

## Lease Abstract Report

## L36-Lanham MD-12007

5100 Philadelphia Way  
Lanham, MD 20706

## General Information

## Key Information

Master ID		Owner Type	Leased
Legal Entity	0120 Specialized Education MD	Status	Pending
Department (Cost Center)	0120 Specialized Education MD	Record Type	Real Estate Expense
Product Group		Building Use	School
Previous ID		Region	South Territory: Region 5
Is Month to Month	No	Division	SESI
Key Info Comments			

## Location

Not Used		Property Type
Not in Use		Building Type
County	Prince George's	Suite
Floor		
Location Comments		

## Dates

Current Commencement	12/01/2023	Expiration	08/31/2030
Original Commencement	05/01/2007	Vacate	
Occupancy		Store Close	
Rent Start	12/01/2023	Duration (mos)	280
Dates Comments			

## Area

Rentable	15,562 SF	Pro Rata
Usable		Building Area
Loss Factor		Land
Area Comments		

## Description

## Financial Summary

Monthly Charges	19,446.01	Monthly Cost/SF	1.25
Annualized Charges	233,352.12	Annualized Cost/SF	14.99
Actual Charges	235,355.72	Actual Cost/SF	15.12
30 Day Rent Calc	No	Currency	USD
Rent Calc Type	NNN		

## Contacts

### Landlord

Rehabilitation Opportunities Inc.  
5100 Philadelphia Way  
Lanham, MD 20706

### Payee(s)

Rehabilitation Opportunities Inc.  
5100 Philadelphia Way  
Lanham, MD 20706

### Contacts

Rehabilitation Opportunities Inc. - Moskowitz,  
Esquire, Marc S.  
15306 Diamond Cove Terrace, Unit K  
Rockville, MD 20850

### Notice Party (Landlord)

## Financial Entries

Expense Category	Freq	Type	Schedule	Amount	Cost/Rent Area	Comments
CAM/Operating Expense 656340	Monthly	Payable	12/01/2023 - 08/31/2030	2,749.28	2.12	TT shall pay to LL, common area maintenance costs shall be approximately USD 2.12/SF payable in monthly installments of USD 2,749.28 comprised of the following LL's estimated costs: (a) preventive maintenance contract costs for the Building's rooftop HVAC units - USD 0.24/SF; real estate taxes - \$0.55/SF; utilities - \$0.72/SF; landscaping - \$0.24/SF; and miscellaneous costs - \$0.37/SF. (5th Amendment, Sec. 3; Lease Extension Agreement, Sec. 3; Amendment, Sec. 4(c); Lease, Sec. 1, 6(c-f))  Note: Estimated CAM amount only stated in the Lease. Hence flat lined the same amount till the expiration.
Capitalized Base Rent Expense	Monthly	Payable	09/01/2024 - 08/31/2025	16,696.73	12.88	TT shall pay to LL, Base Rent payable in monthly installments in advance, on or before the first day of each and every calendar month. Effective 09/01/2024 and each year thereafter, Base Rent shall be increased by 3%. (5th Amendment, Sec. 2; Lease, Sec. 4-5)

Capitalized Base Rent Expense	Monthly Payable	09/01/2025 - 08/31/2026	17,197.63	13.26	TT shall pay to LL, Base Rent payable in monthly installments in advance, on or before the first day of each and every calendar month. Effective 09/01/2024 and each year thereafter, Base Rent shall be increased by 3%. (5th Amendment, Sec. 2; Lease, Sec. 4-5)
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## Documents

Date	Type	Title	Comment
11/23/2006	Lease / Amendment	Commercial Lease Agreement	By and between REHABILITATION OPPORTUNITIES, INC. (LL) and SPECIALIZED EDUCATION OF MARYLAND, INC., (TT) with an area of 9175 SF for the term from 05/01/2007 to 04/30/2014.
03/27/2009	Lease / Amendment	Amendment to Commercial Lease Agreement	Extended the Term till 08/31/2016 and specifies its Rent.
05/21/2009	Correspondence	Certificate of Occupancy dated 05/21/2009	Specifies about the Certificate of Occupancy
06/28/2013	Lease / Amendment	Amendment to Commercial Lease	Amends certain provisions of the Lease.
07/29/2016	Lease / Amendment	Lease Extension	Extended the Term starts from 09/01/2016 and specifies its Rent.
03/25/2020	Lease / Amendment	Lease Amendment dated 03/25/2020	Specifies about the Covid-19 outbreak and federal Covid-19 Emergency declaration in March.
09/26/2023	Lease / Amendment	Fifth Amendment to Commercial Lease Agreement	Extended the Term till 08/31/2030 and specifies its Rent.
04/01/2024	Correspondence	Email dated 04/01/2024	Specifies about the request for TI reimbursement.
11/06/2024	Correspondence	Email 11/06/2024	Specifies about the confirmation of old TI can be closed.

## ABSTRACTING

### Abstract Stage / Notes

- (i) Estimated CAM amount only stated in the Lease. Hence flat lined the same amount till the expiration.
- (ii) Payee address is not stated in the Lease. Hence assumed and abstracted LL address for the same.

## TERM, USE & OCCUPANCY

### Holdover

Holdover by TT and LL shall not proceed to evict or dispossess TT, for a period of up to 6 months provided TT provides LL with no less than 4 months advance written notice of its intention to remain in the Premises as a month-to-month TT.

Holdover is permitted: Yes

Holdover Amount: Lease is Silent.

Tenancy: month-to-month.

### Document References:

Fifth Amendment to Commercial Lease Agreement (page 4, Article 9)

## Option List

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### Cancellation

Type: Cancellation

Status: Available

Comment: If TT's varied governmental funding is decreased below the threshold to sustain the operations out of the Leased space (a threshold set at 40 enrolled students), for reasons other than TT's fault, at any time after 11/30/2026, TT shall have the right to terminate the Lease by no earlier than 180 from the date TT delivers LL its written notice of termination and payment for LL's unamortized costs (such that the early termination date shall not be earlier than 36 months after the Commencement Date of the Extended Term). The following illustration is based on LL having reimbursed TT for the full amount of TT Work Allowance of \$10.00/SF (\$155,620.00) and leasing commissions of \$85,948.00, in the aggregate amount of \$241,568.00. If by subsequent written agreement the parties agree to modify the amounts of TT Work Allowance and leasing commissions, then the Termination Fee in this schedule shall be proportionately adjusted. (5th Amendment, Sec. 8, Exhibit B)

### Expansion Option

Type: Expansion

Status: Available

Comment: At least 3 years remaining under the Extended Term, LL agrees that if additional space in the Building contiguous to the Premises becomes available to LL for leasing to third parties, then LL shall give to TT notice of such availability including the anticipated commencement date of the right of occupancy with respect to such Expansion Space. TT shall have the option to expand the Premises by delivering to LL written notice of exercise within 15 days after delivery of LL's notice. (5th Amendment, Sec. 7)

### Renewal Option

Type: Renewal

Exercise Window End Date: 03/04/2030

Status: Available

Option Period: 09/01/2030 - 08/31/2033

Comment: 1st of 2, 3 years renewal option, provided TT gives LL a written notice not later than 180 days, prior to the expiration date. Renewal Rent shall be 3% annually. (5th Amendment, Sec. 6)

### Renewal Option

Type: Renewal

Exercise Window End Date: 03/04/2033

Status: Available

Option Period: 09/01/2033 - 08/31/2036

Comment: 2nd of 2, 3 years renewal option, provided TT gives LL a written notice not later than 180 days, prior to the expiration date. Renewal Rent shall be 3% annually. (5th Amendment, Sec. 6)

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#### Document References:

Fifth Amendment to Commercial Lease Agreement (page 2, Article 6)

Fifth Amendment to Commercial Lease Agreement (page 3, Article 7)

Fifth Amendment to Commercial Lease Agreement (page 3-4, Article 8)

Fifth Amendment to Commercial Lease Agreement (page 8-9, Article Exhibit B)

## Right of First Offer / Refusal

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Lease is Silent

## FINANCIAL TERMS

### Audit Rights

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Lease grants right to audit: Yes, TT shall have the right, at its expense, to conduct an independent audit no later than 45 days following LL's delivery of such reconciliation statement.

Failure to bill provision: Lease is Silent

Reconciliation Due: Yes, At the end of each calendar year, LL shall reconcile the estimated CAM Rent. If any (a) overpaid, then such amount shall be applied against its next due estimated payment or returned to TT, or (b) underpaid, then TT pay such balance to LL within 30 days after receipt of such statement.

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#### Document References:

Amendment to Commercial Lease Agreement (page 6-7, Article 4(c))

Commercial Lease Agreement (page 9, Article 6(e-f))

## **CAM / Operating Expenses**

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TT shall pay to LL, common area maintenance costs shall be approximately \$2.12/SF payable in monthly installments of \$2,749.28 comprised of the following LL's estimated costs: (a) preventive maintenance contract costs for the Building's rooftop HVAC units - \$0.24/SF; real estate taxes - \$0.55/SF; utilities - \$0.72/SF; landscaping - \$0.24/SF; and miscellaneous costs - \$0.37/SF. TT's contribution for management fees for the Building shall be limited to 5% of TT's proportionate share of the Building's common area maintenance costs.

Current monthly CAM charges for 2016 are \$2,250.00.

Commencing on the 09/01/2009, and during each calendar year, TT shall pay to LL, its proportionate share of Common Area Maintenance Costs estimated to be \$27,000.00 for September 2009 through August 2010, payable in equal monthly installments of \$2,250. Between the execution date of this Amended Lease Agreement and 09/01/2009, the estimated monthly CAM charges shall be and remain \$1,985, payable monthly. At the end of each calendar year, LL shall perform a reconciliation of all such actual Common Area Maintenance Costs for the preceding year. If any (a) overpaid, then such amount shall be applied against its next due estimated payment or returned to TT, or (b) underpaid, then TT pay such balance to LL within 30 days after receipt of such statement.

TT shall pay to LL, its share of Common Area Maintenance Costs in equal monthly installments as estimated by LL. Inclusion: All premiums, costs and expenses for rent interruption, casualty, liability and other insurance of any kind carried by owners of similar buildings in the Washington D.C. Metropolitan Area; a management fee in the amount of 4% of the gross rentals and other income from the building. Refer Sec. 6(C) for more Inclusions and Exclusions.

Does T pay for OpEx: Yes

Pro-Rata Share: 24.2% for initial Premises.

Is a CAP applicable: Yes, Controllable CAM Rent (such as landscaping and janitorial expenses) shall be limited to annual increases of 3%.

Is there a Base Year/Expense Stop: Lease is Silent

Is there a gross up: Yes, 95%.

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### **Document References:**

Amendment to Commercial Lease Agreement (page 6-7, Article 4(b-c))

Commercial Lease Agreement (page 1, Article 1)

Commercial Lease Agreement (page 6-9, Article 6(c-f))

Lease Extension (page 4, Article 4)

Fifth Amendment to Commercial Lease Agreement (page 1-2, Article 3)

## **Late Fees**

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Any installment of rent or additional rent not received by LL by the 5th day of the month shall be subject to a late fee equal to 5% of the then-prevailing rental rate. If any tender of rent or additional rent is dishonored for any reason, then TT shall pay to LL a fee of \$100 for each such instance of a dishonored tender of rent. If TT shall fail to pay rent on more than 2 occasions during any 12 month period, then the late fee shall permanently increase to 10%.

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### **Document References:**

Commercial Lease Agreement (page 5, Article 5)

## **Lease Security**

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### **Security Deposit**

Upon execution of the Amended Agreement, TT shall tender to LL, Additional Security Deposit the sum of \$5,250.00 for the Expanded Premises.

Upon execution, TT shall deposit with LL, the sum of \$8,000.00. Security Deposit shall be returned to TT within 30 days after the termination without interest.

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### **Document References:**

Amendment to Commercial Lease Agreement (page 5-6, Article 4(a))

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## **Parking**

Lease is Silent

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## **Real Estate Taxes**

Does T pay for RET: Yes, Real estate taxes - \$0.55/SF shall be included in CAM.

Pro-Rata Share: Lease is Silent

Is a CAP applicable: Lease is Silent

Is there a Base Year/Expense Stop: Lease is Silent

Is there a gross up: Lease is Silent

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### **Document References:**

Fifth Amendment to Commercial Lease Agreement (page 1-2, Article 3)

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## **Tenant Improvement Allowance**

LL to provide TT with an allowance of \$10.00/SF to be applied against the actual out-of-pocket costs incurred for the design and construction of the approved items of TT's Work. TT Work Allowance shall not be applied to the costs of any furnishings, computers, equipment, personal property or for any other costs other than those directly related to the approved items of TT's Work.

LL, upon receipt of paid invoices for all work completed, shall reimburse TT up to \$15,000.00 toward such costs.

LL shall reimburse TT \$91,750.00 for such TT's Work, provided that TT shall expend a sum of not less than \$300,000.00 for such TT's Work and further provided that TT shall first present to LL copies of all paid invoices for such services.

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### **Document References:**

Commercial Lease Agreement (page 2-3, Article 3(c))

Lease Extension (page 3-4, Article 3)

Fifth Amendment to Commercial Lease Agreement (page 2, Article 5)

## **FACILITIES MAINTENANCE**

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### **Alterations / Remodel**

TT shall be authorized but not required at its expense to make the following alterations and improvements to the Premises, including replacement of the flooring in the bathroom areas of the Premises, related plumbing repairs; replacement of lighting fixtures; and repainting of the Premises

Internal / non-structural alterations allowed: Yes, for Expanded Premises.

External / structural alterations allowed: Yes, No structural changes to the Expanded Premises may be made by TT, nor may any mechanical equipment not ordinarily found in the type of business operated by TT be installed by or brought into the Expanded Premises by TT without LL's prior written consent, not to be unreasonably withheld or delayed.

Can LL's consent be reasonably withheld: Yes

Minimum amount threshold consent: LL's prior written consent shall not be required unless the cost of such non-structural changes shall exceed \$25,000.00.

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### **Document References:**

Amendment to Commercial Lease (page 10, Article 9)

Commercial Lease Agreement (page 14, Article 19)

Fifth Amendment to Commercial Lease Agreement (page 2, Article 5)

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### **General Maintenance (Landlord)**

LL shall, at its expense, replace all rooftop HVAC units servicing the Premises.

LL shall obligation to keep in good repair the roof and exterior structural walls, footings, foundations, and plumbing pipes exterior to the Premises. LL shall have no repair, maintenance or replacement obligation with respect to the Premises or any components, fixtures or equipment.

LL shall operate and maintain, or cause to be operated and maintained, any areas designated as common areas in a manner deemed by LL.

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Document References:

Amendment to Commercial Lease Agreement (page 9, Article 8(a-b))  
Commercial Lease Agreement (page 13, Article 17(a-b))  
Commercial Lease Agreement (page 6, Article 6(b))  
Fifth Amendment to Commercial Lease Agreement (page 2, Article 4)

## **General Maintenance (Tenant)**

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TT at its expense, shall keep in good repair the entirety of the Expanded Premises, excluding the roof and exterior structural walls, footings, foundations and plumbing pipes exterior to the Expanded Premises which shall be LL's obligation, such repairs to be made after receipt of timely written notice from LL of the necessity.

TT shall keep the Premises in good order and condition. TT shall contract with a licensed HVAC contractor to maintain the HVAC system in the Premises, with service to be performed no fewer than 4 times per year. TT at its expense, shall keep in good repair the entirety of the Premises. TT at its expense, (a) shall keep the Premises in a clean and sanitary condition, free from vermin, escaping offensive odors and rubbish and (b) shall provide all cur service and trash pickup for the Premises.

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Document References:

Amendment to Commercial Lease (page 9, Article 8(a))  
Commercial Lease Agreement (page 10, Article 9)  
Commercial Lease Agreement (page 13, Article 17(a-b))  
Commercial Lease Agreement (page 17, Article 26)

## **Signage**

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No sign, advertisement or notice shall be inscribed, painted, affixed or displayed on any part of the outside of the building without the prior written consent of LL. If any such sign, advertisement or notice is exhibited without all of the necessary permits, licenses and consent from LL, then LL shall have the right to remove the same at TT's expense.

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Document References:

Commercial Lease Agreement (page 11, Article 11)

## **DO NOT ABSTRACT (Playground)**

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TT, at its expense, shall have permission to construct a playground of approximately 625 SF (25' x 25') in an area to be determined by LL that will not interfere with vehicle ingress or egress. TT shall first submit plans and specifications to LL whose approval shall not be unreasonably withheld.

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Document References:

Commercial Lease Agreement (page 4, Article 3(f))

## **INSURANCE/LICENSING**

### **Insurance (Tenant)**

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T obligation to insure Leased Premises: Yes, Fire and casualty insurance with limits of not less than \$5,000,000.00.

T to provide evidence of INS to LL: Yes

Primary INS required: Yes

Primary INS amount: Public liability insurance with limits of not less than \$5,000,000.00 for injury to more than one person in any one accident or casualty and \$500,000.00 for property damage.

Additional INS: TT shall maintain business interruption insurance.  
Can T self-insure: Lease is Silent  
Waiver of Subrogation: Lease is Silent

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Document References:

Amendment to Commercial Lease Agreement (page 7-8, Article 6)  
Commercial Lease Agreement (page 12, Article 14)

## RIGHTS / LEGAL

### Assignment / Subletting

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T has right to sublet: Yes  
LL approval required for sublet: Yes  
T has right to assign: Yes  
LL approval required for assignment: Yes  
Does LL have right of Recapture: Lease is Silent

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Document References:

Commercial Lease Agreement (page 10, Article 10)

### Default

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Monetary Default & Non-Monetary Default: 5 days after TT's receipt of written notice of such default.

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Document References:

Commercial Lease Agreement (page 15-16, Article 23)

### Estoppel / SNDA

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Can LL Required an Estoppel/SNDA: Yes  
Amount of Days T Has to Respond: Estoppel - Lease is Silent; SNDA - Upon Request.  
Can LL sign on T's behalf: Lease is Silent

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Document References:

Commercial Lease Agreement (page 16-17, Article 24)

### Right to Relocate (LL)

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Lease is Silent

### Surrender/Restoration

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Upon the expiration, (a) TT shall quit and surrender possession of the Premises along with all keys to LL clean, in good order and condition, ordinary wear and tear excepted and (b) All leasehold improvements made by TT (except for TT's personal property, equipment and trade fixtures), shall become and be the property of LL immediately upon the completion of construction and shall be surrendered by TT to LL. TT at its expense, shall remove all of TT's trade fixtures, equipment and other movable property of TT and shall repair and restore the Premises caused by such removal. All other property shall be deemed to have been abandoned by TT and to have become the property of LL, and may be retained or disposed of by LL, at TT's expense, as LL shall desire.

Does T have to reinstate Premises at Lease End: Yes  
Can LL require removal of improvements: Yes  
Notice Period: Lease is Silent.

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Document References:

Commercial Lease Agreement (page 10, Article 9)



### Landlord Right to Enter

LL, at its expense and upon no less than 48 hours prior written notice, appear at the expanded premises with any and all trades people as it deems necessary to conduct a thorough inspection of the expanded demised premises. Such inspections may occur no more than 4 times during any lease year and in the event any such inspection reveals the necessity for repairs to be effectuated by TT, then TT shall have 10 days to effectuate all such repairs unless such repairs shall, with due diligence require additional time for completion in which case such repairs shall be commenced within 10 days of such notice.

LL or its designee may, upon prior notice to TT, enter upon the Premises, with men and material if required, for the purposes of: (i) inspecting the same; (ii) making such reasonable repairs, replacements or alterations which LL may deem desirable for the Premises; and (iii) showing the Premises to prospective purchasers or, within 180 days of the expiration of the Lease, to prospective tenants; provided LL agrees to use reasonable efforts to minimize disruption to TT's use of, and access to, the Premises. Reasonable notice shall be deemed to be at least 24 hours except in the event of any emergency, in which case no prior notice shall be required.

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#### Document References:

Commercial Lease Agreement (page 14, Article 18)  
Lease Extension (page 4-5, Article 5)

## MAINTENANCE RESPONSIBILITY

### Door Overhead

Silent

### Doors Manual

Silent

### Dumpster Enclosure & Concrete Pad(s)

Silent

### Electrical Lighting

Landlord

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#### Document References:

Commercial Lease Agreement (page 7, Article 6(c(iv)))  
Commercial Lease Agreement (page 6, Article 6(c(i)))

### Electrical Systems Panels

Silent

### Elevator / Escalator

Silent

### Exterior Common Area Maintenance

Landlord

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#### Document References:

Commercial Lease Agreement (page 7, Article 6(c(iii)))

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**Fence Gates**

Silent

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**Fire Alarm Systems**

Silent

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**Fire Extinguishers**

Silent

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**Fire Life Safety PM / Inspections**

Silent

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**Flooring Floor Covering**

Silent

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**Gutter Repair / Replacement**

Silent

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**HVAC Replacement**

Landlord

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Document References:  
Fifth Amendment to Commercial Lease Agreement (page 2, Article 4)

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**HVAC PM**

Tenant

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Document References:  
Commercial Lease Agreement (page 10, Article 9)

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**HVAC Repair**

Silent

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**Interior Common Area Maintenance**

Landlord

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Document References:  
Commercial Lease Agreement (page 7, Article 6(c(iii)))

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**Janitorial**

Silent

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**Landscaping**

Silent

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**Lift Station**

Silent

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**Locks**

Silent

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**Oil Water Separator**

Silent

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**Painting Exterior**

Landlord

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Document References:  
Commercial Lease Agreement (page 6, Article 6(c(i)))

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**Painting Interior**

Landlord

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Document References:  
Commercial Lease Agreement (page 6, Article 6(c(i)))

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**Parking Lot Maintenance**

Landlord

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Document References:  
Commercial Lease Agreement (page 7, Article 6(c(viii)))

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**Pest Control**

Tenant

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Document References:  
Commercial Lease Agreement (page 17, Article 26)

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**Plumbing Interior**

Silent

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**Plumbing Underground**

Landlord

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Document References:  
Commercial Lease Agreement (page 13, Article 17(a))

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**Roof Repair**

Landlord

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Document References:  
Commercial Lease Agreement (page 13, Article 17(a))

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### **Roof Replacement**

Silent

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### **Security Alarm Systems**

Silent

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### **Sewer System**

Tenant

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Document References:  
Commercial Lease Agreement (page 14, Article 20)

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### **Sidewalks Curbing**

Silent

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### **Signage Responsibility**

Silent

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### **Snow Removal**

Landlord

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Document References:  
Amendment to Commercial Lease Agreement (page 6, Article 6(c(ii)))

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### **Structural Walls Repairs / Foundations**

Landlord

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Document References:  
Commercial Lease Agreement (page 13, Article 17(a))

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### **Trash / Waste / Recycling**

Tenant

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Document References:  
Commercial Lease Agreement (page 17, Article 26)

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### **Underground Water / Sewer Lines**

Tenant

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Document References:  
Commercial Lease Agreement (page 14, Article 20)

## Utility Connections

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Tenant

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### Document References:

Commercial Lease Agreement (page 14, Article 20)

## Walls

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Landlord

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### Document References:

Commercial Lease Agreement (page 13, Article 17(a))

## Windows Glass

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Silent