

September 5, 2025

BY EMAIL

Beckley Street, LLC
C/O Brett M. Dieck, Esq.
The Law Office of Brett M. Dieck, LLC
brett.dieck@diecklaw.com

Re: *Lease Agreement by and between Beckley Street, LLC ("Landlord") and Pixelligent Technologies, LLC ("Pixelligent"), dated December 2, 2019 (as amended and assigned, "Lease"), for the leased premises ("Premises") located at 6411 Beckley Street, Baltimore, Maryland ("Building")*

Building Issues Interfering with Pixelligent Use and Enjoyment of the Premises; Reservation of Rights

Dear Brett:

I write regarding several Building issues that are interfering with Pixelligent's ability to use and enjoy the Premises for its work and causing Pixelligent to sustain extensive monetary damages and irreparable harm. Pixelligent reserves all rights regarding these issues. Any capitalized terms in this letter that are not defined retain their definitions from the Lease.

The Lease incorporates the covenant of quiet enjoyment and requires Landlord to provide conditions under which Pixelligent can use and enjoy the Premises for its work. *See* Lease § 14. The Lease states that Pixelligent will use the Premises for "laboratory, research, development, and manufacturing." *See* Lease § 2.11. The Lease requires Landlord to "repair, maintain and **replace as necessary**" the Building HVAC" and maintain the Building and the Property "in keeping with a **Class-A** manner." *See* Lease § 17.1 (emphasis added). The Lease also obligates Landlord to provide the HVAC required for "reasonably comfortable occupancy of the Premises." *See* Lease § 15.2.

For more than a decade, Pixelligent has used the Premises for research, development, and manufacturing of nanocrystal formulations and dispersions for consumer electronics. Pixelligent's work requires stable environmental conditions and fully and reliably functioning HVAC and other building systems. High temperatures and humidity interfere with Pixelligent's reliability tests on its high refractive index (RI) films and create dangerous conditions for Pixelligent's employees. Pixelligent uses allowed chemicals that can become unstable at high ambient temperatures and because many of Pixelligent's employees wear personal protective equipment (PPE) like lab coats, high heat and humidity make the Premises uninhabitable. Pixelligent also operates in a highly competitive industry and supplies its products to some of the largest technology companies in the world. Those customers are demanding and do not tolerate late deliveries.

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Shortly after Landlord purchased the Building, Pixelligent sent Landlord formal written notice that the Building HVAC was failing and those failures were interfering with Pixelligent's use and enjoyment of the Premises for its work. Predictably, this summer, the Building's cooling system has failed repeatedly. The cooling system did not operate at all on August 5 and 8 when outdoor temperatures were nearly 90°F. The lack of air conditioning caused Premises temperatures as high as 85°F, forcing Pixelligent to suspend its operations, miss delivery deadlines, and send its employees home because the Building was uninhabitable. When Pixelligent returned to the Building on August 12, the cooling system was still shut down, and temperatures inside the Building had climbed to over 90°F, forcing Pixelligent to lose another full day of work and miss more delivery deadlines. I am enclosing as **Exhibit 1** a photograph showing a temperature of 94°F on the third floor of the Premises where Pixelligent performs its critical lab and manufacturing work. Missing numerous delivery deadlines has harmed Pixelligent's relationships with its customers. At a minimum, Pixelligent is entitled to a rent abatement for all of August 2025.

The recent cooling system failures further demonstrate that the Building HVAC is beyond its useful life. Landlord has engaged Mechanical Systems, Inc. (MSI) to place band-aids on the failing HVAC system, but those measures are like flogging a dead horse and they have not prevented the heating and cooling systems from continuing to shut down for extended periods and causing Pixelligent's operations to screech to a halt on several occasions. The Lease requires that Landlord not only repair and maintain, but also "**replace as necessary**" the Building HVAC. *See* Lease § 17.1 (emphasis added). Landlord replacing the Building HVAC is necessary because the system is beyond its useful life and without replacement, Pixelligent cannot use and enjoy the Premises for its work.

Pixelligent cannot afford any more losses due to inoperable HVAC. Landlord's refusal to replace the Building HVAC has forced Pixelligent to invest significant time and money into developing contingency and redundancy plans for how to survive when it cannot operate in the Premises because there is no heating or cooling and it is uninhabitable. Pixelligent has had to begin stockpiling inventory and finished goods because it has no confidence that the Building HVAC will operate. If Landlord does not replace the Building HVAC, Pixelligent will have no choice but to obtain an injunction requiring Landlord to replace the system because continued HVAC failures will further irreparably harm Pixelligent and its relationships with its customers, investors, and other key stakeholders.

In addition to not resolving the chronic HVAC issues that risk destroying Pixelligent's business and placing its nearly three dozen employees out of work, Landlord has not repaired or replaced the Property's fence or entrance sign. Pixelligent has been requesting for months that

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Landlord repair or replace the fence around the perimeter of the Property that has collapsed because that condition leaves the Building exposed and unsecure and is an eyesore for employees and visitors. Landlord does not provide any Building security and without a fence, Pixelligent's business is vulnerable to trespassers. I am attaching as **Exhibit 2** photos of the dilapidated fence. Landlord recently stated that it does not intend to repair or replace the fence. After a tornado in May 2025—over three months ago—destroyed the sign at the entrance to the Property, Landlord has still not rebuilt the sign. Landlord's makeshift replacement consisting of two wooden posts and a canvas tarp is not consistent with a Class-A property. *See* Lease § 17.1. Landlord's failure to repair or replace the fence and sign violates § 304.24 of the Baltimore City Property Maintenance Code, which states that "[a]ll accessory structures, including detached garages, fences, gates, walls, and swimming pools, must be maintained in a structurally sound condition and in good repair." By Friday, September 12, 2025, please send the design for the new sign and the schedule for installing it as well as a schedule for repairing or replacing the fence.

Please consider this letter further notice under Lease § 30.12 and contact me if you would like to discuss any of these issues. To satisfy the notice requirements in Lease § 30.13, on December 12, 2024, Pixelligent requested the names and addresses of any mortgagees or other parties entitled to notice of a Landlord default. By Friday, September 12, 2025, please provide that information, or confirm there are no parties entitled to notice of a Landlord default, as well as any nondisturbance agreement from any lenders or other parties holding a security interest in the Building or Property.

By Friday, September 12, 2025, please also confirm that Landlord will abate all August 2025 rent due to the uninhabitable conditions and permit Pixelligent to credit the August 2025 rent it already paid against October 2025 rent. Pixelligent's acceptance of a full rent abatement for August 2025 shall not constitute a waiver of, or limitation on, any rights, nor shall the acceptance of any rent abatement constitute an agreement to forebear from exercising any remedy available to Pixelligent or an accord and satisfaction. Pixelligent reserves all rights under the Lease and applicable law and equity, waiving none.

Sincerely,



Jared S. Dvornicky

Enclosures (2)

Exhibit 1

S307

Night's Watch



Exhibit 2





