain the property of the Lessee, and may be realigned, maintained or removed at the sole option of the Lessee during its tenancy or upon expiration or termination of the Lease. The Lessee, at its sole option, shall have the right to abandon in place any wiring or other electronic or communication equipment installed and shall not be required to remove it upon the expiration of the Lease.

9.4 Furniture and Equipment. Any violations cited which are specifically concerned with the placement or physical characteristics of the Lessee's furniture or equipment or which are directly attributable to the negligence of the Lessee, its employees, or invitees, shall be corrected by the Lessee by the date specified in the citation. The Lessor shall not withhold permission for the moving of any heavy furniture or equipment owned by Lessee for which, under the provisions of this Lease, the Lessor has reserved the right to direct placement if the original placement is cited as a violation of the above act, but the Lessor may, for such furniture or equipment, direct the new location.

Casualty.

10.1 Lessor's Obligation to Repair and Reconstruct. If the Demised Premises are damaged by fire or other casualty (the "Casualty") during the Term, Lessor, at its expense, shall restore the Demised Premises with reasonable promptness but in no event later than 90 days after the date of the Casualty to substantially the same condition of the Demised Premises immediately before such Casualty, and may temporarily enter and possess any or all of the Demised Premises for such purpose. The times for commencement and completion of any such restoration shall be extended for a period not to exceed 60 days if any delays are caused by an event or circumstance beyond Lessor's reasonable control. If such restoration is not accomplished within the 90-day period and any extension period, Lessee may terminate this Lease by giving Notice to Lessor within 30 days after the expiration of such period or extension. If such Notice is given, the rights and obligations of the parties shall cease as of the date of the Casualty and the Rent shall be adjusted as of the date of the Casualty.

10.2 Rent Abatement. As long as Lessee is prohibited from the use of any or all of the Demised Premises on account of such Casualty, the Rent and any other obligations of the Lessee shall be abated in proportion to the usable area of the Demised Premises that are rendered substantially unfit for occupancy by such Casualty, unless, in Lessee's sole judgment, such Casualty renders the undamaged part of the Demised Premises materially unsuitable for use by Lessee for the uses contemplated by this Lease, in which event the Rent shall be abated entirely during such period of non-use.

10.3 Destruction/Damage to the Building. Anything in this Section to the contrary notwithstanding, if it is determined by either party that the Building is so damaged by Casualty that either the Demised Premises or (whether or not the Demised Premises are damaged) the Building is rendered substantially unfit for occupancy and the Lessor will be unable to restore the Demised Premises within 90 days after such Casualty, then either party may elect to terminate this Lease as of the date of the Casualty by giving Notice thereof to the other party within 30 days after such Casualty. If such Notice is given, the rights and obligations of the parties shall cease as of the date of the Casualty and the Rent shall be adjusted as of the Casualty.

10.4 Emergency Plan(s). The Lessor is required to participate in and comply with the development and implementation of Lessee's "Continuity of Operations Plans" (COOP). The COOP Plan(s) shall include, among other things, emergency notification procedures of the Lessor's building engineer or manager, building security, local emergency personnel, and DGS ORE personnel.

Utilities.

11.1 Continuity of Utilities and Service. Lessor guarantees that the Demised Premises shall continually have heat, electricity, air conditioning, telephone access and plumbing available for use by Lessee. It is hereby understood and agreed that the heating and air conditioning systems will be kept under a uniform and systematic program of service and repair as prescribed according to manufacturer specifications, and as set forth in Exhibit H HVAC/Mechanical Equipment Minimum Requirements, attached hereto, solely at the Lessor's expense. If the existing heating and air conditioning systems are inadequate to provide a consistent degree of comfort, Lessor shall, at its own expense, replace or modify the system to assure consistent comfortable temperatures, as further defined in the Lease Standards made a part of this Lease.

11.2 Provision of Utilities and Service. All utilities and services (excluding telephone and communications) shall be provided and paid for by the Lessor unless otherwise set forth in this Lease.

11.3 Failure of Utilities or Service. Lessor shall not be liable for any failure to supply utilities or services not due to negligence on the Lessor's part. In the event of any such cessation of utilities or services due to negligence on the Lessor's part or for any other reason within Lessor's reasonable control which continues for a period in excess of three (3) consecutive business days, then without limiting any other rights or remedies Lessee may have hereunder, Lessee's obligation to pay Base Rent, Operating Expenses and Real Estate Taxes hereunder shall abate until such utilities or services are restored.

11.4 Payment for Overtime Usage of Utilities. Payment for overtime usage of utilities, if applicable, shall be made only for Units which consistently and continuously utilize the Demised Premises or a portion of the Demised Premises for a minimum of a 30-day period beyond the standard operational hours. The Lessor must notify DGS Office of Real Estate in advance and in writing of the indication that Lessee's usage may incur overtime utility usage charges. Overtime electric usage payment, if approved, shall be made on an annual basis submitted in the same manner and along with utility escalation billings and value established as follows: Net Usable Square Feet of space within the Demised Premises being utilized for overtime purposes divided by the total Net Usable Square Feet of the Demised Premises. The percentage shall be applied to the actual utility billing for each month of overtime utility usage.

Environmental Matters.

12.1 Compliance with Laws. Lessor shall comply, at its sole cost and expense, with the Comprehensive Environmental Response, Compensation and Liability Act 1980, 42 U.S.C. §9601 et seq., as amended, the Resource Conservation and Recovery Act 42 U.S.C.§6901, et seq., as amended, the Toxic Substance Control Act, 15 U.S.C. §2601, et seq., as amended, the Clean Water Act, 33 U.S.C. §1251, et seq., their respective State of Maryland statutes, including but not limited to, Title 7 of the Environment Article, Annotated Code of Maryland, "Hazardous Materials and Hazardous Substances", and any other, Federal, State, or local statute, law, ordinance, resolution, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Material, as defined below (the "Environmental Laws").

12.2 Hazardous Material. Hazardous Material means and includes any hazardous substance or any pollutant or contaminant defined as such in, or for the purpose of, the Environmental Laws, including, but not limited to, underground storage tanks, asbestos or asbestos-containing materials, oils, petroleum-derived compounds, pesticides polychlorinated biphenyls, or other toxic or hazardous substances, pollutants or contaminants.

12.3 Environmental Hazards Prohibition. The Lessor shall not place, deposit, store, treat, dispose of, manage, generate, manufacture, produce, release, emit or discharge Hazardous Material, or permit any other person to do the same, on, in, under or near the Demised Premises or the Property, without prior written consent of the Lessee.

12.4 Environmental Hazards Warranty. The Lessor hereby represents and warrants that: (i) Lessor has not placed, held, stored, or disposed of any Hazardous Material on, in, under or near the Demised Premises or the Property; (ii) to the best of its knowledge, Lessor's past or present tenants have not placed, held, stored, or disposed of any Hazardous Material on, in, under or near the Demised Premises or the Property; (iii) to the best of its knowledge, no Hazardous Material of any kind, or storage tanks, have been deposited, stored, treated, disposed of, managed, generated, manufactured, produced, released, emitted or discharged on, in, under or near the Demised Premises or the Property; (iv) no governmental or private suite, action or proceeding to allege, enforce or impose liability under or pursuant to any Environmental Laws have been instituted or threatened concerning the Demised Premises or the Property; and (v) no lien has been created under any applicable Environmental Laws.

12.5 Notice of Environmental Hazards. The Lessor agrees to: (i) give notice to the Lessee immediately upon acquiring knowledge of the presence of any Hazardous Materials on, in, under or near the Demised Premises or the Property, including a full description thereof; (ii) promptly comply with all Environmental Laws and perform all investigations, removal, remedial actions, cleanup and abatement, corrective action, or other remediation that may be required pursuant to any Environmental Laws requiring the removal, treatment or disposal of such Hazardous Materials; (iii) provide Lessee with satisfactory evidence of such compliance within a reasonable period of time with or without a demand by Lessee; and (iv) provide the Lessee with financial assurance evidencing to Lessee's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials and discharging any encumbrance with may be established on the Demised Premises or the Property as a result thereof.

12.6 Indemnity. To the extent allowable, by Local Government Tort Claims Act laws and regulations, Lessor shall indemnify, and hold the Lessee harmless from and against any and all liabilities, losses, damages, injuries, costs, expenses, claims of any kind, including without limitation, the reasonable fees and disbursements of attorneys and engineering consultants arising from the breach of any Environmental Laws prior to or subsequent to the execution of this Lease by Lessor, its officers, directors, employees, ("Environmental Claims"). Lessor, for itself, its former and future officers, directors, and employees, hereby and forever releases and discharges the Lessee and all of Lessee's employees, of and from any and all rights, claims, liabilities, causes of action, obligations, and all other debts and demands whatsoever, at law or in equity, whether known or unknown, foreseen or unforeseen, accrued or unaccrued, in connection with any Environmental Claims.

12.7 Survival. The provisions of this Lease General Condition Section 12 shall survive the early termination or expiration of this Lease and shall continue to be the obligation, liability and indemnification of the Lessor forever.

Performance and Lease Inquiries.

13.1 Inquiries about Lessee' s Performance. For inquiries concerning the performance of the Lessee's obligations under the Lease, Lessor shall contact Lessee's Facility Manager at the Demised Premises.

13.2 Inquiries about Lease. For inquiries concerning interpretation or modification of the Lease and inspection of the Demised Premises, Lessor shall contact the Chief of the Lease Management and Procurement Unit, Office of Real Estate Department of General Services.

14 Right of First Offer. During the term of the Lease, Lessor hereby agrees to give Lessee a right of first offer to lease any other vacant space in the building immediately before Lessor leases any vacant space in the building to any other person, Lessee shall have fifteen (15) business days to respond to offers made pursuant to this right with an affirmative or negative response that is subject to the preparation of the Supplemental Lease Agreement and formal Board of Public Works ratification within 75 days after said response.

Time is of the Essence.

15 Time is of the Essence. Time is of the essence and occupancy on the date specified in the Lease is the essence of this Agreement to the Lessee. If, due to its own fault or negligence, Lessor does not have the Demised Premises available for use by Lessee on the date specified in this Agreement, Lessor agrees to pay damages to Lessee in an amount equal to the Rent for the Demised Premises during the period that the Demised Premises are unavailable to the Lessee, and in addition the Rent due from Lessee and any other obligations to be performed by Lessee shall be abated until occupancy.

Termination.

16.1 Termination and Extension. This Lease and the tenancy hereby created shall cease and terminate at the end of the Original Term or any Renewal Term or other extension, without the necessity of any further notice from either the Lessor or the Lessee to terminate the same and that continued occupancy of the Demised Premises by the Lessee after the expiration of said term shall not operate to renew the said Lease for said term or any part thereof or render the Lessee liable for double Rent. Notwithstanding the foregoing, the Lessee reserves the absolute right to extend the term of the Lease for a period not to exceed six (6) months. In the event of such extension by the Lessee, the Lessee shall be and remain liable to the Lessor for Rent for the Demised Premises for the time the same are actually occupied by the Lessee, said Rent to be at the monthly rate required of Lessee during the immediate preceding term prior to the beginning of the extended term; but nothing herein shall confer upon the Lessee any right to remain on the Demised Premises beyond six (6) months after termination of the Original Term or the immediately preceding Renewal Term, except with the consent of the Lessor.

16.2 Termination for Failure to Deliver Demised Premises. In the event the Demised Premises are not completed at or prior to the specified date for completion, then the Lessee may, at its sole discretion, at any time prior to completion of the Demised Premises, terminate this Lease by giving written notice to the Lessor. In the event Lessee elects not to terminate this Lease pursuant to the previous sentence, then the provisions of Section 15, "Time is of the Essence," shall become operative from the date the Demised Premises should have been delivered to the date the Demised Premises are occupied or to the date the Lessee elects to terminate the Lease prior to occupancy.

16.3 Termination for Default. If the Lessor fails to fulfill its obligations under the Lease properly and on time, or otherwise violates any provision of this Lease, the Lessee may terminate this Lease by written notice to the Lessor. The notice shall specify the acts or omissions relied upon *as* cause for termination. All finished or unfinished work provided by the Lessor shall, at the Lessee's option, become the Lessee's property. The Lessee shall pay the Lessor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Lessor's breach. If the damages are more than the compensation payable to Lessor, the Lessor shall remain liable after termination and the Lessee can affirmatively collect such damages. [COMAR 21.07.01.11; SF 13-218 (a) (1)]

16.4 Cure Period. Unless another remedy or cure period is specifically provided elsewhere herein, the remedies in this provision shall apply. In the event that Lessor defaults in any obligation hereunder, Lessor shall have 10 business days from the date of receipt of the written notice to cure the same (provided, however, that such IO-business day period shall be extended *as* reasonably required if the cure requires in excess of 10 business days and Lessor is diligently pursuing the same). There shall be no cure period if, in the reasonable discretion of the Lessee, the default threatens the health, safety, or welfare of Lessee's employees, guest, and/or invitees. If Lessor fails to cure the default within the applicable specified period, Lessee may expend such sums as are necessary to cure the default and Lessor shall be liable to Lessee for same. Written notice to cure may be done by electronic mail.

16.5 Termination for Convenience. This Lease may be terminated by the Lessee in accordance with this clause, in whole, or from time to time in part, whenever the Lessee shall determine that such termination is in the best interest of the Lessee. The Lessee will pay all reasonable costs associated with this Lease that the Lessor has incurred up to the date of termination and all reasonable costs associated with termination of the Lease (Termination Costs). However, the Lessor shall not be reimbursed for any anticipatory rentals, expense, or profits which have not been earned up to the date of termination. [COMAR 21.07.01.12; SF 13-218 (a) (2)]

16.6 Rights and Remedies. References to any specific right or remedy shall not preclude Lessor or Lessee from exercising any other right or remedy to which it is otherwise entitled in law or in equity.

Other.

17.1 Non-Hiring of Officials and Employees. No employee of the State of Maryland, or any Unit thereof, whose duties as such employee include matters relating to or affecting the subject matter of the Lease, shall, while so employed, become or be an employee of the party or parties hereby contracting with the State of Maryland, or any Unit thereof.
[COMAR 21.07.01.05]

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

17.3 Nondiscrimination in Employment. The Lessor agrees: (a) not to discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.
[COMAR 21.07.01.08; SF 13-219]

17.4 Contingent Fee Prohibition. The Lessor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Lessor, to solicit or secure this Lease, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the Lease.

[COMAR 21.07.01.09]

17 .5 Efficiency Standards. In further cooperation with the Executive Order 01.01.2001.06, the Lessor acknowledges, that to the benefit of both the Lessor and Lessee, the Lessor shall endeavor to maintain current IBC efficiency standards for all fixtures in the Demised Premises; to detect and repair leaks in distribution lines and plumbing fixtures; to retrofit or replace fixtures as required; to manage system pressure so as to reduce usage; and when feasible, install efficient landscape design and irrigation techniques and waste water reclamation and recycling of water for non-potable applications.

17.6 Pre-existing Regulations. In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of the Lease are applicable to the Lease. [COMAR21.07.0l.17; SF 13-218 (c); SF 11-206]

17.7 Financial Disclosure. The Lessor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article, of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its Units during a calendar year under which the business is to receive in the aggregate $200,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases, or agreements reaches $200,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business. [COMAR 21.07.01.19]

17.8 Political Contribution Disclosure. The Lessee shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State during a calendar year, in which the person receives a contract with a governmental entity in an amount of $200,000 or more, shall file with the State Board of Elections a statement disclosing (a) any contributions made during a reporting period to a candidate for an elective office in any primary or general election; and (b) the name of each candidate to whom one or more contribution in a cumulative amount of $500 or more made during the reporting period. The statement shall be filed with the State Board of Elections: (a) the execution of a contract by the State, a county, an municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when the contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31 . Additional information is available on the State Board of Elections website: http://www.elections.state.md.us/campaign finance/index.html. [COMAR 21.07.01.20.; SF 13-318(a)(7); SF 17-402]

17.9 Compliance with State Recycling Plan. The Lessor understands that the Lease is subject to the provisions of Section 9-1706 of the Environment Article, Annotated Code of Maryland (Recycling Plan for State Government). Lessor shall ensure and facilitate the Lessee's participation in applicable State recycling plans and shall collect and properly recycle recyclable materials. Lessor warrants that it has sufficient recyclable materials collection and/or transfer room(s), facility (ies), and/or equipment ("Lessor's Recycling Facilities") to ensure Lessee's compliance with Section 9-1706 and proper recycling of collected recyclable materials.

17.10 Retention of Records. The Lessor shall retain and maintain all records and documents relating to this Lease for three years after final payment by the State 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 State, including the Procurement Officer or designee, at all reasonable times.

17.11 Representations and Warranties. The Lessor hereby represents and warrants that:

A. It is qualified to do business in the State of Maryland and that it will take such action as, from time-to-time hereafter, may be necessary to remain so qualified;

B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or Unit thereof, 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;

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

D. 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.

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

17.13 Complete Writing. The Lease contains, in writing, the full and complete understanding of the parties and the parties stipulate that there are no oral terms of this Lease.

17 .14 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.

17.15 Quiet Enjoyment. The Lessor covenants that it has full right, power and authority to enter into the Lease and Lessor agrees to permit the Lessee quiet enjoyment of possession of the premises during the Tenn and any extension herein of the Lease, or for so long as Lessee shall not be in default hereunder, without hindrance, ejection or molestation by any person lawfully claiming by, through or under the Lessor.

17.16 Commercial Non-Discrimination. As a condition of entering into the Lease, the Lessor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, the Lessor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identification, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the Lessor retaliate against any person for reporting instances of such discrimination. Lessor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. The Lessor understands and agrees that a material violation of this clause shall be considered a material breach of this Lease and may result in termination of this Lease, disqualification of the Lessor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. [COMAR 21.07.01.26 (A)]. As a condition of entering into this Lease, the Lessor represents and warrants that every subcontract it has entered into or will enter into for the performance of any of the work under this Lease shall include a clause identical to COMAR Section above.

17.17 Cooperation. As a condition of entering into the Lease, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against the Lessor under Title 19 of the State Finance and Procurement Article, as amended from time to time, the Lessor agrees to: provide to the State within 60 days after the request a truthful and complete list of the names of all subcontractors, vendors, and suppliers that the Lessor has used in the past 4 years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by the Lessor on each subcontract or supply contract. The Lessor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. The Lessor understands and agrees that violation of this clause shall be considered a material breach of the Lease and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions. [COMAR 21.07.01.26 (B)]

17.18 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 Lessor or Lessee 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.

17.19 Nonsmoking. Smoking is not permitted in State leased facilities. The Lessor shall reasonably provide a smoking area no closer than 25 feet away from any entrance or exit.

17.20 Waiver. The waiver at any time by the Lessor or the Lessee of any particular covenant or condition of the Lease shall extend to the particular case only, for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever.

17.21 Brokers. The Lessor hereby represents and warrants to Lessee that, in connection with the leasing of the Demised Premises to Lessee, except as otherwise expressly provided in the Lease, the Lessor has not dealt with any real estate broker, agent or finder, except the State's Broker, whose commission shall be paid by Lessor. The Lessor shall indemnify the Lessee from any loss or damage caused by the inaccuracy of this representation.

17.22 Waiver of Jury Trial. The Lessor and Lessee desire a prompt resolution of any litigation between them with respect to this Lease which may be filed in accordance with Section 16.6 above. To that end, the Lessor and Lessee waive trial by jury in any action, suit, proceeding and/or counterclaim brought by either against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of the Lessor and Lessee, Lessee's use or occupancy of the Demised Premises, any claim of injury or damage and/or any statutory remedy. This waiver is knowingly, intentionally and voluntarily made.

17.23 Defined Terms. Any capitalized term not defined herein shall have the meaning ascribed to it in the Lease.

17.24 Notices. No notice, approval, requested consent or required election to be given or made in accordance with the terms of this Lease shall be effective unless the same is in writing and either hand-delivered against receipted copy or mailed by registered or certified mail, postage pre-paid, return receipt requested, or sent by recognized overnight courier service (such as Federal Express) to the Lessor or Lessee at their addresses as set forth in Section 4 of the Lease, or to such other address of which either party shall notify the other pursuant to the provisions of this subsection (e). Notices shall be deemed given on the date the receipt is executed or delivery is refused or, if delivered by overnight courier service, one (1) business day after deposit with such delivery service.

17.25 Severability. No determination by any court, governmental body or otherwise that any term of this Lease is invalid or unenforceable in any instance shall affect the validity or enforceability of this Lease, that term in any circumstance not controlled by such determination, or any other term of this Lease. Rather, each term of this Lease shall be valid and enforceable to the fullest extent allowed by and shall be construed wherever possible as being consistent with, applicable law.

17.26 Counterparts & Electronic Signature. The Lease may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The signature of a party transmitted electronically (e.g., e-signature or Docu-sign) shall constitute and have the same force and effect as the original signature of the party.

END OF LEASE GENERAL CONDITIONS

EXHIBIT A-1

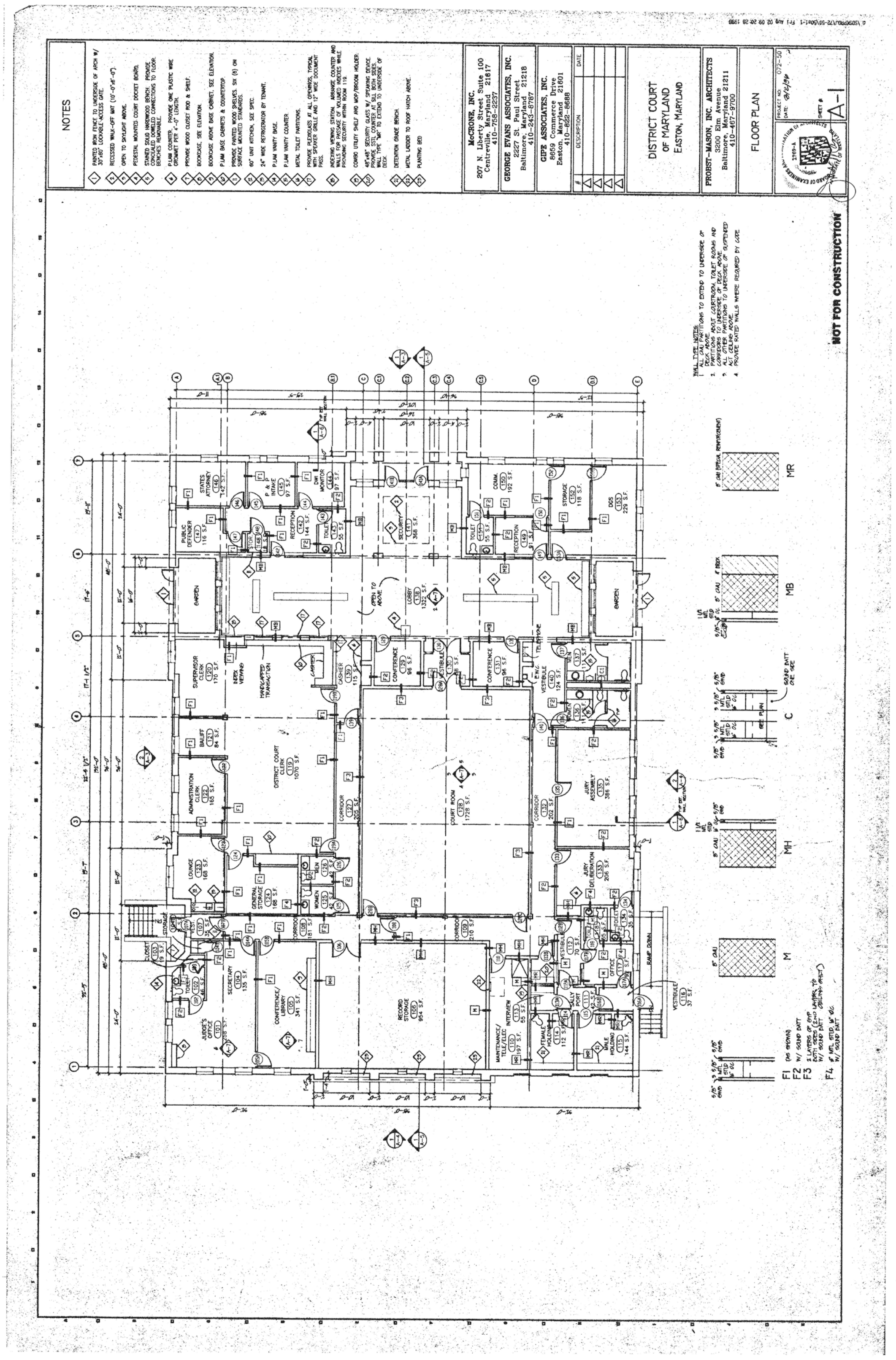
NOTES
DISTRICT COURT
OF MARYLAND
EASTON, MARYLAND
FLOOR PLAN
A-1
NOT FOR CONSTRUCTION
COURT ROOM
LOBBY
DISTRICT COURT CLERK
RECORD STORAGE
JURY ASSEMBLY
JURY DELIBERATION
JUDGE'S OFFICE
CONFERENCE/LIBRARY
SECRETARY
SECURITY
GARDEN

EXHIBIT A-3

RESOLUTION NO. 6184

A RESOLUTION OF THE TOWN OF EASTON AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE TOWN OF EASTON AND THE STATE OF MARYLAND FOR A MARYLAND VETERANS AFFAIRS OFFICE LOCATED IN THE TOWN OF EASTON

INTRODUCED BY: ________________________________

WHEREAS, the State of Maryland Department of General Services has requested that the Town lease to the State a portion of a parcel of municipally-owned property located on the west side of Harrison Street in Easton, Maryland which is a building currently known as the Welcome and Resource Center at 11 S. Harrison Street for use by the Maryland Veteran's Affairs Office which is a building currently leased for use by the Maryland Veterans Affairs Office pursuant to Resolution Number 6020; and

WHEREAS, as a result of the request, Town official and State officials have prepared an agreement entitled "STATE OF MARYLAND INTERGOVERNMENTAL LEASE" (the "Lease Agreement"), under the terms of which the Town shall lease office space 300 net leasable square feet with the right to use other common areas for the use of the Maryland Veterans Affairs MDVA) for a term of five (5) years at an annual rent of $1 as described in the Lease Agreement (a specimen of the Lease Agreement is attached to this Resolution as "Exhibit "A"); and

WHEREAS, the Town Council has determined that entering into the Lease Agreement with the State of Maryland for the purposes of leasing a Maryland Veterans Affairs Office to the State will benefit the Town and its residents by providing a convenient and centrally located facility for the Maryland Veterans Affairs Office, by providing the Maryland Veterans Affairs Office with a facility to enhance its operational efficiency, by maintaining Easton, and Easton's downtown area in particular, as a center for governmental activities in Talbot County and by otherwise contributing to the economic health of the Town; and

WHEREAS, the Town Council determines that entering into the Lease Agreement with the State of Maryland for the purposes of leasing a Maryland Veterans Affairs Office will fulfill public purposes and inure to the benefit of the Town and its residents.

NOW, THEREFORE, be it resolved by the Easton Town Council:

Section 1. The recitals set forth above are incorporated herein by reference and made a part of this Resolution.

Section 2. The Town Council hereby determines that the Lease Agreement, and the terms thereof, arc reasonable and that the execution and delivery thereof are in the best interest of the Town and its residents and the Town Council hereby authorizes, ratifies, confirms and approves the execution and delivery of the Lease Agreement to the State upon the terms and conditions stated therein.

Section 3. The Mayor and the Town Manager are hereby authorized to execute and deliver to the State of Maryland, one or more fully executed counterparts of the Lease Agreement.

Section 4. The Mayor is hereby authorized to make such modifications to the form of the Lease Agreement prior to its execution and delivery as she deems appropriate provided, however, that no such change shall alter the substance of the Lease Agreement attached hereto as Exhibit "A".

Section 5. This Resolution shall become effective after adoption by the Town Council and upon approval by the Mayor.

Curry -
Abbatiello -
Montgomery -
Davis -
Gunsallus -

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this

___________ day of ________________, 2024.

____
Frank Gunsallus, Town Council President

Delivered to the Mayor by me this _______ day of ____________, 2024.

____
Kathy M. Ruf, Town Clerk

APPROVED:

Date: _____________________ ____________________________________
Megan JM Cook, Mayor

EFFECTIVE DATE: _________________________, 2024.

ORE File No: 4312 Type of Lease: New Lease Specifications Date: July 2009 Leasing Contact: Jason Nicholas	**STATE OF MARYLAND** **INTERGOVERNMENTAL LEASE** (Revised 4/2014)

THIS INTERGOVERNMENTAL LEASE AGREEMENT ("Lease"), fully executed by the parties this day of Two Thousand Twenty Four ("Effective Date"), is between **the Town of Easton, Talbot County, Maryland** (hereinafter called the "Lessor"), and the State of Maryland, (hereinafter called the "Lessee") to the use of the **Maryland Department of Veterans Affairs**.

WHEREAS, the Lessor owns a two (2) story office building (the "**Building**") on a parcel of land known as the Easton Visitor Center, 11 S. Harrison Street, Easton Maryland, 21601 in Talbot County (the "**Land**"). Hereinafter the Land and the Building shall be sometimes collectively referred to as the "**Property**".

The Lessor demises and leases unto Lessee that portion of the Building depicted in **Exhibit A-2 as Office B**, hereinafter the "**Demised Premises**", together with the right to use in common with others in the Property, the common areas including but not limited to hallways, lobbies, sidewalks, parking areas, and public restrooms.

The Demised Premises contain 300 net useable square feet of general office space, more or less (hereinafter "NUSF", as defined in the State of Maryland General Performance Standards and Specifications for Leased Space as of 07/2009.

The term of the Lease is 5 year(s) and 0 month(s), and subject to Section 7 of the Standard State of Maryland Lease General Terms and Conditions, attached hereto as Addendum A, shall commence on June 1st, 2024, hereinafter the "**Commencement Date**".

This Lease specifically incorporates the following as terms and conditions of this Lease:

1. State of Maryland General Performance Standards and Specifications for Leased Space as of 07/2009.

2. Regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) as of the Effective Date of this Lease.

3. State of Maryland Intergovernmental Lease General Terms and Conditions, attached hereto as **Addendum A**.

4. The following Exhibits:

☐	**Exhibit A-1**	Additional Description of Property
☒	**Exhibit A-2**	Existing Floor Plan
☒	**Exhibit A-3**	Site Plan of Property and Parking Plan
☐	**Exhibit A-4**	Approved Space Plan (to be attached)
☐	**Exhibit B**	Lessor's Construction Budget (to be attached)
☐	**Exhibit C**	Estoppel Sample
☒	**Exhibit E**	HVAC/Mechanical Equipment and Maintenance Standards
☐	**Exhibit F**	Supplemental Lease Format Sample
☐	**Exhibit G**	Acceptance Form
☐	**Exhibit H**	Describe -

Lessor's Initials_________ Date______

6. Lessor and Lessee:

LESSOR	LESSEE
Name: Town of Easton	Department / Agency: Maryland Department of Veterans Affairs

Address: 14 S Harrison Street, Easton MD 21601	Address: 16 Francis Street, 4th Floor, Annapolis MD 21401

E-mail:	drichardson@eastonmd.gov	E-mail:	Phillip.Munley@Maryland.Gov
FIN:	52-6000787		

On Site Contact:	Donald Richardson	On Site Contact:	Phillip Munley
Phone:	410-822-2525	Phone:	410-230-4444 Ext 6457
E-mail:	drichardson@eastonmd.gov	E-mail:	Phillip.Munley@Maryland.Gov

Emergency Contact:	Donald Richardson	Emergency Contact:	Phillip Munley
Emergency Phone:	410-822-2525	Emergency Phone:	410-230-4444 Ext 6457
E-mail:	drichardson@eastonmd.gov	E-mail:	Phillip.Munley@Maryland.Gov

Notice Address: Town of Easton 14 S Harrison Street Easton, MD 21601	Notice Address: Maryland Department of Veterans Affairs 16 Francis Street 4th Floor Annapolis MD 21401 With Copy to DGS Lease Management 300 W. Preston Street, Room 601 Baltimore, MD 21201

7. Lessor's affirmation of title and authority to lease the Property:

☒ Fee Simple- ☒ Copy of Deed
☐ Leasehold- ☐ Copy of Lease

Instrument Date:	April 16, 1884
County:	Talbot
Recording Reference:	Liber 98 Folio368
Grantor:	Jacob and Virginia M Williams
Grantee:	The Commissioners of Easton
Notes:	N/A
Lessor confirms the information above and attests to the below Signatory's title and authority to execute this Lease Agreement.	
Authorized Signatory:	Megan JM Cook
Signatory Title:	Mayor

8. Lessee's Using Units:

Using Unit	% of Demised Premises Use		Type of Use
Maryland Department of Veterans Affairs	100		Admin Office

9. Parking:

The State exercises its right of not paying local taxes and the Lessor agrees to and at all times shall claim this exemption with respect to parking space leased to Lessee.

	Reserved Spaces	Use in Common Spaces
Number of Spaces	None	None
Location of Spaces	N/A	N/A
Rate per Space ('N/A' if included in Rent)	N/A	N/A
Notes: The tenant will have full access to the common area parking lot surface during working hours.		

10. Improvements to be made by Lessor prior to Lease Commencement:

☒ None
☐ Construction or Renovation of Demised Premises

Additional Construction Terms: N/A

11. Term of the Lease:

Term:	Five (5) years

Number of Renewal Terms	N/A
Length of Each Renewal	N/A

Notes: Renewal to be negotiated and subject to BPW approval.

12. Base Rent:

Years	Per Square Foot Amount	Monthly	Annual
1-5	N/A	N/A	$1.00

13. Renewal and Renewal Rent:

☐ Lessee's Renewal and Renewal Rent to be negotiated and subject to BPW approval.
☐ Lessee's Renewal and Renewal Rent negotiated:

Renewal Number	Length of Renewal Term	Per Square Foot Amount	Monthly	Annual
0	N/A	N/A	N/A	N/A

☐ Renewal(s) subject to the following additional terms and conditions:

N/A

14. Operating Services Expenses:

Operating Service Expense	Procured by	Invoiced to	Paid by	Passed through to Lessee	% passed through to Lessee	Base Year
Electricity	Lessor	Lessor	Lessor	☒ Yes ☐ No	23% of Building use	N/A
Heating Fuel	Lessor	Lessor	Lessor	☒ Yes ☐ No	23% of Building use	N/A
Cleaning Services & Supplies (including, but not limited to Waste Collection and Recycling)	Lessee	Lessee	Lessee	☐ Yes ☒ No	N/A	N/A
Sewer and Water	Lessor	Lessor	Lessor	☒ Yes ☐ No	23% of Building use	N/A
Snow and Ice Removal	Lessor	Lessor	Lessor	☐ Yes ☒ No	N/A	N/A
Other:				☐ Yes No		
Base Year Notes: N/A						
Notes: N/A						

14A. Real Estate Taxes:

Percentage of Property's Real Estate Taxes passed through to Lessee	N/A
Base Year Notes: N/A	
Notes: Building is tax exempt	

Using Unit(s) percentage share
N/A
N/A
Notes: N/A

15. Maintenance Inspections to occur in accordance with Section 8.6 of Addendum A, however no less than:

☐ Semi-annually	☐ Quarterly	☒ Annually

16. Other Terms and Conditions: None

Discuss: N/A

Discuss: N/A

17. This Lease shall only be effective and binding upon the State with full execution by the parties and approval by the Maryland Board of Public Works. Lessor has no right to institute any action or proceedings to compel the State to present this Lease to the Board of Public Works or to compel the Board of Public Works to approve this Lease. In the event this Lease is not fully executed or approved by the State, Lessor's only remedy shall be to declare this Lease null and void.

18. In the event of any conflict between this Standard Lease Form DGS-680-3 and any other document attached hereto, incorporated by reference, or otherwise made part of this Lease, apart

from applicable Maryland Annotated Code Statutes and COMAR regulations, the provisions of this Intergovernmental Lease shall prevail.

19. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature of a party transmitted electronically (e.g., e-signature) shall constitute and have the same force and effect as the original signature of the party.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and assigns have set their hand and seal on the day and year first above written.

ATTEST:	**LESSOR**: Town of Easton
__________________________________ By:	____________________________ Megan JM Cook Mayor
ATTEST:	**LESSEE**: STATE OF MARYLAND, to the use of Maryland Department of Veterans Affairs
__________________________________ By:	____________________________ Anthony Wood Secretary

Execution of the above Intergovernmental Lease was authorized and approved by the Board of Public Works at a meeting held on _____________ as DGS Action Agenda Item __________.

____

Department of General Services
Office of Real Estate

This Intergovernmental Lease has been reviewed for form and legal sufficiency and approved by the Office of the Attorney General on ___________ by Steven R. Brown, Assistant Attorney General.

____

Department of General Services
Assistant Attorney General

STATE OF MARYLAND
INTERGOVERNMENTAL LEASE GENERAL CONDITIONS
FORM DGS-680-3B (1)
(Revised 5/22/18)

1 Definitions.

The following terms have the following meanings in addition to their usage within the text of this Lease:

Approved Construction Budget means that budget which has been jointly approved and signed by the using Unit(s) and DGS Office of Real Estate, prior to construction which delineates the cost to be incurred by Lessor of the required and excess Tenant Improvements to the Demised Premises.

Approved Space Plans mean plans which have been jointly approved and signed by the using Unit(s) and DGS Office of Real Estate, prior to construction.

Base Year means the year agreed upon by Lessee and Lessor for which a baseline value is established for calculating amounts owed for operating services expenses.

BPW means the Maryland State Board of Public Works.

Broker means the brokerage firm retained, if any, by DGS Office of Real Estate.

DGS means State of Maryland, Department of General Services.

Lease Year means (a) the period beginning at 12:01 a.m. on the Commencement Date and ending at the end of the day immediately before the first anniversary of the first day of the first full calendar month in the Term, and (b) each successive period of 12 calendar months thereafter during the Term.

Normal Working Hours shall mean 7am to 7pm Monday through Friday and 7am to 2pm on Saturday except those days designated as holidays by the State.

Occupancy is the date Lessee begins operating from the Demised Premises.

ORE means State of Maryland, Department of General Services Office of Real Estate

Person means any natural person, trustee, corporation, partnership, Limited Liability Company or other legal entity.

Section means that all references made to any Section shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section of this Lease.

Space Plans (Plans) means those plans submitted to the using Unit(s) and ORE for approval which specify the design and construction of the Tenant Improvements, prepared at Lessor's expense. The Plans shall conform to the site and building conditions and to all required applicable laws, statutes, ordinances, Executive Orders, and codes (including without limitation building, health, and fire codes) of all applicable governmental authorities.

Substantial Completion means the completion by Lessee of construction or other work required to bring the Building and Demised Premises up to the Lessee's requirements, including the Lessee's acquiring of all necessary permits and inspections related to occupancy which may be subject to minor punch list items.

Supplemental Lease means an amendment to the Lease that was duly approved by the parties hereto and the Board of Public Works.

Tax Year means the fiscal year for which the real property taxes are levied by the governmental authority, i.e. July 1 through June 30 of said year.

Tenant Improvements means those improvements regarding the Demised Premises to be completed by Lessee before Lessee(s) occupancy may begin.

Termination Costs means the reasonable value of any non-recurring costs incurred but not amortized in the price of the Lease which are a) any brokerage commissions paid to the State's Broker, less any amortized portion of the brokerage commissions calculated on a straight-line basis as of the date of termination, and b) construction costs required to build out the Demised Premises from pre-Lease condition to the condition specified in the Approved Space Plan, the Lease Standards, and any Request for Proposal specifications in accordance with costs delineated in Lessor's Construction Budget, less i) any construction costs paid for in cash by the Lessee, ii) costs amortized as of the date of termination, including legal fees, architectural/engineering costs, bank charges and fees, and, interests costs incurred during construction and attributable to the Tenant Improvements. Termination Costs shall not include any Lessor anticipatory Rents, expenses, or profits which have not been earned up to the date of termination.

Payment of Rent.

2.1 Rent Invoices. Lessee will not automatically pay the Rent; Lessor must send a bill for each monthly payment to each State Unit (hereinafter referred to as "Unit") listed in this Lease for the amounts set forth in this Lease.

2.2 Rental Payments. Rental payments shall be payable at the office of the Lessor, during normal business hours and shall be due on the first day of the month.

2.3 Multi-Year Leases Contingent Upon Appropriations. If the General Assembly fails to appropriate funds or if funds are not otherwise made available by the Morgan Board of Regents or other authority for continued performance for any fiscal period of this Lease succeeding the first fiscal period, this Lease shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Lessor's rights under any termination clause in this Lease. The effect of termination of the Lease hereunder will be to discharge both the Lessor and the State from future performance of the Lease, but not from their rights and obligations existing at the time of termination. The Lessor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the Lease. The State shall notify the Lessor as soon as it has knowledge that funds may not be available for the continuation of this Lease for each succeeding fiscal period beyond the first. [COMAR 21.07.01.10; SF 13-217 (d), (e)]

2.4 Submission of Invoices. All invoices for Rent or other expenses submitted pursuant to this Lease shall be submitted directly to the appropriate Unit(s) listed in this Lease unless otherwise specifically provided for herein.

2.5 Required Information. All invoices shall be made out to the appropriate Unit in this Lease and must contain the following information: state "Invoice" on the bill; reference the Board of Public Works number and date indicated at the end of this Lease; type of billing (i.e. "Rent"), and additional information as may be specifically required elsewhere in this Lease. [SF 15-102]

2.6 Payment by the State. Payments to the Lessor pursuant to Section 2.4 and this Lease shall be made no later than 30 days after the State's receipt of a proper invoice from the Lessor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable, are prohibited. [COMAR 21.07.01.18; SF 15-103, 104]

2.7 Interest on Late Payments. Except for Rent or other expenses submitted pursuant to this Lease, the Lessor hereby agrees that, notwithstanding the provisions of State Finance and Procurement Article of the Annotated Code of Maryland, Title 15, Subtitle 1, interest on any payments due under the terms of this Lease shall not be payable unless such payments remain unpaid for more than 45 days after receipt of a proper invoice and such payments shall accrue interest from the 31st day after receipt of a proper invoice. [SF 15-104]

2.8 Transfer of the Property/Assignment of Lease.
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2.9 Maximum Rent. Lessor agrees and asserts that the annual Rent does not exceed fifteen per cent (15%) of the fair market value of the Demised Premises at the date of the Lease. State Finance and Procurement Article, Section 12-205 of the Annotated Code of Maryland.

Operating Expenses.

3.1 Operating Expense Calculations. Effective at the conclusion of the second Lease year as set out in this Lease, and each succeeding Lease year of this Lease, the Lessee shall pay as an additional expense, and not as additional rent, or shall receive as a credit, its proportionate share of any increase or decrease in Operating Expenses.

3.2 Modification of Base Year for Warranty. If applicable, the base year set out in this Lease for any item which is under a guarantee or warranty shall be modified the first full Lease year following expiration of the item's guarantee or warranty.

3.3 Real Estate Tax Invoicing. INTENTIONALLY LEFT BLANK

3.4 Other Operating Expense Invoicing. The invoicing period for all other Operating Expenses shall be within 90 days of the end of each annual Lease year; for example if the Lease commences April 1st, invoicing no later than June 30th based on the invoicing period of April 1st through the succeeding March 31st.

3.5 Lease Termination Invoicing. Upon Lease termination all invoices, including invoices for real estate taxes, shall be adjusted to the date of Lease termination and shall be submitted within 90 days after the Lease termination date. **Invoices submitted more than 90 days after the end of the invoicing period shall not be honored.** Any payments due by the Lessee shall be paid in one lump sum. Credits due the Lessee shall be credited to the Lessee's monthly rent payments immediately. In the event the credit exceeds the amount of one monthly rent payment, the full amount of the monthly rent shall be credited until the full credit has been recovered.

3.6 Method for Invoicing. Invoices for Operating Expenses shall be made out to the using Unit. **Lessor shall send a copy of such invoice to: The Department of General Services, Office of Real Estate, Attn: Chief of Leasing, 300 W. Preston St., Rm 601, Baltimore, MD 21201 for review and approval before payment.** In addition to the information required by Section 2.5, such invoices shall include, as backup material, certified true copies of invoices (for the Base Year and escalation year) for the services for which escalations are requested. For costs where such invoices are confidential, (i.e. salaries paid to Lessor's employees) the Lessor must certify and warrant that such payments for such costs were made. ORE shall have the right by methods acceptable to the Lessor and Lessee, to physically audit the Lessor's records to determine the validity of reimbursement or credits due under this Lease.

3.7 Audit Expenses. Lessee shall have the right at any time to audit the books and records of the Lessor with respect to the Demised Premises. Lessor guarantees all financial records and tenant statements shall be prepared in accordance with generally accepted accounting principles (GAAP) and rendered to Lessee in any similar format Lessee may reasonably request from time to time. If Lessee exercises the right to audit the books and records associated with this Lease, Lessee shall pay the expense of auditing the books and records. However, Lessor shall pay all audit expenses if Lessee is found to have been overcharged by 15% or more on any bill related to Operating Service Expenses or Real Estate Taxes.

Assignment.

4.1 Assignment. Lessee may assign this Lease and the Demised Premises upon prior written consent of the Lessor, whose consent shall not be unreasonably withheld, conditioned or delayed.

4.2 Use of the Demised Premises. Use of the Demised Premises by a Unit(s) of the State of Maryland other than the Unit(s) designated in this Lease is not an assignment or a subletting and may be done at the discretion of the Lessee.

Condition Upon Termination.

5 Condition Upon Termination. Lessee will, at the expiration or sooner termination of the Term, deliver up the Demised Premises in the same condition they were in at the beginning of the tenancy, reasonable wear and tear, and such damage as cannot be attributed to the carelessness or neglect of the Lessee, its employees, agents or invitees excepted.

Construction, Improvements, Replacements.

6.1 Construction of Tenant Improvements. Lessee shall, at Lessee's sole cost and expense, develop, design and construct on and in the Demised Premises, and the building of which the Demised Premises are a part, Lessee's Tenant Improvements ("Tenant Improvements").

6.2 Preparation of Space Plans. Promptly after the BPW approves this Lease, and in accordance with the appropriate State of Maryland General Performance Standards and Specifications for Leased Facilities, Lessee shall at its expense prepare and submit to Lessor for review and approval proposed space plans**.** The Plans shall conform to the site and building conditions and to all required applicable laws, statutes, ordinances, Executive Orders, and codes (including without limitation building, health, and fire codes) of all applicable governmental authorities as to the design and construction of the Tenant Improvements.

6.3 Architect(s) and Engineer(s). Lessee shall select and provide Architect(s) and Engineers (Mechanical, Electrical, Plumbing), where applicable, to prepare the plans for and construct the Tenant Improvements (the "Plans"). Architect(s) and Engineer(s) employed by Lessee must be currently licensed and in good standing with the State of Maryland.

6.4 Compliance With All Laws. All plans, construction and improvements to the Demised Premises shall comply with all applicable Federal and State building codes and requirements, as may be amended from time to time, including but not limited to the Maryland Building Performance Standards of the Public Safety Article of the Annotated Code of Maryland, Title 12, Subtitle 5,; the Maryland Building Rehabilitation Code of the Public Safety Article of the Annotated Code of Maryland, Title 12, Subtitle Ten; The Americans with Disabilities Act of 1990 (ADA); and the Maryland Building Code for the Handicapped (MBCH).

6.5 Review and Approval of Space Plans. INTENTIONALLY LEFT BLANK

6.6 Fit Up. .INTENTIONALLY LEFT BLANK

6.7 Performance of Work. The Lessee agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Lease.

6.8 Time Extensions. INTENTIONALLY LEFT BLANK

6.9 Tenant Improvements After Occupancy. In the case of Tenant Improvements constructed prior to or after Lessee's occupancy of the Demised Premises, Lessor shall not demolish or destroy any existing Tenant Improvements during the Term upon the Demised Premises without the prior written consent of Lessee.

6.10 Paint and Carpet. INTENTIONALLY LEFT BLANK .

6.11 Construction Progress and Coordination. .INTENTIONALLY LEFT BLANK

6.12 Damage and Repair. Lessor shall be solely responsible for repairing any buildings, roads, parking lots, grounds, utilities or other structures, improvements and areas on the Demised Premises, the Property, or the Building.

6.13 Construction Equipment. Lessee shall require its Contractor(s) to guarantee that all machinery, tools, equipment, vehicles and supplies are secured at all times. The Lessor shall not be responsible for the safe keeping or theft of any machinery, tools, equipment, vehicles, or supplies of Lessee's Contractor(s), suppliers, or agents. The Lessor shall not be responsible for the security and safety of any construction equipment or supplies.

6.14 Utilities. If utilities have to be relocated or disrupted due to construction of the Tenant Improvements, the relocation or disruption shall be done at the cost and expense of Lessee and in accordance with any provisions set forth in this Lease. ..

6.15 No Waiver of Requirements. INTENTIONALLY LEFT BLANK

Commencement and Occupancy.

7.1 Rent Abatement. INTENTIONALLY LEFT BLANK

7.2 Partial Occupancy. Lessee may, prior to completion of the renovations, occupy any portion of the Demised Premises mutually agreed upon by Lessor and Lessee. Rent payable during such partial occupancy shall be paid proportionately to the area occupied by the Lessee and the rent payable shall be adjusted to the actual term of such partial occupancy.

7.3 Occupancy. Occupancy is the date Lessee begins operating from the Demised Premises. Storage of furniture or equipment in the Demised Premises as may be mutually agreed upon by Lessor and Lessee shall not constitute "constructive occupancy" or acceptance of the space by the Lessee.

7.4 Supplemental Commencement Date. Regardless of the date specified at the outset of the Lease, the initial term of this Lease shall commence on the date the Demised Premises are fully occupied and shall terminate at the end of the length of time specified for the Term. If the term of this lease would begin and/or end other than on the first day of the month, Lessee shall pay proportionate rent at the same monthly rate set forth in this Lease for such partial month and all other terms and conditions of this Lease shall be in force and effect during such partial month. The Commencement Date of this Lease shall be established by Supplemental Lease hereto.

7.5 Building Rules and Regulations. The Lessee, its agents and employees shall comply, to the extent authorized by applicable law, with the reasonable building rules and regulations of Lessor that are presented to Lessee prior to occupancy and agreed to by Lessee. The Lessor may modify these rules and regulations from time to time, but such changes must first be approved by the Lessee. Whenever any rule or regulation shall conflict with the provisions of this Lease, the Lease provision shall prevail.

Repairs and Maintenance.

8.1 Damage or Defects. Lessee, upon discovery, shall give to Lessor prompt written notice of any accidents or damage to, or defects in, the roof, the exterior of the building, plumbing, electrical service, electric lights, or HVAC apparatus. These defects and/or damage shall be remedied by Lessor, including any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures, if such moving is required to remedy the defect. It is understood by the parties that this does not impose an obligation upon the Lessee to inspect the building for accidents, damage or defects nor hold the Lessee liable for failure to do so.

8.2 Lessor's Responsibility for Repairs. All repairs to the Demised Premises including repairs to the exterior of the Building, no matter how caused are to be made and paid for by the Lessor, including any costs incurred and associated with the movement of Lessee's machinery, equipment, furniture and fixtures, if such moving is required to make the repairs.

8.3 Lessee's Responsibility for Repairs. The Lessee shall only be responsible for the financial reimbursement to the Lessor of the actual costs for repairs made by the Lessor or its agent to the Demised Premises caused by the gross negligence of the Lessee, its agents, employees or invitees. Lessor shall provide to the Lessee copies of the actual invoices for work caused by the gross negligence of the Lessee, its agents, employees or invitees. Notwithstanding anything to the contrary, Lessee's liability for the reimbursement of said costs shall be contingent upon Lessor obtaining written approval of costs from Lessee prior to the commencement of any work.

8.4 Failure to Repair. In the event the Lessor fails to a) replace promptly any broken item; b) make necessary repairs; or c) maintain the Building and Property as herein provided for, the Lessee is herewith empowered and authorized, but not obligated to, after written notice has been given the Lessor, to make all necessary repairs or perform the required maintenance, charging the Lessor for the making of such repairs or performing said maintenance and deducting the cost thereof from any subsequent payment or payments of Rent due under the terms of the Lease or by such other legal process it might elect. In the event Lessor fails to repair or perform maintenance, Lessee shall have the right to withhold (abate) payment of Rent until such time as Lessor completes said repairs or maintenance in a manner satisfactory to Lessee.

8.5 Fire Evacuation Plan. The Lessor agrees to maintain and post a current fire evacuation plan approved by the State Fire Department for the Building, and to work with the Lessee in appointing floor fire captains to implement the evacuation plan.

8.6 Regular Maintenance Inspections. The Lessor shall designate an authorized representative and agrees to conduct regular maintenance inspections with the Lessee's designee, or also with such frequency as Lessee shall request. The inspections shall identify concerns and problems by the Lessee. The Lessor shall respond in writing within ten (10) days following said inspection detailing action plans and completion times..

8.7 Building Performance Standards. The Lessor guarantees that the Demised Premises, common areas and other portions of the Property over which Lessor has control comply in all respects with the following, as may be amended from time to time: (a) the provisions of the Public Safety Article, Title 12, Subtitle 5 of the Annotated Code of Maryland (Maryland Building Performance Standards); (b) The Americans with Disabilities Act of 1990 (42 United States Code, Section 12101, et seq.); and (c) the Occupational Safety and Health Standards of the State of Maryland and the United States, including but not limited to the presence of friable asbestos or other hazardous materials or chemicals; and (d) the codes and standards as delineated in the General Performance Standards and Specifications for State of Maryland Leased Facilities. If Lessor has knowledge or is notified that other lessees in or on the Property/Building are not in compliance with these laws, Lessor shall take such action as is necessary to insure proper compliance**.**

8.8 Non-Compliance with Building Performance Standards. Should either the Lessor or Lessee be cited for any non-compliance or violation of any Act, Code or standards set forth or referenced in this Lease, the Lessor shall at its own expense by the date specified by such citation, correct all violations which are not specifically concerned with the placement or physical characteristics of the Lessee's furniture or equipment or which are not directly attributable to the negligence of the Lessee, its employees, or invitees.

Alterations by Lessee.

9.1 Alterations by Lessee. Lessee shall not make any alterations, additions, or improvements without Lessor's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, and all alterations, additions or improvements made by either of the parties hereto upon the Demised Premises shall be the property of the Lessor and shall remain upon and be surrendered with the Demised Premises at the termination of this Lease, provided, however, that the Lessee shall have the privilege of installing any signs, furniture, fixtures, or machinery necessary in the conduct of its business and these same shall remain the property of the said Lessee, and may be removed by the Lessee during its tenancy.

9.2 Signs. Lessee may install such signs as it wishes within the Demised Premises without permission to do so from the Lessor. Lessee may also install such signs outside of the Demised Premises at locations and of such size as the Lessor may approve, in accordance with local regulations regarding exterior signage.

9.3 Lines and Wiring. Lessee may install lines or special wiring for telephones and other electronic or communications equipment necessary in the conduct of its business and these shall remain the property of the Lessee, and may be realigned, maintained or removed at the sole option of the Lessee during its tenancy or upon expiration or termination of the Lease. The Lessee, at it sole option, shall have the right to abandon in place any wiring or other electronic or communication equipment installed and shall not be required to remove it upon the expiration of the Lease.

9.4 Furniture and Equipment. Any violations cited which are specifically concerned with the placement or physical characteristics of the Lessee's furniture or equipment or which are directly attributable to the negligence of the Lessee, its employees, or invitees, shall be corrected by the Lessee by the date specified in the citation. The Lessor shall not withhold permission for the moving of any heavy furniture or equipment owned by Lessee for which, under the provisions of this Lease, the Lessor has reserved the right to direct placement if the original placement is cited as a violation of the above act, but the Lessor may, for such furniture or equipment, direct the new location.

Casualty.

10.1 Lessor’s Obligation to Repair and Reconstruct. If the Building is damaged by fire or other casualty (the “Casualty”) during the Term, Lessor, at its expense, shall restore the Building with reasonable promptness but in no event later than 90 days after the date of the Casualty to substantially the same condition of the Building immediately before such Casualty, and may temporarily enter and possess any or all of the Demised Premises for such purpose. The times for commencement and completion of any such restoration shall be extended for a period not to exceed 60 days if any delays are caused by an event or circumstance beyond Lessor’s reasonable control. If such restoration is not accomplished within the 90 day period and any extension period, Lessee may terminate this Lease by giving Notice to Lessor within 30 days after the expiration of such period or extension.
If such Notice is given, the rights and obligations of the parties shall cease as of the date of the Casualty and the Rent shall be adjusted as of the date of the Casualty

10.2 Rent Abatement. As long as Lessee is prohibited from the use of any or all of the Demised Premises on account of such Casualty, the Rent and any other obligations of the Lessee shall be abated in proportion to the usable area of the Demised Premises that are rendered substantially unfit for occupancy by such Casualty, unless, in Lessee’s sole judgment, such Casualty renders the undamaged part of the Demised Premises materially unsuitable for use by Lessee for the uses contemplated by this Lease, in which event the Rent shall be abated entirely during such period of non use.

10.3 Destruction/Damage to the Building. Anything in this Section to the contrary notwithstanding, if it is determined by either party that the Building is so damaged by Casualty that either the Demised Premises or (whether or not the Demised Premises are damaged) the Building is rendered substantially unfit for occupancy and the Lessor will be unable to restore the Demised Premises within 90 days after such Casualty, then either party may elect to terminate this Lease as of the date of the Casualty by giving Notice thereof to the other party within 30 days after such Casualty. If such Notice is given, the rights and obligations of the parties shall cease as of the date of the Casualty and the Rent shall be adjusted as of the Casualty.

10.4 Emergency Plan(s). The Lessor is required to participate in and comply with the development and implementation of Lessee's "Continuity of Operations Plans" (COOP). The COOP Plan(s) shall include, among other things, emergency notification procedures of the Lessor's building engineer or manager, building security, local emergency personnel, and DGS ORE personnel.

Utilities.

11.1 Continuity of Utilities and Service. Lessor guarantees that the Demised Premises shall continually have heat, electricity, air conditioning, telephone access and plumbing available for use by Lessee. It is hereby understood and agreed that the heating and air conditioning systems will be kept under a uniform and systematic program of service and repair as prescribed according to manufacturer specifications, and as set forth in Exhibit H HVAC/Mechanical Equipment Minimum Requirements, attached hereto, solely at the Lessor's expense. If the existing heating and air conditioning systems are inadequate to provide a consistent degree of comfort, Lessor shall, at its own expense, replace or modify the system to assure consistent comfortable temperatures, as further defined in the Lease Standards made a part of this Lease.

11.2 Provision of Utilities and Service. All utilities and services (excluding telephone and communications) shall be provided and paid for by the Lessor unless otherwise set forth in this Lease.

11.3 Failure of Utilities or Service. Lessor shall not be liable for any failure to supply utilities or services not due to negligence on the Lessor's part.

11.4 Payment for Overtime Usage of Utilities. INTENTIONALLY LEFT BLANK

Environmental Matters.

12.1 Compliance with Laws. Lessor shall comply, at its sole cost and expense, with the Comprehensive Environmental Response, Compensation and Liability Act 1980, 42 U.S.C. §9601 et seq., as amended, the Resource Conservation and Recovery Act 42 U.S.C. §6901, et seq., as amended, the Toxic Substance Control Act, 15 U.S.C. §2601, et seq., as amended, the Clean Water Act, 33 U.S.C. §1251, et seq., their respective State of Maryland statutes, including but not limited to, Title 7 of the Environment Article, Annotated Code of Maryland, "Hazardous Materials and Hazardous Substances", and any other, Federal, State, or local statute, law, ordinance, resolution, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Material, as defined below (the "Environmental Laws").

12.2 Hazardous Material. Hazardous Material means and includes any hazardous substance or any pollutant or contaminant defined as such in, or for the purpose of, the Environmental Laws, including, but not limited to, underground storage tanks, asbestos or asbestos-containing materials, oils, petroleum-derived compounds, pesticides polychlorinated biphenyls, or other toxic or hazardous substances, pollutants or contaminants.

12.3 Environmental Hazards Prohibition. The Lessor shall not place, deposit, store, treat, dispose of, manage, generate, manufacture, produce, release, emit or discharge Hazardous Material, or permit any other person to do the same, on, in, under or near the Demised Premises or the Property, without prior written consent of the Lessee.

12.4 Environmental Hazards Warranty. The Lessor hereby represents and warrants that: (i) Lessor has not placed, held, stored, or disposed of any Hazardous Material on, in, under or near the Demised Premises or the Property; (ii) to the best of its knowledge, Lessor's past or present tenants have not placed, held, stored, or disposed of any Hazardous Material on, in, under or near the Demised Premises or the Property; (iii) to the best of its knowledge, no

Hazardous Material of any kind, or storage tanks, have been deposited, stored, treated, disposed of, managed, generated, manufactured, produced, released, emitted or discharged on, in, under or near the Demised Premises or the Property; (iv) no governmental or private suite, action or proceeding to allege, enforce or impose liability under or pursuant to any Environmental Laws have been instituted or threatened concerning the Demised Premises or the Property; and (v) no lien has been created under any applicable Environmental Laws.

12.5 Notice of Environmental Hazards. The Lessor agrees to: (i) give notice to the Lessee immediately upon acquiring knowledge of the presence of any Hazardous Materials on, in, under or near the Demised Premises or the Property, including a full description thereof; (ii) promptly comply with all Environmental Laws and perform all investigations, removal, remedial actions, cleanup and abatement, corrective action, or other remediation that may be required pursuant to any Environmental Laws requiring the removal, treatment or disposal of such Hazardous Materials; (iii) provide Lessee with satisfactory evidence of such compliance within a reasonable period of time with or without a demand by Lessee; and (iv) provide the Lessee with financial assurance evidencing to Lessee's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials and discharging any encumbrance with may be established on the Demised Premises or the Property as a result thereof.

12.6 Indemnity. To the extent allowable, by the State Tort Claims Act, Section 12-104, State Government Article, Annotated Code of Maryland, and regulations, Lessor shall indemnify, defend (if requested by Lessee), and hold the Lessee harmless from and against any and all liabilities, losses, damages, injuries, costs, expenses, claims of any kind, including without limitation, the reasonable fees and disbursements of attorneys and engineering consultants arising from the breach of any Environmental Laws prior to or subsequent to the execution of this Lease by Lessor, its officers, directors, agents, employees, tenants, or their successors or assigns ("Environmental Claims"). Lessor, for itself, its former and future officers, directors, agents and employees, and for each of their respective heirs, personal representatives, successors and assigns, hereby and forever releases and discharges the Lessee and all of Lessee's employees, agents, representative, successors and assigns, of and from any and all rights, claims, liabilities, causes of action, obligations, and all other debts and demands whatsoever, at law or in equity, whether known or unknown, foreseen or unforeseen, accrued or unaccrued, in connection with any Environmental Claims.

12.7 Survival. The provisions of this Lease General Condition Section 12 shall survive the early termination or expiration of this Lease and shall continue to be the obligation, liability and indemnification of the Lessor forever.

Performance and Lease Inquiries.

13.1 Inquiries about Lessee's Performance. For inquiries concerning the performance of the Lessee's obligations under the Lease, Lessor shall contact Lessee's Facility Manager at the Demised Premises.

13.2 Inquiries about Lease. For inquiries concerning interpretation or modification of the Lease and inspection of the Demised Premises, Lessor shall contact the Chief of the Lease Management and Procurement Unit, Office of Real Estate Department of General Services.

Right of First Offer.

14 **Right of First Offer.** During the term of the Lease, Lessor hereby agrees to give Lessee a right of first offer to lease any other vacant space in the building immediately before Lessor leases any vacant space in the building to any other person, Lessee shall have fifteen (15) business days to respond to offers made pursuant to this right with an affirmative or negative response that is subject to the preparation of the Supplemental Lease Agreement and formal Board of Public Works ratification within 75 days after said response.

Time is of the Essence.

15 **Time is of the Essence.** Time is of the essence and occupancy on the date specified in the Lease is the essence of this Agreement to the Lessee. If, due to its own fault or negligence, Lessor does not have the Demised Premises available for use by Lessee on the date specified in this Agreement, Lessor agrees to pay damages to Lessee in an amount equal to the Rent for the Demised Premises during the period that the Demised Premises are unavailable to the Lessee, and in addition the Rent due from Lessee and any other obligations to be performed by Lessee shall be abated until occupancy.

Termination.

16.1 Termination and Extension. This Lease and the tenancy hereby created shall cease and terminate at the end of the Original Term or any Renewal Term or other extension, without the necessity of any further notice from either the Lessor or the Lessee to terminate the same and that continued occupancy of the Demised Premises by the Lessee after the expiration of said term shall not operate to renew the said Lease for said term or any part thereof or render the Lessee liable for double Rent. Notwithstanding the foregoing, the Lessee reserves the absolute right to extend the term of the Lease for a period not to exceed six (6) months. In the event of such extension by the Lessee, the Lessee shall be and remain liable to the Lessor for Rent for the Demised Premises for the time the same are actually occupied by the Lessee, said Rent to be at the monthly rate required of Lessee during the immediate preceding term prior to the beginning of the extended term; but nothing herein shall confer upon the Lessee any right to remain on the Demised Premises beyond six (6) months after termination of the Original Term or the immediately preceding Renewal Term, except with the consent of the Lessor.

16.2 Termination for Failure to Deliver Demised Premises. INTENTIONALLY LEFT BLANK

16.3 Termination for Default. If the Lessor fails to fulfill its obligations under the Lease properly and on time, or otherwise violates any provision of this Lease, the Lessee may terminate this Lease by written notice to the Lessor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Lessor shall, at the Lessee's option, become the Lessee's property. The Lessee shall pay the Lessor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Lessor's breach. If the damages are more than the compensation payable to Lessor, the Lessor shall remain liable after termination and the Lessee can affirmatively collect such damages. [COMAR 21.07.01.11; SF 13-218 (a) (1)]

16.4 Cure Period. Unless another remedy or cure period is specifically provided elsewhere herein, the remedies in this provision shall apply. In the event that Lessor defaults in any obligation hereunder, Lessor shall have 10 business days from the date of receipt of the written notice to cure the same (provided, however, that such 10-business day period shall be extended as reasonably required if the cure requires in excess of 10 business days and Lessor is diligently pursuing the same). There shall be no cure period if, in the reasonable discretion of the Lessee, the default threatens the health, safety, or welfare of Lessee’s employees, guest, and/or invitees. If Lessor fails to cure the default within the applicable specified period, Lessee may expend such sums as are necessary to cure the default and Lessor shall be liable to Lessee for same. Written notice to cure may be done by electronic mail.

16.5 Termination for Convenience. This Lease may be terminated by the Lessee in accordance with this clause, in whole, or from time to time in part, whenever the Lessee shall determine that such termination is in the best interest of the Lessee. The Lessee will pay all reasonable costs associated with this Lease that the Lessor has incurred up to the date of termination and all reasonable costs associated with termination of the Lease (Termination Costs). However, the Lessor shall not be reimbursed for any anticipatory rentals, expense, or profits which have not been earned up to the date of termination. [COMAR 21.07.01.12; SF 13218 (a) (2)]

16.6 Rights and Remedies. References to any specific right or remedy shall not preclude Lessor or Lessee from exercising any other right or remedy to which it is otherwise entitled, in law or in equity.

Other.

17.1 Non-Hiring of Officials and Employees. INTENTIONALLY LEFT BLANK.

.

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

17.3 Nondiscrimination in Employment. The Lessor agrees: (a) not to discriminate in any manner against any employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause. [COMAR 21.07.01.08; SF 13-219]

17.4 Contingent Fee Prohibition. INTENTIONALLY LEFT BLANK

17.5 Efficiency Standards. In further cooperation with the Executive Order 01.01.2001.06, the Lessor acknowledges, that to the benefit of both the Lessor and Lessee, the Lessor shall endeavor to maintain current IBC efficiency standards for all fixtures in the Demised Premises; to detect and repair leaks in distribution lines and plumbing fixtures; to retrofit or replace fixtures as required; to manage system pressure so as to reduce usage; and when feasible, install efficient landscape design and irrigation techniques and wastewater reclamation and recycling of water for non-potable applications.

17.6 Pre-existing Regulations. INTENTIONALLY LEFT BLANK.

17.7 Financial Disclosure. INTENTIONALLY LEFT BLANK. . .

17.8 Political Contribution Disclosure. INTENTIONALLY LEFT BLANK

17.9 Compliance with State Recycling Plan. The Lessor understands that the Lease is subject to the provisions of Section 9-1706 of the Environment Article, Annotated Code of Maryland (Recycling Plan for State Government). Lessor shall ensure and facilitate the Lessee's participation in applicable State recycling plans and shall collect and properly recycle recyclable materials. Lessor warrants that is has sufficient recyclable materials collection and /or transfer room(s), facility(ies), and/or equipment ("Lessor's Recycling Facilities") to ensure Lessee's compliance with Section 9-1706 and proper recycling of collected recyclable materials.

17.10 Retention of Records. The Lessor shall retain and maintain all records and documents relating to this Lease for three years after final payment by the State 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 State, including the Procurement Officer or designee, at all reasonable times.

17.11 Representations and Warranties. The Lessor hereby represents and warrants that:

A. It shall comply with all federal, and state laws and regulations, applicable to its activities and obligations under this Lease; and

B. 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.

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

17.13 Complete Writing. The Lease contains, in writing, the full and complete understanding of the parties and the parties stipulate that there are no oral terms of this Lease.

17.14 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.

17.15 Quiet Enjoyment. The Lessor covenants that it has full right, power and authority to enter into the Lease and Lessor agrees to permit the Lessee quiet enjoyment of possession of the premises during the Term and any extension herein of the Lease, or for so long as Lessee shall not be in default hereunder, without hindrance, ejection or molestation by any person lawfully claiming by, through or under the Lessor.

17.16 Commercial Non-Discrimination. .

17.17 Cooperation. .INTENTIONALLY LEFT BLANK

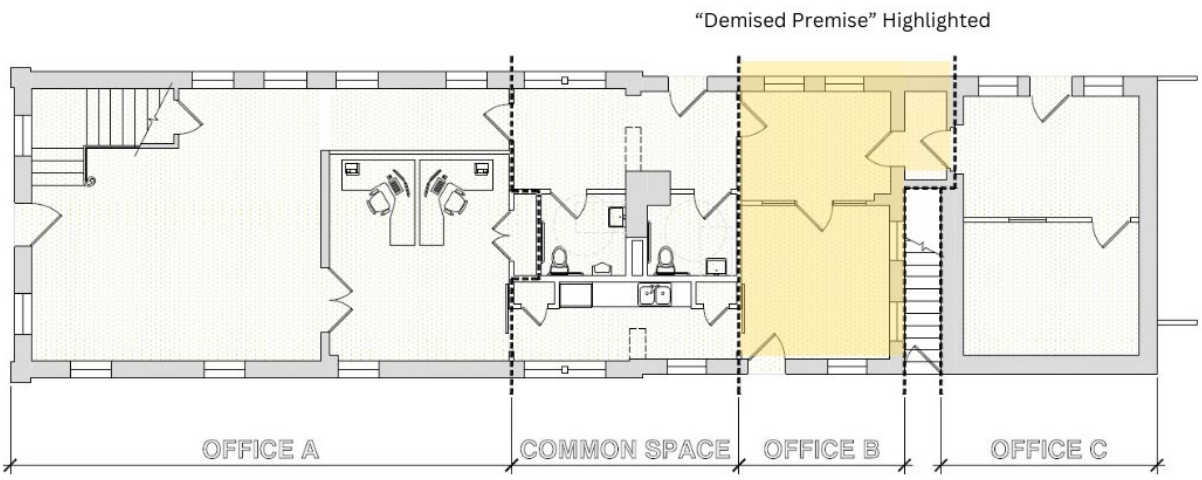
17.18 Interpretation. As used herein, all references made (a) in the neuter, masculine or feminine gender shall be deemed made in all such genders, (b) in the singular or plural number shall be deemed made in the plural or singular number as well, (c) to Lessor or Lessee shall be deemed to refer to each 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. The signature of a party transmitted electronically (e.g.,e-signature or Docu-Sign) shall constitute, and have the same force and effect as the original signature of the party.

17.19 Nonsmoking. Smoking is not permitted in State leased facilities. The Lessor shall reasonably provide a smoking area no closer than 25 feet away from any entrance or exit.

17.20 Waiver. The waiver at any time by the Lessor or the Lessee of any particular covenant or condition of the Lease shall extend to the particular case only, for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever.

END OF LEASE GENERAL CONDITION

Exhibit A-2



Lessor's Initials______/______

Exhibit A-3

Lessor's Initials______/______

ADDENDUM E
HVAC/MECHANICAL EQUIPMENT MINIMUM REQUIREMENTS

SCOPE OF WORK:

The Lessor shall furnish all labor, materials, supervision, equipment, and services necessary for and reasonably incidental to operation, maintenance, replacement and service the mechanical systems to provide a safe working environment at the site.

REQUIREMENTS:

Tests and reports required herein shall be sent to the Department of General Services, Office of Real Estate on a scheduled to be determined at the time of occupancy.

1. Cooling towers are to be chemically cleaned twice a year to insure clean condensers. The Lessor shall conduct two (2) Leagionella tests per year, and submit a Laboratory Report of the findings to DOS Office of Real Estate.
2. All chemicals used shall have an awarded EPA (Environmental Protection Agency) registration number, each shall be registered with the Baltimore City Health Department and the Department of Health and Mental Hygiene, and shall have FDA approval.
3. The Lessor shall provide the Department of General Services, Office of Real Estate a copy of the Material Safety Data Sheet for all the chemicals to be used under this requirement to be placed in the lease file.
4. Fire & Life Safety, Test pull boxes, P.A. system, and smoke detectors semi-annually.

   Test fire pumps and fire extinguishers yearly. Provide a building fire evacuation plan approved by the Fire Department, updated yearly.

The following shall be checked and repaired daily:

1. Restroom exhaust fans
2. Faucets and flush valves

The following shall be replaced quarterly:

1. All air filters

The following shall be serviced semi-annually:

1. Clean coils and apply biocide/algaecide treatments in condensate pans.
2. Clean induction systems

Lessor's Initials______/______

TOWN OF EASTON

Planning & Zoning Department
14 South Harrison Street
P.O. Box 520

STAFF MEMORANDUM

To: EASTON TOWN COUNCIL

From: LYNN B. THOMAS, JR., AICP, TOWN PLANNER

Date: FEBRUARY 26, 2024

Subject: **FOLLOW UP INFORMATION RE. ORDINANCE 809 (ZONING FOR CANNABIS-RELATED USES)**

The purpose of this memorandum is to provide additional and follow-up information pursuant to the discussion that occurred during the Council's Public Hearing on Ordinance 809, which proposed zoning changes intended to regulate a number of cannabis-related uses in the Town of Easton. My notes and recollection indicate that the list of such issues included the following:

- Provide each Council member a printed copy of the Zoning Map.
- Check on the parking requirement for dispensaries in Cambridge (and perhaps check to see if other communities have a unique standard).
- Clarify the limits the State places on us with regards to zoning regulations for these uses.
- Odor - is what we have proposed sufficient? Can it be extended to other uses?

The balance of this memo will present staff research and additional thoughts on these issues.

A. Zoning Map

A copy of the Zoning Map has been provided to each Council Member. They were placed in your Town inbox on Monday, February 26th. The map can also be accessed online on the Eye Over Easton website and we can also provide copies in a larger (or smaller) format if you prefer.

B. Parking Requirements for Cannabis Dispensaries

The actual parking standard applied in Cambridge to the Sunburst Pharm (the example mentioned at the Hearing) is not as important as the actual "facts on the ground" by which I mean that we know how many parking spaces have been provided and we know the size of the building, so we can calculate an actual parking ratio, and I think the suggestion was (and I concur) that whatever it is, it is insufficient.

The building that now houses the Sunburst Pharm was originally constructed in 1977 as, if my memory is accurate, a 7-11 Convenience Store. Maryland Department of Assessments and Taxation records indicate the structure is 2,650 square feet. The site currently (as of 2/22/24) provides 25 off-street parking spaces. This translates to a parking ratio of 1 space per 106 square feet (if we assume all of the square footage counts). My casual observation of the site is that it is generally at or just below full capacity. It should also probably be noted that this is even with on-street parking on the side street and ample parking across the primary street at a strip shopping center (though these spaces are admittedly not immediately adjacent to the street). Parking on the site appears to be crammed into every available space and it appeared to me on the day I visited that they may be attempting to provide additional parking on an adjacent lot as an area of stones had recently been created.

I have also looked beyond this one specific example to parking standards for this use more generally. I did not find many examples where a jurisdiction had established a parking standard specifically for cannabis dispensaries. In fact, in my admittedly brief initial research, I only identified two such jurisdictions, one local (Oxford) and one not (Neshannock Township, PA), both of which require 1 parking space per 200 square feet of gross floor area. Additionally, I found the following from a study on this issue prepared by the Lochmueller Group for the City of Des Peres, MO):

The field data collection and analysis yielded various insights pertaining to trip generation and parking demand at the dispensaries studied.

- *Square footage is not a reliable independent variable for trip generation or parking demand. As shown from the field observations and analysis, the smallest dispensary in terms of square footage, Proper Cannabis, generated the most trips and likely the highest parking demand.*

- *Adjacent roadway traffic volumes do not necessarily correlate with trip generation of a dispensary. HomeState Dispensary generated the least number of trips despite being located adjacent to Lindbergh Boulevard which had the highest traffic volumes of any site studied, carrying approximately 22,300 vehicles per day (vpd).*

- *Parking durations, or time spent by the customer patronizing the establishment, is variable and unique to each site.*

- *Each site studied had approximately 6 to 14 employees throughout the day. Depending on location and available parking, employees may park on site or off site nearby.*

Given the aforementioned insights, it can be concluded that the trip generation and parking demand associated with a dispensary is rather unique to each brand. There is not a common characteristic, factor, or variable identified that can be pointed to which directly correlates to trip generation. Rather it can be concluded, trip generation and parking demand of a dispensary are driven by brand name, recognition, and loyalty of the customer base. As a result of the vast fluctuations and variability between the sites studied, it is recommended that the city require a detailed traffic impact analysis from a petitioner for marijuana dispensary that would be based upon the following information provided by the dispensary:

- *Sales data – data which includes a sales transaction timestamp (hour, minute, day of week) at a comparable location for that brand.*

- *Hours of operation – intended hours of operation for the development.*

- *Number of employees – intended employees, staffing levels, and scheduling information. It should be emphasized that this information will likely be collected from another location or franchise owned by the petitioner.*

In the absence of available data from the petitioner (in the situation where they do not have an established location already), it is recommended that the average rate of the three local locations studied be applied for trip generation purposes. This equated to 26.21 trips per 1,000 SF for the March 28, 2023 Page 15 Weekday PM peak hour of the dispensary, which would be presumed to occur concurrently with the peak hour of the adjacent street (4 to 6 PM). This application would exceed the suggested ITE rates for both the peak of the use and the adjacent street and, therefore, offer a conservative basis for estimating a site's trip generation. With regards to the parking supply for the use, given the volatility experienced it is recommended that the City consider a requirement akin to their existing standards. A parking requirement of 2 spaces for every three employees on the maximum shift plus 7 spaces for every 1,000 SF should be adequate in most cases.

The recommended standard highlights a key issue with this use - an unusually large number of employee parking spaces seem to be necessary to a degree that they are not accounted for in the standard ratio in the same way that they apparently are for other uses. The detailed traffic impact analysis suggested in this report may be the best approach for establishing the parking requirement for this use. If you agree, Ordinance 809 should be amended to (at a minimum) include that revision.

C. State Limitations/Requirements

The Security Requirements of the State legislation for cannabis uses are summarized in the attached guidance paper from the Maryland Medical Cannabis Commission.

With regards to restricting the hours of operation of a dispensary, it appears that the law offers some flexibility as it provides for a maximum opening time of 12 hours per day but no earlier than 8 am and no later than 10 pm. Sharon is of the opinion that we could restrict the hours to say, 9 am to 9 pm, which she also saw in another jurisdiction and that should be consistent with the limits of the law.

Finally, the ability to require growing facilities to operate exclusively indoors was raised as an issue. In our research we discovered another Maryland jurisdiction which imposes this requirement, St. Mary's County. The relevant standards addressing this issue from their Ordinance are:

> (5) Cultivation of cannabis shall be located entirely within one or more completely enclosed buildings. in an indoor facility with rigid walls. a roof. and doors.
> (6) In each room of the facility that is used. in whole or in part. for the cultivation or processing of cannabis. Applicant shall seal. screen. or sanitize the room to effectively exclude odors leaving the facility.
> (7) Applicant shall provide certification by a Professional Engineer. Certified Industrial Hygienist. or other equivalently qualified professional that proposed odor control measures will effectively eliminate outdoor odors for all odor sources.

The full text of this ordinance can be found at:
https://www.stmaryscountymd.gov/docs/Proposed_Text_Amendment_JSH_6_29_003_.pdf

I have also included the standards of their Ordinance that address the odor issue. They rely on a certification process. There is no mention of the enforcement mechanisms or penalties, which suggests they are treated the same as any other provision of their Zoning Ordinance.

Frederick County also requires cannabis growing to occur indoors through a simple standard that says "Growing shall be conducted indoors." Their complete regulations may be found at:

https://frederickcountymd.gov/DocumentCenter/View/348326/101023---PROPOSED-BILL---Amndmnts-to-Ch-1-19-of-the-FCC---Zoning-Ord---Add-Cannabis-Dispensary-Growing-Facility--Processing-Facility

D. Odor

On the subject of odor., there were questions/comments made by the Council asking whether the language we came up with is the best option for these uses and secondarily, whether we could extend whatever we come up with more generally, similar to how noise or light is sometimes regulated. Early in the Planning Commission's consideration of the proposed cannabis-related zoning amendments, the following table was shared with them, which summarizes how a few different jurisdictions in Oregon and California address the odor issue:

Local and State Regulations

As cannabis operations continue to proliferate, state and local governments are increasingly promulgating regulations and ordinances that directly regulate cannabis emissions. In addition to these cannabis-specific regulations, governmental entities can also rely on nuisance common law statutes to regulate cannabis emissions.

Most cannabis odor regulations are promulgated at the local level. For example:

LOCAL REGULATIONS - SPECIFIC TO CANNABIS OPERATIONS	
LOCATION	LANGUAGE EXCERPT
Los Angeles, California	"A Business Premises shall be properly ventilated and the exhaust air filtered to neutralize the odor from cannabis so that the odor cannot be detected by a person with a normal sense of smell at the exterior of the Business Premises or on any adjoining property. No operable windows or exhaust vents shall be located on the building façade that abuts a residential use or zone. Exhaust vents on rooftops shall direct exhaust away from residential uses or zones. (Violation Type - Moderate)"[13]
Oakland, California	"Cannabis facilities shall be designed to provide sufficient odor absorbing ventilation and exhaust system so that any odor generated inside the facility is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the Cannabis operator, if the use only occupies a portion of a building."[14]
Long Beach, California	"Every Adult-Use Cannabis Business shall implement adequate ventilation system and odor control filtration measures to prevent odors from inside the cannabis facility from being detected outside the cannabis facility."[15]
Pendleton, Oregon	"Unlawful Release of Marijuana Odor. No owner of real property or person in charge thereof shall allow, permit or cause the odor of marijuana to emanate from that premises to any other property."[15]

These seem to be variations of the common theme of imposing operational standards intended to prevent odor from becoming a nuisance. There is no indication though as to the enforcement mechanisms. That is, do they investigate and enforce based on some subjective measurement (there is, apparently an instrument that measures odors), upon receiving X# of complaints within Y days, through active monitoring by Code Enforcement, or via some other mechanism?

This points out the closely related but different approaches to this issue. On the one hand, there are preemptive operational standards that can be imposed, presumably in recognition of the fact that certain uses have a high probability of producing odors. On the other hand, a local jurisdiction could establish enforcement provisions and hold all properties to those standards. The two approaches are clearly not mutually exclusive.

E. Conclusion

An amended version of Ordinance 809 is attached. It has been revised based on the results of our research and based on assumptions of the changes the Council wishes to make as a result of the discussion following the Public Hearing on 2/19/24. If these assumptions are inaccurate or if there are additions, deletions, and/or further revisions you would like to see, the attached would need to be amended again to reflect any such changes. For the purpose of following the proposed revisions, I have maintained the yellow highlighting for proposed new language as indicated in the original Ordinance 809 (i.e., the one on which you held the Public Hearing on 2/19/24) and have used green highlighting to indicate additional new language that is appearing for the first time in this amended Ordinance 809.

The one issue that was brought up that is not addressed in the amended Ordinance is that of whether we should treat cannabis-related uses differently than their corresponding non-cannabis-related version of the same use (e.g., Cannabis dispensary vs. Pharmacy or perhaps Liquor Store and Cannabis Processing vs. Bottling or Distribution Stations for Beverages (?)). The Table below compares how the existing uses are treated with how the new cannabis-related uses are currently proposed to be treated:

		A-1	R-7A	R-10A	R-10M	CB	CG	CL	BC	I	G/I	
	Drug Store/Pharmacy	–	–	–	–	P	P	P	–	–	–	
	Liquor Stores*	–	–	–	–	SE	SE	–	–	–	–	
	Bottling or distribution stations for beverages	–	–	–	–	–	P	–	P	P	–	
603	Cannabis Related Uses											
603.1	Cannabis Dispensary*	–	–	–	–	SE	P	P	–	–	–	SE in CB, CG or CL if Drive-Thru Window is proposed
603.2	Cannabis Growing Facility*	–	–	–	–	–	–	–	SE	P	–	
603.3	Cannabis on-site consumption establishment*	–	–	–	–	–	–	–	–	–	–	
603.4	Cannabis Processing Facility*	–	–	–	–	–	–	–	SE	P	–	

1.

ORDINANCE NO. 809

AN ORDINANCE OF THE TOWN OF EASTON AMENDING CHAPTER 28 OF THE TOWN CODE (ZONING)

INTRODUCED BY ____________________

WHEREAS, the Town of Easton is authorized by § 4-102 of the Land Use Article of the Maryland Annotated Code (the "Code") to enact a comprehensive zoning ordinance, which ordinance is codified as Chapter 28 of the Code of the Town of Easton;

WHEREAS, the Town of Easton is authorized by § 4-204 of the Land Use Article of the Code and § 28-1401 of Chapter 28 of the Code of the Town of Easton to amend, supplement, change or repeal zoning regulations;

WHEREAS, the Easton Town Council approved and enacted a comprehensively revised new Zoning Code which became effective on December 5, 2021;

WHEREAS, the State of Maryland passed legislation legalizing recreational cannabis under certain limitations, which is known as the Cannabis Reform Act (House Bill 556/Senate Bill 516) and was signed into law and became effective on July 1, 2023;

WHEREAS, the Cannabis Reform Act authorizes local governments to establish reasonable zoning requirements for cannabis businesses;

WHEREAS, the Easton Town Council directed the Easton Planning Commission to draft proposed amendments to the Town's Zoning Code to include definitions, use regulations and supplemental standards for cannabis dispensaries, cannabis growing facilities, cannabis processing facilities, and on-site cannabis consumption establishments;

WHEREAS, the Easton Planning and Zoning Commission considered the matter at a series of meetings and via a 4-1 vote at their regular monthly meeting held on January 18, 2024, the actions of which were transmitted to the Easton Town Council via a letter dated January 31, 2024, the Commission recommended that the Town Council adopt a number of amendments to the Zoning Code as contained in the document attached hereto as Exhibit A; and

WHEREAS, the Easton Town Council held a duly noticed public hearing on this Ordinance on February 19, 2024.

NOW, THEREFORE, the Town of Easton hereby ordains:

Section 1. The relevant sections of Chapter 28 of the Code of the Town of Easton are hereby repealed and reenacted with amendments to read as shown on the attached Exhibit A:

Section 2. In accordance with Article II, Section 9 of the Easton Town Charter, this ordinance shall become effective on the later of twenty (20) calendar days after approval by the Mayor or passage of this ordinance by the Council over the Mayor's veto.

Curry -
Abbatiello -
Montgomery -
Davis -
Gunsallus -

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this ____________ day of ________________, 2024.

____

Frank Gunsallus, Town Council President

Delivered to the Mayor by me this ________ day of _______________, 2024.

____

Kathy M. Ruf, Town Clerk

APPROVED:

Date: ____________________, 2024

____
Megan JM Cook, Mayor

EFFECTIVE DATE: ______________________, 2024.

EXHIBIT A

2. Amend the Table of Permissible Uses as follows:

Health Services												
		A-1	R-7A	R-10A	R-10M	CB	CG	CL	BC	I	G/I	
232	Animal Hospital or Veterinary Clinic*	--	--	--	--	--	SE	SE	P	--	--	
233	Drug Store/Pharmacy	--	--	--	--	P	P	P	--	--	--	
234	Hospital											
235	~~Medical Cannabis Dispensary*~~	~~--~~	~~--~~	~~--~~	~~--~~	~~SE~~	~~SE~~	~~SE~~	~~--~~	~~--~~	~~--~~	
236	~~Medical Cannabis Growing Facility*~~	~~P~~	~~--~~	~~--~~	~~--~~	~~--~~	~~SE~~	~~SE~~	~~P~~	~~P~~	~~SE~~	
237	~~Medical Cannabis Processing Facility*~~	~~--~~	~~--~~	~~--~~	~~--~~	~~--~~	~~--~~	~~--~~	~~P~~	~~P~~	~~--~~	
238	Medical Services	--	--	--	--	P	P	P	P	--	--	
239	Mobile Medical Facility	--	--	--	--	--	T	--	T	--	T	Also possible Temporary Use in the HC District.
240	Any Health Service Not Listed Above	--	--	--	--	SE	SE	SE	SE	--	--	

6. MISCELLANEOUS/COMBINATION/HYBRID USES												
		A-1	R-7A	R-10A	R-10M	CB	CG	CL	BC	I	G//I	
601	Agriculture *	P	P	P	P	--	--	P	P	P	P	
602	Buildings in excess of height or size limitations	--	--	--	--	--	--	SE	--	--	SE	
603	Cannabis Related Uses											
603.1	Cannabis Dispensary*	--	--	--	--	SE	P	P	--	--	--	SE in CB, CG or CL if Drive-Thru Window is proposed
603.2	Cannabis Growing Facility*	--	--	--	--	--	--	--	SE	P	--	
603.3	Cannabis on-site consumption establishment*	--	--	--	--	--	--	--	--	--	--	
603.4	Cannabis Processing Facility*	--	--	--	--	--	--	--	SE	P	--	
603	Donation Bins *	--	--	--	--	SE	SE	SE	SE	SE	--	
604	Garage or yard sales *	T	T	T	T	--	--	--	--	--	--	
606	Helipads	A	A	A	A	A	A	A	A	A	A	Permitted only as Accessory Uses to airports, hospitals, police stations, or other public services.

3. Amend the supplemental standards associated with these uses as follows:

Under Commercial Uses (Section 28-1007.2 A):

19. ~~Medical~~ Cannabis Dispensary

a. A ~~medical~~ cannabis dispensary shall be licensed and operate in accordance with State of Maryland regulations for such use pursuant to COMAR 10.62.01 to 10.62.35.

b. No ~~medical~~ cannabis dispensary shall be permitted within ~~one thousand (1,000)~~ five hundred (500') feet (measured from the closest portion of the affected properties) of any of the following uses: Schools, Colleges & Universities, ~~Houses of Worship~~, Family Day Care, Day Care Group, Day Care Small Group, ~~and~~ Park or one thousand (1,000') feet of another cannabis dispensary.

c. Owners/operators of a cannabis dispensary shall provide the Town with an up-to-date local contact person (based in Talbot County) who shall be available and authorized to respond to complaints concerning any operational issues associated with the dispensary.

d. All cannabis dispensaries shall install odor control technology, as necessary, in order to control ventilation at the establishment in such a manner that no odor from cannabis products can be detected outside the building on the same property or on adjacent properties or public rights-of-way, or within any other unit located within the same building as the cannabis dispensary, if the use occupies only a portion of the building. The Operator shall properly maintain all odor mitigation equipment to ensure maximum efficiency.

e. A cannabis dispensary may not be open to the public prior to 9:00 a.m.or after 9:00 p.m. Operations not involving the public, such as stocking of shelves, completion of bookkeeping, etc., may occur outside this window.

f. The parking requirement for cannabis dispensaries shall be determined by a detailed traffic impact analysis provided by a petitioner for said use that is based upon the following information provided by the dispensary:

• Sales data – data which includes a sales transaction timestamp (hour, minute, day of week) at a comparable location for that brand.

• Hours of operation – intended hours of operation for the development.

• Number of employees – intended employees, staffing levels, and scheduling information. It should be emphasized that this information will likely be collected from another location or franchise owned by the petitioner.

In no case shall a cannabis dispensary provide parking at a ratio of less than 2 spaces for every three employees on the maximum shift plus 7 spaces for every

1,000 SF unless a Parking deviation is requested by the Applicant and approved by the Planning Commission pursuant to to the provisions of Section 28-1001.3 C of the Zoning Code.

Under Industrial Uses (Section 28-1007.3 A):

7. ~~Medical~~ Cannabis Growing Facility

a. A ~~medical~~ cannabis growing facility shall be licensed and operate in accordance with State of Maryland regulations for such use pursuant to COMAR 10.62.01 to 10.62.35.

b. All cannabis growing facilities shall limit growing operations to indoor, enclosed structures.

c. Owners/operators of a cannabis growing facility shall provide the Town with an up-to-date local contact person (based in Talbot County) who shall be available and authorized to respond to complaints concerning any operational issues associated with the facility.

d. All cannabis growing facilities shall install odor control technology, as necessary, in order to control ventilation at the establishment in such a manner that no odor from cannabis cultivation, its processing or the manufacturing of products can be detected outside the building on the same property or on adjacent properties or public rights-of-way, or within any other unit located within the same building as the cannabis growing facility, if the use occupies only a portion of the building. The Operator shall properly maintain all odor mitigation equipment to ensure maximum efficiency.

e. There shall be no retail sales of cannabis products from cannabis growing facilities.

8. ~~Medical~~ Cannabis Processing Facility

a. A ~~medical~~ cannabis processing facility shall be licensed and operate in accordance with State of Maryland regulations for such use pursuant to COMAR 10.62.01 to 10.62.35.

b. Owners/operators of a cannabis processing facility shall provide the Town with an up-to-date local contact person (based in Talbot County) who shall be available and authorized to respond to complaints concerning any operational issues associated with the facility.

c. All cannabis processing facilities shall install odor control technology, as necessary, in order to control ventilation at the establishment in such a manner that no odor from cannabis cultivation, its processing or the manufacturing of products can be detected outside the building on the same property or on adjacent properties or public rights-of-way, or within any other unit located within the same building as the cannabis processing facility, if the use occupies only a portion of the building.The Operator shall properly maintain all odor mitigation equipment to ensure maximum efficiency.

d. There shall be no retail sales of cannabis products from cannabis processing facilities.

3. Create a new definition for consumption establishments or facility as follows (add to Section 28-114):

On-site cannabis consumption establishment - an indoor or outdoor location, which is open to the public, and licensed to allow individuals who are 21 years or older to consume cannabis on its premises.

4. Add a new note at the end of the Table of Permissible Uses to clarify the intent of the "Any ____ use not listed above" category and to safeguard against the use of this category to propose a combination of cannabis-related uses not intended to be permitted, as follows:

Table 2.1 Notes:

* - DENOTES A USE SUBJECT TO SUPPLEMENTAL STANDARDS (SEE SECTION 28 – 1007)

A – DENOTES A USE THAT IS PERMITTED ONLY ACCESSORY TO A PERMITTED USE. NOTE THAT THESE ONLY40 REPRESENT THE MORE COMMON ACCESSORY USES. OTHER USES MAY BE PERMITTED, ONLY AS ACCESSORY TO A PRINCIPAL PERMITTED USE, IF THE TOWN PLANNER DETERMINES THAT THE PROPOSED ACCESSORY USE IS COMMONLY ASSOCIATED WITH THE PRINCIPAL PERMITTED USE AND THAT IT WILL CLEARLY BE INCIDENTAL TO SAID PRINCIPAL USE.

P - DENOTES A USE THAT IS PERMITTED BY RIGHT

SE - DENOTES A USE PERMITTED WITH A SPECIAL EXCEPTION

T - DENOTES A USE PERMITTED WITH A TEMPORARY USE PERMIT (SEE SECTION 28 – 1306)

-- - DENOTES A PROHIBITED USE

1 - SHOPPING CENTERS WHICH WERE PREVIOUSLY APPROVED AS SPECIAL EXCEPTIONS OR PMR DISTRICTS SHALL BE TREATED AS APPROVED PUD DISTRICTS. ANY CHANGES TO SUCH SHOPPING CENTERS SHALL BE REVIEWED AS PER THE REQUIREMENTS FOR AMENDMENTS TO APPROVED PUD DISTRICTS.

THIS TABLE INDICATES PERMITTED USES IN BASE ZONES ONLY EXCLUDING THE RH DISTRICT AND THE MXW DISTRICT. FOR USES PERMITTED IN THE RH DISTRICT, SEE SECTIONS 28 – 313.3 THROUGH 28 – 313.5. FOR USES PERMITTED IN THE MXW

ZONING DISTRICT. SEE SECTIONS 28-314.2.1. FOR USES PERMITTED IN SPECIAL (OVERLAY AND FLOATING) ZONES, SEE ARTICLES IV – VIII

2 - A COMBINATION OF USES LISTED ABOVE IS ONLY ALLOWED IN THE DISTRICTS WHERE BOTH INDIVIDUAL USES ARE PERMITTED EITHER BY RIGHT OR SPECIAL EXCEPTION. THE GENERAL "ANY ______ USE NOT LISTED ABOVE" USE CATEGORY SHALL NOT BE USED TO PERMIT A COMBINATION OF USES WHERE ALL COMPONENT USES ARE CLEARLY IDENTIFIED IN THIS TABLE AND ONE OR MORE OF SAID USES IS A PROHIBITED (--) USE.

5. Amend Section 28-1001.3 A (Parking Requirements) by adding new use # 13 (and renumbering subsequent uses) as follows:

	Use/Activity	Minimum Vehicle Spaces	Maximum Vehicle Spaces	Minimum Bicycle Spaces	Notes
	Residential Buildings				
1	Single-Family Detached	2 per du	--	--	
2	Single-Family Attached	2 per du	--	--	
3	Any Middle Housing Type (except single-family attached/Townhome)	0.75 per du	1.0 per du		
4	Multifamily	1 per du	2 per du	0.5 per du	
5	Retirement Community	1 per 3 du	1.5 per du	--	Plus 1 space for any facility vehicles and plus parking for any offices, community centers, etc., per schedule below
6	Nursing Home/Domiciliary Care	0.3 per room	1 per room	--	
	Lodging				
7	Hotels/Motels	0.8 per guest room	1.25 per guest room	--	Plus 1 space per 600 sq. ft. of public meeting area and restaurant space
8	Bed & Breakfast	1 per guest room plus two spaces for owner's portion	--	--	
	Commercial Buildings				
9	Auto Sales or Showroom	1 per 375 sq. ft. GFA of sales and service building	1 per 200 sq. ft. GFA of sales and service building	--	
10	Auto Rental	1 per 1,000 sf GFA	1 per 200 sf GFA	--	
11	Animal Hospital	1 per employee	1 per 200 sf GFA	--	
12	Automotive Repair Garage	1 per 500 sf GFA, including service bays, wash tunnels, and retail areas	1 per 375 sf GFA, including service bays, wash tunnels, and retail areas	--	
13	Cannabis Dispensary	The required parking for this use shall be as specified in the Supplemental Standards for the use (Section 28-1007.2 A.19)			

MMCC
MARYLAND
MEDICAL
CANNABIS
COMMISSION

AMENDED REGULATIONS GOVERNING VIDEO SURVEILLANCE, INVENTORY CONTROL, AND INSPECTIONS

The following guidance is provided to assist medical cannabis businesses to comply with state laws and regulations governing video surveillance, inventory control, and compliance inspections. This document is not legal advice. Please consult an attorney if you have any questions regarding the legal requirements that apply.

I. Video Surveillance (Effective Date: September 1, 2020)

New Video Surveillance Coverage Requirement:

- **Growers**: maintain video surveillance at the entrance to and within each area where medical cannabis is trimmed, packaged, or stored.
- **Processors**: maintain video surveillance at the entrance to and within each area where medical cannabis is processed, packaged, and stored.
- **Dispensaries**: maintain video surveillance at the entrance to and within each area where medical cannabis is packaged, stored, or dispensed.

Additional video surveillance changes:

1. Licensees must retain video surveillance recordings for a minimum of 90 calendar days.
2. Licensees are no longer required to store the video surveillance recordings at both the licensed premises and at an off-site location. Instead licensees have the discretion to determine whether the recordings will be stored on the premises or off-site.
3. Any recording of security video surveillance must be made available to the Commission or law enforcement for just cause within 48 hours.
4. Each day that a licensee fails to provide a requested video surveillance recording within the minimum 90 calendar days that the recording must be retained constitutes a separate violation, subject to a fine of up to $10,000 per violation.

II. Theft and Diversion (Effective Date: May 18, 2020)

- Any evidence of theft or diversion must be reported to the Commission and the Maryland State Police within one (1) business day.
- Within 30 business days of discovering the theft or diversion, the licensee shall complete an investigation, amend the licensee's standard operating procedures if necessary, and send a report of the investigation to the Commission.

III. Inventory Control and Entry (Effective Date: May 18, 2020)

Dispensing Medical Cannabis

- Each dispensary agent must have and use a separate METRC log-in to dispense medical cannabis.
- Prior to dispensing medical cannabis to a qualifying patient or caregiver, each dispensary must verify: 1) the qualifying patient or caregiver is currently registered; 2) a certifying provider has issued a valid written certification to the qualifying patient; and 3) the amount of medical cannabis that has already been dispensed pursuant to the written certification.
- **Note:** These new regulatory requirements will better enable the Commission to determine whether a specific dispensary agent has performed the required query of the Commission's data network and may dispense medical cannabis to a qualifying patient or caregiver.

Inventory Tracking and Wholesale and Retail Data

A licensee is required to enter data into METRC that identifies and tracks the licensee's stock of medical cannabis from the time it is propagated from seed or cutting, or delivered or produced to the time it is delivered to another licensee or a qualifying patient or caregiver. Pursuant to the new regulations:

- A licensee is also required to enter the data into METRC in a timely and accurate manner. This means that each licensee must enter into Metrc the actual quantity purchased and amount paid by a licensee or qualifying patient or caregiver. Failure to enter the accurate quantity and price may result in a fine, license suspension, or both.
- Each licensee is expected to enter this information into Metrc at the time of transfer or sale. Failure to enter accurate quantity and price data into Metrc within 24 hours of product transfer or sale may result in a fine, license suspension, or both.

IV. Inspection and Plan of Correction Requirements (Effective Date: May 18, 2020)

During the course of an inspection or investigation:

- A material misstatement, omission, misrepresentation, or untruth made by a licensee or registrant may result in a fine, suspension/revocation or both.
- A licensee, registrant, agent, or employee shall comply with a Commission request to 1) appear for a sworn statement, or 2) submit specified records or files. Failure to comply may result in a fine, suspension/revocation, or both.
- A licensee must respond in writing to a demand for corrective action within 10 business days. Failure to respond may result in a fine, suspension/revocation, or both.

Questions about this guidance should be directed to the Bureau of Enforcement and Compliance at enforcement.mmcc@maryland.gov.

TOWN OF EASTON
NOTICE OF PUBLIC HEARING
Ord. 810 Budget Modification

The Council of the Town of Easton will hold a public hearing on Monday, March 18, 2024 at 5:35 P.M. in the Council Meeting Room, 14 South Harrison Street. The purpose of this hearing is to discuss Ordinance No. 810, "AN ORDINANCE OF THE TOWN OF EASTON AMENDING THE TOWN BUDGET FISCAL YEAR 2024 FOR THE AMERICAN RESCUE PLAN ACT."

Persons wishing to attend or participate in the public hearing who require special accommodations or assistance because of a disability should contact the Town Clerk, Kathy Ruf at the Town Office, telephone number (410) 822-2525 during normal business hours by March 15, 2024.

Kathy M. Ruf
Town Clerk

Note to Star Democrat: Please publish the above ad in the Friday, March 8, 2024 issue of the Star Democrat and send a Certificate of Publication to: Town Clerk, Town of Easton, P.O. Box 520, Easton, MD 21601.

Ordinance No. 810

AN ORDINANACE OF THE TOWN OF EASTON AMENDING THE TOWN BUDGET FISCAL YEAR 2024 FOR THE AMERICAN RESCUE PLAN ACT

Introduced By: ____________________

WHEREAS, the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds provides the Town of Easton significant resources to respond to the COVID–19 public health emergency and its economic impacts through four categories of eligible uses; and

WHEREAS, the Town Council passed Ordinance 796 an Ordinance of the Town of Easton establishing the Town Budget for Fiscal Year 2024 on June 5th 2023; and

WHEREAS, the Town futher amended the Town Budget for Fiscal Year 2024 by Ordinance 805 on Decmber 27th 2023; and

WHEREAS, at the February 19th 2024 council meeting, the council supported the amendment of the Econimic Development budget to allocate future distributions of American Rescue Plan Act for two existing projects; Stormwater, North Harrison Street and Stormwater, North Higgins Street (Mid-Town) to provide additional funding based on the design engineeers construction estimates and one new stormwater project, Stormwater, Golton/Bretridge Developments; and

WHEREAS, the council has futher supported the amendment of the Econimic Development budget to allocate future distributions of American Rescue Plan Act to the Doverbrook Housing Project; and

SECTION 1. BE IT ENACTED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EASTON, that the Economic Development budget for the twelve month period from July 1st 2023, as submitted by Mayor, Megan JM Cook speciffically allocated a portion of those funds as follows:

AMERICAN RESCUE PLAN ACT FUNDING - FUTURE DISTRIBUTIONS

Responding to the Public Health Emergency or its Negative Economic Impacts			
Responding to Negative Economic Impacts			
Assistance to Housholds - Affordable Housing Development			
Doverbrook Housing Project	$	150,000	
To make necessary Investments in Infrastructure			
Clean Water / Water Pollution Control			
Stormwater, North Harrison Street	$	490,852	
Stormwater, North Higgins Street (Mid-Town)	$	480,593	
Providing Governmental Services			
Provision of Government Services			
Police Vehicles (4)	$	328,000	
TOTAL EXPENDITURES - AMERICAN RESCUE PLAN ACT			**$ 1,449,445**

SECTION 2. BE IT FURTHER ENACTED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EASTON, that this Ordinance shall take effect as of ____________, 2024.

Curry -
Abbatiello -
Montgomery -
Davis -
Gunsallus -

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this _________ day of _________________, 2024.

____

Frank Gunsallus, Town Council President

Delivered to the Mayor by me this _________ day of _________________, 2024

____

Kathy M. Ruf, Town Clerk

APPROVED:

Date: ______________

____

Megan JM Cook, Mayor

EFFECTIVE DATE: ____________________, 2024