

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE made this 27th day of February, 2013 ("Third Amendment"), by and between CIRCLE PROPERTIES, INC., a Maryland corporation ("Lessor, hereinafter referred to as Landlord") and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland ("Lessee, hereinafter referred to as the County"). (The Landlord and the County together, the "Parties").

WITNESSETH:

WHEREAS, the Parties entered into a Lease Agreement dated October 15, 1997 (the "Lease"); as amended by that certain First Amendment to Lease dated January 2, 2002; as amended by that certain Second Amendment to Lease Agreement dated on January 13, 2008 (collectively, and as amended, the "Lease") for premises described as 1,695 square feet of space in Suite 304 on the third floor of the building ("Leased Premises") located at 47 State Circle, Annapolis, Maryland 21401 (the "Building"); and

WHEREAS, the term of the Lease expires on December 7, 2012; and

WHEREAS, the County desires to extend the Term of the Lease for approximately nineteen (19) months and Landlord is willing to extend the Term of the Lease for such period which shall be called the "Third Extended Term"; and

WHEREAS, Landlord and the County desire to amend the Lease upon the terms, conditions, covenants and agreements set forth in this Third Amendment; and

NOW THEREFORE, for the mutual promises herein contained and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

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

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

3. Effective Date. This First Amendment shall be effective as of December 8, 2012 (the "Effective Date").

4. Third Extended Term. The term shall be extended for approximately nineteen (19) months and shall commence on December 8, 2012 ("Third Extended Term Commencement Date") and shall expire on June 30, 2014 ("Third Extended Term Expiration Date").

5. Rent.

(a) Annual Rent. The Annual Rent for the first (1st) year of the Third Extended Term shall be Sixty-Four Thousand, Seven Hundred Sixty-Five and 92/100 Dollars (\$64,765.92) payable in equal monthly installments in the amount of Five Thousand, Three Hundred Ninety-Seven and 16/100 Dollars (\$5,397.16).

(b) Annual Adjustments. Commencing on December 8, 2013 (the anniversary of the Third Extended Term) and on each commencement date of the anniversary date thereafter, the Annual Rent (then in effect) shall be increased by three percent (3%). The rent schedule below reflects said Annual Adjustments.

Lease Year	Annual Rent	Monthly Rent
Lease Year 1	\$64,765.92	\$5,397.16
Lease Year 2	\$66,708.90	\$5,559.07

6. Consumer Price Index. Paragraph 4 of the Lease shall be deleted in its entirety.

7. Improvements and General Maintenance.

(a) Tenant Improvements. The County agrees to retain possession of the Leased Premises in its "where-is" and "as-is" condition. Landlord shall not be held responsible for any improvements for the County's Leased Premises.

(b) Landlord General Maintenance & Repairs. Landlord acknowledges responsibility for the General Maintenance and Repairs of the Leased Premises and Building. Landlord, at its sole cost and expense shall conduct the following:

- 1) Ensure that the HVAC system is working efficiently and providing uniform temperatures and acceptable air quality and humidity levels throughout the Leased Premises.
- 2) The door to the men's room on the third floor of the Building should be repaired so that it closes fully.
- 3) Several windows leak and the seals have been compromised. These particular windows need to be repaired and/or replaced where applicable.
- 4) All stained ceiling tiles need to be replaced.
- 5) Replacement of the light fixture under the cabinet in the kitchenette.
- 6) Any leaks in the ceiling of the Leased Premises should be identified and remediated.

Landlord shall warrant that all Building systems are operational and in working order. All of the Landlord General Maintenance and Repairs shall be completed within ninety (90) days after the full execution of the Third Amendment. If these Landlord General Maintenance and Repairs have not been completed within the aforesaid specified timeframes, the County shall abate its Base Rent for everyday thereafter until the Landlord General Maintenance and Repairs are completed.

8. Option to Extend Term. In accordance with this Lease, the County shall have the right to extend the Lease for an additional five (5) years being herein referred to as the "Fourth Extended Term" and, if exercised, included in the definition of the Term. The Option to Extend Term shall be exercisable provided that: (1) the County is not in default of any of the provisions of this Lease beyond any applicable notice and cure periods; (2) the Lease is in full force and effect; and (3) the County provides the Landlord with written notice that the County elects to exercise its option to extend the Lease Term no later than ninety (90) days prior to the Third Extended Term Expiration Date. The Fourth Extended Term shall be on the same terms, covenants and conditions except that the Annual Rent payable during the extension term shall be at 100% of the then prevailing market rent, as determined by mutual agreement, including all reasonable market concessions for comparable buildings in the Ann Arundel County, Maryland market.

9. Broker. Landlord and County each represent and warrant to the other that it has not employed any broker in connection with this Lease transaction and Landlord and County each shall indemnify and hold harmless the other from and against any claims for brokerage or other commission arising by reason of a breach by the indemnifying party of the aforesaid representation and warranty.

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

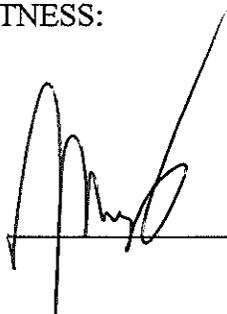
11. Except as amended hereby, all of the terms and provisions of the Lease shall be and remain in full force and effect.

12. This agreement will not be binding upon any party until this document has been executed by all Parties thereto.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Landlord and County have executed under seal and delivered this Third Amendment under seal on the Effective Date above written.

WITNESS:

By: 

LANDLORD:

CIRCLE PROPERTIES, INC.,
a Maryland corporation

By: 
Name: Sike Sharigan
Title: _____

Date: ~~3/1/13~~ 2/24/13

WITNESS:

By: 

COUNTY:

MONTGOMERY COUNTY, MARYLAND,
a political subdivision of the State of Maryland

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

Date: February 14, 2013

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: 

RECOMMENDED:

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

Date: 2/12/13

Date: 2/13/13