

**LEASE AGREEMENT**

**BETWEEN**  
**7676 NEW HAMPSHIRE LIMITED PARTNERSHIP**  
**AND**  
**MONTGOMERY COUNTY, MARYLAND**

**DATED**

10/10/05

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## LEASE AGREEMENT

THIS AGREEMENT, entered into this 10 day of October, 2005 by and between 7676 NEW HAMPSHIRE LIMITED PARTNERSHIP having an address of 1340 Old Chain Bridge Road, Suite 400, Mclean, Virginia 22101 (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND, (hereinafter referred to as "the County"). (The Landlord and the County together 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 2303 square feet of space on the 4<sup>th</sup> floor of the building, located at 7676 New Hampshire Ave. Langley Park, Maryland 20782 as outlined in red on "Exhibit A" attached hereto and made a part hereof (the Premises).

2. TERM: The term of this Lease shall be three (3) years commencing on the date the Landlord delivers possession of the Premises to the County (the "Commencement Date"). It is presently anticipated that the Premises will be delivered to the County upon completion of the Tenant Improvements, on or about November 1, 2005, (the "Lease Term").

3. RENEWAL AND TERMINATION: Provided that this Lease shall be in full force and effect, the County is not then and has not been in default of the Lease, and the County is occupying one hundred percent (100%) of the Premises, the County shall have the right, to extend the Lease for one additional period of two (2) years (such additional period being herein referred to as the "Extension Term" if exercised, and included in the definition of the Lease Term). The Extension Term shall be on the same terms, covenants and conditions as set forth herein with respect to the original term of this Lease. At the commencement of the extension term and each of the subsequent lease years of the extension term, the Base Annual Rent shall be increased by five percent (5) per annum.

4. BASE RENT: Commencing upon delivery of the Premises to the County, the Rent Commencement Date, the County shall pay or cause to be paid to the Landlord the annual and monthly amounts listed in the following schedule:

	<b>Annual</b>	<b>Monthly</b>
1 <sup>st</sup> Year	\$44,332.75	\$3,694.39
2 <sup>nd</sup> Year	\$46,106.06	\$3,842.17
3 <sup>rd</sup> Year	\$47,950.30	\$3,995.85

All payments are to be made in advance of the first day of each month, during each lease year, and shall be payable to: Stout and Teague Management Corporation, 1340 Old Chain Bridge Road Mclean, Virginia 22101.

The first month's rental payment shall be due and payable within thirty (30) days after execution of the Lease. 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. TENANT IMPROVEMENTS: The Landlord shall deliver the space with new carpet and cove base, freshly painted walls, doors and trim throughout the area of occupancy at no additional expense to the County. The Landlord shall not provide any telephone, data or computer cabling and equipment required for County occupancy. The Landlord shall provide all other construction services required for the Premises in accordance with the space plan attached as "Exhibit A".

6. REAL ESTATE TAXES AND ANNUAL OPERATING COSTS:

A. The County shall pay to the Landlord as additional rent its pro rata share of 4.61%, of Real Estate Taxes assessed on the Premises during the term of the Lease. In order to provide for payment by the County of Real Estate Taxes on a monthly installment basis during the term, Landlord shall, for each fiscal year of the assessing

authority, furnish the County with a statement of Real estate Taxes for such fiscal year and the County shall pay to the Landlord an amount equal to one twelfth (1/12) of the Real Estate Taxes as additional rent each month.

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 costs incurred by Landlord in contesting the validity or amount of any such taxes.

7. PARKING: The Landlord shall grant the County use of the parking lot in common with other tenants at no additional cost allowing at least 3.75 parking spaces per 1,000 square feet of leased office space.

8. 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.

9. PROPERTY DAMAGE AND LIABILITY INSURANCE:

A. The County shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of general liability coverage from self insurance and/or from private insurance carriers in the aggregate amounts of \$2,000,000 aggregate and \$1,000,000 each occurrence and \$200,000 per person, \$100,000 per accident for bodily injury and \$50,000 for property damage for automobile liability and State of Maryland statutory limits for worker's compensation. 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, (LGTCA), MD. Ann. Code, Cts & Jud. Proc. Sec.. 5-301 et seq. (2002 Repl. Vol) as amended.

B. The 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 occupancy causes any increase in the insurance premiums for the Building 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 improvements to the Leased Premises (whether constructed by Landlord or the County) and the value of all Alterations. County has the right to review the Landlord's policy (ies) premium and rates.

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 Leased Premises, or the occupancy or use by County of the Leased Premises or any part thereof, or the County's use of the Building or common areas provided by the Landlord for the use of the County or its agents, employees, guests or invitees, or occasioned wholly or in part by any act or omission of the County or its agents, contractors, employees at or upon the Premises or the Building, excepting claims arising out of the grossly negligent acts or omissions of the Landlord, its agents and

employees. Landlord shall provide notice to County as soon as practical of any and all claims under which Landlord will rely on this indemnification. The County shall indemnify Landlord against any penalty, damage or charge incurred or imposed by reason of the County's violation of any law or ordinance.

D. The County further agrees that all personal property in the Leased Premises shall be and remain at County's sole risk, and Landlord shall not be liable for any damage to or loss of such personal property excepting damage arising out of the grossly negligent acts or omissions of the Landlord, its agents, contractors or employees.

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. County reserves the right to self-insure.

F. Except as otherwise set forth herein, any indemnification given by the County is subject to the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Sec. 5-301, et seq. (2002 Repl. Vol.) (the "LGTCA"); Md. Code Ann. Art. 25A, Sec. 1A (2003 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2002 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.

G. Lessor 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. Montgomery County, Maryland shall be named Additional Insured on the liability policy.

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

I. Landlord will indemnify 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 Leased Premises or the Building by any grossly negligent 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. Provided, however, that County provides to Landlord as soon as practical, notice of any and all claims under which County will rely on this indemnification. Landlord shall indemnify County against any penalty, damage or charge incurred or imposed by reason of Landlord's violation of any law or ordinance.

10. ACCESS: County will allow Landlord or Landlord's agents to have access to the Leased Premises upon reasonable notice to County, except in the event of emergency, 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 twelve 12 months preceding expiration of the Lease term and to prospective purchasers and mortgagees at all reasonable times upon reasonable notice to the County; provided, however, Landlord shall not interfere with the County's use of the Leased Premises. Landlord shall provide controlled access to the front and rear entrances to the building.

11. SERVICES: Landlord, at Landlord's expense, shall provide full service maintenance including but not limited to all utilities, 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. 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 at its own cost and expense, 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 written 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.

If Landlord, at any time during the Lease Term, shall default in any material respect the performance or observance of any obligation on Landlord's part to be performed or observed pursuant to Articles 8 and 9 of the Lease, and shall not cure such default within thirty (30) days after receipt of written notice thereof from County (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), then, provided County is not then in default under the Lease, beyond applicable notice and grace periods, County may, at its option, but is under no obligation to so act, cure such default, and Landlord agrees to reimburse County the amounts reasonably incurred by County in so doing within a reasonable period of time agreed to by both County and Landlord; provided that County shall not undertake maintenance, repairs and/or replacements to any structural element of the Building or the roof thereof or to any Building service equipment or system which serves or may affect any space in the Building other than the Leased Premises. Notwithstanding the foregoing, in no event shall County be entitled to set-off or deduct any amounts incurred by County hereunder against the Annual Base Rent due under the Lease

12. 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.

13. ALTERATIONS, ADDITIONS AND IMPROVEMENTS:

A. The 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. The County shall provide Landlord with plans and specifications of said work. The County agrees to reimburse Landlord for all costs incurred by Landlord in reviewing the 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 (who shall be licensed and insured in the State of Maryland), and such approval shall not be unreasonably withheld, conditioned or delayed. 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 the 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, conditioned or delayed 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.

14. NOTICE OF DEFECTS: The 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.

15. ASSIGNMENT AND SUBLEASING: County shall not have the right to transfer possession or occupancy of the Leased Premises, nor sublet or assign this Lease to any person or persons without the prior written consent of the Landlord. Landlord's consent shall not be unreasonably or unduly withheld, conditioned or delayed providing that the proposed assignee has a net worth demonstrating its financial capability to fulfill the economic provisions of this Lease as determined in the sole, but commercially reasonable judgment of the Landlord and the

proposed use is acceptable to the Landlord in its sole, but reasonable discretion. County agrees not to market or advertise the Leased Premises for sublet or this Lease for assignment without the prior written consent of Landlord as to all advertising, marketing and promotional materials. In the event that any assignee or subtenant pays to County any amounts in excess of the Annual Base Rent and additional rent then payable hereunder, or pro rata portion thereof on a square footage basis for any portion of the Leased Premises, County shall promptly pay 50% of such excess to Landlord as and when received by County. If County requests Landlord's consent to assign this Lease or sublet the Premises, Landlord shall have the option, exercisable by written notice to County given within 10 days after receipt of such request, to terminate this Lease with respect to that portion of the Leased Premises being sublet as of a date specified in such notice which shall be not less than 30 or more than 60 days after the date of such notice. Any such assignment or subleasing shall not relieve County from obtaining the consent in writing of Landlord to any further assignment or subleasing.

16. 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, conditioned or delayed.

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 in writing, which approval shall not be unreasonably withheld, conditioned or delayed. To remove, at County's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerals, 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 (a copy of which is attached as Exhibit D).

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.

17. 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.

18. SURRENDER 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), broom clean and 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.

19. DEFAULT:

A. By County: In the event that rent, or any installment thereof, shall remain unpaid after it becomes due and payable, or if County or County's assigns shall fail or neglect to keep and perform each and every one of the non-monetary terms of this Lease, and such failure or neglect continues for more than five (5) days after written notice to County from Landlord for monetary obligations and 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 its assigns specifying the default, then the County or its 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.

20. HOLDOVER: If County shall hold possession of the Leased Premises after the expiration or termination of this Lease, the monthly Rent shall be 150% of the monthly rates of the last month of the term of the Lease per month and at Landlord's option (i) County shall be deemed to be occupying the Leased Premises as a tenant from month to month, not to exceed a period of 6 months during which time either party may terminate this Lease on thirty (30) days

written notice, and will be otherwise subject to all of the terms and conditions of this Lease, or (ii) Landlord may exercise any other remedies it has under this Lease or at law in equity including an action for holding over after the date stipulated in Landlord's notice above.

21. 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.

22. 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.

23. 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.

24. 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, martial status, national origin, ancestry, disability, sexual orientation or genetic status.

25. NON-APPROPRIATION: This Lease is subject to the appropriation of funds. If funds are not appropriated, for any reason whatsoever, the Lease will automatically terminate on July 1 of the calendar year which the County does not appropriate funds. County shall give

Landlord at least thirty (30) days written notice of the lack of appropriation. The County nor the Landlord shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items. In such event the County shall immediately vacate the Leased Premises upon the expiration of such notice period, but in no event later than June 30 of the calendar year in which the County does not appropriate funds.

26. 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.

27. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Chapter 19A and Section 11B-52 of the Montgomery County Code 1994, 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.

28. 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.

29. 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.

D. No Representations by Landlord. Neither Landlord nor any agent of Landlord has made any representations or promises with respect to the Leased Premises or the Building except as herein expressly set forth, and no rights, privileges, easements or licenses are granted to County except as herein expressly set forth.

E. Exhibits. It is agreed and understood that any Exhibits referred to herein and attached hereto form an integral part of this Lease and are hereby incorporated by reference.

F. Approvals by the Parties. Whenever either Party's consent or approval is required under the terms of this Lease, that Party may grant or deny such consent or approval in its sole discretion unless otherwise specified herein. The Parties hereby waive any right to damages based upon the other Parties actually or allegedly wrongfully withholding or delaying any consent or approval under or in connection with this Lease. The sole remedy for any wrongfully withheld or delayed consent or approval shall be a proceeding for specific performance, or injunction or declaratory judgment.

G. Invalidity of Particular Provisions. If any term or provision of this Lease or applications thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

H. Entire Agreement; Modification. This Lease and all Exhibits hereto contain all the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing, signed by the parties hereto.

I. Examination of Lease. Submission of this Lease for examination or signature by County shall not constitute reservation of or option for Lease, and the same shall not be effective as a Lease or otherwise until execution and delivery by both Landlord and County.

J. Confidentiality. Except as otherwise required by law, County agrees to keep confidential all terms of this Lease, as well as any and all discussions and/or negotiations with Landlord prior to and related to this Lease.

30. SUBORDINATION AND OTHER LENDER REQUIREMENTS: 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 attached as Exhibit B and made a part of this Lease.

In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any deed to secure debt given by Landlord and covering the Leased Premises, the County shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the owner and landlord under this Lease, provided such owner, as landlord, shall recognize the County's rights to continue to occupy the Leased Premises and exercise all of its rights hereunder so long as the County complies with the terms and provisions of this Lease. The County further covenants and agrees to attorn to any successor to Landlord's interest in any ground or underlying lease, and in that event, this Lease shall continue as a direct lease between the County herein and such landlord or its successor.

31. 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.

32. 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.

33. SIGNAGE: All signage shall be subject to County Code and Landlord's approval. No exterior signage shall be permissible. Landlord agrees to display, at Landlord's expense, the County's name on the Building directory or directories in the size and style or lettering used by Landlord. The number of individual names listed on the Building directory or directories shall be subject to such limitation as shall be established from time to time by Landlord. The County may display its name on the corridor wall adjacent to the Leased Premises, as directed by Landlord, in Building standard color, size and style of lettering, to be furnished by Landlord at Landlord's expense.

34. 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:

Stout and Teague Management Corp.  
1340 Old Chain Bridge Road Suite 400  
McLean, Virginia 22101

COUNTY:

Montgomery County Maryland  
Department of Public Works and  
Transportation  
Office of Real Estate,  
101 Monroe Street, 10<sup>th</sup>  
Rockville Maryland, 20850  
Tel. # 240-777-6088

With copy that does not constitute notice to :

Office of the County Attorney for Montgomery County, Maryland  
101 Monroe Street, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850  
Attn: County Attorney

SIGNATURE PAGE TO FOLLOW

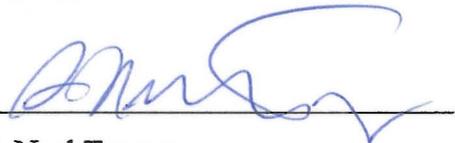
IN WITNESS WHEREOF, the Parties hereto have caused this LEASE to be properly executed.

WITNESS:

LANDLORD:

7676 New Hampshire Limited Partnership  
Stout and Teague Company  
General Partner

By: 

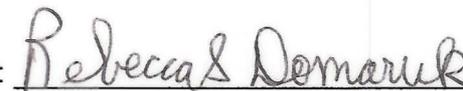
By:   
G. Neel Teague

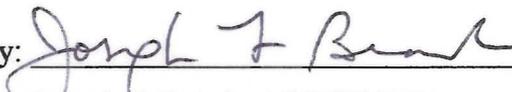
Date: 10/6/05

WITNESS:

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: 

By:   
Joseph F. Beach, ASSISTANT  
CHIEF ADMINISTRATIVE OFFICER

Date: 10/10/05

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

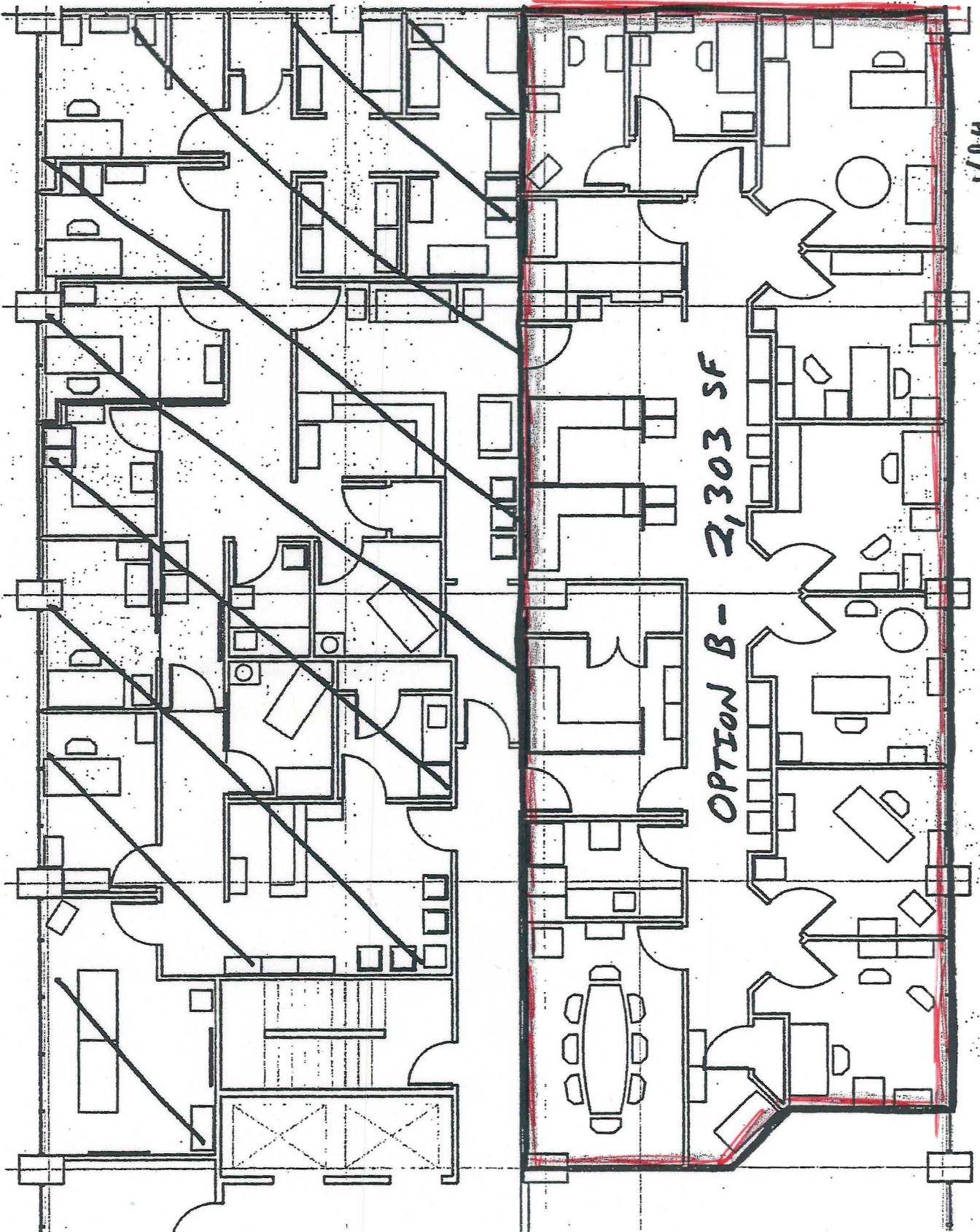
By: 

By:   
Cynthia L. Brenneman, Director  
Office of Real Estate

Date: 10/4/2005

Date: 9/23/05

Exhibit A  
Floor Plan



## EXHIBIT B

### 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  
Montgomery County, Maryland ("Tenant")  
Square Footage Leased:  
Suite No./Floor: ("Premises")

Landlord has requested that Tenant provide Landlord with an estoppel certificate as permitted from time to time under the terms of the above-referenced lease ("Lease"). Tenant hereby acknowledges the following:

- (1) The Lease, which includes the Lease and all amendments to the Lease attached as Exhibit "A", is a true, correct, and complete copy of the Lease, as amended; is in full force and effect; and has not been modified, supplemented, or amended in any way other than in writing attached as part of Exhibit A. The Lease as amended in Exhibit A represents the entire agreement between the Landlord and Tenant as to the Premises or any part of the Premises.
- (2) The Lease Term commenced on \_\_\_\_\_, and terminates on \_\_\_\_\_. The Lease provides for \_\_\_\_\_ renewal/extension option(s) of \_\_\_\_\_ (months/years) each. Tenant has exercised \_\_\_\_\_ renewal/extension options on the date that this Certificate is issued by Tenant.
- (3) The amount of fixed monthly 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\_\_.
- (4) Tenant paid no security deposit under the terms of the Lease. Tenant has paid rent for the Premises through \_\_\_\_\_, 200\_\_.
- (5) Tenant currently occupies the Premises.
- (6) All work to be completed by Landlord for the Tenant prior to occupancy has been performed as required and has been accepted by the Tenant (if not, specify what punch list or other items remain to be completed, and the amount budgeted for completion; and any payments, free rent, or other payments, credits, allowances or abatements required to be given by Landlord up to the date of issuance of this Certificate have been credited or paid to Tenant.

- (7) As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any default by Landlord other than those specified in Exhibit B, attached. As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any offset, defense, deduction or claim against Landlord other than those listed in Exhibit B, attached.
- (8) Tenant is not in default under the Lease.
- (9) Tenant has not assigned the Lease or sublet all or any portion of the Premises, except as listed in Exhibit C, attached. Any sublease or assignment documents are attached as part of Exhibit C.
- (10) Any notices to be sent to Tenant should be sent in the form required in the Lease to:

Montgomery County, Maryland  
Department of Public Works & Transportation  
Office of Real Estate  
101 Monroe Street, 10th Floor  
Rockville, MD 20850  
Attn: Director

With a copy that does not constitute notice to:

Office of the County Attorney  
101 Monroe Street, 3rd Floor  
Rockville, MD 20850  
Attn: County Attorney

TENANT:  
Montgomery County, Maryland

By: \_\_\_\_\_  
Joseph F. Beach  
Assistant Chief Administrative Officer