LEASE
BETWEEN
2301 RESEARCH LLC
AND
MONTGOMERY COUNTY, MARYLAND
DATED: November 23, 2013

1. Premises
2. Term
3. Option to Renew
4. Base Rent
5. Operating Expenses
6. Real Estate Taxes
7. Tenant Improvements
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31. Subordination
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Exhibit “A”: Floor Plan
Exhibit “B”: Space Plan of Leased Premises
Exhibit “C”: Scope of Work
Exhibit “D”: Certificate of Commencement
LEASE AGREEMENT

THIS AGREEMENT, entered into this 22nd day of November 2013 by and between the
SEARCH ROCK, LLC, having an address of 6000 Executive Boulevard, Suite 400, North
Bethesda, Maryland 20852, (hereinafter referred to as “Landlord”) and MONTGOMERY
COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the
State of Maryland (hereinafter, “County” or “Tenant”), (Landlord and County each known
as a “Party” and together as the “Parties”).

WITNESSETH:

In consideration of the rent hereinafter reserved, and the covenants hereinafter
contained, the Parties hereto mutually agree as follows:

1. PREMISES: Landlord does hereby lease and demise unto the County and the
County hereby leases from the Landlord the premises described as Suite 205 comprising
2,114 rentable square feet of space (“Leased Premises”) on the second floor of the building,
located at 2301 Research Boulevard, Rockville, Maryland 20850 (“Building”), in its “as-is”
condition and as outlined on “Exhibit A” attached hereto and made a part hereof.

2. TERM: The term of this Lease shall be seven (7) years and four (4) months,
commencing on or about December 1, 2013.

3. OPTION TO RENEW: (i) Provided that Tenant is still in occupancy of the Leased
Premises and is not in default of the Lease, Tenant shall have the Option to Renew this
lease for two (2) additional five (5) year terms (“Extension Term(s)”) at the end of the
initial Lease Term with no more than twelve (12) months and no less than nine (9) months
prior written notice per extension term. Tenant’s extension rental rate shall be the
prevailing market rate and shall include other market concessions for comparable office
buildings in the North Rockville/Shady Grove submarket.

(ii) In the event County shall wish to exercise the option to extend, it shall request
in writing (“Term Renewal Request”) from Landlord, a quote of the Base Annual Rent for
the extension term not less than twelve (12) months prior to the expiration of the initial
Term of the Lease or the first renewal term, as the case may be. Within ten (10) days after
such Term Renewal Request, Landlord shall give County written notice of such quote.
County shall then have thirty (30) days after the date of Landlord’s notice in which to
exercise such extension option by written notice to Landlord accepting the Base Annual
Rent quoted by Landlord or stating that County is exercising the extension option and wishes to have the Base Annual Rent for the extension term determined by the MAI Appraiser Process. In the event that County does not exercise the option or provide Landlord with a written response within said thirty (30) day period the extension option shall terminate immediately and Landlord shall be relieved of any and all liability created by the grant of such option. The option to extend granted hereby may not be assigned or transferred by County.

(iii) If County elects to have the Base Annual Rent for the extension term determined by the MAI Appraisal Process, then the fair market rent for the first lease year of the extension term shall be independently determined by two (2) disinterested real estate appraisers, one (1) of whom shall be named by Landlord and one (1) by County. Said appraisers shall each be practicing appraisers in Montgomery County, Maryland, specializing in the field of commercial real estate, having no less than ten (10) years’ experience in such field, recognized as ethical and reputable within their field, and certified as MAI or an equivalent professional certification if MAI no longer exists. Landlord and County agree to make their appointments promptly within thirty (30) days after Landlord’s receipt of County’s notice to extend, or sooner if mutually agreed upon. Within forty-five (45) days after both such appraisers have been appointed, each appraiser shall submit his or her determination of said fair market rent. The Base Annual Rent for the first lease year of the extension term shall be the average of the two (2) determinations; provided, however, that if two of the appraisers are not within ten percent (10%) of each other, then the two (2) appraisers shall select a third appraiser with the qualifications described above within ten (10) days after submitting their determinations of the fair market rent. Within forty-five (45) days after the third appraiser is selected, such appraiser shall submit his or her determination of said fair market rent. In such event, the Base Annual Rent for the first lease year of the extension term shall be the average of the third appraiser’s determination and the determination of the other two (2) appraisers which is closest to the third appraiser’s determination. In arriving at their individual rate determinations, each appraiser shall consider and analyze all the components of the Lease and apply them to current market factors. Landlord and County shall pay the fee of the appraiser selected by it and if a third appraiser is used, they shall equally share the payment of the fee of the third
appraiser. Notwithstanding the foregoing, Landlord and County may at any time after appointing the appraisers, agree upon the Base Annual Rent payable during the first lease year of the extension term and such mutual agreement shall supersede the appraisers’ determinations.

4. RENT:

(a) Commencing on the Lease Commencement Date, the County shall pay to Landlord all Rent (as hereinafter defined) in United States currency, without any deduction, set-off, notice, demand, and unless stated otherwise, billing. Commencing on the Lease Commencement Date, the County shall pay all Base Monthly Rent, estimated Real Estate Taxes and Operating Costs (all as hereinafter defined) in advance by the first day of each calendar month.

(b) Base Annual Rent. The “Base Annual Rent” shall be payable by the County to the Landlord during each Lease Year of the Lease Term in equal monthly installments of “Base Monthly Rent” attached hereto and specified below.

(c) Adjustments to Base Annual Rent. On the first day of the second Lease Year, and on the first day of each Lease Year thereafter during the Lease Term, the Base Annual Rent (then in effect) shall be increased by three percent (3.0%) per annum over the Base Annual Rent payable during the previous Lease Year, except the Base Annual Rent for the first Lease Year of the First and Second Extension Term shall be determined as set forth in Section 3 hereinafore. Landlord shall provide the County written notice of each such adjustment and the amount of the Base Annual Rent payable during the forthcoming Lease Year.

(d) Rental Abatement. Notwithstanding anything to the contrary in the Lease, as further set forth below, Landlord shall abate fifty percent (50%) of the County’s Base Monthly Rent for the first eight (8) months after the Lease Commencement Date.

(e) Additional Rent. All money due to Landlord under the requirements of this Lease, other than Base Rent and Improvement Additional Rent (as hereinafter defined), is “Additional Rent.” Unless stated otherwise, the County shall pay Additional Rent within 10 business days of receipt of an invoice. Landlord’s remedies for the non-payment of Additional Rent are the same as for non-payment of Base Annual Rent.
(f) **Survival.** Regardless of the Lease Expiration Date or earlier end of the Lease Term, the County shall promptly and fully perform all its Lease obligations.

(g) **Deposit.** The County shall NOT pay a security deposit.

(h) **Late Charge and Interest.** Any Rent which is due on the first day of the month (e.g. Base Monthly Rent, estimated Real Estate Taxes and Operating Costs (both as hereinafter defined)) but which is not received by Landlord by the seventh (7th) day of the month shall be subject to a late charge of five percent (5%), it being understood that this does not extend the due date of the such Rent from the first day of each month. In addition, all Base Rent not paid within thirty (30) days after the due date and all other Rent and all other payments becoming due hereunder which is not paid on the due date shall bear interest at the rate of twelve percent (12%) per annum from the date when the same shall become due and payable.

(i) The County shall pay or cause to be paid to the Landlord the annual and monthly amounts listed in the following schedule:

<table>
<thead>
<tr>
<th>Lease Year</th>
<th>Base Annual Rent</th>
<th>Base Monthly Rent</th>
<th>Base Rental Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1*</td>
<td>$47,987.80</td>
<td>$3,998.98</td>
<td>$22.70</td>
</tr>
<tr>
<td>2</td>
<td>$49,427.43</td>
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<tr>
<td>3</td>
<td>$50,910.26</td>
<td>$4,242.52</td>
<td>$24.08</td>
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<td>4</td>
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<td>5</td>
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<td>$4,500.89</td>
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<td>6</td>
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<td>$4,635.92</td>
<td>$26.32</td>
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<tr>
<td>7</td>
<td>$57,299.94</td>
<td>$4,775.00</td>
<td>$27.10</td>
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<tr>
<td>8**</td>
<td>$19,673.00</td>
<td>$4,918.25</td>
<td>$27.92</td>
</tr>
</tbody>
</table>

* = The County only pays half of the Base Monthly Rent for the first 8 months.

** = The County only pays the full Base Monthly Rent for the first 4 months of the 8th Lease Year.

[Remainder of this page is Intentionally left blank]
All payments are to be made in advance of the first day of each month, during each lease year, and shall be payable to the following:

Search Rock, LLC  
c/o Guardian Realty Management, Inc.  
6000 Executive Boulevard, Suite 400  
North Bethesda, Maryland 20850

The first month’s rental payment shall be due and payable within thirty (30) days after the Rent Commencement Date. If the Rent Commencement Date occurs on other than the first day of the calendar month, the Base Rent shall be pro rated at the rate of one thirtieth 1/30 of the applicable monthly installment per day for each day of such partial month.

5. OPERATING EXPENSES:

(a) Operating Expenses Defined. Throughout the Lease Term, County agrees to pay to Landlord, as Additional Rent, County’s Proportionate Share, as set forth below, of any increase in operating expenses during each calendar year over the Base Year Operating Expenses (i.e., the 2014 calendar year). “Operating Expenses” means for any calendar or fiscal year the sum of (i) Real Estate Taxes for such calendar or fiscal year plus (ii) all other commercially reasonable direct and actual out of pocket expenses Landlord incurs during such calendar or fiscal year for operating and maintaining the Building, determined in accordance with generally accepted accounting practices consistently applied, including, without limitation, costs and expenses for the following: (1) wages and salaries of all employees engaged in the management, operation or maintenance of the Building, including taxes, insurance and benefits relating hereto; (2) all supplies, materials, equipment and tools used in the operation or maintenance of the Building; (3) cost of all maintenance and service agreements for the Building and the equipment therein, including but not limited to controlled access and energy management services, window cleaning and elevator maintenance; (4) premiums for liability and casualty insurance; (5) general and special repairs and maintenance; (6) management fees; (7) legal, accounting, auditing and other professional fees; (8) the cost of any additional services not provided to the Building at the Commencement Date of the Lease Term, but thereafter provided by Landlord in the prudent management of the Building; (9) reasonable reserves for replacements, repairs and contingencies; (10) costs for char service and cleaning supplies; (11) costs for utility services such as electricity, gas, water and sewage (including any costs incurred in
changing the provider providing electricity services); and (12) the cost of any capital improvements or alterations made to the Building after the Commencement Date of the Lease Term, that reduce other operating expenses, or which are required under any governmental law or regulation that was not applicable to the Building at the time it was constructed shall be amortized (straight line) over the useful life of the improvement and such amortized costs falling within a calendar or fiscal year may be included in Operating Expenses for such calendar or fiscal year.

(b) Operating Expense Exclusions. "Operating Expenses" shall exclude all Landlord profits and all costs in excess of costs reasonably incurred by prudent operators and managers of similar office buildings in the Rockville, Maryland area. Landlord shall use commercially reasonable efforts to minimize Operating Expenses. Operating Expenses shall be net of any reimbursement, refund or credit received by Landlord for the corresponding item of Operating Expense. In no event shall Landlord recover from County more than an amount equal to Tenant’s Pro Rata Share of One Hundred Percent (100%) of Operating Expenses. Landlord shall not recover more than the full actual cost of any item through Additional Rent or charges to other Building tenants. Landlord shall make no profit in connection with Operating Expenses nor shall Landlord recover any item of cost twice through Operating Expenses. The following items shall be specifically excluded from the Operating Expenses: (1) expenses for any capital improvements that were made to the Land or Building after the Lease Commencement Date that are not reasonably expected to reduce Operating Expenses; (2) expenses occasioned by fire, windstorm or other insured casualty to the extent Landlord is reimbursed by its insured for such loss; (3) advertising, commissions, tenant improvements and all other expenses incurred in leasing or procuring new tenants; (4) expenses for repairs or improvements to other tenants’ leased space; (5) legal fees incurred in enforcing the terms of any lease or arising out of any mortgage or ground lease affecting the Building; (6) interest, principal, rental, late fees or other costs of any indebtedness or ground lease; (7) the cost of any work or service performed for any tenant at such tenant’s cost; (8) the cost of any work or materials performed or supplied to any facility other than the Building; (9) the cost of any items for which Landlord is reimbursed by insurance, any tenant or otherwise; (10) salaries, wages and benefits of Landlord’s officers, directors, and employees above the level of Building
manager; (13) the cost of installing, operating, maintaining or refurbishing any specialty service, such as an observatory, broadcasting facility, luncheon club, restaurant, retail store, sundry shop, athletic or recreational club or locker rooms, meeting rooms or lounges; (14) any charge for depreciation of the Building or equipment; (15) any tenant improvement allowance or other payment from Landlord to Tenant; (16) taxes excluded from the definition of "Taxes"; (17) bad debt losses or reserves therefore; (18) costs of selling, syndicating, financing, mortgaging, or hypothecating any of the Building or Land or Landlord’s interest in the Building or Land; (19) expenses resulting from tortious conduct of Landlord, its employees, agents or contractors; and (20) any janitorial, HVAC and/or electrical expenses for the Leased Premises that Tenant pays directly to the Landlord or third (3rd) party.

(c) **Controllable Building Expenses.** All "Controllable" Building expenses shall be capped at a maximum of 5% annual increase. "Controllable Expenses" shall include those building expenses except the following non-Controllable Expenses: real estate taxes, insurance, utilities, government-required Building modifications and snow removal. If the Building does not have at least ninety-five percent (95%) of the rentable area occupied at any time during the base year or any subsequent year, then the base for Operating Expenses and Real Estate Taxes shall be increased to reflect what such costs would have been if they had been calculated on the basis of ninety-five percent (95%) Building occupancy and full property tax assessment.

(d) **Annual Reconciliation of Operating Expenses.** After the end of each calendar year, Landlord will, as soon as practicable, submit to County, a statement of the actual increases incurred in operating expenses for the preceding calendar year over the Base Operating Expenses. County shall pay Landlord, within sixty (60) days of County’s receipt of such statement, County’s Proportionate Share of the excess, if any, of County’s Proportionate Share of the actual operating expense increases over the amount paid by County during the previous year as its Proportional Share of the projected operating expense increases. If the amount paid by County during the previous year exceeded County’s Proportionate Share of actual operating expense increases for the year, the excess shall be credited toward payment of the next installment of Base Monthly Rent to be paid by County after County receives said statement from Landlord. If the amount paid by County during the last
calendar year of the Lease Term exceeds County’s Proportionate Share of actual operating expenses increases for such year, Landlord shall credit the County for such amount (or pay county if term has expired).

(c) Operating Expense Request. Within sixty (60) days after receipt of Landlord’s statement showing actual figures for the year, County shall have the right to request a statement of operating expenses of the Building prepared by Landlord’s certified public accountant and copies of real estate tax bills, which shall be supplied to County within a reasonable time after County’s written request. If it shall be determined that there is an error in Landlord’s statement, County shall be entitled to a credit for any overpayment.

(f) Right to Audit. In the event County shall dispute the correctness of Landlord’s statement of County’s Proportionate Share of Landlord’s Operating Expense, County shall have the right to audit Landlord’s books and records relating to the statement. County shall provide Landlord not less than twenty (20) days’ notice of the date on which County’s certified public accountant/auditor desires to examine Landlord’s books and records during regular business hours, and Landlord shall cooperate with such auditor. If such audit shows that the amounts paid by County to Landlord on account of increases in such charges exceeded the amounts to which Landlord was entitled hereunder in accordance with the applicable provisions of this Lease, Landlord shall refund to County the amount of such excess within thirty (30) days of the date Landlord is notified in writing of the error. If such audit shows that the amounts paid by County to Landlord on account of increases in such charges were less than the amounts to which Landlord was entitled hereunder, County shall pay to Landlord the amount of such shortfall within sixty (60) days of the date County is notified of thereon. All costs and expenses of any such audit shall be paid by County, except if such audit discloses that the amounts paid by County to Landlord exceeded the amounts to which Landlord was entitled by more than three percent (3%), Landlord shall promptly reimburse County for the reasonable costs and expenses incurred by County in such audit. County shall not be entitled to delay any payment under this Lease during the pendency of any such inspection.
6. REAL ESTATE TAXES: PROPORTIONATE SHARE DEFINED:

(a) Real Estate Taxes Base Year. Commencing with the first Calendar Year following the Base year and every Calendar Year thereafter, Landlord will forward to the County a statement and copies of paid tax receipts setting forth the amount of Real Estate Taxes (as hereinafter defined) levied or imposed against the Property of which the Leased Premises are a part. The County shall pay, as additional rent, upon receipt of the Landlord’s statement and receipts, but in no event more than thirty (30) days after receipt of Landlord’s statement and receipts, any increase in the said Real Estate Taxes over the Real Estate Taxes assessed against the Property of which the Leased Premises are a part during the “Base Year.” The Base Year is defined to be the fiscal period from July 1, 2013 through June 30, 2014. The Landlord’s statement must contain copies of Real Estate Tax billings for the Base Year as well as the tax year for which the payment is required.

(b) The term "Real Estate Taxes" shall mean all taxes and assessments, general and special, ordinary and extraordinary, foreseen and unforeseen, now or hereafter assessed, levied or imposed upon the Building, and the land on which it is built, including, without limitation, front foot benefit charges and adequate public facility costs and assessments, together with (i) any tax, assessment, or other imposition in the nature of a real estate tax, (ii) any ad valorem tax on rent or any tax on income if imposed in lieu of or in addition to real estate taxes and assessments, and (iii) any taxes and assessments which may hereafter be substituted for real estate taxes, including by way of illustration only, any tax, assessment or other imposition (whether a business rental or other tax) now or hereafter levied upon Landlord for County's use or occupancy of or conduct of business at the Leased Premises, or County's improvements to or furniture, fixtures or equipment in the Leased Premises. "Real estate taxes" shall also include all reasonable and verifiable costs incurred by Landlord in contesting the validity or amount of any such taxes.

(c) Tenant’s Proportionate Share. The County shall pay to the Landlord said increased taxes and operating costs as additional rent for the County’s proportionate share of the building, which share is determined to be 2.26% within thirty (30) days after receipt of Landlord’s statement. The County proportionate share is computed as follows:

\[
\text{2,114 square feet leased} \\
\hline \\
= 2.26\% \\
\hline \\
93,611 building square feet
\]

10
7. TENANT IMPROVEMENTS:

(a) Description of Work. The County shall accept the Leased Premises in its “where-is” and “as-is” condition, with the exception that Landlord, at its sole cost and expense, shall perform, or cause to be performed, all modifications to the existing condition of the Leased Premises as described in Exhibit B and Exhibit C, attached hereto (the “Tenant Improvements”). The Tenant Improvements shall include, but no be limited to, all architectural, engineering and other professional fees, permit, expediting and construction fees and charges, impact fees and all construction costs. The Tenant Improvements shall be completed in accordance with the mutually agreed upon “Space Plan” and “Scope of Work” attached hereto and made a part hereof as Exhibit “B” and Exhibit “C” respectively, which the County has reviewed and approved as evidenced by its signature. The Tenant Improvements shall be constructed in accordance with all applicable American Disabilities’ Act (“ADA”) and fire, life and safety standards related thereto. The County shall notify Landlord of any construction deficiencies in the Tenant Improvements within thirty (30) days after the Lease Commencement Date, and Landlord shall promptly repair any such deficiencies. Landlord may deliver possession of the Leased Premises to the County subject to inconsequential punch list items to be completed after the Lease Commencement Date. Landlord shall deliver the Leased Premises to the County broom clean in compliance with applicable laws relating to the Tenant Improvements and with all systems existing as of the date hereof in good working order.

(b) Architectural Services for the Leased Premises. Landlord, at its sole cost and expense, has (or shall) provide architectural services required in connection with the final preparation of the Space Plan, Scope of Work and Construction Plans (as hereinafter defined). Within forty-five (45) days after execution of this Lease, Landlord shall furnish to the County completed construction drawings and construction specifications (the “Construction Plans”) reflecting the details as shown in the Space Plan and Scope of Work. The County shall have thirty (30) days to approve (or provide objections to) the Construction Plans.

(c) Permits. The Landlord, at its sole cost and expense, shall be responsible for obtaining the construction permit and final inspections for the Tenant Improvements from the City of Rockville for the Leased Premises. If required, the County shall be responsible
for obtaining the use and occupancy certificate, a copy of which shall be delivered to Landlord, and the County shall be responsible for any other permits or licenses necessary for its lawful occupancy of the Leased Premises.

(d) Early Access. Landlord grants permission to the County to enter the Leased Premises thirty (30) days prior to the Lease Commencement Date for the sole purposes of installing equipment, furniture, fixtures and related cabling therein, provided the County does not materially interfere with the completion of the Tenant Improvements. All such periods of early access shall be coordinated with Landlord and/or its agents and the general contractor.

8. PARKING: The County is allocated (for the entire Lease Term) up to three and eight tenths (3.8) parking spaces in the Building’s parking facilities per one thousand (1,000) square feet of rentable floor space in the Leased Premises. Parking is available on the surface parking lot on a non-reserved, unassigned basis at no cost to the County for the duration of the Lease Term. It is understood and agreed that Landlord assumes no responsibility and shall not be held liable for any damage or loss to any automobiles parked in the Property’s parking facilities or to any personal property located therein, or for any injury sustained by any person in or about such parking facilities unless the Landlord was solely negligent.

9. USE: The County covenants and agrees that said premises shall be used and occupied by the Montgomery County Government as general government offices, and for no other purposes. The County shall have the right to occupy and use the premises 24 hours a day, seven days a week.

10. PROPERTY DAMAGE AND LIABILITY INSURANCE:
(a) County shall have the right to self-insure. The County is a member of the Montgomery County Self-Insurance Program; Article 20-37 of Montgomery County Code restricts the legal defense fund to members of the Fund and does not allow for outside entities. The certificate of insurance evidences limits of insurability for general liability coverage in the amounts of $500,000 aggregate and $200,000 each occurrence and $20,000 per person, $40,000 per accident for bodily injury and $10,000 for property damage for automobile liability and State of Maryland statutory limits for worker’s compensation. 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 Maryland Annotated Code 1994, as amended. This insurance policy must be maintained continuously by the County during the full term of this contract and during any extension of the contract term. County and the Landlord hereby waive any right of subrogation against the other to the extent that the liability arises from a cause covered by the insurance and only to the extent of the insurance proceeds recovered, and provided that the Parties' insurance policies permit such a waiver.

(b) County agrees that it will not keep in or upon the Leased Premises any article, which may be prohibited by the standard form of fire or hazard insurance policy. In the event County’s articles causes any increase in the insurance premiums for the Leased Premises or any part thereof, County shall pay the additional premiums as they become due. Throughout the Lease Term, the County shall maintain all-risk property insurance on the value of all tenant furniture, fixtures and contents on the Leased Premises. County has the right to review the Landlord’s policy(ies) premium and rates.

(c) County agrees to hold harmless and hereby indemnifies Landlord 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, or occasioned wholly or in part by any act or omission of County or its agents, contractors, employees at or upon the Premises, or the occupancy or use by County, of the Leased Premises or any part thereof, or the County's use of the exterior areas designated by Landlord for the comfort and convenience of County, or employees. Landlord shall provide notice to County as soon as practical of any and all claims. Any obligation or liability of the County arising in any way from this Agreement is subject to, limited by, and contingent upon the appropriation and availability of funds, as well as the damage caps and notice requirements stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Section 5-301, et. seq (2013 Repl. Vol.) (the “LGTCHA”); Md. Code Ann. Art. 25A, Section 1A (2013 Repl Vol.) and Md. Code Ann., Cts. & Jud. Proc. Section 5-509 (2013 Repl. Vol.) (together, the “County Indemnification Statutes”), all as amended from time to time. Any indemnification given by the County in this Agreement 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.

(d) Landlord agrees to hold harmless and hereby indemnifies County, 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 Leased Premises, or the occupancy or use by Landlord of the Leased Premises or any part thereof, or the Landlord’s use of the exterior areas provided for County for the comfort and convenience of the Landlord, or occasioned wholly or in part by any act or omission of Landlord, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the County, the County’s agents, and employees.

(e) County shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within fifteen (15) days from execution of this Agreement. County reserves the right to self-insure.

(f) 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 two million dollars ($2,000,000) including fire legal liability, contractual liability, products and completed operations, and personal injury. The insurance policy shall name County as an additional insured.

(g) Landlord shall obtain an all risk property policy to protect against loss caused by the perils insured in the amount of 100 percent of the insurable value of the property.

(h) Montgomery County, Maryland must be named Additional Insured on the liability policy.

(i) Lessor shall provide a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Lease.

11. ACCESS: County will allow Landlord or Landlord’s agents to have access to the Leased Premises upon reasonable notice, except in the event of emergency to County and at all reasonable times for the purpose of inspection or in the event of fire or other property damage, or for the purpose of performing any maintenance and repairs Landlord may consider necessary or desirable; or for the Landlord to show the Leased Premises to prospective Tenants during the 12 months preceding expiration of the Lease term and to prospective purchasers and mortgagees at all reasonable times upon reasonable notice to
County; provided, however, Landlord shall not interfere with County's use of the Leased Premises. Landlord shall provide controlled access to the front and rear entrances to the building, and at least one elevator after normal full service building hours.

12. SERVICES: Landlord, at Landlord's expense, shall provide full service maintenance including but not limited to all utilities for normal office use maintenance and repairs, trash removal and pest control within the Leased Premises. Landlord, at Landlord's expense, shall provide janitorial services within the Leased Premises, after 5:00 P.M., Monday through Friday, except holidays. Landlord shall be responsible for cleaning the common area and the outside building areas including sidewalks, walkways, and pavement areas, keeping same free and clear of snow and ice. The Landlord shall also provide trash receptacles in the building and an area for recycling. The Landlord shall also make all necessary maintenance, repairs and replacements to all roof water protection, including the roof, flashing, gutters, downspouts, and roof drains, all exterior walls, interior columns, windows, interior concrete slabs, and the foundation.

(a) Maintenance and Repairs – Emergencies. In the event Landlord fails to provide emergency maintenance and repair with dispatch and due diligence appropriate to the condition after notice from the County, then County shall have the right but not the obligation to correct these problems and be reimbursed the reasonable cost thereof by Landlord.

(b) Maintenance and Repairs – Routine. In the event Landlord fails to correct routine maintenance and repair problems in the Leased Premises within 10 days after notification of same by the County, County shall have the right but not the obligation to correct these problems, and be reimbursed the reasonable cost thereof by Landlord.

13. HVAC: Landlord agrees to maintain, repair or replace the existing heating, ventilation and air conditioning system. The air conditioning shall be so balanced as to provide a temperature range between 72 and 78 degrees. The heating shall be so balanced as to provide a temperature range between 68 and 72 degrees. Landlord shall, during emergencies, change these temperature guidelines in accordance with Federal, State and local requirements. Landlord agrees to provide heating and air conditioning to the Leased Premises during those seasons of the year when such services are required, from 8:00 am until 6:00 pm, Monday through Friday and from 9:00 am until 1:00 pm on Saturdays,
exclusive of legal County, State or Federal holidays. Should the County require HVAC services beyond the hours set forth above, Landlord will furnish such additional service at the then-prevailing hourly rate, as established by Landlord from time to time, provided that the County gives Landlord no less than twenty-four (24) hours advance written notice of the need therefor.

14. ALTERATIONS, ADDITIONS AND IMPROVEMENTS:

(a) County will not make any alterations, additions, or improvements of any kind to the Leased Premises without the Landlord's written consent, which consent shall not be unreasonably withheld. County shall provide Landlord with plans and specifications of said work. County agrees to reimburse Landlord for all costs incurred by Landlord in reviewing County's proposed changes or additions and improvements and provided further that, in order to protect the functional integrity of the Building, Landlord shall have the right to approve County's contractor, and such approval shall not be unreasonably withheld. Upon receipt of Landlord's written approval of the County's plans and specifications, County may proceed to perform the work at County's expense, or at County's option, County may request that Landlord perform said work at County's expense and at negotiated prices. County shall pay for any work performed by Landlord on County's behalf after inspection by County and within thirty (30) days from the submission of an invoice by Landlord for work reasonably approved by County, as additional rent hereunder.

(b) All alterations, additions, or improvements made by either of the Parties upon the Leased Premises shall become the property of the Landlord and shall remain upon and be surrendered with the Leased Premises upon the termination of this Lease unless Landlord requires County to remove such property at the time Landlord approves installation of such improvements. County shall, with Landlord's written consent, which shall not be unreasonably withheld, have the right to install any furniture or office machinery necessary in the conduct of its business within the Leased Premises, and the same shall remain the property of the County, and shall be removed by County upon the termination of this Lease.

(c) Landlord will not approve any construction, alterations or additions requiring unusual expense to readapt the Leased Premises to normal office use upon Lease
termination or increase the cost of construction, insurance or taxes on the Building or of Landlord's services called for by this Lease unless County first gives assurances acceptable to Landlord that such re-adaptation will be made prior to Lease termination without expense to Landlord and makes provisions acceptable to Landlord for payment of such increased cost. All changes and additions shall be part of the Building except such items as by writing at the time of approval the Parties agree shall be removed by County upon termination of this Lease.

15. NOTICE OF DEFECTS: County shall provide Landlord with prompt notice of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises, or notice of need for repairs in the roof, plumbing, electric and heating systems, to be remedied by Landlord in accordance with the terms of this Lease.

16. ASSIGNMENT AND SUBLEASING: The County shall have the right to assign this Lease only to other Montgomery County agencies and/or sublet the entirety of the Leased Premises only to other Montgomery County agencies with the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed.

17. COUNTY'S COVENANTS: County covenants and agrees:

(a) To pay the rent as provided in the lease to Landlord and until the Lease expiration date or until possession is redelivered to Landlord, if this occurs after the Lease expiration date.

(b) Not to strip or overload, damage or deface the Leased Premises or hallways, stairways, elevators or other approaches thereto.

(c) Not to suffer or permit any trade or occupation to be carried on or use made of the Leased Premises which shall be unlawful, noisy, offensive or injurious to any person or property, or such as to increase the danger of fire or make void or voidable any insurance on said Building, in Landlord's concern to maintain the first-class business (non-medical, non-lab) nature of the Building.

(d) Not to move any furniture or equipment into or out of the Leased Premises without Landlord's consent thereto, which consent shall not be unreasonably withheld.

(e) Not to place upon the interior or exterior of the Building or any window or other part thereof or door of the Leased Premises any placard, sign, covering or drapes, except such and in such place as shall have been first approved by Landlord, which approval shall
not be unreasonably withheld. To remove, at County's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerials, flag poles, or the like not consented to in writing.

(f) To conform to all rules and regulations from time to time established by appropriate insurance rating organizations, and to all reasonable rules and regulations from time to time established by Landlord.

(g) To keep the Leased Premises equipped with all safety appliances required by law or ordinance or any other regulation of any public authority because of any use made by County and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way County's Permitted Uses.

(h) To keep all of County's employees working in the Leased Premises covered by worker's compensation insurance in statutory amounts and to furnish Landlord with a current certificate thereof. County reserves the right to self-insure.

18. DESTRUCTION OF PREMISES: In the event of damage or destruction of the Leased Premises by fire or any other casualty, this Lease shall not be terminated, but the Leased Premises shall be promptly and fully repaired and restored as the case may be by the Landlord to the extent of Landlord's insurance proceeds provided such repair and or restoration returns the Leased Premises to substantially the condition prior to such damage or destruction. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of the Landlord. It is agreed that in the event of damage or destruction, this Lease shall continue in full force and effect, except for abatement of rent as provided herein. If the condition is such as to make the entire Leased Premises "Untenantable", then the rental which the County is obligated to pay hereunder shall abate as of the date of the occurrence until the Leased Premises have been fully restored by the Landlord. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated and credited or paid to the appropriate party. If the Leased Premises are partially damaged or destroyed, then during the period that County is
deprived of the use of the damaged portion of said Leased Premises, County shall be required to pay rental prorated to reflect that portion of the Leased Premises which continues to be "Tenantable" and appropriate for County's use. Landlord will proceed at its expense and as expeditiously as may be practicable to repair the damage. Notwithstanding any of the foregoing, in the event of substantial damage or destruction, and Landlord should decide not to repair or restore the Leased Premises or the building, in which event and at Landlord's sole option, Landlord may terminate this Lease forthwith, by giving County a written notice of its intention to terminate within sixty (60) days after the date of the casualty. No compensation, or claim, or diminution of rent other than as described above will be allowed or paid, by Landlord, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the Leased Premises or any portion of the Building of which they are a part.

19. DELIVERY OF THE PREMISES: County covenants at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Landlord, and to yield to Landlord the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to County), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk for which County is not herein expressly made liable excepted.

20. DEFAULT:

(a) By County: In the event that rent, or any installment thereof, shall remain unpaid after it becomes due and payable, for ten (10) days after written notice to the County for same, or if County or County's assigns shall fail or neglect to keep and perform each and every one of the terms of this Lease, and such failure or neglect continues for more than thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence), after written notice to County from the Landlord specifying the default, then at the option of the Landlord, the Landlord and his assigns may proceed to recover possession under the laws of the State of Maryland. Landlord may also pursue any rights and remedies available for such default under the laws of the State of Maryland.

(b) By Landlord: In the event that the Landlord or his assigns shall fail or neglect to keep and perform each and every one of the covenants, conditions, and agreements
contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as either otherwise provided herein on as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County or his assigns specifying the default, then the County or his assigns, at County’s option, may pursue any and all legal remedies available. It is understood, however, that Landlord shall be entitled to notice, hearing and opportunity to cure or contest any claimed violations of the foregoing as to the full extent provided by federal, state or local law.

(c) No default as hereinbefore provided shall be deemed complete unless at the time Landlord or County seeks to take any action based upon such alleged default the same shall remain uncured by the defaulting party.

21. **HOLDOVER:** If the County continues, with the knowledge and written consent of Landlord obtained at least thirty (30) days prior to the expiration of the Lease Term, to remain in the Leased Premises after the expiration of the Lease Term, and in that event, County shall, by virtue of this agreement become a tenant by the month at a Base Monthly Rent which is one hundred five percent (105%) the Base Monthly Rent applicable to the last month of the Lease Term, and otherwise subject to the terms, covenants and conditions herein specified, commencing said monthly tenancy with the first day next after the end of the Lease Term.

Notwithstanding anything to the contrary contained in above, provided that County gives Landlord no less than sixty (60) days’ prior written notice of its intent to holdover, for the first six (6) months of the holdover period, County’s holdover rent shall be an amount equal to one hundred three percent (103%) of the Base Monthly Rent applicable to the last month of the Lease Term, and otherwise subject to the terms, covenants and conditions herein specified.

22. **QUIET POSSESSION:** Contingent on the performance of all covenants, conditions and agreements herein contained to be performed on County's part, County shall at all times during the term of this lease have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes herein cited.

23. **STATUTORY PROVISIONS:** It is understood, agreed and covenanted by and between the Parties that the Landlord and County, as their interests may appear and at their respective expense, will promptly comply with, observe and perform all of the
requirements of all applicable Federal, State, County and Local statutes, ordinances, rules, orders and regulations in effect during the Lease Term.

24. **WAIVER:** The waiver at any time by the Landlord or County of any particular covenant or condition of this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever.

25. **NON-DISCRIMINATION:** Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code 2004, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the County that in accordance with applicable law; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, sex, marital status, national origin, ancestry, disability, sexual orientation or genetic status.

26. **NON-APPROPRIATION:** Landlord acknowledges that the County has appropriated funds only for payment of rent for the first year of the term of this Lease. Landlord further acknowledges and agrees that the County's obligations under the Lease, to pay rent in future years, is subject to the appropriation of funding for such purpose in future years by the County. The term County, as used herein, includes the County Executive, the County Council, and all County employees and agents of the County. The County makes no warranty, guarantee, or representation and undertakes no obligation to request or obtain an appropriation of funds in future years for payment of rent. Landlord acknowledges and agrees that the County's budget constitutes an executive and legislative function that cannot be contracted away. The Landlord irrevocably waives any claim against the County for unpaid rent or other damages which occur after the date of non-appropriation, if funds are not appropriated in future years for payment of rent, including any claim that the failure to appropriate such funds constitutes a breach of any express or implied covenant of good faith and fair dealing or any other implied obligation on the part of the County to appropriate funds. Landlord does not waive any claims which arise from the County's performance of its obligations under the Lease prior to the date of non-appropriation.
If the County, in its sole discretion, elects not to appropriate funds for payment of rent in future years of this Lease, then this Lease shall automatically terminate at 11:59 p.m. on the last day for which funding is appropriated.

The County's fiscal year begins July 1 and ends June 30. It is anticipated that the final action on the County’s budget will take place each May, for the upcoming fiscal year, between the 15th and 31st of the month. The County shall give the Landlord notice, in writing, seven (7) business days after the County makes a final decision not to appropriate funds sufficient for the County to pay rent for a full fiscal year under this Lease. Such notice will clearly state the number of months, if any, in the upcoming fiscal year for which the County has appropriated funds sufficient to pay rent and will state the date by which the County will vacate the Leased Premises. If this Lease is terminated under this section due to non-appropriation, the County shall immediately pay Landlord a termination fee equivalent to Landlord’s unamortized transaction costs (“Transaction Costs”). The Transaction Costs shall include (i) Landlord’s contribution to the Tenant Improvements, (ii) the rent abatement, and (iii) the brokerage commissions. These Transaction Costs shall be amortized on a straight-line basis over the Initial Lease Term. Landlord shall provide a final accounting of all Transaction Costs within sixty (60) days after the Lease Commencement Date. The County’s obligation to pay the termination fee shall not be contingent on appropriation of funding for such purpose in future years.

27. CONTRACT SOLICITATION: 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 for bona fide employees or bona fide established, licensed commercial selling or leasing agencies maintained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

28. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Chapter 19A and Section 11B-52 of the Montgomery County Code 2004, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.
29. CONDEMNATION: In the event that the Leased Premises, or any part thereof, or more than twenty-five percent (25%) of the building of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, County shall have no claim against the Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation; and all rights of the County to damages therefore, if any, are hereby assigned by the County to the Landlord. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date of such governmental taking or condemnation and the County shall have no claim against the Landlord for the value of any unexpired term of this Lease. The foregoing notwithstanding, County shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for relocation expenses and for fixtures and other equipment installed by County which shall not, under the terms of this Lease, be or become the property of Landlord at the termination hereof, but only if such an award is made by condemning authorities in addition to and stated separately from the award made for the land and the building or parts thereof so taken.

30. GENERAL PROVISIONS:

(a) Entire Agreement: It is further understood and agreed that this instrument contains the entire agreement between the Parties hereto and shall not be modified in any manner except by an instrument in writing duly executed by the Parties hereto.

(b) Rights and Remedies: In addition to any and all rights and remedies specifically mentioned in this Lease, Landlord and County shall have all rights and remedies granted by Law or in equity. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by Landlord or County to resort to any or all of their respective rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of any party in any action or default.

(c) Governing Law: The provision of this Lease shall be governed by the laws of the State of Maryland. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby.
31. **SUBORDINATION:** Landlord shall have the absolute right to encumber the Leased Premises set forth in this Lease and the Lease, at the option of Landlord, shall be subordinate to such encumbrance or encumbrances. County agrees to sign acceptable and appropriate papers for subordination within twenty (20) business days after Landlord's written request, provided such subordination shall be upon the express condition that the Lease shall be recognized by the holder of the encumbrance and the rights of County shall remain in full force and effect during the initial Lease term or any extension thereof. In the event of a sale or transfer of the title to the aforesaid land and premises, any transferee shall be entitled to have this Lease subordinated to the lien and effect of any first deed of trust or mortgage to secure purchase money. The County agrees to execute subordination documents stating that the Lease is subordinated subject to the conditions in this Paragraph.

This Lease is subject and subordinate to all prior recorded encumbrances on the Property. In addition to or instead of a subordination agreement, the Landlord or the Landlord's successor in interest of transfer may request the County execute an estoppel certificate in the form provided by Landlord and its successor in interest.

32. **BENEFIT AND BURDEN:** The provisions of this Lease shall be binding upon, and shall inure to the benefit of the Parties hereto and each of their respective representative, successors and assigns.

33. **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 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 where the Leased Premises is located.

34. **SIGNAGE:** All signage shall be subject to County code and Landlord's approval, which shall not be unreasonably delayed, conditioned, or withheld.

[Remainder of this page is intentionally left blank]
35. **MAIL NOTICES:** All notices required or desired to be given hereunder by either party to the other shall be given certified or registered mail, postage prepaid, or sent by facsimile addressed to Landlord or County respectively. Notice to the respective Parties shall be addressed as follows:

**LANDLORD:**
Search Rock, LLC
c/o Guardian Realty Management, Inc.
6000 Executive Boulevard
Suite 400
N. Bethesda, Maryland 20852

Tel #: 301-770-5930  
Fax #: 240-243-2401

**COUNTY:**
Montgomery County, Maryland
Department of General Services
Office of Real Estate
101 Monroe Street, 9th Floor
Rockville, Maryland 20850

Tel #: 240-777-6088  
Fax #: 240-777-7259

With copy that does not constitute a notice:
Office of the County Attorney for Montgomery County, Maryland
101 Monroe Street, 3rd Floor
Rockville, Maryland 20850

**SIGNATURE PAGE TO FOLLOW**
IN WITNESS WHEREOF, the Parties hereto have caused this LEASE to be properly executed.

WITNESS:

By: ____________________________

[Signature]

LANDLORD:
First Campus Limited Partnership
By: Guardian Realty Management, Inc.
As Agent for the Landlord
By: ____________________________

[Signature]

Anthony G. LaBarbera, President
Date: 11/15/13

WITNESS:

By: ____________________________

[Signature]

TENANT:
MONTGOMERY COUNTY, MARYLAND
By: ____________________________

[Signature]

Ramona Bell-Pearson, Assistant Chief Administrative Officer
Date: November 22, 2013

APPROVED AS TO FORM AND LEGALITY OFFICE OF THE COUNTY ATTORNEY

By: ____________________________

[Signature]

Associate County Attorney
Date: 10/29/13

RECOMMENDED:

By: ____________________________

[Signature]

Cynthia J., Director
Office of Real Estate
Date: 10/28/13
Exhibit B
Space Plan of Leased Premises
Exhibit C
Scope of Work

[TO BE PROVIDED WITHIN THIRTY DAYS AFTER EXECUTION]
EXHIBIT D
SAMPLE ONLY
CERTIFICATE OF COMMENCEMENT

In accordance with the Lease dated ______________, 2013, (the “Lease”), between SEARCH ROCK, LLC, a Maryland limited liability company (“Landlord”) and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (“Tenant”) Landlord delivers to Tenant this Certificate of Commencement (this “Certificate”) dated this ___ day of ____________, 2013.

Delivery
By signing below, in accordance with Section 2 of the Lease, the County acknowledges receipt of keys and hereby accepts delivery of the Leased Premises located at 2301 Research Boulevard, Rockville, Maryland with all Tenant Improvements substantially complete, subject to completion of the punch-list of even date herewith.

Acknowledgements
The undersigned Tenant hereby certifies the following information to be true and correct:

1. The Commencement Date is ____________________, 2013.
2. The Rent Commencement Date is ____________________, 2013.
3. The Expiration Date is ____________________, 2021.
4. The Rentable Area of the Leased Premises is 2,114 rentable square feet.
5. Tenant’s Proportionate Share of the Building is two and twenty-six hundredths percent (2.26%).
6. The Base Annual Rent is $47,987.80, full service.
7. The Base Monthly Rent is $3,998.98, full service.
8. Landlord shall abate fifty percent (50%) of the County’s Base Monthly Rent for the first eight (8) months after the Commencement Date.
9. The Amount of the Security Deposit is $0.00.

LANDLORD:
SEARCH ROCK, LLC,
MARYLAND,

By: Guardian Realty Management, Inc, its Agent

TENANT:
MONTGOMERY COUNTY,
a Maryland limited liability company,
a body corporate and politic and a political subdivision of the State of Maryland

By: ________________ (SEAL)        By: ________________ (SEAL)