Warehouse Lease Amendment #1 — Expansion at 8300 Helgerman Court

This "Warehouse Lease Amendment #1 — Expansion at 8300 Helgerman Court" ("Amendment #1") is made this 18th day of ~~March~~ APRIL 2006 by and between **HALCYON ASSOCIATES**, a Maryland limited partnership, (hereinafter, together with its successors and assigns, called "Landlord" or "the Landlord"), and **MONTGOMERY COUNTY, MARYLAND**, a political subdivision of the State of Maryland (hereinafter, together with its successors and assigns, called "County" or "the County") to the lease dated on or about June 17, 2005 for 8300 Helgerman Court, Suite A, Gaithersburg, Maryland. Landlord and Tenant (hereinafter, collectively called "Parties" or "the Parties") agree:

RECITALS

1. WHEREAS, on or about June 17, 2005, the Parties executed a lease agreement (hereinafter called the "Original Document") for 8,836 square feet of warehouse space in Building #3 of the Oakmont R & D Park. This 8,836 square feet (hereinafter called "Suite A") has a mailing address of 8300 Helgerman Court, Suite A, Gaithersburg, Maryland and, as of this Amendment #1, is occupied by the Montgomery County Department of Police Central Property Evidence and Supply.

2. WHEREAS, Parties now desire to expand the County's leasehold in Building #3 to include the contiguous 10,626 square feet of warehouse space at 8300 Helgerman Court, Suite B (hereinafter called "Suite B") to accommodate additional Montgomery County uses. This Amendment #1 has no effect on the County's use and occupancy of Suite A other than to extend the term so that the term end is the same for both Suite A and Suite B.

NOW THEREFORE, Parties further agree:

A#1(a) Other Terms and Conditions. This Lease now comprises the Original Document and this Amendment #1. This Amendment #1 supersedes the Original Document but all terms and conditions in the Original Document that are not changed in this Amendment #1 remain unchanged and in force. Some terms and conditions are repeated here for convenience.

A#1(b) Expansion. The Premises is hereby expanded to include 8300 Helgerman Court, Suite B. Suite B is deemed to contain 10,626 square feet of Gross Rentable Area (GRA) and is part of Building #3 of the Oakmont R & D Park. The entire Premises, both Suite A and Suite B, is now deemed to contain a total 19,462 square feet of GRA.

A#1(c) Initial Term and Option. The Initial Term for both Suite A and Suite B shall now continue through May 31, 2011 ("Ending Date"). (This Initial Term is based on a FIVE year period for Suite B starting August 1, 2006.) The County may extend the Term only by "Rider #1 of Amendment #1 — Tenant's Option for One Five-year Extension." All Riders and Exhibits Mentioned in this Amendment #1 are a part of this Amendment #1 and are attached after the "Signature Page."

A#1(d) Access. The County is in possession of Suite A. Upon full execution of this Amendment #1, the County (a) shall have access to Suite B and (b) may take possession of Suite B at any time for construction of improvements or other purposes, but the County shall be deemed to have taken possession of Suite B on August 1, 2006 even if it has not already done so.

A#1(e) Rent Payment. Tenant shall pay to Landlord all rent in United States currency without any deduction, set-off, notice, and demand. Tenant shall pay all Monthly Base Rent Installments in advance by the first day of each calendar month. All money shall be paid to: HALCYON ASSOCIATES, P.O. Box 79880, Baltimore, Maryland 21279 – 0880 or any other address or party as Landlord may direct by written notice.

A#1(f) Expanded Base Rent Schedule. Tenant shall pay Base Rent of **$1,129,464.00** (exclusive of Additional Rent, if any) in Monthly Base Rent Installments by the "Expanded Base Rent Schedule."

Expanded Base Rent Schedule

Period	Period Starting Date	No. of Months	8300 Suite A	8316 Suite B	Total Monthly Base Rent Installment ($)	Period Base Rent ($)
Lease Year #1 Part "A"	08/01/05	12	7,216.00	0.00	7,216.00	86,592.00
Lease Year #1 Part "B"	08/01/06	12	7,432.00	8,937.00	16,369.00	196,428.00
Lease Year #2	08/01/07	12	7,655.00	9,205.00	16,860.00	202,320.00
Lease Year #3	08/01/08	12	7,885.00	9,481.00	17,366.00	208,392.00
Lease Year #4	08/01/09	12	8,122.00	9,765.00	17,887.00	214,644.00
Lease Year #5	08/01/10	12	8,366.00	10,058.00	18,424.00	221,088.00
Total Initial Base Rent (exclusive of Additional Rent, if any)						1,129,464.00

A#1(g) County's Pro Rata Share. In the Original Document, the second sentence of Paragraph 7. COUNTY'S PRO RATA SHARE reads, "The Building is deemed to contain 39,000 square feet

of GRA; the County's Share is deemed to be 22.7% of that GRA." This sentence is deleted and replaced with:

> The Building is deemed to contain 39,000 square feet of GRA; the County's Share is deemed to be 49.9% of that GRA.

A#1(h) Improvements. By this Amendment #1, Landlord shall make improvements to Suite B only by "Rider #2 to Amendment #1 — Improvements to 8300 Helgerman Court, Suite B." Unless noted otherwise, all "Landlord's Work" be provided, paid for, and installed by the Landlord.

A#1(eye) Brokers. With regard to this Amendment #1, County warrants that it has not dealt with any finders, real estate agents, or brokers.

The "Signature Page" follows next.

Signature Page

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

Witness to Mr. Daniel:

Landlord: DANIEL, DANIEL AND DANIEL

By: _____
John Daniel, General Partner

Date signed: 4/18/06

Tenant: MONTGOMERY COUNTY, MARYLAND

By: _____
Joseph F. Beach
Asst. Chief Administrative Officer

Date signed: 4/5/2006

APPROVED AS TO FORM AND
LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: _____

Date signed: 3/1/2006

RECOMMENDED:

By: _____
Cynthia L. Brenneman, Director
Office of Real Estate
Dept. of Public Works and Transportation

Date signed: 2/13/06

Rider #1 of Amendment #1 — County's Option for One Five-year Extension

A#1-R#1 (a) Extension Term. By this "Rider #1," the County may extend the term for the entire Premises once for ONE "Extension Term" of FIVE non-calendar years only but if the conditions in the below paragraph "(b) Requirements" are not met, then Landlord, at Landlord's sole discretion, may void this option. The Extension Term shall start the day after the end of the Initial Term.

A#1-R#1 (b) Requirements. If (a) the County is not in default, (b) the Lease is in force, (c) the Lease has not been assigned and the Premises has not been sublet, and (d) at least THREE months but not more than SIX months before the end of the initial Term, County gives Landlord notice that County will extend, then the Term shall be extended. TIME IS OF THE ESSENCE FOR COUNTY'S NOTICE TO LANDLORD.

A#1-R#1 (c) Base Rent for Lease Year #6. The Base Rent for the first Lease Year of the First Extension Term (Lease Year #6) will be greater of (a) or (b):

(a) An annual Base Rent of $227,724.00, paid in equal monthly installments of $18,977.00, or;

(b) The "CPI-Adjusted Annual Rent," paid in equal monthly installments and as calculated by:

$$\frac{\text{CPI-U, February 2011}}{\text{CPI-U, February 2006}} \times \$196{,}428.00 = \text{CPI-Adjusted Annual Rent}$$

CPI-U is the U.S. Bureau of Labor Statistics' Consumer Price Index for all Urban Wage Earners (CPI-U) U.S. City Average, All items 1982-84=100, or the appropriate replacement index.

A#1-R#1 (d) Base Rent for Lease Years #7 through #10. By the same method as the "Expanded Base Rent Schedule," the Base Rent for each of the subsequent Extension Lease Years after Lease Year #6 shall be increased by 3% of the Base Rent of the previous Lease Year.

A#1-R#1 (e) Lease Amendment Document. Within 30 business days of receipt by County, County shall sign a lease amendment memorializing the First Extension and the First Extension Base Rent Schedule.

A#1-R#1 (f) Other Provisions. Unless noted otherwise, all other Lease terms and conditions, including but not limited to the payment of Additional Rent (if any), shall remain the same during the Extension Term. If, at the start of the Extension Term, the County's customary insurance coverage for this type of lease has increased, then the County shall increase it's coverage. For the Extension Term, Tenant shall accept the Premises "AS-IS" and there is no Landlord's Work

Rider #2 to Amendment #1 — Improvements to 8300 Helgerman Court, Suite B

A#1-R#2 (a) Landlord's Work. At the start of the Initial Term only, Landlord shall perform only the following "Landlord's Work." There is no other Landlord's Work. Unless noted otherwise, all work shall be Building Standard. Some Landlord's Work may have already been completed. Unless noted otherwise, Landlord shall pay for all the Landlord's Work. As Landlord's Work, Landlord shall provide and install:

Landlord's Architectural and General

1. **Drawings.** Provide all architectural and engineering drawings necessary for construction permit for Landlord's Work.
2. **Permits.** Obtain construction permit and use/occupancy permit as required for Landlord's Work and general warehouse use.
3. **Concrete floor.** Concrete floor in warehouse.
4. **Exterior personnel doors.** Two glass and aluminum exterior personnel doors with stairs.
5. **Exterior walls.** Between existing brick pilasters, windows or solid panels to accommodate County's interior layout.
6. **Overhead doors.** Not more than two 8' X 8' overhead doors.
7. **Toilet Rooms.** Install two new handicapped accessible single-toilet toilet rooms next to each other with vinyl tile floor, painted drywall walls, hollow-core wood door with metal frame, lay-in tile ceiling, 2 x 4 lay-in fluorescent ceiling light fixture, fan, and GFI receptacle. Location to be determined.
8. **Coffee bar.** Located next to the toilet rooms, approximately five feet of base and wall cabinets with kitchen-style sink and two GFI receptacles.

Landlord's Mechanical

9. **HVAC.** Three ten-ton roof-mounted HVAC gas-fired package units on roof.
10. **Ducting.** Ducting for open warehouse.
11. **Gas meter.** One separate gas meter for Suite B.

Landlord's Electrical

12. **High Voltage Panel.** One 480/277V, 200 amp panel for lighting, HVAC, and non-K type transformers.

13. **Low voltage panel.** One 208/120V sub-panel for convenience receptacles, equipment, and appliances.

14. **Receptacles.** Six convenience receptacles located on perimeter walls.

15. **Warehouse lighting.** 8' fluorescent tubes switched at entry doors.

16. **Electric meter.** One separate electric meter for Suite B.

Landlord's Plumbing

17. **Water heater.** One ten-gallon electric heater serving toilet rooms and coffee bar.

18. **Service sink.** One service sink next to toilet rooms.

19. **Water meter.** One separate water meter for Suite B.

Landlord's Life Safety

20. **Sprinklers.** Sprinklers for general warehouse use.

21. **Code items.** Exit signs and emergency lighting for general warehouse use.

Landlord's Exterior

22. **Exterior stairs as required.** One service sink next to toilet rooms.

23. **Concrete.** Concrete sidewalks and aprons as required.

A#1-R#2 (b) County's Specific Work. The following are NOT included in the Landlord's Work, but are listed for coordination and clarity:

24. **Counters or work benches.** COUNTY shall provide all counters, work benches, and trade fixtures.

25. **Fire extinguishers.** COUNTY shall provide any required fire extinguishers.

26. **Telecommunications or data systems.** COUNTY shall provide all telephone and data systems and wiring.

27. **Security systems.** COUNTY shall provide all security systems and shall re-key exterior door lock.

28. **Power backup.** COUNTY shall provide all power backup.

29. **Window covering or protection.** COUNTY shall provide all films, bars, mesh, or decorative window treatments.

30. **Bottled water.** COUNTY shall provide bottled water as required.

31. **Keying of doors.** COUNTY shall provide initial and any re-keying of doors. (Landlord will not keep any keys to Premises.)

A#1-R#2 (c) County's General Work. Other than Landlord's Work, County shall provide and install any other or subsequent (if any) improvements to the Premises for the County's use, including but not limited to additional partitions, lighting, HVAC, modular office furniture, electrical distribution, special equipment, systems furniture, telephone wiring and systems, computer systems, alarm systems, etc., and any associated plans, permits, and code items, including but not limited to, fire suppression systems for specific equipment and low-voltage wiring permits.

A#1-R#2 (d) Mandatory Site Visits. Because of the specialized nature of the improvements to the Premises, the County's using agency shall, during construction, either (a) visit the Premises daily or (b) provide for visits to the Premises on 24-hour notice.