

LEASE BETWEEN
HALCYON ASSOCIATES
AND
MONTGOMERY COUNTY, MARYLAND

DATED: 12/28/06

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28th LEASE

This LEASE ("Lease") dated this 28th day of December 2006, by and between HALCYON ASSOCIATES, a Maryland general partnership, (hereinafter, together with its successors and assigns, called the "Landlord" or ("the Landlord")) and MONTGOMERY COUNTY, MARYLAND, a political subdivision of the State of Maryland (hereinafter, together with its successors and assigns called "County" or "the County"). Together, Landlord and the County are called the "Parties."

WITNESSETH:

That for and in consideration of the rents hereinafter reserved and the agreements and covenants herein contained, the Parties mutually agree as follows:

Section #1. PREMISES. Landlord does hereby lease and demise unto the County and the County hereby leases from Landlord the warehouse space at 8434 Helgerman Court, Gaithersburg, Maryland ("Premises"). The Premises is deemed to contain 2,958 square feet ("SF") of Gross Rentable Area ("GRA") and is contained in Building "B" in Section #1 ("Section") of the Oakmont R & D Park ("Park").

2. TERM. The Lease term is FOUR (4) non-calendar years and FOUR (4) months. The "Starting Date" is February 1, 2007 and the "Ending Date" is March 31, 2011. The County may extend the Term only by Lease Exhibit "A" County's Option To Extend Term. All exhibits mentioned in this Lease are a part of this Lease and, unless stated otherwise, are attached after the Signature Page.

Landlord shall not be liable for any late delivery of the Premises caused by any events or persons not under Landlord's direct control, including but not limited to: any permit, utility, or fire department official; material shortage; labor unrest; utility stoppage; holdover by existing tenant; or act of God. Rent shall not be due until Landlord delivers the substantially complete Premises to the County in accordance with Lease Exhibit "B" Improvements to 8434 Helgerman Court.

If the County takes possession early, then the Lease shall be in force, but rent shall not start until the Starting Date, which, along with the Ending Date, shall not change.

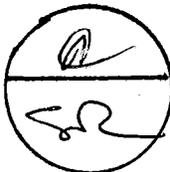
3. RENT

Paragraph 3.A. Payment. The County shall pay to Landlord all rent in United States currency, ~~without any deduction, set off, notice, or demand~~. The Landlord shall send the County a monthly bill in accordance with Paragraph 3.D. The County shall pay all Base Rent Installments in advance by the first day of each calendar month. All money shall be paid to:

Halcyon Associates
P. O. Box 79880
Baltimore, MD 21279-0880

or any other address or party as Landlord may direct in writing.

3.B. Initial Base Rent Schedule. The County shall pay total "Base Rent" over the initial term of \$157,736.00 (exclusive of paragraph 3.D. Additional Rent, if any) in "Monthly Base Rent Installments" according to the following Initial Base Rent Schedule. All columns and rows are for convenience only and do not reflect any division of the Term or Premises.



<u>Initial Base Rent Schedule</u>				
Period	Period Starting Date	No. of Months	Monthly Base Rent Installment (\$)	Period Base Rent (\$)
Lease Year #1	02/01/07	12	2,859.00	34,308.00
Lease Year #2	02/01/08	12	2,959.00	35,508.00
Lease Year #3	02/01/09	12	3,063.00	36,756.00
Lease Year #4	02/01/10	12	3,170.00	38,040.00
Lease Year #5	02/01/11	4	3,281.00	13,124.00
Total Base Rent				157,736.00

3.C. Additional Rent. All money due Landlord other than Base Rent is “Additional Rent.” Unless stated otherwise, the County shall pay Additional Rent within 30 business days of receipt and acceptance of invoice. Landlord’s remedies for the non-payment of Additional Rent are the same as for Base Rent.

3.D. Late Payment and Returned Checks. The Landlord shall send the County monthly invoices during the last week of the preceding month for any payment due the next month. If (i) Landlord does not receive any Monthly Base Rent Installments by 5 :00 PM on (a) the TENTH day of the month it is due or (b) if the tenth falls on a weekend or national holiday, the next business day, or (ii) Landlord does not receive any Additional Rent by the 30th day after it is due, then County shall pay (i) an additional 4% of the amount due for the first full or partial calendar month it remains not received and (ii) then, starting on the first day of the following calendar month, interest assessed daily at the annual rate of the lesser of (a) 12% or (b) the highest legal rate. These additional payments shall not extend any due date, waive any of Landlord’s rights, nor cure any default.

3.E. Survival. Regardless of the Ending Date or earlier end of the Term (collectively, “Term End”), the County shall promptly and fully perform all its Lease obligations.

3.F. Deposit. The County shall NOT pay a deposit.

4. UTILITIES. Through any agreements with contractors or providers that the County, in its sole discretion, may enter into, the County shall pay for all its utilities, services, recycling services and associated equipment, including but not limited to, electricity, gas, telephone, trash removal, recycling services and dumpster, water and sewer. All utilities are separately metered. The County shall transfer all accounts to itself on the County’s possession of the Premises, which shall be upon County’s receipt of keys to the Premises and a signed letter of acceptance of the Premises by the County. In no event shall Landlord be liable for any interruption or failure in supply of utilities to the Premises, unless Landlord’s specific actions or omissions prevents the County from receiving the utilities.

5. MAINTENANCE OF PREMISES

5.A. Landlord’s Maintenance and Replacements. Landlord shall make all necessary maintenance, repairs, and replacements only to the following Landlord’s Replacements items: (1) all roof water protection, including the roof, flashing, gutters, downspouts, and roof drains; (2) all exterior masonry walls, interior columns, roof, interior concrete slabs, and all foundations; (3) all utility services outside the Premises, up to the point where the services pass through, under, or above the exterior walls of the Premises; and (4) all site improvements, including the

paving, sidewalks, curbs, gutters and storm water drainage, parking lot lighting, and landscaping. Landlord shall make commercially reasonable efforts to perform this work within two business days after notification, but Parties agree that work (a) that is weather-or seasonal dependent may be delayed until the appropriate weather or seasonal conditions; (b) Landlord may utilize Landlord's preferred subcontractors provided they are available within a commercially reasonable period that may, upon occasion, exceed two business days, and (c) Landlord shall make all commercially reasonable efforts to address emergencies or potentially dangerous or damaging conditions as soon as possible.

5.B. County's Replacements. The County shall promptly perform all maintenance, repairs, and replacements to the County's Replacement items, which include but are not limited to (1) storefronts, including but not limited to metal frames, glass, and sealants; (2) all doors, including but not limited to doors, door frames, door hardware, closers, door weather stripping, and glass; (3) all finishes and interior improvements, including but not limited to partitions, doors, paint, floor coverings, ceiling tiles and ceiling grids; (4) all utilities inside the Premises, from the point where the services pass through, under, or above the exterior walls of the Premises; (5) all plumbing, sprinkler, and electrical systems and equipment within the interior of the Premises. The County shall keep the County's Replacements in a good and workman-like manner and with materials as good as or better than the existing.

5.C. HVAC Maintenance. The County shall maintain the HVAC system by a service contract with a licensed HVAC contractor. This contract shall provide for at least quarterly filter replacement, cleaning and inspection by qualified service technicians. If the County fails to maintain this service contract and any component of the HVAC system fails before the end of its reasonably expected useful life, than the County shall be responsible for the pro rata cost of early replacement of the component. The County shall maintain a minimum temperature of 60 degrees F. to prevent freezing of the plumbing and sprinkler systems.

5.D. HVAC Replacement. The Landlord shall deliver the Premises in accordance with Lease Exhibit "B" Improvements to 8434 Helgerman Court and the County shall make all replacements. Landlord shall assign all new component warranties to County and shall assist the County in enforcing warranties.

5.E. Damage. Notwithstanding anything in this Lease to the contrary, the County shall perform all maintenance, repair, or replacement of any improvements caused by (a) the County's negligence, abuse, misuse, or neglect or (b) the moving of anything in or out of the Premises.

6. USE

6.A. Premises. The County warrants and agrees that the Premises shall be used as a (i) parking garage and as a (ii) electronic equipment maintenance facility with associated administrative offices. Notwithstanding the above, the Premises shall not be used for:

- (i) The repair, maintenance, or servicing of any motor vehicles other than work specifically required to maintain electronic equipment carried or installed in the vehicle;
- (ii) The operation, testing, or sounding of any horns, sirens, or amplified audio equipment;
- (iii) The operation of any internal combustion engines that are not vented to the exterior in compliance with all applicable rules and regulations.

Other departments of the County may use the Premises with the Landlord's consent, which shall not be unreasonably withheld, conditioned, or denied. The County shall have the right to occupy and use the Premises twenty-four (24) hours a day, seven (7) days a week.

6.B. Common Areas. The use and occupation by the County of the Premises shall include the use in common with others entitled thereto of the common areas, parking areas, service roads, loading facilities, sidewalks, and other facilities as may be designated from time to time by the Landlord.

6.C. Restrictions. The County and the County's employees, agents, invitees, licensees, customers, clients, family members, and guests shall not do anything that (a) would reasonably be deemed to interfere with Landlord's or any other tenant's use and enjoyment of the Building or Section, (b) annoys other tenants, visitors, or Landlord; or (c) is hazardous to others, disorderly, obscene, or pornographic. Animals are prohibited on the Premises or Section, except for service dogs for the handicapped with their user. The County shall ensure compliance with the rules and regulations contained in Lease Exhibit "G" Rules and Regulations and as these may be reasonably modified by Landlord in writing from time to time. Landlord shall not be liable for any violation of the rules and regulations by third parties.

6.D. Parking. The County has reasonable and non-exclusive use of the undesignated parking spaces and driveways at the Section; however, the County shall ensure that nothing is parked or placed at the Section which the Landlord, in Landlord's sole discretion, deems to detract from the Section's appearance, including but not limited to, trucks, junked vehicles, vehicles under repair, and vehicle parts. The County may use not more than EIGHT (8) outside vehicle spaces and the County shall prevent the use of more than EIGHT (8) outside vehicle spaces for both County and non-County vehicles, including the loading spaces. Landlord, at its sole discretion, may repair, re-pave, relocate, reconfigure, diminish, or eliminate parking spaces or areas provided this does not unreasonably interfere with the County's use of the Premises, but at no time will the Landlord permanently reduce the number of parking spaces allowed to the County by this Lease. The County agrees, that because of the configuration of the parking areas of the Section, not all of the eight outside vehicle spaces shall be directly in front of the Premises.

6.E. Trash. The County shall (a) keep the Premises clean, (b) store trash in appropriate containers at a location approved in advance by Landlord, (c) hire trash removal and recycling contractors, and (d) promptly clean the Premises and Section of any debris and trash related to the County's use and occupancy of the Premises.

6.F. Outside. The County shall not (a) store anything outside the Premises or (b) change the appearance of the Building or Premises in any way.

6.G. Improvements. Except for low-voltage electric wiring, including but not limited to phone and security systems, and minor interior decorating such as painting, the County shall not alter the Premises in any way without the prior written consent of the Landlord, which, provided the County is not in default, Landlord shall not unreasonably withhold, condition, or deny. The County shall not install any wallpaper.

6.H. Forklifts and Pallet Jacks. The County shall obtain Landlord's prior written consent before using forklifts, pallet jacks, or other motorized material handling machinery in the Premises, and Landlord's consent shall not be unreasonably withheld, conditioned, or denied. Landlord may refuse consent if (a) Landlord reasonably deems that the operation of the proposed

equipment would damage the Premises or would create excessive noise or vibration or (b) the proposed equipment does not have plastic or rubber wheels.

7. COUNTY'S PRO RATA SHARE. For SECTION 8, the County's Share is determined pro rata by gross rentable area (GRA). Taxes are assessed on the Section as a whole. The Section is deemed to contain 98,000 square feet of GRA; the County's Share is deemed to be 3.0% of that GRA. Landlord may reasonably and fairly modify the County's Share, pro rata, to reflect any reasonable change in billing by third parties or the GRA of the Building, including but not limited to (a) increases or reductions caused by construction or demolition, (b) transfers to third parties, and (c) loss of rentable space by permanent casualty or condemnation.

8. REAL ESTATE TAXES

8.A. County to Pay Increases. The County agrees to pay, as additional rent hereunder in equal monthly payments, a sum equal to the County's proportionate share of the increases only over the 2006-7 tax year, as shown in Lease Exhibit "C" 2006-7 Consolidated Tax Bill (Base Year), of all real estate taxes which may be levied or assessed by lawful taxing authorities against the land, Section and all improvements appurtenant to the Section.

8.B. Definition. Real Estate Taxes shall be deemed to mean all city, county, town and village taxes, special or general, ordinary or extraordinary, assessments, excises, levies, and other governmental charges which shall be imposed upon or become due and payable or become a lien upon the Premises or any part thereof, during the period of time covering this Lease between the Parties, by any Federal, state municipal, or other governmental or public authority under existing law, or practice or under any future law or practice, and costs and expenses incurred in contesting or negotiating an adjustment thereof. The real estate taxes for any tax year shall mean the real estate taxes actually paid or due to be paid during such tax year, whether or not such real estate taxes relate to a calendar year or a fiscal year, but only those real estate taxes accruing during the term of this Lease.

8.C. Pro Rata. The County's proportionate share of the increase in real estate taxes shall be determined for each tax year by multiplying the increase in the Section's real estate taxes for such tax year by a fraction, the numerator of which shall be the floor area of the premises rented to the County, and the denominator of which shall be the floor area of all rentable space in the Section. The County's liability for the County's proportionate share or real estate taxes and assessments for the tax years during which this Lease commences and terminates shall in all events be subject to a pro rata adjustment based on the number of days of said tax year during which the term of this Lease is in effect.

8.D. Reimbursement. If the operation of any foregoing provisions results in payment of the County's proportionate share of real estate taxes for calendar years extending beyond the Term of this Lease, Landlord, within thirty (30) days following the expiration of the Term of this Lease, shall reimburse the County any such amount, less amounts then due Landlord from the County.

8.E. Documentation. A copy of a tax bill or assessment bill from the taxing or assessing authority that is then submitted by Landlord to the County shall at all times be sufficient evidence of the amount of taxes and/or assessments assessed or levied against the property to which such bill relates. Landlord's and the County's obligations under this paragraph shall

survive the expiration of the term of this Lease for any obligations which accrued during the Term of this Lease.

8.F. Substitute Tax. In the event that any present or future enactment of any state or political subdivision thereof or any governmental authority having jurisdiction over the Premises (a) imposes a tax and/or assessment of any kind or nature upon, against or with respect to the rents payable by tenants in the Section to Landlord derived from the Section or with respect to the Landlord's (or lessor's) ownership of the land and improvements comprising the Section, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such improvements, or in addition thereto; and/or (b) imposes a tax or surcharge of any kind or nature, upon, against or with respect to the parking areas or the number of parking spaces in or around the Section, such tax, assessment and/or surcharge shall be deemed to constitute real estate taxes for the purpose of this Paragraph 8 and the County shall be obligated to pay its proportionate share. Landlord must notify the County in writing of the additional charge not less than 60 days prior to instituting the charge to allow the County time to process the charge.

9. NO ASSIGNMENT. The County shall not transfer, assign, mortgage, encumber, or sublet the Premises or this Lease.

10. COUNTY'S PROPERTY DAMAGE AND LIABILITY INSURANCE

10.A. The County 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). The County shall have the right to self-insure. 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 MD. Ann. Code, Cts & Jud. Proce. Sec. 5-301 et seq. (2002 Repl. Vol) as amended (the "LGTC"). If the LGTCA is amended to increase any of these limits, then the increased limits shall automatically apply to this Lease.

10.B. The County agrees that it will not keep in or upon the Premises any article which may be prohibited by the standard form of fire or hazard insurance policy. In the event the County's occupancy causes any increase in the insurance premiums for the Premises or any part thereof, then the County shall pay the additional premiums as they become due.

10.C. The County will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence upon or at the Premises, or the occupancy or use by the County of the Premises or any part thereof, or the County's use or the exterior areas provided by Landlord for the comfort and convenience of the County, occasioned wholly or in part, to such extent, by any act or omission of the County, its agents, contractors, or employees, except to the degree such claims arise out of the wrongful acts or omissions of the Landlord, Landlord's agents, and employees. Provided, however, that the Landlord provides to the County within 30 days of the receipt thereof, notice of any and all claims under which Landlord will rely on this indemnification. The County shall indemnify the Landlord against any penalty, damage or charge incurred or imposed by reason of the County's violation of any law or ordinance.

10.D. Notwithstanding anything in this Lease to the contrary, the County further agrees that all personal property in the Premises shall be and remain at the County's sole risk, and the Landlord shall not be liable for any damage to or loss of such personal property except to the degree damage arises out of the wrongful acts or omission of the Landlord, Landlord's agents, contractors or employees.

10.E. The County shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Agreement. The County reserves the right to self-insure.

10.F. Any obligation or liability of the County arising in any way from this Lease is subject to, limited by, and contingent upon the appropriation and availability of funds. Any indemnification given by the County in this Lease is limited by the damage caps and notice requirements stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. §§ 5-301, et seq. (2002 Repl. Vol.) (the "LGTCA"); Md. Code Ann. Art. 25A, § 1A (2003 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. § 5-509 (2002 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time, and that any indemnification given by the County in this Lease is not intended to create any rights or causes of action in any third parties or to increase the County's liability above the caps provided in the County Indemnification Statutes, as applicable. Any increases in any caps shall apply to this Lease automatically.

10.G. The County shall require any contractor or licensee using the Premises to maintain commercial general liability insurance, including contractual liability, written on an occurrence basis, for damages because of bodily injury to or personal injury to or death of any person(s) or property damage occurring in, on, or about the Premises in an amount not less than two million dollars (\$2,000,000.00), combined single limit, naming both the Landlord and the County as additional insured. Any contractors or licensees shall provide a certificate of insurance to both the County and the Landlord not more than 30 days after occupying the Premises.

11. LANDLORD'S PROPERTY DAMAGE AND LIABILITY INSURANCE

11.A. The Landlord shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of general liability insurance with limits of one million dollars (\$1,000,000) including fire legal liability, contractual liability, products and completed operations, and personal injury.

11.B. The Landlord shall provide an All Risk Property Policy to protect against loss caused by the perils insured in the amount of 100 percent of the Building and improvements to the Premises. The policy shall also endorse a demolition and clearing clause, extra expense and loss of use coverage.

11.C. The Landlord shall provide a copy of Landlord's insurance policy evidencing the coverage hereinabove described upon Landlord's final execution of this Lease.

11.D. The Landlord will indemnify the County and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and /or damage to property arising from or out of any occurrence upon or at the Premises, or the occupancy or use by the Landlord of the Premises or any part thereof including exterior areas, to the extent caused by any wrongful act or omission of the Landlord, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the County,

the County's agents, and employees. Provided, however, that the County provides to Landlord within 30 days of the receipt thereof, notice of any and all claims under which County will rely on this indemnification. The Landlord shall indemnify the County against any penalty, damage or charged incurred or imposed by reason of the Landlord's violation of any law or ordinance.

12. GOOD ORDER AND REPAIR. The County covenants and agrees to maintain the Premises in good order and condition, and surrender the same at the expiration or other termination hereof in good order and condition, usual wear and tear and damage by fire, storm, public enemies and any other act of God.

13. FURNITURE AND FIXTURES. The County may install in the Premises any furniture and trade fixtures necessary in the conduct of the County's business, and the same shall remain the property of the County. The County shall remove all such fixtures and equipment at the expiration of this Lease. In the event any damage is done to the Premises in the installation or removal of said furniture and trade fixtures, the County will immediately make such repairs as are necessary to restore said premises to their original condition, or promptly reimburse the Landlord for the cost of such repairs.

14. LIENS. The County expressly covenants and agrees that it will, during the term hereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to the Premises by reason of any act or omission on the part of the County and if the said lien is not released within sixty (60) days after notice thereof, then Landlord, in its sole discretion (but nothing herein contained shall be construed as requiring it so to do), may pay and discharge the said lien and relieve the Premises from any such lien, and the County agrees to pay and reimburse Landlord upon demand for or on account of any expense which may be incurred by Landlord in discharging such lien or claim, which sum shall include the lesser of 18% or the maximum legal interest rate per annum from the date such lien is paid by Landlord until the date Landlord is reimbursed by the County. Payment of such lien shall not be construed as an admission of liability or responsibility to any third party.

15. SIGNS. The County shall place no signs, awnings or curtains on any part of the exterior of the Premises, nor paint any brick or stone work, cornice work, mill work or iron work on the front of the Premises without the written consent of Landlord or his Agent first had and obtained, which consent shall not be unreasonably withheld, conditioned, or denied; provided, however, that all signs shall comply with Landlord's Tenant Identification Sign criteria.

16. SIDEWALKS. The County shall keep the sidewalks immediately abutting the Premises properly swept and free from trash. Landlord shall maintain all sidewalks and other walkways on the property of the Premises which are considered common areas.

17. LANDLORD'S ACCESS. Landlord shall have the right at all reasonable times, after contacting the County, to enter upon the Premises for the purpose of inspecting same, making necessary repairs, or showing same to potential purchasers. Prior contact by Landlord with the County is not required in an emergency. Landlord shall have the further right during the last four (4) months of the Lease Term to bring prospective tenants into the Premises for the purpose of showing same. The County acknowledges the Premises is located on the second floor of a two (2) story multi-tenanted building; therefore, Landlord shall have reasonable access to (a) the ceiling space either above the suspended ceiling or between the steel floor joists and (b) any utilities that may be in the Premises for the purpose of constructing improvements for other

tenants. Landlord shall make reasonable efforts to minimize interference or disruption to the County.

18. GLASS PANE REPLACEMENT. The County, at the County's sole cost and expense, agrees to promptly replace any window or door glass pane that is broken, chipped or cracked, not as a result of structural failure or Landlord's negligence. Should the County fail to effect a replacement within a reasonable period of time, the Landlord may perform this work and the County shall reimburse Landlord for the cost thereof, as additional rent.

19. DEFAULT

19.A. By County. Any one of the following events shall constitute an event of default by the County under this Lease: (i) if the County fails to pay any Rent (or any installment thereof or additional rent) within ten (10) days after the same shall be due and payable and again fails to pay within 10 days after written notice having been made to the County for same, (ii) if the County shall breach or substantially fail in the observance or performance of any of the terms, conditions or covenants of the Lease to be observed or performed by the County, other than those involving the payment of Rent and such breach or failure is not cured within thirty (30) days (or such period as may reasonably be required to correct the default with the exercise of due diligence) after the County's receipt of written notice.

19.B. County's Right to Cure. Upon the occurrence of any event of Default described in this section, Landlord shall have all rights and remedies provided in this Section, in addition to all rights and remedies available under this Lease and the laws of the State of Maryland, except that Landlord shall have no right to terminate or take other action against the County based on the Default if the County cures the Default before such action is taken.

19.C. Landlord's Remedies. In the event of default by the County under this Lease, then Landlord may, by successive suits, recover the rent due hereunder or, at its option, may re-rent from time to time said Premises for the account of the County, and such re-renting may be for a term or terms equal to, less, or greater than the remaining term hereunder, provided the County shall not be liable for any deficiency in rent for any part of the term of such re-renting beyond the term of this Lease, and Landlord shall be entitled to collect the rent accruing under such re-renting and to apply the same first to all reasonable costs and expenses, including commissions and attorney's fees incurred in connection with such re-renting and collection of rentals, and apply the balance of the deficiency in accrued rent under this Lease, and by successive suits recover any remaining deficiency from the County. All remedies granted in this Section or otherwise provided by law shall be cumulative and, unless inconsistent, may be exercised separately or concurrently, or successively. Landlord shall make commercially reasonable efforts to re-lease the Premises and mitigate Landlord's damages.

19.D. Default by Landlord. If Landlord or Landlord's assigns shall fail or neglect to keep and perform each and every one of Landlord's covenants, conditions, and agreements as contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County specifying the default, then the County, at the County's option, may pursue any legal remedies available to the County. Landlord shall not be liable for damages or injury to person or property of the County unless notice is given in writing of any defect when the defect is discovered by the County (a) which Landlord has under the terms of this Lease the

duty to correct, and, (b) which has caused such damage or injury and Landlord has reasonably been given notice of the defect and sufficient time to correct such defect and even then, only if such damage or injury is due to Landlord's negligence or wrongful acts.

19.E. No Waiver. In the event that proceedings shall at any time be commenced for recovery of possession as aforesaid and a compromise or settlement shall be effected either before or after judgment whereby the County shall be permitted to retain possession of the Premises, then such proceedings shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof of this Lease.

20. EMINENT DOMAIN. If the whole (25% or more) of the Premises or Building shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), then the Term shall cease and terminate as of the date when title vests in such governmental or quasi-governmental authority, and rent shall be prorated to the date when title vests in such governmental or quasi-governmental authority. If less than a substantial part of the Premises is taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking) rent and the County's proportionate share shall be reduced by the ratio that the portion so taken bears to the rentable square footage of the Premises before such taking, effective as of the date when title vest in such governmental or quasi-governmental authority, and this Lease shall otherwise continue in full force and effect. The County shall have no claim against the Landlord (or otherwise) as a result of such taking, and the County agrees to make no claim against the condemning authority for any portion of the amount that may be awarded as compensation or damages as a result of such taking; provided, however, that the County may, to the extent allowed by law, claim an award for moving expenses and for the taking of any of the County's property (other than its leasehold interest in the Premises) which does not, under the terms of this Lease, become the property of the Landlord at the termination of this Lease, as long as such claim is separate and distinct from any claim of the Landlord and does not diminish the Landlord's award.

21. DAMAGE TO PREMISES

21A. MINOR DAMAGE. If the Premises or Building shall be damaged by fire, the elements, accident, or other casualty (collectively, "Casualty"), not caused by the County's negligence, but the Premises is not thereby rendered untenable or inaccessible in whole or in part, then (i) this Lease shall continue in full force and effect and the base and additional rents shall not be abated and (ii) the Landlord shall, promptly and at its own expense, use reasonable efforts to restore the Premises to substantially its former condition to the extent permitted by then applicable laws; *provided, however*, that if the damage was caused by the County's negligence, then the County shall use reasonable efforts to restore the Premises or Building.

21B. MAJOR DAMAGE. If the Premises or Building shall be damaged by Casualty and the Premises is thereby rendered untenable or inaccessible in whole or in part (collectively, "Major Damage"), then: (i) this Lease shall continue in full force and effect but the County's Base Rent from the date of the Casualty through the date of substantial completion of the repair shall be abated with regard to any portion of the Premises that County is prevented from using by reason of such damage or its repair and (ii) the Landlord shall, promptly and at its own expense, use reasonable efforts to restore the Premises to substantially its former condition to the extent

permitted by then applicable laws; *provided, however*, that notwithstanding anything in this Lease to the contrary, in the event of Major Damage:

(a) Landlord shall not be obligated to make repairs or restoration costing more the amount of insurance proceeds received by Landlord for such repairs or restoration;

(b) Landlord shall not be obligated to repair or restore any of the County's personal property, trade fixtures, or alterations;

(c) Landlord shall not be liable to County by reason of any injury to or interference with County's business or property arising from a Casualty or by reason of any repairs to any part of the Building or Premises necessitated by the Casualty;

(d) Within 20 business days of the date of the casualty, either Landlord or County may elect to end the Term of this Lease as of the date of the Casualty if, in either Landlord's or County's reasonable judgment:

(1) The Premises cannot be substantially repaired and restored under applicable Laws within six months from the date of the Casualty;

(2) 50% or more of the Premises is destroyed or materially damaged (including, without limitation, by smoke or water damage); and,

(3) The Casualty occurs during the last 24 months of the Term and County has not exercised any available options to extend the Term; and,

(e) Within 20 business days of the date of the casualty, Landlord may elect to end the Term of this Lease as of the date of the Casualty if, in Landlord's reasonable judgment, (i) 50% or more of the Building is destroyed or materially damaged (including, without limitation, by smoke or water damage), regardless of whether the Premises are damaged or destroyed or (ii) the Building is destroyed or materially damaged (including, without limitation, by smoke or water damage) to the extent that, in Landlord's reasonable judgment, the cost to repair and/or restore the Building would exceed 50% of the full replacement cost of the Building, whether or not the Premises is at all damaged or destroyed.

22. SUBORDINATION. The County agrees that this Lease shall be subordinate to any mortgages or deeds of trust that may hereafter be placed upon the Premises and to any and all advances to be made hereunder, and to the interest thereon, and all renewals, replacement and extensions thereof, provided the mortgagee or trustee named in said mortgages or deeds of trust shall agree to recognize this Lease and the rights of the County hereunder. In the event of any mortgagee or trustee electing to have the lease a prior lien to its mortgage or deed of trust, then and in such event, upon such mortgagee or trustee notifying the County to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether or not this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust.

If any person shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of Lease or otherwise, the County shall, without charge, attorn to such successor-in-interest upon written request from Landlord.

23. ESTOPPEL CERTIFICATES. The County agrees, at anytime and from time to time, upon not less than twenty (20) days prior written notice by Landlord, to execute, acknowledge and

deliver to Landlord in writing the completed and signed Estoppel Certificate as contained in Lease Exhibit "D" Estoppel Certificate (Form). Any such statement delivered pursuant hereto may be relied upon by an owner of the Building, any prospective purchaser of the Building, any mortgagee or prospective mortgagee of the Building, or of Landlord's interest therein, or any prospective assignee of any such mortgage.

24. SURRENDER AND HOLDING OVER. The County, upon expiration or termination of this Lease, either by lapse of time or otherwise, shall peaceably render to Landlord the Premises in broom clean condition and in good repair. In the event that the County shall hold over after the expiration of this Lease, and any renewals thereof without the consent of Landlord, the tenancy created by such holding over shall be month-to-month tenancy only, but in all other respects shall be governed by the terms of this Lease, provided, however, that in all cases a thirty (30) day notice shall be required to terminate the tenancy created by such holdover. If the County shall hold over after the expiration of this Lease, and any renewals thereof, it shall, in the absence of any agreement to the contrary, be month-to-month tenancy at one and one-half the monthly rate in effect during the last month of the expiring Lease term. In addition thereto, the County shall be liable for all other escalations and payments for reimbursement required under this Lease. Should the County hold over after the expiration of this Lease, and any renewals thereof, after first obtaining Landlord's written consent, the County's tenancy shall be deemed to be upon a month-to-month basis at one hundred and ten percent (110.00%) of the base monthly rent paid during the last lease year of the Term.

25. STATUTORY PROVISIONS. It is understood, agreed and covenanted by and between the parties hereto that Landlord and the County, as their interests may appear and at their respective expense, shall promptly comply with, observe and perform all of the requirements of all the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government or any local government and whether required of the Landlord or the County. The County shall be required to comply with all laws, rules, orders and regulations in regard to the Premises and Landlord shall be required to comply with all laws, rules, orders and regulations in regard to the common areas and its activities as Landlord.

26. OMITTED.

27. LANDLORD NOT A PARTNER. It is expressly understood that the Landlord shall not be construed or held to be a partner or associate of the County nor the County or associate be a partner of the Landlord in the conduct of the County's business; it being expressly understood that the relationship between the Parties hereto is and shall remain at all times that of landlord and tenant.

28. FIRE EXTINGUISHERS. The County shall be obligated to supply and maintain at its own cost and expense any fire extinguishers or other fire detection, prevention, or suppression equipment required by law, rules, orders, ordinances, regulations and/or recommendations of the City, County, State, Rating Bureau or Underwriters Association having jurisdiction over the Premises.

29. LANDLORD'S TITLE AND COVENANT OF QUIET ENJOYMENT. Landlord covenants that it has full right and power to execute and perform this Lease, and that it will put the County into complete and exclusive possession of the Premises. Landlord further covenants that

the County, on paying the rents reserved herein and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the Premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full term of this Lease, and any extension or renewals hereof.

30. FORCE MAJEURE. Anything in this Lease to the contrary notwithstanding, providing such cause is not due to the willful act or negligence of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service through Act of God or other cause beyond the control of either party. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a party.

31. GENERAL PROVISIONS

31.A. Sole Agreement. Parties agree that this Lease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties, being signed by the original persons signing this Lease or their authorized or legal successors, and that the conditions and agreements herein are binding on, and may be legally enforced by the Parties hereto, their executors, administrators, successors and assigns, respectively, and that no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of that condition or agreement or of any subsequent breach thereof, or of this Lease. Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number in any place herein in which the context may require such a substitution.

31.B. Omitted.

31.C. Assignment by Landlord. Landlord may assign its rights without notice to or consent of the County. Landlord may also delegate its obligations under this Lease to a bona fide third-party purchaser for value without notice to or consent of County and Landlord shall have no further obligations under this Lease after County has notice of the delegation except for those obligations that accrued prior to the delegation. The Landlord shall promptly notify the County in writing of any sale or other transfer of the Premises.

31.D. Brokers. With regard to the Premises, the County warrants that it has not dealt with any finders, real estate agents, or brokers.

31.E. Legal Fees. Nothing in this lease shall require the County to pay any attorney's fees.

31.F. Invalidity. All Lease provisions shall be enforced to full extent allowed by law. No provision shall be invalid because the provision, if enforced to its fullest, would be invalid. All of the Lease not declared invalid by a court shall remain in force.

31.G. Captions. Unless used otherwise, captions and numbers do not affect the Lease.

31.H. Good Faith and Fair Dealing. The Parties agree that they will exercise their rights and remedies and perform their obligations under this Lease fairly, prudently, reasonably, and in good faith. For all defaults other than the payment of Base Rent, the Parties further agree that before incurring legal expenses or initiating litigation under this Lease they will contact the other

party about the problem and attempt for a reasonable time (not less than ten (10) business days) to mutually resolve the problem.

31.I. Jurisdiction. This Lease shall be construed without regard to the author and only under the laws of Maryland. Any cause of action between the Parties shall be tried only in a court of competent jurisdiction in Montgomery County, Maryland, under both the substantive and procedural law of Maryland only.

31.J. Subsequent Improvements. At the County's sole discretion, the County may contract with the Landlord to modify or provide additional improvements to the Premises after the completion of the Initial Tenant Improvements.

31.K. No Option. The submission of this document is not an offer, option or reservation; this Lease becomes binding only on execution and delivery by both Landlord and the County.

32. NON-DISCRIMINATION. The Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Sections 11B-33 and 27 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, the Landlord assures the County that in accordance with applicable law, it does not, and agrees that it will 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.

33. CONTRACT SOLICITATION/BROKER'S FEES OR COMMISSIONS. The Landlord represents that it has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except from bona fide employees or bona fide established commercial, selling or leasing agencies retained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

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

35. NON-APPROPRIATION.

35.A. Obligations Subject to Appropriation. The Landlord and the County acknowledge and agree that this Lease is subject to annual appropriation of funds. The County agrees to annually propose and diligently pursue authorization of sufficient appropriations, and all approvals, authorizations or consents required to fund and perform this Lease for the County's succeeding fiscal year; provided, however, that Landlord acknowledges that this sentence shall not be binding upon the County Council for Montgomery County.

35.B. Effect of Failure to appropriate. If the County fails to appropriate, on or before the County's other obligations under this Lease for the County's next fiscal year (i.e., the period commencing on the next July 1st and ending the following June 30th), the County will promptly notify Landlord of such fact, and this Lease will automatically terminate at 11:59 p.m. on June 30th of the then current fiscal year. The County shall give Landlord a minimum of thirty (30) days notice of the lack of appropriation. If this Lease is terminated pursuant to this Paragraph,

the County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

36. WAIVER OF JURY TRIAL. Should any controversy arise by and between the Parties concerning any of the terms and conditions contained in this Lease, or the payment of any monies due hereunder, each of the Parties hereby knowingly, voluntarily and intentionally waives its right to a jury trial and freely elects to be tried by a court of competent jurisdiction without a jury in the State of Maryland.

37. OMITTED

38. MAILING NOTICES. All notices required or desired to be given hereunder by either party to the other shall be given by (a) hand delivery, (b) certified or registered mail with pre-paid return receipt, or (c) reputable over-night delivery service. Notice deemed given upon the earlier of (a) five (5) days after mailing, (b) upon receipt, or (c) refusal to accept. Notices to the respective parties shall be addressed as follows. To Landlord:

HALCYON ASSOCIATES
c/o Standard Properties, Inc. 5500
MacArthur Boulevard, N.W. Washington, D.C. 20016-2594
Te1: (202) 244-5800
Fax: (202) 244-5825

To the County:

MONTGOMERY COUNTY, MARYLAND
Division of Public Works and Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850
Te1: (240) 777-7252
Fax: (240) 777-7259

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

39. ENVIRONMENTAL

39.A. Definition. "Hazardous Materials or Emanations" include but are not limited to any pollutant, contaminant, toxic or hazardous waste, dangerous material, potentially dangerous material, noxious material, toxic material, flammable, explosive or radioactive material, including but not limited to biological or medical waste, mercury, lead, urea formaldehyde, asbestos, PCB's, X-rays, micro-waves, electromagnetic field or any other material or emanation, whose use or mere ownership is restricted, prohibited, regulated, or penalized by any and all federal, state, county, district, commission or municipal statute, laws, or regulations now or at any time hereafter in effect, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act (42 U. S. C. 33 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U. S. C. 33 1801 *et seq.*), the Federal Water Pollution Control Act (33 U. S. C.

33 1251 *et seq.*), the Clean Air Act (42 U. S. C. 33 7401 *et seq.*), the Toxic Substances Control Act, as amended (15 U. S. C. 33 2601 *et seq.*), and the Occupational Safety and Health Act (29 U. S. C. 33 651 *et seq.*), as these laws have been amended or supplemented.

39.B. Prohibitions. The County shall prevent any Hazardous Materials and Emanations from being used, generated, stored, or disposed on, under, or about, or transported to or from the Premises or Building, other than small quantities of retail, household, or office chemicals that are (a) customarily sold over-the-counter to the public and (b) directly related to the "Permitted Use" of Paragraph 6, Permitted Use.

39.C. Corrective Action. If any violation of this Paragraph 39 occurs, the County shall promptly (a) notify Landlord by telephone and in writing; (b) remove, clean-up, dispose of, remedy, or stop any Hazardous Materials or Emanations; and (c) restore all property to substantially the same condition as before the violation.

39.D. Cooperation. At Landlord's request, the County shall diligently complete any questionnaires and fully cooperate with any inspections or testing, including but not limited to removal of samples. All questionnaires, testing, and samples shall relate to the use or presence of Hazardous Materials or Emanations. If requested, the County shall, from time to time, provide Landlord with copies of the County's Material Safety Data Sheets applicable to the Premises.

40. LANDLORD'S RIGHT TO PERFORM. Even if the County is not in default, if (a) the County fails to perform fully and promptly and (b) injury to persons or damage to property, including the reputation of the Building is imminent, then Landlord may, at Landlord's sole discretion after making reasonable efforts to contact the County, cure the County's failure, and the County shall pay the cure's reasonable costs. If (a) the County fails to perform fully and promptly and (b) injury to persons or damage to property, including the reputation of the Building is not imminent, then Landlord may, at Landlord's sole discretion but only after thirty days advance written Notice to the County, cure the County's failure, and the County shall pay the cure's reasonable costs.

The Signature Page follows next.

Signature Page

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be properly executed.

Witness to Mr. Daniel:

David Kattis

Landlord: HALCYON ASSOCIATES

By: John Daniel
John Daniel, General Partner

Date signed: 12/26/06

Tenant: MONTGOMERY COUNTY, MARYLAND

By: Scott W. Reilly
~~Joseph E. Brack~~ SCOTT W. REILLY
Asst. Chief Administrative Officer

Date signed: 12/28/2006

APPROVED AS TO FORM AND
LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Vileen D. Brennan
Date signed: 12/20/2006

RECOMMENDED:

By: Cynthia L. Brenneman
Cynthia L. Brenneman, Director
Office of Real Estate
Dept. of Public Works and Transportation
Date signed: 12/26/06

Lease Exhibit "A" County's Option To Extend Term

A.1. EXTENSION TERM. In accordance with this Exhibit "A," the County may extend the Term one time only for one five (5) year extension of the Term (Extension) only, starting on the day after the end of the initial Term only. If the conditions in section A.2. below are not met, then the County's option to extend shall be automatically void.

A.2. REQUIREMENTS TO EXTEND. If (a) the County is not in default, (b) the Lease is in force, (c) the Lease has not been assigned and the Premises has not been sublet, and (d) at least THREE months but not more than SIX months before the end of the initial Term, the County gives Landlord notice that the County will extend, then the Term shall be extended. TIME IS OF THE ESSENCE FOR THE COUNTY'S NOTICE TO LANDLORD.

A.3. BASE RENT - LEASE YEAR # 6. The Base Rent of the first Lease Year of the Extension (Lease Year # 6) will be a greater of (a) or (b):

- (a) An annual Base Rent of \$40,752.00, paid in equal monthly installments of \$3,396.00, or;
- (b) The "CPI-Adjusted Annual Rent," paid in equal monthly installments and as calculated by:

$$\frac{\text{CPI-U, October 2010}}{\text{CPI-U, February 2007}} \times \$34,308.00 = \text{CPI Adjusted Annual Rent}$$

CPI-U IS THE U.S. Bureau of Labor Statistics' Consumer Price Index for all Urban Wage Earners (CPI-U) U.S. City Average, all items 1982-84=100 or the appropriate replacement index.

A.4. EXTENSION TERM BASE RENT - LEASE YEARS #7 - 10. By the same method as the Initial Term Base Rent Schedule, the Base Rent for each or the subsequent Extension Term Lease Years after Lease Year #6 shall be increased by 3½% of the Base Rent of the previous Lease Year.

A.5. OTHER PROVISIONS. Unless noted otherwise, all other Lease terms and conditions, including but not limited to the payment of Additional Rent, shall remain the same during the Extension Term. For the Extension, the County shall accept the Premises "AS-IS" and there shall be no Landlord's Work for the Extension. If, at the start of any Extension Term, the customary insurance coverage for this type of lease and the County has increased, then the County will increase its coverage.

Lease Exhibit "B" Initial Tenant Improvements to 8434 Helgerman Court

B.1. TENANT IMPROVEMENTS. At the start of the initial term of the Lease only, Landlord shall perform only the following Initial Tenant Improvements. Unless noted otherwise, Tenant shall pay for all Initial Tenant Improvements. There are no other Initial Tenant Improvements. Unless noted otherwise, all work shall be Building Standard. Some Initial Tenant Improvements may have already been completed. Landlord warrants the existing improvements and Initial Tenant Improvements for one (1) year from the starting date. Tenant shall pay Landlord for all of the Initial Tenant Improvements in accordance with this Lease Exhibit "B" within sixty days of Landlord obtaining an occupancy permit. As Initial Tenant Improvements, Landlord shall provide and/or install:

- a) A/E Services. All architectural and engineering services and drawings required for construction and occupancy permits.
- b) Permits. Construction permit and use/occupancy permit as required.
- c) Interior Construction. Interior construction in accordance with Lease Exhibit "E" Schematic Plan of Premises, including but not limited to:
 - 1. Metal studs
 - 2. Drywall
 - 3. Lay in ceiling tiles and grid
 - 4. Interior 3' wide hollow-core wood doors with metal frames and ADA hardware
- d) Painting. Painting or repainting of all walls as directed by Tenant. (Painting of perimeter walls paid for by Landlord.)
- e) Flooring. Concrete in the warehouse area (by Landlord); installation of new carpet or vinyl in the office and toilet room.
- f) Mini-blinds. Installation of new mini-blinds at all windows.
- g) Exterior loading door. Install motorized operator initialized by security device on existing overhead door.
- h) Dock equipment. New concrete apron. (Paid for by Landlord.)
- i) Electrical. Electrical improvements as shown on Lease Exhibit "E" Schematic Plan of Premises, including but not limited to 2 x 4 lay-in fluorescent ceiling light fixtures in office areas. (Warehouse lighting shall be paid for by Landlord.)
- j) HVAC. New HVAC equipment and ductwork for general warehouse use, paid for by Landlord; modification of the HVAC as required by new interior construction, paid for by County.
- k) Code items. Sprinklers, exit signs and emergency lighting as required, paid for by Landlord.
- l) Personnel door. New exterior personnel doors, paid for by Landlord.

B.2. COUNTY'S SPECIFIC WORK. The following are NOT included in Landlord's Work, but are listed her for coordination and clarity. The COUNTY shall, if required, provide and pay for all:

- p) Counters, work benches, and trade fixtures.

- q) Required fire extinguishers.
- r) Telephone and data systems, including all equipment and wiring.
- s) Key-card entry system, security systems, or interior fire alarm systems.
- t) Power backup.
- u) Films, bars, mesh, or decorative window treatments other than mini-blinds.
- v) Bottled water, if required for occupancy permit.
- w) Initial and any re-keying of doors. (Landlord will not keep any keys to Premises.)

B.3. COUNTY'S GENERAL WORK. Other than Landlord's Work, County shall provide and install any other or subsequent (if any) improvements to the Premises for County's use, including but not limited to additional partitions, lighting, HVAC, modular office furniture, electrical distribution, special equipment, systems furniture, telephone wiring and systems, computer systems, alarm systems, etc., and any associated plans, permits, and code items, including but not limited to, fire suppression systems for specific equipment and low-voltage wiring permits.

B.4. MANDATORY SITE VISITS. Because of the specialized nature of the improvements to the Premises, the County's using agency shall, during construction, either (a) visit the Premises daily or (b) provide for visits to the Premises on 24-hour notice.

Lease Exhibit "C" 2006-7 Consolidated Tax Bill (Base Year)



REAL PROPERTY CONSOLIDATED TAX BILL

ANNUAL BILL
 TAX PERIOD 07/01/2006 - 06/30/2007
 FULL LEVY YEAR
 LEVY YEAR 2006



Department of Finance
 Division of Treasury
 255 Rockville Pike, L-15
 (Monroe Street Entrance)
 Rockville, MD 20850

Hours: 8:00 a.m. - 4:30 p.m.
 Mon. - Fri.



HALCYON ASSOCIATES
 5500 MACARTHUR BLVD NW
 WASHINGTON DC 20018-2536



NOT A PRINCIPAL RESIDENCE

BILL DATE	
07/01/2006	
PROPERTY DESCRIPTION	
PAR F BAUER TRACT	
BILL #	ACCOUNT #
26180875	02001506
MORTGAGE INFORMATION (SEE REVERSE)	
PROPERTY ADDRESS	
UNKNOWN	
REFUSE AREA	REFUSE UNITS
R35	49

LOT	BLOCK	DISTRICT	SUB	TAX CLASS
		09	001	R042
MORTGAGE INFORMATION (SEE REVERSE)		PROPERTY ADDRESS		
UNKNOWN		8400 HELGERMAN CT		
TAX DESCRIPTION	ASSESSMENT	RATE	TAX/CHARGE	
STATE PROPERTY TAX	7,239,033	.112*	8,107.72	
COUNTY PROPERTY TAX	7,239,033	.624*	45,171.57	
SPECIAL AREA PROPERTY TAX	7,239,033	.292*	21,137.98	
SOLID WASTE CHARGE			11,641.91	
TOTAL			86,059.18	
TOTAL AMOUNT DUE: 86,059.18				

*PER \$100 OF ASSESSMENT

CURRENT YEAR TAXABLE ASSESSMENT
7,239,033

CONSTANT YIELD RATE INFORMATION
COUNTY RATE OF 0.624 IS MORE THAN THE CONSTANT YIELD RATE OF 0.608 BY 0.016

HAL ORD I OK

YOU CAN VIEW AND PAY YOUR BILL ON THE INTERNET AT www.montgomerycountymd.gov/finance

PLEASE RETAIN THE TOP PORTION FOR YOUR RECORDS.



RETURN THIS PORTION WITH PAYMENT
 REAL PROPERTY CONSOLIDATED TAX BILL
 TAX PERIOD 07/01/2006 - 06/30/2007
 FULL LEVY YEAR

BILL #
26180875

Check here if your address changed & enter change on reverse side.

Make Check Payable to:
 Montgomery County, MD

HALCYON ASSOCIATES
 5500 MACARTHUR BLVD NW
 WASHINGTON DC 20018-2536

ACCOUNT #	LEVY YEAR	AMOUNT DUE
02001506	2006	86,059.18

AMOUNT PAID

DUE September 30, 2006
 PLEASE INDICATE AMOUNT BEING PAID

Lease Exhibit "D" Estoppel Certificate (Form) P. 1/2

Montgomery County, Maryland
Premises

TENANT ESTOPPEL CERTIFICATE

To: _____, its successors and/or assigns ("Lender")
_____, its successors and/or assigns ("Purchaser")

Re: Property Address: ("Property")
Lease Date: _____
Between _____ ("Landlord") and
_____ ("Tenant")
Square Footage Leased: _____
Suite No./Floor: ("Premises")

Tenant understands that Purchaser is contemplating purchasing the Property and that Lender is contemplating making a loan (the "Loan") to Purchaser for its acquisition of the Property. The undersigned, as the Tenant under the above-referenced lease ("Lease"), hereby certifies to Purchaser and Lender, the following:

- (1) The lease attached hereto as Exhibit "A" is a true, correct, and complete copy of the Lease, is in full force and effect and has not been modified, supplemented, or amended in any way and the Lease represents the entire agreement between the parties as to the Premises or any portion thereof.
- (2) The amount of fixed monthly rent is \$ _____; the percentage rent is ____; the monthly common area or other charges are \$ _____. The base year for operating expenses and real estate taxes, as defined in the Lease, is calendar year 200_. No such rent has been (except the first installment thereof) or will be paid more than one (1) month in advance of its due date.
- (3) The undersigned's security deposit is \$0.00. The undersigned has paid rent for the Premises up to and including _____, 200_.
- (4) The undersigned is currently in occupancy.
- (5) The Lease will not be altered or amended, without Lender's prior written consent.
- (6) The commencement date of the Lease was _____, the Lease terminates on _____ and the undersigned has the following renewal/extension option(s): _____
- (7) All work to be performed for the undersigned under the Lease has been performed as required and has been accepted by the undersigned; and any payments, free rent, or other payments, credits, allowances or abatements required to be given by Landlord to the undersigned have already been received by the undersigned.
- (8) To the best of the undersigned's knowledge, the Lease is free from default by Landlord. The undersigned has no knowledge of any offset, defense, deduction or claim against Landlord. Tenant is not in default under the Lease.
- (9) The undersigned has not assigned the Lease or sublet all or any portion of the Premises, except _____ Article ____ of the Lease, the undersigned does not hold the Premises under assignment or sublease except to _____ nor does anyone except the undersigned and its employees occupy the Premises except the _____.
- (10) The address to which notices to the undersigned should be sent is as set forth in the Lease.
- (11) Tenant agrees to pay all rents and other amounts due under the Lease directly to Lender upon receipt of written demand by Lender, and Purchaser hereby consents thereto. The assignment of the Lease to Lender, or collection of rents by Lender pursuant to such assignment, shall not obligate Lender to perform Landlord's obligations under the Lease.

Lease Exhibit "D" Estoppel Certificate (Form) P.2/2

Montgomery County, Maryland
Premises

(12) The statements contained herein may be relied upon by the Purchaser and Lender and their respective successors and assigns and by third (3rd) parties who are interested in the matters covered by this Tenant Estoppel Certificate.

The undersigned is duly authorized to execute this certificate.

Dated this _____ day of _____, 200_.

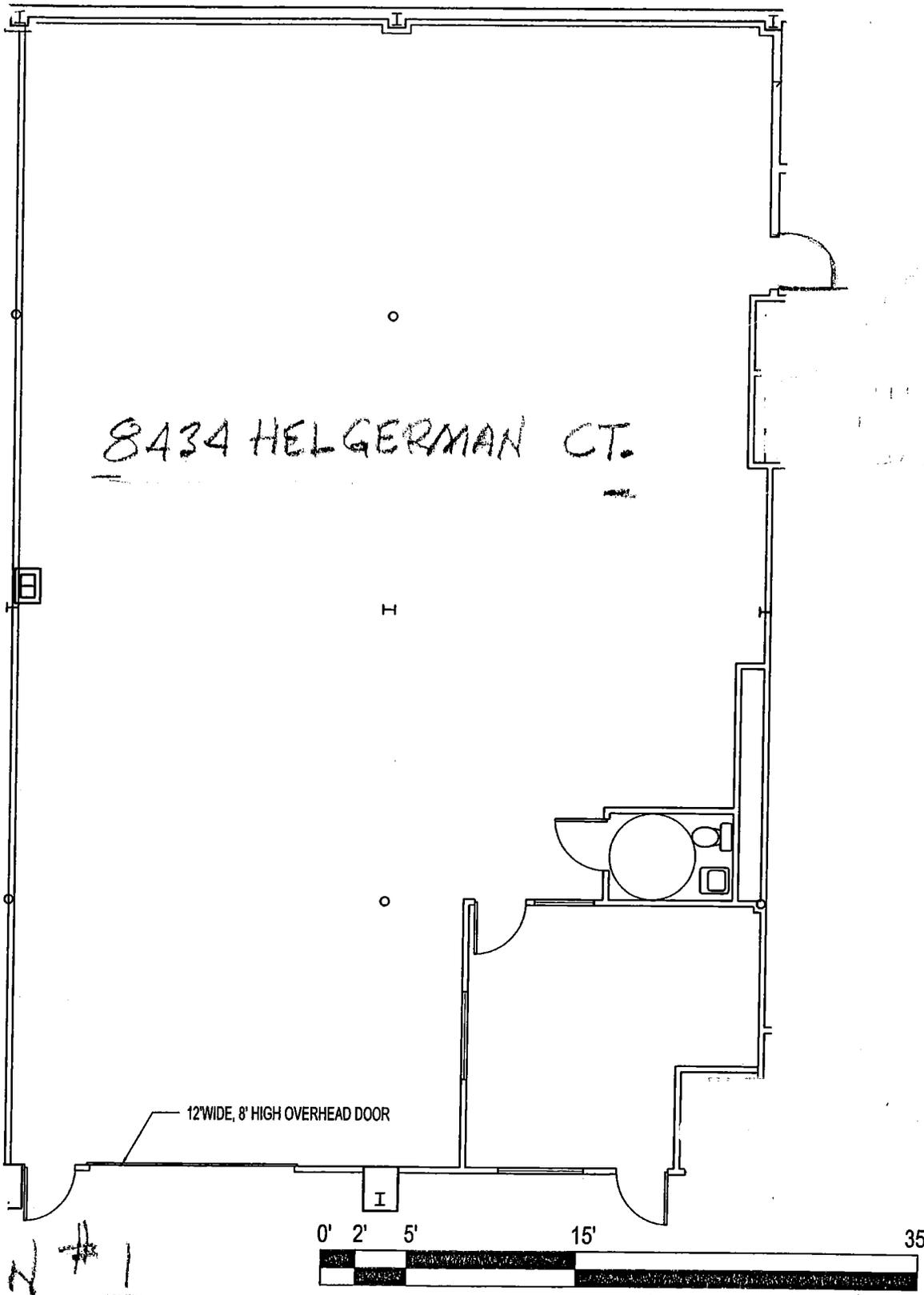
TENANT:

By: _____

Its: _____

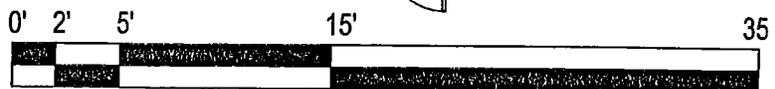
Reviewed by: _____

Lease Exhibit "E" Schematic Plan of Premises



8434 HELGERMAN CT.

12' WIDE, 8' HIGH OVERHEAD DOOR



PLAN # 1

16 OCT '06

Lease Exhibit "F" Tenant Improvement Budget Form

The items and amounts in this form shall be supplied or modified as the County's program for Tenant Improvements is developed.

1.	A/E Services		
2.	Permit Fees		
3.	General conditions		
4a.	Architecture		
4b.	Studs, drywall, and ceiling		
4c.	Interior doors and hardware		
4d.	Total architecture		
5.	Electrical		
6.	Mechanical		
7.	Finishes (painting)		
8a.	Flooring		
8b.	Carpet allowance		
8c.	Vinyl floor tile		
8d.	Vinyl cove base		
8e.	Total flooring		
9.	Life Safety		
10.			
11.			
12.	Dock equipment		
12a.			
12b.	Electric door openers		
12c.	Total dock equipment		
13.	Mini-blinds		
14.	Exterior exit door and stair		
	Subtotal		
	Overhead at 10%		
	Profit at 10%		
	Budget total		

Lease Exhibit "G" Oakmont R & D Section #1 Rules and Regulations

If there is any direct conflict between the language found in the main body of the Lease and these Rules and Regulations, then the language in the main body of the Lease shall prevail. County shall ensure compliance with the following:

- a. **Fire or Smoke.** In the event of fire or smoke, immediately vacate the building. Do not attempt to put out any fires. Do not attempt to locate the source of any smoke. Call 911 from a safe location outside the building.
- b. **Suspicious or Dangerous Activities.** If any illegal, suspicious, or dangerous activities are observed, call 911 from a safe location.
- c. **Repairs or Damage.** Promptly notify Landlord of any damage, malfunction, repairs, or hazardous situations.
- d. **No Loitering.** Loitering is prohibited anywhere in the Section or outside the Premises.
- e. **No Signs.** Other than County's sign on the door directly to the Premises, County shall not post any signs, pictures, or materials in or on any windows or the exterior of any Building or the grounds of the Section.
- f. **Trash and Recycling.** County shall remove from the Premises and the Section all trash or waste other than normal office trash. County shall fully comply and cooperate with any recycling program instituted by Landlord or required by local authorities.
- g. **No Exterior Storage.** County shall not store anything outside the Premises.
- h. **No Exterior Modifications.** County shall not change the exterior of the Building in any way.
- i. **Improvements.** County shall not make any improvements, changes, or modifications to the Premises, including but not limited to painting, carpet, window covers or treatments, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.
- j. **No Wallpaper.** The installation of any wallpaper or wall coverings is prohibited.
- l. **Windows.** The modification, covering, obscuring, or marking of any window or door, except by Landlord-installed window coverings, is prohibited.
- n. **No Animals.** All animals are prohibited in the Premises and Section, except guide dogs for the blind.
- p. **No Residential Use.** The Premises or Section shall not be used for any domestic or residential activities, including but not limited to cooking or sleeping overnight.
- q. **Emergency Contacts.** County shall provide and update (in writing) Landlord with one primary and one secondary emergency contact.
- r. **Low-voltage wiring.** Unless directed otherwise by Landlord, County shall remove any low voltage wiring County installs above the ceiling at the earliest of (a) it is no longer in use or (b) County vacates the Premises.
- s. **No Smoking.** Smoking is prohibited anywhere inside the building, including both the Premises and interior common areas. Smoking is only allowed outside the building, on the outside common areas.