

LEASE

BETWEEN

ARE-25/35/45 W. WATKINS CORP., a Maryland corporation

AND

MONTGOMERY COUNTY, MARYLAND

DATED: July ~~28~~ 2009

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LEASE

THIS LEASE ("Lease") dated July 28, 2009, by and between ARE-25/35/45 W. WATKINS CORP., a Maryland corporation ("Landlord"), and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (hereinafter, together with its successors and permitted assigns called "County" or "the County") (together, Landlord and the County are called together the "Parties").

WITNESSETH:

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

- 1. PREMISES:** Landlord is the owner of certain real property and improvements thereon located in Montgomery County, Maryland which is located at 45 West Watkins Mill Road, Gaithersburg, Maryland, 20878, which is part of the project located at 25, 35, and 45 West Watkins Mill Road, Gaithersburg, Maryland, 20878, described or shown on Exhibit A attached hereto as a part hereof ("Project"). Landlord does hereby lease unto the County and the County hereby leases from Landlord the premises known as and located at 45-K West Watkins Mill Road, Gaithersburg, Maryland 20878 ("Premises"). The Premises contain approximately 18,924 rentable square feet of space located within a commercial office building ("Building") containing approximately 54,270 rentable square feet of space, inclusive of all parking areas, driveways, sidewalks and other improvements that are located within the Project. The Premises are shown on Exhibit B attached hereto as a part hereof.
- 2. TERM:** The term of this Lease is five (5) years ("Term"), which shall begin on the Commencement Date (as defined below). County shall have no right to extend the Term.

Landlord shall use reasonable efforts to deliver (“Delivery” or “Deliver”) the Premises to County on or before November 1, 2009 (“Target Commencement Date”), with Landlord’s Work Substantially Completed (as defined below). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to County for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within sixty (60) days of the Target Commencement Date for any reason other than Force Majeure Delays and County Delays (as defined below), this Lease may be terminated by Landlord or County by written notice to the other, and if so terminated by either, neither Landlord nor County shall have any further rights, duties, or obligations under this Lease, except with respect to provisions that expressly survive termination of this Lease. As used herein, (i) “Landlord’s Work” means the work of constructing the improvements to the Premises described on Exhibit C, (ii) “Force Majeure Delays” means delays arising by reason of any Force Majeure (as defined in Section 26), (iii) “Substantially Completed” means the substantial completion of Landlord’s Work in accordance with the requirements described in Exhibit C, and (iv) “County Delays” means any delay in the performance of Landlord’s Work that relates to or arises out of any act or omission by County.. If neither Landlord nor County elects to void this Lease within five (5) business days of the lapse of such sixty (60) day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect. The County shall be entitled to receive the benefit of all construction warranties (which warranties shall be for a period of not less than twelve [12] months from the date of Substantial Completion) relating to Landlord’s Work.

The “Commencement Date” shall be the *earlier* of: (i) the date County conducts any business in the Premises or any part thereof, or (ii) Substantial Completion of Landlord’s Work

(County Delays shall not serve to extend, postpone, or delay the Commencement Date, it being understood and agreed that Substantial Completion of Landlord's Work shall be the date on which Landlord Substantially Completes, or would have Substantially Completed, the Landlord's Work but for any County Delays). Upon request of Landlord, County shall execute and deliver a written acknowledgment of the Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as Exhibit D; provided, however, County's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder.

3. RENT:

3.A. Base Rent. The County shall pay to Landlord all Rent (as defined below) in United States currency, without any deduction, set-off, notice, demand, and unless stated otherwise, billing. The County shall pay all installments of Base Rent ("Base Rent Installments") in advance by the first day of each calendar month. All Rent shall be paid to:

ARE-25/35/45 W. Watkins Corp.
P.O. Box 62316
Baltimore, MD 21264-2316

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

3.B. Base Rent Schedule. Beginning on the Commencement Date and during the balance of the Term, County shall pay annual base rent ("Base Rent") to Landlord in accordance with the following schedule; provided, however, that if Landlord Delivers the Premises to the County before January 1, 2010, the County shall have no obligation to pay Base Rent or the County's Share of Operating Expenses for the period from such date of Delivery to December 31, 2009:

LEASE YEAR†	ANNUAL BASE RENT	BASE RENT INSTALLMENT
1	\$302,784.00	\$25,232.00
2	\$311,867.52	\$25,988.96
3	\$321,223.55	\$26,768.63
4	\$330,860.25	\$27,571.69
5	\$340,786.06	\$28,398.84

† "Lease Year" means each 12 month period from and after the Commencement Date. Payments of Base Rent for any fractional calendar month shall be prorated.

3.C. Additional Rent: All money due Landlord under the requirements of this Lease, other than Base Rent, is "Additional Rent"; Base Rent and Additional Rent are hereinafter collectively referred to as "Rent." Unless stated otherwise in this Lease, the County shall pay Additional Rent within ten (10) business days of receipt and acceptance of invoice. Landlord's remedies for the non-payment of Additional Rent are the same as for the non-payment of Base Rent.

3.D. Interest. Any Rent payment not received by Landlord within ten (10) days from the date it becomes due and payable shall be assessed interest at the rate of fifteen percent (15%) per annum from the due date until paid; provided, however, that Landlord agrees to waive such interest upon the County's written request not more than once in any period of twelve (12) consecutive months, on the condition that the Rent payment in question is paid to Landlord not later than ten (10) days after delivery of written notice from Landlord that such Rent is due and payable.

3.E. Late Charge. In addition to interest pursuant to Section 3.D. (Interest), if any Rent is not received by Landlord when it is due, the County shall pay Landlord a late charge equal to five percent (5%) of such amount; provided, however, that Landlord agrees to waive such late charge upon the County's written request not more than once in any period of twelve (12)

consecutive months, on the condition that the Rent payment in question is paid to Landlord not later than ten (10) days after delivery of written notice from Landlord that such Rent is due and payable. Landlord and the County agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by the County. Acceptance of any interest or late charge shall not constitute a waiver of the County's default with respect to such nonpayment nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

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

3.G. Roof Equipment. As long as no Event of Default by the County exists, the County shall have the right, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building directly above the Premises one or more satellite dishes, communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as the County may from time to time desire (collectively, the "Roof Equipment") on the following terms and conditions:

(a) Requirements. The County shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that the County will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof

Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leaseable space in the Building, or (E) is not properly screened from the viewing public.

(b) No Damage to Roof. If the County or its agents shall cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at the County's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge the County Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or tax assessment increases as a result of the Roof Equipment, the County shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. The County shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason the County is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by the County or its agents void, terminate, or invalidate any applicable roof warranty.

(c) Protection. The installation, operation, and removal of the Roof Equipment shall be at the County's sole risk. Subject to statutory indemnification limitations, the County shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities, and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with the County's installation, operation, or removal of the Roof Equipment.

(d) Removal. At the expiration or earlier termination of this Lease, the County shall, at its sole cost and expense, remove the Roof Equipment from the Building. The County shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If the County does not so remove the Roof Equipment, the County hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge the County as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. The County agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) No Interference. The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed by or for any other tenant of the Building before the date of the installation of the Roof Equipment. The County acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that the County's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants. The County agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment.

(f) Relocation. Landlord shall have the right, at its expense and after sixty (60) days prior notice to the County, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets the County's sight line and interference requirements and does not unreasonably interfere with the County's use and operation of the Roof Equipment.

(g) Access. Landlord grants to the County the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, the County shall give Landlord at least twenty-four (24) hours' advance written or oral notice, except in emergency situations, in which case two (2) hours' advance oral notice shall be given by the County. Landlord shall supply the County with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) Appearance. If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) No Assignment. The right of the County to use and operate the Roof Equipment shall be personal solely to the County, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) the County shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

4. USE:

4.A. Premises. County warrants and agrees that the Premises shall be used solely as general office, communications, and document and record storage space for the Montgomery County government; provided, however, that in no event shall (i) any portion of the Premises be used for any type of detention, juvenile services, or welfare office or storage of any kind other than for documents and records or for any other use that would impair or adversely affect the reputation, nature, or character of the Project as determined by Landlord in the exercise of its sole discretion, (ii) the County change the use of the Premises from its initial use upon

occupancy by the County without the Landlord's prior written consent (which consent may be withheld in Landlord's sole and absolute subjective discretion), (iii) any part of the Premises be used for the incarceration of prisoners or suspects, (iv) the County allow its vehicles (including police cruisers) to be parked overnight at the Premises, except for not more than six (6) motorcycles that shall be stored in the storage shed ("**Storage Shed**") located at the rear of the Building as shown or described on Exhibit B, and (v) the County use any portion of the Premises for a firearm target range. The County shall have the right to occupy and use the Premises twenty-four (24) hours a day, seven (7) days a week for any lawful use allowable.

4.B. Common Areas. The County has the right to the non-exclusive use of the Common Areas.

4.C. Trash. The County shall (a) keep the Premises clean, (b) store trash in appropriate containers at a location approved in advance by Landlord, and (c) promptly clean the Premises of any debris and trash related to the County's use and occupancy of the Premises.

5. MAINTENANCE OF PREMISES:

5.A. Landlord's Obligations. Landlord, as an Operating Expense (as defined below), shall maintain all of the structural, exterior, parking, and other common areas of the Project ("**Common Areas**"), including plumbing, fire sprinklers, and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by the County or its employees or contractors. Losses and damages caused by the County or its employees or contractors shall be repaired by Landlord, to the extent not covered by insurance, at the County's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations, or improvements, that

are, in the judgment of Landlord, desirable or necessary to be made, until such repairs, alterations, or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give the County twenty-four (24) hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations, or improvements. The County shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after the County's written notice of the need for such repairs or maintenance. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 19 (Damage to Premises).

5.B. County's Replacements. The County shall promptly perform all maintenance, repairs, and replacements to the following components and items of the Premises (collectively, the "County's Replacements"), which include (1) storefronts, including but not limited to metal frames, glass, and sealants; (2) all doors, including but not limited to, doors, door frames, door hardware, door closers, door weather stripping, and glass; (3) all finishes and interior improvements, including but not limited to partitions, doors, paint, floor coverings, ceiling tiles and ceiling grids; (4) all utilities inside the Premises, from the point where the services pass through, under, or above the exterior walls of the Premises; and (5) all plumbing, sprinkler, and electrical systems and equipment within the interior of the Premises. The County shall make the

County's Replacements in a good and workmanlike manner in accordance with all Legal Requirements and with materials as good as or better than the existing materials.

5.C. HVAC Maintenance. The County shall maintain all HVAC systems (which may be located on the roof of the Building) by a service contract ("Service Contract") with a licensed and qualified HVAC contractor. The Service Contract shall provide for at least quarterly filter replacement, cleaning and inspection by qualified service technicians. If the County fails to maintain the Service Contract and any component of the HVAC system fails before the end of its reasonably expected useful life, then the County shall be responsible for total replacement at its sole cost and expense. The County shall maintain a minimum temperature of 45 degrees F. within the Premises to prevent freezing of the plumbing and sprinkler systems. Landlord shall be a third party beneficiary of the Service Contract and, within thirty (30) days after Landlord's request, the County shall deliver a copy of the Service Contract to Landlord.

5.D. Common Area Maintenance. Landlord shall, as part of the Operating Expenses, maintain the Common Areas, including, but not limited to, the following areas or components: (i) drive aisle, parking area, and sidewalks (including snow and ice removal), (ii) sprinkler system, and (iii) landscape and exterior lighting, electrical distribution panel and associated equipment serving exterior lighting.

5.E. Damage. Notwithstanding anything in this Lease to the contrary, the County shall, at its cost, perform all maintenance, repair, or replacement of any improvements, including those mentioned in Article 5.A. (Landlord's Obligations), caused by (a) the negligence, abuse, misuse, or neglect by the County or its employees or contractors, or (b) the moving of anything in or out of the Premises.

6. TRIPLE NET CHARGES: This Lease is what is commonly called a Triple Net (“NNN”) lease, it being understood that Landlord shall receive all Rent as provided in Section 3 (Rent) and in addition, the County shall pay to Landlord as Additional Rent (i) the costs incurred by Landlord for owning and maintaining the Building, classified and described below as Operating Expenses during the Term, and (ii) any and all other amounts County assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default or Event of Default of County. All of these costs, once billed to the County, shall constitute Rent, and upon the failure of the County to pay timely any such charges, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of the County to pay Rent.

6.A. Payment. During each month of the Term, on the same date that Base Rent is due, the County shall pay to Landlord an amount equal to 1/12th of the annual costs, as estimated by Landlord from time to time, of the Operating Expenses.

6.B. Operating Expenses. The term “**Operating Expenses**” means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Project (including the costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project that are not specific to the Building or any other building located in the Project), including, without duplication, Taxes (as defined below), reasonable reserves consistent with good business practice for future repairs and replacements, capital repairs and improvements amortized over the lesser of seven (7) years and the useful life of such capital items, and the costs of Landlord’s third party property manager or, if there is no third party property manager, administration rent in the amount of four percent (4%) of Base Rent, excluding only:

(i) the original construction costs of the Project and renovation prior to the date of this Lease and costs of correcting defects in such original construction or renovation;

(ii) capital expenditures for expansion of the Project;

(iii) interest, principal payments of Mortgage (as defined below) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(iv) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(v) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(vi) legal and other expenses incurred in the negotiation or enforcement of leases;

(vii) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(viii) costs of utilities outside normal business hours sold to tenants of the Project;

*Exclude
Legal
Expense*

(ix) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by County or other tenants of the Project, whether or not actually paid;

(x) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(xi) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(xii) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(xiii) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement;

(xiv) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(xv) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(xvi) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(xvii) costs in connection with services (including electricity), items or other benefits of a type that are not standard for the Project and that are not available to County without specific charges therefore, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefore by Landlord;

(xviii) costs incurred in the sale or refinancing of the Project;

(xix) net income taxes of Landlord or the owner of any interest in the Project (except to the extent such net income taxes are in substitution for any Taxes payable hereunder), franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(xx) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project; and

(xxi) any other expense that County is prohibited from paying pursuant to any Legal Requirements.

Within ninety (90) days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to County a statement (an "Annual Statement") showing in reasonable detail: (a) the total and County's Share (as defined below) of actual Operating Expenses for the previous calendar year, and (b) the total of County's payments in respect of Operating Expenses for such year. If County's Share of actual Operating Expenses for such year exceeds County's payments of Operating Expenses for such year, the excess shall be due and payable by County as Rent within thirty (30) days after delivery of such Annual Statement to County. If County's payments of Operating Expenses for such year exceed County's Share of actual Operating Expenses for such year Landlord shall pay the excess to County within thirty (30) days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if County is delinquent in its obligation to pay Rent, Landlord shall pay the excess to County after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon County unless County, within thirty (30) days after County's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. Operating Expenses for the calendar years in which County's obligation to share therein begins and ends shall be prorated.

For purposes of this Lease and except as expressly provided in Section 4 (Utilities) with respect to water and sewer service consumed within the Building, "County's Share" shall be 13.62% (which amount represents the percentage of the area of the Premises [i.e., 18,924 rentable square feet] as it bears to the area of the Project [i.e., 138,992 rentable square feet]), as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase County's Share for any item of expense

or cost reimbursable by County that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use.

6.C. Real Estate Taxes. County shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments, and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "Taxes"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "Governmental Authority") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against County, then County shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. County shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures

placed by County in the Premises, whether levied or assessed against Landlord or County. If any Taxes on County's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or County and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. At County's written request, Landlord shall provide documentation reasonably requested by County relating to the assessed valuation of the Project. The amount of any such payment by Landlord shall constitute Additional Rent due from County to Landlord immediately upon demand.

6.D. Reimbursement. If the operation of any of the foregoing provisions results in the County's payment of the Operating Expenses beyond the Term, Landlord shall, within thirty (30) days following the expiration of the Term, reimburse the County any such amount, less amounts then due Landlord from the County.

6.E. Substitute Tax. In the event that any present or future enactment of any Governmental Authority having jurisdiction over the Premises (a) imposes a tax and/or assessment of any kind or nature upon, against or with respect to the Rents payable by the County to Landlord derived from the Building or with respect to Landlord's (or lessor's) ownership of the land and improvements comprising the Building, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such improvements, or in addition thereto; and/or (b) imposes a tax or surcharge of any kind or nature,

upon, against or with respect to the parking areas or the number of parking spaces in or around the Building, such tax, assessment and/or surcharge shall be deemed to constitute Taxes for the purpose of this Section 6 and the County shall be obligated to pay its County's Share. Landlord must notify the County in writing of the additional charge not less than sixty (60) days prior to instituting the charge to allow the County time to process the charge.

7. UTILITIES: The County shall pay directly to the provider for all its utilities, services, recycling services and associated equipment, including but not limited to, electricity, gas, telephone, trash removal, and recycling services and dumpster. Notwithstanding any contrary provision contained in this Lease, the County shall pay to Landlord as Additional Rent an amount equal to 34.87% of the aggregate water and sewer service charges and fees assessed or levied from time to time with respect to the Building. Upon the County's failure to pay these charges timely, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of the County to pay Rent. All utilities are separately metered. The County shall transfer all accounts to itself on the County's possession of the Premises, which shall be upon County's receipt of keys to the Premises and a signed letter of acceptance of the Premises by the County. In no event shall Landlord be liable for any interruption or failure in supply of utilities to the Premises.

8. INTENTIONALLY DELETED:

9. COUNTY'S PROPERTY DAMAGE AND LIABILITY INSURANCE

9.A. The County shall obtain and maintain, during the Term, a policy of (i) all risk property insurance, covering the full replacement cost of all property and improvements installed or placed in the Premises by the County at the County's expense and (ii) public liability insurance with bodily injury or death and property damage limits of \$200,000 (two hundred

thousand dollars) per an individual claim, and \$500,000 (five hundred thousand dollars) aggregate. 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, Md. Ann. Code, Cts & Jud. Proc. Sec. 5-301 et seq., as amended (the "LGTCA"). If the LGTCA is amended to increase any of these limits, then the increased limits shall automatically apply to this Lease.

9.B. The County agrees that it will not keep in or upon the Premises any article which may be prohibited by the standard form of fire or hazard insurance policy. In the event the County's occupancy causes any increase in the insurance premiums for the Project or any part thereof, then the County shall pay the additional premiums as Additional Rent as they become due. The County shall not allow any substances or materials whose manufacture, handling, release, disposal or possession is subject to regulation under any environmental laws, rules, regulations, or ordinances to be brought onto the Project except for de minimus amounts of cleaning and office supplies required in the ordinary course of the County's business conducted on the Project in compliance with applicable Federal, State, County and Local statutes, ordinances, rules, orders and regulations in effect during the Term ("Legal Requirements").

9.C. The County agrees to indemnify and hold harmless Landlord from and against any and all damages to the extent arising out of the County's use of the Premises which are caused by any act or omission of the County, or its employees. Any indemnification given by the County is subject to the notice requirements and damages limitations stated in the County Indemnification Statutes (as defined below).

*Statutes
do not
allow
fees.*

9.D. Personal Property. Notwithstanding anything in this Lease to the contrary, the County further agrees that all personal property in the Premises shall be and remain at the

County's sole risk, and Landlord shall not be liable for any damage to or loss of such personal property.

9.E. Certificates of Insurance. Not later than the execution of this Lease, the County will deliver to Landlord a certificate of insurance for the coverage specified in this Section 9.

9.F. County Indemnification Statutes. Any indemnification given by the County in this Lease is limited by the damage caps and notice requirements stated in the LGTCA; Md. Code Ann. Art. 25A, §1A; and Md. Code Ann., Cts. & Jud. Proc. § 5-509; and Md. Code Ann., Cts. & Jud. Proc. § 5-504; and Md. Code Ann. Cts & Jud. Proc. § 5-604 (together the "County Indemnification Statutes"), all as amended from time to time, and that any indemnification given by the County in this Lease is not intended to create any rights or causes of action in any third parties or to increase the County's liability above the caps provided in the County Indemnification Statutes, as applicable.

9.G. Waivers. Neither party nor its respective officers, directors, employees, managers, agents, invitees and contractors ("Related Parties") shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or the County shall be deemed not released but shall be secondary to the other's insurer.

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9.H. Right to Self-Insure. The County shall have the right to self-insure with respect to the risks required to be insured by the County hereunder.

10. LANDLORD'S INSURANCE:

10.A. General. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project and the Premises or such lesser coverage amount as Landlord may elect provided such coverage amount is not less than 90% of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than \$2,000,000 for bodily injury and property damage (including fire legal liability, contractual liability, personal injury, and broad form property damage) with respect to the Project. Policy shall name County as additional insured and provide a minimum of 30 days notice of cancellation or material change. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by the County or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations).

10.B. Certificates of Insurance. Not later than the execution of this Lease, the Landlord will deliver to County a certificate of insurance for the coverage specified in this Section 10.

10.C. Landlord Indemnification. 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, and loss of use arising from or out of any occurrence upon or at the Premises, or the occupancy or use by Landlord of the Premises or any part thereof including exterior areas, to such extent such loss or damage is caused, by any act or omission of Landlord or, its contractors or employees, excepting claims arising out of the acts or omissions of the County, or the County's agents and employees. Provided, however, that County provides to Landlord immediate notice of any and all claims under which the 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.

11. GOOD ORDER AND REPAIR: The County covenants and agrees to maintain the Premises in good order and condition, and surrender the same at the expiration or other termination of this Lease as in the manner and condition set forth in Section 22 (Surrender and Holding Over).

12. FURNITURE, FIXTURES AND EQUIPMENT: The County may install in or on the Premises any furniture, fixtures, and equipment (collectively, "Furniture") necessary in the conduct of the County's business, and the same shall remain the property of the County. The County shall remove all such Furniture at the expiration or earlier termination of the Term. In the event any damage is done to the Premises in the installation or removal of such Furniture, the County will immediately make such repairs as are necessary to restore the Premises to their original condition, or promptly reimburse Landlord as Additional Rent for the cost of such repairs.

13. SIGNS: Except as provided in this Section, the County shall place no signs, awnings or curtains on any part of the exterior of the Premises, nor paint any brick or stone work, cornice work, mill work or iron work on the front of the Premises. Subject to compliance with applicable Legal Requirements, County shall have the right, at its sole cost and expense, to

install an identification sign (“**Identification Sign**”) within the confines of the Project in a location specified by Landlord and reasonably acceptable to County. The Identification Sign shall comply with the specifications set forth on Exhibit F attached hereto and Landlord’s standard signage for the Project. County shall, at its sole cost and expense, maintain the Identification Sign in a neat and orderly condition and, on the expiration or earlier termination of the Term, remove the Identification Sign and restore the area on which it was located to the condition that existed before the installation thereof. Landlord shall, at its sole cost and expense, place or identify County’s name (including the County seal) on an exterior monument sign to be located at the entrance to the Project subject to applicable Legal Requirements.

14. SIDEWALKS: Landlord shall, as part of the Operating Expenses, shall keep the sidewalks on or about the Project properly swept and free from trash, snow and ice.

15. LANDLORD’S ACCESS. Landlord and its agents, representatives, and contractors shall have the right at all reasonable times, after notifying the County (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time), to enter upon the Premises for the purpose of inspecting same, making necessary repairs, showing same to potential purchasers or lenders, and for any other business purpose. Landlord shall have the further right during the last six (6) months of the Term to bring prospective tenants into the Premises for the purpose of showing same. During any such entry, Landlord shall make reasonable efforts to minimize interference or disruption to the County. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale.

16. GLASS PANE REPLACEMENT: The County, at the County’s sole cost and expense, agrees to promptly replace any window or door glass pane that is broken, chipped or cracked, not

as a result of structural failure or Landlord's negligence. Should the County fail to effect a replacement within a reasonable period of time, Landlord may perform this work and the County shall promptly reimburse Landlord for the cost thereof as Additional Rent.

17. DEFAULT:

17.A. By County: Any one of the following events shall constitute an event of default ("Event of Default") by the County under this Lease: (i) if the County fails to pay any Rent after the same shall be due and payable; provided, however, that Landlord will give the County notice and an opportunity to cure any failure to pay Rent within five (5) days of any such notice not more than once in any twelve (12) month period and the County agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law; or (ii) if the County shall breach or fail in the observance or performance of any of the terms, conditions or covenants of this Lease to be observed or performed by the County (other than those involving the payment of Rent) and such breach or failure is not cured within thirty (30) days (or such period as may reasonably be required to correct the default with the exercise of continuity and due diligence) after the County's receipt of written notice.

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

17.C. Landlord's Remedies. Upon the occurrence of any Event of Default, Landlord shall be entitled to all remedies available to Landlord at law or in equity, including, but not limited to, the right to terminate this Lease by appropriate proceeding in a court of competent

jurisdiction, the right to terminate County's right of possession without terminating this Lease as provided for herein, or the right to relet the Premises in Landlord's name (if this Lease has been terminated or if County's right of possession has been terminated). The County shall remain liable for any and all claims, costs, damages, expenses, fees, liabilities, and losses suffered or incurred by or on behalf of Landlord as a result of the Event of Default (including, but not limited to, all Rents due hereunder through the end of the Term [less the amount of any rents received by Landlord from a replacement tenant during such time period] and any costs to recover possession of the Premises and/or to relet the same). In addition, Landlord shall have the right, but not the obligation, without waiving such Event of Default, to perform the same for the account at County's expense (in which case County shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor as Additional Rent).

17.D. Recovery of Rents. If County within fifteen (15) days from receipt of written demand therefore from Landlord, or if the County shall vacate or abandon the Premises, Landlord may, by appropriate proceedings, recover the Rents then due hereunder or, at its option, Landlord may re-rent from time to time the Premises for the account of County, and such re-renting may be for a term or terms equal to, less, or greater than the remaining Term hereunder, provided County shall not be liable for any deficiency in Rent for any part of the term of such re-renting beyond the Term, and Landlord shall be entitled to collect the Rent accruing under such re-renting and to apply the same first to all costs and expenses, including commissions, standard improvements and repairs necessary for re-renting, and attorneys' fees incurred in connection with such re-renting and collection of rentals, and apply the balance of the deficiency in accrued Rent under this Lease, and in one or more suits, at Landlord's option, recover any remaining deficiency from County. In the event of any suit by Landlord to recover possession, or for

unpaid Rent, Landlord shall also be entitled to recover (i) costs of suit, including attorneys' fees and (ii) reasonable costs re-renting the Premises, including commissions and any necessary standard improvements and repairs.

17.E. Default by Landlord. If Landlord or Landlord's assigns shall fail or neglect to keep and perform each and every one of Landlord's covenants, conditions, and agreements as contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County specifying the default, then the County, at the County's option, may pursue any legal remedies available to the County, but expressly excluding any termination or rescission. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, County may not terminate this Lease for breach of Landlord's obligations hereunder.

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

17.G. Remedies Cumulative. Except as otherwise expressly set forth herein, all remedies granted in this Section or otherwise provided by law shall be cumulative and, unless inconsistent, may be exercised separately or concurrently, or successively.

18. EMINENT DOMAIN: If the whole or a substantial part of the Premises shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking) ("Taking") and

the Taking would in Landlord's reasonable judgment either prevent or materially interfere with County's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord the Term shall cease and terminate as of the date when title vests in such governmental or quasi-governmental authority, and Rent shall be prorated to the date when title vests in such governmental or quasi-governmental authority. If less than a substantial part of the Premises is Taken, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, County's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstance. The County shall have no claim against Landlord (or otherwise) as a result of such Taking, and the County agrees to make no claim against the condemning authority for any portion of the amount that may be awarded as compensation or damages as a result of such Taking; provided, however, that the County may, to the extent allowed by applicable Legal Requirements, make claim for compensable relocation expenses and for the Taking of any of the County's property (other than its leasehold interest in the Premises) which does not, under the terms of this Lease, become the property of Landlord at the termination of this Lease, as long as such claim is separate and distinct from any claim of Landlord and does not diminish Landlord's award.

19. DAMAGE TO PREMISES: If the Premises shall be damaged by fire or other casualty, not due to the negligence of the County or its employees or contractors, but are not thereby rendered untenable in whole or in part, Landlord shall promptly at its own expense cause such damage to be repaired to the condition prior to the damage, to the extent of any insurance proceeds, and

the Base Rent and Additional Rent shall not be abated. If by reason of any such occurrence not due to the negligence of the County or its employees or contractors, the Premises shall be rendered untenable only in part, Landlord shall promptly at its own expense cause the damage to be repaired to the condition prior to the damage, to the extent of any insurance proceeds, and the Base Rent and Additional Rent meanwhile shall be abated proportionately as to the portion of the Premises rendered untenable. If the Premises shall be rendered wholly untenable by reason of such occurrence, Landlord shall promptly at its own expense cause such damage to be repaired as close as possible to their condition prior to the occurrence of the damage, to the extent of any insurance proceeds, and the Base Rent and Additional Rent meanwhile shall be abated in whole; provided, however, that if Landlord, in good faith, determines the damage cannot be repaired within 270 days after the date of the casualty, then Landlord shall notify the County of the same, and Landlord and County shall each have the right, to be exercised by notice in writing delivered to the other, to terminate this Lease, and in such event this Lease and the tenancy hereby created shall cease as of the date of such occurrence, the Base Rent and Additional Rent to be adjusted to such date. Notwithstanding the foregoing, if more than fifty percent (50%) of the Premises are damaged during the last eighteen (18) months of the Term, Landlord shall have the right to terminate this Lease by written notice to County.

20. SUBORDINATION:

A. General. The County agrees that this Lease and the terms and provisions thereof shall be subject and subordinate to the lien, operation, and effect of any mortgages or deeds of trust (including a mortgage or deed of trust by virtue of this or other subordination) heretofore or hereafter placed upon or affecting the real property of which the Premises form a part (collectively, "**Mortgages**"), to all renewals, modifications, consolidations, replacements, and

extensions thereof, and to any supplementary security documents involving Mortgage loan proceeds, and the County agrees to attorn to Landlord's lender for the Premises from time to time. In confirmation of such subordination, the County shall execute promptly any certificate that Landlord may reasonably request. In the event of any foreclosure sale or sales under or to enforce any Mortgage, the County shall not be evicted from the Premises, nor shall the County's leasehold estate under this Lease be terminated or disturbed, nor shall any of the County's rights under this Lease be affected in any way by reason of any default under such Mortgage, provided that at the time of any such foreclosure sale or sales, the County is not then in default hereunder and the County attorns to the purchaser(s) at such sale.

B. Mortgagee Protections. If requested by Landlord in writing, the County agrees to send by certified mail to any mortgagee or deed of trust beneficiary of Landlord whose address has been furnished to the County, a copy of any notice of default served by the County on Landlord, before exercising any of the County's remedies under this Lease with regard to such default by Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

21. ESTOPPEL CERTIFICATES: The County shall, within ten (10) business days of written notice from Landlord, execute, acknowledge, and deliver a statement in writing in the form attached hereto as a part hereof as Exhibit G. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. The County's failure to deliver such statement within such time shall, at the

option of Landlord, be conclusive upon the County that this Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to the County for execution.

22. SURRENDER AND HOLDING OVER: The County, upon expiration or termination of this Lease, either by lapse of time or otherwise, shall (a) peaceably surrender the Premises to Landlord in broom clean condition and in good order and repair and in the same condition as at the Commencement Date, ordinary wear and tear and damage by fire, storm, public enemies and any other risk against which Landlord is insured and with respect to which the County is not herein made expressly liable, excepted, and (b) at the County's sole cost and expense, remove and dispose of the Storage Shed located in the rear of the Building. In the event that the County shall hold over after the expiration of the Term without the consent of Landlord, the tenancy created by such holding over shall be month-to-month tenancy only, but in all other respects shall be governed by the terms of this Lease; provided, however, that in all cases a thirty (30) day notice shall be required to terminate the tenancy created by such holdover. If the County shall hold over after the expiration of the Term, it shall, in the absence of any agreement to the contrary, be month-to-month tenancy with Base Rent payable at a rate of one and one-half times the monthly amount in effect during the last month of the expiring Term, plus Additional Rent due under this Lease. County shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by County. If any such access card or key is lost, County shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any personal property of the County, alterations made to

the Premises, and other property of the County not so removed by County as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at County's expense, and County waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of County hereunder not fully performed as of the termination of the Term (whether through the stated expiration date or through earlier termination pursuant to Section 33 [Non-Appropriation]) shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

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

24. FIRE EXTINGUISHERS: The County shall be obligated to supply and maintain at its own cost and expense any fire extinguishers or other fire prevention equipment required by applicable Legal Requirements and by any applicable Rating Bureau or Underwriters Association having jurisdiction over the Premises.

25. LANDLORD'S TITLE AND COVENANT OF QUIET ENJOYMENT: Landlord covenants that it has full right and power to execute and perform this Lease, and that it will put the County into complete and exclusive possession of the Premises on the Commencement Date. Landlord further covenants that the County, on paying the rents reserved herein and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the

Premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full Term, without interference from Landlord or anyone lawfully claiming through Landlord.

26. FORCE MAJEURE: Anything in this Lease to the contrary notwithstanding, providing such cause is not due to the willful act or negligence of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service, or financing, through Act of God or other cause beyond the control of either party (collectively, "Force Majeure"). Notwithstanding the foregoing, this Section shall not apply to (a) the payment of money, (b) the surrender of the Premises as and when required hereby, or (c) with respect to County, governmental regulations or controls enacted by County or any instrumentality subdivision, or affiliate thereof.

27. GENERAL PROVISIONS:

27.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 and instrument in writing duly executed by the Parties hereto.

27.B. Governing Law. The provisions 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.

27.D. Accord and Satisfaction. No payment shall be deemed an accord and satisfaction.

27.E. Assignment/Subletting. County shall have no right to assign this Lease or sublet all or any part of the Premises. Landlord may assign its rights under this Lease without consent of the County. Landlord may also delegate its obligations under this Lease to a bona fide third-party purchaser for value with written notice to the County and Landlord shall have no further obligations under this Lease after County has notice of the delegation except for those obligations that accrued prior to the delegation or for which the predecessor entity remains contractually liable.

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

27.G. Captions. Unless used otherwise, captions and numbers do not affect this Lease.

27.H. Recordation. The Parties agree that this Lease shall not be recorded.

27.I. No Option. The submission of this document is not an offer, option or reservation to purchase the Project or the Premises.

27.J. Rules and Regulations. County shall, at all times during the Term, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as Exhibit E. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27.K. Brokers. Landlord and County each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "Broker") in connection with this transaction and that no Broker brought about this transaction, other than McShea & Company, Inc. Landlord and County each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 27.K, claiming a commission or other form of compensation by virtue of having dealt with County or Landlord, as applicable, with regard to this leasing transaction.

27.L. Limitations on Interest. It is expressly the intent of Landlord and County at all times to comply with applicable Legal Requirements governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable Legal Requirements are ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and County's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to County), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the Legal Requirements, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

27.M. Incorporation by Reference. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

27.N. Time. Time is of the essence as to the performance of County's obligations under this Lease.

27.O. Waiver of Termination Rights. Landlord and County hereby acknowledge that the provisions of this Lease with regard to casualty and condemnation are intended to be the sole and exclusive provisions applicable in the event of any condemnation or fire, casualty, or unavoidable accident to the Premises, and that the same are provided in lieu of the operation of any statutory provision regarding the same (as the same may be amended and any successor provision thereto), including, but not limited to, any statutory right of termination. Without limiting the foregoing, County expressly acknowledges and agrees that it shall have no right to terminate this Lease except as expressly set forth in this Lease.

28. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination policies as required by Sections 11B-33 and Chapter 27 of the Montgomery County Code ("Code"), as amended, as well as all other applicable Legal Requirements regarding discrimination. By signing this Lease, Landlord assures the County that in accordance with applicable Legal Requirements, it does not, and agrees that it will not engage in any discrimination in violation of the above sections of the Code as well as any other applicable Legal Requirements.

29. ETHICS REQUIREMENTS. Landlord understands and agrees that unless authorized pursuant to Section 11B-52 and Chapter 19A of the Code, that is unlawful for any person or entity transacting business with the County to employ a public employee for employment contemporaneous with his or her public employment.

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

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

To Landlord: ARE-25/35/45 W. WATKINS CORP.
Attn: Corporate Secretary
Suite 299
385 E. Colorado Blvd.
Pasadena, California 91101

With a copy that does not constitute notice to: Alexandria Real Estate Equities, Inc.
Attention: Senior Vice President, Mid-Atlantic Region
946 Clopper Road
Gaithersburg, Maryland 20878

To the County: MONTGOMERY COUNTY, MARYLAND
Department of General Services
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850

Te1: (240) 777-7252
Fax: (240) 777-7178

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

32. ENVIRONMENTAL:

32.A. Landlord's Tests. Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine County's compliance with Environmental Requirements (as defined below), its obligations under this Section 32, or the environmental condition of the Premises or the Project. In connection with such testing, upon the request of Landlord, County shall deliver to Landlord or its consultant such non-proprietary information

concerning the use of Hazardous Materials (as defined below) in or about the Premises by County or its employees or contractors. Access shall be granted to Landlord upon Landlord's prior notice to County and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to County's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that County has not complied with any Environmental Requirement, in which case County shall reimburse Landlord for the reasonable cost of such inspection and tests. County shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against County.

32.B. County's Obligations. County's obligations under this Section 32 shall survive the expiration or earlier termination of this Lease. During any period of time after the expiration or earlier termination of this Lease required by County or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), County shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

32.C. Definitions. For purposes of this Lease, (i) the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive

Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder, and (ii) the term “Hazardous Materials” means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, County is and shall be deemed to be the “operator” of County’s “facility” and the “owner” of all Hazardous Materials brought on the Premises by County or its employees or contractors, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

33. NON-APPROPRIATION:

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

B. Effect of Failure to appropriate. If the County fails to appropriate, on or before May 31st of any calendar year, sufficient funds for full payment of the rent and performance of the County’s other obligations under this Lease for the County’s next fiscal year (i.e., the period

commencing on the next July 1st and ending the following June 30th), for any reason whatsoever, this Lease will automatically terminate at 11:59 p.m. on June 30th of the current fiscal year.

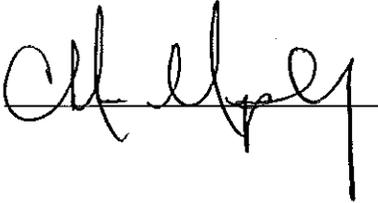
C. Landlord Entitled to Stipulated Sum. County shall give Landlord a minimum of thirty (30) days notice of the lack of appropriation. If this Lease is terminated pursuant to this Section, County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items. County shall pay to Landlord, concurrently with delivery of the County's notice of termination, an amount equal to the unamortized amount of Landlord's Work paid by Landlord in connection with this Lease as shown and attached on Exhibit H.

SIGNATURE PAGE FOLLOWS

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

WITNESS:

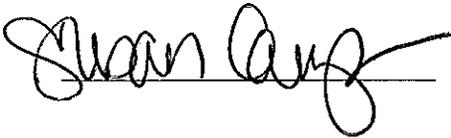
ARE-25/35/45 W. WATKINS CORP.,
a Maryland corporation



By: _____
Name: JENNIFER PAPPAS
Title: SVP - GENERAL COUNSEL

WITNESS:

MONTGOMERY COUNTY, MARYLAND

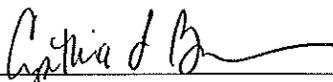


By: 
Diane R. Schwartz Jones
Assistant Chief Administrative Officer
Date signed: 07/28/09

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: 
Date signed: 7/23/09

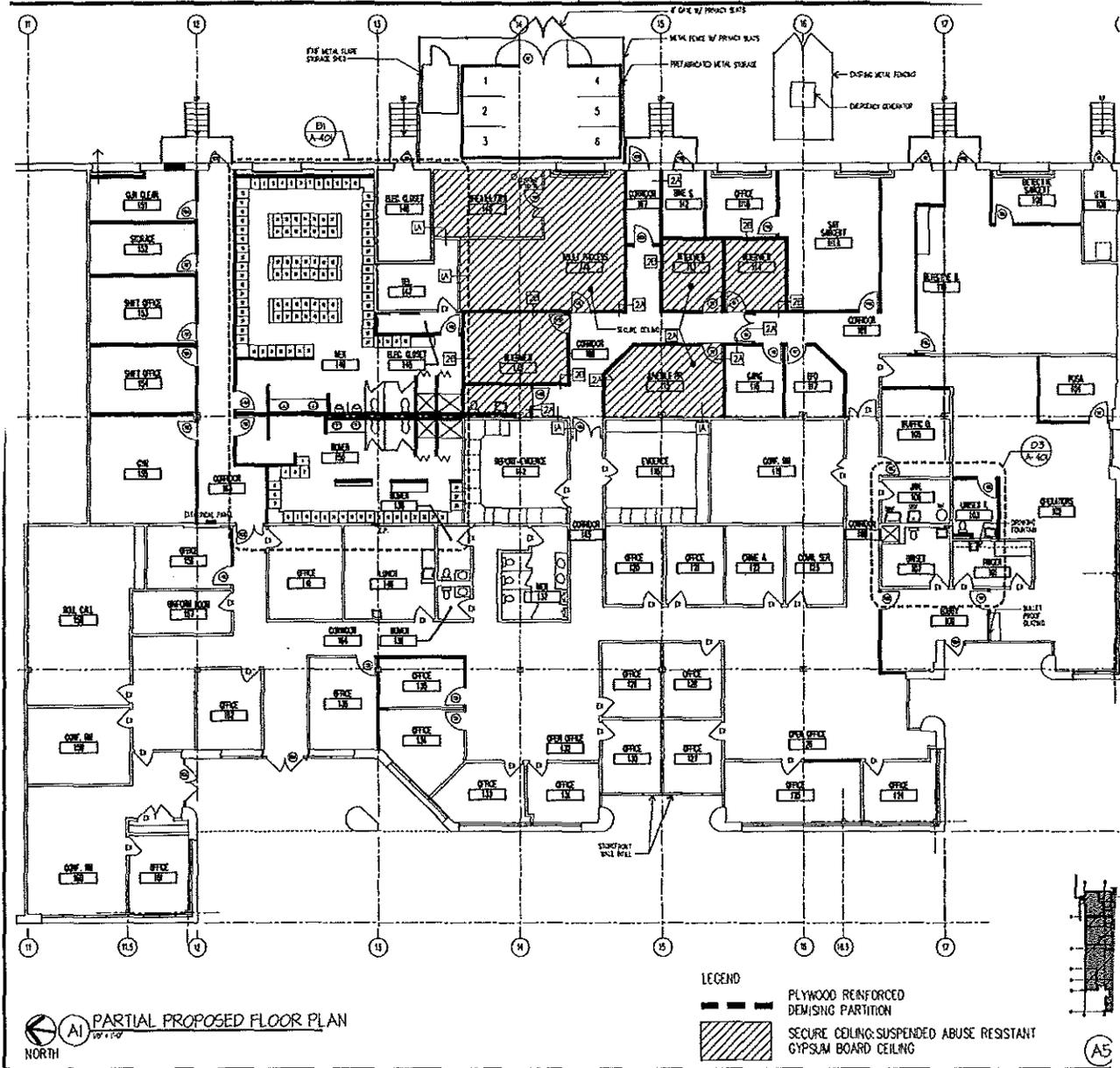
RECOMMENDED:

By: 
Cynthia L. Brenneman, Director
Office of Real Estate
Date signed: 7/23/09

Lease Exhibit A
Description of Project

The ALTA/ACSM Land Title Survey dated September 27, 1996, describes this Project as follows: Bennington Corporate Center, Parcel E, Plat Book 181, Plat 20144, situated at 25/35/45 West Watkins Mill Road, City of Gaithersburg, Ninth Election District, Montgomery County, Maryland.

Lease Exhibit B Drawing Showing Premises



**Lease Exhibit C
Landlord's Work**

(4 pages stapled and attached)

EXHIBIT C

DOOR AND FRAME SCHEDULE

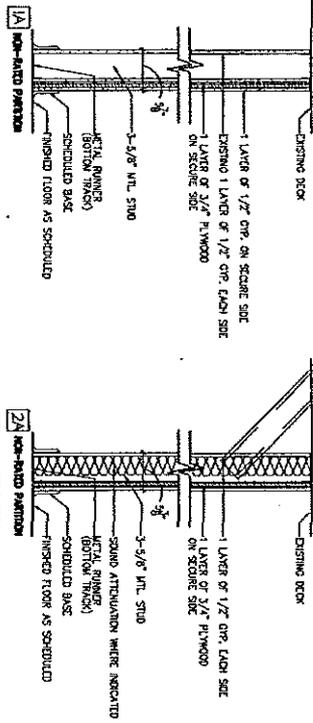
MARK	QTY	DOOR	MATERIAL	TYPE	FINISH	FRAME	PRICE		S&M	TOTAL	REMARKS
							UNIT	AMOUNT			
100A	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100B	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100C	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100D	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100E	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100F	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100G	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100H	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100I	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100J	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100K	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100L	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100M	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100N	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100O	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100P	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100Q	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100R	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100S	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100T	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100U	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100V	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100W	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100X	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100Y	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
100Z	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101A	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101B	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101C	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101D	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101E	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101F	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101G	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
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101I	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101J	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101K	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101L	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
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101N	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101O	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
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101Q	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101R	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101S	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101T	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101U	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101V	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101W	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101X	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101Y	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---
101Z	300	3'-0" T&G 1 3/4"	NO	---	---	---	---	---	---	---	---

DOOR SCHEDULE NOTES
 1. STEEL DOORS & FRAMES LISTED IN THE SCHEDULE SHALL BE FINISHED UNLESS OTHERWISE NOTED.
 2. FINISHES SHOWN IN ALL DETAILS OF THESE FRAMES TO APPLY TO ALL SURFACES.



DOOR SCHEDULE AND DETAILS
 MONTGOMERY COUNTY
 POLICE DEPARTMENT
 45 W. WATKINS MILL RD
 GAITHERSBURG, MD
 PROJ. NO. 06009.45
 DATE 08/19/09
 Dwg. No. **A-601**
 REVISIONS
 NO. DATE DESCRIPTION

EXHIBIT C



1A PARTITION TYPE 1A (TO SECURE EXST. WALL) 2A PARTITION TYPE 2A & 2B (SECURE WALL)

FINISH SCHEDULE

ROOM #	ROOM NAME	FINISHES	DLG	DLG	REMARKS
		BASE	WALL	WALL	
001	BOILER	VE	VE	VE	
002	OPERATIONS	VE	VE	VE	
003	LABOR TOILET	VE	VE	VE	
004	PROP.	VE	VE	VE	
005	TRAINING O.	VE	VE	VE	
006	JAM.	VE	VE	VE	
007	JAMES TOILET	VE	VE	VE	
008	RESTROOM	VE	VE	VE	
009	RESTROOM	VE	VE	VE	
010	RESTROOM	VE	VE	VE	
011	RESTROOM	VE	VE	VE	
012	RESTROOM	VE	VE	VE	
013	RESTROOM	VE	VE	VE	
014	RESTROOM	VE	VE	VE	
015	RESTROOM	VE	VE	VE	
016	RESTROOM	VE	VE	VE	
017	RESTROOM	VE	VE	VE	
018	RESTROOM	VE	VE	VE	
019	RESTROOM	VE	VE	VE	
020	RESTROOM	VE	VE	VE	
021	RESTROOM	VE	VE	VE	
022	RESTROOM	VE	VE	VE	
023	RESTROOM	VE	VE	VE	
024	RESTROOM	VE	VE	VE	
025	RESTROOM	VE	VE	VE	
026	RESTROOM	VE	VE	VE	
027	RESTROOM	VE	VE	VE	
028	RESTROOM	VE	VE	VE	
029	RESTROOM	VE	VE	VE	
030	RESTROOM	VE	VE	VE	
031	RESTROOM	VE	VE	VE	
032	RESTROOM	VE	VE	VE	
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039	RESTROOM	VE	VE	VE	
040	RESTROOM	VE	VE	VE	
041	RESTROOM	VE	VE	VE	
042	RESTROOM	VE	VE	VE	
043	RESTROOM	VE	VE	VE	
044	RESTROOM	VE	VE	VE	
045	RESTROOM	VE	VE	VE	
046	RESTROOM	VE	VE	VE	
047	RESTROOM	VE	VE	VE	
048	RESTROOM	VE	VE	VE	
049	RESTROOM	VE	VE	VE	
050	RESTROOM	VE	VE	VE	
051	RESTROOM	VE	VE	VE	
052	RESTROOM	VE	VE	VE	
053	RESTROOM	VE	VE	VE	
054	RESTROOM	VE	VE	VE	
055	RESTROOM	VE	VE	VE	
056	RESTROOM	VE	VE	VE	
057	RESTROOM	VE	VE	VE	
058	RESTROOM	VE	VE	VE	
059	RESTROOM	VE	VE	VE	
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062	RESTROOM	VE	VE	VE	
063	RESTROOM	VE	VE	VE	
064	RESTROOM	VE	VE	VE	
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066	RESTROOM	VE	VE	VE	
067	RESTROOM	VE	VE	VE	
068	RESTROOM	VE	VE	VE	
069	RESTROOM	VE	VE	VE	
070	RESTROOM	VE	VE	VE	
071	RESTROOM	VE	VE	VE	
072	RESTROOM	VE	VE	VE	
073	RESTROOM	VE	VE	VE	
074	RESTROOM	VE	VE	VE	
075	RESTROOM	VE	VE	VE	
076	RESTROOM	VE	VE	VE	
077	RESTROOM	VE	VE	VE	
078	RESTROOM	VE	VE	VE	
079	RESTROOM	VE	VE	VE	
080	RESTROOM	VE	VE	VE	
081	RESTROOM	VE	VE	VE	
082	RESTROOM	VE	VE	VE	
083	RESTROOM	VE	VE	VE	
084	RESTROOM	VE	VE	VE	
085	RESTROOM	VE	VE	VE	
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087	RESTROOM	VE	VE	VE	
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091	RESTROOM	VE	VE	VE	
092	RESTROOM	VE	VE	VE	
093	RESTROOM	VE	VE	VE	
094	RESTROOM	VE	VE	VE	
095	RESTROOM	VE	VE	VE	
096	RESTROOM	VE	VE	VE	
097	RESTROOM	VE	VE	VE	
098	RESTROOM	VE	VE	VE	
099	RESTROOM	VE	VE	VE	
100	RESTROOM	VE	VE	VE	

APCI SHALL BE DESIGN ACERUAL CEILING TILES, REPLACE EXISTING DAMAGED TILES AS NEEDED
 FINISH SCHEDULE LEGEND
 ACP I - ACERUAL PANEL (CEILING TILES)
 CRT TILE - CARBET FINISHMENT 28 OZ. PATTERN AND COLOR 132J
 PT - PAINT
 VE - VENT
 VNT - VENT CORP DAVE CORPOME 4 VENT CORP DAVE CORP 132J

Gaudreau, Inc.
 Architectural Finish Department
 Baltimore

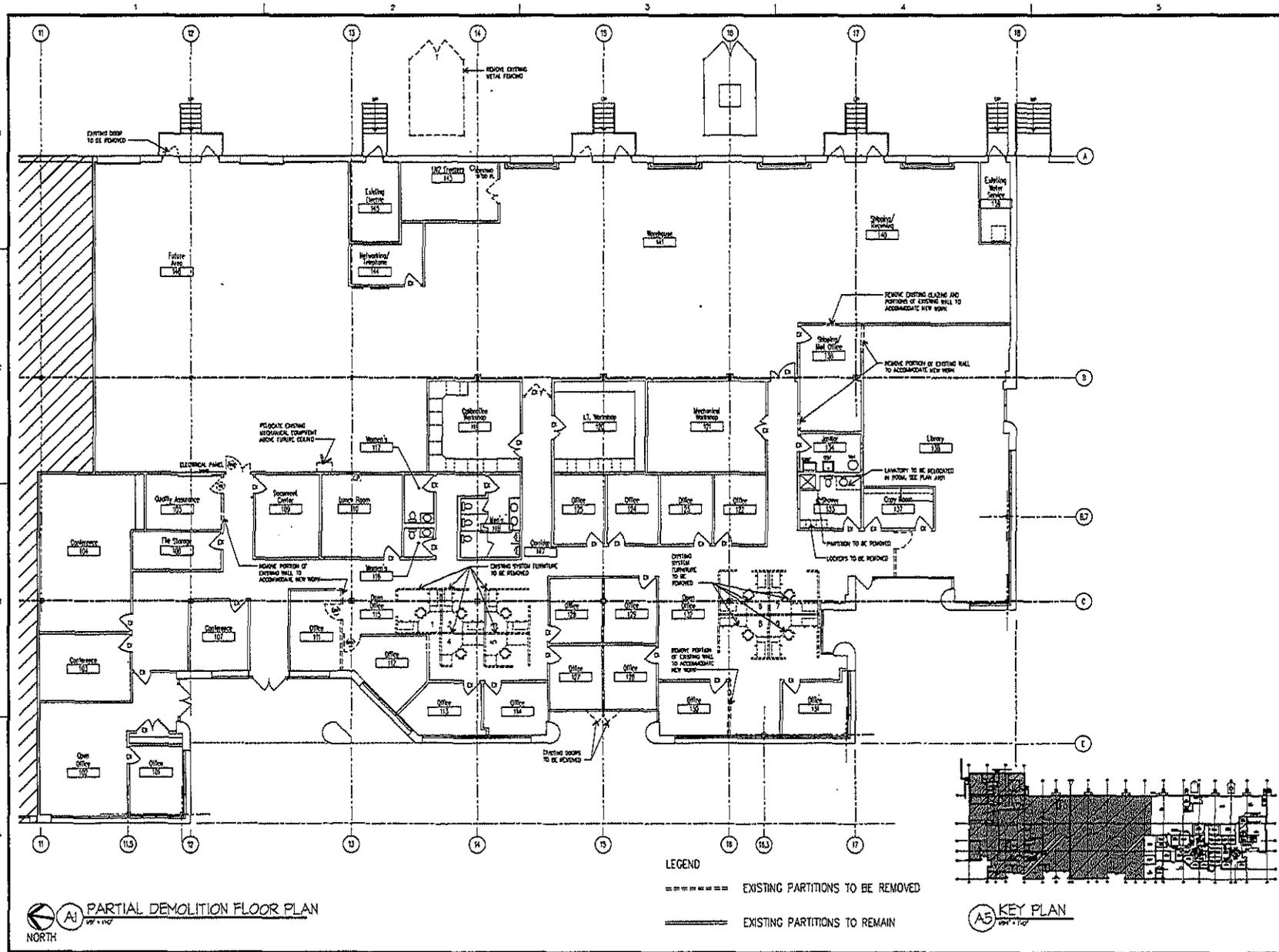
818 Lark Street Baltimore, Maryland 21202

FINISH SCHEDULE & WALL TYPES

MONTGOMERY COUNTY
 POLICE DEPARTMENT
 45 W. WATKINS MILL RD
 CATHERSBURG, MD

PROJECT NO: 0600045
 DATE: 06/19/09
A-602

EXHIBIT C



Gaudreau, Inc.
Architects Planners Engineers
Baltimore

810 Light Street Baltimore, Maryland 21206

NO.	DATE	DESCRIPTION
REVISIONS		

PARTIAL DEMOLITION FLOOR PLAN

MONTGOMERY COUNTY POLICE DEPARTMENT
 45 W. WATKINS MILL RD
 GAITHERSBURG, MD

PROJ. NO. 06D09.45	DWG. NO. AD-101
DATE 06/19/09	

**Lease Exhibit D
Acknowledgement of Commencement Date**

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made as of this _____ day of _____, 20_____, between **ARE-25/35/45 W. WATKINS CORP.**, a Maryland corporation ("**Landlord**"), and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland ("**County**"), and is attached to and made a part of the Lease dated as of July __, 2009 ("**Lease**"), by and between Landlord and County. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and County hereby acknowledge and agree that the Commencement Date of the Term of the Lease is _____, 2010 and the expiration date of the Term of the Lease shall be midnight on _____, _____. In case of a conflict between the terms of the Lease and the terms of this Acknowledgement of Commencement Date, this Acknowledgement of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and County have executed this **ACKNOWLEDGMENT OF COMMENCEMENT DATE** to be effective on the date first above written.

WITNESS:

ARE-25/35/45 W. WATKINS CORP.,
a Maryland corporation

By: _____
Name: _____
Title: _____

WITNESS:

MONTGOMERY COUNTY, MARYLAND

By: _____
Diane R. Schwartz Jones
Assistant Chief Administrative Officer
Date signed: _____

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: _____

Date signed: _____

Lease Exhibit E
Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by County or its employees or contractors, or used by them for any purpose other than ingress and egress to and from the Premises.

2. County shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. County shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If County desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at County's expense.

6. County shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. County shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. County shall not cause any unnecessary labor by reason of County's carelessness or indifference in the preservation of good order and cleanliness.

11. County shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. County shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

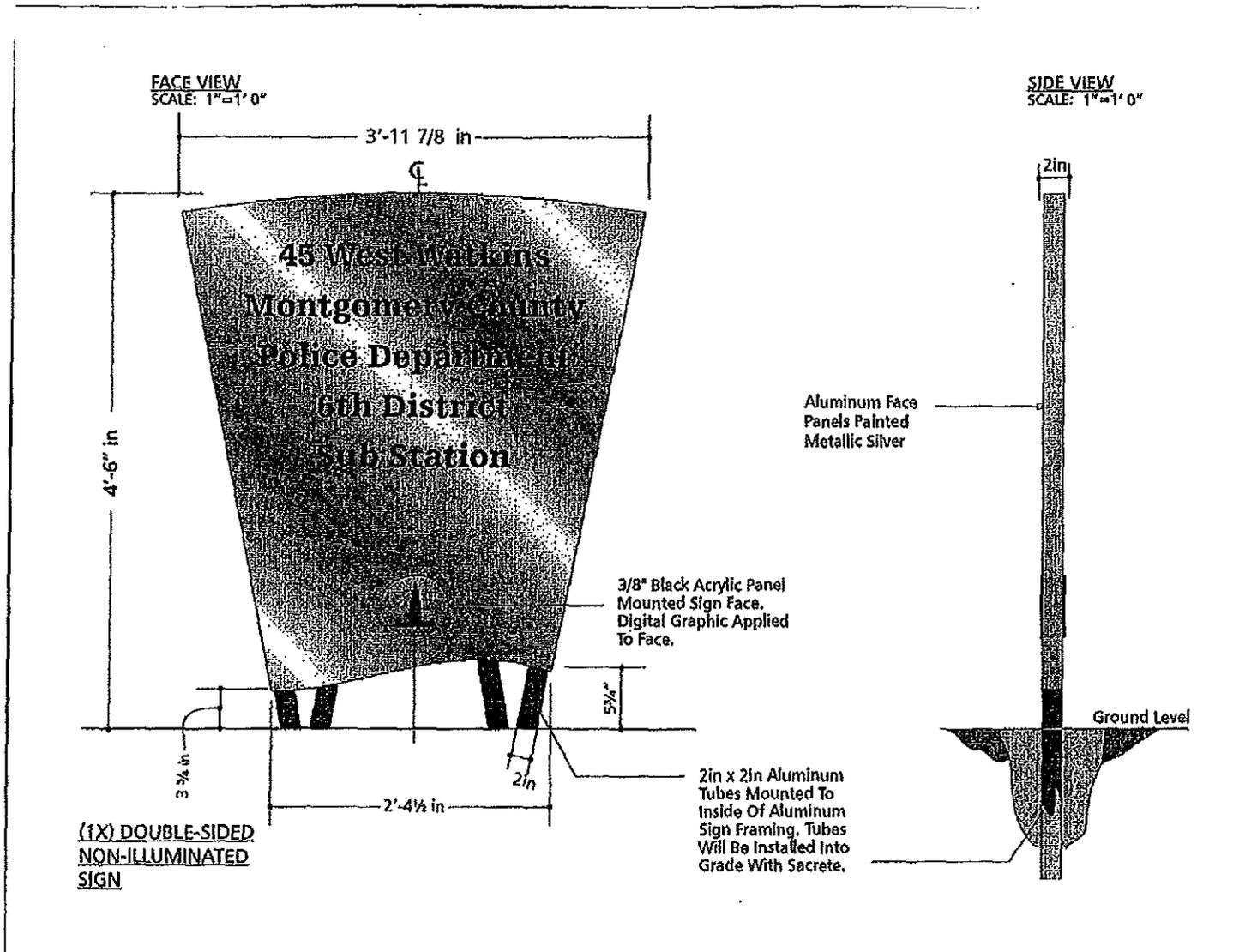
16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. County shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve County from the obligation not to use more electricity than such safe capacity.

18. County assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. County shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to County's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

Lease Exhibit F
Identification Sign



Lease Exhibit G
Form of Estoppel Certificate

To: , its successors and/or assigns (“**Lender**”)
 , its successors and/or assigns (“**Purchaser**”)
Re: Property Address: 45 West Watkins Mill Road, Gaithersburg, Maryland 20878
 (“**Property**”)
Lease Date: July __, 2009
Between ARE-25/35/45 W. Watkins Corp., a Maryland corporation (“**Landlord**”), and
Montgomery County, Maryland (“**County**”) Square Footage Leased: Approximately
18,924 rentable square feet Suite No./Floor: (“**Premises**”)

Landlord has requested that the County provide Landlord with an Estoppel Certificate as permitted from time to time under the terms of the above-referenced lease (“**Lease**”). The County hereby acknowledges and certifies the following to Lender, Purchaser, and its and their respective successors and assigns:

- (1) 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 Landlord and Tenant as to the Premises or any part of the Premises.
- (2) The Lease Term commenced on _____, and expires on _____. The Lease provides for _____ renewal/extension option(s) of _____ (months/years) each. The County has exercised ____ renewal/extension options on the date that this Certificate is issued by the County.
- (3) The amount of fixed monthly rent is \$ _____; and the monthly common area or other charges are \$ _____. Except the first installment of rent, no rent has been paid more than one (1) month in advance of its due date.
- (4) The County paid no security deposit under the terms of the Lease. The County has paid rent for the Premises through _____, 200__.
- (5) The County currently occupies the Premises.
- (6) All work to be completed by Landlord for the County prior to occupancy has been performed as required and has been accepted by the County; 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 the County.
- (7) As of the date that this Certificate is issued by the County, (a) the County has no knowledge of any default by Landlord other than those specified in Exhibit B attached hereto, and (b) the County has no knowledge of any offset, defense, deduction, or claim against Landlord other than those listed in Exhibit B attached hereto.

- (8) The County is not in default under the Lease.
- (9) The County has not assigned the Lease or sublet all or any portion of the Premises, except as listed in Exhibit C attached hereto. Any sublease or assignment documents are attached as part of Exhibit C hereto.
- (10) Any notices to be sent to the County should be sent in the form required in the Lease to:

Montgomery County, Maryland
Office of Real Estate
101 Monroe Street
10th Floor
Rockville, MD 20850

With a copy that does not constitute notice to:

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

- (11) The undersigned is duly authorized to execute this Certificate.

COUNTY:
Montgomery County, Maryland

By: _____

Title: _____

Date: _____

**Lease Exhibit H
Unamortized Schedule**

Principal amount: \$631,964.71

Interest rate: 0%

Period: 60 months

Month	Balance	Principal	Interest	Payment
0	\$ 631,964.7100			
1	621,431.9648	10,532.7452	-	10,532.7452
2	610,899.2197	10,532.7452	-	10,532.7452
3	600,366.4745	10,532.7452	-	10,532.7452
4	589,833.7293	10,532.7452	-	10,532.7452
5	579,300.9842	10,532.7452	-	10,532.7452
6	568,768.2390	10,532.7452	-	10,532.7452
7	558,235.4938	10,532.7452	-	10,532.7452
8	547,702.7487	10,532.7452	-	10,532.7452
9	537,170.0035	10,532.7452	-	10,532.7452
10	526,637.2583	10,532.7452	-	10,532.7452
11	516,104.5132	10,532.7452	-	10,532.7452
12	505,571.7680	10,532.7452	-	10,532.7452
13	495,039.0228	10,532.7452	-	10,532.7452
14	484,506.2777	10,532.7452	-	10,532.7452
15	473,973.5325	10,532.7452	-	10,532.7452
16	463,440.7873	10,532.7452	-	10,532.7452
17	452,908.0422	10,532.7452	-	10,532.7452
18	442,375.2970	10,532.7452	-	10,532.7452
19	431,842.5518	10,532.7452	-	10,532.7452
20	421,309.8067	10,532.7452	-	10,532.7452
21	410,777.0615	10,532.7452	-	10,532.7452
22	400,244.3163	10,532.7452	-	10,532.7452

23	389,711.5712	10,532.7452	-	10,532.7452
24	379,178.8260	10,532.7452	-	10,532.7452
25	368,646.0808	10,532.7452	-	10,532.7452
26	358,113.3357	10,532.7452	-	10,532.7452
27	347,580.5905	10,532.7452	-	10,532.7452
28	337,047.8453	10,532.7452	-	10,532.7452
29	326,515.1002	10,532.7452	-	10,532.7452
30	315,982.3550	10,532.7452	-	10,532.7452
31	305,449.6098	10,532.7452	-	10,532.7452
32	294,916.8647	10,532.7452	-	10,532.7452
33	284,384.1195	10,532.7452	-	10,532.7452
34	273,851.3743	10,532.7452	-	10,532.7452
35	263,318.6292	10,532.7452	-	10,532.7452
36	252,785.8840	10,532.7452	-	10,532.7452
37	242,253.1388	10,532.7452	-	10,532.7452
38	231,720.3937	10,532.7452	-	10,532.7452
39	221,187.6485	10,532.7452	-	10,532.7452
40	210,654.9033	10,532.7452	-	10,532.7452
41	200,122.1582	10,532.7452	-	10,532.7452
42	189,589.4130	10,532.7452	-	10,532.7452
43	179,056.6678	10,532.7452	-	10,532.7452
44	168,523.9227	10,532.7452	-	10,532.7452
45	157,991.1775	10,532.7452	-	10,532.7452
46	147,458.4323	10,532.7452	-	10,532.7452
47	136,925.6872	10,532.7452	-	10,532.7452
48	126,392.9420	10,532.7452	-	10,532.7452
49	115,860.1968	10,532.7452	-	10,532.7452
50	105,327.4517	10,532.7452	-	10,532.7452

51	94,794.7065	10,532.7452	-	10,532.7452
52	84,261.9613	10,532.7452	-	10,532.7452
53	73,729.2162	10,532.7452	-	10,532.7452
54	63,196.4710	10,532.7452	-	10,532.7452
55	52,663.7258	10,532.7452	-	10,532.7452
56	42,130.9807	10,532.7452	-	10,532.7452
57	31,598.2355	10,532.7452	-	10,532.7452
58	21,065.4903	10,532.7452	-	10,532.7452
59	10,532.7452	10,532.7452	-	10,532.7452
60	(0.0000)	10,532.7452	-	10,532.7452