

DEVELOPER LEASE  
BETWEEN  
MONTGOMERY COUNTY, MARYLAND, AS LANDLORD  
AND  
STREET RETAIL, INC., AS TENANT

*NOVEMBER*  
~~October~~ 14, 2006



DEVELOPER LEASE

Table of Contents

**ARTICLE I REFERENCE PROVISIONS, DEFINITIONS AND EXHIBITS .....1**

Section 1.01. Reference Provisions. ....1

Section 1.02. Definitions. ....3

**ARTICLE II PREMISES .....4**

**ARTICLE III TERM.....5**

Section 3.01. Term.....5

Section 3.02. Options to Extend. ....5

Section 3.03. Landlord Option to Terminate. ....5

Section 3.04. End of Term. ....6

Section 3.05. Holding Over. ....6

**ARTICLE IV USE AND OPERATION OF THE LEASED PREMISES .....7**

Section 4.01. Operation by Tenant. ....7

Section 4.02. Compliance with Laws. ....7

Section 4.03. Signs and Advertising. ....8

Section 4.04. Right of Entry. ....8

**ARTICLE V RENT .....8**

Section 5.01. Rent Payable. ....8

Section 5.02. Payment of Base Rent and Tenant’s Share of CAM Expenses. ....9

Section 5.03. Annual Adjustments to Base Rent. ....10

Section 5.04. Fair Market Rent Adjustments.....10

Section 5.05. Taxes.....11

Section 5.06. Taxes on Tenant’s Personal Property. ....11

**ARTICLE VI UTILITIES .....12**

Section 6.01. Utility Charges.....12

Section 6.02. Discontinuance and Interruption of Service. ....12

Section 6.03. Tenant Access to Roof and Meter Utility Room. ....12

**ARTICLE VII INDEMNITY AND INSURANCE .....12**

Section 7.01. Indemnity.....12

Section 7.02. Tenant’s Insurance.....13

Section 7.03. Tenant’s Construction Contractor’s Insurance. ....13

Section 7.04. Policy Requirements.....13  
Section 7.05. Increase in Insurance Premiums. ....13  
Section 7.06. Landlord’s Insurance. ....14

**ARTICLE VIII CONSTRUCTION AND ALTERATIONS .....14**

Section 8.01. Condition of Premises.....14  
Section 8.02. Tenant Improvements. ....14  
Section 8.03. Alterations.....14  
Section 8.04. Work Requirements. ....15  
Section 8.05. Ownership of Improvements. ....15  
Section 8.06. Mechanics Liens. ....15

**ARTICLE IX REPAIRS AND MAINTENANCE.....16**

Section 9.01. Repairs by Landlord.....16  
Section 9.02. Repairs and Maintenance by Tenant.....16

**ARTICLE X CASUALTY.....17**

Section 10.01. Right to Terminate. ....17  
Section 10.02. Landlord’s Reconstruction.....17  
Section 10.03. Tenant’s Duty to Reconstruct. ....17

**ARTICLE XI CONDEMNATION .....18**

Section 11.01. Total Taking.....18  
Section 11.02. Partial Taking.....18  
Section 11.03. Temporary Taking. ....18  
Section 11.04. Allocation of Award. ....18  
Section 11.05. Notice of Taking. ....18

**ARTICLE XII ASSIGNMENT AND SUBLETTING.....18**

Section 12.01. Assignment. ....18  
Section 12.02. Effect of Assignment. ....19  
Section 12.03. Space Leases.....19

**ARTICLE XIII DEFAULT AND REMEDIES .....19**

Section 13.01. Tenant Default. ....19  
Section 13.02. Remedies and Damages. ....20  
Section 13.03. Landlord Default.....20  
Section 13.04. Remedies Cumulative.....21  
Section 13.05. Waiver.....21

**ARTICLE XIV MISCELLANEOUS PROVISIONS.....21**

Section 14.01. Estoppel Certificate.....	21
Section 14.02. Quiet Enjoyment. ....	21
Section 14.03. Notices. ....	22
Section 14.04. Recording.....	22
Section 14.05. Successors and Assigns. ....	22
Section 14.06. Limitation on Right of Recovery Against Landlord.....	22
Section 14.07. Severability. ....	22
Section 14.08. Broker’s Commission. ....	22
Section 14.09. Force Majeure. ....	23
Section 14.10. Survival.....	23
Section 14.11. Authority.....	23
Section 14.12. Construction of Certain Terms. ....	23
Section 14.13. Showing of Leased Premises. ....	23
Section 14.14. Relationship of Parties. ....	23
Section 14.15. Choice of Law.....	23
Section 14.16. Choice of Forum. ....	24
Section 14.17. Time is of the Essence. ....	24
Section 14.18. Non Discrimination.....	24
Section 14.19. Ethics Requirement.....	24
Section 14.20. Resident Agent.....	24
Section 14.21. Security Deposit.....	24
Section 14.22. Consent. ....	24
Section 14.23. Entire Agreement; No Representations; Modification. ....	25

List of Exhibits

- A - Outline of Premises and Outdoor Seating Area
- B - Site Plan, Including Outline of Building
- B-1 - Shaft, Conduit and Stairwell Description
- B-2 - Punchlist Work
- C - Tenant’s Allowed Rooftop Equipment
- D - Permitted Uses
- D-1 - Prohibited Uses
- E - Initial Term Base Rent Schedule
- F - Tenant Access Protocol
- G - Rockville Town Square Storefront Guidelines
- H - Mandatory Insurance Requirements

DEVELOPER LEASE  
BETWEEN  
MONTGOMERY COUNTY, MARYLAND,  
as Landlord

AND

STREET RETAIL, INC.,  
as Tenant

DEVELOPER LEASE

This Developer Lease (this "Lease") is made as of this 14<sup>th</sup> day of ~~October~~ <sup>NOVEMBER</sup>, 2006 by and between MONTGOMERY COUNTY, MARYLAND, a political subdivision of the State of Maryland ("Landlord") and STREET RETAIL, INC., a Maryland corporation ("Tenant").

IN CONSIDERATION of the payments of rents and other charges provided for herein and the covenants and conditions hereinafter set forth, Landlord and Tenant hereby covenant and agree as follows:

ARTICLE I

REFERENCE PROVISIONS, DEFINITIONS AND EXHIBITS

As used in the Lease, the following terms shall have the meanings set forth in Sections 1.01 and 1.02 below.

Section 1.01. Reference Provisions.

A. Premises: The "cross-hatched" space indicated on the plan attached as Exhibit A, comprising approximately three thousand three hundred thirty seven (3,337) square feet along Maryland Avenue on the first floor of the Building, together with a license to use the Outdoor Seating Area as indicated on Exhibit A.

B. Outdoor Seating Area: The area on the sidewalk of the Building adjacent to the Premises, as indicated on Exhibit A.

C. Term: The Initial Term plus any Renewal Term exercised by Tenant.

D. Initial Term: Twenty (20) years, commencing on the Term Commencement Date and expiring on the last day of the month in which the twentieth (20th) anniversary of the Term Commencement Date occurs (unless the Term Commencement Date is the first day of a month, in which event the Initial Term shall expire on the day prior to the twentieth (20th) anniversary of the Term Commencement Date).

E. Term Commencement Date: The date upon which Landlord delivers to Tenant this Lease, fully executed.

F. Rent Commencement Date: The Term Commencement Date.

G. Termination Date: The last day of the Term, or the earlier date on which this Lease is terminated in accordance with the provisions hereof.

H. Lease Year: The first Lease Year shall be the period from the Term Commencement Date to the day prior to the first anniversary of the Term Commencement Date. Each subsequent Lease Year shall be each twelve (12) month period thereafter.

I. Base Rent: Initially Fifty Three Thousand Three Hundred Ninety Two Dollars (\$53,392.00) per annum, payable in equal monthly installments of Four Thousand Four Hundred Forty Nine and 33/100th Dollars (\$4,449.33) each, in advance, on or before the first day of each month during the Term, subject to annual escalations and the fair market adjustments as set forth in Article V.

J. Annual Base Rent Increases: Three percent (3%), as set forth in Article V.

K. Rent Payments: The rent payments due herein shall be made payable to Landlord in advance on the first day of each month during the Term and shall be payable to: Montgomery County Government, Leasing Management, P.O. Box 62077, Baltimore, Maryland 21264-2077.

L. Notice Addresses:

TO LANDLORD:

Montgomery County, Maryland  
Department of Public Works and Transportation  
Office of Real Estate  
101 Monroe Street, 10th Floor  
Rockville, Maryland 20850  
Attn: Chief

With a copy that does not constitute notice to:

Office of the County Attorney  
101 Monroe Street, 3rd Floor  
Rockville, Maryland 20850  
Attn: County Attorney

TO TENANT:

Street Retail, Inc.  
1626 E. Jefferson Street  
Rockville, Maryland 20852  
Attention: Deborah A. Colson,  
Senior Vice President - Legal Operations

M. Building: That certain building within the Rockville Town Square Project to contain approximately 101,420 square feet as indicated on the site plan attached hereto as Exhibit B, to house and operate the new Rockville Regional Library.

N. Library: The portion of the Building, excluding the Premises.

Section 1.02. Definitions.

A. Additional Rent: All sums payable by Tenant to Landlord under this Lease, other than Base Rent.

B. Affiliate: Any person or entity which directly or indirectly controls, or is controlled by, or is under common control with, Tenant.

C. Common Areas: The roof of the Building, the sidewalk area adjacent to the Building, as indicated on Exhibit B, and the meter/utility room (the "Meter Utility Room") as described (as "Electrical Room") on Exhibit B and any other portions of the Building or Building systems that serves both the Library and the Premises.

D. Interest Rate: A rate per annum equal to the Prime Rate plus 2%.

E. Person: An individual, firm, partnership, association, corporation, limited liability company, or any other entity.

F. Prime Rate: The so called "prime rate" (U.S. money center commercial banks) of interest as published in the Wall Street Journal (or any similar successor publication if the Wall Street Journal ceases to publish) from time to time.

G. Rent: All amounts payable to Landlord including Base Rent and Additional Rent.

H. Space Lease: A lease, license or other agreement between Tenant and a retail user for the use and occupancy of all or any portion of the Premises.

I. Space Tenant: The tenant or occupant pursuant to a Space Lease.

J. Taking: The acquisition by authority of any governmental or quasi-governmental body or entity by condemnation or in the exercise of its power of eminent domain or by purchase in lieu thereof.



K. Tenant's Proportionate Share: For a given accounting period, a fraction, the numerator of which is the floor area of the Premises and the denominator of which is the total floor area of the Building.

## ARTICLE II

### PREMISES

Landlord demises and leases to Tenant, and Tenant leases from Landlord, the Premises. Landlord hereby delivers possession of the Premises to Tenant. Landlord shall deliver the Premises to Tenant in compliance with all applicable Laws and in "as is" condition as of September 26, 2006, subject to punch list items described on Exhibit B-2 (which punch list items Landlord agrees it will duly and diligently pursue to completion).

Subject to existing and future recorded easements for utilities and public amenities, Tenant shall have permission to use the Outdoor Seating Area for food and/or beverage service in conjunction with the operations of the Premises, so long as 1) Tenant complies with all applicable Laws governing use of such space, 2) Tenant accepts the Outdoor Seating Area in an "as is" condition, and 3) Tenant keeps the Outdoor Seating Area and areas impacted by Tenant's use of the Outdoor Seating Area in a clean, safe condition and good state of repair at all times during the Outdoor Period. Each period that Tenant has the right to use the Outdoor Seating Area shall be referred to as an "Outdoor Period". The first Outdoor Period shall commence on the Lease Commencement Date and shall be continuous unless and until Tenant opts out upon delivering one hundred eighty (180) days' prior written notice to Landlord. Thereafter, Tenant shall deliver to Landlord one hundred eighty (180) days' prior written notice of any change from an Outdoor Period to an Indoor Period, and vice versa. Tenant hereby notifies Landlord that Tenant's current Space Tenant has the right to use the Outdoor Seating Area during the next ten (10) years. During each Outdoor Period, Tenant must maintain the Outdoor Seating Area as required herein. During all other times that are not Outdoor Periods (each, an "Indoor Period"), the Outdoor Seating Area shall revert to Common Area until a subsequent Outdoor Period, if any. Notwithstanding the foregoing, Tenant must repair any damage to the Outdoor Seating Area caused by Tenant, its agents, employees, contractors, or invitees without regard to whether such damage occurs during an Indoor Period or an Outdoor Period.

During each Outdoor Period, Tenant shall erect and maintain a barrier or partitioning, reasonably acceptable to Landlord, to demarcate the Outdoor Seating Area from the remainder of the sidewalk. Tenant may place furniture in the Outdoor Seating Area, but Tenant may not make any changes to the configuration of the Outdoor Seating Area without Landlord's written consent.

Tenant shall have the right to (i) utilize portions of the rooftop of the Building for equipment (including HVAC and telecommunications equipment) serving the Premises as shown on Exhibit C, provided that (a) Tenant may not place any additional load upon the rooftop other than as set forth in Exhibit C, without Landlord's consent, and (b) Tenant may not do any act whatsoever that damages the rooftop or that causes the roof or other warranty on the Building to be partially or wholly invalidated, and (ii) utilize the shafts, conduits, flues, pipes, ductwork and stairways of the Building, as described on Exhibit B-1, for wiring, cabling, supply, return,

exhaust, and connection and access to (a) the roof of the Building, and (b) the Meter Utility Room. Tenant may not place any other equipment on the Building rooftop without the written permission of Landlord. Tenant shall provide Landlord with a full description of the type of equipment, exhaust requirements, area to be occupied, weight of the equipment, and any other pertinent information about the equipment and its impact upon the Building with any request for permission to place such equipment upon the rooftop or within the shafts, conduits, flues, pipes, ductwork and stairways of the building or in the Meter Utility Room. Landlord shall provide Tenant with such other access or connections reasonably required for operation of the Premises.

### ARTICLE III

#### TERM

##### Section 3.01. Term.

The Term shall commence on the Term Commencement Date and expire on the Termination Date.

##### Section 3.02. Options to Extend.

Landlord hereby grants to Tenant four (4) consecutive options (each, a "Renewal Option") to extend the Term for an additional period of ten (10) years each (each such term, a "Renewal Term"). To exercise a Renewal Option, Tenant must deliver to Landlord a written notice of renewal (a "Renewal Notice"), no earlier than eighteen (18) months prior to and no later than twelve (12) months prior to the expiration of the Initial Term (or then existing Renewal Term, as applicable), in which event the Term shall expire on the last day of the Initial Term (or then existing Renewal Term, as applicable). All terms and conditions of this Lease shall remain in full force and effect during each Renewal Term. In no event shall any Renewal Option be transferred separately from an assignment of this Lease pursuant to the provisions of Article XII. If the Term is renewed as provided herein, the definition of "Term" as used in this Lease shall be deemed to mean the Initial Term and any such applicable Renewal Term.

##### Section 3.03. Landlord Option to Terminate.

If Montgomery County needs the Premises for purposes of public health, welfare or safety, then Landlord shall have the right to terminate this Lease at any time by delivering to Tenant no less than one hundred eighty (180) days' prior written notice of termination, in which event Landlord shall pay to Tenant the Reimbursement Payment (as hereinafter defined) for costs of Leasehold Improvements (as defined in Section 8.02A below) no less than one hundred eighty (180) days after delivery of Landlord's termination notice ("Termination Period"). The "Reimbursement Payment" is defined as the cost of all Leasehold Improvements made to the Premises (whether constructed by Tenant or any Space Tenant), less the amount thereof depreciated, as shown on applicable tax filings, in accordance with depreciation rules of the Internal Revenue Service. Reimbursement Payment is only for third party costs of Leasehold Improvements. Costs of Tenant Property as defined in Section 8.05 is specifically excluded from any Reimbursement Payment. Promptly following the construction of Leasehold Improvements to the Premises, Tenant shall provide Landlord with a detailed statement of third party costs of

the Leasehold Improvements with backup as reasonably requested by Landlord including, but not limited to third party contracts for such improvements. Within 60 days following substantial completion of any such Leasehold Improvements, Tenant shall provide to Landlord (a) all evidence in its possession or control regarding the costs of the Leasehold Improvements eligible as the Reimbursement Payment, and (b) a depreciation schedule (in accordance with the depreciation rules of the Internal Revenue Service). This Lease shall terminate on the last day of the Termination Period and Landlord shall pay the Reimbursement Payment to Tenant within thirty (30) days of Tenant vacating the Leased Premises and leaving the Premises in the condition required for delivery of the Premises upon termination of the Lease. Thereafter, Landlord and Tenant each shall be released and discharged from any and all obligations under this Lease, except however any payment owed by either Tenant or Landlord to the other under this Lease the liability for which arose prior to the last day of the Lease. Upon such termination, Tenant shall quit and surrender the Premises to Landlord in accordance with the requirements of Section 3.04. Nothing herein is a limitation of the police power of Landlord.

Section 3.04. End of Term.

This Lease shall terminate on the Termination Date without the necessity of notice from either Landlord or Tenant. Upon the Termination Date or earlier termination of this Lease, Tenant shall (i) quit and surrender to Landlord the Premises, broom-clean, in good order and condition, ordinary wear and tear excepted, with utilities capped off; (ii) remove Tenant's Property (as defined in Section 8.05) and all signs erected by or on Tenant's behalf, and (iii) surrender to Landlord all keys to or for the Premises. If Tenant's Property or signage is not removed from the Premises within 72 hours after the Termination Date, the property and signage remaining will be deemed abandoned and will become the property of Landlord, and Landlord may have it removed and disposed of at Tenant's expense. At the time of termination of this Lease and at the request of Landlord or Tenant, the parties must participate in a walk-through to inspect the Premises.

Section 3.05. Holding Over.

A. Tenant shall have no right to holdover and continue to occupy the Premises upon expiration or termination of this Lease without obtaining the prior written permission of Landlord.

B. If Tenant holds over after the expiration of this Lease with Landlord's consent, the tenancy created by such holding over shall be a month-to-month tenancy (unless otherwise agreed in writing by Landlord and Tenant), but in all other respects shall be governed by the terms of this Lease, provided, however, that (i) in all cases (except an Event of Default by Tenant) a thirty (30) day notice shall be required to terminate the tenancy created by such consented hold-over; and (ii) the monthly Rent payable hereunder during any such holdover period shall be 150% of the monthly Rent in effect for the last month of the Term then ending.

C. Notwithstanding the foregoing provisions of this Section 3.05, if Tenant holds over after the expiration of this Lease without Landlord's consent, Tenant shall, in the absence of any agreement to the contrary, be a tenant at sufferance and shall pay to Landlord holdover rent equal to the then-current fair market value of the Premises plus Additional Rent in

effect immediately prior to the expiration of the Term for the entire period of such tenancy at sufferance.

D. Tenant shall indemnify and hold Landlord harmless from and against any and all claims, losses, liabilities, or damages (other than punitive damages) resulting from Tenant's failure to surrender possession of the Premises in accordance with this Article III, and provided further that Tenant shall not be liable for consequential damages during the first ninety (90) days of any holdover period.

## ARTICLE IV

### USE AND OPERATION OF THE LEASED PREMISES

#### Section 4.01. Operation by Tenant.

Tenant's operations in the Premises shall be limited to retail (including restaurant) uses of a high quality nature and compatible with the library use in the Building, approved by Landlord in writing, in compliance with all applicable Laws, and related purposes ("Permitted Use"). Landlord and Tenant agree that the uses set forth on Exhibit D shall be Permitted Uses hereunder. In no event may the Premises be used for any other purpose or for any of the prohibited uses set forth on Exhibit D-1 attached hereto. For the duration of this Lease, including any Renewal Terms, Tenant may use the Premises only for the Permitted Use, and for no other purpose without the prior written consent of Landlord and in a manner consistent with retail uses of a high quality nature. Tenant shall not allow trash odors to emanate from the Premises to the public areas of the Building outside the Premises. At such times as the Premises is used as a restaurant, Tenant shall install (or caused to be installed) a grease separator and appropriate exhaust equipment, and shall provide (or cause to be provided) for the maintenance of the grease separator, removal of all cooking grease from the Premises and proper disposal thereof, drain cleaning and exhaust hood cleaning and maintenance, all in accordance with applicable laws and regulations. Tenant shall use commercially reasonable efforts to cause the Premises to be used and operated continuously for Permitted Uses except for any reasonable and customary period of i) build-out of Leasehold Improvements or remodeling, ii) restoration of the Premises following a casualty, iii) pending leasing, releasing, assignment or subletting that is being pursued duly and diligently by Tenant or a Space Tenant, or iv) force majeure (as provided in Section 14.09).

#### Section 4.02. Compliance with Laws.

Tenant shall comply with all statutes, laws, rules, orders, regulations and ordinances (collectively "Laws") affecting the use or operation of the Premises and all reasonable orders or recommendations of any insurance underwriters, safety engineers, and loss prevention consultants as may from time to time be consulted by Landlord. In no event shall Tenant use the Premises for purposes which are prohibited by zoning or similar laws or regulations. Tenant acknowledges and agrees it is solely responsible for determining if its business complies with the applicable zoning regulations, and that Landlord makes no representation (explicit or implied) concerning such zoning regulations. Tenant shall not use the Premises in any manner that causes

a violation of any environmental laws or regulations or that could create environmental liabilities under Federal, State or local environmental protection laws.

Section 4.03. Signs and Advertising.

A. Tenant shall not affix or maintain upon the glass panes and supports of the store windows, or within twelve inches of any window, doors or the exterior walls of the Premises, any signs, advertising placards, descriptive material, names, logos, insignia, trademarks, or any other such item (collectively, "Signs") except those that have been approved by Landlord in writing, with specific regard to size, type, color, location, display quantities, method of installation, copy and nature. Tenant shall not affix any Sign to the roof of the Premises, or place any Sign within the common areas of the Building. Signs must comply with the City of Rockville's approved signage guidelines and consistent with other retail signage in the Rockville Town Square project. Tenant shall obtain and pay for all Sign permits required for Tenant's Signs.

B. Tenant shall maintain all Tenant's Signs in good condition, operating order and repair at all times. Tenant shall repair any Tenant's Signs that have been damaged within fifteen (15) days after such damage occurs, provided that if such damage presents a danger to human health or property, Tenant shall repair such damage and/or eliminate such danger as soon as practicable.

Section 4.04. Right of Entry.

A. Routine Repairs and Inspection: Tenant shall permit Landlord, its agents or employees, at reasonable times and upon reasonable prior notice (not less than forty eight (48) hours' prior notice) to enter the Premises without charge and without diminution of rent to: (1) examine, inspect and protect the Premises; (2) to perform maintenance and repairs necessary to protect the Building; and (3) to exhibit the Premises to prospective purchasers or to present or future mortgagees, or during the last six (6) months of the Term, to prospective tenants.

B. Emergency Access: In cases of emergency involving imminent risk of injury or death to persons or damage to property, Landlord, its agents or employees, without prior notice to Tenant, may enter the Premises, however, Landlord will attempt, but is not required, to notify Tenant of any such entry under this Section 4.04B as soon as is practicable under the circumstances.

C. Nothing in this Article IV shall be construed as a limitation on the police powers of Landlord, nor a limitation on any entry by Landlord pursuant to the exercise of its police powers.

ARTICLE V

RENT

Section 5.01. Rent Payable.

A. Tenant shall pay all Rent to Landlord, without prior notice or demand and without offset, deduction or counterclaim whatsoever, in the amounts, at the rates and times set forth herein, and at such place as is provided in Section 1.01, or at such other place as Landlord may from time to time designate by notice to Tenant.

B. Any payment by Tenant of less than the total Rent due shall be treated as a payment on account. Acceptance of any check bearing an endorsement, or accompanied by a letter stating, that such amount constitutes "payment in full" (or terms of similar import) shall not be an accord and satisfaction or a novation, and such statement shall be given no effect. Landlord may accept any check without prejudice to any rights or remedies which Landlord may have against Tenant.

C. For any portion of a calendar month at the beginning or end of the Term, Tenant shall pay in advance the pro-rated amount of the Rent for each day included in such portion of the month.

D. Should Tenant fail to pay monthly Rent in accordance with this Lease, and if Tenant's failure continues for more than five (5) calendar days after Rent was due, Tenant shall pay to Landlord, in addition to and as a part of the monthly Rent in question, a late fee equal to five percent (5%) of the monthly Rent, and the late fee shall be paid promptly to Landlord by Tenant.

E. Tenant's failure to pay Rent shall constitute a material breach of this Lease and shall be subject to enforcement under the default provisions of Article XIII. The late payment of Rent six (6) times in any Lease Year, shall be considered a substantial and material breach of this Lease, and likewise shall be subject to enforcement under the default provisions of Article XIII.

Section 5.02. Payment of Base Rent and Tenant's Share of CAM Expenses.

A. Tenant shall pay Landlord the Base Rent in equal monthly installments, in advance, commencing on the Rent Commencement Date, and on the first day of each calendar month thereafter throughout the Term.

B. Tenant shall pay to Landlord CAM Charge Rent (as hereinafter defined) in accordance with the provisions of this Section 5.02.B. "CAM Charge Rent" is defined as the sum of (i) Tenant's Share of CAM Expenses (as hereinafter defined), plus (ii) one-third (1/3) of the expenses incurred by Landlord to maintain and repair the portion of the roof of the Building directly above the Premises ("Applicable Roof Expenses"). Landlord shall compute Tenant's Share of CAM Expenses for each calendar year by multiplying the amount of CAM Expenses by Tenant's Share. "Tenant's Share" shall be the fraction (expressed as a percentage), the numerator of which is the square footage of the Premises (3,337) and the denominator of which is the square footage of the Building (101,420). "CAM Expenses" shall mean the expenses incurred by Landlord to maintain and repair the exterior walls and Common Areas (excluding the roof of the Building). Landlord shall deliver to Tenant an annual statement of the CAM Charge Rent, and Tenant shall pay the amount set forth on such statement within thirty (30) days after

receipt. Upon request from time to time, Landlord shall provide Tenant with reasonably detailed backup information supporting the CAM Charge Rent amount.

Tenant shall have the right to audit Landlord's records and books concerning CAM Charge Rent, subject to the following conditions:

- (1) Tenant gives Landlord thirty (30) days' prior written notice of its intent to audit,
- (2) the audit occurs during Landlord's normal business hours and in Landlord's principal offices,
- (3) Tenant may only audit said records and books once during each calendar year, and
- (4) the audit of a calendar year's books and records must be conducted and completed within twelve (12) months after receipt of the final CAM Charge Rent statement for such calendar year.

Any overpayment or underpayment of CAM Charge Rent as shown on such audit shall be adjusted between the parties.

#### Section 5.03. Annual Adjustments to Base Rent.

On each anniversary of the Term Commencement Date (except for the first day of the first Renewal Term, if applicable (i.e., Lease Year 21), and the first day of the third Renewal Term, if applicable (i.e., Lease Year 41)), Base Rent shall be increased by three percent (3%). The date of each such annual increase shall be referred to as an "Adjustment Date". The Base Rent amounts for the Initial Term are set forth on the schedule attached hereto as Exhibit E.

#### Section 5.04. Fair Market Rent Adjustments.

On the first (1st) day of the first (1st) Renewal Term (if applicable) and on the first (1st) day of the third (3rd) Renewal Term (if applicable), Base Rent shall be adjusted in accordance with this Section 5.04. Promptly following delivery to Landlord of a Renewal Notice for the first (1st) Renewal Term and the third (3rd) Renewal Term, as applicable, Landlord and Tenant shall endeavor to agree on the Fair Market Rent for the Premises. The "Fair Market Rent" for the Premises shall be the base rent that would be agreed to between landlords and tenants in arms-length transactions for ground floor retail premises in Building shell condition (as provided in Exhibit B-1) in locations in Rockville, Maryland comparable to the Premises.

If Landlord and Tenant do not agree on the Fair Market Rent within thirty (30) days (the "Negotiation Period") after delivery of a Renewal Notice for the first (1st) Renewal Term or third (3rd) Renewal Term, as applicable, then the Fair Market Rent shall be determined by real estate appraisers as set forth below. Within ninety (90) days after expiration of the Negotiation Period, Landlord and Tenant, by notice to the other party, each shall appoint a real estate appraiser, who shall be a member of the Appraisal Institute (f/k/a the American Institute of Real

Estate Appraisers), and who shall have at least ten (10) years' experience with respect to commercial property in the Rockville, Maryland area.

If one of the parties hereto fails to appoint an appraiser within the time period prescribed, then the other party shall provide written notice to the party that has not appointed an appraiser that it has failed to designate an appraiser and that it must do so within thirty (30) days. If the failure to appoint an appraiser continues for thirty (30) days, then the single appraiser appointed shall be the sole appraiser and shall determine the Fair Market Rent. Within ten (10) business days after expiration of the foregoing ninety (90) day period, each appraiser shall submit to Landlord, Tenant and the other appraiser his or her determination of the Fair Market Rent. If the lower determination of the appraisers is at least ninety percent (90%) of the higher determination, then the Base Rent for the applicable Renewal Term shall be based upon the average of the two (2) determinations. If the lower determination is not at least ninety percent (90%) of the higher determination, then within five (5) business days after submittal of such determinations, the two (2) appraisers shall appoint a third (3rd) appraiser who shall, within ten (10) business days after appointment submit to Landlord, Tenant and the other appraisers his or her determination of Fair Market Rent. In such event, Base Rent for the applicable Renewal Term shall be the average of the two (2) closest determinations (or the middle, if equidistant), and shall be conclusive and binding upon both Landlord and Tenant. Each party hereto shall pay the fees and expenses of the appraiser selected by such party, and the fees and expenses of the third (3rd) appraiser shall be borne equally by Landlord and Tenant. Notwithstanding the foregoing, under no circumstances may the rent for the Renewal Term be less than 100% of the rental amount paid for the last lease year of the Term preceding the Renewal Term.

#### Section 5.05. Taxes.

The term "Taxes" means all real estate taxes, fees, charges and assessments (whether general, special, ordinary, or extraordinary) levied against the Premises. "Taxes" shall not include personal income taxes, personal property taxes, inheritance taxes, or franchise taxes levied against Landlord. Tenant shall pay 100% of any real estate taxes levied based upon the leasehold estate as well as any personal income taxes, personal property taxes, inheritance taxes, franchise taxes, entertainment taxes, or any other taxes levied on Tenant's leasehold interest or the use of the Premises. Tenant shall pay all Taxes directly to the taxing authority prior to the due date thereof. Landlord shall forward to Tenant, in a timely manner, any bills and notices regarding Taxes received from any taxing authority and Tenant shall ensure that any taxes on the leasehold estate are invoiced to Tenant. Tenant may, at its expense, contest and dispute any such Tax, in accordance with all applicable laws and procedures for disputing Taxes. Tenant shall be responsible for any interest and penalties assessed as a result of any late payment of Taxes.

#### Section 5.06. Taxes on Tenant's Personal Property.

Tenant shall pay all governmental taxes, charges, fees and assessments applicable to Tenant's leasehold estate in the Premises, personal property, trade fixtures and inventory or other tax attributable to its use of the Premises before they become delinquent.

## ARTICLE VI

### UTILITIES

#### Section 6.01. Utility Charges.

Tenant shall pay, when due, all charges for water and sewer, electricity, gas, telephone service and other utilities separately metered and supplied to the Premises ("Utility Charges"). Tenant shall be entitled to utilize portions of the Building for access to utilities, and to construct necessary facilities for connection thereto. Prior to access to the Building for the purpose of connecting to utilities, Tenant shall obtain Landlord's written approval of plans and specifications depicting the location and methods for connecting to utilities.

#### Section 6.02. Discontinuance and Interruption of Service.

Landlord shall not be liable to Tenant in damages or otherwise for the quality, quantity, failure, unavailability or disruption of any utility service and the same shall not constitute a termination of this Lease, or an actual or constructive eviction of Tenant, or entitle Tenant to any abatement of Rent. If the fire alarm/fire sprinkler system of the Building fails to function properly, Landlord shall diligently repair or replace same. Tenant is responsible for the repair and replacement of any utility service serving only the Premises. Tenant is also responsible for the regular and prompt maintenance of grease traps to ensure that the shared sewer system is not impaired due to Tenant's use.

#### Section 6.03. Tenant Access to Roof and Meter Utility Room.

Landlord and Tenant shall adhere to the protocol attached hereto as Exhibit F with respect to Tenant's access to the roof of the Building and the Meter Utility Room (the "Tenant Access Protocol").

## ARTICLE VII

### INDEMNITY AND INSURANCE

#### Section 7.01. Indemnity.

Except to the extent caused by the negligence or intentional misconduct of Landlord, its agents, employees or contractors (on a comparative negligence basis), Tenant hereby agrees, covenants, and warrants to protect, indemnify, and hold Landlord and its respective officers, members, employees, agents and invitees (the "Indemnified Parties") harmless from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, liens, encumbrances, suits or actions and reasonable attorneys' fees, and the cost of the defense of the Indemnified Parties in any suit, including appeals, arising out of (i) construction work and alterations and related activities undertaken by Tenant pursuant to this Lease, (ii) the negligence or willful misconduct of Tenant, or its agents, Space Tenants, employees, contractors and invitees on or about the Premises, (iii) the use or occupancy of the Premises by the Tenant or its agents, Space Tenants, employees or contractors, (iv) any breach by Tenant, or anyone acting through or on behalf of Tenant of any of its obligations hereunder, and (v) damages, including

consequential damages from an occurrence involving either bodily injury or property damage, (but excluding consequential damages in which there is no bodily injury or property damage, and also excluding any and all punitive damages) caused by Tenant's Default hereunder:

Section 7.02. Tenant's Insurance.

Commencing on the date upon which Landlord delivers the Premises to Tenant and at all times thereafter, Tenant shall cause to be carried and maintained, at no cost to Landlord, the insurance coverages attached hereto as Exhibit H. Landlord may change the types of required coverages from time to time as circumstances and changes in use of the Premises warrant.

Section 7.03. Tenant's Construction Contractor's Insurance.

Tenant shall cause any contractor performing work on the Premises to obtain, carry and maintain, at no expense to Landlord, the insurance coverages attached hereto as Exhibit H.

Section 7.04. Policy Requirements.

Landlord shall be named as an additional insured of any insurance required to be carried by Tenant and such coverage shall be evidenced by a certificate of insurance to Landlord. The required insurance may not be terminated or materially modified without forty five (45) days (ten (10) days in the event of nonpayment of premiums) prior written notice to Landlord. Any company writing any insurance which Tenant is required to maintain or cause to be maintained under Section 7.02 and 7.03 as well as any other insurance pertaining to the Premises or the operation of Tenant's business therein (all such insurance being referred to as "Tenant's Insurance") shall at all times be licensed and qualified to do business in the State of Maryland and shall have received an A- or better (and be in a financial size category of class VII or higher) rating by the latest edition of A.M. Best's Insurance Rating Service. All of Tenant's Insurance may be carried under a blanket policy covering the Premises and any other location, if (i) the coverage afforded Landlord and any designees of Landlord shall not be reduced or otherwise adversely affected, and (ii) such blanket policy allocates to the properties and liabilities to be insured under this Article VII an amount not less than the amount of insurance required to be covered pursuant to this Article VII, so that the proceeds of such insurance shall not be less than the proceeds that would be available if Tenant were insured under a unitary policy. All policies of Tenant's Insurance shall contain endorsements requiring the insurer(s) to give to all additional insureds at least forty five (45) days' advance notice of any material reduction, cancellation, termination or non-renewal of said insurance (except that only ten (10) days' notice shall be required for non-payment of premiums). Tenant shall be solely responsible for payment of premiums for all of Tenant's Insurance.

Section 7.05. Increase in Insurance Premiums.

Tenant shall not keep or do anything in the Premises that will (i) prevent Landlord from obtaining commercially reasonable policies of insurance on the Building; or (ii) violate the reasonable rules, regulations or recommendations of Landlord's insurers, loss prevention consultants, safety engineers, the National Fire Protection Association, or any similar body having jurisdiction over the Premises. If Tenant does so, Tenant upon written notice from

Landlord promptly shall cease such activity and shall pay to Landlord upon demand the amount of any increase in any such insurance premium.

Section 7.06. Landlord's Insurance.

Landlord shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of public liability insurance with bodily injury limits of \$200,000 (two hundred thousand dollars) for injury (or death) to one person, \$500,000 (five hundred thousand dollars) per occurrence, and property damage insurance with a limit of two hundred thousand dollars (\$200,000). These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the Local Government Tort Claims Act, 1986 (LGTC), MD. Ann. Code, Cts & Jud. Proc. Sect. 5-301 et seq. (2002 Repl. Vol) as amended. Notwithstanding any other provision of this Lease to the contrary, for so long as Montgomery County, Maryland remains the "Landlord" under this Lease, or for so long as any entity to whom Landlord's interest in this Lease has been assigned in accordance with the express terms of this Lease is insured under the "County Self-Insurance Program" (as defined below), Landlord shall have the right to self-insure in accordance with the provisions of the Montgomery County Self-Insurance program (the "County Self-Insurance Program") that are set forth in Section 20-37 of the Montgomery County Code 1994, as amended.

ARTICLE VIII

CONSTRUCTION AND ALTERATIONS

Section 8.01. Condition of Premises.

Tenant shall accept the Premises in its "AS IS" condition, subject to latent defects, punch list and warranty items.

Section 8.02. Tenant Improvements.

A. Tenant shall provide all alterations, additions, renovations, improvements and installations, including the HVAC system, to the Premises ("Leasehold Improvements") in excess of the Building Shell work constructed by Landlord. Tenant shall construct the Leasehold Improvements in a good and workmanlike manner in compliance with all Laws, and in such a manner as shall not adversely affect the mechanical or electrical systems serving the Library portion of the Building, or the structure of the Building Shell, and all Leasehold Improvements to the storefront of the Premises shall comply with the Rockville Town Square Storefront Guidelines attached hereto as Exhibit G. Modification to structural supports and the removal of fireproofing from structural supports by Tenant is not permitted.

B. Tenant agrees that Landlord shall have the right to approve the exterior design of the Leasehold Improvements including, but not limited to, color, texture, material selection, glazing, louvers, awnings, and signage to ascertain they are compatible with the Building design. Tenant shall construct the Leasehold Improvements in accordance with such approved exterior design.

Section 8.03. Alterations.

After completion of the Leasehold Improvements in connection with Tenant's initial occupancy of the Premises, Tenant may make or cause to be made any Leasehold Improvements or alterations, additions or replacements thereto, in or to the Premises or the storefront of the Premises (collectively, "Alterations"), without the necessity of securing Landlord's permission or consent, provided that any material changes to the exterior design of the Premises shall require the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. No Alterations may adversely affect the mechanical or electrical systems serving the Library portion of the Building, or the structure of the Building Shell, and all Alterations to the storefront of the Premises shall comply with the Rockville Town Square Storefront Guidelines attached hereto as Exhibit G. Tenant must obtain all required permits and licenses from government agencies as required for such Alterations. The installation, maintenance, operation, repair, removal and replacement of Tenant's equipment listed on Exhibit C on the roof of the Building shall be deemed approved provided that such equipment is properly installed without damage to the Building, and is consistent with the loads and locations approved by Landlord. Tenant shall comply with the provisions of Landlord's roof warranty in connection with all such work.

Section 8.04. Work Requirements.

All work performed by Tenant in the Premises shall be performed: (i) promptly and in a good and workmanlike manner; (ii) by duly qualified or licensed persons; (iii) without interference with, or material disruption to, the public library operations of the Building; (iv) in accordance with all applicable governmental permits, rules and regulations; and (v) in accordance with the Tenant Access Protocol.

Section 8.05. Ownership of Improvements.

All Leasehold Improvements shall be deemed to be the property of Tenant (or Space Tenant, as applicable) when made and, upon Tenant's vacation or abandonment of the Premises, unless Landlord directs otherwise, shall automatically become the property of Landlord and remain upon and be surrendered with the Premises in good order, condition and repair, normal wear and tear excepted. All movable goods, inventory, furniture, equipment, trade fixtures (including exterior Signs) and other movable personal property belong to Tenant that are not permanently affixed to the Premises, shall remain Tenant's property ("Tenant's Property") and shall be removable by Tenant at any time, provided that Tenant shall repair any damage to the Premises or the Building caused by the removal of any of Tenant's Property.

Section 8.06. Mechanics Liens.

No mechanic's or other lien shall be allowed against the Building as a result of Tenant's improvements to the Premises. Tenant shall promptly pay all persons furnishing labor, materials or services with respect to any work performed by Tenant on the Premises. If any mechanic's or other lien shall be filed against the Premises or the Building by reason of work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to or for the benefit of Tenant or Space Tenants, Tenant shall cause the same to be discharged of record or

bonded within ten (10) business days after Landlord delivers to Tenant written notice thereof. If Tenant fails to discharge or bond any such lien within the time frame required herein, Landlord, in addition to all other rights or remedies provided in this Lease, may bond said lien or claim (or pay off said lien or claim if it cannot with reasonable effort be bonded) without inquiring into the validity thereof and all reasonable expenses incurred by Landlord in so discharging said lien, including reasonable attorney's fees, shall be paid by Tenant to Landlord as Additional Rent on ten (10) business days' demand.

## ARTICLE IX

### REPAIRS AND MAINTENANCE

#### Section 9.01. Repairs by Landlord.

Subject to the appropriation of funds for such work, Landlord shall maintain the Building (including the foundation, structural elements, exterior walls, Building systems, roof and roof system) and Common Areas in good order, condition and repair, and shall diligently make all repairs and replacements thereto. Subject to the provisions of Section 7.06, Tenant shall promptly repair any damage it causes to the Building or the Common Areas. Tenant's HVAC system is not part of the Building system.

Landlord at its expense shall comply with all applicable Laws respecting all matters relating to Landlord's maintenance and repair obligations under this Section 9.01.

#### Section 9.02. Repairs and Maintenance by Tenant.

A. Throughout the Term, Tenant shall maintain the Leasehold Improvements and Tenant's Property in good order, condition and repair. During each Outdoor Period, Tenant shall keep the Outdoor Seating Area in a clean and safe condition, and shall make repairs or replacements to the sidewalk or other elements of the Outdoor Seating Area, except to the extent necessitated by Landlord, its agents, employees or contractors. Under no circumstances shall Tenant cause or permit any waste, damage or injury to the Premises, the Building or the Common Areas. Tenant's obligations shall include, without limitation, repairing, maintaining, and making replacements to items such as the following: floor coverings; walls (other than structural walls) and wall coverings; ceilings; utility meters; fixtures; security grilles or similar enclosures; locks and closing devices; window sashes, casements and frames; glass; doors and door frames and hardscape of the Outdoor Seating Area.

B. Tenant shall install and maintain such fire extinguishers and other fire protection devices as may be required by any agency having jurisdiction over the Building. If any governmental authority with jurisdiction over the Building requires the installation, modification, or alteration of the sprinkler system, or other equipment, solely by reason of Tenant's operations in the Premises (as opposed to a general requirement), then Tenant shall promptly install such sprinkler system or changes therein.

C. Tenant shall not permit the accumulation of garbage, trash or other waste in or around the Premises.

D. Tenant shall be responsible for maintaining the sewer system serving the Premises and Building.

## ARTICLE X

### CASUALTY

#### Section 10.01. Right to Terminate.

A. Tenant shall provide Landlord with notice, as soon as practicable after Tenant becomes aware of same, of accidents on or damages to the structure, equipment, or fixtures of the Premises, or of defects in the roof, plumbing, electric and heating and cooling systems of the Building, or to any defects or damages to the Building.

B. If the Building is damaged by fire or other casualty ("Casualty") to the extent of more than fifty percent (50%) of the cost of replacement thereof and Landlord ceases use of the Building, then Landlord may terminate this Lease by giving sixty (60) days' prior written notice to Tenant within sixty (60) days after the date of the Casualty.

C. If either (i) the Premises are damaged to the extent of fifty percent (50%) or more of the cost of replacement thereof, or (ii) the Building is damaged to the extent of fifty percent (50%) or more of the cost of replacement thereof and Landlord ceases use of the Building, then Tenant may terminate this Lease by providing Landlord sixty (60) days' prior notice given within sixty (60) days after the date of the Casualty. Notwithstanding anything to the contrary contained herein, in the event of a Casualty to the Premises, and provided this Lease is not terminated pursuant to the provisions contained in this Article X, if Landlord fails to commence and diligently pursue the restoration and/or repairs to the Premises in accordance with the provisions of Section 10.03 below within one hundred eighty (180) days after the date of such Casualty, Tenant shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Landlord, said notice to be given within thirty (30) days after the expiration of the aforesaid one hundred eighty (180) day period. If the Casualty renders the Premises untenantable, in whole or in part, Rent shall abate from the date of the casualty until the earlier of (i) ninety (90) days after the date any such repair and restoration work is substantially completed by Landlord, or (ii) the date Tenant reopens for business in the portion of the Premises previously rendered untenantable.

#### Section 10.02. Landlord's Reconstruction.

If Landlord is able to undertake the repair of the Premises and Building, has obtained an appropriation of funds to make necessary repairs and determines it is in Landlord's best interest to do so, and provided neither party elects to terminate this Lease in accordance with Article 10.01 above, then this Lease shall not be affected, except that during reconstruction Rent shall be reduced by a percentage corresponding to the portion of the Premises to which Tenant is denied normal occupancy and use.

Section 10.03. Tenant's Duty to Reconstruct.

Subject to either party's right to terminate this Lease pursuant to the provisions of this Article X, Tenant shall promptly commence and diligently pursue to completion the redecorating and refixturing of the Premises, including repairing, restoring or replacing the Leasehold Improvements.

ARTICLE XI

CONDEMNATION

Section 11.01. Total Taking.

In the event of a Taking of the entire Premises, then this Lease shall terminate as of the date of such Taking, and the parties shall look solely to the condemnation awards or proceeds for compensation in the proportions hereinafter provided for their respective interests in the Premises. The Taking shall be considered to take place upon the earlier of acquisition of title by the condemning authority, or acquisition of possession by the condemning authority.

Section 11.02. Partial Taking.

In the event of a Taking of a portion, but less than the entire Premises, such that it shall no longer be reasonably economical or practical for Tenant, in Tenant's sole judgment, to continue its business on the Premises, then Tenant shall have the right, at its option, to terminate this Lease by notice in writing to Landlord within ninety (90) days after Tenant actually receives notice that such Taking has occurred in which event this Lease shall be terminated. If this Lease is not terminated pursuant to this Section 11.02, then the Taking award or proceeds pertaining to the Premises shall first be applied to restoration of the portion of the Premises remaining after the Taking with the balance of the award belonging to Landlord, and rent thereafter shall be equitably adjusted.

Section 11.03. Temporary Taking.

In the event of a temporary Taking of the right to possession and use of all or part of the Premises, then Tenant shall be entitled to the entire Taking award or proceeds to the extent that the award or proceeds relates to a period within the Term, there shall be no reduction in the Base Rent or CAM Payment payable hereunder.

Section 11.04. Allocation of Award.

In the event of a Taking, Tenant shall be entitled to pursue a separate award for the unamortized cost of leasehold improvements and for relocation expenses.

Section 11.05. Notice of Taking.

Landlord and Tenant shall each give to the other and to any Leasehold Mortgagee immediate written notice of any pending or threatened Taking of which it has knowledge.

## ARTICLE XII

### ASSIGNMENT AND SUBLETTING

#### Section 12.01. Assignment.

Except as stated herein, Tenant shall have the right to assign its right, title and interest in and to this Lease without the consent of Landlord to an Entity Successor or a Project Purchaser. Any such assignment shall at all times be subject to this Lease, and the Assignee shall agree, from and after the effective date of the assignment, to assume and be bound by the terms of this Lease. Landlord shall not be entitled to any compensation in connection with any assignment of this Lease. An "Entity Successor" is defined as any successor to Tenant by merger, consolidation, non-bankruptcy reorganization, governmental action or acquisition of all or substantially all of the ownership interests or assets of Tenant. A "Project Purchaser" is defined as a Person who acquires all or substantially all of Tenant's interest in the Rockville Town Square retail project (approximately 190,000 square feet of retail space as of the date of this Lease). If Tenant desires to assign this Lease to any Person which is not an Entity Successor or Project Purchaser, Tenant shall be required to obtain Landlord's prior written consent.

#### Section 12.02. Effect of Assignment.

Subject to the terms of Section 7.01 above, effective on the date of an assignment by Tenant, the assignee shall be substituted for and as the "Tenant" in this Lease; the term "Tenant," as used in this Lease, shall mean the assignee and not the assignor; and in such event the assignor shall be relieved of any obligation or responsibility hereunder relating to any period after the date of assignment. The assignor shall not be relieved of any obligation or responsibility hereunder which accrued before the date of its assignment.

#### Section 12.03. Space Leases.

Tenant shall have the right to enter into Space Leases, but only in compliance with the permitted use provisions of this Lease. For each Space Lease, so long as the Space Lease is in full force and effect, and except for actions seeking possession of Tenant's interest in this Lease, such Space Tenant shall not be made a party in an action or proceeding to enforce any rights of Landlord against Tenant. The foregoing is not intended to limit Landlord's right of action against any Space Tenant on account of (i) such Space Tenant's own tortious conduct or (ii) breaches of its Space Lease to the extent that Landlord has expressly assumed any of the obligations of the lessor thereunder. Tenant may from time to time, ask Landlord to allow Tenant to grant to Space Tenants the right to cure a Default by Tenant under this Lease, which right of cure must occur with the time specified in this Lease for cure of any Tenant Default (any Space Tenant with such cure rights referred to as a "Qualified Space Tenant"), plus fifteen (15) days. Tenant must give the Qualified Space Tenant notice of default under this Lease. So long as such Qualified Space Tenant cures such Default within fifteen (15) days after expiration of the applicable notice and cure period set forth in Section 13.01, Landlord will accept such cure. Notwithstanding the provisions of this Section 12.03 or Section 14.01, Landlord shall not be required to execute estoppel certificates for any Space Tenant.

## ARTICLE XIII

### DEFAULT AND REMEDIES

#### Section 13.01. Tenant Default.

Each of the following events shall constitute a default (“Default”) by Tenant under this Lease: (i) if Tenant fails to pay any Rent (or any installment thereof) within fifteen (15) days after written notice from Landlord; or (ii) Tenant abandons the Premises; or (iii) Tenant’s admitting in writing its inability to pay its debts generally as they become due, filing a petition in bankruptcy or a petition to take advantage of any insolvency statute, making an assignment for the benefit of creditors, making a fraudulent transfer, applying for or consenting to the appointment of a receiver of itself or of the whole or any substantial part of its property, or filing or answering a petition seeking reorganization under the federal bankruptcy laws, as now in effect or as hereafter amended, or any other applicable law or statute of the United States or any state thereof; or (iv) a court of competent jurisdiction entering an order, judgment or decree adjudicating Tenant as bankrupt, or appointing a receiver of Tenant or of the whole or any substantial part of its property without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under any applicable federal or state bankruptcy laws, as now in effect or hereafter amended, if such order, judgment or decree is not vacated, set aside or stayed within sixty (60) days from the date of entry thereof; or (v) if Tenant breaches or fails to observe or perform any term, condition or covenant of this Lease, other than those involving the payment of Rent, and such breach or failure is not cured within thirty (30) days after Tenant’s receipt of notice thereof, unless such condition cannot reasonably be cured within such thirty (30) days, in which case Tenant must commence such cure within said thirty (30) days and diligently pursue said cure to its completion.

#### Section 13.02. Remedies and Damages.

A. If a Default described in Section 13.01 occurs, Landlord shall have all the rights and remedies provided in this Section 13.02, in addition to all other rights and remedies available under this Lease or provided at law or in equity.

B. Landlord may, upon thirty (30) days’ written notice to Tenant and opportunity to cure, terminate this Lease, or terminate Tenant’s right to possession without terminating this Lease (as Landlord may elect). If this Lease or Tenant’s right to possession under this Lease are at any time terminated under this Section 13.02 or otherwise, Tenant shall immediately surrender and deliver the Premises peaceably to Landlord. If Tenant fails to do so, Landlord shall be entitled to the benefit of all provisions of law respecting the speedy recovery of possession of the Premises (whether by summary proceedings or otherwise). The provisions of this Article XIII shall operate as a notice to quit, any other notice to quit or of Landlord’s intention to re-enter the Premises being hereby expressly waived.

C. If Landlord elects to terminate this Lease and/or elects to terminate Tenant’s right of possession, everything in this Lease to be done and performed by Landlord shall cease without prejudice, and Tenant shall remain liable for (a) all rent and other sums

accrued through the date of Landlord's recovery of possession, and (b) direct damages incurred by Landlord on account of such default.

Section 13.03. Landlord Default.

If Landlord (a) defaults in timely making any payment or performing any material act required herein to be made or done by Landlord which materially interferes with Tenant's beneficial use and enjoyment of the Premises, or (b) fails to appropriate funds to pay for an obligation hereunder, then in either such case Tenant may, but shall not be required to, make such payment or do such act, in which event the amount of the expense thereof, may be set off by Tenant against the next installment(s) of Rent due under this Lease. Landlord will under no circumstances be liable for punitive or consequential damages for any breach of this Lease or in connection with the Landlord's performance of, or failure to perform, any of Landlord's obligations under this Lease.

Section 13.04. Remedies Cumulative.

No reference to any specific right or remedy in this Lease shall preclude the non-defaulting party from exercising any other right, from having any other remedy, or from maintaining any action to which it may otherwise be entitled under this Lease, at law or in equity.

Section 13.05. Waiver.

A. Neither party shall be deemed to have waived any provision of this Lease, or the breach of any such provision, unless specifically waived by such party in a writing executed by an authorized officer. No waiver of a breach shall be deemed to be a waiver of any subsequent breach of the same provision, or of the provision itself, or of any other provision.

B. Upon Landlord obtaining possession of the Premises as herein provided, Tenant thereafter expressly waives any and all rights of redemption and any and all rights to relief from forfeiture which would otherwise be granted or available to Tenant under any present or future statutes, rules or case law.

C. In any litigation (whether or not arising out of or relating to the Lease) in which Landlord and Tenant shall be adverse parties, both Landlord and Tenant knowingly, voluntarily and intentionally waive their respective rights to trial by jury.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01. Estoppel Certificate.

Each of Landlord and Tenant, within fourteen (14) days after receiving notice from, and without charge or cost to, the other, shall certify by written instrument to the other: (i) that this Lease is in full force and effect and unmodified (or if modified, stating the modification); and (ii) the dates, if any, to which each component of the Rent due under this Lease has been paid.

Section 14.02. Quiet Enjoyment.

Landlord covenants that it has full right, power and authority to enter into this Lease and that Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term without hindrance, ejection or molestation by any Person lawfully claiming by, through or under Landlord. Entry by Landlord onto the Premises pursuant to its rights under any alcoholic beverage license in effect for the Premises shall not constitute a breach of the covenant of quiet enjoyment hereunder. Landlord's certification on Tenant's or Space Tenant's alcoholic beverage license which permits entry onto the Premises at any time without warrant by public officials to conduct searches pursuant to the license must not be considered to be a breach of this covenant of quiet enjoyment.

Section 14.03. Notices.

Whenever any demand, request, approval, consent or notice (singularly and collectively, "Notice") shall or may be given by one party to the other, such Notice shall be in writing and addressed to the parties at their respective addresses as set forth in Section 1.01 and served by (i) hand with receipt therefor, (ii) a nationally recognized overnight express courier, or (iii) registered or certified mail return receipt requested. Notices shall be deemed given upon the date of delivery or attempted delivery during normal business hours. Either party may, at any time, change its Notice address by giving the other party Notice, in accordance with the above, stating the change and setting forth the new address.

Section 14.04. Recording.

This Lease shall not be recorded. Upon the request of either party, the parties shall record a memorandum of this Lease setting forth the Premises and Term (including Renewal Terms) and other relevant information, but omitting all financial terms. The party requesting recordation shall pay for the expense thereof.

Section 14.05. Successors and Assigns.

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord and Tenant, and their respective permitted successors and assigns. Upon any sale or other transfer by Landlord of its interest in the Premises, Landlord shall be relieved of any obligations under this Lease accruing subsequent to such sale or other transfer.

Section 14.06. Limitation on Right of Recovery Against Landlord.

No shareholder, member, trustee, partner, director, officer, employee, representative or agent of Landlord shall be personally liable in respect of any covenant, condition or provision of this Lease. Each of Landlord's obligations hereunder is subject to the appropriation of funds to pay for such obligation.

Section 14.07. Severability.

If any term or provision of this Lease, or the application thereof to any Person or circumstance, shall be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 14.08. Broker's Commission.

Landlord and Tenant each warrants and represents to the other that no broker, finder or agent has acted for or on its behalf in connection with the negotiation, execution or procurement of this Lease.

Section 14.09. Force Majeure.

Except for the payment of monetary obligations, if Landlord or Tenant is delayed or prevented from performing any of its obligations under this Lease by reason of strike, labor troubles, force majeure or any similar cause whatsoever beyond their control, the period of such delay or such prevention shall be deemed added to the time herein provided for the performance of any such obligation by Landlord or Tenant. The party claiming the benefit of this provision shall duly and diligently seek to mitigate the impact of any such cause.

Section 14.10. Survival.

Occurrence of the Termination Date shall not relieve either Landlord or Tenant from its respective obligations accruing prior to the expiration of the Term. All such obligations shall survive termination of this Lease.

Section 14.11. Authority.

Tenant hereby covenants and warrants that Tenant is duly formed, qualified to do business and in good standing in the State of Maryland, and that the individual executing this Lease on behalf of Tenant is duly authorized by Tenant to execute and deliver this Lease on behalf of Tenant. Tenant shall remain qualified to do business and in good standing in the State of Maryland throughout the Term. Landlord hereby covenants and warrants that it is duly authorized to execute this Lease, and that the individuals executing this Lease on behalf of Landlord are duly authorized by Landlord to execute and deliver this Lease on behalf of Landlord.

Section 14.12. Construction of Certain Terms.

The term "including" shall mean in all cases "including, without limitation." Wherever either party is required to perform any act hereunder, such party shall do so at its sole cost and expense, unless expressly provided otherwise. All payments to Landlord, other than Base Rent, whether as reimbursement or otherwise, shall be deemed to be Additional Rent, regardless of whether denominated as "Additional Rent."

Section 14.13. Showing of Leased Premises.

Landlord may enter upon the Leased Premises for purposes of showing the Leased Premises to Mortgagees or prospective Mortgagees at any time during the Term and to prospective tenants during the last six (6) months of the Term.

Section 14.14. Relationship of Parties.

This Lease shall not create any relationship between the parties other than that of Landlord and Tenant.

Section 14.15. Choice of Law.

This Lease shall be construed, and all disputes, claims, and questions arising hereunder shall be determined, in accordance with the laws of the State of Maryland, without regard to conflict of laws principles.

Section 14.16. Choice of Forum.

Any action involving a dispute relating in any manner to the Lease, the relationship of Landlord/Tenant, the use or occupancy of the Premises, and/or any claim of injury or damage shall be filed and adjudicated solely in Montgomery County, Maryland.

Section 14.17. Time is of the Essence.

Time is of the essence with respect to each and every obligation arising under this Lease.

Section 14.18. Non Discrimination.

Tenant agrees to comply with the non-discrimination in employment policies in County contracts as required in Sections 11B-33 and 27-19 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws, rules and regulations regarding employment discrimination. By signing this Lease, Tenant assures Landlord that in accordance with applicable law, it does not, and agrees that it shall not engage in any employment discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations.

Section 14.19. Ethics Requirement.

Tenant understands and agrees that unless authorized pursuant to Section 11B 52 and Chapter 19A of the Montgomery County Code (2004), as amended, that it is unlawful for any person or entity transacting business with the County to employ a public employee contemporaneous with his or her public employment.

Section 14.20. Resident Agent.

As of the date of this Lease, Tenant's Resident Agent in the State of Maryland is CSC Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202.

Section 14.21. Security Deposit.

If Tenant assigns this Lease to any individual or entity other than an Entity Successor or Project Purchaser, then Landlord shall have the right to require the assignee Tenant to post with Landlord cash or a letter of credit in the amount equal to two (2) months of the then current Base

Rent, as security for the performance of Tenant's obligations under this Lease. Landlord shall return such security deposit to Tenant within sixty (60) days following the expiration or termination of this Lease, so long as there is no then uncured Default of Tenant under this Lease.

Section 14.22. Consent.

Whenever the approval, consent or permission of Landlord or the County or Tenant is required pursuant to this Lease, such approval, consent or permission shall not be unreasonably withheld, conditioned or delayed, unless expressly provided to the contrary in the particular provision in question.

Section 14.23. Entire Agreement; No Representations; Modification.

This Lease is intended by the parties to be a final expression of their agreement and as a complete and exclusive statement of the terms thereof. All prior negotiations, considerations and representations between the parties (oral or written) are incorporated herein. No course of prior dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease. No representations, understandings, agreements, warranties or promises with respect to the Premises or the Building, or with respect to past, present or future tenancies, rents, expenses, operations, or any other matter, have been made or relied upon in the making of this Lease, other than those specifically set forth herein. This Lease may only be modified, or a term thereof waived, by a writing signed by an authorized officer of Landlord and Tenant expressly setting forth said modification or waiver.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Lease under their respective hands and seals as of the day and year first above written.

WITNESS:

LANDLORD:

MONTGOMERY COUNTY, MARYLAND

By: Joseph F. Beach  
Name: Joseph F. Beach  
Title: Asst. Chief Administrative Officer

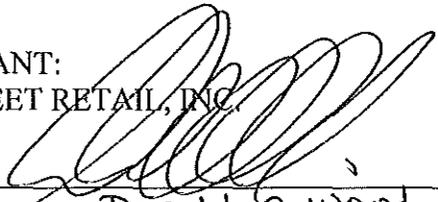
APPROVED AS TO FORM AND LEGALITY:  
OFFICE OF THE COUNTY ATTORNEY

By: Eileen T. Basaman  
Name: Eileen T. Basaman  
Title: Asst. County Attorney

ATTEST:

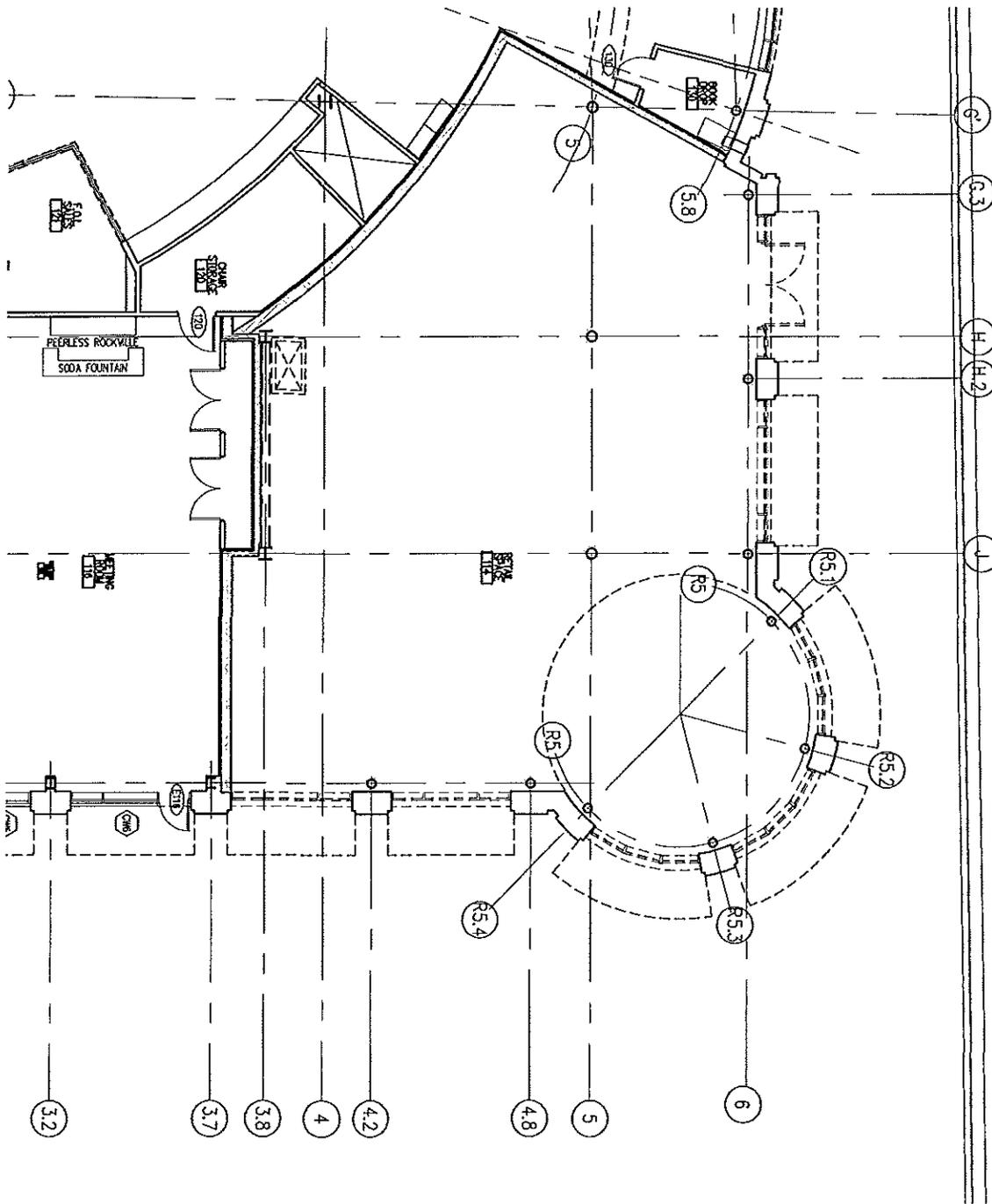
By:   
Name: BARIS H. IPEKE  
Title: Assistant Secretary

TENANT:  
STREET RETAIL, INC.

By:   
Name: Donald C. Wood  
Title: President

[Corporate Seal]





**ROCKVILLE LIBRARY**  
TENANT FLOOR PLAN

SCALE: 1/16" = 1'-0"

DATE  
10.05.06

**GRIMM +  
PARKER**  
ARCHITECTS

2 Bethesda Metro Center  
Suite 1350  
Bethesda, MD 20814

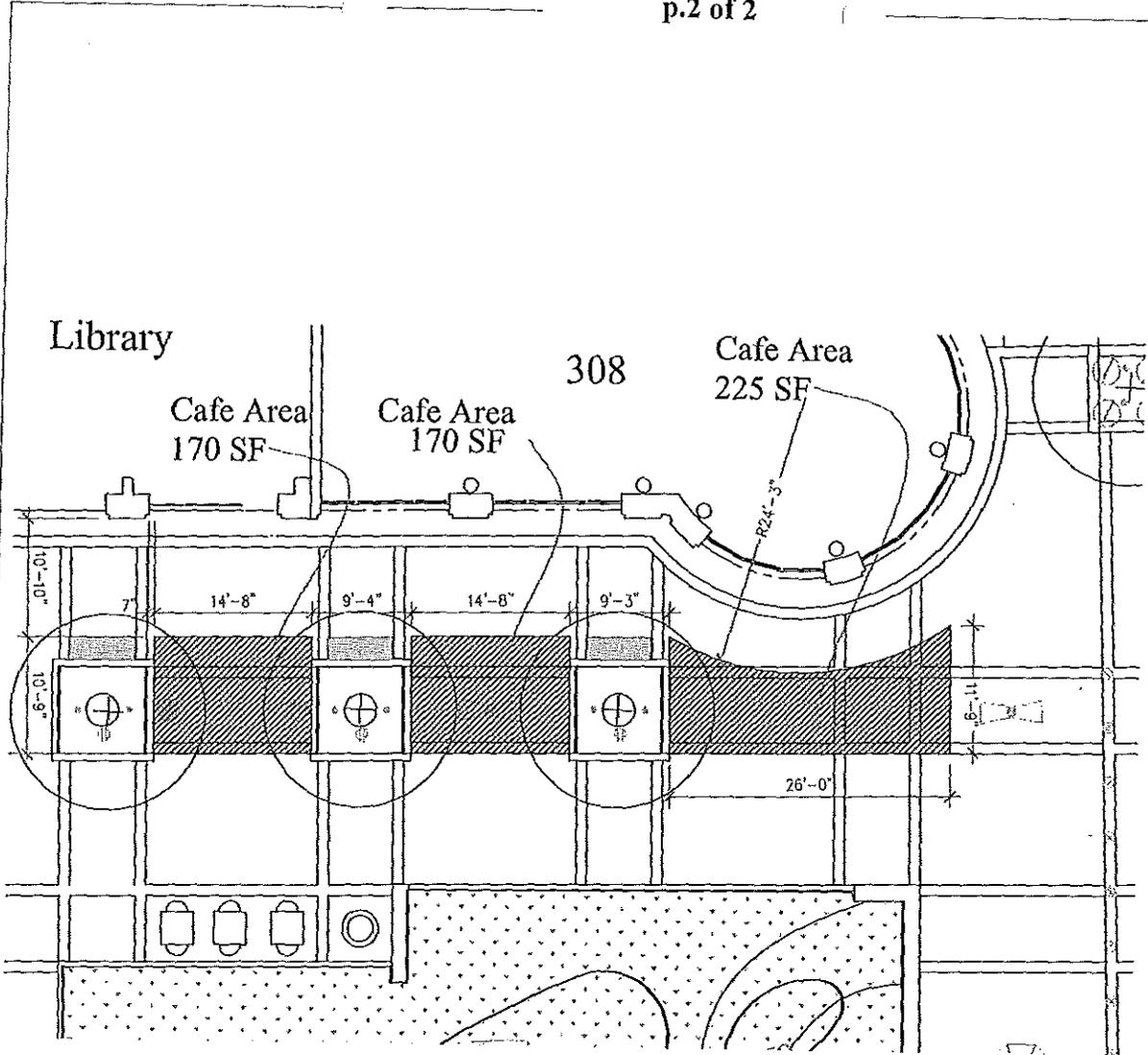
1755 Beverly Road  
Bethesda, MD 20814  
Tel: 301.997.8755

11789 Belville Drive  
Suite 1100  
Calverton, MD 20617  
Tel: 301.595.0000

Tel 240.223.0500  
Fax 240.223.0510

Tel 301.997.8755  
Fax 301.997.8755

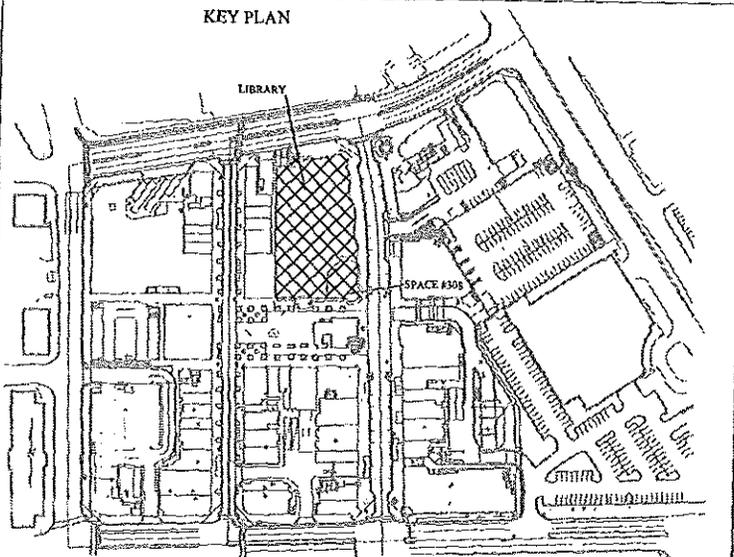
Tel 301.595.0000  
Fax 301.595.0000



Cafe SEATING PLAN

10/14/06

KEY PLAN



UTILITY KEY

Cafe Area 

NOTES

ALL EXISTING CONDITIONS AND DIMENSIONS TO BE FIELD VERIFIED BY TENANT.  
TENANT/LESSEE SHALL BE RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE  
LAWS, DISTRICT DEPARTMENT REGULATIONS, PUBLIC WORKS AND ZONING  
ORDINANCES, AND THE ROCKVILLE TOWN SQUARE USE PERMIT CONDITIONS WITH  
REGARD TO OUTDOOR SEATING AREAS.



ROCKVILLE, MARYLAND

REV.	DESCRIPTION	DATE

Federal Realty  
COMMERCIAL REAL ESTATE



ISSUE DATE:  
10/14/06

Exhibit "A"



EXHIBIT B-1

SHAFT, CONDUIT AND STAIRWELL DESCRIPTION

- A. The shafts, conduits, flues, pipes, ductwork, raceways and lines (i) terminating in or serving the Premises, or (ii) leading from the Premises to either the roof of the Building or the Meter Utility Room, all as shown on the final construction drawings for the Building.
- B. The stairwell leading from the Beall Avenue loading dock to the roof of the Building (Tenant to access stairwell through the Beall Avenue loading dock).
- C. Such other shafts, conduits, corridors or stairwells reasonably necessary for the operation of the Premises, and reasonably approved by Landlord.



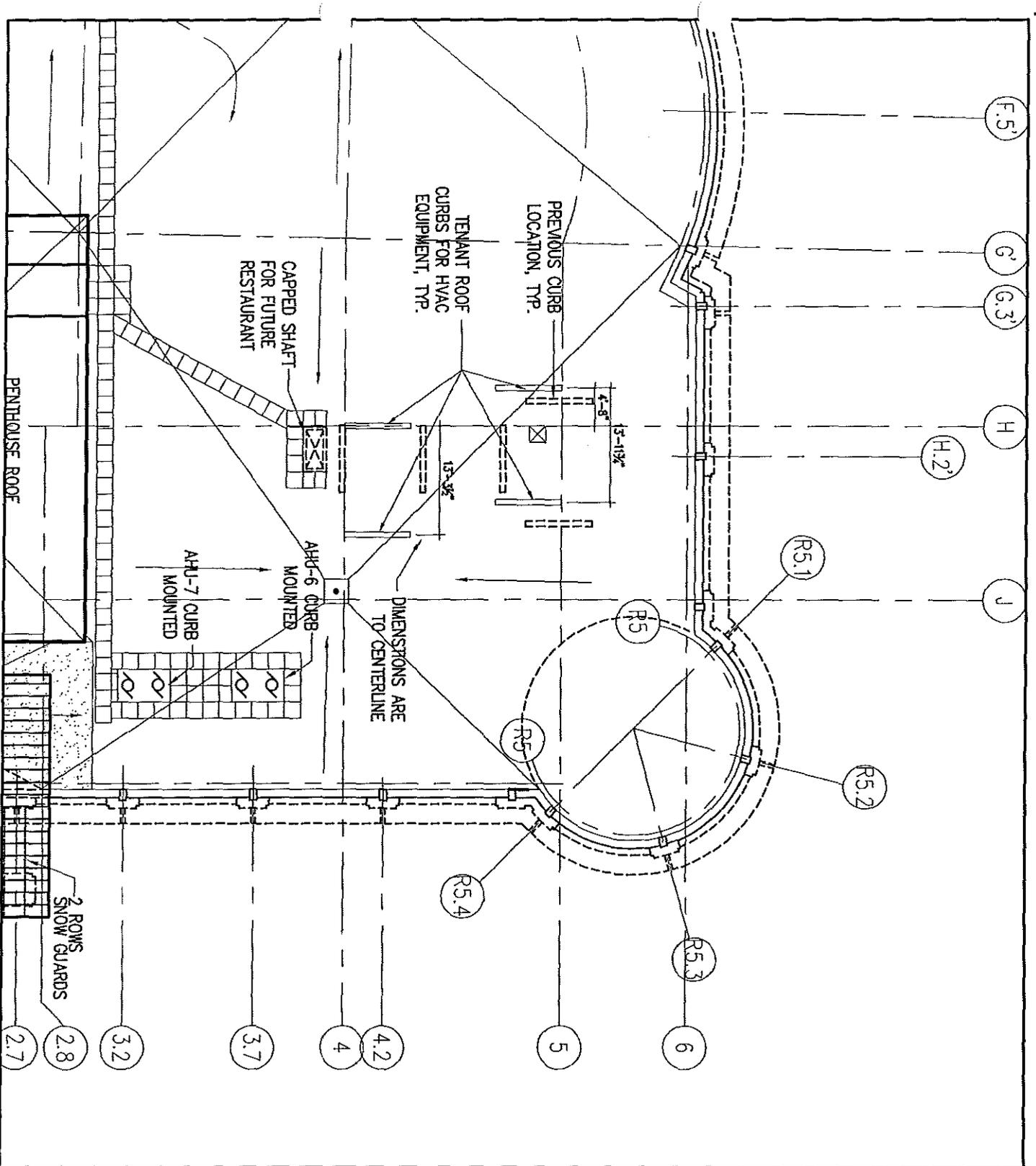
## Exhibit B-2 Rockville Town Square - Punch List

Closing Date:				
<b>Montgomery County: Retail</b>				
Item	Land Lord Work Letter	Identified By	Comments	FRIT Sign Off
FRIT-002		FRIT	Space is not completely cleaned out	
FRIT-003		FRIT	Missing fireproofing on NW corner column	
FRIT-004		FRIT	Not all the penetrations though the CMU are fire sealed. Complete fire sealant.	
FRIT-006		FRIT	Remove metal decking so that the grease exhaust opening matches the dimensions of the shaft walls of the exhaust riser - throughout shaft length	

Exhibit B-2

 10/5/2006

EXHIBIT C



<b>ROCKVILLE LIBRARY</b> TENANT ROOF PLAN	SCALE: 1/16" = 1'-0"	DATE 10.16.06
--	----------------------	------------------

**GRIMM + PARKER**  
ARCHITECTS

2 Bethesda Metro Center Suite 1350 Bethesda, MD 20814	1355 Beverly Road Suite 105 McLean, VA 22101	11785 Beluville Drive Suite 1400 Calverton, MD 20705
Tel 240.223.0500 Fax 240.223.0510	Tel 703.903.9100 Fax 703.903.9755	Tel 301.595.1000 Fax 301.595.0089

EXHIBIT D

PERMITTED USES

1. Use for restaurant, food and beverage service (including alcoholic beverages for on-site consumption in compliance with all applicable laws and regulations), café or coffee shop, but excluding fast-food restaurants (such as McDonalds or Burger King).
2. Book store.
3. Gift shop (including stores such as Brookstone, Discovery Zone and the Museum Shop).
4. Art gallery or other shop for sale of painting, sculpture or craft items.
5. Clothing, leather goods or jewelry store.
6. Store for the sale of fine china, crystal, silver, kitchen and housewares, and similar items.
7. Such other uses compatible with the library use and approved by Landlord.



EXHIBIT D-1

PROHIBITED USES

**Library – Retail Shell Prohibited Uses  
Rockville Town Square**

1. Any use which produces or is accompanied by any unusual fire, explosive or other damaging or dangerous hazard (including the storage, display or sale of explosives or fireworks, other than de minimis amounts of fireworks for sale to consumers to the extent permitted by applicable law). Restaurant use, including open pit flame, is allowed.
2. Any shooting gallery or gun range (other than an electronic or arcade type shooting gallery or gun range).
3. Any operation primarily used as a storage warehouse and any assembling, manufacturing, refining, smelting, industrial, agricultural, drilling or mining operation (except that incidental storage use ancillary to retail/restaurant use shall be permitted).
4. Any automotive body shop or repair operation, including automobile servicing or repair work (e.g., oil change, tire change, body or paint shop, tune-up, brake or muffler service).
5. Gasoline or automobile service stations.
6. Any residential use.
7. Any veterinarian, veterinary hospital or animal raising facilities (except that this prohibition shall not prohibit pet shops).
8. Any mortuary or funeral home.
9. Any facility or establishment primarily selling or exhibiting sexually explicit, or pornographic materials or a “head shop” (or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment or featuring strip tease acts or nude dancing).
10. Any nightclub, discotheque, dance hall, or bar whose sales of food do not constitute at least ten percent (10%) of its gross sales.
11. Any on-site commercial laundry, dry cleaning plant or Laundromat (however, any retail dry cleaning drop off and pick up store is permitted).
12. Any temporary or permanent storage of any “hazardous material” as that term may now or hereafter be defined by applicable law; provided, however, that this prohibition shall not apply to (a) supplies for cleaning and maintenance in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use of the premises and are stored and used in compliance with applicable law, (b) standard office supplies in commercially reasonable amounts required



for use in the ordinary course of business, provided such items are incidental to the use of the premises and are stored and used in compliance with applicable law, or (c) retail tenants' inventory generally held for resale in typical first class retail projects, provided such inventory is stored and sold in compliance with applicable law.

13. Any sales or leasing of new or used vehicles, including automobiles, trucks recreation vehicles or mobile homes (including used car lots), or any sales or leasing of new or used vehicles, including automobiles, trucks, recreation vehicles, or mobile homes.
14. Any carnival, flea market, pawn shop, or car wash.
15. Any gambling facility or operation, including, but not limited to, off-track or sports betting parlor, table games such as blackjack or poker, or similar activities or a bingo hall; provided, however, that this prohibition shall not apply to slot machines, video poker, video blackjack or similar devices, Keno or the sale of governmental sponsored lottery tickets that are incidental to the business operation being conducted by the occupant of the premises.
16. Any "amusement parlor" consisting primarily of pin ball, video or similar arcade games in excess of 1,500 square feet.



EXHIBIT E

INITIAL TERM BASE RENT SCHEDULE

<u>Lease Year</u>	<u>Monthly Base Rent</u>
1	\$4,449.33
2	\$4,582.81
3	\$4,720.29
4	\$4,861.90
5	\$5,007.76
6	\$5,157.99
7	\$5,312.73
8	\$5,472.11
9	\$5,636.28
10	\$5,805.37
11	\$5,979.53
12	\$6,158.91
13	\$6,343.68
14	\$6,533.99
15	\$6,730.01
16	\$6,931.91
17	\$7,139.87
18	\$7,354.06
19	\$7,574.69
20	\$7,801.93



## EXHIBIT F

### Tenant Access & Improvements Protocol

The following outlines the guidelines to be adhered to for the coordination of construction and maintenance related work for the Premises, and areas associated with the Premises in the Library portion of the Building.

#### **A. Maintenance & Construction**

From time to time, Tenant shall require access to designated common area locations including but not limited to: roof, corridors, stairwells, electrical room, telephone room, risers, mechanical rooms, elevators, common and public areas within or external to the Library to complete construction work and on-going maintenance associated with the Premises.

Except for emergencies, Tenant shall provide Landlord with no less than seventy two (72) hours' prior written notice, exclusive of weekends and County holidays, of any entry into the Library portion of the Building, by hand delivery or facsimile as follows:

Chief, Division of Facilities Maintenance & Operations  
101 Orchard Ridge Drive  
Gaithersburg, MD 20878  
Telephone: (240) 777-6170  
Fax: (240) 777-6077

Landlord and Tenant recognize that access may be required to public areas. Tenant must use best efforts to minimize disruption to the operations of the Library.

#### **B. Pre-Construction**

Tenant or the Space Tenant shall submit to Landlord a construction information package before the start of construction. Depending on the scope of work, this package must include:

1. Name, address and local emergency contact for general, mechanical, plumbing, and electrical contractors;
2. Construction schedule;
3. Copy of the building permit (if required for work);
4. Evidence of contractor's insurance in accordance with the Lease.



### **C. During Construction**

All work performed by Tenant, the Space Tenant, or their respective representatives or contractors during the Term shall be performed so as to cause a minimum of interference with any other tenants and/or the operation of any portion of the Library. Tenant will take all precautionary steps to protect its facilities and the facilities of others affected by the construction work in the Premises, and properly inspect and supervise construction work to ensure minimal disruption to Library patrons. Construction equipment and materials are to be located within the Premises.

All work to be performed by Tenant, the Space Tenant, or their respective representatives or contractors shall be performed in a good and workmanlike manner, in accordance with all rules, regulations, codes and ordinances of any local, municipal, state and/or federal authorities having jurisdiction thereof. Permits, licenses or approvals required for said work from such authorities shall be obtained by Tenant or the Space Tenant, at its sole cost and expense.

### **D. Utilities Shutdowns**

From time to time, Tenant or the Space Tenant may require access to designated locations including but not limited to, roof, corridors, electrical room, telephone room, risers, mechanical rooms, stairwells, elevators, common and public areas within or external to the Library, to complete work associated with utilities required to supply the Premises. Any shut down of common building systems will be done by Landlord staff or maintenance vendors, at Tenant's cost.

In no event may Tenant, any Space Tenant or their respective representatives or contractors access any area to perform such work for any purpose unless seventy two (72) hours' prior written notice, exclusive of weekends and County holidays, has been provided to Landlord in the manner set forth above in this Exhibit F. In the event of an emergency, Landlord recognizes that access may be required with less notification than the notice period stated and all efforts (in light of the circumstances) will be made so as to cause minimal disruption to the operations of the Library. In the event of an emergency, the Tenant or the Space Tenant must call County Operations (301) 279-8111 to provide notice of the emergency. In the event of emergency entry by Tenant or Space Tenant, the Tenant or Space Tenant must promptly send the County a written report documenting the type of emergency, duration of Tenant's entry, and outcome of the entry.

### **E. Loading, Trash and Mail Wall**

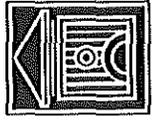
1. Loading: Tenant shall provide its own loading access and area within the Premises in a location so as not to disrupt the operations of the Library for loading and unloading of trucks.
2. Trash Rooms/Enclosures: Tenant shall provide its own trash enclosure within the Premises in a location so as not to disrupt the operations of the Library.

3. Mall Wall: Tenant must promptly install mall walls to enclose the Premises upon full execution of this Lease, and heat the Premises to maintain a minimum temperature of 40 degrees to prevent damage from freezing pipes.

#### **F. Tenant Access Protocol Modification**

Landlord shall be entitled to make modifications to this Exhibit F, so long as such modifications do not have a material adverse effect on Tenant or the operations of the Premises. Landlord may rely on the modifications fifteen (15) days after providing written notice of any such changes to Tenant at the address specified in the Lease. Tenant may request modifications to this Exhibit F, and Landlord shall decide, in Landlord's sole discretion, whether or not to grant such requested modifications. Any modifications requested by Tenant must not have a material adverse effect on Landlord or the operations of the Library.

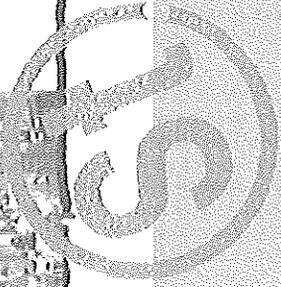




FEDERAL  
REALTY  
INVESTMENT  
TRUST

# ROCKVILLE TOWN SQUARE

September 29, 2003



# TENANT CRITERIA

## Handbook

# Table of Contents



<b>Introduction</b>	<b>Section 1.0</b>
• Table of Contents .....	Section 1.1
• Design Criteria Intent - 1 .....	Section 1.2
• Design Criteria Intent - 2 .....	Section 1.3
• Location Map .....	Section 1.4
• Site Plan + Program .....	Section 1.5
<b>Design Districts</b>	<b>Section 2.0</b>
• Maryland Avenue .....	Section 2.1
• Market Street .....	Section 2.2
• Town Plaza .....	Section 2.3
• East Middle Lane .....	Section 2.4
• Retail Access .....	Section 2.5
<b>Storefront Design</b>	
<b>Philosophy</b>	<b>Section 3.0</b>
• Great Storefronts - 1 .....	Section 3.1
• Great Storefronts - 2 .....	Section 3.2
• Anatomy of a Sidewalk - 1 .....	Section 3.3
• Anatomy of a Sidewalk - 2 .....	Section 3.4
<b>Storefront Design</b>	
<b>Zones</b>	<b>Section 4.0</b>
• Typical Design Zone .....	Section 4.1
• Typical Design Zone (plan/elevation).....	Section 4.2
• Typical Design Zone (section).....	Section 4.3
• Town Plaza Design Zone .....	Section 4.4
• Town Plaza Design Zone (plan/elevation)....	Section 4.5
• Town Plaza Design Zone (section).....	Section 4.6
• Via Design Zone .....	Section 4.7
• Via Design Zone (plan/elevation).....	Section 4.8
• Via Design Zone (section).....	Section 4.9

<b>Design Control Zone</b>	<b>Section 5.0</b>
<b>Storefront Design</b>	
<b>Criteria</b>	<b>Section 6.0</b>
• Storefront Components .....	Section 6.1
• Storefront Character .....	Section 6.2
• Material & Color Palette .....	Section 6.3
• Storefront Materials .....	Section 6.4
- Wood & Metal .....	Section 6.5
- Stone, Cast Stone & Concrete .....	Section 6.6
- Plaster & Tile .....	Section 6.7
- Discouraged Materials .....	Section 6.8
• Entries & Doors .....	Section 6.9
• Windows & Glazing .....	Section 6.10
• Pop-Out & Recessed Zones .....	Section 6.11
• Security .....	Section 6.12
• Lighting	
- Exterior Lighting .....	Section 6.13
- Incandescent vs. Fluorescent .....	Section 6.14
- Interior Display Lighting .....	Section 6.15
- Specific Lighting Criteria .....	Section 6.16
• Canopies & Awnings .....	Section 6.17
• Signage & Graphics .....	Section 6.18
- Signage Criteria .....	Section 6.19
- Illuminated vs. Non-Illuminated .....	Section 6.20
- Projecting Signs .....	Section 6.21
- Blade Signs, Flags & Banners .....	Section 6.22
- Window, Wall & Sidewalk Signs .....	Section 6.23
- Discouraged Sign Types .....	Section 6.24
<b>General Storefront</b>	<b>Section 7.0</b>
<b>Criteria</b>	



# Design Criteria Intent

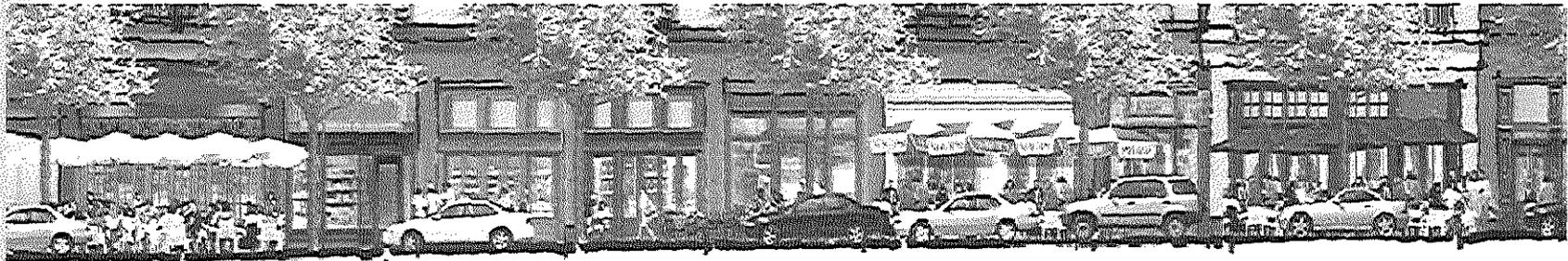


*Rockville Town Square will be a "great urban place". A cosmopolitan mix of the finest in retail, dining services, workspaces and homes, the center will serve a community rich in intellectual and cultural resources. In order to achieve this ideal, the project shall strive for the highest quality of design not only in architectural expression, but also in the streetscape and landscape. This richly diverse environment sets the stage for a "retail layer" which will bring the center to life. Because of the investment in quality in all aspects of Rockville Town Square, the following criteria seeks to encourage the creative, individual expression of a Tenant's identity through the thoughtful use of lighting, signage, and storefront design.*

*The Landlord is dedicated to creating and fostering a unique and active streetscape, one that combines a rich diversity of styles, identities, and commercial personalities. Retail identities will be characterized by their creativity of expression, and are intended to mirror the chronological growth of a traditional "main street".*

*The following criteria is a minimum standard. It is meant to guide a Tenant's creative expression of their identity, and restrict as little as possible. National and regional Tenants who have a standard recognizable storefront design are expected to tailor their designs to integrate with Rockville Town Square's overall identity. Through the use of carefully selected materials, colors, graphics, effective lighting, sensitive detailing, and fixtures, each store should become a distinctly expressive participant in creating and improving the overall environment.*

*To ensure the execution of work in the most professional manner, it is required that all design professionals (architects, engineers, etc.) are currently registered in the state of Maryland. And finally, the Landlord reserves the right to review and approve all design work to verify that it meets the design standards and intent of this document.*



# Design Criteria Intent

The following criteria do not represent a strict formula for design success. Rather, they establish goals and directions that require a design response, as well as provide a reference for quality standards. Similarly, the landlord's design review will consider not only specific issues of design such as form, materials, details, and signage, but also the Tenant's success in establishing their identity. In doing so, the Tenant and the Tenant's Architect assume the following important obligations:

- Maintain and enhance the high standards of quality established for Rockville Town Square.
- Respond to the actual physical conditions of the Tenant's specific location.
- Fulfill the intent of the criteria in both concept and detail.
- Ensure the quality of execution in all finishes, materials, and details pertaining to actual construction.

The following basic objectives are required of all store designs at Rockville Town Square:

- Store images must be creatively adapted. Tenants may wish to consider new ways of establishing their storefront design image to integrate with the Rockville Town Square environment.
- A total store design must be developed. A total store image should coordinate the exterior storefront and interior design with the store's merchandising plan and retail story. Other disciplines not directly involved with store design (such as marketing) may be able to provide key input in developing a plan of execution.

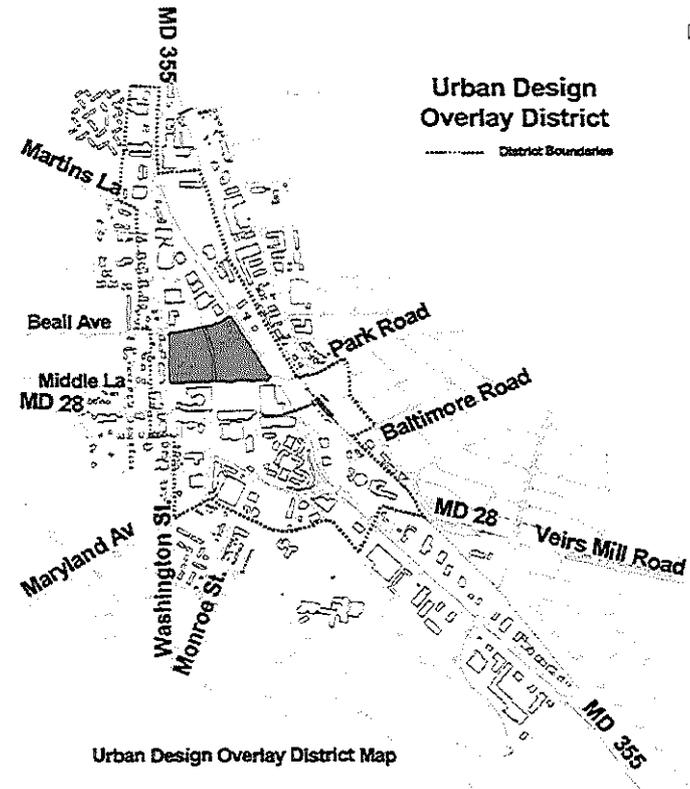
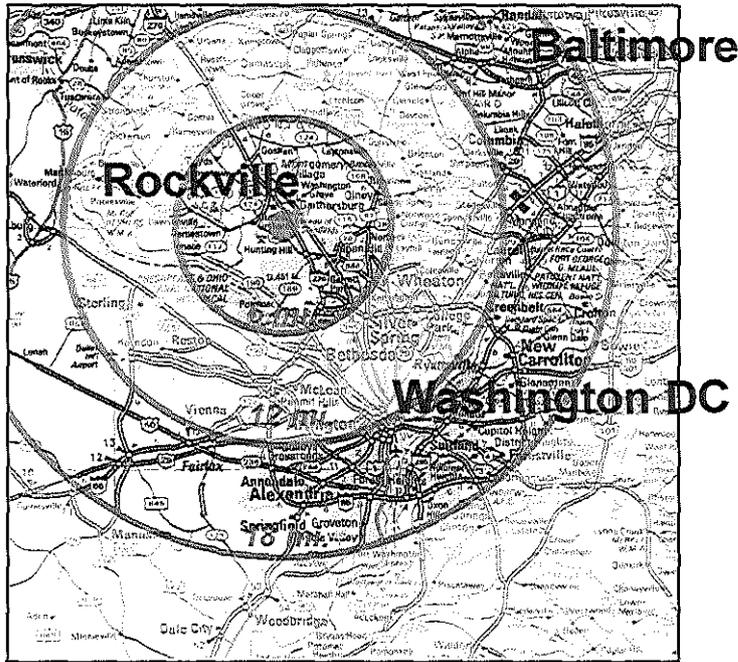
The Landlord is the final arbiter of the requirements and intent of this criteria.



# Location Map



## Rockville Town Square Rockville, Maryland



Urban Design Overlay District Map

Rockville is one of Maryland's largest cities and is the county seat of Montgomery County. It occupies 13.03 square miles within the Washington D.C. area, and is located 12 miles northwest of the nation's capitol. A major portion of the prestigious I-270 corridor is within the City's corporate limits.

The development area addressed in this document (see shaded area above) is located in the first phase of a comprehensive Rockville Town Square Master Plan project. As the center of the Urban Design District, this area will be the focal point and "true" center of Rockville Town Square.



# Site Plan + Program



- **Regional Library**

Three (3) Floors  
 Front faces Town Square  
 Serves as North Anchor of Town Center  
 66,000 Square feet (approximate) of Library Function  
 33,000 Square feet (approximate) of Office Space

- **Town Plaza**

29,000 square feet  
 Focal point/mid-point of Town Center  
 Open Space to provide area for community events (Hometown Holidays, Spirit of Rockville, etc.)  
 Convenient pedestrian thoroughfare for all Town Center elements  
 Encourages seating and gatherings

- **Cultural**

2 or 3 floors above street retail  
 Located next to Regional Library on the Town Square

- **Parking Garages**

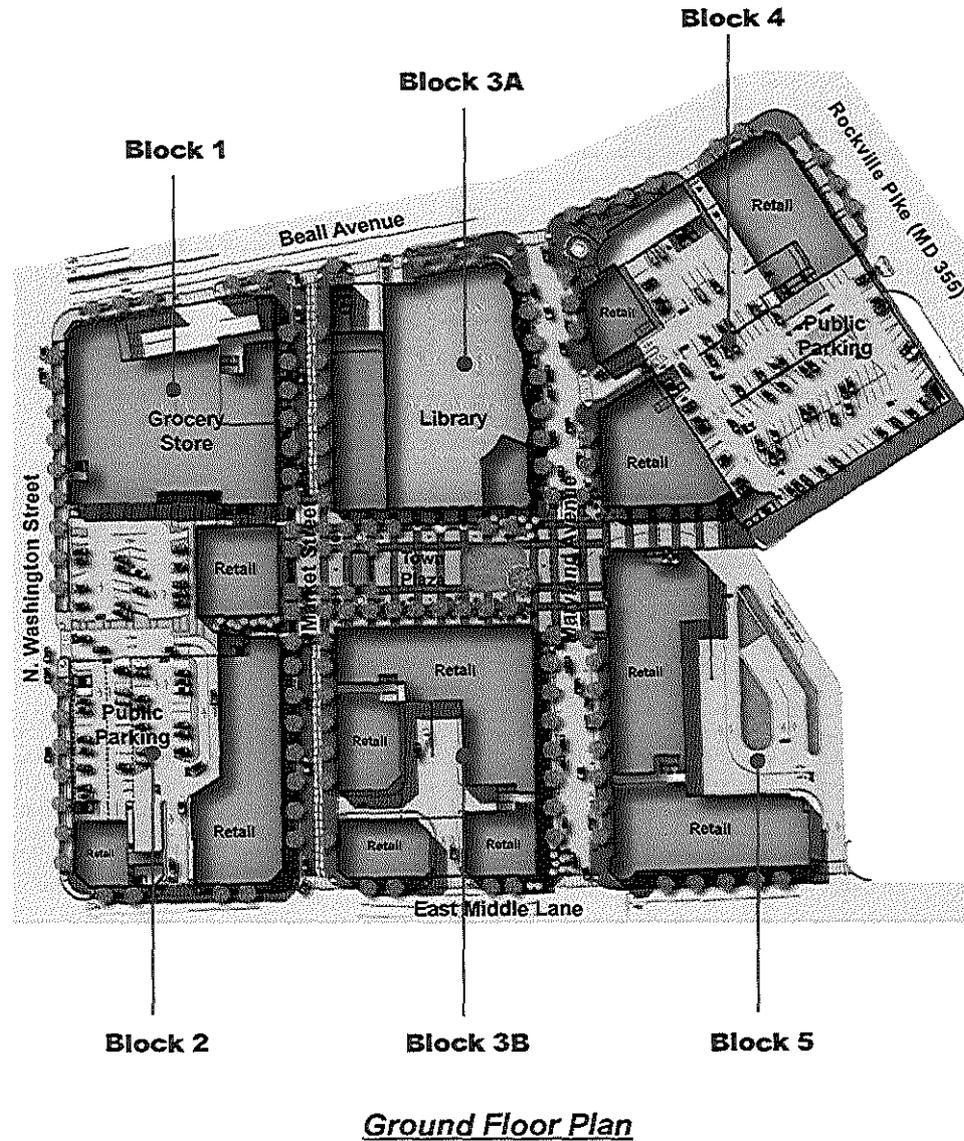
Three (3) Public Garages  
 One (1) Private Garage  
 On-Street Parking on Maryland Avenue and Market Street  
 1,000 public parking spaces

- **Street Retail**

170,000 square feet (approximate)  
 Multiple restaurants  
 First Floor locations only  
 30,000 square foot Grocery Store

- **Residential**

350-400 rental units (approximate)  
 315-380 Condominiums  
 Four (4) Floors above street retail



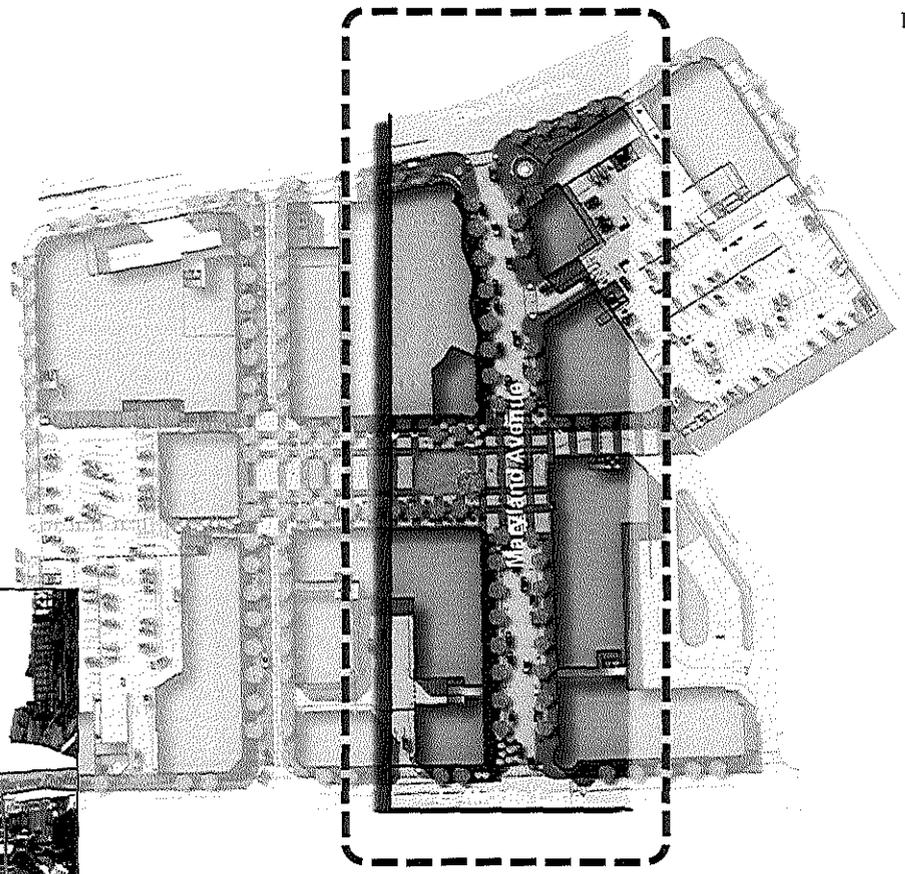
Ground Floor Plan

# Design Districts



## Maryland Avenue

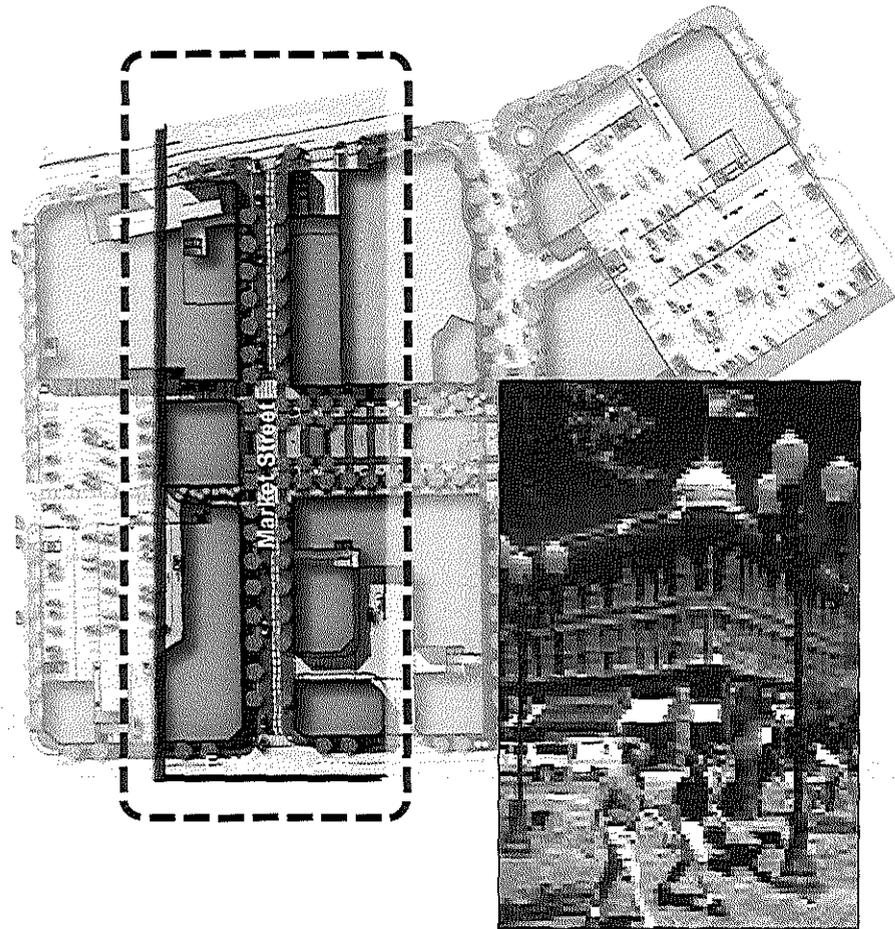
*Maryland Avenue is the "main street" for the new Rockville Town Square. It is the major north/south spine, therefore, it has been strategically integrated into the new Town Plaza as a visible extension by way of special paving. The street design reflects two-way traffic as opposed to one-way traffic on Market Street, and the generous sidewalk proportions allow for outdoor cafe seating. Most importantly, retailers will have a highly visible street presence.*



# Design Districts

## Market Street

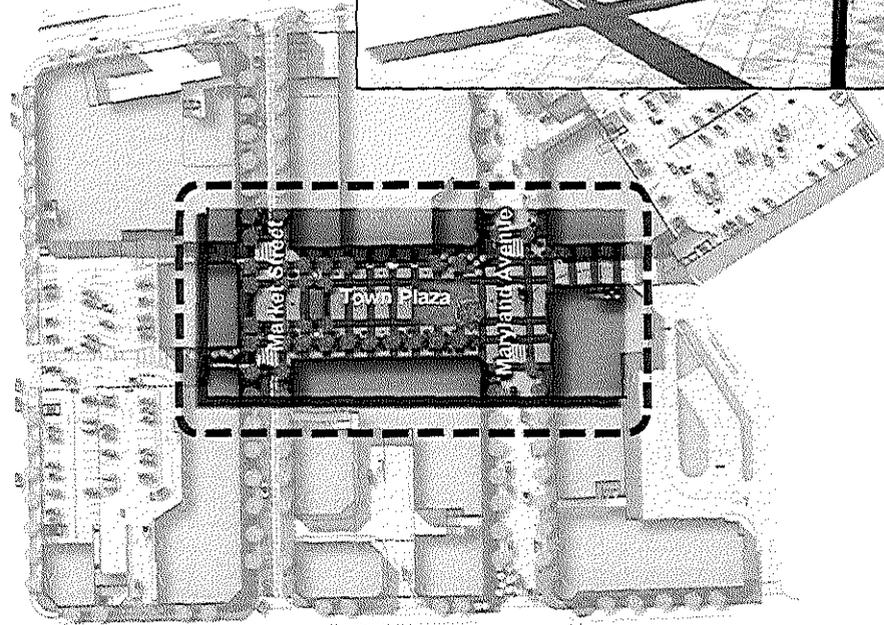
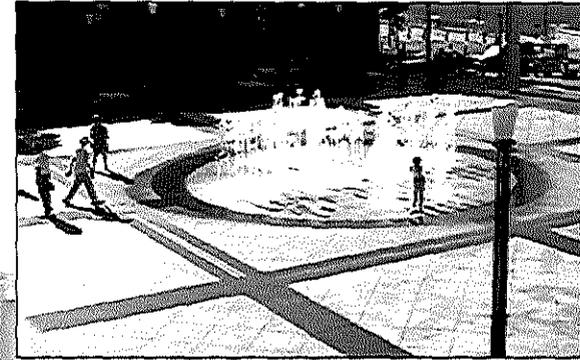
*Market Street has been specifically designed for "flexibility" to accommodate several community event scenarios that can be quickly and easily implemented by the City of Rockville, and as a result, change the character of the street. In the event of an extended cafe seating scenario or a special situation like a farmer's market or other event, the parallel parking lane and the sidewalk can be "converted" to adapt to these situations. A "curbless" condition on one side of the street will allow for the implementation of any of these scenarios with a minimum of effort. Bike lanes have also been integrated into the street design to encourage the use of bicycles as a mode of transportation in the Town Center.*



# Design Districts

## Town Plaza

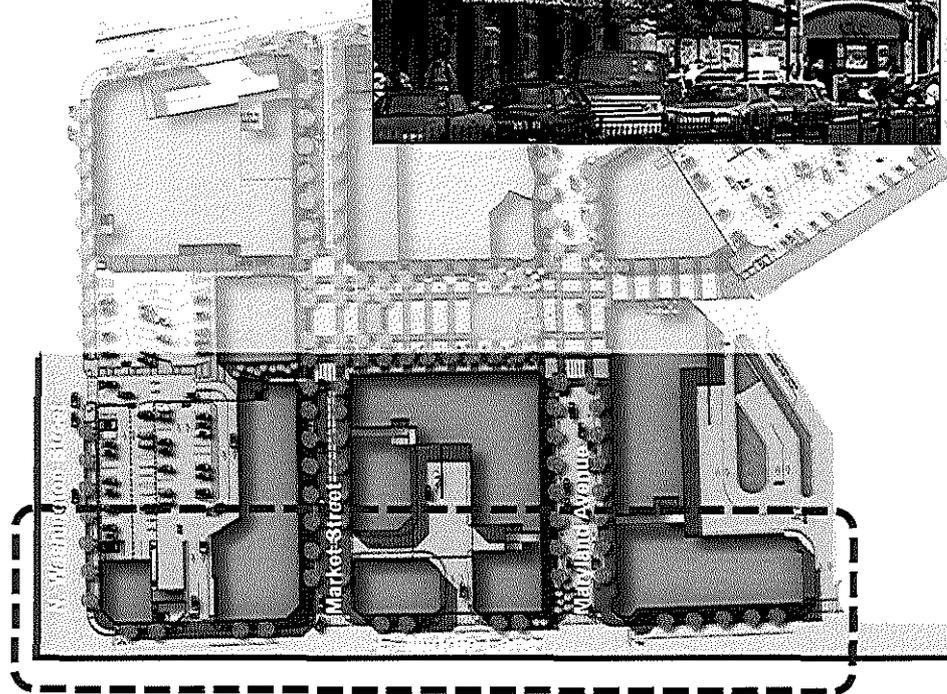
The **Town Plaza** at Rockville Town Square will be the focal point of the development. It will provide a community gathering "place" for special events and arts-related activities such as Hometown Holidays, Spirit of Rockville and others, but will also be a permanent part of the Rockville "neighborhood" that residents will make a part of their daily lives as they eat, relax and play.



# Design Districts

## East Middle Lane

*E. Middle Lane* lies at the southern edge of this development, and is intersected at two points by Maryland Avenue and Market Street. At street level, storefronts will figure prominently into the façade design, and above, multi-level residential with internal parking structures will be architecturally integrated into the overall facade design. A generous sidewalk with an amenity zone will stretch out along the length of the street to provide a comfortable shopping experience.



**E. Middle Lane**

Section 2.4

# Retail Access

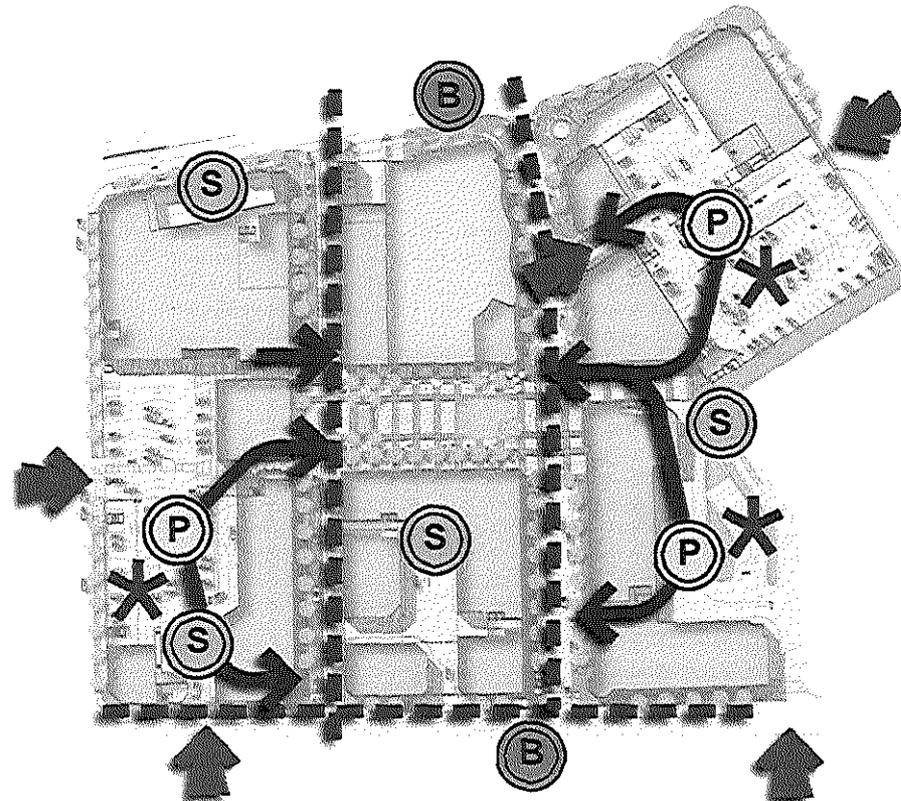
## Getting There

Considerable attention has been given to all forms of access when it comes to "getting to" your store in Rockville Town Square. Your customers will be coming by foot, bicycle, car, Metro and bus, and as you can see from this diagram, will have easy, direct access to your store.

Visibility from both pedestrian and vehicular traffic will be optimum as street level retail has been strategically placed along Maryland Avenue and E. Middle Lane, two major vehicular thoroughways. Market Street, while a main shopping street, is more intimate, and will become a pleasant discovery for customers.

Architecturally significant "vias" from the public parking garages will guide customers to the main shopping streets on Maryland Avenue and Market Street, as well as to the stores clustered around the distinctive Town Plaza. These vias will serve as a pleasing pedestrian connection to your store.

Service access has been designed to accommodate quick, convenient deliveries with minimum intrusion upon daily functions, but most importantly, to become invisible to the pedestrian shopper.



- (P)** Parking
- (S)** Service Locations
- \*** Public Parking Decks
- (B)** Public Transportation
- Vias
- Vehicular Parking Access
- - -** Pedestrian Oriented Vehicular Street



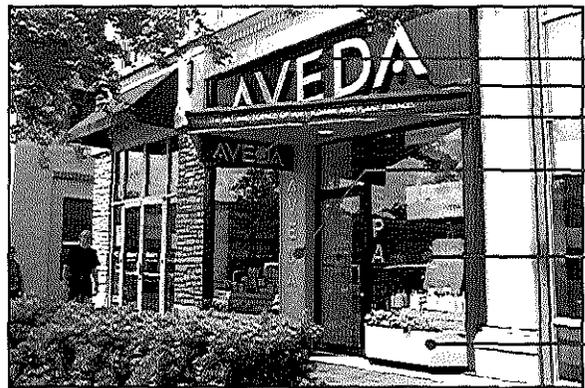
# Great Storefronts

## Lessons in Success

Getting the consumer's attention is always the ultimate challenge, but this endeavor does not need to be a guessing game when it comes to executing your physical presence at Rockville Town Square. "Great storefronts" are built from the ground up with layers of elements that work together to entice customers to look closer, and hopefully, come inside. On most storefronts, some of the layers are evident, and make for a "good" storefront, but with a few additional layers, these storefronts could be "great". At Rockville Town Square, we are striving for "great storefronts".

The lessons illustrated on this and the following sheet are meant to help separate and identify layers that have proved to work in combination to create "great storefronts". The storefronts as shown are "good", but could be "great" with an additional layer. The possibilities for successful creative combinations are endless.

### Lesson #1



Storefront A

- Bold sign & logo graphics that are:
1. Visible from afar
  2. Integrated into canopy
  3. Perpendicular to the path of pedestrian traffic
  4. Located vertically around door

Storefront maximizes glass and maximizes view into store

Landscape integrated into the storefront

- Landscape integrated into the storefront
- Holistic design approach to individual storefronts
- Storefront is recessed to provide protection from weather, clearance for pedestrian traffic, and an opportunity for corner bay windows
- Distinctive design schemes that appear different from other buildings and stores
- High quality materials and details for storefront
- Merchandise extended outside storefront using 2'-0" retail expansion zone (extension of the store)



Storefront B

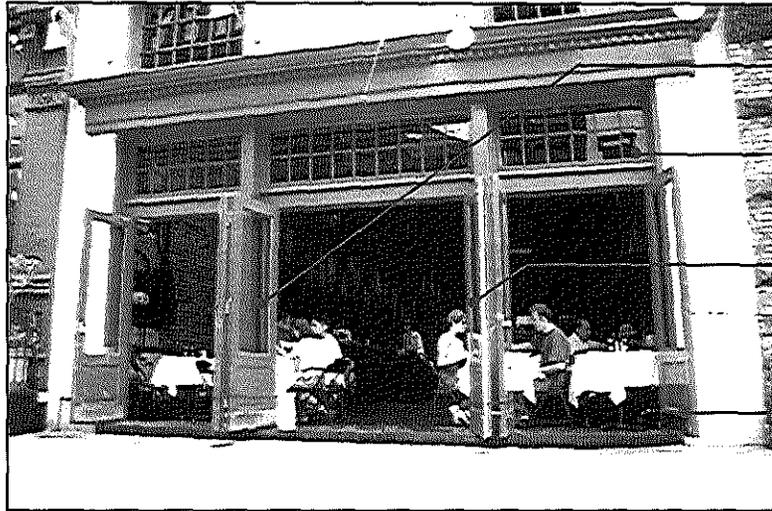
Storefront A + Storefront B  
=  
**A Great Storefront**



# Great Storefronts



## Lesson #2



Storefront C

Flexible storefronts with a series of french doors (preferred in restaurant situations)

Windows with detail and character where visibility is not a concern

Bold color to be the sign and identity of the store ; distinctive color schemes to appear different from other buildings and stores

Holistic design approach to individual storefronts

Storefront C + Storefront D  
=

**A Great Storefront**

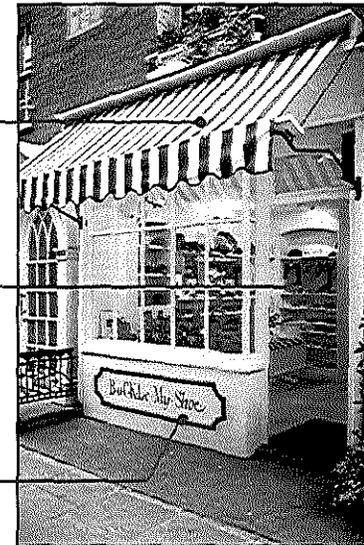
+

- ✓ **Increased Traffic**
- ✓ **Higher Sales**
- ✓ **Fiscal Success**

Re-tractable awnings made of high quality materials, with open ends, to protect merchandise from sun

Storefront is recessed to provide protection from weather, clearance for pedestrian traffic and an opportunity for corner bay windows

Sign, logo and graphics that are integrated into the storefront design, not just applied



Storefront D



**Great Storefronts**

# Anatomy Of A Sidewalk

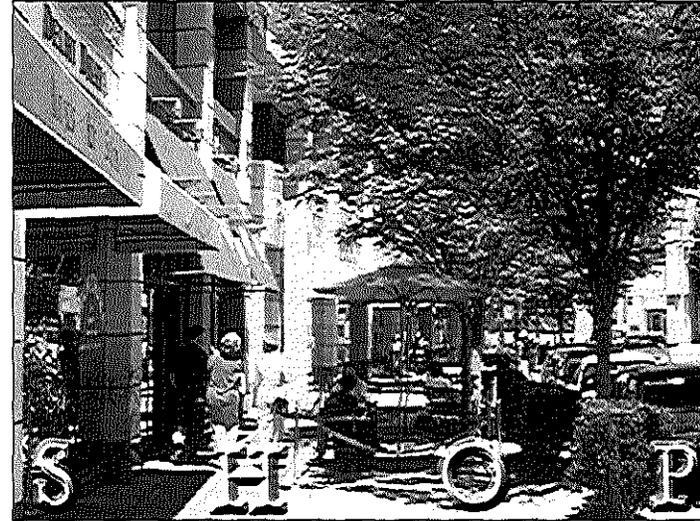
## A Formula for Success

While overall design quality is expected within the tenant space, the connection of the store to the street is equally important, and will be key to the overall quality of the project. The storefront is responsible for contributing to the Rockville Town Square environment 24 hours a day, and the streetscape, landscape, lighting, etc. are an integral part of that formula.

That is why in considering great urban places, there is nothing more important than understanding the sidewalk. Whether considering a town square, village green, urban plaza or other public place, great urban places usually start with successful sidewalks, because the sidewalk is the basic molecule of great streets and urban places. It is the primary social and spatial connection that ties all other uses, including retail, together.

To fully understand successful sidewalks, it is important to first recognize that there are four distinct zones of experience in a typical commercial sidewalk system. Each zone has its own requirements and peculiar circumstances, but all four zones work in concert to create a great street. Clearly, the omission of just one of these zones will make for a less successful sidewalk experience.

This theory has been developed by Street-Works, and is referred to as the **S.H.O.P model** (descriptions of each zone follow on the next page).



### The S.H.O.P. Model:

- S** Storefront Zone
- H** Hallway Zone
- O** Outside Zone
- P** Parking/Pedestrian Zone



# Anatomy Of a Sidewalk

## The S.H.O.P. Model

Some of the key considerations for each of these zones:

- **Storefront Zone:** There are two primary considerations for the Storefront Zone:
  - 1). Maximize the exposure to the merchandise perpendicular to the flow of pedestrian traffic. This is accomplished through the use of bay windows, blade signs and merchandise devices on the sidewalk.
  - 2). Create 'friction' (interest) along the storefront by extending the merchandise experience beyond the storefront. It takes from six to twenty feet for people to adjust their perceptions inside a store and begin noticing the merchandise. Most stores can't afford to lose their first six feet.
- **Hallway Zone:** The 'walking' portion of the sidewalk is known as the hallway zone. This area acts like a hallway down the middle of the merchandise. Cafes or property line issues shouldn't force the circulation anywhere but next to the storefront. Also, by making the pedestrian width slightly smaller than required will make the area seem busier. This zone should not be more than eight feet to achieve this effect.
- **Outside Zone:** This is the area between the walkway and the street curb, and should be considered as an 'outdoor' room. This 'room' should feature urban amenities such as cafes, kiosks, bicycle racks, benches, planters and fountains. Great trees, however, are the most important element required here to provide a sense of enclosure, and make the space feel like a room.
- **Parking/Pedestrian Zone:** The two key experiences offered in the Parking/Pedestrian Zone (parked cars) are:
  - 1). A safe barrier between moving traffic and the meandering pedestrian, and ...
  - 2). A safe barrier from which to allow a common shopping maneuver, jaywalking. With this in mind, always incorporate parallel parking at the curb side. It is important to remember that curb side parking is a key ingredient to a great sidewalk.



# DESIGN ZONE

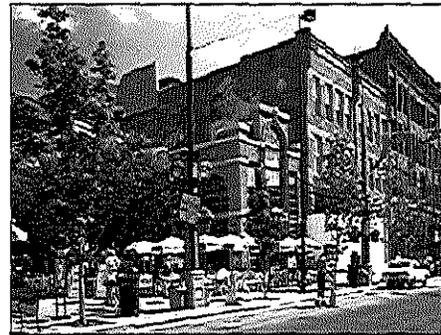
## Typical Design Zone

The Typical Design Zone refers to most of the street-level storefront areas throughout Rockville Town Square. These areas are primarily located along Maryland Avenue, Market Street and East Middle Lane. Storefront areas located on the Town Plaza, and within Via connections will be addressed separately. For reference, general architectural characteristics of each area follow:



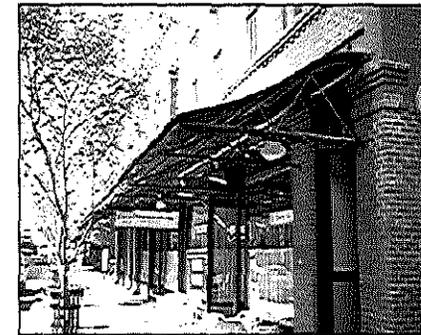
### Maryland Avenue

- Literal extension of the Plaza
- High quality retail with larger scale retail architecture
- Clear connection to parking
- Building facades are broken into small segments with a "tight" connection to the street
- Roofscape elements as part of architecture
- Urban elements:
  - occupiable balconies
  - generous sidewalks
  - higher degree of landscaping



### Market Street

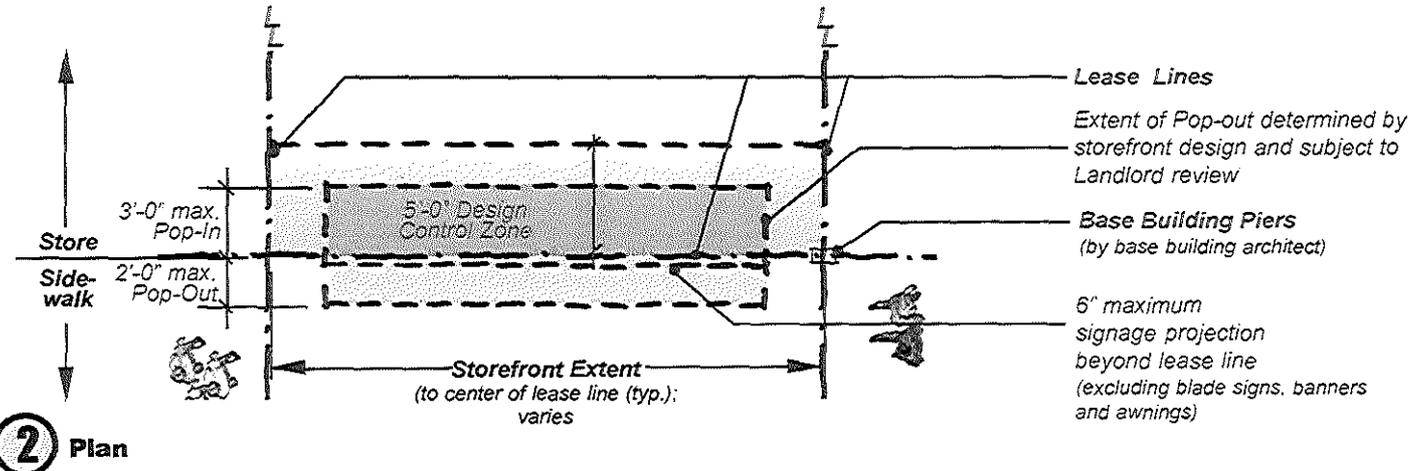
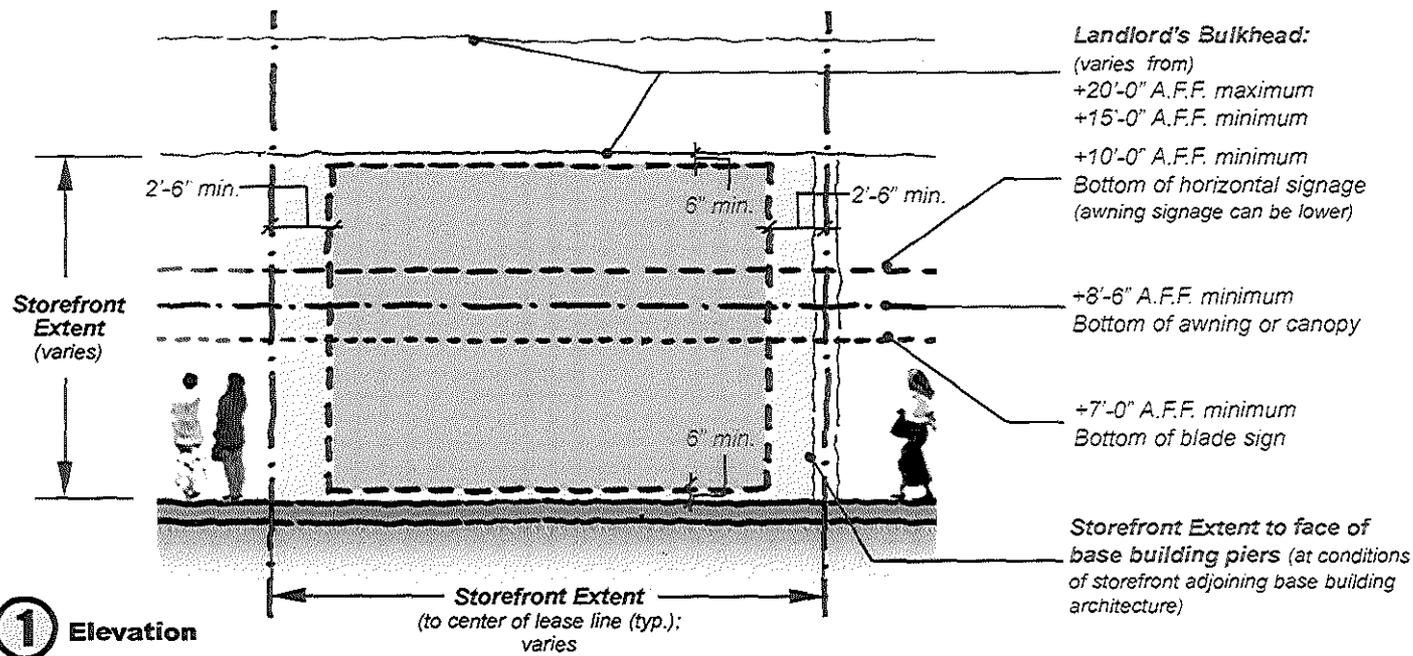
- Retail "charm" through the use of small scale architecture
- Most urban; more intimate scale
- Building facades are broken into small segments with a "tight" connection to the street
- Emphasis on linear roof-line details and roof types
- Higher level of architectural detail
- Urban elements:
  - french balconies
  - shutters
  - special effect lighting
  - bollards



### East Middle Lane

- Similar to Maryland Avenue scale
- Quality retail interpretation
- Building facades broken into segments (not to same degree as Maryland and Market)
- Layer of architectural detail
- Urban elements:
  - generous sidewalks
  - landscaping and streetscape elements

# Typical Design Zone

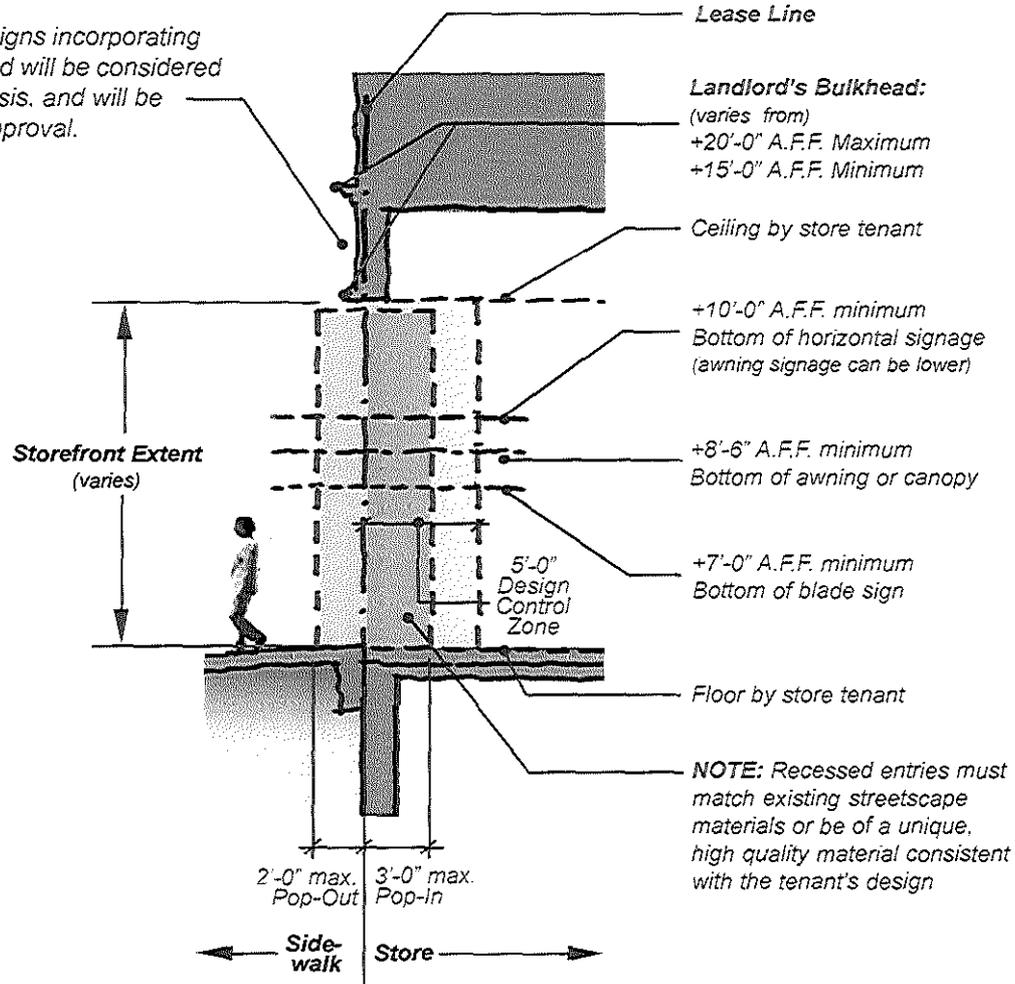


## Typical Design Zone

# Typical Design Zone



*NOTE: Storefront designs incorporating the landlord's bulkhead will be considered on a case-by-case basis, and will be subject to Landlord approval.*



**3** Section



**Typical Design Zone**

# DESIGN ZONE

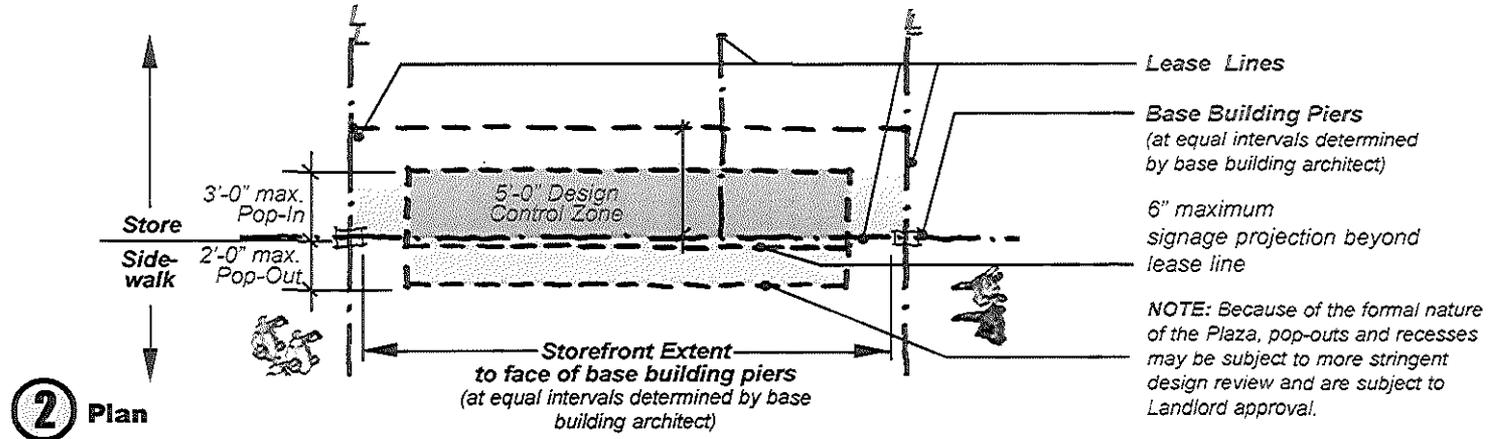
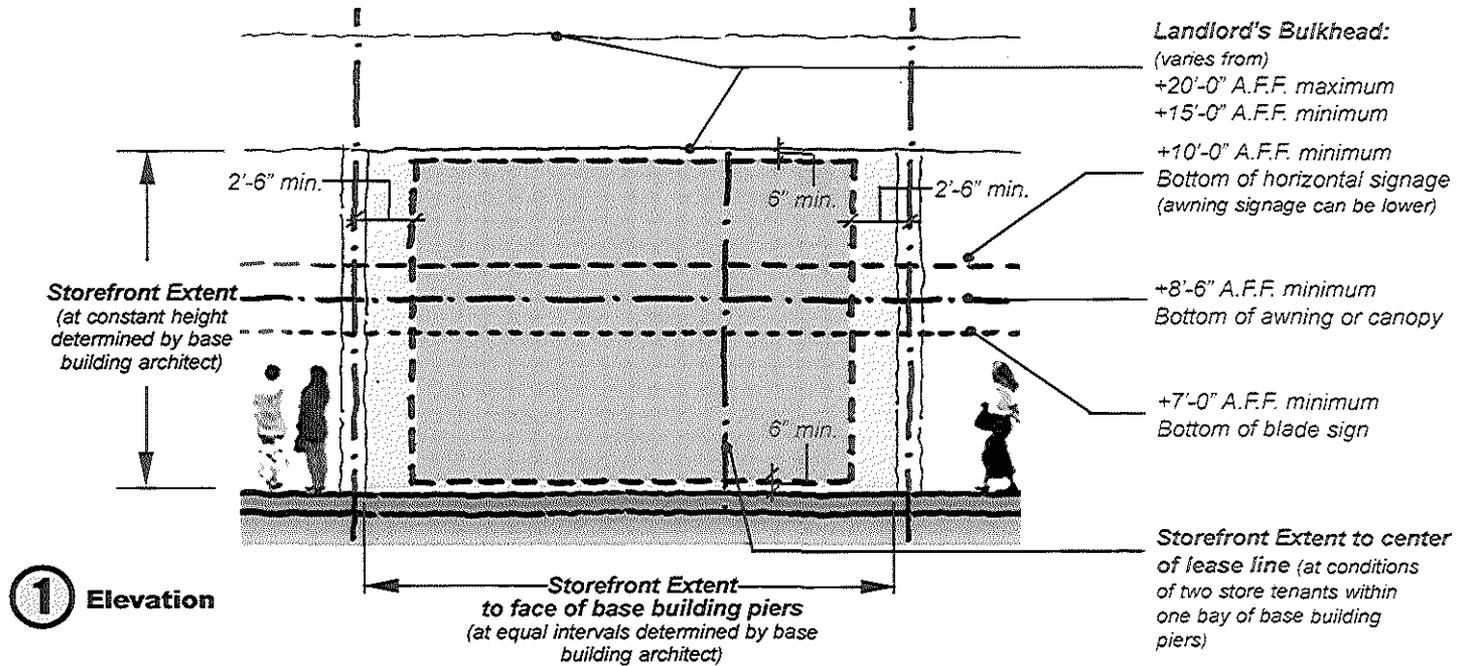
## Town Plaza Design Zone

The **Town Plaza Zone** refers to the retail areas in buildings with primary storefronts on the Plaza. The building's architectural framework of piers and spandrels provides boundaries for storefronts that are side to side and top to bottom. The architecture allows creative and diverse storefronts to exist within this framework, energizing the Plaza as an urban, pedestrian gathering place. Since most of these Tenants will be food and beverage providers, a variety of exterior seating, umbrellas, and demising devices will be considered to enliven the foreground of the storefronts.

- The storefront should maximize the use of color, awnings and signage to identify the retailer.
- Storefronts are required to have an overall transparency of 50%. In addition, it is recommended that the frontage between 3' and 8' feet from grade be at least 80% transparent.
- Tenants with walls or elevations on the first floor of the Plaza shall have at least one entrance on the Plaza and the appearance of retail frontage along the balance of the building on the Plaza.
- These are minimum requirements; additional entrances and/or exits may be required by code.
- Restaurants are encouraged to use flexible storefronts (i.e. retractable doors; see Storefront C, Section 3.2).



# Town Plaza Design Zone

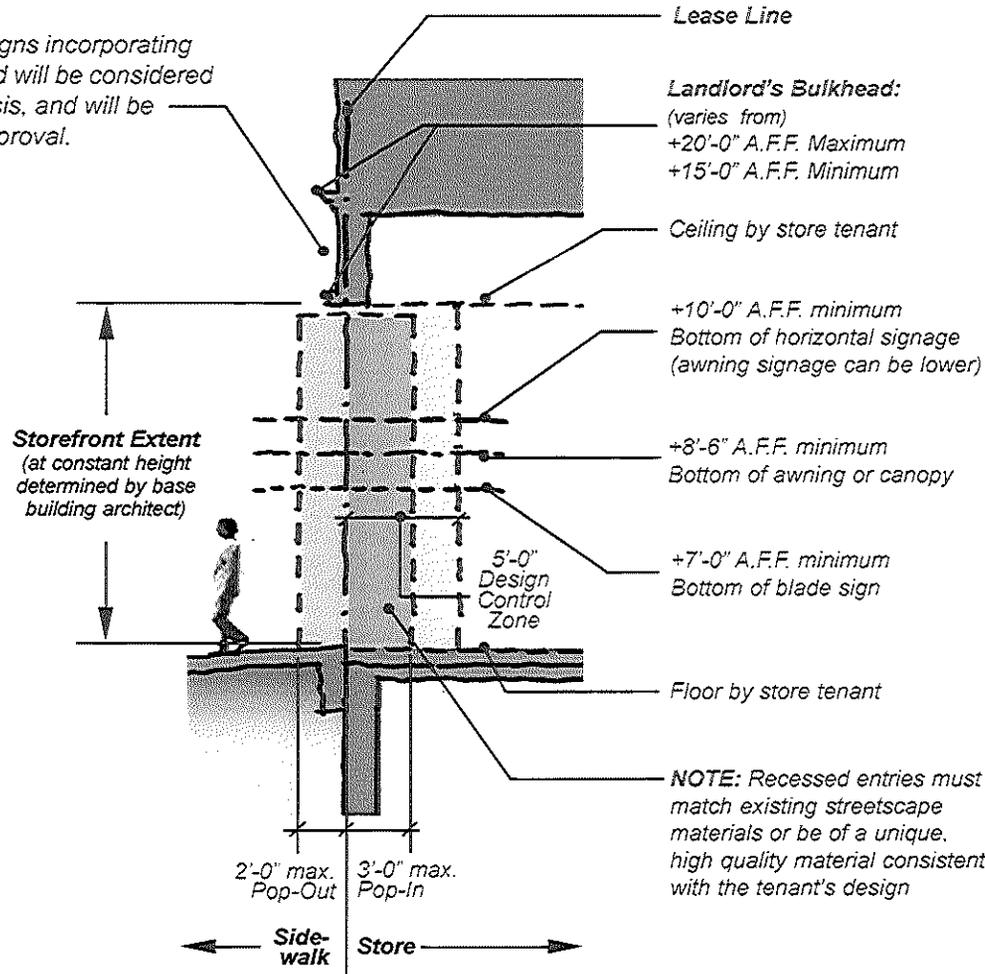


# DESIGN ZONES

## Town Plaza Design Zone



**NOTE:** Storefront designs incorporating the landlord's bulkhead will be considered on a case-by-case basis, and will be subject to Landlord approval.



**NOTE:** Recessed entries must match existing streetscape materials or be of a unique, high quality material consistent with the tenant's design

**3** Section

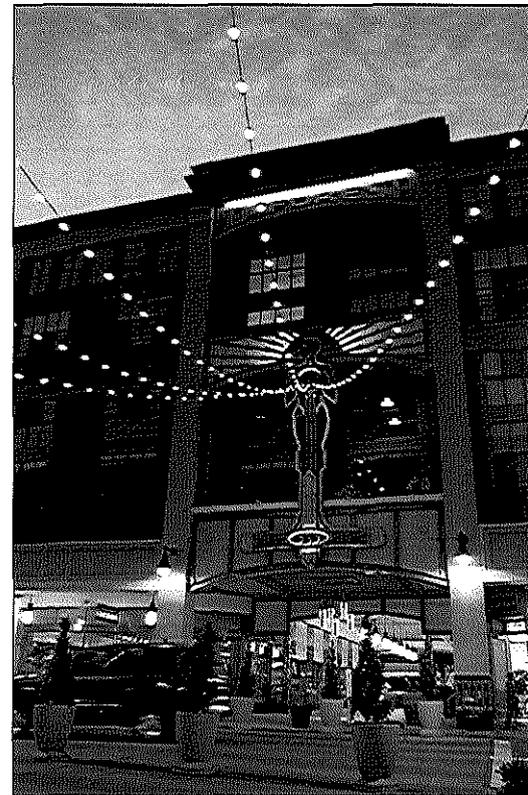


# DESIGN ZONE

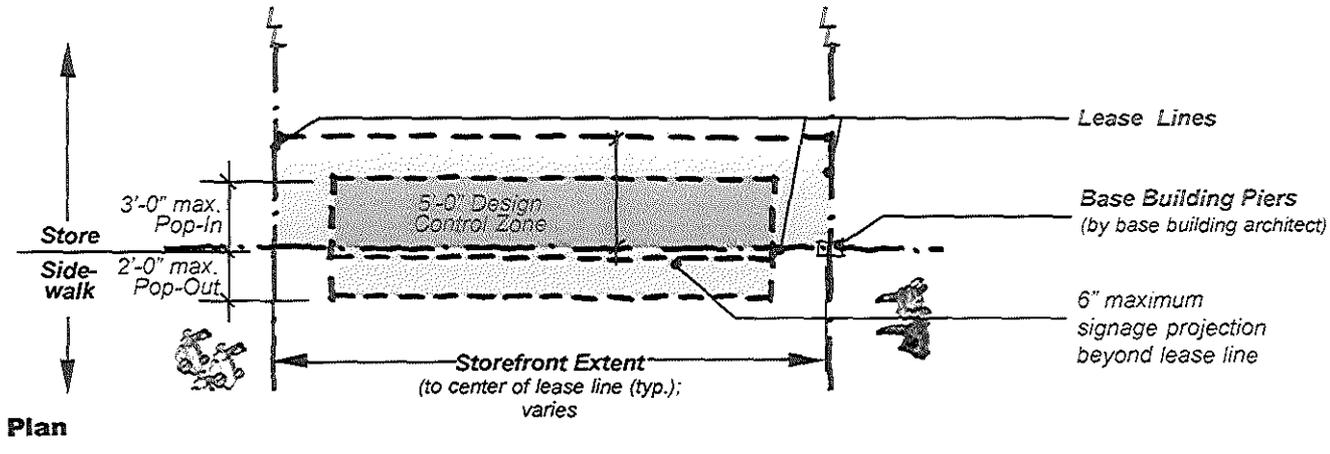
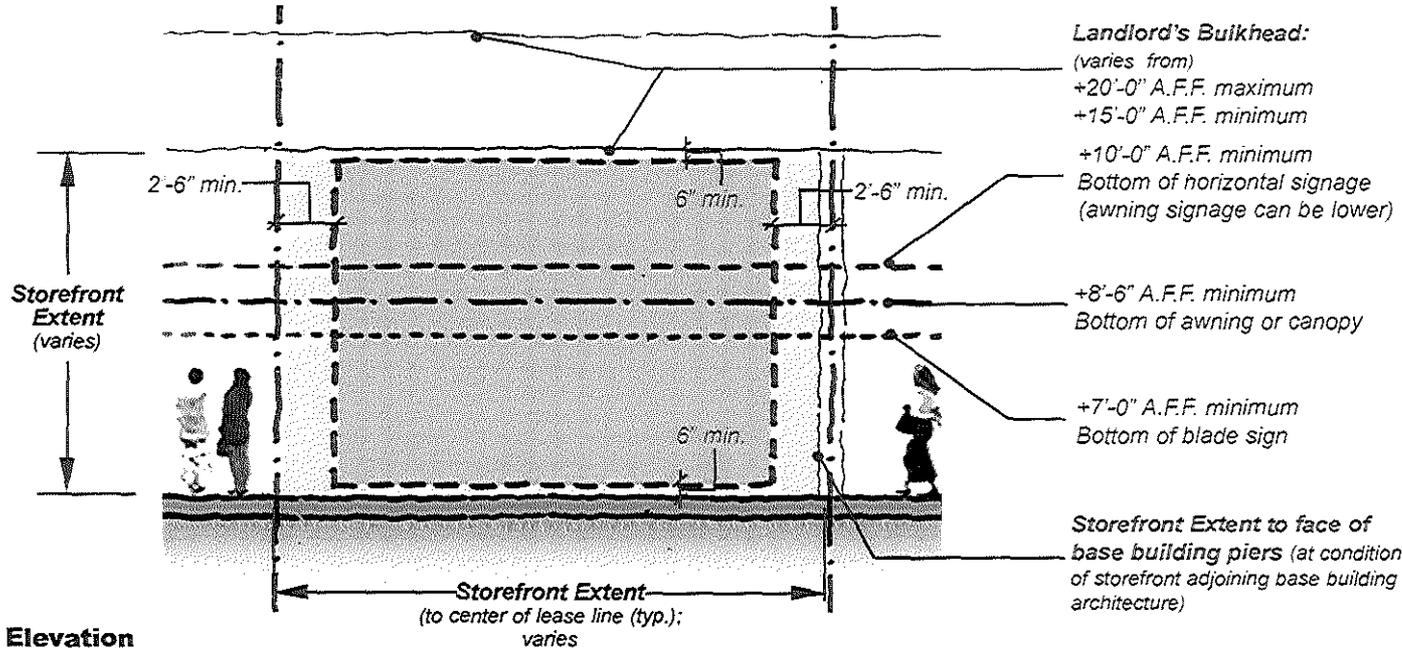
## Via Design Zone

The **Via Zone** is the area that acts as a physical pedestrian connection that provides access to the streets and sidewalks from parking areas located behind buildings. Vias should also:

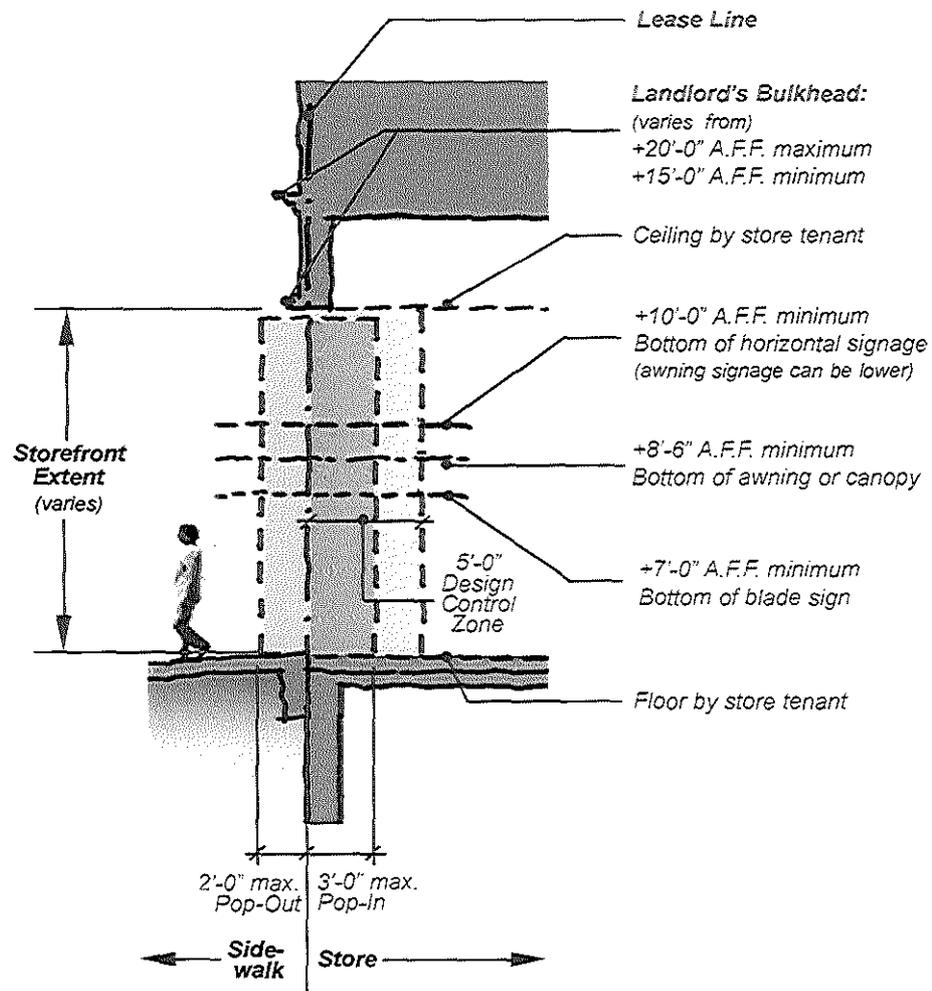
- Have storefronts or restaurants facing them. If possible, in addition to entries on primary street, storefront entries should open to vias with some glass coverage for visibility.
- Be designed to accommodate cafe seating.
- Exhibit an increased level of detail for paving, lighting, landscape and architecture around and within the via.
- Have a distinct character to help with orientation such as a "name" or unique decorative treatment such as a special paving pattern.



# Via Design Zone



# Via Design Zone



**3** Section



Via Design Zone

Section 4.9

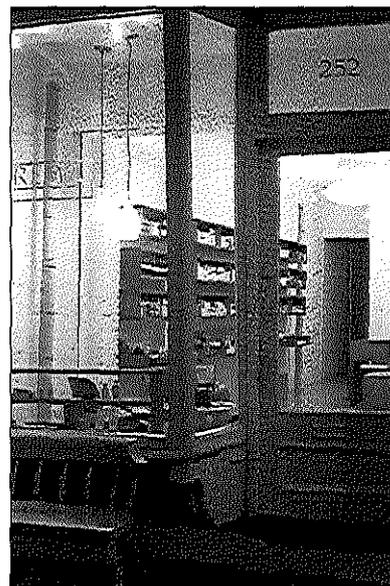
Rockville Town Square

# Design Control Zone (DCZ)

The storefront **Design Control Zone (DCZ)** is defined as the area 5'-0" within the store behind the lease line, and between the Tenant's demising partitions. The DCZ includes all display windows, related graphics, display fixtures, signs, materials, finishes, colors and lighting within this dimensioned area. Tenants are encouraged to continue the intent of their storefront design into this area, and to utilize the area primarily as a merchandising zone to entice potential customers to enter the store. A fluid transition from outside to inside will provide a pleasing pedestrian experience during business hours and after.

The Landlord reserves the right to exert some control over this zone as the storefronts in Rockville Town Square are the 'faces' of the development. The image that is projected by these storefronts makes a strong contribution to the overall environment of the area. The Landlord presents the following guidelines that apply specifically to the Design Control Zone (DCZ):

- Elevated platforms and their surfaces or floor surfaces within the DCZ should be finished with high quality materials, and should be consistent with the storefront design.
- Soffits should be a minimum of 8'-0" above the finished floor. Their shape may be determined by the Tenant.
- The soffit within the DCZ should be of a solid material such as gypsum wallboard, metal, wood or other approved material.
- The Tenant is encouraged to use low voltage, pendant mounted, adjustable track and/or recessed incandescent lighting that is controlled by a timer to allow for after hours adjustments (see Interior Display Lighting; Section 6.15).
- Lay-in ceilings are not permitted in the DCZ, but may be used in other parts of the store (see Interior Display Lighting; Section 6.15).



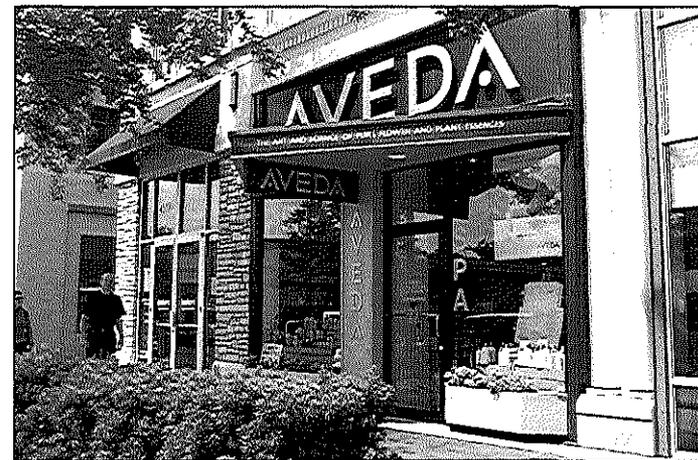
# DESIGN CRITERIA

## Storefront Components

Great retail streets are comprised of great retail storefronts. As a part of the public space, storefronts are a critical component of a street's vibrancy and character. The Landlord encourages a variety of unique and engaging stores to collectively form a great retail street. First and foremost, creativity is strongly encouraged. This criteria is established less as a set of rules, but more as a benchmark, or starting point, for making exciting storefronts. In addition to storefront design, retailers can actively contribute to their location's streetscape. Elements such as awnings, planters and outdoor seating increase visibility, enhance connections to the sidewalk, and create interest.



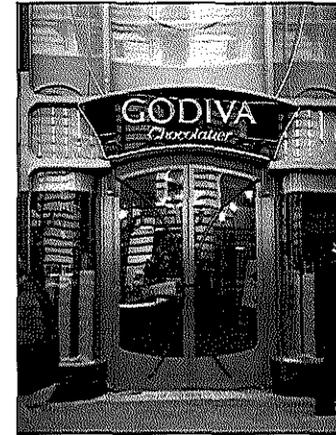
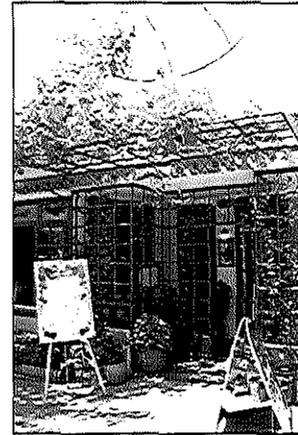
- **Storefront Character**
- **Material & Color Palette**
- **Storefront Materials**
  - Wood & Metal
  - Stone, Cast Stone & Concrete
  - Plaster & Tile
  - Discouraged Materials
- **Entries & Doors**
- **Windows & Glazing**
- **Pop-Out & Recessed Zones**
- **Security**
- **Lighting**
  - Exterior Lighting
  - Incandescent vs. Fluorescent
  - Interior Display Lighting
- **Canopies & Awnings**
- **Signage & Graphics**
  - Signage Criteria
  - Illuminated vs. Non-Illuminated
  - Projecting Signs
  - Blade Signs, Flags & Banners
  - Window, Wall & Sidewalk Signs
  - Discouraged Sign Types



# Storefront Character

All retail tenants will have the opportunity to design and install their own storefronts as a way to express their individual identity and positioning provided they observe the minimum guidelines noted below:

- Storefronts should be "individual" expressions of a tenant's identity.
- Storefronts should be integrated with the DCZ (Design Control Zone).
- Tenants will be encouraged to avoid cookie cutter representations of their identity and to create an expression that is complimentary to the Town Square architectural vocabulary.
- Tenants will have the opportunity to use sidewalks as a part of their presence on the "street", i.e., a 2' wide merchandising zone allowance from the facade toward the street.
- Tenant's storefront construction should be of the highest quality and craftsmanship. Tenants are encouraged to use real, durable materials in the interpretation of their identity.
- Store color palettes should take into consideration the overall color palette of Rockville Town Square, and strive to complement or integrate some of those colors.
- Select tenants will be allowed to express their identity beyond the facade in the form of banners, awnings, flower boxes, etc.



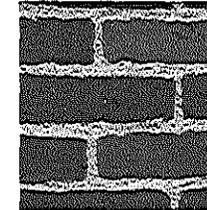
# Material & Color Palette



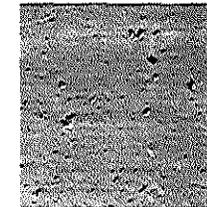
## Color Palette Reference - Rockville Town Square



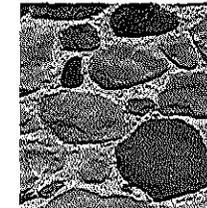
Brick



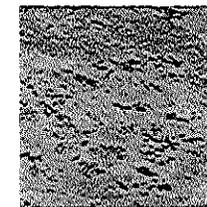
Concrete



Stone

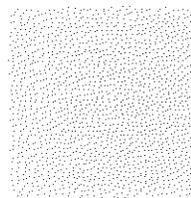


Granite

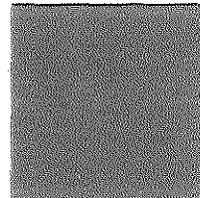


- Warm color palette of complementary colors that are sensitive to the natural materials prevalent in the area. These include, but are not limited to the examples on this sheet.

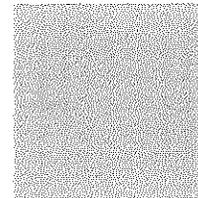
Old Brass



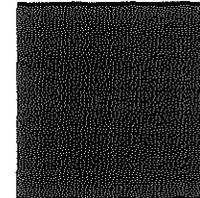
Maple Nut



Deauville Sand



Henna Red



# Storefront Materials



*The approach to storefront design should be to create the highest quality level possible with an emphasis on user-friendly materials. With this in mind, the overall objective in developing the exterior storefront design is to specify "real" materials at the pedestrian level of each building. A variety of masonry materials such as brick, stone and pre-cast are suitable materials. Craftsmanship should be valued. Masonry detailing, molding, finished metals, glass enhancements and high quality paint treatments will all contribute to a successful retail environment. The minimum recommendations, noted below, outline some of the specifics when considering materials for storefronts:*

- *Construction detail and finish should adhere to craftsman's standards.*
- *Focus should be on window design to create a visual connection between the interior and exterior.*
- *Recommended materials are wood, metal, brick stone, glass and concrete as well as plaster.*
- *Acceptable materials are durable, smooth exterior grade woods such as oak, redwood, and poplar.*
- *Durable materials are especially critical at street level where pedestrian contact will be considerable. consequently, these types of materials are required below 4'-0" AFF on the storefront. EIFS or similar materials not permitted below this dimension.*
- *Storefronts should be pre-dominantly glass to provide views into the store, but glass should not be the exclusive material.*
- *Materials should be authentically portrayed and code compliant.*



# Wood & Metal



## Wood

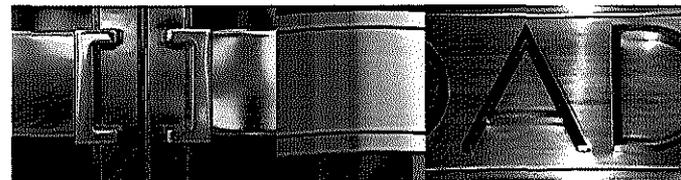
Painted or stained wood may be used in many design applications, such as window frames, decorative trim or molding, and for solid areas, such as decorative bulkheads. In some cases, it may be used for larger architectural elements such as columns and entablatures. Wood paneling and plank construction are discouraged unless presented in a highly imaginative manner, and approved by the Landlord.



- All detailing and construction is to be executed in a high quality, craftsman-like manner.
- Wood used in the construction of the storefront should be kiln-dried, mill-quality hardwood.
- Painted wood should have a shop-quality enamel finish.
- Wood without a paint finish should receive a clear, preservative sealant.
- Acceptable materials are durable, smooth exterior grade woods such as oak, redwood, and poplar.

## Metal

The gauge, detailing and finish of all metal surfaces should be of high quality, and considered for exterior wear purposes. Metals such as shop-painted aluminum and steel, stainless steel, solid brass, bronze, pewter, or enamel coated steel may be used for hardware, trim and panels when well designed and detailed.



- Fabrication must be either heavy gauge material or thinner gauge material shop-laminated to solid backing.
- Sealants on natural metals are required to prevent tarnishing.
- Textured or brushed stainless steel, galvanized, sand-blasted and etched metals are encouraged.
- Unique treatments such as patinas, rusted, etched and imprinted metals will be considered for special design objectives
- Polished metals should be solid, not plated and limited to accent trim.

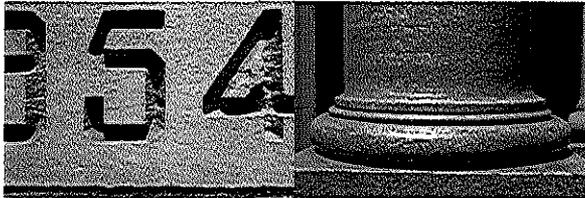


# Stone, Cast Stone & Concrete



## Natural Stone

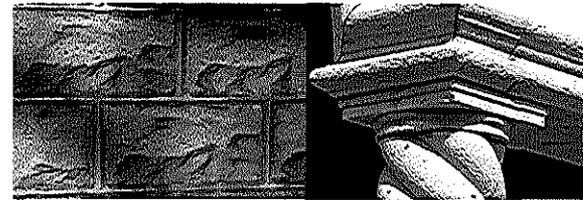
Granite, marble, limestone, slate, and other natural stone materials may be used in storefront applications. The stone may be polished, un-polished, sand-blasted, flamed, honed, split-face or carved. Careful, craftsman-like attention to detail should be paramount at all connections and transitions to other materials.



- The transition between stone and adjoining materials should be defined by use of metal reveals or controlled caulk joints.
- Edge details should prevent visible unfinished edges.
- Stone used as paving material should be flush when meeting other flooring materials.
- Natural stone should be protected against staining and discoloration by means of sealers appropriate to the material.

## Cast Stone and Concrete

GFRC and similar products are an economic way to add shapes and unique detail to the storefront design. With a wide variety of standard and custom architectural forms, details and embellishments are attainable at a fair price.



- GFRC or a similar products can be painted, or integrally colored, and should receive an appropriate protective sealant.
- Pre-cast concrete may be left natural if finish is smooth and even in color and appropriate to the storefront design concept.

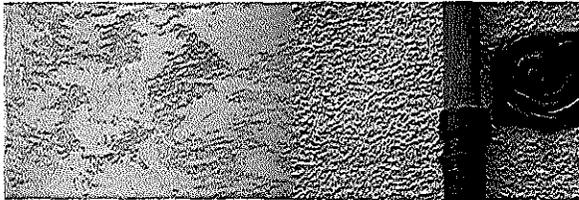


# Plaster & Tile



## Plaster

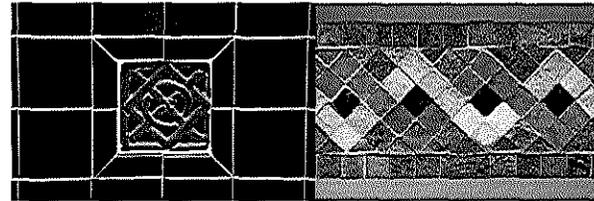
Plaster and cement plaster (stucco) finishes may be considered for storefront applications, provided the finish texture is a light dash, sand or smooth finish.



- Plaster and stucco finishes should be used in combination with other high quality materials and should not be the primary storefront material.
- Stucco, plaster, EIFS and similar materials are not permitted below 4'-0" AFF on the storefront.

## Tile

Tile may be used as an accent to the storefront design. It can be used to create a pattern or intricate mosaic field to add a sculptural quality, or as a band of detail similar to those found on some terra cotta buildings.



- Porcelain, ceramic or glass tiles in glazed or natural finishes may be used as accents and in limited field applications.
- Patterns used over large areas should have a sophisticated, well-executed design concept.
- Small and intricate mosaic tile patterns may be utilized for detail and accent only.
- All tiles should be carefully detailed at outside corners with bullnose edges or special corner trims.



# Discouraged Materials



The following materials are strongly discouraged for storefront materials:

- **Plastic and Metal Laminates**
- **Acrylic**
- **Plastics**
- **Smoked or Tinted Glass**
- **Anodized or Mill Finish Aluminum**
- **Simulated Materials**
- **Interior grade Materials and Wall Coverings**
- **Distressed or Sandblasted woods**
- **Rough-Sawn Woods and Shakes**
- **Mirror**
- **EIFS**

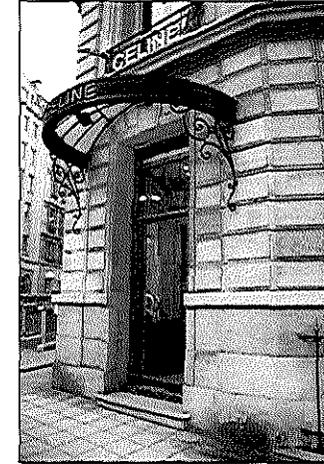
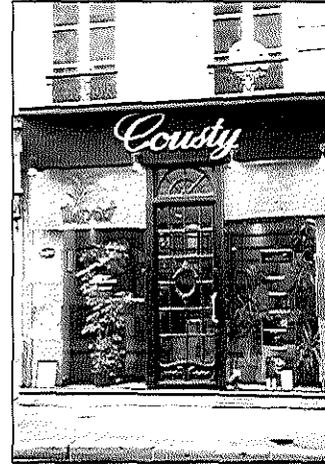


# DESIGN CRITERIA

## Entries & Doors

*The placement of doors and their designs are an integral part of the storefront design because they establish a clear point of entry to the store. Creative uses for entry doors should be explored as a connection to the street. Restaurants especially should use doors to open interior seating spaces to the outside cafe seating on the sidewalk.*

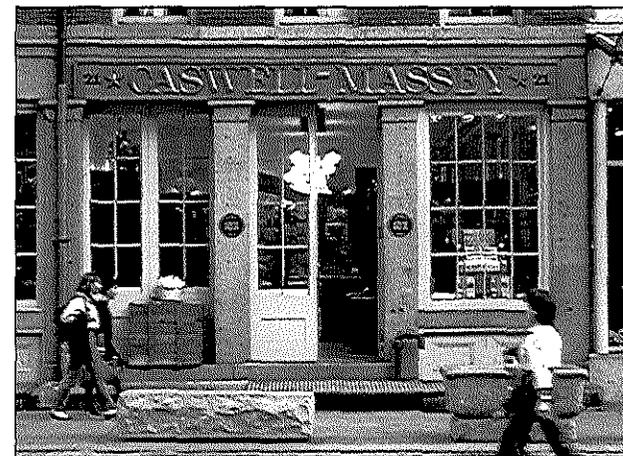
- *Tenants are encouraged to use transparent or semi-opaque doors as opposed to solid doors to help blur the division between the inside and outside of the store, making the sidewalk an extension of the store.*
- *Doors should be of a material appropriate to the storefront design concept including natural, painted or stained woods, polished, finished or painted metals, and glass or any combination thereof.*
- *Suggested door types include single leaf (pair or multiple leaf doors), accordion fold, off-set, pivot hinged, decorative gate types and dutch doors. Doors must swing within tenant's designated lease area and can include the 2' expansion zone. However, they can never impede the flow of pedestrian traffic.*
- *Underside of entry soffits must be finished to match storefront material.*
- *Roll-down security doors and security gates will not be permitted in order to preserve a pleasant after hours atmosphere.*



# Windows & Glazing

*The use of glazing in retail storefronts creates an important connection between the interior and exterior environment, and allows for effective window shopping and merchandising opportunities. Glazing elements also play a key role in establishing the quality of public space. Carefully conceived glazing design will benefit retailers, consumers and the public environment establishing an atmosphere of transparency and vibrancy.*

- *To maximize visibility into the retail space, storefronts in Rockville Town Square should reflect a minimum of 50% glazing on the street side with a minimum of 75% glazing on storefronts facing Maryland Avenue.*
- *Operable windows (or doors) may be used to create a greater connection between the inside and outside, and are strongly encouraged for restaurants.*
- *Stained, leaded, etched, beveled, fritted, glass block and other types of innovative glazing are encouraged. All glass should be tempered in accordance with code.*
- *Glass panel joint details must be of the highest quality. Glazing edges may be polished, ground or chamfered. Glazing channels at corner conditions should be mitered.*
- *Fenestration members can define interesting patterns in the glazing and should be of the same quality as the rest of the storefront. These members can be natural, painted or stained wood, painted or polished metal.*



# Pop-Out & Recessed Zones



Storefronts may include projections and recessed areas for articulation purposes. At the Landlord's discretion, Tenants may be allowed to 'push' their storefronts beyond the designated lease line into the 2' storefront expansion zone. Tenants may also elect to recess the entry of their stores to create an enticing area to draw customers in.

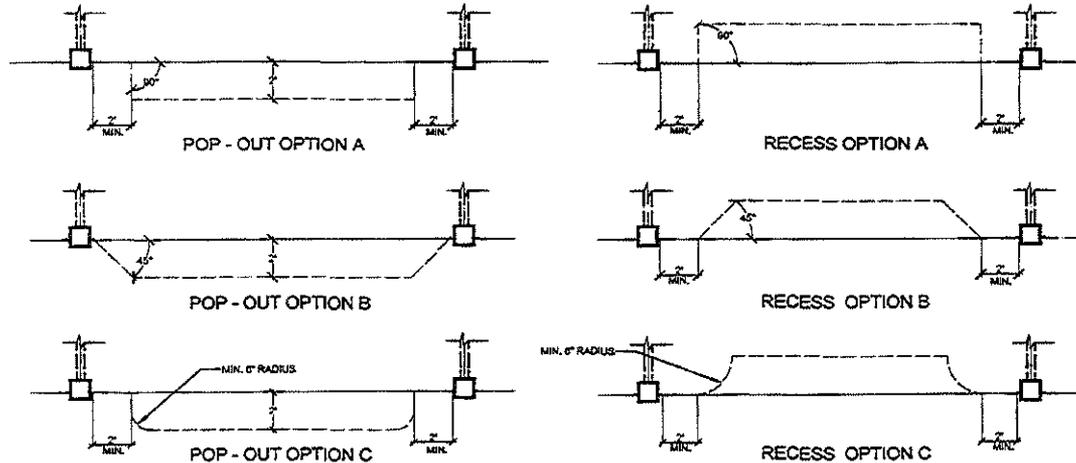
In either one of these cases, special attention should be paid to the flooring materials used in these zones:

- Should match existing hardscape or be of unique, high quality materials that are consistent with the Tenant's design.
- Should incorporate rated non-slip materials.



To avoid a line of repetitive pop-out and recessed zones, the Landlord reserves the right to make the final determination on the use and location of pop-out zones and recessed areas.

The following illustrations are examples of possible pop-out and recessed configurations, but tenants are not limited to these options:



# DESIGN CRITERIA

## Security



*Security is important to both retailers and customers in Rockville Town Square, so adequate measures should be incorporated into the storefront design as long as they don't compromise the quality and atmosphere of the pedestrian environment. All security devices should be concealed or be aesthetically pleasing in size, shape and finish.*

- *Electronic equipment, such as pedestal-style theft monitors that are located adjacent to the Tenant's entry should be concealed within interior architectural elements or be integral to the storefront construction.*
- *Re-tractable window grates or overhead grilles are not allowed as a security devices after store closing so that the Landlord can maintain a pleasing 'after hours' atmosphere.*



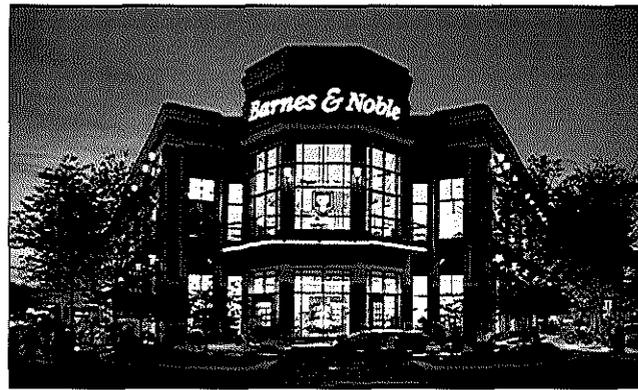
**Security**

Section 6.12

# Exterior Lighting

The quality of light is important to the atmosphere and safety of the streets, and contributes to the overall success of a neighborhood. Night lighting will help to animate Rockville Town Square, prolong street life during evening and after business hours, and increase pedestrian safety. The minimum recommendations noted below outline some of the specifics for incorporating lighting into storefronts:

- Storefront facades, recessed doorways, outdoor spaces and passageways should be lit.
- Sign lighting, including flat-mounted signs, blade and banner signs must be lit with concealed lighting or from above with downlighting (see detailed information on Illuminated Signage in Section 6.14 and Section 6.16).
- Canopies and awnings may be lit from above to highlight tenant identity or signage, but **may not be internally lit**.
- Neon tube lighting or halo lighting may be considered if it supports the Tenant's identity and meets with the approval of the Landlord.



# Incandescent vs. Fluorescent



## Incandescent Lighting

- Incandescent lighting in the form of recessed downlights or track lighting should be used within the Design Control Zone (see Section 5.0 for more information on the Design Control Zone).
- Low voltage lighting, recessed or surface track, is recommended for high visual impact on merchandise.
- Pendant mounted track fixtures may be used as general lighting especially as part of a Tenant's identity.



## Fluorescent Lighting

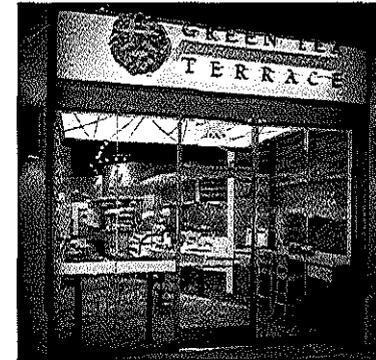
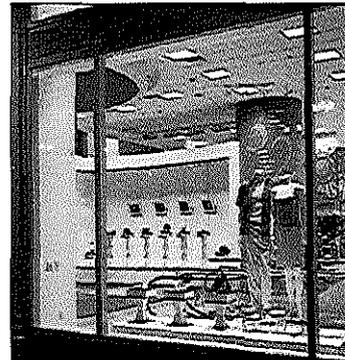
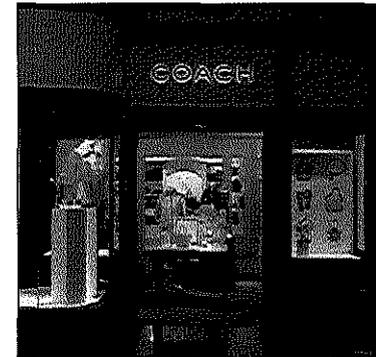
- Fluorescent lighting **is not** permitted in the Design Control Zone (see Section 5.0 for more information on the Design Control Zone).
- Fluorescent fixtures, if visible from common or public areas, should be recessed and should employ parabolic louvers. White acrylic eggcrate or acrylic prismatic lenses are not permitted except in Tenant's storage area.
- Fluorescent fixtures should be a maximum size of 2'x 2'; standard 2'x 4' fixtures are not permitted in the sales area.
- Bare lamp fluorescent fixtures are not permitted in areas visible to the public.



# Interior Display Lighting

*Display lighting has the power to influence the perception of a store's displays and interior, and also helps to distinguish a well-designed environment from the background and support areas. Effective lighting on the store merchandise displays will also contribute significantly to the overall street environment, especially at night.*

- ⦿ *All fluorescent, incandescent and H.I.D. lighting fixtures in public Tenant areas, other than track and decorative fixtures, shall be recessed.*
- ⦿ *All recessed fixtures, low voltage strips and socket channels shall be shielded with a minimum cut-off of 45 degrees.*
- ⦿ *Fixtures shall not be aimed forward of glass storefronts.*
- ⦿ *All lay-in type fluorescent lighting should be located behind the first ten (10) feet of the lease line.*
- ⦿ *Showcases and displays should be adequately lighted and ventilated.*
- ⦿ *Exposed lamps and flashing lighting shall not be permitted without prior written approval from Landlord.*
- ⦿ *Dimmers and timers should be used to control all interior lighting. The Landlord reserves the right to control the amount of illumination from front display windows within the first ten (10) feet behind the lease line after business hours in order to maintain a safe, inviting 'after hours' environment.*



DESIGN CRITERIA

# Specific Lighting Criteria



- All exterior and interior lighting shall be a minimum of 80 CRI (Color Rendering Index)
- All exterior and interior lighting shall be a minimum of 3000K (Color Temperature)

## Specific Criteria for Storefronts

- Light levels (illuminance levels) shall not exceed 100 foot candles (1000-lux), and shall be at least 60 foot candles (600-lux) for storefronts.
- Contrast ratios (luminance ratios between any part of the store and the adjacent public surfaces and/or adjacent storefronts) shall not exceed 15:1.

## Specific Criteria for Interiors

- Light levels (illuminance levels) shall not exceed 100 foot candles (1000-lux), and shall be at least 60 foot candles (600-lux) for storefronts.
- Contrast ratios (luminance ratios between any part of the store and the adjacent public surfaces and/or adjacent storefronts) shall not exceed 15:1.

## Time Clock

- A seven calendar day, 24-hour time clock shall be provided by Tenant for illumination of Tenant's storefront, show windows and signs during and after business hours. Requirements of 'after' hours programming will be determined by the Landlord.

## Approved Lighting Sources

- Tungsten/Halogen
- Quartz
- Compact Fluorescent
- Linear Fluorescent
- "White" High Pressure Sodium  
(CCT greater than 2500K)
- Neon
- Cathode
- Warm MH (3000K) Open-Rated Lamps

## Approved Fixture Types

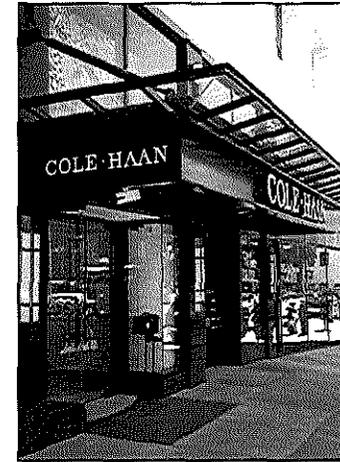
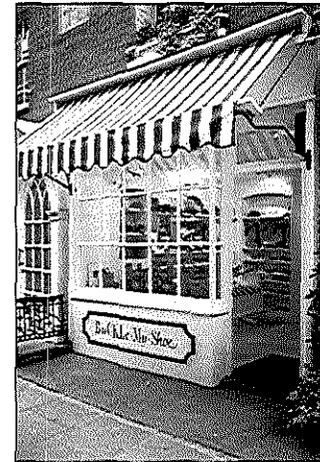
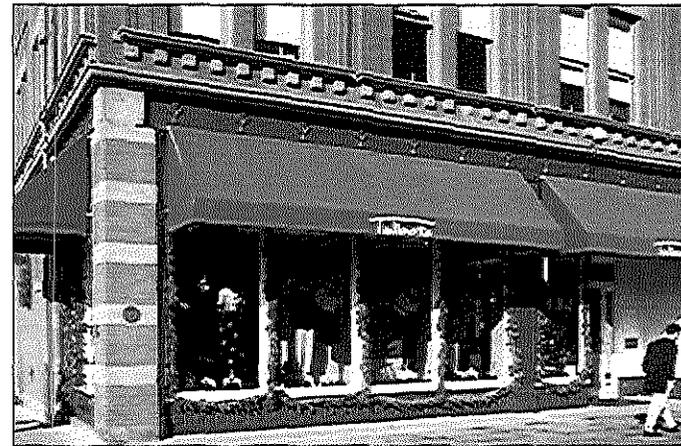
- Recessed Fixtures
- Track Fixtures
- Monopoints
- Two-Wire System
- Low Voltage Strips
- Socket Channels
- Decorative



# Canopies & Awnings

An awning or canopy emphasizes the store or restaurant's entrance, provides shade for a cafe, and can carry part of a tenant's identity. They can also add texture to the streetscape, and add interest and variety to the building facade, while protecting storefront displays from sun exposure.

- Design and placement should complement the scale of the store facade design.
- Should accommodate comfortable pedestrian access and sightlines (at least 8'-6" above sidewalk).
- Retractable canvas fabric awnings are the preferred type for this application. Fixed lightweight metal and glass structures are acceptable. Vinyl or plastic awnings, translucent acrylic, vinyl or synthetic mesh awnings or canopies are not permitted.
- Awning or canopy material should be of a woven fabric or other material that projects the natural appearance of canvas, metal, glass, etc. It should also be durable, fire resistant, and resistant to fade.
- Canvas colors and graphics should coordinate with the architectural theme of the facade, and may be solid, striped or patterned.
- Graphics and lettering may be applied to awnings and canopies, and can be painted, sewn to the surface (applique) or silk-screened from computer-generated artwork (per review of Rockville sign ordinance allowances).

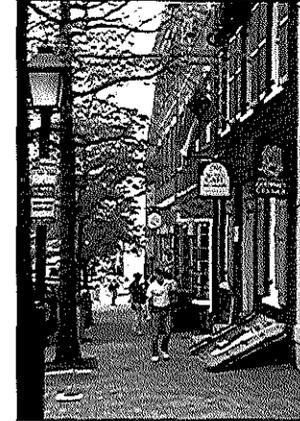


# Signage & Graphics

Whether directing a driver to a parking entrance or displaying a store's name and type, Rockville Town Square's signage must be part of the neighborhood's comprehensive design strategy. Tenants are encouraged to explore a variety of diverse signage styles with the objective of integrating the design of the signage into the whole storefront design, not as an applied afterthought.

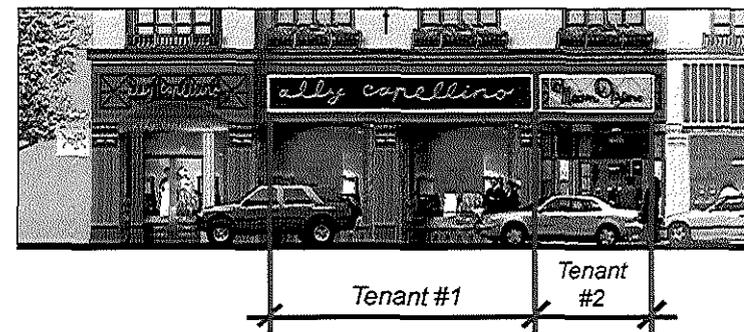
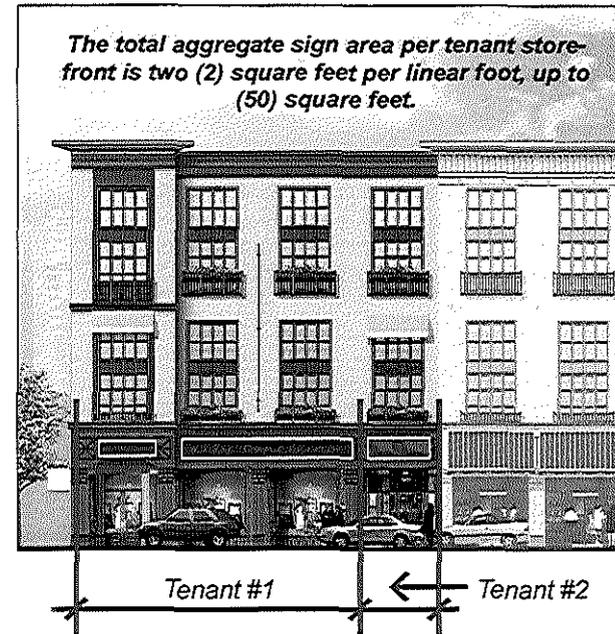
National or regional stores are specifically asked to consider the special nature of this unique environment, and look for ways to do something different and even better than is produced in other markets.

- The goal is to maintain creative consistency that distinctly identifies the tenant's identity and integrates with the storefront facade design.
- Can be in the form of a painted sign, flat sign, blade sign, window sign, illuminated or non-illuminated sign, dimensional sign, banners or awnings.
- Emphasis should be on durable, natural materials and quality manufacturing. Can include cast, polished or painted metal; painted, stained or natural wood; glazed and ceramic tile; etched, cut, edge-lit, or stained glass; cast stone and carved natural stone.
- Tenants should strive for creativity, uniqueness and high quality graphics for the signs at Rockville Town Square.



# Signage Criteria

- Simple storefronts are expected to take maximum advantage of store logos, specialty letter styles, quality materials, graphic flourishes, and high impact graphics.
- Before proceeding with signs or graphic fabrication, detailed shop drawings must be submitted to the Landlord for approval. Once approved, the Tenant's contractor must submit drawings for permit application to the proper authorities as required by the City of Rockville.
- Each Tenant needs to identify his premises through Primary signing at the Tenant's expense. Secondary signs are optional, and may be necessary for larger tenants with more street frontage. Secondary sign placement will need to be reviewed for Landlord approval.
- The Primary sign refers to Tenant's sign above the entry, and Secondary signs refer to signs that mark another entrance or corner condition where the Tenant's merchandising space wraps around. This situation would most likely occur in a via (see Via Design Zone; Sections 4.7, 4.8 and 4.9).
- The horizontal neutral band or Landlord's bulkhead, where provided above the typical storefront, is not a signband. Tenant signs won't be allowed on the Landlord's bulkhead or demising system, or be allowed to project beyond the lease line, except as otherwise noted.
- All signs, including colors, materials and design are subject to Landlord's approval.
- Any signage type or application not mentioned in these guidelines may be addressed for consideration by the Landlord, and must be approved and specifically approved in writing by the Landlord in order to proceed with design and fabrication.



**The maximum length of lettering used on the storefront Primary sign should not exceed 75% of the projected sign area.**



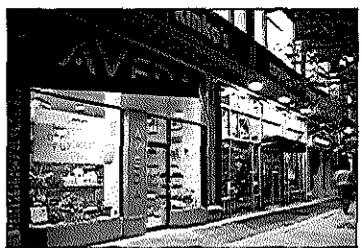
FEDERAL  
REALTY  
INVESTMENT  
TRUST

# Illuminated vs. Non-Illuminated



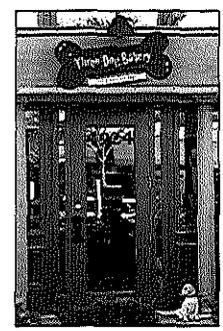
## Illuminated Signs

- Any illumination devices used for signage need to be concealed, with all electrical components concealed, but accessible. No exposed raceways.
- All transformers, switches and other electrical equipment shall be remote and concealed within the Tenant space.
- Individual dimensional or metal back-lit (halo-effect) letters should not exceed a maximum height of 2'-0", and should be at least 4" in depth.
- Internally illuminated channel letters with opaque metal sides and translucent plastic faces are not recommended, but will be considered. If used, the metal trim and faces should be the same color, and should not exceed 2'-0" in height.
- Neon tube lighting or other specialty lighting may be considered if it clearly supports the Tenant's identity.
- All illuminated signs will need to stay on during the hours that the Rockville Town Square is open, even if the store's hours differ. These signs should be controlled by a timer that allows for this consideration (see Specific Lighting Criteria, Section 6.16).



## Non-Illuminated Signs

- Individual dimensional letters should not exceed a maximum height of 2'-0".
- Letters formed from thin materials should be pin mounted at least 2" from the sign surface, and be a maximum thickness of 2".
- All attachment devices, wiring, clips, and other mechanisms used for signage need to be concealed.
- Identity signage may be painted, etched or gold leafed directly to the inside face of glass storefronts (see Window and Wall Signs, Section 6.23)

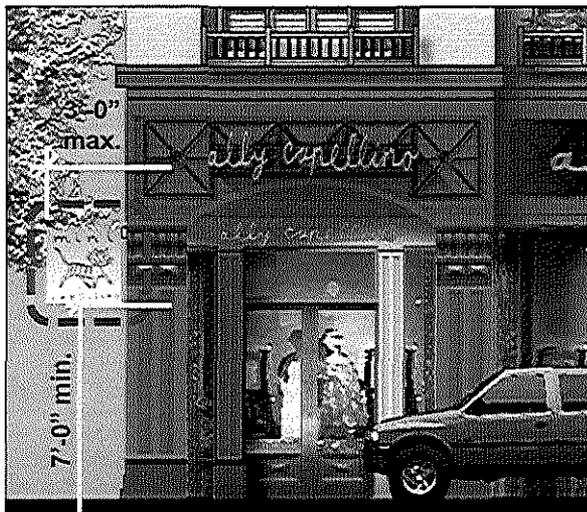


# Projecting Signs



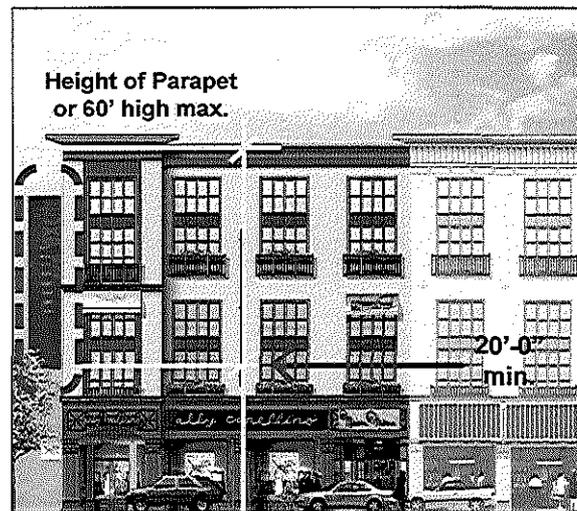
A projecting sign mounts perpendicular to a building facade and typically hangs from decorative cast or wrought iron brackets, or is firmly mounted to the facade. The use of projecting signs is at the Landlord's discretion, but the use of these sign types is strongly encouraged at Rockville Town Square. The signs can be painted wood or sheet metal panels with painted, applied or carved letters, logo, crests, insignias and/or images that creatively represent the Tenant's identity. Unique shapes and layered applications are encouraged. Projecting signs include blade signs, banners (rigid or soft), and flags. Projecting signs of any type should always be mounted well out of reach of pedestrians.

## Blade Signs



The bottom edge of projecting signs (blade signs) at street level should be a minimum of 7'- 0" above finished grade, and should not extend a maximum of 3'- 0" beyond the storefront facade.

## Flags & Banners



Large banners or blade signs that extend above the first floor level (street level) may be used to emphasize the Tenant's identity at the Landlord's discretion. The overall height of these signs should not exceed the height of the parapet or should adhere to a 60' maximum height.



# Blade Signs, Flags & Banners



## Blade Signs

- Blade signs should be located at a minimum of 7'-0" above finished grade, and should only project a maximum of 3'-0" from the face of the storefront.
- All brackets shall be of a durable metal with a natural or painted finish, and should be integrated into the sign design.
- Suggested materials are etched glass, wrought iron, chrome, brass, copper, carved or painted wood, but Tenant's are not limited to these materials.
- Signs may be flat or 3-dimensional, and may also be transparent, translucent, cut-out, filigree or sculpted.
- Generally, signs should be mounted to storefront, but designs that propose the use of Landlord's neutral pier(s) or fascia will be considered on a case by case basis.



## Flags & Banners

- Canvas or nylon flags and banners may used, but vinyl banners are discouraged.
- Flags or banners can be hung perpendicular to the building from poles, or flat against the building.
- Flag or banner content should be limited to the Tenant's identity, and should not be used for advertisement of specific products or services.
- The design and scale of Rockville Town Square permits a number of various sized banner formats. The Landlord will review all requests on a case by case basis to help maintain a comfortable density throughout.

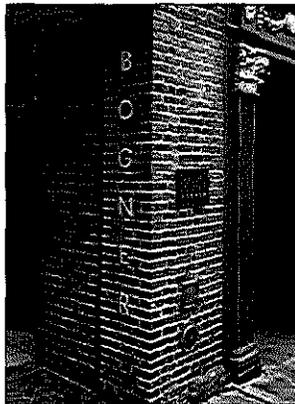


# Window, Wall & Sidewalk Signs



## Window & Wall Signs

- Window signs are meant to establish or enhance a Tenant's identity. Window signs should not be considered as temporary signage that advertises sales, promotions, etc.
- Identity signage may be painted, etched or gold leafed directly to the inside face of glass storefronts. Letters should not exceed 1'-0" in height.
- Signage may be applied directly to the storefront in the form of painted wood or finished or enameled metal panels with painted, carved, cut-out or applied dimensional letters.
- In some cases, signs may be painted directly on the surface of the building to create an 'aged' effect.



## Sidewalk Signs

- Sidewalk signs can be used to enhance a Tenant's identity, but should not be considered as temporary signage. Restaurant menu boards are the best example of the appropriate use of sidewalk signs.
- Sidewalk signs should be well constructed, and may be painted wood panels or cut-out wood shapes.
- Signs must not interfere with pedestrian traffic, or be placed beyond the 2' expansion zone in front of the facade.
- All sidewalk signs should be taken in each night.



# DESIGN CRITERIA

## ***Discouraged Sign Types***



*The following sign types, components and devices are strongly discouraged for storefronts:*

- ***Fabric, styrofoam, cardboard, paper or injected molded plastic***
- ***Luminous vacuum formed plastic letters***
- ***Exposed lamps and neon***
- ***Credit card decals, stickers and/or trademarks***
- ***Animated, moving, chaser, flashing, smoke, audible or odor-emitting signs***
- ***Signs which are constructed of a material that is deemed unsuitable by the Landlord***

*Prohibited:*

***Boxed or cabinet type signs, except when totally recessed and integrated as part of the storefront***



***Discouraged Sign Types***

# General Storefront Criteria



## General Criteria:

- All work undertaken by the Tenant (including but not limited to shop layout, signage, lighting and displays) is subject to the prior written approval of the Landlord. This must be obtained before commencing any construction.
- All work shall be at the Tenant's own expense and should not damage the building or any part thereof. The submission of the tenancy fit-out to the building authorities must be executed by the Tenant's architect and engineers. Submission approvals must be obtained before commencement of construction.
- All storefront construction should be self-supporting from the floor and independent of the building bulkhead. The structure above may be used for lateral support only. All structural work shall conform to local codes.
- All storefront materials shall be non-combustible and/or fire resistant and shall conform to local applicable codes.
- Tenants are responsible for water-tight construction, flashing, caulking, etc. as it applies to adjacent Tenants or neutral piers.

DESIGN CRITERIA





Great Storefronts at Santana Row, San Jose, CA

Rockville Town Square



DESIGN CRITERIA

## EXHIBIT H

### TENANT'S INSURANCE

#### Policy Requirements.

Any company writing any insurance which Tenant or Tenant's Contractor is required to maintain or cause to be maintained as well as any other insurance pertaining to the Premises or the operation of Tenant's business therein (all such insurance being referred to as "Tenant's Insurance") shall at all times be licensed and qualified to do business in the State of Maryland and shall have received an A- or better (and be in a financial size category of class VII or higher) rating by the latest edition of A.M. Best's Insurance Rating Service. All of Tenant's Insurance may be carried under a blanket policy covering the Premises and any other location, if (i) the coverage afforded Landlord and any designees of Landlord shall not be reduced or otherwise adversely affected, and (ii) such blanket policy allocates to the properties and liabilities to be insured under this Article VII an amount not less than the amount of insurance required to be covered pursuant to this Article VII, so that the proceeds of such insurance shall not be less than the proceeds that would be available if Tenant were insured under a unitary policy. All policies of Tenant's Insurance shall contain endorsements requiring the insurer(s) to give to all additional insureds at least forty-five (45) days' advance notice of any material reduction, cancellation, termination or non-renewal of said insurance (except that only ten (10) days' notice shall be required for non-payment of premiums). Tenant or Tenant's Contractor shall be solely responsible for payment of their respective premiums for all required Insurance. Evidence of insurance shall be provided through a certificate of insurance and upon request by the County certified copies of the policies shall be provided to the County.

#### Increase in Insurance Premiums.

Tenant shall not keep or do anything in the Premises that will (i) prevent Landlord from obtaining commercially reasonable policies of insurance on the Building; or (ii) violate the reasonable rules, regulations or recommendations of Landlord's insurers, loss prevention consultants, safety engineers, the National Fire Protection Association, or any similar body having jurisdiction over the Premises. If Tenant does so, Tenant shall pay to Landlord upon demand the amount of any increase in any such insurance premium.

#### Tenant's Mandatory Insurance Requirements

Commencing on the date upon which Landlord delivers the Premises to Tenant and at all times thereafter, Tenant shall cause to be carried and maintained, at no cost to Landlord the following insurance coverages with an insurance company/companies licensed to do business in the State of Maryland and acceptable to the Division of Risk Management in its reasonable discretion. This insurance must be kept in full force and effect during the term of this lease, including all extensions and/or additional terms. The insurance must be evidenced by a certificate of insurance, and if requested by the County, the Tenant shall provide a copy of the insurance policies. The Tenant's insurance shall be primary.



The County may change the types of required coverages from time to time as circumstances and changes in use of the Premises warrant.

Commercial General Liability Insurance

Commercial General Liability Insurance (ISO form or equivalent) protecting Tenant and Landlord against liability for bodily injury, death and property damage including Contractual Liability, Premises and Operations, Products and Completed Operations, Independent Contractors, Personal Injury and Fire Liability occurring upon or in the Premises, with a minimum combined single limit of Five Million Dollars (\$5,000,000.00) per occurrence. If the policy also covers locations other than the Premises, the policy shall include a provision to the effect that the single limit of Five Million Dollars (\$5,000,000.00) shall apply separately at the Premises.

*If Tenant sells, serves or distributes alcoholic beverages in or on the Premises, then such General Liability Insurance shall include, at a minimum limit of liability of Two Million Dollars (\$2,000,000), Liquor Legal Liability coverage.*

Worker's Compensation/Employer's Liability

Meeting all statutory requirements of the State of Maryland Law and with the following minimum Employers' Liability limits:

- Bodily Injury by Accident - \$100,000 each accident*
- Bodily Injury by Disease - \$500,000 policy limits*
- Bodily Injury by Disease - \$100,000 each employee*

Automobile Liability Coverage

A minimum limit of liability of one million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following:

- owned automobiles
- hired automobiles
- non-owned automobiles

All Risk Property Policy

"All Risks" or "Special Form" property insurance covering all of the Leasehold Improvements (as defined in Section 8.02A of the Lease) written for full replacement cost on all contents, including without limitation, coverage for flood and water damage, with a commercially reasonable deductible. Deductible shall be funded by Tenant.

Additional Insured

Montgomery County, Maryland, its elected and appointed officials, officers and employees must be named as an additional insured on Tenant's Liability, Automobile, Excess/Umbrella Insurance and any floater Policies.

Policy Cancellation

Forty-five (45) days written notice of cancellation or material change of any of the policies is required (ten (10) days in the event of nonpayment of premiums).

Certificate Holder

Montgomery County, Maryland  
DPWT / Real Estate  
101 Monroe Street, 10th Floor  
Rockville, Maryland 20850

Tenant's Contractor's Insurance

Tenant shall cause its contractor(s) performing work on the Premises to obtain, carry and maintain, at no expense to Landlord the following coverages and to provide the Landlord with certificates of insurance, and if requested by either the Landlord or the County, copies of all policies:

Builders All Risk Insurance.

All Risk Builders All Risk Insurance with limits equal to one hundred percent (100%) of the initial budget for construction of the Building, and any amendment to such budget that affects the cost of construction, on a "replacement cost" basis. Such insurance shall include the perils of fire, extended coverage to protect the interest of the County, contractor and sub-contractors against loss caused by the perils insured and including theft, vandalism, malicious mischief, collapse, difference in condition, cost of construction, and coverage for flood and water damage insurance. The policy shall also endorse a demolition and clearing clause, extra expense and loss of use coverages with a sub-limit of \$1,000,000 one million dollars per occurrence.

Commercial General Liability

A minimum limit of liability of two million dollars (\$2,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following coverages: Contractual Liability; Premises and Operations; Independent Contractors; Personal Injury and Products and Completed Operations

Automobile Liability Coverage

Business Automobile Liability Insurance of not less than one million dollars (\$1,000,000), combined single limit per occurrence to include coverage for owned, non-owned, hired motor vehicles, Uninsured Motorists insurance, and automobile contractual liability.

Workers' Compensation/Employer's Liability

Meeting all statutory requirements of the State of Maryland Law and with the following minimum Employers' Liability limits:

- Bodily Injury by Accident - \$100,000 each accident*
- Bodily Injury by Disease - \$500,000 policy limits*
- Bodily Injury by Disease - \$100,000 each employee*

Additional Insured

Montgomery County, Maryland, its elected and appointed officials, officers and employees must be named as an additional insured on General Liability, Automobile and any excess liability policies or floaters.

Policy Cancellation

Forty-five (45) days written notice of cancellation or material change of any of the policies is required (ten (10) days in the event of nonpayment of premiums).

Certificate Holder

Montgomery County, Maryland  
DPWT / Real Estate Office  
101 Monroe Street, 10th Floor  
Rockville, Maryland 20850

