

BETWEEN
WASHINGTON REAL ESTATE INVESTMENT TRUST
AND
MONTGOMERY COUNTY, MARYLAND

DATED 6/6/01

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EXHIBIT A - Leased Premises

LEASE AGREEMENT

THIS LEASE, entered into this 6th day of June, 2001, by and between, WASHINGTON REAL ESTATE INVESTMENT TRUST, (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND, 101 Monroe Street, Rockville, Maryland 20850, a body corporate and politic and a political subdivision of the State of 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 mutually agree as follows:

1. PREMISES: Landlord does hereby lease and demise unto the County and the County hereby leases from Landlord the premises described as 1,952 square feet of space at 51 Monroe Street, Suite 802, Rockville, Maryland, 20850 as outlined in red on "Exhibit A" attached hereto and made a part hereof. Said space is hereinafter referred to as the "Leased Premises." The land, building and improvements are defined in this lease as the "Property."
2. TERM: The term of this Lease shall be five (5) years, to commence on or about May 1, 2001, and terminate at midnight April 30, 2006 (the "Lease Term").
3. BASE RENT: The County covenants and agrees to pay annual Base Rent during the term of this Lease, payable by the County in equal monthly installments, in advance, on or before the first day of each month, to and at the offices of WASHINGTON REAL ESTATE INVESTMENT TRUST, c/o Suntrust Bank, PO Box 79555, Baltimore, Maryland 21279-0555, or at such other place designated by Landlord, without prior demand therefore, and without any deduction or set-off whatsoever, (except for abatements as provided under paragraph 17 of this Lease Agreement) in the annual amount of FIFTY SIX THOUSAND, THREE HUNDRED, SIXTY FOUR and 00/100 (\$56,364.00) DOLLARS, payable in equal monthly installments of FOUR

THOUSAND SIX HUNDRED NINETY-SEVEN and 00/100 (\$4,697.00)
DOLLARS.

The Rent Commencement Date shall coincide with the Lease Commencement Date as set forth in Paragraph 2 hereinabove. The first rental payment shall be due and payable on the Lease Commencement Date. If the Lease Commencement Date occurs on other than the first day of a calendar month, the Base Rent shall be pro-rated at the rate of one-thirtieth (1/30th) of the applicable monthly installment per day for each day of such partial month.

4. RENT ADJUSTMENT: It is agreed between the Parties that the Base Rent payable by the County as set forth in Paragraph 3 above shall be adjusted at the beginning of the second (2nd) lease year, and each year thereafter, based on an increase of four and one-half percent (4 1/2 %) of the previous year's Base Rent.

5. REAL ESTATE TAXES:

A. Commencing with the first Calendar Year following the Base Year and every Calendar Year thereafter, the Landlord shall 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 to the Landlord as additional rent, upon receipt of the Landlord's statement and receipts, but in no event more than 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 hereby defined to be the period from July 1, 2000 through June 30, 2001. The Base Year figure will not include any amount which represents an increase in the assessed value of the premises as a result of the County improvements as herein described. The Landlord's statement shall 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 be deemed to mean the County's proportionate share of property taxes and assessments, general and special, levied or imposed by appropriate taxing authorities with respect to the Property as defined below. If the system of real estate taxation shall be altered or varied or any new tax or levy shall be levied or imposed on said land; buildings and improvements by an appropriate taxing authority, the new tax or levy shall be included within the term "Real Estate Taxes."

C. The County shall pay to Landlord said increased taxes as additional rent for the County's proportionate share of the building, which share is hereby determined to be .956% within thirty (30) days after receipt of Landlord's statement. The County proportionate share is computed as follows:

$$\frac{1,952 \text{ square feet leased}}{204,000 \text{ square feet in building}} = .956\%$$

6. CONSTRUCTION: The Leased Premises are accepted in "AS IS" condition as shown in the attached Exhibit A. Landlord must paint and re-carpet the Leased Premises utilizing Landlord standard-building materials, in a color selected by the County. Work for carpet and paint shall not commence until after January 1, 2002 and must be completed within thirty (30) days of this date. Landlord must install one (1) small capacity hot water heater in the kitchen area no later than thirty (30) days after the lease is executed.

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

8. PROPERTY DAMAGE AND LIABILITY INSURANCE:

A. The County shall obtain and maintain, during the full term of this Agreement and any extension thereof, a policy of public liability insurance with bodily injury limits of TWO HUNDRED THOUSAND

(\$200,000.00) DOLLARS for injury (or death) to one person, FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS per occurrence, and property damage insurance with a limit of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS. The County reserves the right to self-insure.

- 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 The County's articles causes any increase in the insurance premiums for the Leased Premises or any part thereof, the County shall pay the additional premiums as they become due. The County has the right to review the Landlord's policy(ies) premium and rates.

- C. The County agrees to hold harmless and hereby indemnifies Landlord, and Managing Agent, 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 the County or its employees at or upon the Leased Premises, or the occupancy or use by the 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 the County. This indemnification is subject to the notice and damages limitations stated in the Local Government Tort Claims Act in the Maryland Annotated Code as amended from time to time. This indemnification shall not be considered to be a waiver of governmental immunity and is not intended to create any rights or causes of action in third parties. The County shall not, however, be liable for damage or injury occasioned by the acts or omissions of Landlord or its agents, or Landlord's failure to comply with its obligations hereunder.

- D. Landlord agrees to hold harmless and hereby indemnifies the 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 the 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. All the furnishings, fixtures, equipment, effects and property of every kind, nature and description belonging to the County or to any person claiming by, through or under the County which, during the continuance of this Lease or any occupancy of the Leased Premises by the County or anyone claiming under the County, shall be at the sole risk of the County, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord unless due to the intentional acts or negligence of Landlord or Landlord's failure to comply with its obligations hereunder.

- F. The County shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Agreement. The County reserves the right to self-insure. The County and Landlord hereby waive any right of subrogation against the other to the extent that the liability arises from a cause covered by insurance and only to the extent of the insurance proceeds recovered, and provided that the Parties' insurance policies permit such a waiver.

9. ACCESS: The 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 the 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 (twelve) 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, and at least one elevator after normal full service building hours.

10. SERVICES: Landlord, at Landlord's expense, shall provide 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.

A. Janitorial Services: In the event Landlord fails to provide satisfactory janitorial services in the Leased Premises, after written notice of three (3) business days is given specifying in detail Landlord's failure, the County shall have the right but not the obligation to assume responsibility for said services and be reimbursed by Landlord the reasonable cost thereof.

11. DEFAULT BY LANDLORD UNDER PARAGRAPHS 12 AND 13: If Landlord, under Paragraphs 12 and 13, at any time during the Lease Term, shall default in any material respect in the performance or observance of any obligation on Landlord's part to be performed or observed pursuant to Articles 12 and 13 of the Lease, and shall not cure such default within 72 (seventy-two) hours after receipt of written notice thereof from the 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 that the County is not then in default under the Lease, beyond applicable notice and grace periods, the County may, at its option, but is under no obligation to so act, cure such default, and Landlord agrees to reimburse the County the amounts reasonably incurred by the County in so doing within a reasonable period of time agreed to by both the County and Landlord; provided that the 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. The Parties acknowledge that a default of performance or observation of any obligation under Paragraph 11 and 12 of the Lease will affect the County's ability to use and occupy the Leased Premises and, if not cured as provided above, can, at the option of the County and after

notice is given, be considered a default of the Lease and the County shall have those rights prescribed under Paragraph 19 below.

12. SYSTEM: Landlord agrees to provide heating, ventilation, and air conditioning during those seasons of the year when such services are necessary from 8:00 AM until 6:00 PM, Monday through Friday and 9:00 AM to 1:00 PM on Saturday, exclusive of legal holidays, in amounts and quantities sufficient to maintain the Leased Premises in a balanced, comfortable manner. Legal holidays are hereby defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Landlord will provide heating, ventilation and air conditioning in addition to the herein stated hours, provided that the County notifies Landlord 24 hours in advance, before noon on the day preceding the requested service (noon Friday for Saturday and Sunday) of such requirement for additional heating or air conditioning. The County shall pay an hourly charge for such additional HVAC services to reflect cost of utilities and other costs of operating the HVAC equipment, the rate to be mutually agreed between the Landlord and the County. The air conditioning shall be so balanced as to provide a temperature range between 74 and 78 degrees Fahrenheit. The heating shall be so balanced as to provide a temperature range between 68 and 72 degrees Fahrenheit. Landlord shall, during emergencies, change these temperature guidelines in accordance with Federal, State and local requirements.

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, delayed, conditioned, or 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 the County's contractor, and such approval shall not be unreasonably delayed, conditioned, or withheld. Upon receipt of Landlord's written approval of the County's plans and specifications, the County may proceed to perform the work at the County's expense, or at the County's option, the County may request that Landlord perform said work at the County's expense and at negotiated prices. The County shall pay for any work performed by

Landlord on the County's behalf after inspection by the 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, at the time of installation, unless Landlord requires the County to remove the County's property at the end of the Lease Term. The County shall, with Landlord's written consent, which shall not be unreasonably delayed, conditioned or 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 the 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 the 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 Leased Premises except such items as by writing at the time of approval the Parties agree shall be removed by the 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: The 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 conditioned, delayed, or withheld. The 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 the 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, the County shall promptly pay 50% of such excess to Landlord as and when received by the County. If the County requests Landlord's consent to assign this Lease or sublet more than 50% of the Leased Premises, Landlord shall have the option, exercisable by written notice to the County given within 10 days after receipt of such request, to terminate this Lease 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 the County from obtaining the consent in writing of Landlord to any further assignment or subleasing.

16. COUNTY'S COVENANTS: The County covenants and agrees:
- A. To pay the rent as provided in the lease to Landlord during this Lease Term or any extension of the Lease Term.
 - 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.
 - D. Not to move any furniture or equipment into or out of the Leased Premises without Landlord's consent, which consent shall not be unreasonably conditioned, delayed, or 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

conditioned, delayed, or withheld. To remove, at the County's expense, any tenant improvements not consented to in writing by the Landlord.

- 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 and provided to the County in writing.
- 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 the 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 the County's Permitted Uses.

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 in this Lease. If the condition is such as to make the entire Leased Premises "Untenantable", then the rent which the County is obligated to pay 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 the County is deprived of the use of the damaged portion of said Leased Premises, the County shall be required to pay rental prorated to reflect that portion of the Leased Premises which continues to be "Tenantable" and appropriate for the 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 the County a written notice of its intention to terminate within sixty (60) days after the date of the casualty.

18. DELIVERY OF THE PREMISES: The County covenants at the expiration or other termination of this Lease, to remove the County's property from the Leased Premises and to yield to Landlord the Leased Premises and all keys, locks and other fixtures (except trade fixtures and other fixtures belonging to the County), in good repair, order and condition in all respects, reasonable wear and use and damage by fire or other casualty excepted.

19. DEFAULT:

- A. By the 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 the County or the 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 the 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.
- B. By the 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 in this Lease, and such failure or neglect is not remedied within ten (10) days (or such period as either otherwise provided in this Lease or as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County or the County's assigns specifying the default, then the County or the County's assigns, at County's option, may pursue any and all legal and equitable remedies available.

20. HOLDOVER: If the County shall hold possession of the Leased Premises after the expiration or termination of this Lease, at Landlord's option (i) County shall be deemed to be occupying the Leased Premises as a County 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 or in equity.

21. QUIET POSSESSION: The County shall at all times during the Lease Term or other authorized occupancy of the Leased Premises, have the peaceable and quiet enjoyment and possession of the Leased Premises as provided in this lease unless the County is in default under one or more of the material provisions of this Lease and has failed or refused to cure the default after notice from the Landlord and an opportunity to cure after notice.

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 the 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: The 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 1994, 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 or sexual orientation.

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. The County shall give Landlord at least thirty (30) days written notice of the lack of appropriation. The County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

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, the 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. Upon such condemnation or taking, this Lease shall 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 property installed by the County which shall not, under the terms of this Lease, be or become the property of Landlord at termination, but only if such an award is made by condemning authorities in addition to and stated separately from the award made for the Property or any part of the Property taken.

29. GENERAL PROVISIONS:

- A. Entire Agreement: This Lease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing duly executed by the Parties.
- B. Rights and Remedies: In addition to any and all rights and remedies specifically mentioned in this Lease, the Parties shall have all rights and remedies provided in Law or equity. Failure by Landlord or the 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: This Lease shall be governed by the laws of the State of Maryland. If any term of this Lease is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall remain in full force and effect.

30. SUBORDINATION: Landlord shall have the 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. The County agrees to sign acceptable and appropriate papers for subordination within ten (10) business days after Landlord's written request, provided such subordination shall be upon the express condition that this Lease shall be recognized by the holder of the encumbrance and the rights of the County will remain in full force and effect during the Lease Term or any extension. In the event of a sale or transfer of the title to the Property, 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 upon terms and conditions acceptable to the County.

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 that the County execute an estoppel certificate. The estoppel certificate will certify that on the date of its execution, the following statements are true:

- A. The lease and defined amendments to it are in effect;

- B. The County is current on rent payments or has not paid any installments of rent more than 30 days in advance;
- C. The County has no knowledge of any breaches of the Lease by the Landlord or any defaults by the Landlord that have not been cured; and
- D. The County has no knowledge of any notices of violation or citations issued to the Landlord for violations of the law based on the Landlord's ownership or use of the Leased Premises

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

32. **PARKING:** Landlord shall provide four (4) unreserved, guaranteed parking spaces in the underground garage of the building for the use of the County and the County's patrons in common with other Building tenants. The total cost for the four (4) parking spaces to the County shall be THREE THOUSAND THREE HUNDRED SIXTY AND 00/100 (\$3,360.00) Dollars a year, payable in equal monthly installments of TWO HUNDRED EIGHTY 00/100 (\$280.00) Dollars. Landlord shall be responsible for the care and maintenance of the parking facility. Landlord shall provide, at Landlord's expense, proper lighting, periodic cleaning and repair of the parking facility as necessary. All payments for parking spaces are to be made in the same manner as provided for in Paragraph 3 hereinabove.

33. **MAIL NOTICES:** All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail, postage prepaid, addressed to Landlord or County, respectively. Notices to the respective parties shall be addressed as follows:

Attn: Asset Manager gmm
Landlord and Managing Agents:
 Washington Real Estate Investment Trust
 6110 Executive Boulevard *Suite 800*
 Rockville, Maryland 20852
 Tel. (301) 255-0823 *66*
 Fax. (301) 984-9610

County:
 Montgomery County Government
 Dept. of Facilities and Services
 Office of Leasing Management
 101 Orchard Ridge Dr. 2nd Floor
 Gaithersburg, Maryland 20878
 Tel. (240) 777-6080/ Fax. (240)-777-6047

IN WITNESS WHEREOF, the Parties have executed this LEASE on the date first above written.

WITNESS:

By: [Signature]

LANDLORD:
WASHINGTON REAL ESTATE
INVESTMENT TRUST

By: [Signature]
George F. McKenzie
Vice President
Title: _____

Date: 6/4/01

WITNESS:

By: Rebecca S. Domaruk

TENANT:
MONTGOMERY COUNTY,
MARYLAND

By: [Signature]
WILLIAM MOONEY ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 6/5/01

APPROVED AS TO FORM AND
LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: [Signature]
Date: 5/9/2001

RECOMMENDED

By: [Signature]
J. RONALD SMITH, CHIEF
FACILITIES AND SERVICES SECTION

Date: 5/17/01

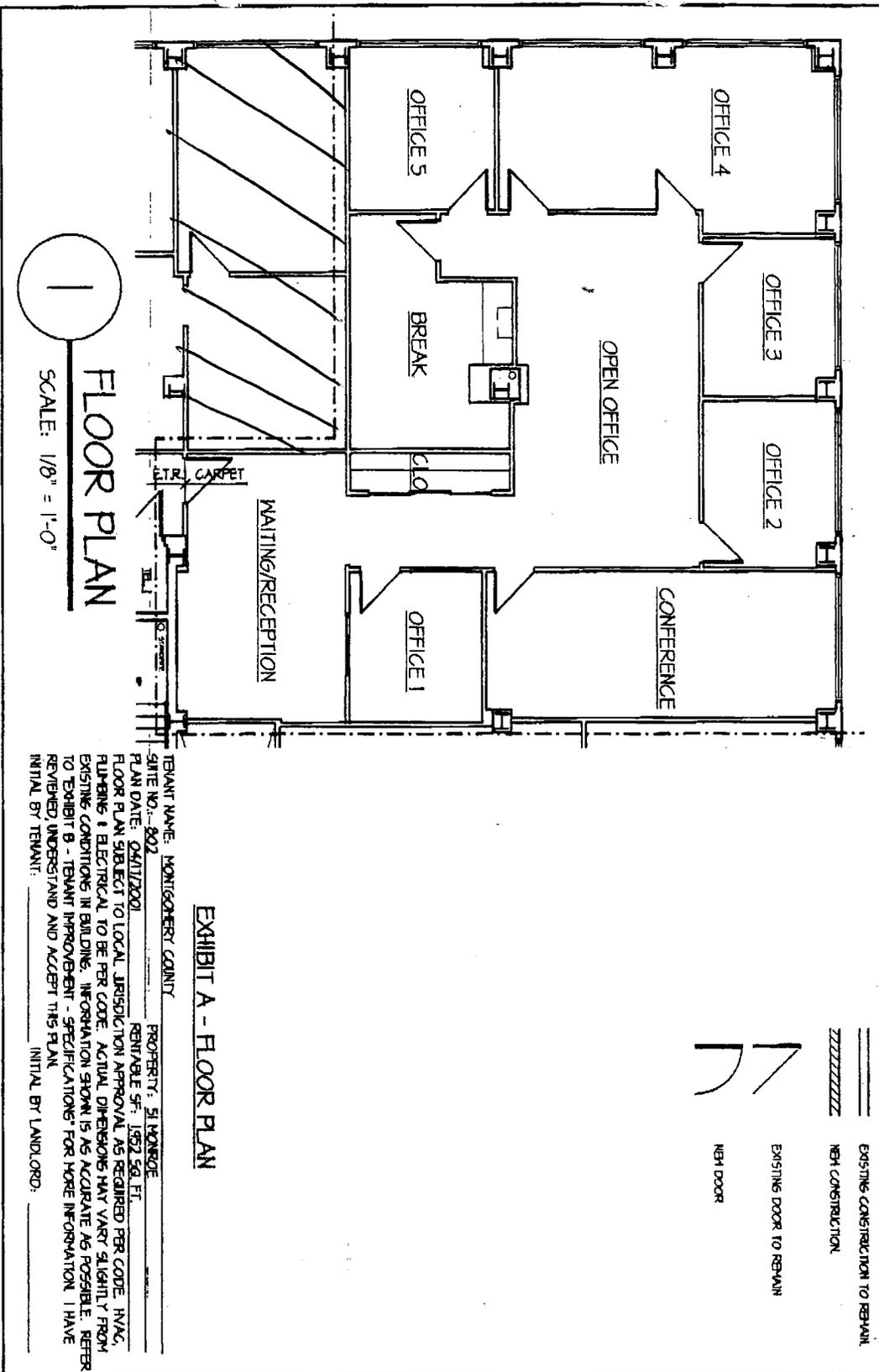


EXHIBIT A - FLOOR PLAN

PROPERTY: 51 MONROE
 RENTABLE SF: 1952 SQ. FT.
 TENANT NAME: MONTGOMERY COUNTY
 SUITE NO.: 802
 PLAN DATE: 04/17/2001
 FLOOR PLAN SUBJECT TO LOCAL JURISDICTION APPROVAL AS REQUIRED PER CODE. HVAC, PLUMBING & ELECTRICAL TO BE PER CODE. ACTUAL DIMENSIONS MAY VARY SLIGHTLY FROM EXISTING CONDITIONS IN BUILDING. INFORMATION SHOWN IS AS ACCURATE AS POSSIBLE. REFER TO EXHIBIT B - TENANT IMPROVEMENT - SPECIFICATIONS FOR MORE INFORMATION. I HAVE REVIEWED, UNDERSTAND AND ACCEPT THIS PLAN.
 INITIAL BY TENANT: _____ INITIAL BY LANDLORD: _____

<p>DATE: 04/17/2001 DRAWN BY: KIL SHEET NUMBER: _____ REG. L. 2040</p>	<p>SHEET TITLE: FLOOR PLAN</p>	<p>SCALE: 1/8" = 1'-0"</p>	<p>MONTGOMERY COUNTY 51 MONROE STREET SUITE 802 ROCKVILLE, MARYLAND 20850</p>	<p>WRIT WASHINGTON REAL ESTATE INVESTMENT TRUST 6110 EXECUTIVE BOULEVARD - SUITE 200 ROCKVILLE, MARYLAND 20850 (301) 644-9400</p>
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301-949-2175

LEASE AGREEMENT
BETWEEN
WASHINGTON REAL ESTATE INVESTMENT TRUST
AND
MONTGOMERY COUNTY, MARYLAND
DATED 4/29/98

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LEASE AGREEMENT

THIS AGREEMENT, entered into this 29th day of April, 1998, by and between, the WASHINGTON REAL ESTATE INVESTMENT TRUST, (hereinafter referred to as "Lessor") and MONTGOMERY COUNTY, MARYLAND, (hereinafter referred to as "Lessee").

WITNESSETH:

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

1. PREMISES: Lessor does hereby lease and demise unto Lessee and Lessee hereby leases from Lessor the premises described as 1,952 square feet of space comprising a portion of the eighth floor of the building located at 51 Monroe Street, Rockville, Maryland 20850, as outlined in red on "Exhibit A" attached hereto and made a part hereof. Said space, along with the parking referred to in Section 7 of this Lease, is hereinafter referred to as the "Leased Premises".

2. TERM: The term of this Lease shall be three (3) years, commencing on May 1, 1998 and expiring on April 30, 2001. Lessee agrees to accept the Leased Premises in its "as is" condition. The intended use is for general office purposes. The Leased Premises are to be delivered to the Lessee within thirty (30) days of the execution of this Lease Agreement. In the event Leased Premises are not delivered to Lessee within thirty (30) days of the execution date of this Lease Agreement as herein provided, Lessee may terminate this lease agreement and have no further obligation provided there was no delay caused by Lessee.

Notwithstanding anything to the contrary contained herein, Lessee shall have the one time option to terminate this Lease Agreement at the completion of the first Lease Year with sixty (60) days prior written notice to Lessor.

3. RENT: Lessee shall pay or cause to be paid to Lessor the annual amount of FORTY ONE THOUSAND NINE HUNDRED SIXTY-EIGHT and 00/100 (\$41,968.00) DOLLARS, payable in equal monthly installments of THREE THOUSAND FOUR HUNDRED NINETY

SEVEN 33/100 (\$3,497.33) DOLLARS. All payments are to be made in advance on the first day of each month during each lease year, and shall be payable to WRIT at 10400 Connecticut Avenue, Kensington, Maryland 20895. In the event that the Lease is terminated prior to the end of any full lease year, the annual rent shall be prorated accordingly. On the first day of each lease year, the annual rent will be increased by four (4%) over the previous lease year's annual rent.

- A. No payment by Lessee or receipt by Lessor of a lesser amount than the monthly installment of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent; nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction. Lessor may accept such check for payment without prejudice to Lessor's right to recover the balance of such rent or pursue any other remedy provided in this Lease.
- B. Any monthly installment of basic rent not paid within ten (10) days of the date on which it becomes due shall be subject to a late charge of five percent (5%) of the monthly installment of basic rent due.

4. REAL ESTATE TAX INCREASE: In the event that real estate taxes levied or assessed against the land and building during any "Comparison Year" (as hereinafter defined) are greater than the real estate taxes for the "Base Year" (as hereinafter defined), Lessee shall pay Lessor, as additional rent, Lessee's proportionate share (as hereinafter defined) of any such increase. The "Base Year" is hereby defined as the fiscal tax year commencing July 1, 1996 and terminating June 30, 1997. Lessee shall not be required to pay any of the taxes for the "Base Year". Lessee's proportionate share is hereby determined to be ninety-one one hundredth of one percent (0.92%) of the total increase in real estate taxes, in accordance with the following computations:

$$\frac{1,952 \text{ leased square feet}}{211,499 \text{ rentable square feet in building}} = 0.92\%$$

For purposes of this paragraph, the term "Comparison Year" shall mean each tax year following the Base Year during which this Lease remains in effect, including that year during which

the term of this Lease shall expire, or be otherwise terminated. In the event that the expiration date or termination date of this Lease shall not coincide with the end of a tax year or Comparison Year, Lessee's obligation to pay any amount under this paragraph shall remain in effect and shall be prorated on the basis of the proportionate relationship that the number of days in such final period of the term hereof bears to 365 days.

Lessee shall not be liable for any increase in real estate taxes due to an expansion of the building or any penalties assessed against Lessor in connection with late payment of real estate tax bills.

Lessee shall pay to Lessor Lessee's proportionate share of real estate tax increases (as hereinabove defined), no later than forty-five (45) days after presentation by Lessor to Lessee of documentation to that effect, including copies of paid tax bills. Lessee shall receive a proportionate credit or reimbursement for any rebate or tax reimbursement or refund received for a year in which Lessee has paid a share of the taxes. If this credit or reimbursement accrues after the expiration or termination of this Lease, Lessor shall promptly reimburse such amount to Lessee at the address given for notices to Lessee.

5. USE: Lessee 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. Lessee shall have the right to occupy and use the premises 24 hours a day, seven days a week.

6. PARKING:

A. Underground Garage: Lessor grants to Lessee, during the full term of this Lease and any extensions or renewals thereof, the use of four (4) unreserved, guaranteed parking spaces in the underground garage in the building of which the Leased Premises are a part. It is agreed between the parties that the four (4) unreserved, guaranteed parking spaces in the underground garage shall be provided by Lessor to Lessee at a total cost to Lessee of THREE THOUSAND ONE HUNDRED TWENTY AND 00/100 (\$3,120.00) Dollars

a year, payable in equal monthly installments of TWO HUNDRED SIXTY AND 00/100 (\$260.00) Dollars.

- B. Parking Fee Payments: All payments for parking spaces are to be made in the same manner as provided for in Paragraph 3 hereinabove.

7. PROPERTY DAMAGE AND LIABILITY INSURANCE:

- A. Lessee shall obtain and maintain, during the full term of this Agreement and any extension thereof, a policy of public liability insurance with bodily injury limits of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS for injury (or death) to one person, FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS per occurrence, and property damage insurance with a limit of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS.
- B. Lessee 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 Lessee's occupancy causes any increase in the insurance premiums for the Leased Premises or any part thereof, Lessor shall pay the additional premiums as they become due.
- C. Lessee will indemnify Lessor and save it harmless from and against any and all claims, action, 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 Lessee of the Leased Premises or any part thereof, or the Lessee's use of the exterior areas provided by Lessor for the comfort and convenience of Lessee, occasioned wholly or in part by any act or omission of Lessee, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the Lessor, the Lessor's agents, and employees. Provided, however, that Lessor provides to Lessee, within 30 days of the receipt

thereof, notice of any and all claims under which Lessor will rely on this indemnification, Lessee shall indemnify Lessor against any penalty, damage or charge incurred or imposed by reason of Lessee's violation of any law or ordinance.

- D. Lessee further agrees that all personal property in the Leased Premises shall be and remain at Lessee's sole risk, and Lessor shall not be liable for any damage to or loss of such personal property excepting damage arising out of the acts or omissions of the Lessor, Lessor's agents, contractors or employees.
- E. Lessee shall deliver to Lessor a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this Agreement. Lessee reserves the right to self insure.

8. ACCESS: Lessee will allow Lessor or Lessor's agents to have access to the premises upon reasonable notice to Lessee 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 Lessor may consider necessary or desirable; provided, however, Lessor shall not interfere with Lessee's use of the premises.

9. SERVICES: Lessor, at Lessor's sole expense, shall provide all utilities, maintenance and repairs, trash removal and pest control within the Leased Premises. Lessor, at Lessor's sole expense, shall provide janitorial services within the Leased Premises, Monday through Friday in accordance with the schedule attached hereto and made part hereof as Exhibit B.

- A. Janitorial Services: In the event Lessor fails to provide satisfactory janitorial services in the Leased Premises, after due notice of seventy-two hours is given, Lessee shall have the right but not the obligation to assume responsibility for said services and be reimbursed the reasonable cost thereof by Lessor.

- B. Maintenance and Repairs - Emergencies: In the event Lessor fails to provide emergency maintenance and repair with dispatch and due diligence appropriate to the condition after notice from Lessee, then Lessee shall have the right but not the obligation to correct these problems and be reimbursed the reasonable cost thereof by Lessor.
- C. Maintenance and Repairs - Routine: In the event Lessor fails to correct routine maintenance and repair problems in the Leased Premises within 10 calendar days after notification of same by Lessee, Lessee shall have the right but not the obligation to correct these problems and be reimbursed the reasonable cost thereof by Lessor.
- D. Lessee shall have the right to set off the cost of reimbursement of the services described herein from the next monthly rent due.

10. HVAC SYSTEM: Lessor agrees to provide heat and air conditioning during those seasons of the year when such services are required from 7:30 AM until 6:30 PM, Monday through Friday, exclusive of legal County holidays, in amounts and quantities sufficient to maintain in a balanced, comfortable manner all space occupied by the Lessee. Lessor will provide heating and air conditioning after the above stated hours, or on Sunday, provided that Lessee notifies Lessor in advance of such requirement for additional heating or air conditioning. Lessee shall pay an hourly charge for such additional HVAC services to reflect cost of utilities and other costs of operating the HVAC equipment. Lessee shall pay its equal share of the charge based on the number of users in the building during each period. Lessor shall provide Lessee with written documentation of number of users and hours used by each. The air conditioning shall be so balanced as to provide a temperature range between 74 and 78 degrees. The heating shall be so balanced as to provide a temperature range between 68 and 72 degrees. Lessor shall, during emergencies, change these temperature guidelines in accordance with Federal, State and local requirements.

11. ALTERATIONS: Lessee will not make any alterations, additions, or improvements of any kind to the Leased Premises without the Lessor's written consent, which consent shall not be

unreasonably withheld, conditioned or delayed. All alterations, additions, or improvements made by either of the parties hereto upon the premises shall become the property of the Lessor and shall remain upon and be surrendered with the premises upon the termination of this lease. Lessee shall 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 Lessee, and may be removed by Lessee upon the termination of this Lease.

12. NOTICE OF DEFECTS: Lessee shall provide Lessor with prompt notice of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises, or defects in the roof, plumbing, electric and heating systems, to be remedied by Lessor. Lessor shall provide Lessee with prompt notice of accidents on or damages to the structure, equipment or fixture of the Leased Premises, or defects in the roof, plumbing, electric and heating systems, to be remedied by Lessor.

13. ASSIGNMENT AND SUBLEASING: Lessee 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 written consent of the Lessor. Lessor's consent shall not be unreasonably or unduly withheld. The consent by Lessor to any such assignment or subleasing shall not be construed as a waiver or release of Lessee from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any such assignee or sublessee constitute a waiver or release of Lessee from any covenant or obligation contained in this Lease, nor shall any such assignment or subleasing be construed to relieve Lessee from obtaining the consent in writing of Lessor to any further assignment or subleasing.

14. LESSEE'S COVENANTS: Lessee covenants and agrees:

- A. To pay to Lessor the rent herein stated during the term hereof and until possession of the Leased Premises is redelivered to Lessor.
- 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 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.
- D. Not to move any furniture or equipment into or out of the premises without advance notice to the Lessor.
- 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 Lessor, which approval shall not be unreasonably withheld.
- 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 Lessor.

15. **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 premises shall be promptly and fully repaired and restored as the case may be by the Lessor at its own cost and expense. 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 Lessor. Except as otherwise provided below, 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 premises untenable, then the rental which the Lessee is obligated to pay hereunder shall abate as of the date of the occurrence until the premises have been fully restored by the Lessor. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated and paid or refunded as appropriate. If the premises are partially damaged or destroyed, then during the period that Lessee is deprived of the use of the damaged portion of said premises, Lessee shall be required to pay rental

prorated to reflect that portion of the premises which it is able to occupy. Lessor will proceed at its expense and as expeditiously as may be practicable to repair the damage (without unreasonably interfering with Lessee's use of the remainder of the space), unless, because of the substantial extent of the damage or destruction, Lessor decides not to repair or restore the premises or the building, in which event, and at Lessor's sole option, Lessor may, upon sixty (60) days notice to the Lessee, terminate this Lease forthwith, by giving Lessee a written notice of its intention to terminate within ninety (90) 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 Lessor, 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. In the event the damage to the Leased Premises is not repaired within two hundred seventy (270) days from the date of the casualty, Lessee may, in its sole discretion, terminate this Lease upon sixty (60) days notice to Landlord, unless Landlord has been and is continuing to repair the Leased Premises and within thirty (30) days of the date of such notice, Landlord confirms that substantial completion will occur within ninety (90) days of the date of such Tenant notice.

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

17. DEFAULT:

A. By Lessee: In the event that rent, or any installment thereof, shall remain unpaid after it becomes due and payable, within ten (10) days after written notice to the Lessee for same, or if Lessee or Lessee'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 Lessee from the Lessor specifying the

default, then at the option of the Lessor, the Lessor and his assigns may proceed to recover possession under the laws of the State of Maryland.

B. By Lessor: In the event that the Lessor 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 may reasonably be required to correct the default with exercise of due diligence) after written notice from the Lessee or his assigns specifying the default, then the Lessee or his assigns, at Lessee's option, may pursue any and all legal remedies available to Lessee.

C. No default as hereinbefore provided shall be deemed complete unless at the time Lessor or Lessee seeks to take any action based upon such alleged default the same shall remain uncured.

18. HOLDOVER: In the event Lessee continues to occupy the Leased Premises or any part thereof after the conclusion of the term of this Lease, Lessee's tenancy shall be deemed to be upon a month-to-month basis. The tenancy thus created shall be subject to all applicable terms and conditions of this lease, including any rental increases pursuant to the provisions of Paragraph 4 hereof, and may be terminated by either party providing the other not less than thirty (30) days' written notice, to expire on the day of the month from which the tenancy commenced.

19. Lessor's Title and Covenant of Quiet Enjoyment: Lessor covenants that it has full right and power to execute and perform this lease and that it will put Lessee into complete and exclusive possession of the Leased Premises. The Lessor further covenants that Lessee, on paying the rents reserved herein and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the leased premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full term of the lease, and any extension or renewals hereof.

20. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the parties hereto that the Lessor and Lessee, as their interests may appear and at their respective expense, will promptly comply with, observe and perform all of the requirements of all the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal government, the State of Maryland, the Montgomery County government, or the City of Rockville.

21. WAIVER: The waiver at any time by the Lessor or Lessee of any particular covenant or condition of this lease shall extend to that particular situation and covenant 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.

22. NON-DISCRIMINATION: Lessor 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 1994, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Lessor 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 age, color, creed, national origin, race, religious belief, sexual preference or disability.

23. NON-APPROPRIATION: This Lease is subject to the annual appropriation of funds. This lease shall terminate automatically on July 1 of any year for which Montgomery County, for whatever reason, does not appropriate funds to pay the rent herein stated. Lessee shall give Lessor at least thirty (30) days written notice of the lack of appropriation. The Lessor shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items for any amount of money for which there has been no appropriation of funds.

24. CONTRACT SOLICITATION: Lessor 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 bonafide employees or bona fide established, licensed commercial selling or leasing agencies maintained by

the Lessor for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

25. PUBLIC EMPLOYMENT: Lessor understands that unless authorized under Chapter 19A or Section IIB-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.

26. CONDEMNATION: In the event that the Leased Premises, or any part thereof, or more than twenty-five percent (25%) of the building (including the parking garage) of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, Lessee shall have no claim against the Lessor 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 Lessee to damages therefore, if any, are hereby assigned by the Lessee to the Lessor. The foregoing notwithstanding, Lessee 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 Lessee which shall not, under the terms of this Lease, be or become the property of Lessor 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. 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 Lessee shall have no claim against the Lessor for the value of any unexpired term of this lease.

27. GENERAL PROVISIONS:

- A. It is further understood and agreed that this instrument contains the entire agreement between the parties hereof and shall not be modified in any manner except by an instrument in writing duly executed by the parties hereto.
- B. 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.

- C. The laws of the State of Maryland shall govern the validity, performance and enforcement of this lease.

- D. The term "Lessee" refers only to the County's obligations as a tenant under this Agreement and does not obligate or bind Lessee to act in its governmental capacity.

28. CONSTRUCTION AND REMODELING: In the event Lessee requires any additional construction or remodeling during the term hereof, Lessee shall provide Lessor with plans and specifications of said work. Upon receipt of Lessor's written approval of the Lessee's plans and specifications, Lessee may proceed to perform the work at Lessee's expense, or at Lessee's option, Lessee may require Lessor to perform said work at Lessee's expense and at negotiated prices. Lessee shall pay for any work performed by Lessor on Lessee's behalf within thirty (30) days from the submission of an invoice by Lessor for work satisfactorily completed, as additional rent hereunder.

29. SUBORDINATION: Lessor shall have the absolute right to encumber the premises set forth in this lease and the lease, at the option of Lessor, shall be subordinate to such encumbrance or encumbrances. Lessor agrees to use commercially reasonable efforts to obtain, in the event of an encumbrance, a non-disturbance agreement on Lessee's behalf. Lessee agrees to sign all papers for subordination when requested, 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 Lessee 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 upon the same terms and conditions stated above. Any transferee must also obtain a non-disturbance agreement on Lessee's behalf. Lessee agrees to execute any subordination documents required by Purchaser, subject only to the reservations recited in this paragraph.

30. 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 representatives, successors and assigns.

31. MAIL NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail, postage prepaid, addressed to Lessor or Lessee, respectively. Notices to the respective parties shall be addressed as follows:

LESSOR:

Washington Real Estate
Investment Trust
Concourse Level
10400 Connecticut Avenue
Kensington, Maryland 20895

LESSEE:

Montgomery County Government
Dept. of Public Works and Transportation
Division of Facilities and Services
110 N. Washington Street, Suite 318
Rockville, Maryland 20850

32. RESIDENT AGENT: The Resident Agent for the Licensee is Ann M. Magruder, and its address for receipt of notices and service of process is Magruder & Associates, PC, 6756 McLean Village Drive, McLean, Virginia 22101. Licensee shall immediately notify Licensor of any change in resident agent or address as provided herein.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: [Signature]

LESSOR:
WASHINGTON REAL ESTATE
INVESTMENT TRUST

By: [Signature]

Title: George F. McKenzie
Vice President

Date: 4/23/98

WITNESS:

By: [Signature]

LESSEE:
MONTGOMERY COUNTY, MARYLAND

By: [Signature]
GORDON AOYAGI, SENIOR ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 4/29/98

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: [Signature]

Date: 3/12/98

RECOMMENDED

By: [Signature]
REY JUNQUERA, LEASING MANAGER
DIVISION OF FACILITIES AND SERVICES

Date: 3/12/98

ear\inspgen.lse

AVAILABLE
SUITE 802

STATE OF MD.
SUITE 811

SUITE 802

SUITE 802

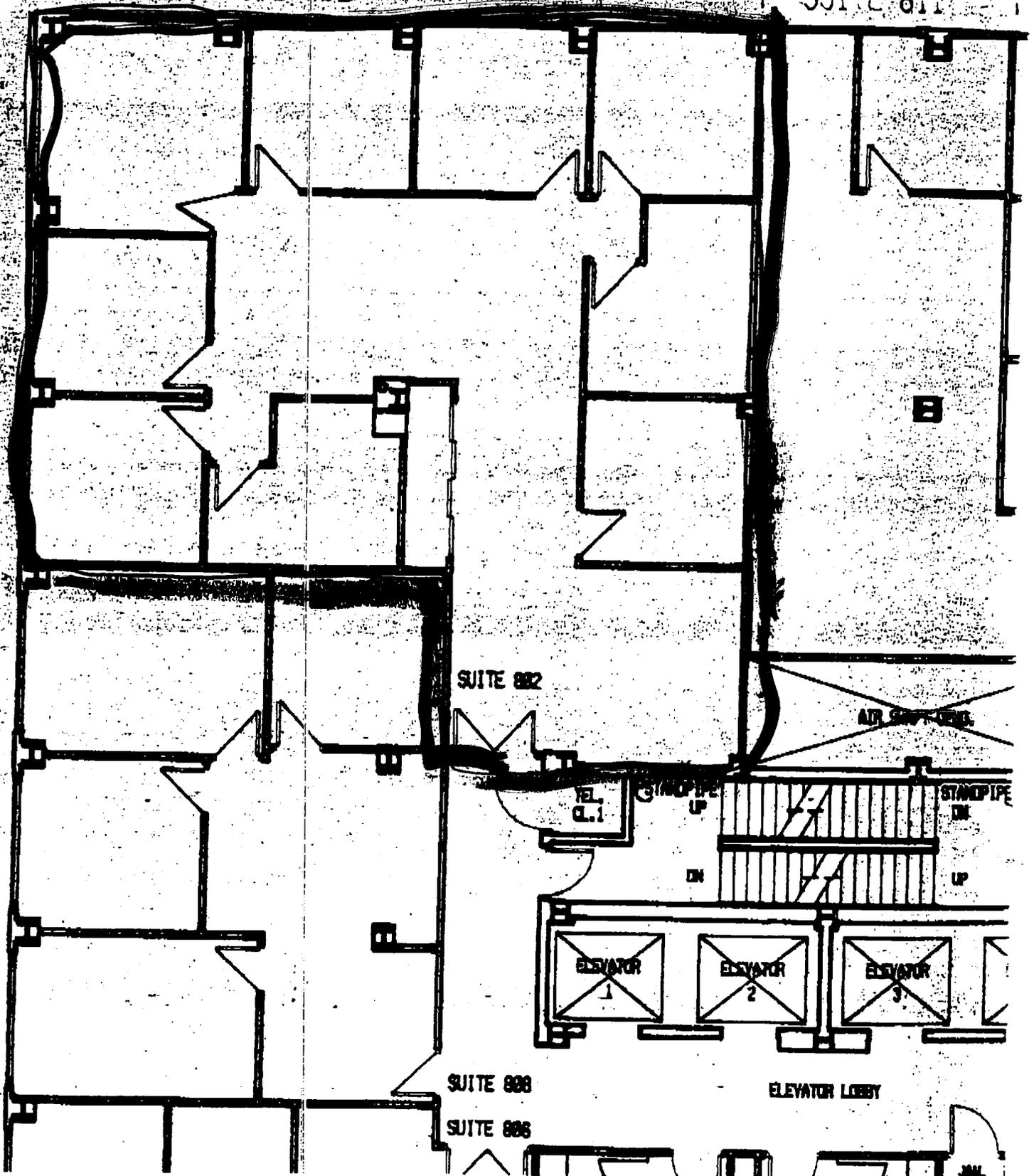


Exhibit A

CLEANING SPECIFICATIONS

I. Daily:

1. Vacuum or dry mop all floor areas; VAT, wood, carpet.
2. Spot clean any areas needed.
3. Empty and damp wipe all ash trays and urns.
4. Empty all trash receptacles.
5. Dust all desks, file cabinets, window sills. Do not disturb any papers.
6. Spot clean walls as necessary.
7. Damp wipe all water fountains.
8. Clean all wash and rest rooms.
9. Clean mirrors, sinks, counters and shelves with detergent/disinfectant cleaner.
10. Clean all stainless steel with stainless steel cleaner.
11. Clean toilets, urinals and rest room floors with detergent/disinfectant.
12. Provide and replenish all soap, toilet tissue and towel dispensers.
13. Wash all entrance glass and directory glass.
14. Replace burned out bulbs and fluorescent tubes as required.

II. Weekly:

1. Sweep all stairwells.
2. Damp mop tile floors.
3. Replace liners in trash receptacles.
4. Spot wash interior partition glass.

III. Monthly:

1. Dust all air grilles.
2. Strip and wax VAT floors.
3. Damp mop and spot clean stairs.

IV. Quarterly:

1. Wash all windows and glass inside and out.
2. Wash lavatory partitions.
3. Scrub and clean all elevator tracks.
4. Machine scrub all rest room floors.

V. Semi-Annually:

1. Dust all blinds.
2. High dusting.
3. Dust all base boards.
4. Professionally clean all carpets and rugs.

VI. Annually:

1. Clean light lenses.
2. Clean all blinds.