

LEASE
BETWEEN
ARE-1500 EAST GUDE, LLC
AND
MONTGOMERY COUNTY, MARYLAND

DATED: February 25, 2021

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LEASE AGREEMENT

THIS LEASE AGREEMENT (“**Lease**”), entered into this 25 day of February, 2021 by and between **ARE-1500 EAST GUDE, LLC**, a Delaware limited liability company, registered and authorized to conduct business in the state of Maryland, having an address of 26 North Euclid Avenue, Pasadena, California 91101 (hereinafter referred to as “**Landlord**”), and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (hereinafter, “**County**” or “**Tenant**”) (Landlord and County each known as a “**Party**” and together as the “**Parties**”).

WITNESSETH:

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

1. LEASED PREMISES/COMMON AREAS:

a) Leased Premises Description. Landlord does hereby lease and demise unto the County and the County hereby leases from the Landlord the Leased Premises described as Suite 100 comprising approximately 21,400 rentable square feet of space (“**Leased Premises**”) on the first floor of the building (“**Building**”) located at 1500 East Gude Drive, Rockville, Maryland 20850 (“**Property**”). The Property is described on Exhibit A-1 attached hereto and the Leased Premises are shown as the hatched area on Exhibit A-2 attached hereto and made a part hereof. The land that forms a part of the Property is referred to in this Lease as the “**Land**.”

b) Common Areas. “**Common Areas**” mean those areas within the Building not reserved to individual occupants of the Leased Premises, but from time to time available and designated by Landlord to benefit or serve the Leased Premises. Without limitation, Common Areas may include the parking and landscaped areas, sidewalks,

access roads, general signs, machinery, equipment, and the mechanical, electrical and other systems and installations serving the Building as a whole, as same may be expanded, reduced or otherwise altered from time to time in Landlord's sole discretion. Landlord may, in its sole and absolute discretion, from time to time change the location, layout and arrangement of the Common Areas and/or reduce the size of the Common Areas by erecting thereon store buildings or other structures or improvements of any kind.

2. LEASE TERM:

a) Lease Term. The initial Lease Term ("**Initial Lease Term**") for the Leased Premises shall commence on the Lease Commencement Date (defined below) and shall expire, unless earlier terminated or extended in accordance with the terms of this Lease, on the last day of the one hundred forty-fourth (144th) full calendar month following the Lease Commencement Date (the "**Lease Expiration Date**").

b) Lease Commencement Date. The Initial Lease Term shall commence on the earlier to occur of (i) the date on which Landlord Substantially Completes the Tenant Improvements (as defined in Section 7 (Tenant Improvements)) or (ii) the date on which Tenant conducts any business in the Leased Premises ("**Lease Commencement Date**"). Subject to Force Majeure Delays and Tenant Delays (each as defined in Section 7(a)), Landlord estimates that the Lease Commencement Date will occur on July 1, 2021.

c) Rent Commencement Date. The Rent Commencement Date ("**RCD**") shall commence on September 1, 2022, subject to an extension of one day for each day of delay in the following circumstances: (i) the construction permit authorizing the construction of the Tenant Improvements (as defined in Section 7) is not issued by the City of Rockville within 49 days after Landlord's submission of the application for such construction permit, and (ii) the final inspection(s) required for the issuance by the City of Rockville of the

certificate of use and occupancy for the Leased Premises based on the construction of the Tenant Improvements is(are) not completed within 14 days after the request for such final inspection(s). For the avoidance of doubt, no Base Monthly Rent shall be due and payable for the period between the date of this Lease and the day before the RCD (“**Base Monthly Rent Abatement Period**”).

d) Execution of Certificate of Commencement. In order to memorialize the exact Lease Commencement Date, RCD, and Lease Expiration Date for the Leased Premises, within ten (10) business days after the LCD, the County and Landlord shall execute and deliver a Certificate of Commencement document in the form attached hereto as Exhibit C.

e) Definition of Lease Year. The first “**Lease Year**” will begin on the Lease Commencement Date and end on the last day of the twelfth (12th) full calendar month following the Lease Commencement Date. The second Lease Year will begin on the first day of the thirteenth (13th) full calendar month following the Lease Commencement Date and extend for a period of twelve (12) full calendar months. Each subsequent Lease Year will begin on the anniversary of the first day of the second (2nd) Lease Year and extend for twelve (12) full calendar months.

3. OPTION TO EXTEND: (i) Provided that County is still in occupancy of the Leased Premises and is not in default of this Lease, County shall have the option to extend (“**Extension Option**”) this Lease for two (2) consecutive ten (10) year terms (individually and collectively, an “**Extension Term**”; together with the Initial Lease Term, the “**Lease Term**”) at the end of the Initial Lease Term or the first Extension Term (as the case may be) with no more than fifteen (15) months but no less than nine (9) months prior written notice per Extension Term. The Base Annual Rent during each Extension Term shall be

the prevailing market rate and shall include annual escalations and market concessions for renewal transactions in comparable office buildings in the Rockville, Maryland submarket, subject to the terms and conditions set forth below.

(ii) In the event County shall wish to exercise the Extension Option, it shall request in writing (“**Term Extension Request**”) from Landlord a quote of the Base Annual Rent for the Extension Term (including annual escalations) not less than nine (9) months prior to the expiration of the Initial Lease Term or the first Extension Term, as the case may be. Within ten (10) days after such Term Extension Request, Landlord shall give County written notice of such quote. County shall then have thirty (30) days after the date of Landlord’s notice in which to exercise such Extension Option by written notice to Landlord (“**Extension Notice**”) accepting the Base Annual Rent quoted by Landlord or stating that County is exercising the Extension Option and wishes to have the Base Annual Rent for the Extension Term determined by the “MAI Appraiser Process” described in sub-paragraph (iii) below. In the event that County does not exercise the Extension Option or provide Landlord with a written response within said thirty (30) day period the Extension Option shall terminate immediately and Landlord shall be relieved of any and all liability created by the grant of the Extension Option.

(iii) If County elects to have the Base Annual Rent for the applicable Extension Term determined by the MAI Appraiser Process, then the fair market rent for the applicable Extension Term (including annual escalations) shall be independently determined by two (2) disinterested real estate appraisers, one (1) of whom shall be named by Landlord and one (1) by County. Said appraisers shall each be practicing real estate appraisers licensed in Montgomery County, Maryland, specializing in the field of commercial real estate, having no less than ten (10) years’ experience in such field, recognized as ethical and

reputable within their field, and certified as Member, Appraisal Institute (“MAI”) or an equivalent professional certification if MAI no longer exists. Landlord and County agree to make their appointments promptly within thirty (30) days after Landlord’s receipt of the Extension Notice, or sooner if mutually agreed upon. Within forty-five (45) days after both such appraisers have been appointed, each appraiser shall submit his or her determination of said fair market rent. The Base Annual Rent for the first Lease Year of the Extension Term shall be the average of the two (2) determinations; provided, however, that if determinations of the fair market rent of the appraisers are not within ten percent (10%) of each other, then the two (2) appraisers shall select a third appraiser with the qualifications described above within ten (10) days after submitting their determinations of the fair market rent. Within forty-five (45) days after the third appraiser is selected, such appraiser shall submit his or her determination of said fair market rent. In such event, the Base Annual Rent for the first lease year of the Extension Term shall be the average of (a) the third appraiser’s determination and (b) whichever determination of the other two (2) appraisers is closest to the third appraiser’s determination. In arriving at their individual rate determinations, each appraiser shall consider and analyze all the components of this Lease and apply them to current market factors. Landlord and County shall each pay the fee of the appraiser selected by it and if a third appraiser is used, they shall equally share the payment of the fee of the third appraiser. Notwithstanding the foregoing, Landlord and County may at any time after appointing the appraisers, agree upon the Base Annual Rent (including annual escalations) payable during the applicable Extension Term and such mutual agreement shall supersede the appraisers’ determinations.

4. RENT:

a) Commencing on the Lease Commencement Date and subject to Tenant's obligation to commence payment of Base Monthly Rent on the RCD, the County shall pay to Landlord all Rent (as hereinafter defined) in United States currency, without any deduction, set-off, notice, demand, and unless expressly stated otherwise, billing. Commencing on the Lease Commencement Date, the County shall pay estimated increases in Real Estate Taxes and Operating Expenses (all as hereinafter defined) in advance by the first day of each calendar month. This Lease is a full-service lease, net of utilities and janitorial. Landlord has installed meters or submeters to measure electric and gas consumption at the Leased Premises. Water consumption is based on a common house meter, and County will pay its Proportionate Share of water usage. During its tenancy, the County shall pay utility companies directly for its electric and gas usage within the Leased Premises, it being acknowledged that the same are metered or submetered as set forth above.

b) Base Annual Rent. The “**Base Annual Rent**” shall be payable by the County to the Landlord during each Lease Year of the Lease Term in equal monthly installments of “**Base Monthly Rent**” specified below.

c) Adjustments to Base Annual Rent. On the first day of the second Lease Year, and on the first day of each Lease Year thereafter during the Initial Lease Term, the Base Annual Rent (then in effect) shall be increased by two and one-half percent (2.5%) per annum over the Base Annual Rent payable during the previous Lease Year, except the Base Annual Rent for the first Lease Year of the Initial Lease Term shall be determined as set forth in Section 4(h) below. Landlord shall provide the County written notice of each such adjustment and the amount of the Base Annual Rent payable during the forthcoming Lease Year in accordance with the Base Rent schedule set forth in Section 4(h) below.

d) Base Monthly Rent Abatement. As long as the County is not in default of its obligations beyond any applicable cure period under this Lease, Landlord shall abate one hundred percent (100%) of the Base Monthly Rent for the Base Monthly Rent Abatement Period. The management fee set forth in this Lease shall not be abated and shall be based on the amount of Base Annual Rent that would have been payable but for such abatement. Notwithstanding anything to the contrary in this paragraph the adjustment in the Base Annual Rent as set forth in Section 4(h) shall be based on the full and unabated amount of Base Annual Rent payable for the first 12 month period from and after the Lease Commencement Date.

e) Additional Rent. All money due to Landlord under the requirements of this Lease, other than Base Annual Rent, is “**Additional Rent.**” “**Rent**” means Base Annual Rent and Additional Rent. Unless stated otherwise, the County shall pay Additional Rent within 10 business days of receipt of an invoice. Landlord’s remedies for the non-payment of Additional Rent are the same as for non-payment of Base Annual Rent.

f) Deposit. The County shall NOT pay a security deposit.

g) Late Charge and Interest. Any Rent which is due on the first day of the month (e.g., Base Monthly Rent and estimated increases in Real Estate Taxes and Operating Expenses) but which is not received by Landlord by the tenth (10th) calendar day of the month shall be subject to a late charge of five percent (5%), it being understood that this does not extend the due date of such Rent from the first day of each month. Rent not paid within 30 days after the due date shall bear interest at the lesser of the rate of twelve percent (12%) per annum and the maximum rate permitted under applicable law. Notwithstanding the foregoing provisions of this Section 4(h), Landlord shall be required to deliver to County written notice of the failure to pay Base Annual Rent or Additional Rent

two (2) times in every calendar year, in which event County shall be liable for such interest and late charge only if such failure to pay continues for more than five (5) business days after delivery of such written notice from Landlord.

h) During the Initial Lease Term, the County shall pay or cause to be paid to the Landlord the annual and monthly amounts listed in the following schedule:

LEASED PREMISES RENT SCHEDULE			
Lease Year	Base Annual Rent	Base Monthly Rent	Per Square Foot Base Rental Rate
1*	\$406,600.00	\$33,883.33	\$19.00
2	\$416,765.00	\$34,730.42	\$19.48
3	\$427,184.13	\$35,598.68	\$19.96
4	\$437,863.73	\$36,488.64	\$20.46
5	\$448,810.32	\$37,400.86	\$20.97
6	\$460,030.58	\$38,335.88	\$21.50
7	\$471,531.34	\$39,294.28	\$22.03
8	\$483,319.63	\$40,276.64	\$22.59
9	\$495,402.62	\$41,283.55	\$23.15
10	\$507,787.68	\$42,315.64	\$23.73
11	\$520,482.38	\$43,373.53	\$24.32
12	\$533,494.44	\$44,457.87	\$24.93

*= Subject to the provisions of this Lease, the Base Monthly Rent shall commence on the RCD and, as a result, Base Monthly Rent be abated for the Base Monthly Rent Abatement Period.

All payments are to be made in advance of the first day of each month, during each Lease Year, and shall be payable to the following or such other address as Landlord may specify in writing:

**Alexandria Real Estate Equities, Inc.
P.O. Box 79840
Baltimore, MD 21279-0840**

**Overnight Carrier:
Truist Bank
Lockbox #79840
1000 Stewart Avenue
Glen Burnie, MD 21061**

If the Lease Commencement Date occurs on other than the first day of the calendar month or if the Lease Year ends on other than the last day of a month, the Base Annual Rent shall be prorated at the rate of one thirtieth (1/30th) of the applicable monthly installment per day for each day of such partial month.

5. OPERATING EXPENSES:

a) Operating Expenses Defined. Throughout the Lease Term and commencing on the Lease Commencement Date, County agrees to pay to Landlord, as Additional Rent, County's Proportionate Share, as set forth below, of any increase in Operating Expenses during each calendar year over the Base Year Operating Expenses which is the 2021 calendar year. County shall pay, monthly in advance, amounts invoiced by Landlord on account of Landlord's estimate of County's obligations on account of Operating Expenses for the applicable calendar year. "**Operating Expenses**" means for any calendar or fiscal year the sum of all costs and expenses of any kind or description whatsoever incurred or accrued each calendar or fiscal year for operating, repairing and maintaining the Property, including, without limitation, costs and expenses for the following: (1) wages and salaries of all employees engaged in the management, operation or maintenance of the Building, including taxes, insurance and benefits relating hereto; (2) all supplies, materials, equipment and tools used in the operation or maintenance of the Property; (3) cost of all maintenance and service agreements for the Property and the equipment therein, including, but not limited to, controlled access and energy management services, window cleaning and elevator maintenance; (4) cost of all insurance relating to the Property, including the cost of casualty, liability and rent loss insurance applicable to the Building and Landlord's personal property used in connection therewith; (5) general and special repairs and maintenance; (6) management fees; (7) legal, accounting, auditing and other professional

fees; (8) the cost of any additional services not provided to the Property at the Lease Commencement Date, but thereafter provided by Landlord in the prudent management of the Building; (9) reasonable reserves for replacements, repairs and contingencies; (10) costs for janitor service and cleaning supplies; (11) costs for utility services such as electricity, gas, water and sewage (including any costs incurred in changing the provider providing electricity services); (12) the cost of any capital improvements or alterations made to the Building after the Lease Commencement Date that reduce other Operating Expenses, or which are required under any governmental law or regulation that was not applicable to the Building at the time it was constructed or incurred to replace equipment or a component of the Building (collectively, “**Permitted Capital Expenses**”), which shall be amortized (straight line) over the useful life of the improvement and such amortized costs falling within a calendar or fiscal year may be included in Operating Expenses for such calendar or fiscal year.; and (13) the cost of upgrades to the Building or Property or enhanced services provided at the Building and/or Property that are intended to encourage social distancing (also referred to as physical distancing), promote and protect health and physical well-being and/or intended to prevent or limit the spread or transmission of communicable diseases and/or viruses of any kind or nature, all to the extent recommended by the Centers for Disease Control and Prevention or any other Governmental Authorities (collectively, “**Infectious Conditions**”).

b) Operating Expense Exclusions. Operating Expenses shall be net of any reimbursement, refund or credit received by Landlord for the corresponding item of Operating Expense. In no event shall Landlord recover from County more than an amount equal to Tenant’s Proportionate Share (defined below) of Operating Expenses. Landlord shall not recover more than the full actual cost of any item through Additional Rent or

charges to other Building tenants. Landlord shall not recover any item of cost twice through Operating Expenses. The following items shall be specifically excluded from the Operating Expenses: (1) expenses for any capital improvements that were made to the Land or Building after the Lease Commencement Date that are not Permitted Capital Expenses; (2) expenses occasioned by fire, windstorm or other insured casualty; (i) advertising, commissions, tenant improvements and all other expenses incurred in leasing or procuring new tenants; (ii) expenses for repairs or improvements to other tenants' leased space; (5) legal fees incurred in enforcing the terms of any lease or arising out of any mortgage or ground lease affecting the Building; (6) interest, principal, rental, late fees or other costs of any indebtedness or ground lease; (iii) the cost of any work or service performed for any tenant at such tenant's cost; (8) costs incurred in connection with remediating or cleaning up any contamination caused by Hazardous Substances (as defined below), including asbestos-containing materials ("ACM"), in the Building or on the Land, including but not limited to, the cost of monitoring, encapsulating, or abating any Hazardous Substances, including ACM, from the Building or the Land, but only if such contamination was not caused by Tenant or its agents, employees, or invitees; (9) the cost of correcting structural defects or design flaws in the Leased Premises or in the Building or any of its major systems; (10) the cost of any work or materials performed or supplied to any facility other than the Property; (11) the cost of any items for which Landlord is reimbursed by insurance, any tenant or otherwise; (iv) salaries, wages and benefits of Landlord's officers, directors, and employees who are not assigned in whole or in part to the operation, management, maintenance, or repair of the Property, and in the case of such parties who are assigned only in part to the operation, management, maintenance, or repair of the Property, the portion of such salaries, wages, benefits, and other compensation not

allocable to the Property; (13) the cost of installing, operating, maintaining or refurbishing any specialty service, such as an observatory, broadcasting facility, luncheon club, restaurant, retail store, sundry shop, athletic or recreational club or locker rooms, meeting rooms or lounges; (14) any charge for depreciation of the Building or equipment; (15) costs of compliance with the Americans with Disabilities Act (“ADA”) with respect to the Common Areas if required by the ADA after the Lease Commencement Date; (16) any tenant improvement allowance or other payment from Landlord to Tenant; (17) bad debt losses or reserves therefore; (18) costs of selling, syndicating, financing, mortgaging, or hypothecating any of the Property or Landlord’s interest in the Property; (19) expenses resulting from the negligence or intentional misconduct of Landlord, its employees or agents; and (20) any janitorial, HVAC and/or electrical expenses for the Leased Premises that Tenant pays directly to Landlord or a third party.

c) Capital Improvements Further Defined. During the Lease Term, the Permitted Capital Expenses may be included in the definition of Operating Expenses. Such Permitted Capital Expenses shall be limited to those associated with equipment, or capital items that are: (i) reasonably intended to reduce Operating Expenses, or (ii) required in order to comply with governmental regulations or other directives of a public or quasi-public entity or authority, or (iii) reasonably intended to improve energy efficiency, or (iv) designed to increase safety. Such Permitted Capital Expenses shall be depreciated on a straight-line basis over the average useful life of said capital improvement. However, notwithstanding any provision of this Lease to the contrary, Landlord and the County agree that the installation of the HVAC units before the Lease Commencement Date designated for the Leased Premises and the replacement of the roof shall not be included in Operating Expenses for the Base Year or any subsequent year.

d) Controllable Operating Expenses. All Controllable Operating Expenses (hereinafter defined) shall be capped at a maximum of a 5% annual increase on a cumulative basis. “**Controllable Operating Expenses**” shall include all Operating Expenses except the following non-Controllable Expenses: (i) Real Estate Taxes, (ii) insurance

costs, (iii) the cost of utilities, government-required Building modifications and (iv) the cost of snow and ice removal. The calculations made under this paragraph shall be made on a current basis with reference to the Lease Year in question, and no retroactive adjustments shall be made at the end of the Lease Term for the preceding Lease Years. If the Building does not have at least ninety-five percent (95%) of the rentable area occupied at any time during the Base Year or any subsequent year, then the Operating Expenses and Real Estate Taxes shall be increased to reflect what such costs would have been if they had been calculated on the basis of ninety-five percent (95%) occupancy and full property tax assessment for Real Estate Taxes.

e) Annual Reconciliation of Operating Expenses. After the end of each calendar year, Landlord will as soon as reasonably practicable, but not later than May 31st, submit to County a statement of the actual increases in Operating Expenses for the preceding calendar year over the Base Year Operating Expenses (the “**Statement**”). County shall pay Landlord, as Additional Rent within thirty (30) days of County's receipt of such Statement, County's Proportionate Share of the actual increase in Operating Expenses over the Base Year Operating Expenses to the extent the same was not previously paid by County during the previous year as its Proportionate Share of the estimated increase in Operating Expenses. If the amount paid by County during the previous year exceeded County's Proportionate Share of the actual increases in Operating Expenses over

the Base Year Operating Expenses for such year, the excess shall be credited toward payment of the next installment of Base Monthly Rent to be paid by County after County receives said Statement from Landlord. If the amount paid by County during the last calendar year of the Lease Term exceeds County's Proportionate Share of the actual increases in Operating Expenses over the Base Year Operating Expenses for such year, Landlord shall pay County the excess amount within thirty (30) days after Landlord's submission to County of the aforesaid Statement of Operating Expenses for such calendar year after deducting all amounts due Landlord.

f) Operating Expense Request. Within one hundred twenty (120) days after receipt of the Statement showing actual figures for the year, County shall have the right to request a more reasonably detailed statement of Operating Expenses, including copies of the bills for Real Estate Taxes, which shall be supplied to County within thirty (30) days after County's written request. If it shall be determined by the mutual agreement of Landlord and County that there is an error in the Statement, the appropriate adjustment shall be made and either County shall be entitled to a credit for any overpayment or County shall pay to Landlord, as Additional Rent, the amount of any underpayment within thirty (30) days upon receipt of the invoice.

g) Right to Audit. In the event County shall reasonably and in good faith dispute the correctness of any Statement, County shall have the right to audit Landlord's books and records relating to the Statement (and not any previous Statement) provided such audit is conducted no later than one hundred twenty (120) days following receipt of such Statement and the County identifies in its audit notice to Landlord the portion of the Statement that the County is disputing. In no event shall an audit by County be conducted on a contingency basis, nor shall an audit by County be conducted on any other similar

basis where a portion of the auditor's compensation is tied to the results of the audit. County shall provide Landlord not less than ten (10) business days' notice of the date on which County's independent certified public accountant/auditor desires to examine Landlord's non-confidential or non-proprietary books and records during Landlord's regular business hours, and Landlord shall reasonably cooperate with such auditor. If such audit shows that the amounts paid by County to Landlord on account of increases in such charges exceeded the amounts to which Landlord was entitled hereunder in accordance with the applicable provision of this Lease, then provided that Landlord is not disputing the results of such audit, Landlord shall refund to County the amount of such excess within thirty (30) days of the date Landlord is notified in writing of the error (which notice shall contain reasonably detailed information substantiating such error). If such audit shows that the amounts paid by County to Landlord on account of increases in such charges were less than the amounts to which Landlord was entitled hereunder, County shall pay to Landlord as Additional Rent the amount of such shortfall within forty-five (45) days of the date County is notified. All costs and expenses of any such audit shall be paid by County, except if such audit discloses that the amounts paid by County to Landlord exceeded the amounts to which Landlord was entitled by more than three percent (3%), in which case Landlord shall promptly reimburse County for the reasonable costs and expenses incurred by County in such audit. County shall keep the results of any such audit strictly confidential, and such results shall be considered confidential business and financial information under applicable law, except to the extent reasonably required to be revealed in any legal action between Landlord and County relating to Operating Expenses. County shall not be entitled to delay any payment under this Lease during the pendency of any such inspection, audit or dispute.

h) Tenant's Proportionate Share. The County shall pay to the Landlord within thirty (30) days after receipt of the Statement said increased Operating Expenses as Additional Rent for the County's Proportionate Share of the Building. The County Proportionate Share shall be 45.67%, determined as follows:

$$21,400 \text{ square feet leased} \div 46,859 \text{ building square feet} = 45.67\%$$

6. REAL ESTATE TAXES; PROPORTIONATE SHARE DEFINED:

a) Real Estate Taxes Base Year. Commencing on January 1, 2021 and every calendar year thereafter, Landlord will forward to the County a statement and copies of paid tax bills (collectively, the "**Tax Statement**") for the most recent fiscal year setting forth the amount of Real Estate Taxes levied or imposed against the Property. The County shall pay, as Additional Rent, upon receipt of the Tax Statement, but in no event more than thirty (30) days after receipt of the Tax Statement, County's Proportionate Share of any increase in the Real Estate Taxes over the Real Estate Taxes assessed against the Property of which the Leases Premises are attributable to the "Base Year." The "**Base Year**" for Real Estate Taxes is the calendar 2021 year. The Tax Statement must contain copies of Real Estate Tax bills for the tax year for which the payment is required. A true-up of overpayment or underpayment on account of Real Estate Taxes shall occur, similarly as to Operating Expenses, after any year-end reconciliations have been completed by Landlord.

b) Real Taxes Defined. The term "**Real Estate Taxes**" means all ad valorem property taxes and assessments, general and special, levied or imposed by appropriate taxing authorities with respect to the Property subject to the provisions of Section 5(c) and the following. If the system of real estate taxation is altered or varied or any new tax or levy is levied or imposed by an appropriate taxing authority, the new tax or levy will be included within the term "Real Estate Taxes." County shall pay, monthly in advance,

amounts invoiced by Landlord on account of Landlord's estimate of County's obligations on account of Real Estate Taxes for the applicable calendar year.

c) County's Proportionate Share. The County shall pay to Landlord, within thirty (30) days after receipt of Landlord's Statement and Tax Statement, the County's Proportionate Share of increases in Operating Expenses over Base Year Operating Expenses or over the Base Year for Real Estate Taxes, as applicable, as Additional Rent, which share shall be the rentable square footage of the Leased Premises from time to time divided by 46,859, the deemed rentable square footage of the Building. County's Proportionate Share for the Leased Premises is 45.67%.

7. TENANT IMPROVEMENTS:

Description of Work. The County shall accept the Leased Premises in its "where-is" and "as-is" condition, with the exception that Landlord, at its sole cost and expense, shall perform, or cause to be performed, all modifications to the existing condition of the Leased Premises ("**Tenant Improvements**") as shall be described in construction drawings and specifications ("**CDs**") to be prepared by Landlord's architect on the basis of the space plans ("**Space Plans**") attached to this Lease as Exhibit B. The cost of the Tenant Improvements shall not exceed of the sum of forty-five and 00/100 dollars (\$45.00) per rentable square foot of the Leased Premises or \$963,000.00 ("**Base Allowance**"). The County has the option to obtain an additional allowance from the Landlord in an amount equal to ten and 00/100 dollars (\$10.00) per rentable square foot ("**Additional Allowance**") amortized into the Base Annual Rent at 8% per annum over the Initial Lease Term. The resulting amount so amortized shall be added to the Base Monthly Rent. The Base Allowance and the Additional Allowance are collectively referred to the as "**TIA**." Amounts in excess of the TIA is referred to as the "**Excess Cost**." The County shall pay

the Excess Cost to Landlord, as Additional Rent, within thirty (30) days of invoice. Any Excess Cost paid by Tenant shall be the first disbursed to pay the cost of the Tenant Improvements. The “cost” of Tenant’s Improvements shall be all charges for architectural and engineering services for preparing all CDs (but not the test fit plans), all costs of permits or expediting or impact fees or other requirements of any governmental authority to be paid or incurred to permit the Tenant Improvements to be performed, and all general contractor/construction manager and all subcontractor charges, and shall be determined separately for each component. The Tenant Improvements shall be completed in accordance with the mutually agreed upon Space Plans and “**Scope of Work**” attached hereto and made a part hereof as Exhibit B, which Space Plans and Scope of Work the County has reviewed and approved as evidenced by its execution of this Lease. Within forty-five (45) days after execution of this Lease, Landlord shall furnish to the County completed CDs reflecting the details as shown in the Space Plan and Scope of Work. The County shall, within ten (10) business days of receipt either approve the CDs or identify any errors therein or any inconsistencies between them and the Space Plans and the Scope of Work. If County has not identified any errors or inconsistencies in the CDs within such ten (10) business day period, such CDs shall be deemed to have been approved. If the County identifies any errors or inconsistencies between the CDs and the Space Plans and Scope of Work within such ten (10) business day period, Landlord’s architect shall correct such errors or inconsistencies and the County shall have an opportunity to review the CDs for an additional ten (10) business day period, and if the County shall fail to identify any errors or inconsistencies within such ten (10) business day period, the CDs shall be deemed approved and this process shall continue until the CDs are approved (or deemed to be approved). In no way does the County’s approval indicate that the Landlord and/or

architect have abided by all of the applicable laws, orders, judgments, ordinances, regulations, codes (including fire and life safety), directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Leased Premises, and to the use and occupancy thereof (collectively, “**Legal Requirements**”). The County’s approval signifies concurrence in principal to the design and layout of the build out (i.e., sizes of offices/other rooms, general layout, etc.).

a) Landlord shall construct all Tenant Improvements in accordance with all applicable Legal Requirements. On or before the Lease Commencement Date (subject to Tenant Delays that prevent Landlord achieving Substantial Completion and delays resulting from the events described in Section 30(d) (Force Majeure) (“**Force Majeure Delays**”), Landlord shall substantially complete or cause to be substantially completed the Tenant Improvements in a good and workmanlike manner, in accordance with the CDs, subject to normal “punch list” items of a non-material nature that do not interfere with the use of the Leased Premises (“**Substantial Completion**” or “**Substantially Complete**”). No costs attributable to common areas of the Property due to Legal Requirements of governmental authority unrelated to the Tenant Improvements or Landlord Work shall be included to determine any Excess Costs. The County shall notify Landlord of any construction deficiencies in the Tenant Improvements within thirty (30) days after the Lease Commencement Date based on a joint inspection of the Leased Premises by the Parties, and Landlord shall use commercially reasonable efforts to complete any such deficiencies within thirty (30) days after such inspection. Landlord may deliver possession of the Leased Premises to the County subject to customary punch list items to be completed after the Lease Commencement Date. Landlord shall deliver the Leased Premises to the County broom clean in compliance with applicable Legal Requirements relating to the Tenant

Improvements and with all systems existing as of the date thereof in good working order. For purposes of this Lease, “**Tenant Delays**” means the extent to which the completion of the Tenant Improvements is delayed by one or more of the following causes: (i) Tenant’s Representative (as defined below) was not available to give or receive any Communication (as defined below) or to take any other action required to be taken by Tenant hereunder; (ii) Tenant’s request for Change Orders (as defined below); (iii) construction of any Change Orders; (iv) Tenant’s request for materials, finishes, or installations requiring unusually long lead times; (v) Tenant’s delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein; (vi) Tenant’s delay in providing information critical to the normal progression of the Tenant Improvements (Tenant shall provide such information as soon as reasonably possible, but in no event longer than one week after receipt of any request for such information from Landlord); (vii) Tenant’s delay in making payments to Landlord for Excess Costs; or (viii) any other act or omission by Tenant or its agents, employees, or contractors.

b) Change Orders. County shall pay for the cost of any change orders (“**Change Orders**”) that it causes (i.e., the County modified a build out prerequisite or requested changes to any CDs after County’s approval or deemed approval thereof). Except as provided in the preceding sentence, the County shall not be liable for any costs arising from Change Orders that occur as a result of regulatory oversight and/or omission (i.e., DPS, WSSC, ADA, etc.), and/or Landlord or its architect or engineer, or contractor error. No Change Orders shall be permitted without Landlord approval, which approval shall not be unreasonably withheld or delayed. However, Landlord shall have the right to disapprove any proposed Change Order which may cause a delay in the Substantial Completion of the Tenant Improvements, but Landlord shall use commercially reasonable efforts to minimize

delays in the Substantial Completion of the Tenant Improvements due to Change Orders. In all events, any delay arising from a Change Order shall constitute a Tenant Delay.

c) Unused Tenant Improvement Allowance. Any part of the TIA not utilized toward the construction of the Tenant Improvements may be applied to the following County items: data/cabling, fiber connectivity, and PBX/Gateway systems. Such costs must be invoiced to Landlord for reimbursement on or before the date (the “**Transaction Cost Calculation Date**”) which is nine (9) months after the Lease Commencement Date (absent invoice by such date, such unused amount shall be Landlord’s property). None of the unused TIA can be used towards Rent abatement or otherwise credited against any Rent payment.

d) Selection of Contractors. Landlord shall competitively bid the Tenant Improvements out to three (3) general contractors/construction managers. Landlord and the County shall mutually and reasonably agree on the three (3) general contractors/construction managers to bid on the Tenant Improvements, but County must give Landlord a reasonable basis not to approve any general contractors/construction manager within five (5) business days of any request by Landlord for such general contractors/construction managers to be a bidder. The general contractor/construction manager shall competitively bid each trade involved in the Tenant Improvements, but only of the cost of the work to be performed by trade involved is estimated to exceed \$25,000.

e) Architectural Services for the Leased Premises. Landlord, at its sole cost and expense, has provided (or shall provide) architectural services required in connection with the final preparation of the Space Plan, Scope of Work, and CDs.

f) Space Plan. Landlord, at Landlord’s expense, shall authorize Landlord’s architect to perform a test fit to determine the scope of work for budget pricing purposes. It

is mandatory that the Landlord's architect visits and assesses a representative number of the County's current facilities prior to creating the test fit plans, and the County confirms that the architect has made all such visits prior to the date of this Lease.

g) Permits. The Landlord, at its sole cost and expense, shall be responsible for obtaining the construction permit and final inspections for the Tenant Improvements from the City of Rockville for the Leased Premises. If required, the County shall execute and deliver any affidavit and shall obtain, with Landlord's cooperation, the use and occupancy certificate for the Leased Premises once the Tenant Improvements have been Substantially Completed, and the County shall be responsible for any other permits or licenses necessary for its lawful occupancy of the Leased Premises.

h) Early Access. Landlord grants permission to the County to enter the Leased Premises thirty (30) days prior to the Substantial Completion of the Tenant Improvements for the sole purposes of installing equipment, furniture, fixtures and related cabling therein, provided the County does not materially interfere with the Substantial Completion of the Tenant Improvements. All such periods of early access shall be coordinated with Landlord and/or its agents and the general contractor, and the County shall comply with this Lease and all other reasonable restrictions and conditions Landlord may impose. Tenant, however, shall have no right to enter onto the Leased Premises unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-Lease Commencement Date access (including, but not limited to, any insurance that Landlord may require pursuant to this Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of the Tenant Improvements and acceptance thereof by Tenant.

i) Tenant's Authorized Representative. Tenant designates Brian Donohue and Larry Stewart (either such individual acting alone, "**Tenant's Representative**") as the only persons authorized to act for Tenant pursuant to this Lease. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry, or other communication ("**Communication**") from or on behalf of Tenant in connection with this Lease unless such Communication is in writing from Tenant's Representative. Tenant may change either Tenant's Representative at any time upon not less than five (5) business days advance written notice to Landlord. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's contractors in the performance of the Tenant Improvements.

j) Landlord's Authorized Representative. Landlord designates Lawrence J. Diamond and Edward J. Rose (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Lease. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Lease unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than five (5) business days advance written notice to Tenant. Landlord's Representatives shall be the sole persons authorized to direct Landlord's contractors in the performance of the Tenant Improvements.

k) Budget for Tenant Improvements. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements ("**Budget**"). The Budget shall be based on the CDs approved by Tenant and shall include a payment to Landlord, as Additional Rent, of an administrative fee ("**Administrative Fee**") equal to 1.5% of the actively managed hard and soft costs of the Tenant Improvements for monitoring and inspecting the construction of the Tenant Improvements and Change Orders, which sum shall be payable from the TIA. The Administrative Fee shall include, without limitation, all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Change Orders, and shall be payable out of the TIA. However, Landlord shall not base its Administrative Fee on any of the general contractor's general conditions and overhead fees. If the Budget is greater than the TIA, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes. Such funds

deposited by Tenant shall be the first disbursed to pay the costs to construct the Improvements and Change Orders.

l) County Work. The County shall engage the services of the County's fiber service provider (Baldwin) to install fiber optics to the Leased Premises. The County must obtain Landlord's prior written approval as to the location, schedule, installation procedures, and the specifications of the fiber service being installed. The County is solely responsible for obtaining all required governmental approvals and for complying with all Legal Requirements with respect to the installation of fiber service to the Leased Premises. The installation of fiber includes all related work such as design, permits, inspection, trenching and installing cable risers, as well as the restoration of any improvements or landscaping on the Property affected thereby. The County shall ensure that neither it nor Baldwin interfere with any existing data, communications, or other lines, conduits, pipes, or wires coming into the Building and will not interfere with other tenants' ability to use or access the Property or the Building during the installation of the fiber. The County will be solely responsible for managing Baldwin and any other necessary vendors or contractors and the installation of the fiber. All such County-hired contractors (including Baldwin) will be required to provide Certificates of Insurance acceptable to Landlord, actual invoice(s) for work completed and all lien waivers for all work performed (which lien waivers shall be in form and substance acceptable to Landlord). The County shall be solely responsible for compliance with applicable Legal Requirements and maintaining the fiber in good repair and condition.

m) LED Lighting. Promptly after the execution of this Lease, Landlord's architect shall perform an energy calculation to determine whether the applicable Legal Requirements mandate the installation of LED lighting throughout the Lease Premises.

If, based on such calculation, the applicable Legal Requirements mandate the installation of LED lighting throughout the Premises, Landlord shall, at its expense (and not as part of the TIA), install such LED lighting within the Leased Premises as part of the Tenant Improvements.

8. PARKING: The County is permitted to use, in common with other tenants, up to seventy-seven (77) parking spaces in the Building's parking facilities (calculated based on a ratio of three and six-hundredths (3.6) parking spaces in the Building's parking facilities per one thousand (1,000) square feet of rentable floor space in the Leased Premises). Parking is free and unreserved for the duration of the County's permitted tenancy in the Building. It is understood and agreed that Landlord assumes no responsibility and shall not be held liable for any damage or loss to any vehicles parked in the Property's parking facilities or to any personal property located therein, or for any injury sustained by any person in or about such parking facilities unless due solely to Landlord's intentional misconduct. County agrees to cooperate with Landlord and other tenants in use of the parking facilities, and County shall comply with Landlord's reasonable rules and regulations governing the parking facilities. Landlord shall not be responsible for enforcing Tenant's parking rights against third parties, including other tenants at the Property.

9. USE: The County covenants and agrees that the Leased Premises shall be used and occupied by the Montgomery County Government as general government offices, offices that serve the community and for no other purposes. The County shall have the right to store medication on site in a secure location that is dispensed to the County's clients. Such storage and access thereto shall strictly comply with applicable

Legal Requirements. The County shall have the right to occupy and use the Leased Premises twenty-four (24) hours a day, seven (7) days a week.

10. PROPERTY DAMAGE AND LIABILITY INSURANCE

County:

a) The County shall obtain and maintain, during the Lease Term, coverage for commercial general liability insurance with claim limits of liability of \$400,000 (Four Hundred Thousand Dollars) per individual claim and \$800,000 (Eight Hundred Thousand Dollars) for total claims that arise from the same occurrence for damage, or such other amounts as may be prescribed as the maximum coverage limits of liability for which the Montgomery County Self-Insurance Program is responsible under the Local Government Tort Claims Act, Ann. Code, Cts. & Jud. Proc. §5-301, et seq., as amended (the “LGTCA”). The County represents that the foregoing amounts are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the LGTCA. If the LGTCA is amended to increase any of these limits, then the increased limits shall automatically apply to this Lease. If Landlord brings a claim against the County under this Section 10 and prevails on such claim, the County shall pay the reasonable attorneys’ fees incurred by Landlord in such claim as such fees may be awarded by a court of law.

b) The County agrees that it will not keep in or upon the Leased Premises any article which may be prohibited by the standard form of fire or hazard insurance policy, a certificate of which the Landlord will share with the County upon the County’s reasonable request. In the event the County’s occupancy causes any increase in the insurance premiums for the Leased Premises or any part thereof, then the County shall pay the additional premiums as Additional Rent as they become due, so long as the demand for

such Additional Rent is substantiated by sufficient documentation. The foregoing shall not preclude County from using materials commonly used in a business office setting, or required by the County's use of the Leased Premises, provided that County properly uses, handles and disposes of the same in accordance with applicable Legal Requirements and the manufacturers' instructions with respect thereto.

c) The County agrees to indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with personal injury and/or damage to property arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by the County of the Leased Premises occasioned wholly or in part, to such extent, by any negligent act or omission of the County, except to the extent of the negligence, wrongful acts or omissions of the Landlord, its agents, contractors or employees. The County's liability under this paragraph is subject to, limited by, and contingent upon the appropriation and availability of funds, as well as the damage caps and notice requirements stated in the LCTCA, Md. Code Ann., Cts. & Jud. Proc. § 5-301, et seq; Md. Code Ann., Cts. & Jud. Proc. § 5-303, et seq. and Md. Code Ann., Cts. & Jud. Proc. § 5-509, and Md. Code Ann., Cts. & Jud. Proc. § 5-5A-02 (together the "**County Indemnification Statutes**"), all as amended from time to time. This indemnification 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.

d) Notwithstanding anything in this Lease to the contrary, the County further agrees that all personal property in the Leased Premises shall be and remain at the County's sole risk, and the Landlord shall not be liable for any damage to or loss of such personal

property, except to the extent damage arises out of the wrongful acts or omissions of the Landlord, its agents, contractors or employees.

e) The County shall deliver to Landlord a certificate of insurance in form and substance reasonably acceptable to Landlord evidencing the coverage hereinabove described within thirty (30) days from execution of this Lease.

f) Waiver. Neither Party nor its respective officers, members, directors, employees, managers, agents, invitees' and contractors ("**Related Parties**") shall be liable to the other for business interruption, loss or damage caused by any risk insured against under property insurance required to be maintained hereunder.

Landlord:

a) The Landlord shall obtain and maintain, during the Lease Term (i) a policy of general liability insurance with limits of \$2,000,000 per occurrence, including fire, legal liability, contractual liability, products and completed operations, premises and operations, and personal injury, and (ii) \$1,000,000 per claim, or more, in automobile liability coverage, including owned and hired vehicles.

b) The Landlord shall provide an All Risk Property Policy to protect against loss caused by the perils insured in the amount of 100 percent of the insurable value on a replacement cost basis of the Leased Premises and Property. The policy shall also endorse a demolition and clearing clause, extra expense and loss of use coverage.

c) 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 that are in addition to the standard improvements customarily furnished by Landlord without regard to whether such are made a part of the Property. All such insurance shall be included as part of the Operating Expenses. The Property may be included in a blanket policy (in which case the cost of such insurance allocable to the Property will be determined by Landlord based upon the insurer's cost calculations).

d) The Landlord will indemnify the County and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and /or damage to property arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by the Landlord of the Leased Premises or any part thereof including exterior areas, to the extent caused by any wrongful act or omission of the Landlord, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the County or its agents, employees, or invitees. Provided, however, that the County provides to Landlord prompt written notice of any and all claims under which County will rely on this indemnification. The Landlord shall indemnify the County against any penalty, damage or charged incurred or imposed by reason of the Landlord's violation of any Legal Requirement. If the County brings a claim against Landlord under this Section 10 and prevails on such claim, Landlord shall pay the reasonable attorneys' fees incurred by the County in such claim as such fees may be awarded by a court of law.

11. ACCESS:

a) General Access. County will allow Landlord or Landlord's agents to have access to the Leased Premises upon forty-eight (48) hours' notice, except in the event of

emergency in which case no such notice shall be required and such entry may be at any time, to County and at all reasonable times for the purpose of inspection in the event of fire or other property damage, or for the purpose of performing any maintenance and repairs Landlord may consider necessary or desirable; or for the Landlord to show the Leased Premises to prospective tenants during the 10 months preceding expiration of the Lease Term and to prospective purchasers and mortgagees at all reasonable times upon reasonable notice to County; provided, however, Landlord shall use commercially reasonable efforts to minimize any interference with County's use of the Leased Premises.

b) Non-routine Access for the Leased Premises Procedures. The County acknowledges that the Landlord shall have the right to escort prospective tenants, purchasers, and mortgagees throughout the Leased Premises. The County has outlined proper procedures for touring guests throughout the Leased Premises. They are as follows:

- i) Landlord shall provide the County with a minimum of 48 hours' notice prior to the tour (which notice may be made by e-mail).
- ii) The Landlord must provide a list of visitors that will attend the walkthrough at least 48 hours prior to the scheduled tour (which list may be provided by e-mail).
- iii) The County will not grant access to the Medication Room.
- iv) Landlord and any person(s) in said tour group may not record video, audio or shoot still photography inside the Leased Premises.
- iv) The tour may not take more than 30 minutes as County personnel will be asked to leave the Leased Premises while the tour is ongoing.

- vi) A County employee must accompany all prospective tenants throughout the Leased Premises.

12. SERVICES:

a) Service Responsibilities. This Lease is a full-service Lease, net of utilities and net of janitorial (hereinafter defined). Landlord, as part of the Operating Expenses, shall provide full-service maintenance including but not limited to maintenance and repairs, trash removal (from the trash and recycling dumpsters) and pest control within the Building and specifically agrees to have the Leased Premises treated for bed bugs on a regular basis. The County, at its expense, shall provide janitorial services within the Leased Premises and shall provide for the removal of any medical waste, all consistent with the operation of comparable office buildings in the Rockville, Maryland metropolitan area. Landlord shall be responsible for cleaning and maintaining the Common Areas and the outside building areas including sidewalks, walkways, and pavement areas, keeping same reasonably free and clear of snow and ice. The Landlord shall also provide trash receptacles on the Property and an area for recycling.

b) Utility Services. Interruption or malfunction of any utility, telephone or other service shall not constitute a breach by Landlord, nor shall it cause an eviction or disturbance of County, release County from any obligation hereunder, or grant County any right to an offset against Rent or rent abatement, and neither Landlord nor Landlord's agents are liable for damages (consequential or otherwise). Notwithstanding the foregoing, if there is a failure by Landlord to furnish any Essential Service (as defined below), which failure: (i) is due solely to the intentional misconduct of Landlord, (ii) interferes substantially with or prevents County's use of the Leased Premises or any material part thereof, and (iii) continues for three (3) consecutive business days, then to the extent that

County actually ceases use of the Leased Premises, the Base Monthly Rent shall abate for the period beginning on the fourth (4th) consecutive business day of such interruption and continuing until such interruption is remedied, based upon the portion or portions of the Leased Premises rendered unusable by such interruption of utilities or services. For purposes hereof, the term “**Essential Services**” shall mean the following services: access to the Leased Premises, HVAC service, water, sewer, and electricity, but in each case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease.

c) Maintenance and Repairs — General. Landlord shall, as part of the Operating Expenses, also make all necessary maintenance, repairs and replacements to all structural components of the Building as deemed reasonably necessary for safety and tenantability which include but are not limited to the following: roof, water protection, maintenance (including the roof, flashing, gutters, downspouts, and roof drains), all exterior walls, interior columns, windows, interior concrete slabs, exterior wall barriers (waterproofing), the Building envelope, and the foundation. Additionally, Landlord is responsible to repair, maintain and replace, as part of the Operating Expenses, all underground utility services outside the Leased Premises; all pipes, wires and conduits located outside of the Leased Premises which serve the Leased Premises. Notwithstanding the foregoing provisions of this paragraph, County shall have a period of 180 days after the Lease Commencement Date to reasonably identify in writing any latent defects in the mechanical, electrical, and plumbing systems and the structural components serving the Leased Premises. For purposes of this paragraph, “**latent defects**” means those material defects in such systems and/or components that could not have been identified or discovered through a reasonable inspection of such systems or components conducted by a qualified technician. Landlord will promptly repair such identified latent defects (subject to Landlord’s reasonable

confirmation that such defects are, in fact, latent defects). Additionally, Landlord shall maintain and repair all Building standard equipment serving the Leased Premises and all exterior plate glass in the Leased Premises, and the cost of all such repairs or maintenance shall be included in the Operating Expenses unless necessitated by the negligent act or omission or intentional misconduct of County, its agents, employees, invitees, or contractors, in which event County shall pay such cost to Landlord as Additional Rent, within thirty (30) days of Landlord's demand for payment. In addition, County shall, at its sole cost and expense, be responsible for maintenance, repair and replacement of all non-Building standard items or fixtures in or serving the Leased Premises.

d) Notice & Action for Emergency Maintenance and Repairs. The Landlord (through its management company, if any) provides an online work order system to promptly respond to tenants' maintenance needs. If the County's needs are in response to a Building emergency, the County shall call 911 and then call Landlord (at the telephone number(s) previously provided to the County) during business hours (8:00 AM to 5:00 PM, Monday through Friday) or outside of business hours. The County shall not input an electronic work order for Building-related emergencies. In the event Landlord fails to provide emergency maintenance and repair with reasonable dispatch and due diligence appropriate to the condition after notice from the County, then County shall have the right on notice to Landlord but not the obligation to make the repair in a good and workmanlike manner and be reimbursed the reasonable cost thereof by Landlord.

e) Notice & Action for Routine Maintenance and Repairs. In the event Landlord fails to correct routine maintenance and repair problems in the Leased Premises within ten (10) business days after notification of the same by the County (or such longer period as may be necessary if the repair cannot be made in ten (10) business days), County

shall have the right on notice to Landlord but not the obligation to make the repairs in a good and workmanlike manner using materials comparable to those existing in the Leased Premises at such time, and be reimbursed the reasonable cost thereof by Landlord.

f) Repairs by Landlord. Landlord agrees, at its expense, to maintain and keep in repair the structural parts of the Leased Premises and Property.

g) Background Checks. Any of the Landlord's agents, employees, and contractors conducting on-going, routine work inside or around the Leased Premises shall have to apply for and pass a County background check prior to engaging in said services or shall be required to be accompanied by an agent, employee, or contractor of Landlord that has passed a County background check.

13. UTILITIES.

a) Common Area Building-standard Services and Utilities. Landlord shall furnish sufficient electric current for routine and normal requirements for lighting and typical office equipment and machinery, such as calculators, personal computers, small copiers and similar items, subject to Section 13(b), water for lavatory and drinking purposes, common area lavatory supplies and automatically operated elevator service, all without additional cost to County, 24 hours/7 days a week.

b) Charges for Utilities Supplied to Leased Premises. During the Lease Term (beginning on the Lease Commencement Date), the County shall be responsible for the payment of all electricity consumed or utilized by it upon the Leased Premises. County shall pay utility costs as follows:

(i) Electricity. The Leased Premises are separately submetered for electrical service. County agrees to pay to Landlord, within thirty (30) days after demand

therefor and as Additional Rent, the actual charge for all electricity consumption shown by said submeter.

(ii) Gas, Water and Sewer. Landlord, at its sole cost and expense, shall install submeters to record the consumption of gas (if any) at the Leased Premises. County agrees to pay to the utility company or Landlord, promptly upon demand therefor (and within thirty (30) days after demand therefor if paid to Landlord and as Additional Rent), the actual charge for all gas consumption shown by said submeters. Water consumption is based on a common house meter, and Tenant shall pay its Proportionate Share of water usage to Landlord.

c) Heating and Cooling. The Leased Premises are served by separately-submetered, rooftop units, which provide separately-controlled heating, ventilating and air conditioning (“HVAC”) to the Leased Premises. Landlord will, as part of the Operating Expenses, throughout the Lease Term, obtain and keep in force a maintenance contract to regularly inspect, repair, replace and perform maintenance services to the HVAC system serving the Leased Premises. Landlord agrees to maintain, repair or replace the existing HVAC as part of the Operating Expenses, but the cost to install the HVAC units before the Lease Commencement Date shall be at the sole expense of Landlord. The Landlord shall engage the services of a qualified licensed HVAC technician to provide quarterly maintenance on all the HVAC units serving the Leased Premises and the cost of such service contract shall be included in Operating Expenses. The air conditioning shall be so balanced as to provide a temperature range between 72 and 78 degrees. The heating shall be so balanced as to provide a temperature range between 68 and 72 degrees. Landlord shall, during emergencies, change these temperature guidelines in accordance with Federal, State and local requirements. Landlord agrees to provide heating and air conditioning to

the Leased Premises during those seasons of the year when such services are required, 24 hours per day, 7 days a week including all holidays. If the HVAC fails to provide adequate heating and cooling for the occupants of the Leased Premises, the Landlord, at its expense, will contract with the necessary professionals (architect, engineer, general contractor, HVAC company, etc.) to resolve such failure. The County will have operational control of the HVAC system serving the Leased Premises.

d) Interruption or Reduction of Service. In no event shall Landlord be liable to the County for any interruption or failure in the supply of any utilities to the Leased Premises. Landlord reserves the right to interrupt service of the heat, plumbing, air conditioning, cooling, electric, and sewer and water systems, when necessary, by reason of accident, or of repairs, alterations, improvements or changes from one utility provider to another, which in the judgment of Landlord are desirable or necessary to be made, until such repairs, alterations or improvements shall have been completed; and Landlord shall have no responsibility or liability for failure to supply heat, plumbing, air conditioning, cooling, electric, or sewer and water service, or any other service or act for the benefit of County, when prevented from so doing by strikes, accidents or by any other causes beyond Landlord's reasonable control, or by orders or regulations of any federal, state, county, or municipal authority, or by any failure to receive suitable fuel supply, or inability despite exercise of reasonable diligence to obtain the regularly-used fuel or other suitable substitute; and County agrees that County shall have no claim for damages nor shall there be any abatement of Base Annual Rent or Additional Rent (except as expressly set forth in Section 12(b) (Utility Services) in the event that any of said systems or service shall be discontinued or shall fail to function for any reason; provided, however, that (i) Landlord shall use commercially reasonable efforts to perform any such repairs, alterations, or

improvements during Tenant's non-business hours as long as such scheduling of work does not impose any additional costs or expenses on Landlord, and (ii) Landlord shall use commercially reasonable efforts to minimize any interruption to Tenant's normal business operations during the performance of any such repairs, alterations, or improvements. If any public utility supplying any utility to the Building, or any law, order or regulation of any federal, state, county or municipal authority requires that Landlord or County must reduce or maintain a certain level of consumption of electricity or any other utility, or reduce or increase the interior temperature of the Leased Premises or the Building, then Landlord and Tenant shall each abide by such requirement.

e) Excessive Electrical Usage. Tenant will not install or operate in the Leased Premises any heavy-duty electrical equipment or machinery that consume or use excessive amounts of electricity, without obtaining the prior written consent of Landlord. Landlord may make periodic inspections of the Leased Premises at reasonable times to determine that Tenant's electrically operated equipment and machinery complies with the provisions of this Section.

f) Servicing of Utility Bills. Landlord shall submit all utility bills to the following County department (which address the County shall have the right to change upon at least thirty (30) days' written notice to Landlord):

Montgomery County, Maryland
Department of General Services
Attention: Utility Management Division
101 Monroe Street, 9th Floor
Rockville, Maryland 20850

14. ALTERATIONS, ADDITIONS AND IMPROVEMENTS:

(a) County will not make any alterations, additions, or improvements of any kind to the Leased Premises without the Landlord's written consent, which consent shall not be

unreasonably conditioned, delayed, or withheld. County shall provide Landlord with plans and specifications of said work. County agrees to reimburse Landlord, as Additional Rent, within thirty (30) days after receipt of an invoice therefor, for all costs incurred by Landlord in reviewing County's proposed changes or additions and improvements and provided further that, in order to protect the functional integrity of the Building, Landlord shall have the right to approve County's contractor, and such approval shall not be unreasonably withheld. Upon receipt of Landlord's written approval of the County's plans and specifications (which approval shall not constitute any approval that such plans and specifications comply with applicable Legal Requirements), County may proceed to perform the work at County's expense, or at County's option, County may request that Landlord perform said work at County's expense and at negotiated prices. Landlord shall not be obligated to perform said work unless a mutually acceptable agreement is reached at the time of County's request. County shall pay for any work performed by Landlord on County's behalf after inspection by County and with the next installment of Base Monthly Rent due after Landlord's submission of an invoice to the County for work reasonably approved by County, as Additional Rent hereunder.

(b) All alterations, additions, or improvements made by either of the Parties upon the Leased Premises shall become the property of the Landlord and shall remain upon and be surrendered with the Leased Premises upon the expiration or earlier termination of this Lease unless Landlord requires County to remove such property at the time Landlord approves installation of such improvements. County shall, with Landlord's written consent (which consent shall not be unreasonably conditioned, delayed, or withheld), have the right to install any furniture or office machinery necessary in the conduct of its business within

the Leased Premises, and the same shall remain the property of the County, and shall be removed by County upon the expiration or earlier termination of this Lease.

(c) With respect to any construction, alterations or additions requiring unusual expense to readapt the Leased Premises to normal office use upon expiration or earlier termination of this Lease or increase the cost of construction, insurance or taxes on the Building or of Landlord's services called for by this Lease, Landlord shall be entitled to withhold its consent unless County first gives assurances acceptable to Landlord that such re-adaptation will be made prior to the expiration or earlier termination of this Lease without expense to Landlord and makes provisions acceptable to Landlord for payment of such increased cost. All changes and additions shall be part of the Building except any items that Landlord requires County to remove upon the expiration or earlier termination of this Lease, it being agreed that Landlord shall notify County of any such removal requirements in writing at the time Landlord approves the item(s) in question.

(d) County shall immediately discharge of record any lien which is filed against the Leased Premises, the Building, the Property, or the County's leasehold interest therein as a result of work performed by or on behalf of County. In addition, County shall immediately resolve any dispute that results in Landlord receiving a notice of intent to file lien or other similar document from any contractor performing work by or on behalf of County.

15. NOTICE OF DAMAGE: County shall provide Landlord with prompt written notice of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises, or written notice of need for repairs in the roof, plumbing, electric and heating systems, the same to be remedied in accordance with the terms of this Lease.

16. ASSIGNMENT AND SUBLEASING: The County shall have the right to assign this Lease only to other County agencies, Mobile Medical Care, Inc., and/or sublet the

entirety of the Leased Premises only to other County agencies with the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. County may not otherwise assign its interest hereunder or sublease all or any part of the Leased Premises, but County may permit parties having contracts with the County to occupy portions of the Leased Premises so long as such areas are not separately demised from areas occupied by the County and the County receives no compensation for such use in excess of that portion of the Rent attributable to such portion of the Leased Premises. County shall notify Landlord of the identity of any such contractor(s), the specific area within the Leased Premises to be so occupied, and the commencement date of such occupancy. Such occupancy shall not be deemed a sublease or assignment hereunder, nor shall it vest in any such contractor(s) any right, title, or interest in this Lease or the Leased Premises nor shall it relieve, release, impair, or discharge any of Tenant's obligations hereunder. Tenant shall ensure that such contractor(s) complies with the terms of this Lease. No assignment or subletting shall release the County from any of its obligations under this Lease, and County shall remain primarily liable therefor regardless of any assignment or subletting.

17. COUNTY'S COVENANTS: County covenants and agrees:

(a) To pay the Rent when due as provided in this Lease to Landlord until the earlier of (i) this Lease expiration date or (ii) until possession is redelivered to Landlord.

(b) Not to strip or overload, damage or deface the Leased Premises or hallways, stairways, or other approaches thereto and not to overload the floors.

(c) Not to suffer or permit any trade or occupation to be carried on or use made of the Leased Premises which shall be unlawful, noisy, offensive or injurious to any person or property, or such as to increase the danger of fire or make void or voidable any

insurance on said Building, in Landlord's concern to maintain the first-class business (non-medical, non-lab) nature of the Building.

(d) Not to place upon the interior or exterior of the Building or any window or other part thereof or door of the Leased Premises any placard, sign, covering or drapes, except such and in such place as shall have been first approved by Landlord, which approval shall not be unreasonably conditioned, delayed, or withheld.

(e) To remove, at County's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerials, flag poles, or the like not consented to in writing.

(e) To conform to all rules and regulations from time to time established by appropriate insurance rating organizations, and to all reasonable rules and regulations (the “**Rules and Regulations**”) from time to time established by Landlord. Landlord’s current Rules and Regulations are attached hereto as Exhibit D. If there is any conflict between the 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 Property and shall not enforce such Rules and Regulations in a discriminatory manner.

(f) To keep the Leased Premises equipped with all safety appliances required by applicable Legal Requirements because of any use made by County and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way County's uses as permitted under Section 9 (Use).

(g) To keep all of County's employees working in the Leased Premises covered by worker's compensation insurance in statutory amounts and to furnish Landlord with a current certificate thereof. County reserves the right to self-insure this coverage.

18. DESTRUCTION OF LEASED PREMISES: In the event of damage or destruction of the Leased Premises by fire or any other casualty, this Lease shall not be terminated, but the Leased Premises shall be promptly and fully repaired and restored as the case may be by the Landlord to the extent of Landlord's insurance proceeds provided such repair and or restoration returns the Leased Premises to substantially the condition prior to such damage or destruction. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from Legal Requirements, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of the Landlord (including those described in Section 30(d) (Force Majeure)). It is agreed that in the event of damage or destruction, this Lease shall continue in full force and effect, except for abatement of rent as provided herein. If the condition is such as to make the entire Leased Premises untenable, then as County's sole remedy the Rent which the County is obligated to pay hereunder shall abate as of the date County obtains all Hazardous Substances Clearances (as defined below) until the Leased Premises have been fully restored by the Landlord, at the Landlord's cost and expense. For purposes of this Lease, "**Hazardous Substances Clearances**" means any license, clearance or other authorization of any kind required to enter into and restore the Leased Premises issued by any governmental authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Substances (as defined in Section 30(g)) in, on or about the Leased Premises. Any unpaid or prepaid rent for the month in which said

condition occurs shall be prorated and credited or paid to the appropriate Party. If the Leased Premises are partially damaged or destroyed, then during the period that County is deprived of the use of the damaged portion of the Leased Premises, County shall be required to pay Rent prorated to reflect that portion of the Leased Premises which continues to be tenantable and appropriate for the uses permitted under Section 9 (Use). Landlord will proceed at its expense and as expeditiously as may be practicable to repair the damage. Notwithstanding any of the foregoing, in the event of substantial damage of twenty-five percent (25%) or more of the Leased Premises or destruction, or if the casualty occurs during the last year of the Lease Term and Landlord estimates it will take more than 60 days to repair such damage, or if insurance proceeds are not available for restoration, or if Landlord should decide not to repair or restore the Leased Premises or the Building, then Landlord or County may terminate this Lease forthwith, by giving the other party a written notice of its intention to terminate within sixty (60) days after the date of the casualty. No compensation, or claim, or diminution of Rent other than as described in this Section 18 will be allowed or paid, by Landlord, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the Leased Premises or any portion of the Building of which they are a part.

19. DELIVERY OF THE LEASED PREMISES: County covenants at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Landlord, and to yield to Landlord the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to County, which shall be removed by County and any damage caused by such removal promptly repaired by County at its sole cost and expense), in good repair, order and broom clean condition in all respects, and released of all Hazardous Substances

Clearances, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk for which County is not herein expressly made liable excepted. All obligations of Tenant hereunder not fully performed as of the termination of the Lease Term, including the obligations of Tenant under this Section 19, shall survive the expiration or earlier termination of the Lease Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Leased Premises.

20. DEFAULT:

(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 written notice of any failure to pay Rent once each Lease Year, which notice will provide the County with a ten (10) day opportunity to cure, 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 applicable Legal Requirement; or (ii) if the County or County's assigns shall fail in the observance or neglect to keep and perform each and every one 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 not to exceed ninety (90) days 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, provided that the cure period shall not be extended beyond the initial thirty (30) days if Landlord reasonably determines that such default (A) constitutes an emergency, (B) affects other tenants or the operations of the Building or (C) is not contained within the Leased

Premises). After written notice to County from the Landlord specifying the default, and following the expiration of any applicable cure period, Landlord at its option may proceed to recover possession under the Legal Requirements. Landlord may also pursue any rights and remedies available for such Event of Default under the Legal Requirements. 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 if so awarded by a Court of Law, and (II) reasonable costs re-renting the Leased Premises, including commissions and any necessary standard improvements and repairs. If 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 Leased 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. 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.

(b) By Landlord. In the event that the Landlord or its assigns shall fail or neglect to keep and perform each and every one of the covenants, conditions, and agreements contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as either otherwise provided herein on as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County or its assigns specifying the default, then the County or its assigns, at County's option, may pursue any and all legal remedies available (but expressly excluding any termination or rescission). It is understood, however, that Landlord shall be entitled to notice, hearing and

opportunity to cure or contest any claimed violations of the foregoing as to the full extent provided by applicable Legal Requirement.

(c) No default as hereinbefore provided shall be deemed complete unless at the time Landlord or County seeks to take any action based upon such alleged default the same shall remain uncured by the defaulting party.

21. HOLDOVER: If the County continues, with the knowledge and written consent of Landlord obtained at least thirty (30) days prior to the expiration of the Lease Term, to remain in the Leased Premises after the expiration of the Lease Term, and in that event, County shall, by virtue of this Lease become a tenant by the month at a Base Monthly Rent which is one hundred five percent (105%) of the Base Monthly Rent applicable to the last month of the Lease Term, and otherwise subject to the terms, covenants and conditions herein specified, commencing said monthly tenancy with the first day next after the end of the Lease Term. If Tenant remains in possession of the Leased Premises after the expiration or earlier termination of the Lease Term without the express written consent of Landlord, (a) Tenant shall become a tenant at sufferance upon the terms of this Lease except that for the first 30 days of the holdover the Base Monthly Rent shall be equal to 125% of the Base Monthly Rent in effect during the last 30 days of the Lease Term, for the next 30 day period of the holdover the Base Monthly Rent shall be equal to 150% of the Base Monthly Rent in effect during the last 30 days of the Lease Term, and thereafter the Base Monthly Rent shall be equal to 200% of the Base Monthly Rent in effect during the last 30 days of the Lease Term, and (b) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages if Landlord has advised Tenant in advance of any particular consequential damages that Landlord may incur or suffer as a result of Tenant's holding

over, including, without limitation, consequential damages that Landlord may incur or suffer by reason of Landlord's inability to lease the Premises or deliver occupancy to a particular tenant. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 21 shall not be construed as consent for Tenant to retain possession of the Leased Premises. Acceptance by Landlord of Rent after the expiration of the Lease Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

22. QUIET POSSESSION: Contingent on the performance of all covenants, conditions and agreements herein contained to be performed on County's part, County shall at all times during the Lease Term have the peaceable and quiet enjoyment and possession of the Leased Premises against any person claiming by, through or under Landlord.

23. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the Parties that the Landlord and County, as their interests may appear and at their respective expense, will promptly comply with, observe and perform all applicable Legal Requirements in effect during the Lease Term.

24. WAIVER: The waiver at any time by the Landlord or County of any particular covenant or condition of this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever.

25. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable Legal Requirements regarding employment discrimination. The Landlord assures the

County that in accordance with applicable Legal Requirements; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, sex, marital status, national origin, ancestry, disability, sexual orientation or genetic status.

26. NON-APPROPRIATION: Landlord acknowledges that the County has appropriated funds only for payment of Rent for the first Lease Year of the Lease Term. Landlord further acknowledges and agrees that the County's obligations under this Lease, to pay Rent in future years, is subject to the appropriation of funding for such purpose in future years by the County. The term County, as used herein, includes the County Executive, the County Council, and all County employees and agents of the County. The County makes no warranty, guarantee, or representation and undertakes no obligation to request or obtain an appropriation of funds in future years for payment of Rent. Landlord acknowledges and agrees that the County's budget constitutes an executive and legislative function that cannot be contracted away.

The Landlord irrevocably waives any claim against the County for unpaid rent or other damages which occur after the date of non-appropriation, if funds are not appropriated in future years for payment of rent, including any claim that the failure to appropriate such funds constitutes a breach of any express or implied covenant of good faith and fair dealing or any other implied obligation on the part of the County to appropriate funds. Landlord does not waive any claims which arise from the County's performance of its obligations under this Lease prior to the date of non-appropriation.

If the County, in its sole discretion, elects not to appropriate funds for payment of Rent in future years of this Lease, then this Lease shall automatically terminate at 11:59 p.m. on June 30th of the current fiscal year or such later date for which funding is appropriated.

The County's fiscal year begins July 1 and ends the following June 30. It is anticipated that the final action on the County's budget will take place each May, for the upcoming fiscal year, between the 15th and 31st of the month. The County shall give the Landlord notice, in writing, seven (7) business days after the County makes a final decision not to appropriate funds sufficient for the County to pay Rent for a full fiscal year under this Lease. Such notice will clearly state the number of months, if any, in the upcoming fiscal year for which the County has appropriated funds sufficient to pay Rent and will state the date by which the County will vacate the Leased Premises.

27. CONTRACT SOLICITATION: Landlord represents that it has not retained anyone to solicit or secure this Lease from the County, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established, licensed commercial selling or leasing agencies maintained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

28. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Chapter 19A and Section 11B-52 of the Montgomery County Code 1994, as amended, it is unlawful for any person transacting business with the County to employ a public employee for employment contemporaneous with his or her public employment.

29. CONDEMNATION: In the event that the Leased Premises, or any part thereof, or more than fifteen percent (15%) of the Building of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, County shall have no claim against the Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation; and all rights of the County to damages therefore, if any, are hereby assigned by the County

to the Landlord. Upon such condemnation or taking, the Lease Term shall cease and terminate from the date of such governmental taking or condemnation and the County shall have no claim against the Landlord for the value of any unexpired portion of the Lease Term. If less than fifteen percent (15%) of the Building of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, Landlord shall promptly restore the Leased Premises and the Property 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 Leased Premises, County's Proportionate Share of Operating Expenses and Real Estate Taxes and the Rent payable hereunder during the unexpired Lease Term shall be reduced to such extent as may be fair and reasonable under the circumstance. The foregoing notwithstanding, County shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for relocation expenses and for fixtures and other equipment installed by County which shall not, under the terms of this Lease, be or become the property of Landlord at the termination hereof, but only if such an award is made by condemning authorities in addition to and stated separately from the award made for the land and the Building or parts thereof so taken.

30. GENERAL PROVISIONS:

(a) Entire Agreement: This Lease contains the entire agreement between the Parties hereto, and the Parties shall not be bound by any statements, conditions, representations, inducements or warranties, oral or written, not herein contained. This Lease shall not be modified in any manner except by an instrument in writing duly executed and delivered by the Parties hereto.

(b) Rights and Remedies: In addition to any and all rights and remedies specifically mentioned in this Lease, Landlord and County shall have all rights and remedies granted by law or in equity. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by Landlord or County to resort to any or all of their respective rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of any Party in any action or default.

(c) Governing Law: The provision of this Lease shall be governed by the laws of the State of Maryland. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby.

(d) Force Majeure: If Landlord or County is unable to fulfill any obligation hereunder, or is delayed in so doing, by reason of war, civil unrest, strike, labor troubles, inability to procure services, materials, permits or licenses, unusually inclement weather, governmental delays, acts of God, or any other cause beyond the reasonable control of the Parties, the time within which Landlord or County would otherwise have been obligated to fulfill such obligation shall be extended for a period equal to the period of such delay. This Section shall not apply to the payment of any monetary obligation of Landlord or County.

(e) Successors and Assigns and Landlord's Liability: This Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, except that the original Landlord named herein and each successive owner of the Leased Premises shall be liable only for obligations accruing during the period of its ownership; provided that nothing in this paragraph shall be deemed to permit any transfer in violation of terms of Section 16 (Assignment and Subletting). Whenever Landlord conveys its interest in the Building, Landlord shall be automatically released from the

further performance of covenants on the part of Landlord herein contained, and from any and all further liability, obligations, costs and expenses, demands, causes of action, claims or judgments (“**Claims**”) arising from or growing out of, or connected with this Lease after the effective date of said release, except for such Claims arising from or growing out of actions or inactions of Landlord prior to said release. The effective date of said release shall be the date the assignee of Landlord executes and delivers an assumption to such an assignment whereby the assignee expressly agrees to assume all of Landlord’s obligations, duties, responsibilities and liabilities with respect to this Lease. If requested, County shall execute and deliver a form release and such other documentation as may be required to further effect the foregoing provision.

(f) Landlord Exculpation: It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and Landlord’s members, officers, employees, and agents hereunder (including any successor landlord) and any recourse by County against Landlord or Landlord’s members, officers, employees, and agents shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building, and none of Landlord’s members, officers, employees, and agents shall have any personal liability therefor, and County hereby expressly waives and releases such personal liability on behalf of itself and all entities or persons claiming by, through or under County.

(g) Hazardous Substances. “**Hazardous Substances**” shall mean any substance, chemical, material, waste, pollutant, contaminant, product or the like which now or in the future is identified as hazardous, toxic, dangerous or the like, or is regulated or otherwise subject to any Environmental Laws, including, but not limited to, asbestos, polychlorinated biphenyls, urea formaldehyde insulation, 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), and any substance which requires reporting, registration, notification, removal, abatement or special treatment, storage, handling or disposal under any Environmental Laws. The term “**Environmental Laws**” shall mean all existing and future Legal Requirements relating to the environment, as amended from time to time. Environmental Laws currently include, but are not limited to, the following: the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 et. seq.) (“**RCRA**”), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§9601 et. seq.) (“**CERCLA**”), the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. §§11001, et. seq.) (“**EPCRA**”), the Occupational Safety and Health Act of 1970 (29 U.S.C. §§651 et. seq.) (“**OSHA**”), and the Toxic Substances Control Act (15 U.S.C. §§2601 et. seq.) (“**TSCA**”).

County will not use or permit the Leased Premises to be used in violation of any Environmental Laws. County assumes sole and full responsibility for, and will remedy at its cost, all such violations, provided that County must first obtain Landlord’s written approval of any remedial actions, which approval Landlord may not unreasonably withhold. County will not use, generate, release, store, treat, dispose of, or otherwise deposit, in, on, under or about the Leased Premises, any Hazardous Substances, nor will Tenant permit or allow any third party to do so. The foregoing shall not preclude Tenant from using materials commonly used in a business office setting, provided that Tenant properly uses, handles and disposes of the same in accordance with applicable Legal Requirements and the manufacturers’ instructions with respect thereto. As defined in Environmental Laws, County is and shall be deemed to be the “**operator**” of County’s “**facility**” and the “**owner**” of all Hazardous Substances brought on the Leased Premises by

County or its employees or contractors, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

Landlord shall have access to, and a right to perform inspections and tests of, the Leased Premises to determine County's compliance with Environmental Laws, its obligations under this Section, or the environmental condition of the Leased Premises or the Property. 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 Substances in or about the Leased 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 Laws, 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 Laws that arose from the County's use and occupancy of the Leased Premises. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against County.

(h) Compliance with Legal Requirements. County and Landlord will observe and comply promptly with all Legal Requirements and insurance requirements set forth in this Lease relating to or affecting the Leased Premises, the condition thereof, all machinery, equipment and furnishings therein, County's use and occupancy thereof, any County sign,

or incident to County's occupancy of the Building and its use thereof. Use of the Leased Premises is subject to all covenants, conditions and restrictions of record.

(i) Brokerage. Each of the Parties hereto represents that there are no brokerage commissions or finder's fees of any kind due to anyone other than Scheer Partners, Inc., which broker shall be paid by Landlord pursuant to the terms of a separate agreement. Each Party agrees to defend and indemnify the other against, and hold it harmless from, all liabilities arising from any claim for brokerage compensation from any other party including, without limitation, the cost of counsel fees in connection therewith if so awarded by a Court of Law.

31. SUBORDINATION: Landlord represents that there is no debt on the Building to which Landlord is a party as of the date this Lease is executed by Landlord. Landlord shall have the absolute right to encumber the Leased Premises set forth in this Lease and this Lease, at the option of Landlord, shall be subordinate to such encumbrance or encumbrances. County agrees to sign subordination documentation from a lender in form and substance reasonably satisfactory to Landlord and County within twenty (20) business days after Landlord's written request, provided such subordination shall be upon the express condition that this Lease shall be recognized by the holder of the encumbrance and the rights of County shall remain in full force and effect during the Lease Term as long as no Event of Default exists. In the event of a sale or transfer of the title to the aforesaid land and Leased Premises, any transferee shall be entitled to have this Lease subordinated to the lien and effect of any first lien deed of trust or mortgage to secure purchase money. The County agrees to execute and deliver subordination documents reasonably acceptable to the County stating that the Lease is subordinated subject to the conditions in this Paragraph.

This Lease is subject and subordinate to all prior recorded encumbrances on the Property. In addition to or instead of a subordination agreement, the Landlord or the Landlord's successor in interest of transfer may request the County to (and the County shall upon such request) execute and deliver an estoppel certificate in the form provided by Landlord and its successor in interest and reasonably acceptable to the County.

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

33. WAIVER OF JURY TRIAL: Should any controversy arise by and between the Parties concerning any of the terms and conditions contained in this Lease, or the payment of monies due hereunder, each of the Parties hereby knowingly, voluntarily and intentionally waives its right to a jury trial and freely elects to be tried by a court of competent jurisdiction without a jury in the State where the Leased Premises is located.

34. SIGNAGE: County, at County's sole cost, has the option to install Building standard signage on the front entrance of the Leased Premises subject to applicable governmental approval. The County shall submit design drawings for Landlord's review and approval, which approval shall not be unreasonably delayed, conditioned, or withheld by same. Such signage is predicated on Landlord's approval which shall not be unreasonably delayed, conditioned, or withheld and obtaining and abiding by all necessary permits and rules and regulations of the applicable governmental municipality. Except as provided in this Section, the County shall place no signs, awnings or curtains on any part of the exterior of the Leased Premises.

35. BUS SHUTTLE TRANSPORTATION: Landlord, at its sole cost and expense, shall provide a bus shuttle service (transporting 1-15 persons) Monday through Wednesday

at times reasonably prescribed by the County to transport the County's clients from the Montgomery County Pre-Trial Services and Pre-Release Center located at 11651 Nebel Street, Rockville, MD 20852 to the Building. The bus shuttle service company must be approved by the County, such approval not to be unreasonably withheld, delayed, or conditioned. Any coordination of the bus shuttle services shall be communicated through the approved County representative, Larry Stewart. His office number and email are as follows: 240-777-3444 and larry.stewart@montgomerycountymd.gov. The County shall have the right to change the County representative by giving written notice to Landlord at least thirty (30) days before the effective date of such change.

36. RIGHT OF FIRST OFFER: Subject to rights of any parties as of the Commencement Date (each a "**Superior Tenant**"), the County shall have an ongoing right of first offer ("**Negotiation Right**") on any space on the second floor of the Building ("**Available Space**") if the Available Space becomes available for releasing during the Lease Term. Promptly after learning of the availability of any Available Space and of any applicable Superior Tenant's failure to exercise its prior right(s) to lease the Available Space, Landlord shall give County written notice of same offering to lease the Available Space to County on the same terms and conditions under which Landlord would otherwise be willing to lease the Available Space to a third party. Should County wish to exercise the Negotiation Right, it shall forward written acceptance notice to Landlord within twenty (20) days after Landlord's offer notice is effective pursuant to Section 38. Promptly after Landlord's receipt of County's acceptance notice, Landlord shall prepare and forward to County a lease or lease amendment incorporating the Available Space into the Leased Premises on the applicable terms and conditions set forth in Landlord's notice. If County fails to accept Landlord's offer within such twenty (20) day period, Landlord shall be free

to lease the Available Space to any third party on such terms and conditions as may be agreed upon as a result of negotiation with such third party. The Negotiation Right shall not be in effect and may not be exercised by County: (i) during any period of time that an Event of Default exists under any provision of this Lease; or (ii) if there has been an Event of Default under any provision of this Lease 3 or more times, regardless of whether the Events of Default are cured, during the 12 month period prior to the date on which County seeks to exercise the Negotiation Right.

37. OPTION TO PURCHASE:

a) Option to Purchase Timing. Tenant shall have the option to purchase the Property (“**Purchase Option**”) within a period of 180 days before the expiration of the Initial Lease Term by sending written notice to Landlord evidencing County’s exercise of the Purchase Option (“**Exercise Notice**”). The Purchase Option shall automatically become null and void if not timely and validly exercised by County.

(b) Closing Requirements. Closing on the purchase of the Property shall take place within 180 days after the date of Landlord’s receipt of the Exercise Notice. On Landlord’s receipt of the Exercise Notice, Landlord and County will promptly meet and negotiate in good faith a purchase price for the Property (“**Purchase Price**”). If Landlord and County are unable to agree on a Purchase Price through negotiations within a period of 60 days after the date of Landlord’s receipt of the Exercise Notice (“**Negotiation Period**”), then the Purchase Price will be established by means of independent commercial appraisals of the Property. To establish the Purchase Price, Landlord and County shall each select and pay for the services of a Qualified Appraiser (as defined below), each of whom shall be instructed to value the Property for general office use, and shall not include the value of any equipment or fixtures that County has installed in

connection with its use and operation of the Leased Premises. The two Qualified Appraisers so selected shall agree on the selection of a third Qualified Appraiser, the cost of whom shall be equally shared between Landlord and County, and who shall receive the same instructions to appraise the Property. The Purchase Price shall be the average of the two closest values reported by the three Qualified Appraisers. If Tenant exercises the Purchase Option in accordance with the terms of this Section, the conveyance of the Leased Premises by Landlord to Tenant shall be on an “as is” basis. For purposes of this Section, “**Qualified Appraiser**” means a commercial real estate appraiser licensed in the County, specializing in the field of commercial real estate, having no less than ten (10) years’ experience in such field, recognized as ethical and reputable within his or her field, and certified as MAI or an equivalent professional certification if the Appraisal Institute no longer exists.

(c) No Merger of Estates. Upon consummation of Closing (as defined below), this Lease shall terminate, except that Landlord and County shall remain liable to one another for all obligations accrued hereunder before such termination. The Exercise Notice shall not constitute a merger of the respective fee and leasehold interests.

(d) Sale Agreement. On County’s exercise of the Purchase Option, Landlord agrees to sell the Property to County, and County agrees to buy the Property from Landlord, on all of the terms, covenants, and conditions to be set forth in a sale agreement to be negotiated and entered into by Landlord and County within the Negotiation Period or such longer period as may be required to establish the Purchase Price per the terms of subsection (b) above, which sale agreement shall be reasonably acceptable to County and shall be consistent with the terms of this Section 37 (“**Sale Agreement**”). If Landlord and County are unable to agree on the form of Sale Agreement, the purchase transaction shall

be consummated pursuant to the terms of this Section 37 without a Sale Agreement (including, but not limited to, Section 37(e) even if there is no Sale Agreement).

(e) Terms. The Sale Agreement shall be on Landlord's form of sale agreement, and shall provide, among other things, that (i) at Closing, Landlord shall convey to the County the absolute fee simple title to the Property that is good of record and in fact merchantable, free of liens and encumbrances, by means of a special warranty deed with a covenant of further assurances in recordable form ("**Deed**"), subject only to the Permitted Encumbrances (as defined below), (ii) at Closing, Landlord shall send notices of termination to the vendors under any service contracts entered into by Landlord for the Property, (iii) the purchase of the Property shall be on an "**AS-IS, WHERE IS, WITH ALL FAULTS**" condition basis as more fully provided in this Section 37), without any representation, warranties, or indemnities from Landlord, (iv) Landlord shall assign to County all warranties relating to the Property that may be assigned without charge or cost, (v) the only representations and warranties by Landlord under the Sale Agreement shall be the following: (1) Landlord's authority, (2) Landlord has not granted any options or rights of first refusal or rights of first offer to third parties to purchase or otherwise acquire an interest in the Property, (3) no pending and, to Landlord's Knowledge (as defined below), threatened litigation against Landlord or the Property that, if determined adversely to Landlord, would adversely affect Landlord's ability to convey the Property in accordance with the terms hereof, (4) except as may be disclosed in the Permitted Encumbrances, Landlord has not made any commitments to any governmental authorities, utility company, school board, church or other religious body, or any homeowner or homeowners' association, or to any other organization, group or individual, relating to the Property that would impose any obligation on County, or its successors or assigns, after the Closing to

make any contributions of money, dedications of land or grant of easements or right-of-way, or to construct, install or maintain any improvements of a public or private nature; and (5) Landlord is not a “foreign person” within the meaning of the Internal Revenue Code of 1986, as amended to date, and (v) Tenant agrees that between the date of the Exercise Notice until the Closing, except as otherwise provided in this Section 37 or required by applicable Legal Requirement, Tenant shall (1) keep confidential the pendency of this transaction and the documents and information supplied by Landlord to County, (2) disclose such information only to County’s agents, employees, contractors, consultants, or attorneys, as well as lenders (if any) and title company personnel, with a need to know in connection with County’s review and consideration of the Property, provided that County shall inform all persons receiving such information from County of the confidentiality requirement and (to the extent within County’s control) cause such confidence to be maintained, and (3) upon the termination of this Lease or the Purchase Option prior to the Closing, return to Landlord promptly upon request all copies of documents and materials supplied by Landlord. Disclosure of information by County shall not be prohibited if that disclosure is of information that is or becomes a matter of public record or public knowledge as a result of the Closing of this transaction or from sources other than County or its agents, employees, contractors, consultants, or attorneys, or if disclosure of such information is required by applicable Legal Requirements.

For purposes of this Section 37, (y) “**Landlord’s Knowledge**” means the then current actual knowledge of Landlord without any obligation or duty to perform any inquiry or conduct any investigation, and (z) “**Permitted Encumbrances**” means, as of the Closing Date, (1) all real estate taxes and assessments, both general and special, relating to the Property not yet due and payable as of the Closing Date; (2) zoning ordinances and

subdivision regulations affecting the Property as of the Closing Date; (3) all instruments recorded in the County land records that affect the status of title to the Property as of the Closing Date; (4) all matters shown (or that could be shown) as of the Closing Date on an accurate and current survey of the land comprising the Property; and (5) those title matters claimed by, through, or under County as of the Closing Date.

(f) Closing Costs. At Closing, (i) County shall pay all costs of title insurance, examination, and certification; 50% of any transfer and recordation tax due in connection with the conveyance of the Property and the recordation of the Deed; recordation taxes due in connection with the recordation of any mortgage or deed of trust securing financing obtained by County in connection with the acquisition of the Property; one-half of the escrow fees and costs; any sales taxes due on the sale of personal property; the fees and expenses of County's attorneys; survey costs; and all other costs incurred by County or required to be paid by County, (ii) Landlord shall pay 50% of any transfer and recordation tax due in connection with the conveyance of the Property and the recordation of the Deed; one-half of the escrow fees and costs; all costs related to releasing liens and other encumbrances that are not Permitted Encumbrances; prorated to Closing, all real estate taxes, utility bills and other prorated charges and fees customarily prorated and adjusted in comparable commercial real estate transactions; and all other costs and expenses incurred by Landlord or required to be paid by Landlord, including, but not limited to, attorneys' fees incurred by Landlord in connection with the transaction contemplated by the Purchase Option, (iii) Landlord and Tenant shall execute and deliver a closing statement that shall, among other items, set forth the Purchase Price, all credits against the Purchase Price, the amounts of all prorations and other adjustments to the Purchase Price and all disbursements made at Closing on behalf of Landlord and County, and (iv) County shall pay to Landlord

the Purchase Price, in cash by means of Fedwire. County shall receive no credit against the Purchase Price for any payments of Rent that may have been made by County. To the extent not otherwise provided in this paragraph, any other closing costs shall be apportioned at Closing in the manner then customary for comparable commercial real estate transactions in the County. In any case where sufficient information is not available at the Closing to make an accurate proration, Landlord and County shall reasonably estimate the proration at the Closing and shall make a recalculation of the apportionment of the same as soon as the necessary information becomes available, at which time Landlord or County, as the case may be, promptly shall make an appropriate payment to the other based on such recalculation.

(g) Closing Adjustments. All paid or accrued Rents under this Lease shall be prorated and apportioned as of the Closing Date. This Lease shall terminate on the consummation of the Closing; provided, however, that such termination shall not relieve or excuse County from its obligations to pay to Landlord past due or delinquent Rents or other payments that have become due hereunder on or before the Closing Date. If, on the Closing Date, there are any past due or delinquent Rents or other payments that have become due hereunder, at Closing County shall pay to Landlord in cash such past due, delinquent rents, or other payments that have become due hereunder. Within 120 days after the Closing Date, Landlord shall deliver to County a statement setting forth the actual Operating Expenses expended by Landlord during the period in which the County leased the Leased Premises in the calendar year in which the Closing occurs (“**Closing Period**”). If the amounts paid by County during the course of the Closing Period are less than County’s Proportionate Share of Operating Expenses, then County shall, within 30 days after receipt of the annual statement, pay the entire amount of the deficiency as Additional

Rent. If the amounts paid by County during the course of the Closing Period are more than County's Proportionate Share of Operating Expenses and County has otherwise fully performed its obligations under this Lease, then Landlord shall pay such amounts to County within 30 days after County's receipt of such statement.

(h) "As, Where Is, With All Faults" Condition. Because County has leased the Leased Premises from Landlord since the Lease Commencement Date, County acknowledges that it is familiar with the nature and condition of the Property and has had full and ample opportunity to inspect and examine the Property before exercising the Purchase Option. Accordingly, the Sale Agreement shall not contain any provisions granting County the right to conduct due diligence investigations of the Property and, as a material inducement by Landlord to grant County the Purchase Option, County acknowledges and agrees that the Property is being sold by Landlord in its then **"AS IS, WHERE IS, WITH ALL FAULTS"** condition without any representation or warranty, either express or implied, oral or written, other than as provided for in this Section 37, about the Property or the condition of the Property. County acknowledges that Landlord has not made, does not make, and specifically negates, renounces, and disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, as to, concerning, or with respect to, (i) the value, investment potential, operation, or resale of the Property or the nature, quality, or condition of the Property, including, but not limited to, the water, soil, and geology, (ii) the suitability of the Property for any and all activities and uses that may be conducted thereon or for any particular purpose, (iii) the compliance of or by the Property with any Legal Requirements, (iv) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property, (v) the quality of

construction and integrity of the Property or the condition or safety of the Property or any improvements thereon, including, but not limited to, plumbing, sewer, HVAC and electrical systems, roofing, foundations, soils, geology, and lot size, (vi) the environmental condition of the Property, including, but not limited to, the presence or absence, location, or scope of any Hazardous Substances in, at, about, or under the Property, (vii) the accuracy or completeness of any statements, calculations, or conditions stated or set forth in Landlord's books and records concerning the Property, (viii) the dimensions of the Property or the accuracy of any floor plans, square footage, lease abstracts, sketches, revenue, or expense projections related to the Property, (ix) the operating performance, the income and expenses of the Property, or the economic status of the Property, (x) the ability of County to obtain any necessary governmental approvals or permits for County's continued use and development of the Property, (xi) the existence or non-existence of underground storage tanks, surface impoundments, or landfills, (xii) potential for further development of the Property, (M) tax consequences, (xiii) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (xiv) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone area, flood plain, floodway or special flood hazard, and (xv) any other matter or attribute of the Property. County acknowledges and agrees that Landlord shall be under no duty to make any affirmative disclosures regarding any matter that may be known to Landlord, except as specifically set forth in this Section 37. Notwithstanding anything in this Lease to the contrary, the agreements of County contained in this Section 37 shall survive the Closing and any termination of this Lease. County further acknowledges and agrees that it (1) is relying solely on its own

independent investigation of the Property and not on any information provided or to be provided by Landlord, its agents, or contractors, (2) has (or will have) inspected or, during its tenancy of the Property and before County's exercise of the Purchase Option, will conduct an independent inspection of the Property with its own professionals, including, but not limited to, engineers, consultants, and others of County's choice who are trained and qualified to inspect commercial real property, (3) knowingly, voluntarily, and willingly assumes the risk of the physical condition and state of repair of the Property, and (4) has not been induced by and has not relied on any representations, warranties, or statements, whether express or implied, oral or written, made by Landlord or any agent, employee, or other representative of Landlord or by any broker or any other person representing or purporting to represent Landlord, that are not expressly set forth in this Lease. The Purchase Price shall not be reduced as a consequence of reasonable use, wear, tear, and natural deterioration between the date of the Exercise Notice and the Closing Date.

(i) Casualty. If between the dates of the Exercise Notice and the Closing Date any portion of the Property is damaged or destroyed by fire or other casualty, and the cost of repair or restoration thereof shall be equal to 50% or less of the Purchase Price ("**Damage Limit**"), the Sale Agreement shall remain in force. The cost of such repair or restoration shall be based on a good faith estimate obtained by Landlord ("**Cost Estimate**"). If the Cost Estimate exceeds the Damage Limit, County may within 15 days after receipt of the Cost Estimate from Landlord terminate the Sale Agreement by giving written notice thereof to Landlord, whereupon the Sale Agreement shall terminate and thereafter neither party shall have any further liability with respect to the Purchase Option. If either (i) the Cost Estimate does not exceed the Damage Limit, or (ii) the Cost Estimate does exceed the Damage Limit and the County does not elect to terminate the Sale

Agreement as provided herein, the Sale Agreement shall remain in full force and effect and all insurance proceeds collected prior to Closing shall be credited to County against the Purchase Price payable by County at Closing, and all unpaid claims and rights in connection with losses shall be assigned to County at Closing and the parties shall proceed to Closing without any adjustment in the Purchase Price. Subject to the provisions of this subparagraph (i), all risk of loss to the Property that occurs between the date of the Exercise Notice and Closing Date shall be borne by Landlord except to the extent caused by the act or omission of the County in the course of its tenancy.

(j) Condemnation. In the event after the date of the Exercise Notice and prior to the Closing Date all or a Substantial Portion (as hereinafter defined) of the Property is taken or condemned (or any condemnation proceeding is commenced for any portion of the Property), Landlord shall promptly give notice of such event to the County, and the County may, upon written notice to Landlord given within seven (7) days of receipt of Landlord's notice of such event, cancel the Purchase Option, in which case the Purchase Option shall terminate and neither party shall have any rights or obligations thereunder, except for those obligations which expressly survive termination. In the event that the County does not elect to terminate as aforesaid, then the Purchase Option shall remain in full force and effect, and Landlord shall be entitled to all monies received or collected by reason of such condemnation prior to Closing. In such event, the transaction hereby contemplated shall close in accordance with the terms and conditions of this set forth in this Section 37, except that there will be reduction in the Purchase Price equal to the amount of any and all proceeds which are received by Landlord between the date of the Exercise Notice and Closing Date by reason of such condemnation. If the condemnation proceeding shall not have been concluded prior to the Closing Date, then there shall be no reduction in the

Purchase Price and Landlord shall assign any interest it has in the pending award to the County. For purposes of this Section 37(j), a “**Substantial Portion**” shall mean a condemnation of a portion of the Property, such that in the County’s reasonable discretion, the remaining portion of the Property cannot be adapted and economically operated for the County’s purposes.

(k) Escrow. The escrow for the purchase and sale of the Property shall be handled by a mutually agreed to Chicago Title Insurance Company or other title insurance company reasonably acceptable to Landlord and the County (“**Escrow Agent**”). The title insurance company who issues the title insurance policy for the purchase and sale shall be selected by County.

(l) Closing. The purchase and sale of the Property (“**Closing**”) shall be consummated by means of an escrow closing with the Escrow Agent, at Noon Eastern Time, on the Closing Date. The “**Closing Date**” shall be the date that is the 180 days after the date of the Exercise Notice or such other date agreed to by the parties.

(m) Personal Right. The Purchase Option is personal to the County and is not assignable in whole or in part. In no event shall County have the right to sever the Purchase Option from this Lease, it being understood and agreed that this Lease and the Purchase Option cannot be severed.

(n) Exceptions. Notwithstanding anything set forth in this Section 37 to the contrary, the Purchase Option shall not be in effect and County may not exercise the Purchase Option: (i) during any period of time that County is in default under any monetary provision of the Lease; or (ii) if the same type of default has occurred three (3) or more times, which default remains uncured beyond the expiration of any applicable notice and cure period and for which default County has received written notice, during the twelve

(12) month period immediately before the date that County intends to exercise the Purchase Option.

(o) Further Assurances. Landlord and County each agree, at any time and from time to time at or after the Closing, to execute, acknowledge where appropriate, and deliver or cause to be executed, acknowledged, and delivered such further instruments and documents and to take such other action as the other of them or the title company may reasonably request to carry out the intent and purpose of this Section 37.

(p) Like-Kind Exchange. Landlord shall have the right to structure the sale of the Property as a forward or reverse exchange thereof for other real property of a like-kind to be designated by Landlord (including the ability to assign the Sale Agreement to an entity established to effectuate such exchange), with the result that the exchange shall qualify for non-recognition of gain under Section 1031 of the Internal Revenue Code, as amended (“**Code**”), in which case County shall execute and deliver any documents reasonably necessary to effect such exchange, as reasonably approved by County’s counsel, and otherwise assist and cooperate with Landlord in effecting such exchange, provided that: (i) any costs and expenses incurred by County as a result of structuring such transaction as an exchange, as opposed to an outright sale, shall be borne by Landlord; (ii) Landlord shall indemnify, defend, and hold harmless County from and against any liabilities, costs, damages, claims, demands, or expenses (including, but not limited to, reasonable attorneys’ fees) arising from, or relating to, the cooperation of County in effecting the exchange contemplated hereby; (iii) such exchange shall not result in any delay of the Closing; and (iv) County’s participation shall not in any way be deemed to be a representation, warranty, or opinion regarding the qualification of such exchange for non-recognition of gain under Section 1031 of the Code.

38. RIGHT OF FIRST OFFER TO PURCHASE: If at any time during the Initial Lease Term, Landlord shall desire to sell fee simple title to the Property to a third party as one parcel, Landlord shall first offer the Property to County (“**Right of First Offer**”) by delivering to County a written notice specifying the Basic Sale Terms (as defined below) upon which Landlord desires to sell the Property (“**Sale Notice**”). For a period of 30 days after County’s receipt of the Sale Notice, Landlord and County shall negotiate in good faith the terms and conditions of the sale as set forth in the Sale Notice and such other terms and conditions acceptable to Landlord and County. If Landlord and County do not execute and deliver a binding contract of sale for the Property by the expiration of such 30-day negotiation period, then Landlord shall be free to sell the Property to a third-party upon terms and conditions acceptable to Landlord. Upon any sale of the Property (other than a sale described in Section 38(b)(i), (iii), (v), or (vi) that includes the Property) to a third-party and subject to Landlord’s compliance with the terms of this Section, the Right of First Offer shall forever terminate. This Lease shall terminate upon transfer of fee title to the Property by a special warranty deed to County pursuant to this Section 38. For purposes of this Lease, “**Basic Sale Terms**” means the purchase price, terms of payment of the purchase price, financing contingencies, if any, closing date, and any other terms Landlord desires to include in the Sale Notice to County.

(a) No Right if Event of Default, Assignment, or Sublet. County shall not have a Right of First Offer if, at the time Landlord delivers the Sale Notice to County, an Event of Default exists under any provision of this Lease. The Right of First Offer is personal to the County and is not assignable without Landlord’s consent, which consent may be granted or withheld in Landlord’s sole discretion separate and apart from any consent by Landlord to an assignment of County’s interest in this Lease.

(b) Certain Transfers Excluded. The Right of First Offer shall not apply to the following (collectively, “**Excluded Transfers**”): (i) any sale/leaseback transaction; (ii) any sale or transfer of the Property to an entity in which Landlord or a Landlord Affiliate (as defined below) has a controlling interest; (iii) any transfer without consideration, (iv) any condemnation or eminent domain action or proceeding affecting all or any part of the Property by any governmental or quasi-governmental authority for any public or quasi-public use or purpose, including a sale thereof under threat of such a taking, (v) any foreclosure proceeding or sale or any sale in lieu of a foreclosure affecting the Property, or (vi) any portfolio transaction that includes at least one other real estate asset consisting of a commercial building or land capable of accommodating a new commercial building. For purposes of this Lease, (A) “**Landlord Affiliate**” means, with respect to Landlord, any person or entity Controlling, Controlled by, or under common Control with Landlord, and (B) “**Control**” (and any form thereof, such as “**Controlled**” or “**Controlling**”) means with respect to any person or entity the possession directly or indirectly, through one or more intermediaries, of the power to: (1) vote more than 50% of the voting stock of such person or entity; or (2) direct or cause the direction of the management or policies of such person or entity, whether through the ownership of voting securities, membership interests, partnership interests, by contract, or otherwise.

39. MAIL NOTICES: All notices required or desired to be given hereunder by either Party to the other shall be given by certified or registered mail, postage prepaid or by reputable overnight courier, or sent by facsimile addressed to Landlord or County respectively. Notice deemed given upon the earlier of (a) three (3) days after mailing, (b) upon receipt, or (c) refusal to accept. Notice may be given to County by Landlord or by Landlord's attorney, acting on Landlord's behalf.

Notice to the respective Parties shall be addressed as follows:

To Landlord: ARE-1500 EAST GUDE, LLC
Attn: Corporate Secretary
26 North Euclid Avenue
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, 9th Floor
Rockville, Maryland 20850

Tel: (240) 777-6083
Fax: (240) 777-7259

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

40. Counterparts/Electronic Signatures. This Lease may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S.

federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Lease and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have caused this LEASE to be properly executed as of the date and year first above written.

WITNESS:

LANDLORD:

ARE-1500 EAST GUDE, LLC,
a Delaware limited liability company

By: ARE-QRS CORP.,
a Maryland corporation,
managing member

By: *Rachel E. H.*

By: *Gregory Kay*
Name: Gregory Kay
Title: Vice President
RF Legal Affairs

WITNESS:

COUNTY:

MONTGOMERY COUNTY, MARYLAND

By: *Julie White*

By: *A. Jerome Fletcher*
Jerome Fletcher, Assistant
Chief Administrative Officer

APPROVED AS TO FORM AND
LEGALITY OFFICE OF THE
COUNTY ATTORNEY

RECOMMENDED:

By: *Neal Anker*
Neal Anker
Associate County Attorney

By: *Cynthia Brenneman*
Cynthia Brenneman, Director
Office of Real Estate

Date: 2/23/2021

Date: 02/23/2021

Exhibit A-1
Description of Property

All that lot or parcel of land located in the 4th Election District of Montgomery County, Maryland and described as follows:

Parcel I:

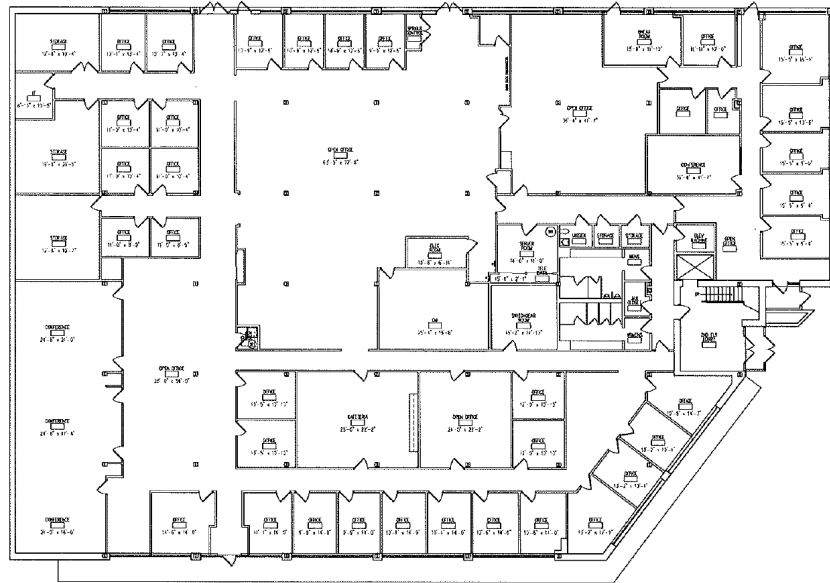
Lot numbered Five (5) in Block lettered “A” in the subdivision known as “Red Gate Industrial Park” as per plat thereof recorded in Plat Book 102 at Plat 11503, among the Land Records of Montgomery County, Maryland.

Parcel I.D. No.: 4-201-1762126

Exhibit A-2

Drawing Showing Leased Premises

The floor plan below is intended solely to identify the general location of the Leased Premises and should not be used for any other purposes. All areas, dimensions, and locations are approximate, and any physical conditions indicated may not exist as shown.



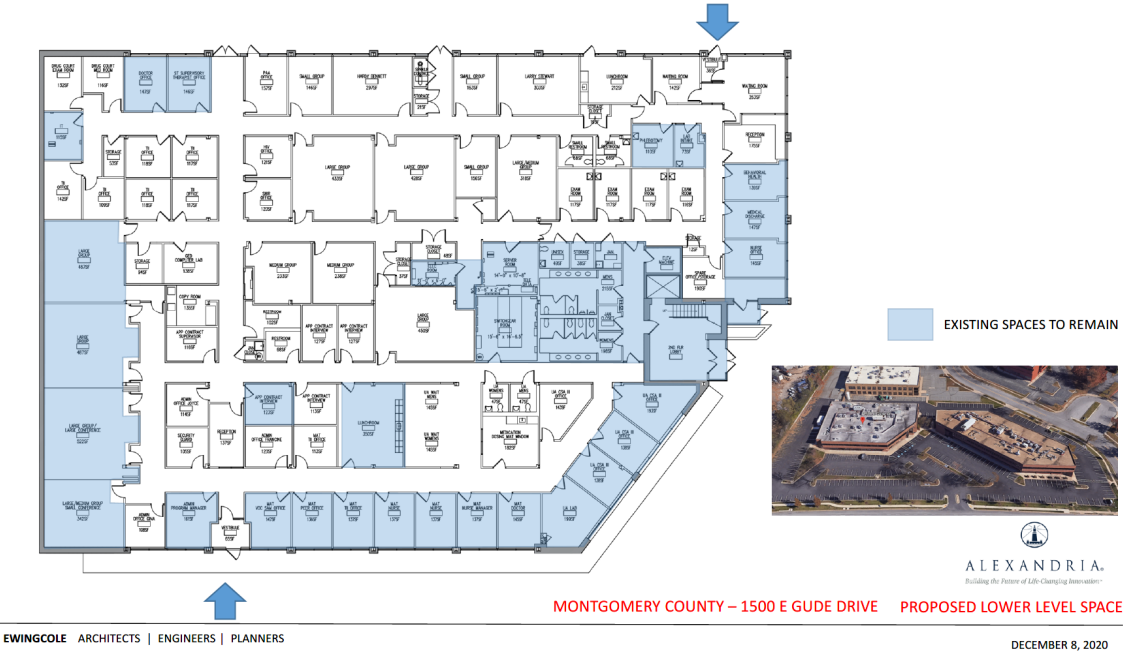
ALEXANDRIA
EWING
COLE

EXIST. ENTRANCE LEVEL PLAN
1500 EAST GUDE DRIVE, ROCKVILLE, MD

Scale: 1/8" = 1'-0"
03/01

04 FEB 2020

Exhibit B **Space Plan and Scope of Work**



By: _____
 Name: _____
 Title: _____
 Date: _____

Exhibit C

SAMPLE ONLY
CERTIFICATE OF COMMENCEMENT

In accordance with the Lease dated _____, 2021 (the "Lease"), between **ARE – 1500 EAST GUDE, LLC**, a Delaware limited liability company ("Landlord") and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland ("County"), Landlord delivers to County this Certificate of Commencement (this "Certificate") dated this ____ day of _____, 2021.

Delivery

By signing below, in accordance with Section 2 of the Lease, the County acknowledges receipt of keys and hereby accepts delivery of the Leased Premises located at 1500 East Gude Dr., Rockville, MD 20850 with all Tenant Improvements Substantially Complete, subject to completion of the punch-list of even date herewith. In case of a conflict between the terms of the Lease and the terms of this Certificate of Commencement, this Certificate of Commencement Date shall control for all purposes.

Acknowledgements

The undersigned County hereby certifies the following information to be true and correct:

1. The Lease Commencement Date for the Leased Premises is _____, 2021.
2. The Lease Expiration Date for the Leased Premises is _____, 202__.
3. The Rentable Area of the Leased Premises is 21,400 rentable square feet.
4. County's Proportionate Share of the Building is 45.67%.
5. The Base Annual Rent for the first Lease Year (subject to the abatement set forth in the Lease) is \$ _____, full service, net of utilities and janitorial.
6. The Base Monthly Rent for the first Lease Year (subject to the abatement set forth in the Lease) is \$ _____, full service, net of utilities and janitorial.
7. The Amount of Base Monthly Rent Abatement in the first Lease Year is _____.
8. The Amount of the Security Deposit is \$0.00.

IN WITNESS WHEREOF, Landlord and Tenant have executed this CERTIFICATE OF COMMENCEMENT to be effective on the date first above written.

LANDLORD:

COUNTY:

ARE - 1500 EAST GUDE, LLC
a Delaware limited liability company

MONTGOMERY COUNTY,
a body corporate and politic and a political
subdivision of the State of Maryland

By: ARE-QRS Corp.
a Maryland corporation,
managing member

By: _____
Title: _____

By: _____
Title: _____

Exhibit D
RULES AND REGULATIONS

1. The sidewalk, entries, and driveways of the Property (also referred to as the “**Project**”) shall not be obstructed by Tenant, or any agents, servants, employees, invitees and contractors of Tenant (collectively, “**Tenant Party**” or “**Tenant Parties**”), or used by them for any purpose other than ingress and egress to and from the Leased Premises.

2. Tenant 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. Tenant 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 Tenant desires telegraphic, telephonic or other electric connections in the Leased 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 Tenant’s expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Leased 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. Landlord shall maintain the Leased 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. Prior to excluding or expelling any person from the Project, Landlord shall use commercially reasonable efforts to notify the County telephonically.

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

shall not be responsible to Tenant for any loss of property on the Leased Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant 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 Leased Premises.

12. Tenant shall not permit storage outside the Leased 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 Leased Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Leased 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 Leased Premises or the Project.

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

16. The Leased 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 Leased Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current that can safely be used in the Leased Premises, taking into account the capacity of the electrical wiring in the Project and the Leased 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 Tenant from the obligation not to use more electricity than such safe capacity.

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

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

20. Each tenant shall regularly review the guidelines and other guidance published by the Centers for Disease Control and Prevention ("CDC") and any other Governmental Authorities, and will implement the practices and procedures suggested thereby, as well as industry standard best practices, to prevent or limit the spread or transmission of Infectious Conditions, including, without limitation, COVID-19.

21. Landlord shall have the right to (a) require tenants, at their expense, to implement and enforce reasonable screening and tracking protocols intended to identify and track the activity at the Project of employees, agents, contractors, visitors, and invitees

seeking access to or accessing the Leased Premises and/or the Project exhibiting flu-like symptoms or symptoms consistent with those associated with any Infectious Conditions including, without limitation, COVID-19 (collectively, “**Symptoms**”), (b) require tenant employees, agents, contractors, visitors, and invitees to comply with reasonable screening and tracking protocols implemented by Landlord, Landlord’s property manager and/or any operator of Project Amenities, intended to identify and track the activity at the Project of individuals seeking access to or accessing the Leased Premises or the Project (including the Project Amenities) exhibiting Symptoms, (c) require tenants, at their expense, to implement and enforce protocols to prohibit individuals exhibiting Symptoms, from accessing the Leased Premises and/or the Project, (d) require tenants, at their expense, to immediately report to Landlord incidences of (i) tenant employees, agents, contractors, visitors, and invitees accessing the Leased Premises or any portion of the Project while exhibiting Symptoms or presenting Risk Factors (as defined below), and/or (ii) tenant employees, agents, contractors, visitors, and invitees known to have accessed the Leased Premises or the Project being diagnosed with an Infectious Condition, including, without limitation, COVID-19. For purposes of these Rules and Regulations, “**Risk Factors**” include (A) persons who have recently traveled from countries having widespread ongoing transmission of communicable diseases and/or viruses of any kind or nature, including COVID-19, and (B) persons who have been in recent contact with others who have tested positive for communicable diseases and/or viruses of any kind or nature, including COVID-19.

22. Landlord may exclude or expel from the Project any person who presents Risk Factors or exhibits Symptoms associated with any currently known or unknown Infectious Conditions, including, without limitation, COVID-19.

23. Notwithstanding anything to the contrary contained in the Lease, if Landlord believes or becomes aware that any Tenant Party exhibiting Symptoms and/or diagnosed with an Infectious Condition had access to the Leased Premises or any portion of the Project (including, without limitation, the Project amenities), Tenant shall be responsible for any costs (as Additional Rent) incurred by or on behalf of Landlord to perform additional or deep cleaning of the Leased Premises and/or the Common Areas of the Project or to take other measures deemed reasonably necessary or prudent by Landlord that are intended to prevent or limit the spread or transmission of such Infectious Conditions due to or arising out of such Tenant Party’s presence at the Project.

24. Landlord reserves the right to adopt and implement additional rules and regulations relating to access to the Leased Premises, the Building and/or the Project (including, without limitation, the Project amenities) that are intended to promote and protect health and physical well-being and/or intended to prevent or limit the spread or transmission of Infectious Conditions.