

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE made this 22 day of November, 2011 ("Second Amendment"), by and between WASHINGTON REAL ESTATE INVESTMENT TRUST ("Landlord") and MONTGOMERY COUNTY, MARYLAND ("County"). (The Landlord and the County may be collectively referred to under this Second Amendment as the "Parties")

WHEREAS, the Parties entered into a Lease dated June 6, 2001 ("Lease") whereby County leases certain premises consisting of approximately 1,952 square feet of space and known as Suite 802 ("Leased Premises") located on the 8th floor of the building located at 51 Monroe Street, Rockville, Maryland 20850 ("Building"); and

WHEREAS, the Lease was amended on March 31, 2006 whereby the Term of the Lease was extended through April 30, 2011; and

WHEREAS, the term of the Lease expired on April 30, 2011; and

WHEREAS, County desires to extend the Term of the Lease for five (5) years and two (2) months and Landlord is willing to extend the Term of the Lease for such period which shall be called the "Second Term Extension"; and

WHEREAS, the Parties desire to amend the Lease to change the rentable square footage of the Leased Premises from 1,952 to 2,070 rentable square feet, and

WHEREAS, the Parties desire to amend the Lease upon the terms, conditions, covenants and agreements set forth in this Second Amendment; and

WHEREAS, the Lease, the Amendment to Lease Agreement and this Second Amendment to Lease shall be collectively referred to as the "Lease".

WITNESSETH:

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) in hand paid by each party to the other, the mutual promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the parties agree as follows.

1. The recitals contained above are true to the best of the Parties' knowledge and are incorporated by reference herein.

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to accurately reflect the rentable square footage of the Leased Premises as determined by the Landlord after re-measuring the Leased Premises; and

2. Defined Terms. Any term used herein that is defined in the Lease shall have the same meaning as specified in the Lease unless otherwise specifically provided herein.

3. Second Term Extension. The Lease Term shall be and is hereby further extended and renewed for approximately five (5) years and two (2) months ("Second Term Extension"). The Second Term Extension shall commence on May 1, 2011 and shall expire on June 30, 2016. The Term Extension, the Second Term Extension and the original term may be collectively referred to under the Lease as "Term".

4. Premises. Paragraph 1 "Premises," shall be deleted in its entirety and the following shall be added in lieu thereof:

"Landlord does hereby lease and demise unto the County and the County hereby leases from Landlord the premises described as 2,070 square feet of space at 51 Monroe Street, Suite 802, Rockville, Maryland 20850. Said space is hereinafter referred to as the "Leased Premises." The land, building and improvements are defined in this lease as the "Property."

5. Rent. County shall pay in advance rent in accordance with the schedule below (hereinafter "Base Rent"), payable without deduction, abatement, offset, demand or counterclaim. Base Rent shall be prorated for any partial month, if any, on the basis of the actual number of days in such month. County covenants and agrees to pay Landlord, or its designee, at Washington Real Estate Investment Trust, P.O. Box 79555, Baltimore Maryland, 21279-0555 without notice.

Dates	Annual Rent	Monthly Rent
05/01/11 - 06/30/11	\$0.00	\$0.00
07/01/11 - 04/30/12	\$58,995.00	\$4,916.25
05/01/12 - 04/30/13	\$60,764.85	\$5,063.74
05/01/13 - 04/30/14	\$62,587.80	\$5,215.65
05/01/14 - 04/30/15	\$64,465.43	\$5,372.12
05/01/15 - 04/30/16	\$66,399.39	\$5,533.28
05/01/15 - 06/30/16	\$68,391.38	\$5,699.28

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[Signature]

6. ⁽¹⁶⁾ Effective on May 1, 2011, Paragraph 5 is hereby deleted in its entirety and the following substituted in lieu thereof:

"Real Estate Taxes. County shall pay to Landlord as additional rent zero and 90/100 percent (0.9%) (being the stipulated proportion which the rentable

area of the Leased Premises bears to the total rentable area of the Building) of the increase in real estate taxes (including special assessments, if any, and any other taxes now or hereafter imposed which are in the nature of or in substitution for real estate taxes) levied on the Building and the land (the "Land") on which the Building is situated over the "Base Real Estate Taxes." In the event the rentable area of the Building is increased or decreased, the County's proportionate share will be recalculated and adjusted. County's proportionate share of real estate taxes shall be the percentage set forth above, except as follows: If any space in the Building is leased to a tenant who creates an exemption from real estate taxes so as to reduce the Building's total cost of the same in proportion to that tenant's rentable area, then the rentable area of such tenant's space shall be excluded from the rentable area of the Building for the purpose of determining County's percentage share of real estate taxes. For purposes hereof, the Base Real Estate Taxes are stipulated to be the amount of real estate taxes actually incurred by Landlord with respect to the Building and the Land during calendar year 2011.

(a) In the event that the actual real estate taxes for any calendar year during the Term exceed the Base Real Estate Taxes set out above, commencing on May 1, 2012 and thereafter, County shall pay its proportionate share of the increase in the real estate taxes for such year over the Base Real Estate Taxes. Any increase payable by County under this provision shall be deemed additional rent.

(b) Prior to each January 1st during the Term, Landlord shall provide County a comparison of the Base Real Estate Taxes and the projected real estate taxes for the coming year. Commencing each January 1st during the Term, County shall pay monthly as additional rent, one-twelfth (1/12th) of County's proportionate share of any projected increase in the annual real estate taxes over the Base Real Estate Taxes. Landlord will, within one hundred twenty (120) days (or as soon thereafter as possible) after the close of each calendar year, provide County a statement of such year's actual real estate taxes, showing the actual increase, if any, in the real estate taxes over the Base Real Estate Taxes. However, Landlord's failure to provide any statement within the time specified shall in no way excuse County from its obligation to pay its proportionate share or constitute a waiver of Landlord's right to bill and collect such proportionate share. Within fifteen (15) days after County's receipt of said statement, County shall pay Landlord County's proportionate share of the excess, if any, of actual real estate taxes over the projected real estate taxes. If the amount paid by County during the previous year exceeded County's share of actual real estate taxes for the year, the excess shall be credited towards any amounts then due Landlord or accruing

thereafter and if no amounts are due Landlord or will accrue thereafter, then such excess shall be refunded to County.

(c) Reasonable expenses incurred by Landlord in obtaining or attempting to obtain a reduction of real estate taxes shall be added to and included in the annual statement of real estate taxes. Real estate taxes which are being contested by Landlord shall nevertheless be included for purposes of the computation of the liability of County under this Section; provided, however, that in the event that County shall have paid any amount of additional rent pursuant to ~~Section 7~~ and Landlord shall thereafter receive a refund of any portion of the real estate taxes on which such payment was based, Landlord shall pay to County its proportionate share of such refund less any costs incurred in obtaining same. Landlord shall have no obligation to contest, object to, or litigate the levying or imposition of any real estate taxes and may settle, compromise, consent to, waive, or otherwise determine in its discretion any real estate taxes without consent or approval of County..”

7. Effective on May 1, 2011, the following shall be added as Paragraph 35 of the

Lease:

“Operating Expenses. County shall pay to Landlord as additional rent zero and 90/100 percent (0.9%) (being the stipulated proportion which the rentable area of the Leased Premises bears to the total rentable office area of the Building) of the increase in Operating Expenses during the Term over Initial Operating Expenses. In the event the gross rentable area of the Building is increased or decreased, then County’s Operating Expenses percentage shall be recalculated and adjusted. County’s proportionate share of Operating Expenses shall be the percentage set forth above, except as follows: If any space in the Building is leased to a tenant who is separately responsible for paying the cost of a service that would otherwise be included in Operating Expenses, the rentable area of such tenant’s space shall be excluded from the rentable area of the Building for the purpose of determining County’s percentage share of the balance of the cost of such services. Additionally, if any space in the Building is leased to a tenant who creates an exemption from any category of Operating Expenses so as to reduce the Building’s total cost of the same in proportion to that tenant’s rentable area, then the rentable area of such tenant’s space shall be excluded from the rentable area of the Building for the purpose of determining County’s percentage share of such category of Operating Expenses.

(a) “Operating Expenses,” as that term is used herein, shall mean all expenses, costs and disbursements (but not replacement of capital

investment items or specific costs billed to and paid by specific tenants) of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, management, maintenance, repair and operation of the Building (for purposes of this Article III, the Building shall include the Land) including, but not limited to, the following (including appropriate reserves):

(i) Cost of wages and salaries of all employees engaged in the operation and maintenance of the Building, including taxes, insurance and benefits;

(ii) Cost of all supplies and materials used in the operation, maintenance and repair of the Building;

(iii) Cost of landscaping, gardening, paving, resurfacing, line painting, striping, lighting, snow removal, sanitary control; and maintaining, repairing, replacing or relocating any site utilities;

(iv) Cost of all maintenance and service agreements for the Building and the equipment used therein including, but not limited to, HVAC, access control and energy management services, security, window cleaning, elevator, trash and rubbish removal, and janitorial and cleaning service;

(v) Cost of insurance relating to the Building, including, but not limited to, the cost of casualty and liability insurance applicable to the Building and Landlord's personal property used in connection therewith;

(vi) Cost of repairs and general maintenance (excluding repairs and general maintenance directly paid for by the proceeds of insurance, or by County or third parties);

(vii) management fee of three percent (3%) of the gross revenues of the Building;

(viii) Cost of any additional service provided by Landlord in the prudent management of the Building including any service not provided at the Lease Commencement date but thereafter provided by Landlord;

(ix) Cost of audit and accounting services;

(x) Cost of any capital improvements made to the Building after the Lease Commencement Date that, in Landlord's reasonable judgment are intended to reduce other operating expenses or are required under any governmental law or regulation, such cost thereof to be amortized over such reasonable period as Landlord shall determine.

(b) Operating Expenses shall not include the following:

(i) costs of capital improvements other than as set forth in clause (x)above;

(ii) ground rent and interest on and amortization of mortgages;

(iii) Landlord's income, excise or franchise taxes;

(iv) salaries of Landlord's employees not engaged in the operation, management, maintenance or repair of the Building;

(v) legal fees incurred in connection with the leasing of the Building or in connection with disputes with other tenants relating to the collection of rent and similar matters not benefiting the tenants of the Building generally;

(vi) leasing commissions, advertising expenses and other such expenses incurred in leasing or marketing the space within the Building.

(c) Operating Expenses for each calendar year shall be those actually incurred, provided however, that (i) if the Building was not at least ninety percent (90%) occupied during the entire calendar year, the Operating Expenses shall be adjusted to project the Operating Expenses as if the Building were ninety percent (90%) occupied, and (ii) Landlord shall bear the percentage of Operating Expenses allocable to unleased, leasable space within the Building.

(d) For purposes hereof, the Initial Operating Expenses are stipulated to be the amount of Operating Expenses actually incurred by Landlord during calendar year 2011.

(e) In the event that the actual Operating Expenses for any calendar year during the Term exceed the Initial Operating Expenses set out above, commencing on May 1, 2012 and thereafter, County shall pay its proportionate share of the increase in Operating Expenses for such year over the Initial Operating Expenses. Any increase payable by County under this provision shall be deemed additional rent.

(f) Prior to each January 1st during the Term, Landlord shall provide County a comparison of the Initial Operating Expenses and the projected Operating Expenses for the coming year. Commencing each January 1st during the Term, County shall pay monthly as additional rent, one twelfth (1/12th) of County's proportionate share of any projected increase in the Operating Expenses over the Initial Operating Expenses. Landlord will, within one hundred twenty (120) days (or as soon thereafter as possible) after the close of each calendar year, provide County a statement of such year's actual Operating Expenses, showing the actual increase, if any, in Operating Expenses over the Initial Operating Expenses. However, Landlord's failure to provide any statement within the time specified shall in no way excuse County from its obligation to pay its

proportionate share or constitute a waiver of Landlord's right to bill and collect such proportionate share. Within fifteen (15) days after County's receipt of said statement, County shall pay Landlord, County's proportionate share of the excess, if any, of actual Operating Expenses over the projected Operating Expenses. If the amount paid by County during the previous year exceeded County's share of actual Operating Expenses for the year, the excess shall be credited towards any amounts then due Landlord or accruing thereafter, and if no amounts are due Landlord or will accrue thereafter, then such excess shall be refunded to County "

8. Effective on May 1, 2011, the following shall be added as Paragraph 36 of the Lease:

"Utility Expenses. County shall pay to Landlord as additional rent zero and 90/100 percent (0.9%) (being the stipulated proportion which the rentable area of the Leased Premises bears to the total rentable office area of the Building) of the increase in Utility Expenses during the Term over the Initial Utility Expenses. In the event the gross rentable area of the Building is increased or decreased, then County's Utility Expenses percentage shall be recalculated and adjusted. County's proportionate share of Utility Expenses shall be the percentage set forth above, except as follows: If any space in the Building is leased to a tenant who creates an exemption from any category of Utility Expenses so as to reduce the Building's total cost of the same in proportion to that tenant's rentable area, then the rentable area of such tenant's space shall be excluded from the rentable area of the Building for the purpose of determining County's percentage share of such category of Utility Expenses.

(a) "Utility Expenses," as that term is used herein, shall mean the cost of all utilities (including surcharges) including, but not limited to, gas, water, sewer, electricity, heating, lighting, air conditioning and ventilating for the Building and the Land, but excluding electricity separately paid for by individual tenants.

(b) Utility Expenses for each calendar year shall be those actually incurred, provided however, that (i) if the Building was not at least ninety percent (90%) occupied during the entire calendar year, the Utility Expenses shall be adjusted to project the Utility Expenses as if the Building were ninety percent (90%) occupied, and (ii) Landlord shall bear the percentage of Utility Expenses allocable to unleased, leasable space within the Building.

(c) For purposes hereof, the Initial Utility Expenses are stipulated to be the amount of Utility Expenses actually incurred by Landlord during calendar year 2011.

(d) In the event that the actual Utility Expenses for any calendar year during the Term exceed the Initial Utility Expenses set out above, commencing on May 1, 2012 and thereafter, County shall pay its proportionate share of the increase in Utility Expenses for such year over the Initial Utility Expenses. Any increase payable by County under this provision shall be deemed additional rent.

Prior to each January 1st during the Term, Landlord shall provide County a comparison of the Initial Utility Expenses and the projected Utility Expenses for the coming year. Commencing each January 1st during the Term, County shall pay monthly as additional rent, one twelfth (1/12th) of County's proportionate share of any projected increase in the Utility Expenses over the Initial Utility Expenses. Landlord will, within one hundred twenty (120) days (or as soon thereafter as possible) after the close of each calendar year, provide County a statement of such year's actual Utility Expenses, showing the actual increase, if any, in Utility Expenses over the Initial Utility Expenses. However, Landlord's failure to provide any statement within the time specified shall in no way excuse County from its obligation to pay its proportionate share or constitute a waiver of Landlord's right to bill and collect such proportionate share. Within fifteen (15) days after County's receipt of said statement, County shall pay Landlord, County's proportionate share of the excess, if any, of actual Utility Expenses over the projected Utility Expenses. If the amount paid by County during the previous year exceeded County's share of actual Utility Expenses for the year, the excess shall be credited towards any amounts then due Landlord or accruing thereafter, and if no amounts are due Landlord or will accrue thereafter, then such excess shall be refunded to County."

9. Effective on May 1, 2011, the following shall be added as Paragraph 37 of the Lease:

"County's Right To Audit Provided that County has made all payments that have been invoiced by Landlord and is not otherwise in default beyond the expiration of any applicable notice and cure period, County shall have the right to audit the books and records and computations of Landlord relative to Landlord's Real Estate Taxes, Operating Expenses, and Utility Expenses, provided: (i) County gives Landlord thirty (30) days' prior written notice of its intent to audit, (ii) the audit occurs during Landlord's normal business hours and in Landlord's principal offices, (iii) County may only audit said records and books once during each Lease Year, (iv) County may only conduct the audit of a Lease Year's books and

records within six (6) months after receipt of a final statement for the item in question for such Lease Year, (v) the auditor shall not be compensated on a contingency basis, and (vi) County provides Landlord with a copy of the auditor's report, and (vii) the auditor agrees to execute a confidentiality agreement with respect to such audit. All of the information obtained through said audit as well as any compromise, settlement, or adjustment reached between Landlord and County relative to the results of the audit shall be held in strict confidence by County and County's officers, agents and employees and shall not be revealed in any manner to any person except upon the written consent of Landlord, which consent may be withheld in Landlord's sole discretion, or if required pursuant to any litigation between Landlord and County materially related to the facts disclosed by such audit, or if otherwise required by law. Landlord shall have all rights allowed by law or equity if County, its officers, agents, or employees and/or auditor violate the terms of this provision, including without limitation, the right to terminate this Lease or the to terminate County's right to audit in the future pursuant to this section. "

10. On the Second Term Extension, the first paragraph of Paragraph 10 shall be deleted in its entirety and the following substituted in lieu thereof:

"SERVICES. Landlord shall provide all utilities, maintenance and repairs, trash and pest control within the Leased Premises. Landlord shall provide janitorial services within the Leased Premises, after 5:00 P.M., Monday through Friday."

11. Broker. The Parties each represent and warrant to one another that except as set forth herein neither of them has employed any broker, agent or finder in carrying on the negotiations relating to this Second Amendment.

12. Alterations. The Leased Premises are delivered AS-IS.

13. Notices. The Lease is hereby amended to reflect that all notices required hereunder by either party to the other shall be sent by recognized overnight courier with receipt therefor (such as Federal Express) or by certified mail. Notices to Landlord shall hereafter be sent to Washington Real Estate Investment Trust ("WRIT"), 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20852, Attention: Asset Manager. Notices to County shall be sent to Montgomery County, Maryland, Office of Real Estate, 101 Monroe Street, 9th Floor, Rockville, Maryland 20850, Attention: Director of Real Estate With a copy that does not constitute a notice: Office of the County Attorney for Montgomery County Maryland, 101 Monroe Street, 3rd Floor, Rockville, Maryland 20850, Attn: County Attorney.

14. Captions. Section headings are used for convenience only and shall not be considered when construing this Lease.

15. Amendment. Except as amended hereby, all of the terms and provisions of the Lease shall be and remain in full force and effect.

16. Binding Effect. This agreement will not be binding upon any party until this document has been executed by all parties thereto.

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SIGNATURE BLOCKS CONTAINED ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, Landlord and County have executed under seal and delivered this Second Amendment under seal on the date first above written.

Witness/Attest:

Julie L. White

COUNTY:
MONTGOMERY COUNTY,
MARYLAND

By: Ramona Bell-Pearson
Name: Ramona Bell-Pearson
Title: Assistant Chief
Administrative Officer

Witness/Attest:

George F. McKenzie

LANDLORD:
WASHINGTON REAL ESTATE
INVESTMENT TRUST

By: George F. McKenzie
Name: George F. McKenzie
Title: President and Chief
Executive Officer

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Debra Meyer 11/6/11

RECOMMENDED:

By: Cynthia Brenneman 11/1/11
Name: Cynthia Brenneman
Title: Director of Real Estate