

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT ("Second Amendment") is made as of the 9th day of May, 2008, by and between Courthouse Square Development, L.L.C., ("Landlord"), c/o Investment Properties, Inc., ("Agent"), and MONTGOMERY COUNTY, MARYLAND, ("Tenant") hereinafter referred to as "the County".

WITNESSETH:

WHEREAS, by that certain Lease Agreement dated August 23, 2001 (the "Lease"), Landlord leased to the County and the County leased from Landlord, approximately 5,156 square feet of rentable area known as Suite 250 (the "Original Premises"), on the second (2nd) floor of the building located at 11 N. Washington Street, Rockville, Maryland (the "Building");

WHEREAS, by First Amendment to Lease dated March 3, 2005 the County surrendered the original premises and leased approximately 6,166 rentable square feet on the fourth (4th) floor of the Building (the "New Premises") and

WHEREAS, the term of the Lease was adjusted to seven years beginning with the commencement date of August 25, 2005 and ending date of August 31, 2012; and

WHEREAS, the County desires to lease from Landlord an additional 3,834 square feet of space on the third floor of the building and adjust the term of the Lease;

NOW, THEREFORE, in consideration of the above and the mutual covenants and agreements of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Landlord and County do hereby agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the same meanings as those ascribed to them in the Lease.
2. Leased Premises. Landlord hereby leases to the County and the County hereby leases from Landlord approximately 3,834 additional rentable square feet on the third (3rd) floor of the Building the "Additional Premises" making the total Lease Premises 10,000 rentable square feet (the "New Premises"), as shown on Exhibit A attached hereto and incorporated by reference herein as a part of the Lease, on the same terms and provisions set forth in the Lease except as modified by this Second Amendment. The exact number of rentable square feet of the Additional Premises shall be subject to final measurement and calculation by Landlord and Landlord's architect. Appropriate adjustments shall be made by Landlord to applicable provisions of the Lease and this Second Amendment, including but not limited to Rent (including the annual per square foot increases in Rent) and County's pro rata share of increases in Real Estate Taxes. The adjustment shall be deemed to be automatically in effect upon Landlord's written notice to the County.

3. Commencement Date. The commencement date of the lease term with respect to the Additional Premises (the Commencement Date”) shall be April 1, 2008.
4. Term. The lease term with respect to the Additional Premises and the existing premises on the fourth floor, hereinafter called (the “New Premises”), shall commence on the New Premise Lease Commencement Date April 1, 2008 and shall expire seven years later on March 31, 2015. The County shall have no further contractual right under the Lease to renew the Lease Term.
5. Rent. The rent schedule for the New Premises (“New Premises Rent”) shall be as follows and includes the continuation of annual 4% increases on the anniversary date of the new Rent Start Date on May 1 of each year of the term:

<u>Lease Month</u>	<u>Annual</u>	<u>Monthly</u>
1-12	\$320,454.00	\$26,704.50
13-24	\$333,272.16	\$27,772.68
25-36	\$346,603.05	\$28,883.59
37-48	\$360,467.18	\$30,038.94
49-60	\$374,885.87	\$31,240.49
61-72	\$389,881.31	\$32,490.11
73-84	\$405,476.57	\$33,789.72

6. Real Estate Taxes. In addition to New Premises Rent, during the Lease Term, the County shall continue to pay to Landlord, the County’s proportionate share of real estate taxes, as set forth in Section 6.C of the Lease, however the County’s proportionate share shall now be 10.15% based on the New Premises square footage.
7. Tenant Improvements. Tenant shall proceed to construct, at the County’s expense, improvements to the Building and the New Premises in substantial compliance with Exhibit B attached hereto. At Tenant’s option, the Landlord will perform the Tenant improvements at the Tenant’s expense. Landlord agrees to demo the existing improvements in the additional premises, ready for Tenants Improvements.
8. Use. The County covenants and agrees that the New Premises shall be used and occupied by the Montgomery County Health and Human Services (“Agency”) as general/administrative offices.
9. Notices. All notices required or desired to be given in accordance with this Lease by either party must be given by first class mail or with a nationally recognized receipted delivery service, postage prepaid, addressed to the County or Landlord, respectively. Notices to the Parties must be addressed as follows:

THE COUNTY:
Montgomery County, Maryland

Department of Public Works and Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, MD 20850

With a copy that does not constitute notice to:
Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: County Attorney

Landlord:
Courthouse Square Development, L.L.C., c/o Investment Properties
11 N. Washington Street, Suite 200
Rockville, MD 20850
301-424-4727
301-279-7944
jwhalen@investmentproperties.net

10. Landlord and County represent and warrant to each other that the person signing this Second Amendment on its behalf has the requisite authority and power to execute this First Amendment and to thereby bind the party on whose behalf it is being signed.

11. With this Second Amendment, Landlord recognizes only Scheer Partners as broker of Landlord with respect to this Second Amendment and agrees to be responsible for the payment of a commission to said broker, pursuant to a separate agreement with said broker. Landlord shall indemnify and hold harmless from any claim or damage related to Landlord's agreement with any broker used by Landlord with respect to this Second Amendment.

12. Except as expressly modified herein, all terms, conditions and provisions of the Lease shall remain in full force and effect.

Signature Page to Follow

IN WITNESS WHEREOF, Landlord and Tenant have executed this Second Amendment to Lease Agreement as of the day and year first hereinabove written.

LANDLORD

WITNESS:

Courthouse Square Development, LLC

By: Investment Properties, Inc.
Agent

By: [Signature]

By: [Signature]

Name: James Whelan

Its: President

WITNESS:

COUNTY:

MONTGOMERY COUNTY, MARYAND

By: [Signature]

By: [Signature]

Diane R. Schwartz Jones
Assistant Chief Administrative Officer

Date: 5/9/08

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

By: [Signature]

By: [Signature]

Cynthia L. Brenneman, Director
Office of Real Estate

Date: 4/22/08

Date: 4/22/08