#### LICENSE AGREEMENT

With

The Theatre Consortium of Silver Spring, Inc.

DATE: Jdy 3, 2014

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## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License"), made this 31 day of 2014, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (the "County") and THE THEATRE CONSORTIUM OF SILVER SPRING, INC. (the "Licensee" or the "Consortium"), (the County and the Licensee together the "Parties").

#### WITNESSETH:

WHEREAS, the County is the owner of a building in Downtown Silver Spring known as the Silver Theater and Annex Addition, located at 8633 and 8641 Colesville Road, as more particularly described in **Exhibit A** (the "Property" or "Building"). A portion of the Building, with an address of 8641 Colesville Road, is hereby licensed to the Consortium, as shown on **Exhibit A-1**. The Consortium understands that a portion of the Building is leased by the County to the American Film Institute. This leased area is also delineated on Exhibit A-1 and is specifically excluded from the licensed premises included in this License Agreement t. The premises licensed to the Consortium is known as the Silver Spring Black Box Theater. (the "Theater" or the "Licensed Premises"), and

WHEREAS, the County's desire is to provide public recreation and cultural amenities for the residents and businesses of Montgomery County, Maryland. In furtherance of that goal, the County had constructed, by PFA Silver Spring, LLC ("PFA") via a General Development Agreement dated April 20, 1998, the Theater; and

WHEREAS, the State of Maryland and the County have designated the Silver Spring Central Business District (including the location of the Theater) as an Arts and Entertainment District, in furtherance of the County's governmental objective of providing recreation and cultural enhancement programs. The County has determined that the Theater will be used to present and program live performances; and

WHEREAS, the County requires an entity to manage, operate, market and staff the Theater, providing all services delineated in RFP 1038432 and memorialized in Contract for Service #1038432, in which the Contractor's primary mission will be to keep the Theater booked with diverse theatrical performances in such a way as to maximize use of the space; and

WHEREAS, the Licensee has agreed to provide the services set forth in the Contract for Service and the County has agreed to enter into a license with Licensee to access the Theater, as more particularly defined in the License Agreement for this purpose;

NOW THEREFORE, in consideration of the covenants contained in this License, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties mutually agree as follows:

- 1. <u>LICENSED PREMISES</u>: The County does hereby grant Licensee the privilege, license and right to a portion of the building with an address of 8641 Colesville Road, Silver Spring, MD, 20910, including the Black Box, box office, restrooms, lobby and offices as shown located on attached **Exhibit A-1** (the "Licensed Premises" or the "Theater"), for the exclusive purpose of the Licensee providing services, as more fully described in the Contract for Service attached as **Exhibit B** (the "Contract").
- 2. <u>LICENSE TERM</u>: The License Term shall commence on the date the Licensee occupies the Licensed Premises and shall continue through the expiration of the Contract, and any extensions of the Contract, unless sooner terminated pursuant Paragraph 3, below.
- 3. <u>EARLY TERMINATION</u>: It is agreed between the Parties that this License may be terminated at any time during the License Term or any extension of the License Term by any of the Parties by giving thirty (30) days written notice of the termination to the other Party. If the Licensee is removed as the provider under the Contract, this License shall automatically terminate on the date of termination of the Contract. The County is under no obligation to provide alternate space for Licensee and is not responsible for any moving costs or any expenses incurred by Licensee to relocate or move, whether such move or relocation is the result of termination or any other reason.
- 4. <u>LICENSE FEE:</u> In consideration of services provided by the Licensee as set forth in the attached Contract, and for the rights and obligations provided for in this License, Licensee shall pay ONE DOLLAR (\$1.00) per year. All payments are to be made in advance of the first day of the term, during each license year, and shall be payable by check to: Montgomery County, Maryland, P.O. Box .9465, Gaithersburg, Maryland, 20898-9465.
- 5. <u>USE OF LICENSED PREMISES</u>: Licensee covenants and agrees that the Licensed Premises shall be used to manage, operate, market and staff the Theater, providing all services delineated in the Contract, in which the Contractor's primary mission will be to keep the Theater booked with diverse theatrical performances in such a way as to maximize use of the space (the "Permitted Use"). Licensee agrees to ensure compliance with all licensing and operational requirements regulating the use of the Licensed Premises therein described. Licensee shall be responsible for obtaining all licenses and certifications required by State, Federal, and County law to operate the Theater as defined in the Contract. Failure to obtain and maintain any certifications and licenses required under State, Federal, or Local law to operate the Theater as defined in the Contract will constitute a breach of this Licensee will use and occupy the

Licensed Premises during the License Term for no purpose other than the use as specified in the Contract.

6. <u>ASSIGNMENT</u>: The Licensee shall not assign, transfer, mortgage or otherwise encumber this License. The Licensee shall not sublet or rent (or permit a third party to occupy or use) the Licensed Premises for any use not permitted under the Contract.

# 7. <u>CONDITION OF LICENSED PREMISES</u>:

- A. Licensee accepts the Licensed Premises in "as is" condition. Licensee agrees to maintain the Licensed Premises in good condition, free of clutter, generally safe and sanitary throughout the License Term. Licensee acknowledges and agrees that at the end of the License Term, the Licensed Premises shall be returned to the County in the same condition as they were when Licensee accepted the Licensed Premises, reasonable wear and tear and damage due to casualty excepted.
- The County has applied and been approved for ONE HUNDRED В. THOUSAND DOLLARS (\$100,000) in grant funds from the State of Maryland for the sole purpose of improving the Licensed Premises. The grant requires the County to match the grant funds, therefore, the total amount to be invested in the Licensed Premises is TWO HUNDRED THOUSAND DOLLARS (\$200,000). Within thirty (30) days of the execution of this License, the County will establish a draft list, including estimates, of prioritized projects to be completed within the available funding. Within sixty (60) days, the Parties will work together and produce a final prioritized list. The Licensee acknowledges that the County has absolute discretion in the final decision of how to invest the funds. The Licensee also acknowledges that the County has no obligation to improve the Licensed Premises beyond the TWO HUNDRED THOUSAND DOLLAR (\$200,000) funding that is available. The Licensee may choose to complete work that remains unfunded, at its' sole cost and expense, through the process outlined in section 8 below. The work projects will be scheduled at mutually acceptable times to the Parties, as soon as practicable after the prioritized list has been completed, taking into consideration the event schedule of the Theater.

# 8. <u>ALTERATIONS AND IMPROVEMENTS</u>:

A. The Licensee shall be allowed to make reasonable renovations to the Licensed Premises from time to time during the term of this License; however, the Licensee shall not undertake any alterations, changes or improvements to the Licensed Premises, during any part of the License Term, without the prior written consent of the County. Once the County's consent has been obtained, Licensee shall be responsible for the acquisition of any and all necessary permits and for the observance of all building and zoning ordinances and regulations then in effect. Failure to adhere to any previously approved plans, applicable ordinances or regulations shall be deemed to be a breach of this License.

- B. The County's Approval and Inspection: In order to secure the County's approval of any structural alterations or improvements, Licensee shall submit to the County plans and specifications clearly setting forth the work to be performed. The County shall respond in writing within thirty (30) days from receipt of plans and specifications. The County shall inspect the Licensed Premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not satisfactory to the County, Licensee shall undertake any necessary corrections, at Licensee's risk and expense.
- 9. <u>LIENS</u>: Licensee shall not do or suffer anything to be done whereby the Licensed Premises shall be encumbered by any lien, including mechanic's liens. Licensee expressly covenants and agrees that it will, during the term hereof, within sixty (60) days after the filing thereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to or upon the Licensed Premises or any portion thereof by reason of or any act or omission on the part of Licensee, and hereby expressly agrees to save and hold harmless the Licensor from and against any such lien or claim of lien. In the event any such lien does attach, or any claim of lien is made against said Licensed Premises, and shall not be thus released within said sixty (60) day period, the County, in its sole discretion (but nothing herein contained shall be construed as requiring it so to do), may pay and discharge the said lien and relieve the said Licensed Premises from any such lien, and Licensee agrees to pay and reimburse the County upon demand for or on account of any expense which may be incurred by the County in discharging such lien or claim.

# 10. <u>SERVICES AND OPERATING EXPENSES</u>:

- A. <u>By County</u>: Subject to annual appropriation, and assuming that the service, maintenance, repair or replacement is not necessitated by acts or failures to act of the Licensee, the County agrees to provide within the Licensed Premises at the same level afforded to other County facilities, at County's sole cost and expense the following:
- i. General maintenance, including but not limited to: snow and ice removal from sidewalks adjacent to the Licensed Premises; gutter cleaning and general lighting fixture light bulb replacement (excluding theatrical or special purpose lighting).
- ii. All preventive and corrective maintenance and operation of the heating, ventilation, and air conditioning systems; plumbing systems and fixtures; electrical systems and equipment (including elevators, fire alarm system and emergency generators, interior and exterior lighting fixtures [but excluding gobo lighting], sound reinforcement systems, stage management communications, and stage lighting systems and controls); structural members; all interior finishes (including floor coverings, walls, windows, doors, ceilings and sound batting, fabrics and materials [which shall be maintained to the original sound quality standards to which the facility was designed]);

serving the Theater.

- iii. Maintenance and repair of the common areas of the Building, and the exterior of the Building including walls, windows, associated fixtures, alleyways, drive lanes, sidewalks, roof, storm water piping, and maintenance of the exterior façade, except for any exterior signage including marquee sign, way-finding signs or facility location sign(s).
- iv. Housekeeping services and refuse and recycling removal services to the Theater on the same basis as other County facilities. The County's janitorial responsibilities shall extend to the office areas, the concessions and theater areas, the gallery, and the mezzanine level. The County shall provide cleaning of the exterior of the premises and exterior window cleaning on the same schedule and at the same frequencies as to other County facilities. All services shall be delivered with the goal of maintaining an appearance consistent with similar types of performing arts centers in Montgomery County. Services shall be delivered at hours to be negotiated so as not to interrupt performance schedules. With regard to restocking of consumables in restrooms, if Licensee believes consumables are too low to serve a scheduled performance, Licensee shall request additional supplies from the County.
- v. Utilities, including electric, gas, fuel oil and water. Upon request of the County, Licensee shall implement a utility conservation program.
- vi. Refuse removal, recycling and pest control on the same basis as provided in other County facilities.
  - vii. Fire Extinguisher service and replacement, as necessary.

All services provided by the County shall, where reasonably practical, be provided in a manner which minimizes interference with any programming or performances.

- B. <u>By Licensee</u>: Licensee, at Licensee's sele cost and expense, shall provide:
  - i. Licensee's telephone and Internet Service, including ongoing costs.
  - ii. Activity/performance clean up and set up.
  - iii. Day-to-day cleaning/clearing of spills and clutter, either timely notifying the County of the need or restocking supplies before performances when necessary and keeping the café area sanitary to licensing standards.

- iv. Ongoing repair and/or replacement of furniture, including tables, seats, platforms and all other furniture and furnishings within the Licensed Premises.
- v. Ongoing repair and/or replacement of all specialty equipment within the Licensed Premises, including but not limited to theater equipment, closed circuit television equipment, audio and sound equipment, concession stand fixtures and equipment, all gobo and stage lighting systems and controls.
- Security and access control, including operation, servicing, repair, vi. replacement and ongoing maintenance of all access control and security equipment within the Licensed Premises. Licensee shall be fully responsible, at its sole risk and expense, for monitoring any and all security systems, and for taking any and all necessary measures to properly secure and control access to the Licensed Premises at all times. Notwithstanding the obligations of the County regarding certain maintenance, Licensee will be responsible for damage to the contents of the Licensed Premises due to the willful or negligent acts of Licensee, Licensee's employees, patrons, residents, or agents. In the event of such damage, the Licensee shall immediately make the necessary repairs or replacement to the satisfaction of the County, at Licensee's sole cost and expense or the County shall make such repairs or replacements for which Licensee shall promptly reimburse the County. A summary of such repairs shall be transmitted quarterly to the Department of General Services, Office of Real Estate, 101 Monroe Street, 9th Floor, Rockville, Maryland 20850, Attention: Director of Real Estate.
- vii. Maintenance and repair of exterior signage including marquee sign, way-finding signs or facility location sign(s) as well as gobo lighting.

The Parties agree to meet annually, during the first month of the County's fiscal year, or more frequently if required, to walk through the Licensed Premises, together, to inspect and note conditions and prioritize repair and actions needed during the current and subsequent fiscal years.

The Parties agree to create a mutually agreed upon schedule, following the walk through, of approximate dates when the noted and prioritized repairs and actions needed will be performed by the responsible party.

- a list of furniture and equipment provided by the County at the signing of this License. At the termination of this License, Licensee must deliver to the County the Licensed Premises and any furniture and equipment that was delivered by the County to the Licensee, in good, clean condition, reasonable wear and tear excepted. All items which are attached to the Licensed Premises, or are a part of the Licensed Premises systems at the time the Licensed Premises is delivered to Licensee, shall remain with the Licensed Premises. Any personal property of the Licensee remaining within the Licensed Premises after termination of the License shall become property of the County. The County shall dispose of any such property in the manner it deems appropriate.
- 12. <u>NAMING RIGHTS</u>: Provided that the tax exempt status of the County's financing of the Theater is not jeopardized, Licensee shall have the right to enter into one or more Naming Rights Agreements to name furniture, fixtures, equipment, rooms, walls and other elements comprising the Theater Names given to such elements shall last so long as Licensee shall be in possession of the Theater. The County has the right to approve (which approval may be exercised in its sole discretion) of the naming of any room, theater or any other portion of the Licensed Premises.
- County, without charge, to make use of the Theater for public events or County meetings at least three days per fiscal year. These events/meetings shall be scheduled a minimum of two (2) weeks in advance, but as far in advance as practicable. The County will be responsible for the coordination, staffing, set-up, and removal of and equipment necessary for these events/meetings. The County is responsible for cleaning up after each of the County's use of the Theater. The failure of the County to use the Theater as provided herein during any year shall not constitute a waiver of the County's right to use the Theater in any subsequent fiscal year. The County's rights hereunder may at no time interfere with any prescheduled event or rehearsal at the Theater. Licensee agrees to exercise reasonable efforts to coordinate its schedule with any use of the Theater requested by the County under this provision.
- provide the County with the following: Two (2) complementary (free) tickets to all events which are open to the public through the sale, in whole or in part, of tickets (Public Programs), provided Licensee may reissue any such complementary tickets which are not claimed (picked up or requested to be held in "will call" for pickup) by the County within twenty-four (24) hours of such Public Programs. Further, for Public Programs which have a performance period that is greater than seven (7) days, the County may purchase up to five percent (5%) of the total tickets available for such Public Programs at the lowest price (whether for members, students, seniors or otherwise) charged by Licensee (or other presenting entity) for such Public Programs. To avail itself of this reduced rate, the County must purchase such tickets at least thirty (30) days prior to the date of the Public Program for which the tickets are purchased.

# 15. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

# A. <u>Insurance Requirements</u>:

- i. The Licensee agrees to obtain and maintain, during the full term of this License, and any extension thereof, a policy of general liability insurance with a minimum limit of liability of Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) aggregate for bodily injury and property damage including Contractual Liability, Premises and Operations, Independent Contractors, Personal Injury and fire liability issued by an insurance company licensed in the State of Maryland and acceptable to the County.
- ii. Licensee agrees to obtain and maintain, during the full term of this License, a policy of workers' compensation and employers' liability meeting all statutory requirements of the State of Maryland with the following minimum Employers' Liability limits; Bodily Injury by Accident \$100,000 each accident, Bodily Injury by Disease \$500,000 policy limits and Bodily Injury by Disease \$100,000 each employee
- Policy during the License term and any renewal terms to protect the full replacement value of all contents of the Licensed Premises and all interests of Licensee, the County and the Property of Others against any loss. Any deductibles under this policy shall be funded by the Licensee. The County does not provide any coverage for the Licensee's owned contents and improvements to the Licensed Premises. County shall be named as a loss payee.
- B. Additional Insured: The Licensee's Liability Policies must list Montgomery County, Maryland as an additional insured and all insurance policies obtained by the Licensee as required by this License Agreement must provide that the Licensee give the County written notice of amendment, cancellation, termination or non-renewal, no later than forty-five (45) days prior to amendment, cancellation, termination or non-renewal. The Licensee must provide on an annual basis evidence that is satisfactory to the County of the insurance coverages required under this License Agreement and if requested, copies of policies.
- C. <u>Certificate of Insurance</u>: The Licensee must, within forty-five (45) days from execution of this License Agreement, deliver to the County a certificate(s) of insurance and copy of policies evidencing the coverage required under this License Agreement. The certificates must be issued to: Montgomery County, Maryland, Department of General Services, Office of Real Estate, 101 Monroe Street, 9<sup>th</sup> Floor, Rockville, Maryland 20850. The Licensee has the obligation to assure that the County always has a valid Certificate of Insurance and complete copies of the policies.
  - D. Subrogation: If a casualty or other occurrence which should be covered

by the insurance required by this License Agreement occurs, the Licensee must look solely to its insurer for reimbursement and the Licensee must ensure that such insurance is so written that the Licensee's insurer waives all rights of subrogation and shall have no cause of action against the County, its agents, or employees as a result of such casualty occurrence. The Licensee waives and releases all right of recovery which it might otherwise have against the County or its agents or employees by reason of any loss or damage resulting from such casualty or other occurrence, to the extent that the Licensee would be covered by insurance if the Licensee complied with the requirements of this License Agreement pertaining to insurance.

- E. <u>County's Insurance</u>: The County will maintain its normal fire and liability insurance on the Licensed Premises. The County reserves the right to self-insure.
- 16. HOLD HARMLESS: The Licensee agrees to indemnify and hold harmless and pay for the defense of the County from any and all claims of liability, actions, damages and expenses, including, but not limited to, reasonable attorneys' fees and litigation costs, arising out of or related to the Licensee's use and possession of the Licensed Premises, from any breach of this License by the Licensee, or from any claim, action, damage, liability or expense occasioned wholly or in part by any negligent act, errors or omission of the Licensee, its agents, contractors, guests or employees, except such negligence as may be occasioned by the acts or omissions of the County, the County's employees, agents and contractors. Licensee further specifically agrees to hold the County harmless and pay for the defense of the County from any claim of liability made in connection with any construction or installation of equipment by the Licensee within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Leased Premises hereinabove described.
- 17. <u>RESPONSIBILITIES OF LICENSEE</u>: Licensee covenants and agrees as follows:
- A. Licensee shall not keep gasoline or other flammable material or any explosive within the Licensed Premises which will increase the rate of fire insurance on the Licensed Premises beyond the ordinary risk established for the type of operations described in Paragraph 5, above. Any such increase in the insurance rate due to the above, or due to Licensee's operations within the Licensed Premises, shall be borne by Licensee. The contractor may keep paints used in the production of sets and props at the Theater, provided that such paints are properly closed and maintained in a flammables cabinet. Licensee shall not willfully do any act or thing in or about the Licensed Premises which may make void or voidable any insurance on the Licensed Premises, and Licensee, upon receipt of the same in writing, agrees to conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.
- B. Licensee shall not use or allow the Licensed Premises or any part thereof to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance, annoyance, inconvenience, or cause damage to the Licensed Premises.

- C. Licensee shall not place upon the exterior of the Licensed Premises any paint, placard, sign or lettering without the express written consent of the County. Licensee may use temporary placards, signs or lettering on the interior of the Licensed Premises. Permanent placards, signs or lettering on the interior of the Licensed Premises shall require the written permission of the County.
- D. Licensee acknowledges that all responsibilities of Licensee relating to the use or misuse of the Licensed Premises and anything therein shall be construed to include use or misuse thereof by Licensee's agents and employees, guests and invitees.
- E. Licensee shall not have animals in or about the Licensed Premises. This provision does not limit Licensee or Licensee's clients' rights to have bona fide service animals on the Licensed Premises. Licensee is solely responsible for the proper care of service animals in the Licensed Premises and in keeping the Licensed Premises clean and free of debris and waste associated with the care and feeding of service animals.
- F. Licensee, upon receipt of the same in writing shall comply with all reasonable rules and regulations with regard to the use of the Licensed Premises that may be from time to time promulgated by County, and any violation of said rules and regulations upon the expiration of any applicable notice and cure period shall be deemed to constitute a violation of this License. It is understood that such rules and regulations shall not unreasonably interfere with or prevent the intended uses of the demised premises as set forth in this License. County shall not discriminate against Licensee in the enforcement of any rule or regulation. If there shall be a conflict between this License and rules and regulations, the terms of this License shall govern.
- G. Licensee must maintain in good condition any trade fixtures in the Licensed Premises.
- Premises shall be closed and locked when the Licensed Premises are not in use. No additional locks or bolts of any kind shall be placed upon any of the entrance or interior doors by Licensee nor shall any changes be made in existing locks or the mechanisms thereof without express written permission from the County. Licensee shall, upon the termination of its tenancy, restore to the County all keys, key cards, identifications cards of the Building, Licensed Premises and bathrooms, either furnished to, or otherwise procured by, the Licensee, and in the event of the loss of any keys so furnished the Licensee shall pay to the County the cost thereof.
- I. All occupants of the Licensed Premises shall be informed as to the safe and proper operation of all equipment in the Licensed Premises.
- J. The Licensee is responsible for on site management of the Licensed Premises.

- K. The Licensee must not strip, overload, damage, or deface the Licensed Premises or any part of the Building of which the Licensed Premises are a part, including, but not limited to, hallways, stairways, or elevators. This shall include not using the Theater in a manner that exceeds prescribed power usage, weights and methods of installation/positioning in the Theater. The Licensee shall not install in the Theater any fixtures, equipment or machinery that will place a load upon the floors, walls or ceilings, including, but not limited to the suspended wire rope tension grid, exceeding the load that such area was designed to carry. All damage done to the Theater by the Licensee (or someone acting on behalf of the Licensee or at the invitation of the Licensee) loading in or removing a safe or any other equipment, props or scenery, or due to such equipment being improperly installed or utilized in the Theater, shall be repaired at the expense of the Licensee.
- L. The Licensee must not permit any trade or occupation to be carried on or use made of the Licensed Premises outside the scope of this License and the Contract. Further the Licensee agrees to and must obey any and all federal, state, county and local laws and regulations relating to their operation of business on and in the Licensed Premises and Building of which the Licensed Premises are a part.
- N. The Licensee must not move any furniture or equipment which is the property of the County into or out of the Licensed Premises without the County's prior written consent.
- O. The Licensee must not use any area on the property outside the Licensed Premises for any purpose other than for access to the Theater or as otherwise expressly provided for in the Contract, or as available to the general public.
- P. The Licensee must not use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any foreign substances therein. While paintbrushes used for water-based paints only may be rinsed in the slopsink backstage at the Theater, paints and other liquids (other than water) used in connection with the construction or erection of sets or props must never be disposed of in the sinks, toilets or the drains. Any such materials must be disposed of off-site in an appropriate manner.
- 18. <u>DESTRUCTION OF LICENSED PREMISES</u>: In the event of damage to or destruction of the Licensed Premises or any part of the Licensed Premises by fire, storm, flood or other casualty this License shall automatically terminate and the Parties shall be discharged from all responsibilities arising under this License.
- 19. <u>DEFAULT</u>: Licensee shall be considered in default of this License and the County may terminate this License upon the occurrence of any of the following:
- i. Failure to perform under any term, covenant or condition of this License;

- ii. The commencement of any action or proceeding for the dissolution or liquidation of Licensee, or for the appointment of a receiver or trustee of Licensee's property;
  - iii. The making of any assignment for the benefit of Licensee's creditors;
  - iv. The abandonment of the Licensed Premises by Licensee;
- v. any default or breach of the terms and conditions of the Contract which is not cured prior to the expiration of any applicable notice and cure period;
- vi. Use of the Licensed Premises by the Licensee or with the consent of Licensee, for uses other than the Permitted Uses; and
- vii. The intentional use of the Licensed Premises by Licensee or by Licensee's agents, employee, contractors, or guests, for any unlawful purpose.

# 20. <u>CONTROLLED ACCESS AND SHARED FACILITIES</u>:

- i. Licensee shall allow County and County's employees or agents to have access to the Licensed Premises at all times for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of performing any work required to be performed by County, or which County considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Licensed Premises. The Parties agree that, to the extent practical, any work required shall be scheduled so as not to interfere with the operation of the Theater.
- ii. Keys. The County, on the License Commencement Date, shall provide Licensee with keys to the Theater. The County will retain its own set of keys, but will not enter the Theater other than for provision of County Services described herein.

#### iii. Shared Facilities.

a. Licensee acknowledges that the Theater may house facilities and equipment serving both the Theater and the Silver Theater. Licensee agrees to provide access to any shared facilities on **Exhibit D** to the County and representatives and contractors serving the Silver Theater at all reasonable times and in a manner that does not disrupt a program or unreasonably interfere with a Licensee program at the Theater. Licensee further agrees that if Licensee in unavailable to coordinate the access to the shared facilities for any reason, the County may coordinate and provide the access to or on behalf of Licensee, provided that the County does not allow non-authorized individuals unsupervised access to any other areas of the

Theater and that such access is, if practical, at a reasonable time a performed in a manner that does not unreasonably interfere with a Licensee program.

- Licensee acknowledges that the County has installed video b. infrastructure and connectivity between the Theater and the AFI Central technical area of the Silver Theater for the purpose of creating an audio/visual recording area in the Theater for the use of the County, Licensee, AFI and others (collectively the Theater and the video infrastructure and connectivity are the Licensee acknowledges that the "Recording Facilities"). County is reserving the right to possess and use the Recording Facilities at times and in a manner that does not interfere with The parties recognize that there is an Licensee programs. artistic, educational and entertainment value in maximizing the use of the Recording Facilities and that they need to work with AFI to come up with a protocol and agreement as to how the Recording Facilities will be managed, used, operated, scheduled and marketed (all of which must be in a manner that does not unreasonably interfere with the provision of Licensee programs). The parties also recognize that to the extent that others are permitted to use the Recording Facilities, Licensee and AFI will, after AFI and/or Licensee have covered operating costs associated with the Recording Facilities, equally share the net proceeds generated by third party usage of the Recording Facilities. The County, AFI and Licensee will establish a management and scheduling priority protocol for use of the Recording Facilities, giving primary recognition to Licensee's, AFI's, the County's and educational demands for the Recording Facilities.
- 21. <u>SURRENDER OF POSSESSION</u>: Licensee covenants and agrees that, at the expiration or other termination of this License, to remove all goods and effects from the Licensed Premises not the property of County, and to yield up to County the Licensed Premises and all keys, locks and other fixtures connected therewith (except property belonging to Licensee), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Licensee is not herein expressly made liable excepted. Subject to the terms of this License Agreement to the contrary, Licensee shall pay for all damages to the Licensed Premises, its fixtures, and appurtenances, as well as all damages sustained by Licensee or occupants of the Licensed Premises due to any waste, misuse, or neglect of said Licensed Premises, its fixtures, and appurtenances, by said Licensee, its employees, or any other person or persons upon the Licensed Premises by Licensee's permission.

- 22. <u>NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES</u>: Licensee shall give to the County prompt verbal notice of accidents in or damages to the Licensed Premises, and, within twenty-four (24) hours, the Licensee shall follow-up with a detailed written report of such accidents or damages.
- by and between the Parties that Licensee, at Licensee's expense, shall promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government, or any municipality in which the Licensed Premises are located, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office (the "Applicable Laws"). In no event shall Licensee be liable for any violations of Applicable Laws with respect to the Licensed Premises which are existing as of the Commencement Date.
- 24. <u>WAIVER</u>: The waiver of at any time by either of the Parties of any particular covenant, condition, obligation, or duty under this License shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver must not be construed or understood as waiving any further or other rights of either Party.
- 25. <u>NON-DISCRIMINATION</u>: The Licensee agrees to comply with the non-discrimination in policies in County contracts as required by Section 11B-33 and Chapter 27 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws and regulations regarding discrimination. By signing this License Agreement, the Licensee assures the County that in accordance with applicable law, it does not, and agrees that it will not engage in any discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations.
- 26. <u>PUBLIC EMPLOYMENT</u>: The Licensee understands and agrees that unless authorized under Sections 11B-52 and Chapter 19A of the Montgomery County Code 2004, as amended, that it is unlawful for any person or entity transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.
- 27. <u>MAILING NOTICES</u>: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail and shall be deemed to be effective when received or refused by the addressee. Notices to the respective Parties shall be addressed as follows:

#### COUNTY:

Montgomery County, Maryland Department of General Services Office of Real Estate 101 Monroe Street, 9<sup>th</sup> Floor Rockville, Maryland 20850 Attn: Director of Real Estate

With a copy, that does not constitute Notice to:
Montgomery County, Maryland
Office of the County Attorney
101 Monroe Street, 3<sup>rd</sup> Floor
Rockville, Maryland 20850
Attn: County Attorney

#### LICENSEE:

The Theatre Consortium of Silver Spring 620 Pershing Drive Silver Spring, MD 20910

- 28. <u>RESIDENT AGENT</u>: The Resident Agent for the Licensee is Julie Reiner and the address for receipt of notices and service of process is 13109 Two Farm Drive, Silver Spring, MD 20904. Licensee must immediately notify County of any change in resident agent or address as provided herein.
- 29. <u>PROHIBITION OF HAZARDOUS SUBSTANCES</u>: The Licensee agrees not to store or bring hazardous substances onto the Licensed Premises. The Licensee indemnifies the County against any and all claims of any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the Licensed Premises by the Licensee, its agents, contractors or employees or guests.
- 30. <u>NON-APPROPRIATION</u>: This License shall terminate automatically on July 1 of any year for which the County, for whatever reason does not appropriate funds to pay for the services specified in this License. The Licensee shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.
- 31. <u>AMERICAN DISABILITIES ACT REQUIREMENTS</u>: County and Licensee agree that any future modifications made to the Licensed Premises shall be made in conformance with the requirements of the Americans with Disabilities Act, the Federal Fair Housing Act, and all safety and accessibility requirements in Federal, State, and County Laws and regulations. Licensee must obtain all required permits prior to making any modifications to the Licensed Premises and must comply with all applicable Building and Safety Codes.
- 32. <u>EMINENT DOMAIN</u>: The Licensee is not entitled to any condemnation award granted to the County as owner of the Licensed Premises. In the event that the Licensed Premises shall be taken by any governmental or quasi-governmental authority

pursuant to its power of eminent domain or sold under threat of such taking, the Licensee will not be entitled to recover from the County any capital expenditures for improvements and betterments made by the Licensee to the Licensed Premises at the Licensee's expense.

- 33. <u>FORCE MAJEURE</u>: Neither Party will be deemed in default with respect to the performance of any terms, covenants, and conditions of this License if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or upsurged power, sabotage, inability to obtain any material or service, through natural or other cause beyond the control of either party; provided, however, that this provision shall not excuse any non-payment of License Fees. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a Party.
- 34. <u>ENTIRE AGREEMENT</u>: This License (which contains and includes the Exhibits) is the entire agreement between the Parties, and no representations, inducements, or agreement, oral or otherwise, between the Parties not contained in this License shall be of any force or effect.
- 35. <u>MODIFICATION</u>: This License (other than the Rules and Regulations, which may be changed from time to time) must not be modified in any manner except by an instrument in writing executed by both Parties with the same formality as this License.
- 36. <u>GOVERNING LAW</u>: This License and its performance is to be governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland.
- 37. <u>CLAIMS</u>: Should any controversy arise by and between the Parties concerning any of the terms and conditions contained in this License, 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 Montgomery County, Maryland where the Licensed Premises is located.
- 38. <u>PARKING</u>: The Licensee has no dedicated parking facilities under this License Agreement. While the County makes no commitment that valet parking will be available, valet parking may be made available to Licensee in connection with PFA's operation of Gateway Plaza at the corner of Colesville Road and Georgia Avenue. Licensee agrees to comply with the requirements of the Declaration of Easements pertaining to the Gateway Plaza, a copy of which is attached hereto as **Exhibit E** and the restrictions contained in the Ground Lease for the Gateway Plaza, a copy of which is attached hereto as **Exhibit F**.
- 39. USE OF LOADING DOCK AND MOBILE PRODUCTION UNIT PARKING
  - i. Loading Dock and Alley. Licensee may use the alley easement and

loading dock area shown on **Exhibit G** to accept and unload deliveries for the Theater. These areas are not part of the Licensed Premises. Licensee understands that the dock serves other space in the vicinity of the Theater and agrees to abide by reasonable rules, of which it receives notice, relating to use of the alley and the loading dock, as such rules may be established and amended from time to time. Licensee agrees that ist shall contact PFA at 9600 Blackwell Drive, Suite 200, Rockville, MD 20850, to determine what, if any, rules may apply to the loading dock area serving the Theater. Licensee further agrees to coordinate its use of the loading dock with the tenant of the Silver Theater and to cooperate with other users of the alley pursuant to a certain Reciprocal Easement Agreement, a copy of which is attached as **Exhibit H** so that there is no unreasonable interference with the use of the alley by others. Licensee shall abide by the terms of the Reciprocal Easement Agreement and will hold the County harmless from and against any costs, expenses, claims or losses arising out of Licensee's use of the alley and loading dock.

Mobile Production Unit Parking Area. A Mobile Production Unit Easement Area (MPUEA) is available for the parking of a Mobile Production Unit in connection with the transmission of programs or events occurring at, or arising from the use of, the Theater. A copy of the mobile MPUEA is attached hereto as Exhibit I. Licensee covenants that it will abide by the terms of such easement agreement and hold the County harmless from and against any costs, expenses, claims or losses arising out of Licensee's use of the MPUEA in connection with the Theater. The tenant of the Silver Theater will have priority usage of the MPUEA. Therefore, Licensee will need to coordinate any use it wishes to make of the MPUEA with both the tenant of the Silver Theater and the County. In the event that Licensee fails to coordinate use of the MPUEA and its use interferes with use of the MPUEA by the tenant of the Silver Theater, the County or the tenant of the silver Theater may have Licensee's mobile production unit and/or equipment removed at Licensee's sole expense. Additionally, Licensee agrees to provide PFA with notice of any intended use by it of the MPUEA. Licensee agrees to provide the County and PFA with as much advance notice o use of the MPEUA as possible and to coordinate use of the MPEUA in a way that minimizes interference with surrounding activities. Licensee must not use the MPUEA for long-term storage of a Mobile Production Unit. Therefore, is a Mobile Production Unit is located on the easement area and is not used for thirty (30) consecutive days, Licensee must relocate the Mobile Production Unit until it is to be used again for an event or program arising out of its activities at the Theater. Such required removal is without prejudice to the right of Licensee to continue to use the MPUEA at other times for transmission or broadcast of any program or event arising out of Licensee's activities at the Theater. Licensee agrees that it will locate any Mobile Production Unit of the MPEUA in a manner that leaves a minimum of twelve (12) feet of vehicular passage area between the unit and the opposing sidewalk.

SIGNATURE PAGE TO FOLLOW

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

**COUNTY**:

LICENSEE:

Assistant Chief Administrative Officer

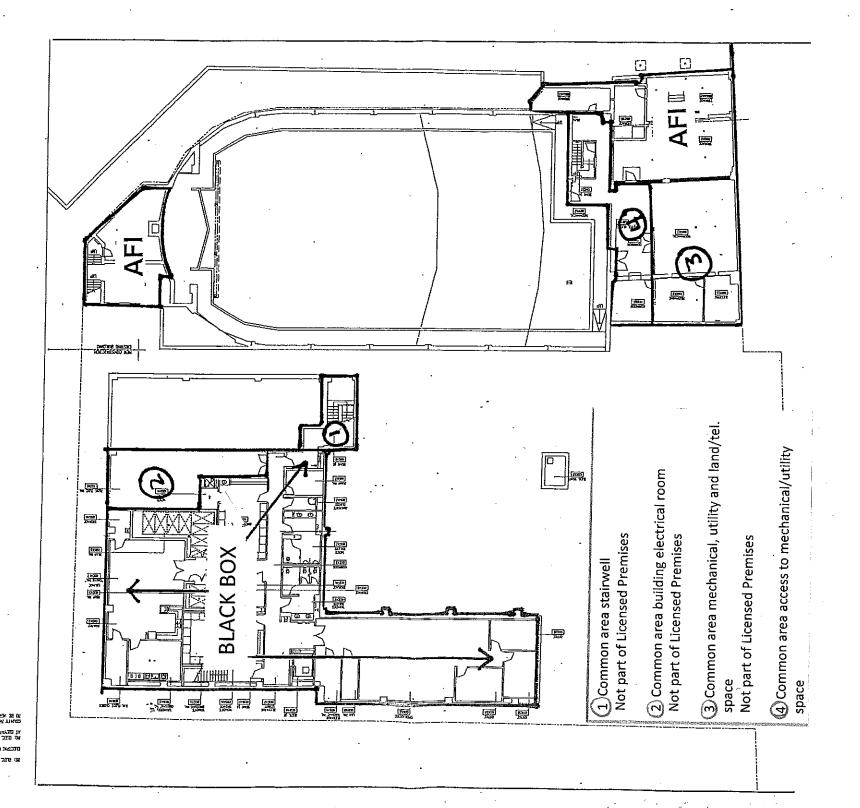
Approved for Form and Legality

Office of County Attorney

Recommended Office of Real Estate

Its:

Director of Real Estate



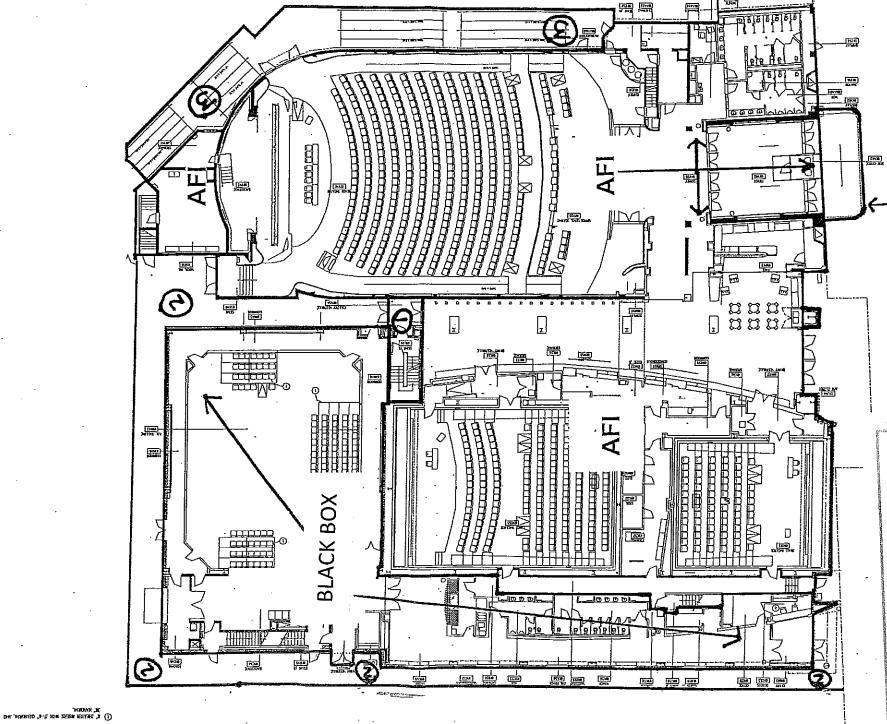
3lack Box License - Exhibit A-1

- Licensed Premises and Space Allocation in Building

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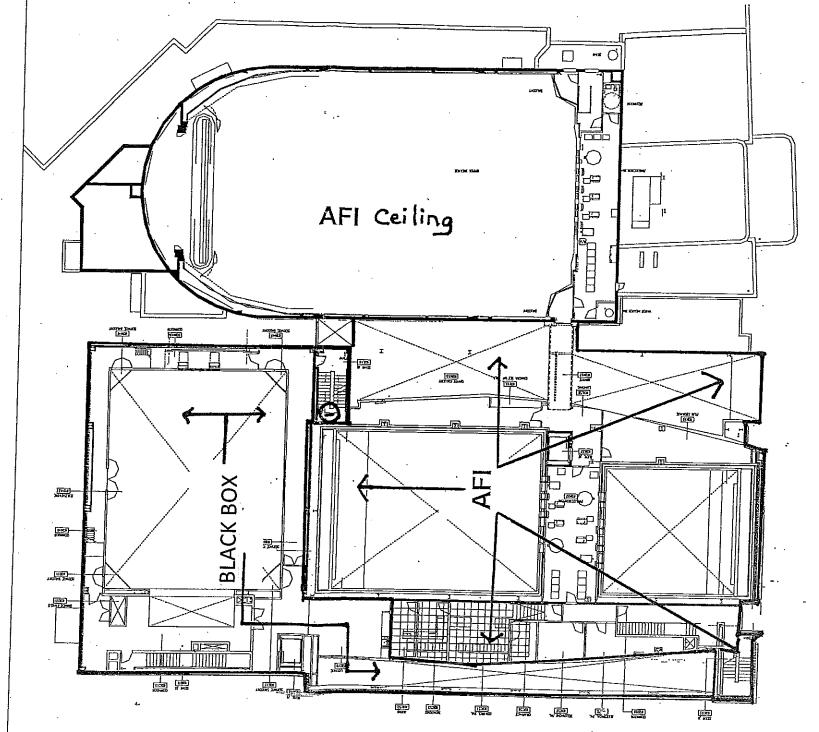
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(1) Common vestibule and stairwell Not part of Licensed Premises

(2) Common area fire egress sidewalk and Loading dock, not part of Licensed Premises

(3) Section C and AFI fire egress and sidewalk Not part of Licensed Premises



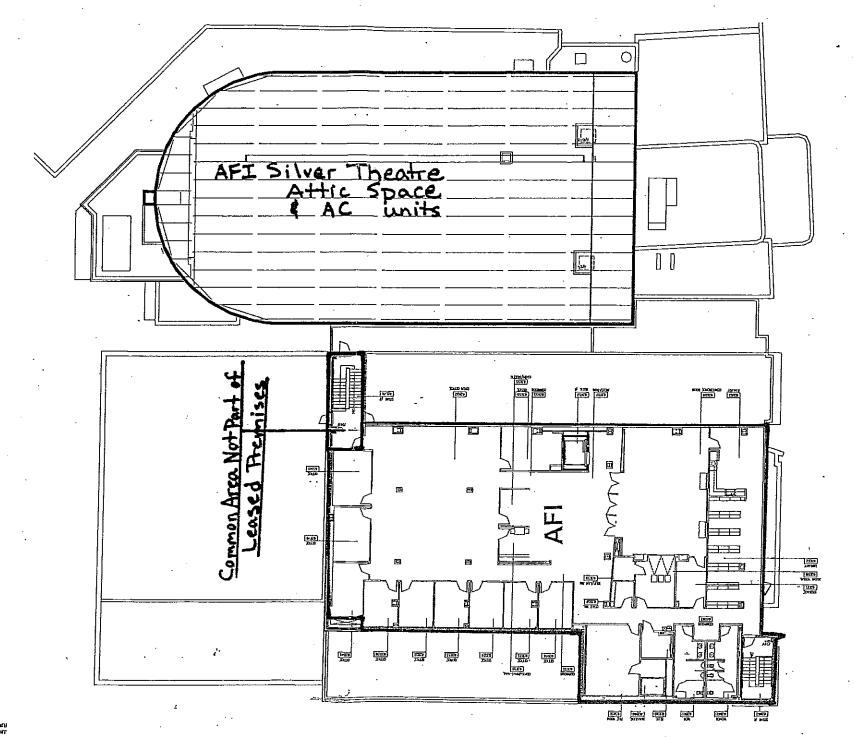
1)Common Area

₩.03.03

RANG PLOSE PONES à COMMONDES PLAN

24010\_to\_t

AFI Silver Theatre Floor Off



ANGROM BOX LOCKRON TO SUPPORT STERROS

NE BETROOK ONLYNIS FOR EDIFORIT HIS BETTROOK LAYOUT

# PROPERTY DESCRIPTION

# SILVER THEATER COLESVILLE ROAD AT GEORGIA AVENUE SILVER SPRING MONTGOMERY COUNTY

and recorded among the Land Records of Montgomery County, Maryland in Liber 13419 at Folio 672; said parcel of land also being part of Lots 2, 3 and 13 as delineated on a plat of subdivision entitled "THE GIRLS PORTION" as recorded among said Land Records in Plat Book 1 as Plat No. 59 and being more particularly described by Macris, Hendricks and Glascock, conveyed by Fred Burka and Louise L. Burka, husband and wife, to Fred Burka by deed dated April 26, 1 Being a parcel of land, located in Election District No. 13 of Montgomery County, mafter described in, through, over and across part of the property Maryland, here

Beginning for said parcel of land at a point on and 54.59 feet from the end of the fourth or North 29°47'39". East, 163.60 foot line of said Liber 13419 at Folio 672, said point also being on the southeasterly right-of-way line of Colesville Road (MD Route 29), then binding with part of said fourth line and Colesville Road

- common line of Lots 3 and 4 as delineated on said plat in Plat Book I as Plat No. 59, then leaving said Colesville Road and binding with part of said common line of Lots 3 and 4 and part of said 1. North 29°47'39" East, 54.59 feet to a point at the begunung or any arrange on the 57°08'51" East, 180.83 foot line of said Liber 13419 at Folio 672; said point also being on the fifth line of said Liber 13419 at Folio 672
- and 4 and said fifth line of Liber 13419 at Folio 672 to cross and include part of Lots 2, 3 and 13 and part of Liber 13419 at Folio 672 and binding with the existing exterior wall of the Silver South 57°08'51" East, 177.66 feet to a point, then leaving said common line of Lots 3
- south 32°57'24" West, 13.19 feet to a point, then
- 4. South 56°58'15" East, 23.26 feet to a point, then
- South 33°04'39" West, 19.74 feet to a point, then
- 6. South 77°10'40" West, 25.07 feet to a point, then
- North 57°26'30" West, 7.58 feet to a point, then



- having a radius of 36.62 feet 40.86 feet to a point, then 8. 43.34 feet along the arc of a non-tangent curve and a chord bearing and distance of South 88°13'47"
- 9. North 57°07'06" West, 75.25 feet to a point, then
- 10. South 32°49'27" West, 2.68 feet to a point, then
- 11. South 76°22'13" West, 4.78 feet to a point, then
- wall of said Silve South 32°25'48" West, 2.41 feet to a point, then leaving said exterior Theater and binding with the outer portion of the interior walls of the Silver
- 13. North 57°05'41", West, 23.11 feet to a point, then
- 14. North 32°54'19" East, 30.14 feet to a point, then
- North 60°09'11" West, 37.63 feet to the point of beginning; containing a square feet or 0.29686 of an acre of land. 15.

and other conditions contained in the deeds Subject to all restrictions, rights-of-way, easements, forming the chain of title to the captioned property. BEING ALL THAT SAME PROPERTY conveyed by Deed of Gift dated December 6, 1995 by Goldman, Fred Burka, Louise K. Burka, and Paul J. Burka and Lesie and Montgomery C Burka as Trustees of the Sarabelle K. Burka Income Trust (the Donor) Maryland (the Donee) and recorded in the Land Records of Montgom and between Maryin

Placeholder

Black Box License - Exhibit B — Contract for Services

List of Equipment and Furniture Provided by County TBD

Black Box License - Exhibit C - List of Equipment and Furniture

See Exhibit A-1 to License

Black Box License - Exhibit D - Shared Facilities

# DECLARATION OF EASEMENTS FOR SECTION C DOWNTOWN SILVER SPRING

THIS DECLARATION OF EASEMENTS FOR SECTION C DOWNTOWN SILVER SPRING (this "Declaration") is made this 5<sup>th</sup> day of Stocker, 2002, by MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (herein "Declarant").

# INTRODUCTORY STATEMENT

- A. Declarant is the owner of those certain parcels of real property located in Montgomery County, Maryland, as more particularly described on that certain record plat of subdivision known as "Subdivision Record Plat Parcel B, C & D Block C Downtown Silver Spring" and recorded at Plat 22271, among the Land Records of Montgomery County, Maryland, (the "Section C Plat"), and Subdivision Record Plat for Parcel A Block C, Downtown Silver Spring, and recorded at Plat 21647 among the Land Records of Montgomery County, Maryland, (the "Theater Parcel Plat"). The Section C Plat and the Theater Parcel Plat are sometimes referred to in this Declaration collectively as the "Property". The Property consists of the following:
- (i) approximately 0.8772 acres of land, as more particularly described as Parcel A on the Theater Parcel C Plat (the "Theater Parcel"). The "Theater Parcel" is improved with a single building (the "Theater Building"); and
- (ii) approximately 1.9345 acres of land, more particularly described as Parcel B on the Section C Plat (the "Section C Retail Parcel"); and
- (iii) approximately 0.5349 acres of land, as more particularly described as Parcel C on the Section C Plat (the "Gateway Plaza Parcel"); and
- (iv) approximately 0.2127 acres of land, more particularly described as Parcel D on the Section C Plat (the "Silver Plaza Parcel").
- B. Declarant is also the owner of a parcel of real property located adjacent to the Property and more particularly described as Parcel D, Block B, as per plat recorded at Plat Book 196 Plat 21283, among the Land Records of Montgomery County, Maryland, ("Ellsworth Drive"). The Property less and excepting the Theater Parcel is referred to in this Declaration as "Section C".
- C. Declarant has leased, or will lease, portions of the Theater Parcel and Theater Building to respectively, the American Film Institute ("AFI") and the Roundhouse Theater ("Roundhouse"). AFI, Roundhouse and any successors in interest to AFI and/or Roundhouse which shall own, occupy or become a tenant or licensee of the

Black Box License - Exhibit E – Declaration of Easements for Gateway Plaza

Theater Parcel and/or the Theater Building or portions thereof are referred to herein sometimes as the "Beneficiary(ies)".

- D. Immediately following the recordation of this Declaration, Declarant intends to enter into (i) a ground lease, (the "Ellsworth/Plaza Lease"), leasing the Gateway Plaza Parcel, Silver Plaza Parcel and Ellsworth Drive to PFA Silver Spring, LC ("PFA"), and (ii) a ground lease, (the "Section C Lease"), leasing Section C Retail Parcel to PFA-C Silver Spring, LC ("PFA-C"). PFA-C intends to redevelop Section C as part of a larger project know as the Downtown Silver Spring Project (as defined in the Section C Lease) and in accordance with a site plan approved by the applicable governmental authorities. PFA, PFA-C and any successors in interest to PFA and/or PFA-C's right, title and interest under the Section C Lease and/or Ellsworth/Plaza Lease as applicable and/or the holder of any fee interest in Section C, (other than Declarant) shall sometimes be referred to in this Declaration as an "Owner".
- E. Declarant desires to establish, for the benefit of the Property, (i) certain easements as depicted and numbered on the easement plat attached to and made a part of this Declaration as <u>Exhibit "A"</u> (collectively the "Easement Areas"), and (ii) certain additional Public Use Easements as more particularly defined hereinbelow.

NOW, THEREFORE, Declarant, for itself and its successors and assigns, hereby establishes and declares the following:

- 1. <u>Dock Easement (Number 10)</u>. Declarant hereby establishes and grants for the use and benefit of the Theater Building and the Beneficiaries, a perpetual non-exclusive easement, right and privilege on, over and across that portion of the Property described and depicted on <u>Exhibit "B"</u>, attached to and made a part of this Declaration (the "Loading Dock Easement Area") for purposes of access to and utilization of the loading dock to be constructed by Owner and located in the Loading Dock Easement Area, for purposes of the loading and unloading of supplies, equipment, sets and any other materials as may be necessary or desirable for the beneficial use and operation of the Theater Building, as reasonably determined by the Beneficiaries, and for no other uses or purposes.
- 2. <u>Communications Equipment Easement (Number 6)</u>. Declarant hereby establishes and grants for the use and benefit of the Theater Building and the Beneficiaries, a perpetual, non-exclusive subsurface easement, right and privilege under that portion of the Property described and depicted on <u>Exhibit "C"</u> (the "Communications Equipment Easement Area"), for purposes of laying, maintaining, operating, removing, repairing and replacing, one or more underground triaxial cabling communication systems and other appurtenances thereto, including without limitation fiber optic cabling and conduits (collectively the "Communications Equipment") as necessary or desired by the Beneficiaries in order to receive information, images and/or sound into or to transmit information, images and/or sound to and from any portions of the Theater Building.

- 3. Pedestrian Fire Exit/Service Access Easement (Number 4). Declarant hereby establishes and grants for the use and benefit of the Theater Building, Section C Retail Parcel, the Beneficiaries, Owner and their respective invitees, a non exclusive easement, right and privilege on, over and across that portion of the Property described and depicted on Exhibit "D" (the "Fire Exiting and Service Easement Area") for (i) emergency ingress and egress for pedestrians and emergency vehicles to and from the Theater Building in the event of fire or other emergency, and (ii) ingress and egress to and from the Theater Building.
- 4. Storm Drain Easement (Number 11). Declarant hereby establishes and grants for the use and benefit of the Property, the Theater Building, the Section C Retail Parcel the Owner and Beneficiaries, a perpetual, non-exclusive easement and right of passage on, through, over, under and across such portions of the Property as are described and depicted on Exhibit "E" (the "Storm Drain Easement Area"), for the connection, transmission, drainage, discharge, flow and necessary maintenance of storm water runoff from the Property including without limitation the Theater Building, through the private storm drain to be constructed by Owner and located in the Storm Drain Easement Area together with the right to transmit storm water drainage into the storm drainage system located in Ellsworth Drive. Storm water run-off from the Property may include storm water collected from other lots and parcels.
- 5. <u>Dumpster Pad Easement (Number 5)</u>. Declarant hereby establishes and grants for the use and benefit of the Theater Building and Beneficiaries, a perpetual, non-exclusive easement, right and privilege on, over and across that portion of the Property described and depicted on <u>Exhibit "F"</u> attached to and made a part of this Declaration (the "Dumpster Pad Easement Area"), to access, locate and utilize the dumpster pad to be constructed by Owner and located in the Dumpster Pad Easement Area, for purposes of placing, maintaining and using (a) closed trash and closed recycling receptacles and (b) after five (5) days' prior written notice to Owner, open construction dumpsters as reasonably necessary from time to time for disposal of set-breakdowns, but for no longer than three (3) business days. Each of (a) and (b) are to be used only in the operation of the business in the Theater Building and for no other uses or purposes.
- 6. <u>Public Use Easements</u>. Declarant hereby establishes and grants for the use and benefit of the general public, those certain easements and rights (collectively the "Public Use Easements") more particularly described below. Pursuant to the plans for the Downtown Silver Spring Project as approved by the applicable governmental authorities, the Public Use Easements have been designated and shall be deemed for all purposes of this Declaration to constitute Public Use Space as such term is defined in Section 59-A-2.1 of the Zoning Ordinance of Montgomery County, as the same may be amended from time to time. The Public Use Easements are described and depicted on Exhibit "H" attached to and made a part of this Declaration and shall consist of the following:
- (i) a perpetual non-exclusive easement and right of passage and use, free of charge; for pedestrian and vehicular ingress and egress on, over and

across the Gateway Plaza Parcel to and from the Downtown Silver Spring Project and adjacent public streets and ways; and

- (ii) a perpetual non-exclusive easement and right of passage and use, free of charge, for pedestrian ingress and egress on, over and across the Silver Plaza Parcel to and from the Downtown Silver Spring Project and adjacent public streets and ways; and
- (iii) a perpetual non-exclusive easement and right of passage and use, free of charge, for vehicular and pedestrian ingress and egress on, over and across Ellsworth Drive;
- (iv) a perpetual non-exclusive easement and right, free of charge, for the benefit of the Silver Plaza Parcel and the Gateway Plaza Parcel, to hook up and connect the amenities to be constructed by Owner on the Silver Plaza Parcel and the Gateway Plaza Parcel to the utility service to be installed on the Section C Retail Parcel, including, without limitation, water and electric service; and
- (v) a perpetual, non exclusive easement and right of way for the benefit of the general public, on, over and across that portion of the Property described and depicted on Exhibit "G" attached to and made a part of this Declaration, (the "Breezeway Easement Area") for pedestrian ingress and egress between the Downtown Silver Spring Project and adjacent public streets and ways. Subject to the aforesaid easement, the Breezeway Easement Area shall be deemed part of the leased premises under the Section C Lease. The foregoing notwithstanding, Declarant agrees that Owner, for reasonable security concerns and after consultation with (but not consent by) AFI, may enclose the Breezeway Easement Area as a corridor, but shall not include the Breezeway Easement Area in private retail use. In the event that Owner encloses or gates the Breezeway Easement Area, Roundhouse and AFI shall be permitted to open the Breezeway Easement Area at both ends for one hour before an event at AFI or Roundhouse and one hour after the event. Roundhouse or AFI, as applicable, will be responsible for providing security as they deem necessary for their patrons under such circumstances.

The foregoing notwithstanding, during the term of Ellsworth/Plaza Lease, the Public Use Easements are and shall be expressly subject to the rights of Declarant and Owner described on Exhibit "G" attached to and made a part of the Ellsworth/Plaza Lease; a copy of which is attached to and made a part of this Declaration as Exhibit "H-1".

7. P.U.E. and W.S.S.C. Easement (Number 17). Declarant hereby establishes and grants for the use and benefit of the Property, the Theater Building, Section C, the Downtown Silver Spring Project, Owner and Beneficiaries, a perpetual, non-exclusive easement and right of way, on, over and across those portions of the Property and all of Ellsworth Drive as more particularly described and depicted respectively on Exhibits "T" and "I-1" attached to and made a part of this Declaration, (the "Public Utility Easement Areas") for purposes of installing, constructing, reconstructing, maintaining, operating, inspecting, repairing, utilizing, relocating and replacing any and all private and public utilities and appurtenances, including, without

limitation, sanitary sewer, water, gas, electricity, cable television, telephone, storm drains, sediment controls, sediment separators and filters, roof drainage, parking structure wash drainage, and all other storm water management, storm water detention and control and water quality facilities ("Utilities") now or hereafter located within the Public Utility Easement Areas, or any part thereof, including those water and electric lines to provide service to the trees located adjacent to Ellsworth Drive within the Public Utility Easement Areas, together with reasonable rights of ingress and egress on, over, across, through and under the Property for any of the foregoing purposes, provided that Owner shall obtain the prior consent of Declarant, such consent not to be unreasonably withheld, conditioned or delayed, prior to locating or relocating any Utilities on Ellsworth Drive subsequent to those Utilities installed in connection with the construction of the initial improvements on the Section C Parcel. The Public Utility Easement Areas together with the public utility easements as shown on the Section C Plat ("Section C Plat PUE") are hereby made expressly subject to the terms and conditions of the Public Utility Easement Agreement recorded at Liber 3834, Folio 457 among the Land Records of Montgomery County, Maryland; provided, however, that no Section C PUE shall be deemed to exist at any place where a Section C PUE occupies the same space as an "Existing Building Façade Easement" exists, the location and terms of such Existing Building Façade Easement to be set forth in a separate document intended to be recorded shortly after the Declaration of Easements.

- 8. Theater Building Maintenance Easement. Declarant hereby establishes and grants for the use and benefit of the Theater Building and the Beneficiaries a perpetual, non-exclusive easement, right and privilege on, over and across that portion of the Property located in the area shown on Exhibit "J" attached to this Declaration (the "Theater Building Maintenance Easement Area"), for the purposes of pedestrian and vehicular access to the Theater Building in order to perform necessary maintenance and repair of the Theater Building.
- 9. <u>Electric Easement (19)</u>. Declarant hereby establishes and grants for the use and benefit of the Theater Builing, Section C Retail Parcel, the Beneficiaries and Owners a perpetual, non-exclusive easement, right and privilege on, over and across that portion of the Property described and depicted on <u>Exhibit "K"</u> (the "Electric Vault Easement Area") for the purpose of access, use, maintenance and service of the electric vaults located under the Electric Vault Easement Area, together with reasonable rights of ingress and egress on, over, across, through and under the Electric Vault Easement Area for the foregoing purposes.
- 10. Temporary Gas Easement. Declarant hereby establishes and grants for the use and benefit of the the Theater Building and Beneficiaries a temporary, non-exclusive easement and right of way, on, over and across that portion of the Property located in the southerly portion of the Pedestrian Fire Exit/Service Easement Area more particularly described on Exhibit "A-4" and depicted on Exhibit "B-4" (the "Temporary Gas Easement Area"), for purposes of installing, constructing, maintaining, operating, repairing and utilizing a temporary gas line within the Temporary Gas Easement Area, together with reasonable rights of ingress and egress on, over, across, through and under

the Temporary Gas Easement Area for the foregoing purposes. The easement contained in this Section 10 shall automatically terminate upon the completion of the construction of the Theater Building, as evidenced by the issuance of a certificate of use and occupancy for the Theater Building.

11. <u>Internet Access</u>. Declarant hereby establishes and grants for the use and benefit of the Theater Building and the Beneficiares a perpetual, non-exclusive right and privilege to use the air space located over the Section C Parcel for the purposes of locating, accessing and utilizing a wireless internet connection between the building located at 1010 Wayne Avenue, Silver Spring, Maryland and the Theater Building; provided, however, that the Owner of the Section C Parcel shall not be responsible for interference with or disruption to such wireless internet connection to the Theater Building which results from any cause other than use of any improvements on Section C of the Downtown Silver Spring Project in contravention of the site plan for the Downtown Silver Spring Project, as same may be amended.

#### 12. Relocation of Easements.

- (A) Each of Declarant and Owner shall have the right in its sole but reasonable discretion to relocate any Easement Area and any related Utility facilities and related equipment within the Easement Area ("Utility Facilities"), provided that:
- (i) the party requesting the relocation ("Requesting Party") shall give to the other and Beneficiaries at least one hundred eighty (180) days prior written notice of its intention to relocate the Easement Area and related Utility Facilities;
- (ii) the Requesting Party shall obtain, at its sole cost and expense, all necessary governmental and Utility company approvals prior to relocating the Easement Area and related Utility Facilities;
- (iii) relocation of the Easement Area, all improvements thereon and all related Utility Facilities shall be performed at the sole cost and expense of the the Requesting Party in a good, safe and workmanlike manner, in accordance with sound engineering practices and in compliance with all applicable laws, rules, orders, regulations, ordinances and governmental requirements;
- (iv) relocation of the Easement Area and related Utility Facilities shall not unreasonably interfere with the provision of any Utility service to the Theater Parcel or otherwise impair the use and enjoyment of the Theater Parcel; and
- (v) Declarant and Owner shall grant a replacement easement for the same purpose and upon the same terms and conditions as were applicable to the original easement and in a manner such that the replacement easement shall be fully insurable by a reputable title insurer as an appurtenance to the Property to the same extent as the original easement.
- (B) The non-Requesting Party and Beneficiary shall join in and support all applications for approvals from any applicable governmental authorities of Utility companies as may be required in connection with the relocation of an Easement Area,

provided that if the Requesting Owner is Owner, Owner shall have complied with all of its respective obligations pursuant to this Section 12.

### 13. Rights of the Parties.

- (A) Owner shall, at all times and from time to time during the term of this Declaration, have the right to (i) construct and maintain on the Section C Retail Parcel, including on any of the Easement Areas granted herein, such footings and foundations, paving, plaza areas, seating and landscaping, and to install Utilities as are necessary or convenient for the improvements to be developed on the Section C Retail Parcel, provided that such guidelines and regulations shall not interfere with Beneficiary's use of the easements granted in Sections 1, 2, 3, 4, 5, 8, 9 and 10 above for the purposes set forth therein, and (ii) establish reasonable guidelines and regulations governing the use of the Easement Areas established under paragraphs 1 and 5 of this Declaration, provided that such guidelines and regulations shall not interfere with Beneficiary's use of the easements granted in Sections 1, 2, 3, 4, 5, 8, 9 and 10 above for the purposes set forth therein.
- (B) Upon not less than fifteen (15) days prior written notice to Declarant and Owner (except in the event of emergency in which case notice shall be reasonable under the circumstances) and subject to the other terms and conditions of this Declaration, Declarant, or an agent or contractor acting with permission of Declarant, and the Beneficiaries shall have the right to enter onto the Public Utility Easement Areas for the purposes described in Section 7 of this Declaration, provided, however, that the Beneficiaries and/or Declarant, whichever shall perform such work, shall restore, as nearly as possible, all property disturbed to its original condition including, but not limited to, the replacement of paving, the replacement of landscaping (i.e., trees and shrubs) and the reseeding of green areas.
- (C) Owner at its cost and expense shall be solely responsible for maintenance and repair of the easements described in paragraphs 1, 3, 4, 5, 6 and 7 above in a neat, clean, sightly and orderly condition, free from unreasonable odor, and in accordance with all applicable codes, ordinances, and other requirements promulgated by applicable governmental authorities.
- 14. <u>Indemnification</u>. Beneficiary ("Indemnifying Party") shall indemnify and hold harmless Declarant and Owner ("Indemnified Party") from and against any and all cost, loss, damage, expense, including reasonable attorneys' fees and costs, incurred by the Indemnified Party and property damage and injury or death to person resulting from (i) damage by the Indemnifying Party, its employees, agents, contractors, invitees, licensees, successors or assigns, to the improvements to the Easement Areas set forth herein, (ii) loss, cost or damage caused by any use of any easement by the Indemnifying Party its employees, agents, contractors, successors or assigns, and (iii) caused by the negligence or willful acts of the Indemnifying Party or its employees, agents, contractors, successors or assigns. For purposes of this Section 14, the defined term "Beneficiary" shall not include Montgomery County, Maryland.

#### 15. Insurance.

Declarant shall cause Beneficiary to at all times maintain the insurance required under the lease dated November 27, 2001 between Declarant and AFI, and Declarant shall use commercially reasonable efforts to cause Beneficiary to maintain at all times the following insurance:

(A) General comprehensive public liability insurance ("Liability Insurance") against liability for bodily injury and death and property damage, such Liability Insurance to be in an amount not less than One Million Dollars (\$1,000,000.00) for liability for bodily injury, death and property damage arising from any one occurrence and Two Million Dollars (\$2,000,000.00) from the aggregate of all occurrences within each policy year, shall include the Easement Areas and shall contain blanket contractual coverage.

### (B) <u>Certificate Requirements</u>.

All of the above-prescribed insurance shall (a) be procured from financially sound and reputable insurers qualified to transact an insurance business in the State of Maryland and have an A.M. Best rating of at least "A-X", (b) be in such form and with such provisions as are generally considered standard provisions for the type of insurance involved, and (c) be evidenced by certificates of insurance delivered to the Declarant upon the issuance of any policies (and subsequent changes in such policies).

### (C) Additional Insured - Notice of Cancellation.

All policies of liability insurance described herein shall name the Declarant and Owner and any mortgagee of Owner as additional insureds and shall not be cancelled, modified or terminated upon less than sixty (60) days prior written notice to Declarant and Owner. The liability coverage shall further expressly provide for contractual liability coverage associated with the Beneficiary's indemnification obligations under this Declaration.

### (D) <u>Insurance Does Not Waive Obligations.</u>

No acceptance or approval of any insurance agreement or agreements shall (a) relieve or release or be construed to relieve or release the Beneficiaries or other person from any liability, duty, or obligation assumed by, or imposed upon it, or, (b) impose any obligation upon the additional insured(s)/loss payees.

16. <u>No Dedication</u>. Nothing contained in this Declaration shall be deemed to constitute a gift, grant or dedication of any portion of the Property, it being the intention of Declarant that this Declaration shall be strictly limited to the uses expressly set forth in this Declaration. This Declaration is not intended to constitute any person or entity that is not Declarant, Owner or Beneficiary as a third party beneficiary hereunder or to give any such person or entity any rights hereunder.

### 17. <u>Duration of Obligation; Limitation of Liability.</u>

- (A) The obligations of any entity or individual hereunder shall apply only with respect to the period of time during which such entity or individual is an Owner. If any entity or individual ceases to be an Owner, the obligations thereafter accruing hereunder (but not accrued and unperformed obligations) shall be the obligations of such Owner's successor-in-interest.
- (B) Notwithstanding any provision to the contrary contained herein, if Owner, Declarant, Beneficiary or any successor-in-interest of Owner, Declarant or Beneficiary or any mortgagee shall be an individual or entity (including without limitation, a joint venture, tenancy in common, corporation, trust, general partnership, limited partnership or limited liability company), it is specifically understood and agreed that there shall be absolutely no personal liability on the part of such individual or entity, or on the part of the stockholders, members, partners, officers or directors of any such individual or entity, with respect to any of the terms, covenants and conditions contained herein, and that any party claiming hereunder shall look solely to the equity of Owner, Declarant, Beneficiary or their respective successors-in-interest in the Property or any Parcel, whichever is applicable, for the satisfaction of each and every remedy of any such claiming party in the event of any breach by Owner or by its successor-in-interest, of any of the terms, covenants and conditions contained herein, and such exculpation of personal liability shall be absolute and without any exception whatsoever.
- Declarant's or any Owner's ("Requesting Party") request therefor, Declarant or the other Owners, as applicable, (each a "Responding Party") shall join in the recording of, and execute consents and approvals with respect to, easements and other instruments that may be reasonably required from time to time with respect to any improvement, alteration, use, development, operation, maintenance, repair or replacement of the Requesting Party's Property; provided however, that no Responding Party shall be required to perform the obligations set forth in this Section 18 in any particular instance if such Responding Party reasonably determines in good faith that the performance of such obligations in such particular instance would materially adversely affect such Responding Party's Property or would materially adversely affect such Responding Party's use and enjoyment of its Property. The Requesting Party shall be solely responsible for all of the costs and expenses of preparing and recording the any of the foregoing instruments.

### 19. Waivers, Consents and Amendments; Remedies Cumulative.

- (A) No modification or amendment of, nor any waiver or consent with respect to, this Declaration or any provision hereof shall be binding unless made in writing and signed by all of Declarant, Owner and Beneficiary.
- (B) All rights, privileges and remedies provided hereunder shall be deemed cumulative and the exercise of any such right, privilege or remedy shall not be deemed to be a waiver of any other right, privilege or remedy provided herein or otherwise available at law or in equity, except as expressly limited herein.

20. <u>Notice</u>. All notices and other communications hereunder shall be in writing and shall be deemed duly given if personally delivered with a signed receipt therefor, or mailed by certified mail, return receipt requested, postage prepaid, or telecopied or delivered by an overnight delivery service with acknowledgment of receipt thereof,

if to the Declarant, to:

Montgomery County Government
Office of the County Executive
101 Monroe Street, Second Floor
Rockville, Maryland 20850
Attention: Chief Administrative Officer

with a copy to:

Montgomery County Government
Silver Spring Redevelopment Program
962 Wayne Avenue
Silver Spring, Maryland 20910
Attention: Director, Silver Spring Redevelopment Program

with copy to:

Montgomery County Government
Department of Public Works and Transportation
101 Orchard Ridge Drive, Suite 200
Gaithersburg, Maryland 20878
Attention: Director

with copy to:

Montgomery County Government Office of the County Attorney 101 Monroe Street, Third Floor Rockville, Maryland 20850 Attention: County Attorney

with copy to:

Montgomery County Office of Leasing Management Department of Public Works and Transportation 110 North Washington Street Rockville, Maryland 20850

if to PFA or PFA-C, to:

PFA-C SILVER SPRING LC c/o Foulger Pratt Companies 9600 Blackwell Road, Suite 200 Rockville, Maryland 20850 Attention: Clayton F. Foulger Richard Perlmutter

with a copy to:

Richard M. Zeidman, Esquire Linowes and Blocher LLP 1010 Wayne Avenue Silver Spring, Maryland 20910

with a copy to:

The Peterson Companies L. C. 12500 Fair Lakes Circle Suite 400 Fairfax, Virginia 22033 Attention: General Counsel-Retail

and if to any Owner or its successor-in-interest or assignee or Mortgagee, to such address as shall be designated by such Owner by written notice in accordance with this Section 26.

- 21. <u>Corrections</u>. Declarant, Owner and the Beneficiaries agree to reasonably cooperate with one another in order to make any necessary technical corrections to the exhibits attched to this Declaration.
- 22. <u>Severability</u>. The provisions contained in this Declaration are severable and the invalidity of one or more of the provisions hereof shall not affect the validity or enforceability of any other provision.
- 23. Governing Law. This Declaration shall be governed, construed and enforced in accordance with the laws of the State of Maryland without regard to the effect of contrary conflict of law principles.
- 24. <u>Number and Gender</u>. Whenever appropriate herein, the singular includes the plural and the plural includes the singular, and the masculine gender includes the feminine gender and the neuter gender.
- 25. <u>Survival</u>. Any provision of this Declaration which, by its terms, may require performance subsequent to closing and delivery of any deed pertaining to the Property, shall survive such closing and delivery.

- 26. <u>Binding Nature of Covenants</u>. The terms, conditions and provisions contained herein shall be deemed covenants running with the land and, except as otherwise specifically set forth herein, shall be jointly and severally binding upon and inure to the benefit of the respective successors, transferees and assigns of the Declarant, Owner, and Beneficiaries.
- 27. <u>Captions and Headings</u>. The captions and headings contained in this Declaration are included for convenience of reference only, shall not be considered a part hereof, and are not intended in any way to limit or enlarge the terms hereof; nor shall they affect the meaning or interpretation of this Declaration.
- 28. <u>Recitals and Exhibits</u>. Each of the Recitals contained herein and each of the Exhibits attached hereto are made a part hereof as if fully set forth herein.
- 29. <u>Relationship of Parties</u>. Nothing contained herein shall be construed in any manner so as to create any relationship between Declarant, Owner and Beneficiaries other than the relationship of abutting landowners and parties in interest, and the Owners shall not be considered partners or co-venturers for any purpose whatsoever.
- 30. <u>Non-Merger</u>. Notwithstanding the fact that the Property is or hereafter may be owned by the same entity, the easements and rights herein granted and the covenants hereby imposed upon the Property shall not be deemed to be extinguished by merger or otherwise, and except as otherwise specifically provided herein, the same shall be perpetual and may not be extinguished except by a declaration duly executed by all Owners who, at the time thereof, own an interest in any portion of the Property (as owner, ground lessee, Mortgagee or lienor), which declaration shall be recorded among the Land Records of Montgomery County, Maryland.
- Beneficiaries to execute, acknowledge and deliver to Owner, and to use good faith eoffrts to cause Beneficiaries to execute, acknowledge and deliver to Owner, and to use good faith eoffrts to cause Beneficiaries to execute, acknowledge and deliver to Owner, a statement in writing certifying (i) that this Declaration is unmodified and in full force and effect or (ii) if there shall have been any modification hereof, the nature of such modifications and that this Declaration, as modified, is in full force and effect; (iii) whether or not to the best knowledge of Declarant or Beneficiary in default in the performance of any covenant, agreement or condition contained in this Declaration and, if so, specifying each such default; and (iv) such other factual matters arising under this Declaration as such Owner or its mortgagee may reasonably request.
- 32. <u>Division of Ownership</u>. No division of ownership of the Property, by subdivision or other means, and no change in ownership interest of any of the Declarant, Owner or Beneficiary shall affect or modify the easements, rights, covenants and agreements granted hereunder.

33. <u>Counterparts</u>. This Declaration may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

### **DECLARANT:**

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

Dyn

Douglas M. Duncan, County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. Schwartz Jones

Associate County Attorney

STATE OF

\*

COUNTY OF Mince George &

to wit

I HEREBY CERTIFY that on this 5 day of replace 2002, before me, the subscriber, a Notary Public of the jurisdiction aforesaid, personally appeared Develos M. Duncay who acknowledged himself to be County Executive of Montgomery County, Maryland, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same on behalf of Montgomery County, Maryland, as DECLARANT, for the purposes contained therein.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires:\_\_

9-15-0

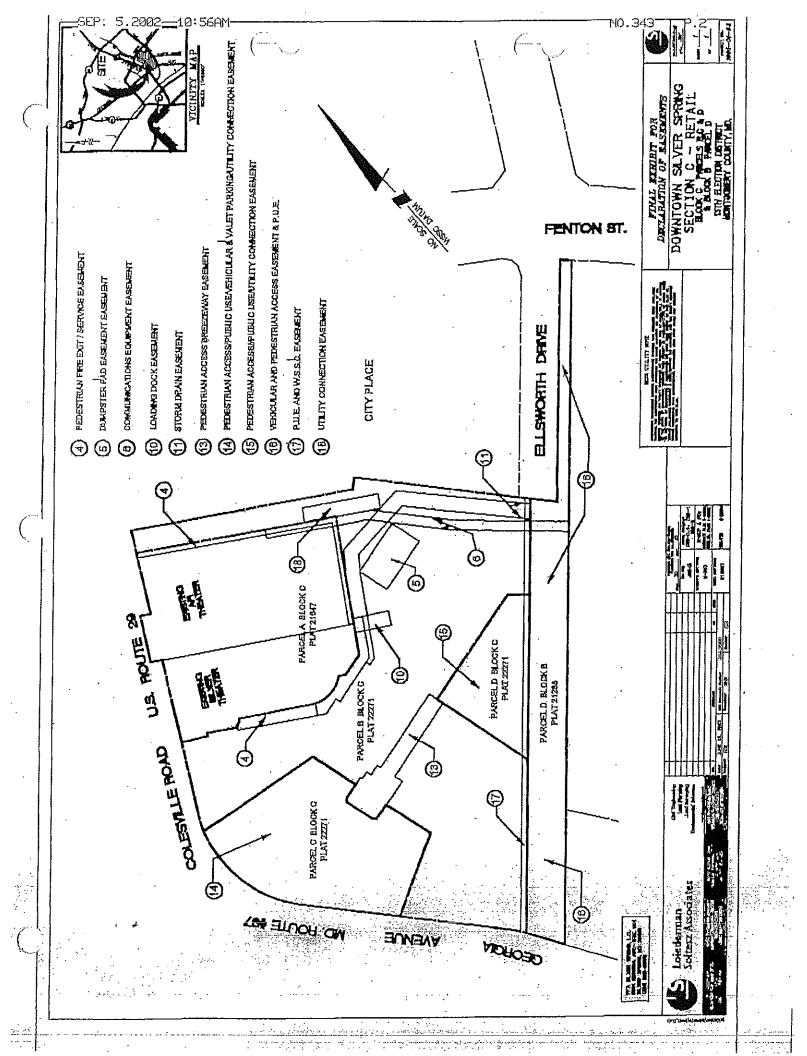
### INFORMATION FOR RECORDING PURPOSES ONLY

Parcel ID Number:	•
Record Legal Description:	
Street Address:	•
Declarant:	
Grantee	

Exhibit "A"

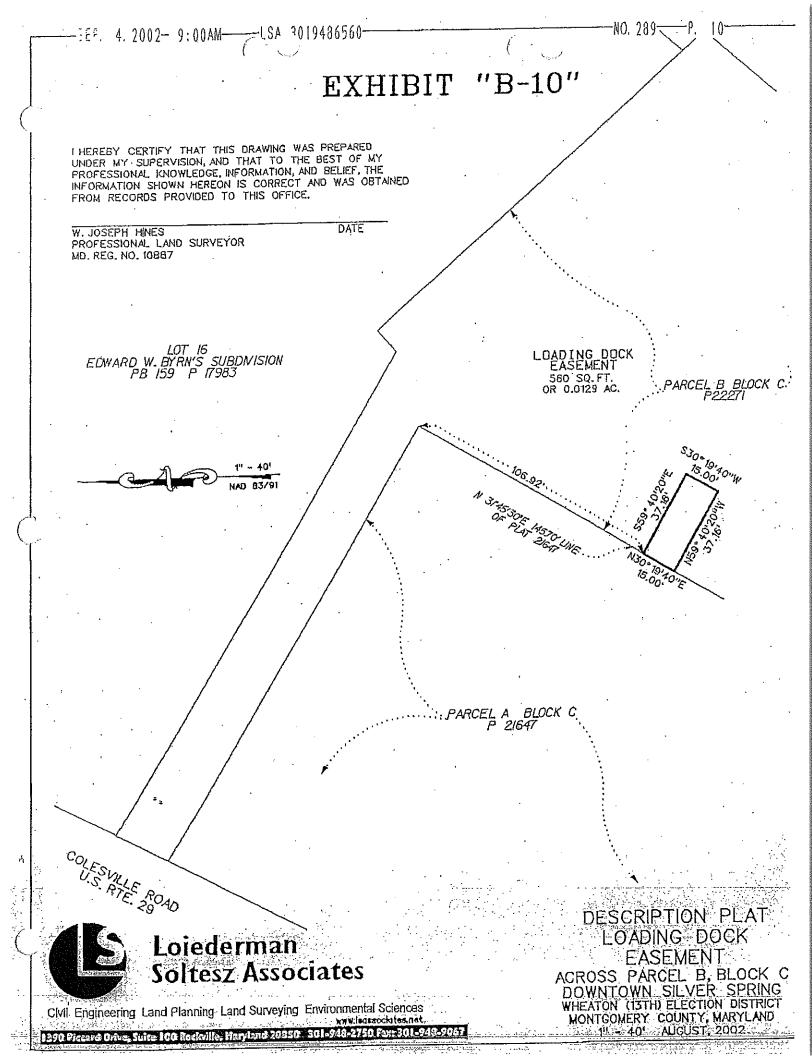
(Easement Plat)

IMANAGE:296507 v.6 05500,0163 Curr: 09/04/02 05:03pm Orio: 9/4/02 4:44:52 PM Ed: 9/4/02



## DESCRIPTION OF A LOADING DOCK EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 560 square feet or 0.0129 acres as shown on Exhibit B-10 attached hereto and made a part hereof.



## DESCRIPTION OF A COMMUNICATIONS EQUIPMENT EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel D, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels A through D, Block B, Downtown Silver Spring" and recorded among said Land Records as Plat No. 21283, and part of Parcel A, Block C, as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcel A, Block C, Downtown Silver Spring" and recorded among said Land Records as Plat No. 21647, and part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 3,029 square feet or 0.0695 acres as shown on Exhibit B-6 attached hereto and made a part hereof.

N 40° 55'00"W

### EXHIBIT "B-6"

I HEREBY CERTIFY THAT THIS DRAWING WAS PREPARED UNDER MY SUPERVISION, AND THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE INFORMATION SHOWN HEREON IS CORRECT AND WAS OBTAINED FROM RECORDS PROVIDED TO THIS OFFICE.

W. JOSEPH HINES PROFESSIONAL LAND SURVEYOR MD. REG. NO. 10887

> LOT 16 EDWARD W. BYRN'S SUBDIVISION PB 159 P 17983

1" - 40' NAD 83/91

COMMUNICATIONS
... EQUIPMENT
EASEMENT
3.029 SOLET

3,029 SQ.FT. OR 0.0695 AC.

PARCEL B BLOCK C P 22271

PARCEL A BLOCK C

TAS JOW HIS JOUNE OF PLAY

DATE

N 31° 45'30"E 8.83'



Loiederman Soltesz Associates

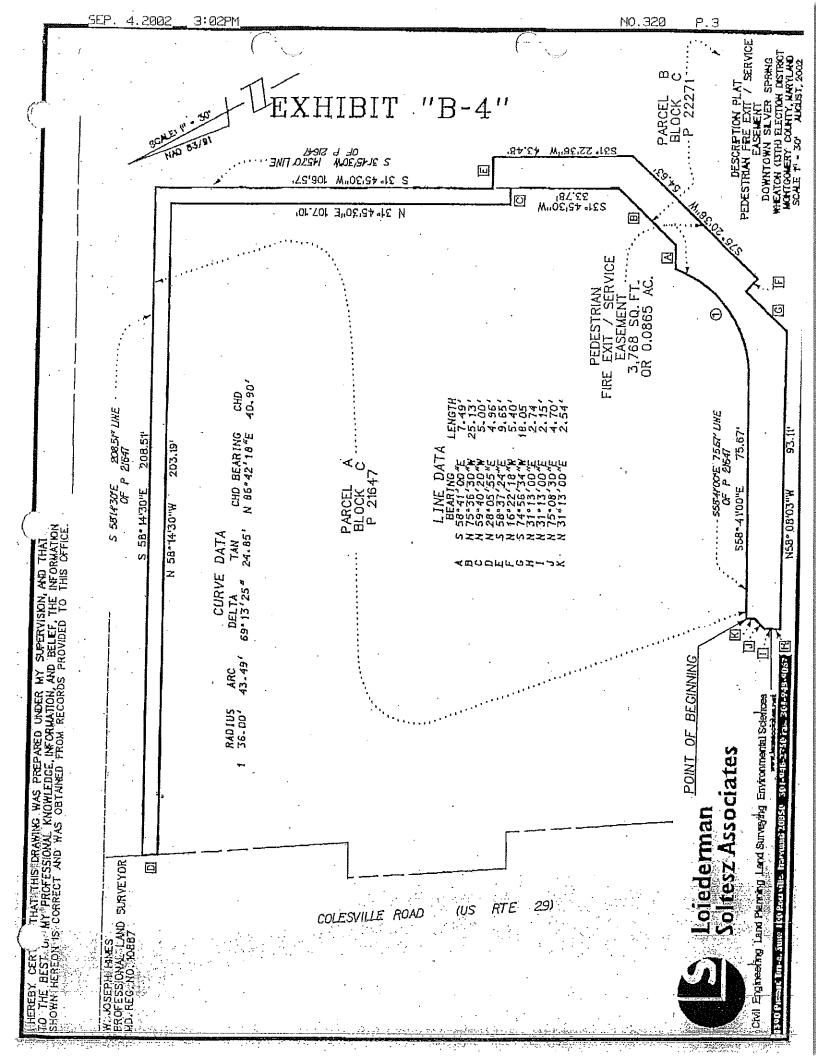
Civil Engineering Land Planning Land Surveying Environmental Sciences

DESCRIPTION PLAT
COMMUNICATIONS EQUIPMENT
EASEMENT

DOWNTOWN SILVER SPRING WHEATON (13TH) ELECTION DISTRICT MONTGOMERY COUNTY, MARYLAND

## DESCRIPTION OF A PEDESTRIAN FIRE EXIT / SERVICE EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel A, Block C, as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcel A, Block C, Downtown Silver Spring" and recorded among said Land Records as Plat No. 21647, and part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 3,768 square feet or 0.0865 acres as shown on Exhibit B-4 attached hereto and made a part hereof.

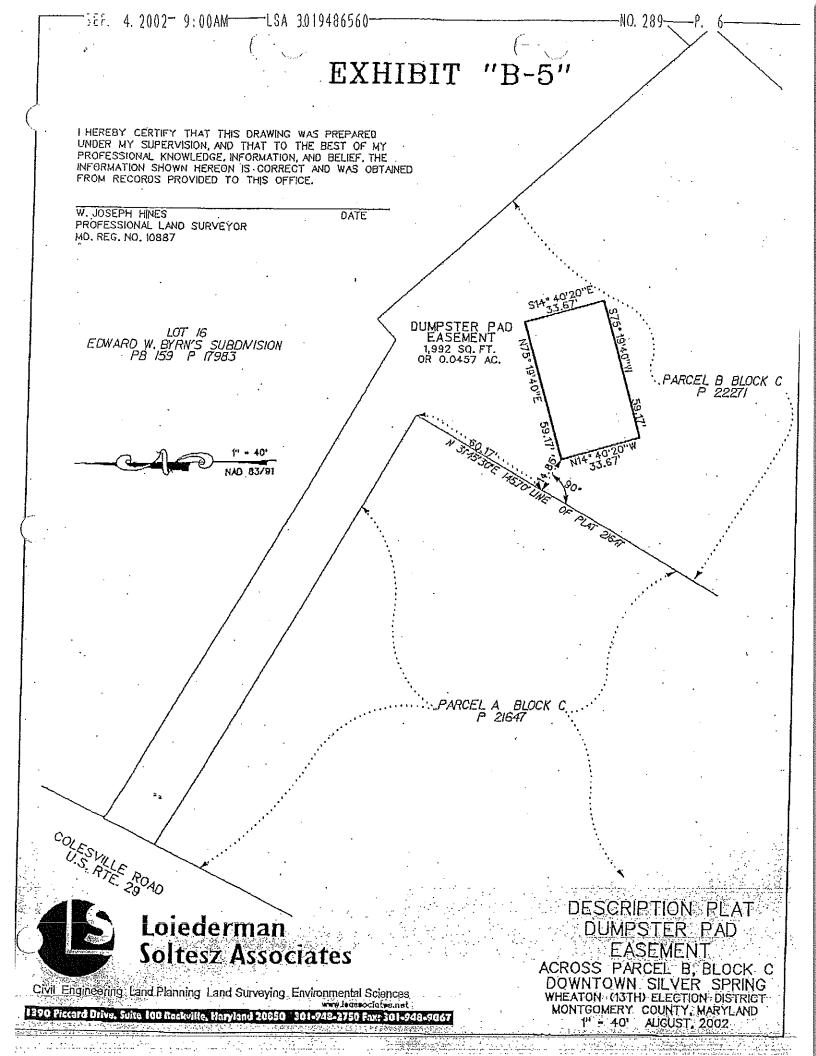


## DESCRIPTION OF A STORM DRAIN EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 5,675 square feet or 0.1303 acres as shown on Exhibit B-11 attached hereto and made a part hereof.

## DESCRIPTION OF A DUMPSTER PAD EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 1,992 square feet or 0.0457 acres as shown on Exhibit B-5 attached hereto and made a part hereof.



### DESCRIPTION OF A PEDESTRIAN ACCESS / BREEZEWAY EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 3,241 square feet or 0,0744 acres as shown on Exhibit B-13 attached hereto and made a part hereof.

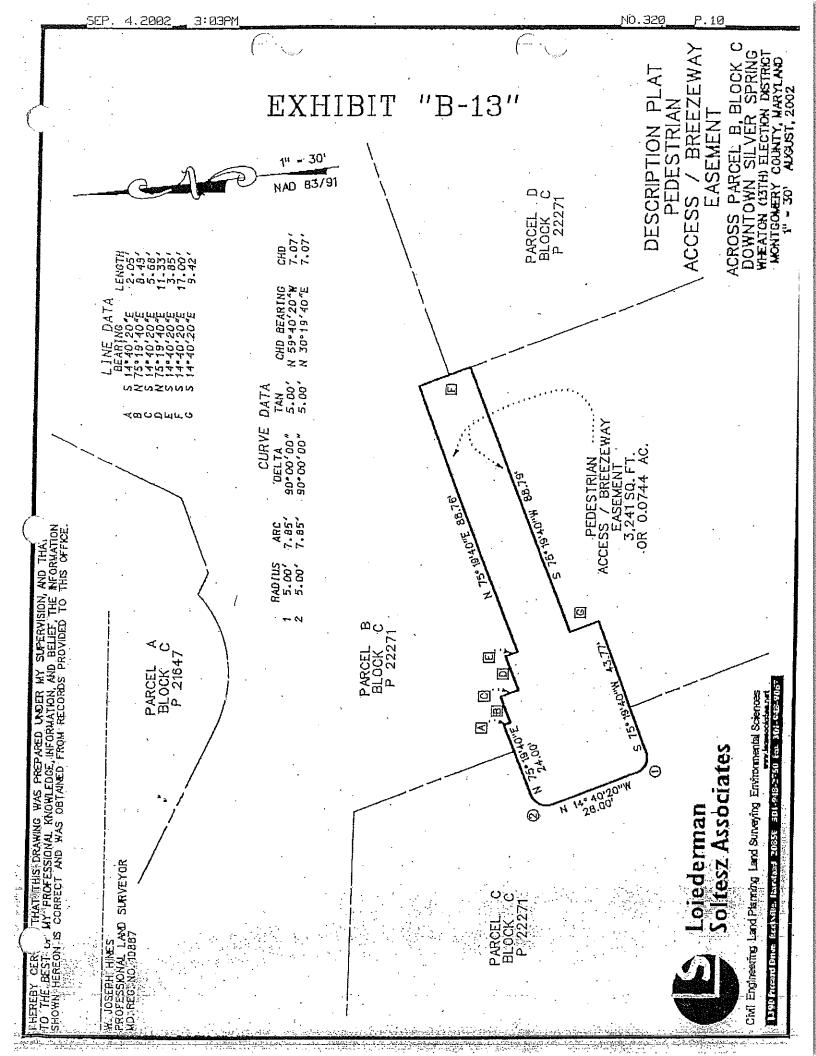
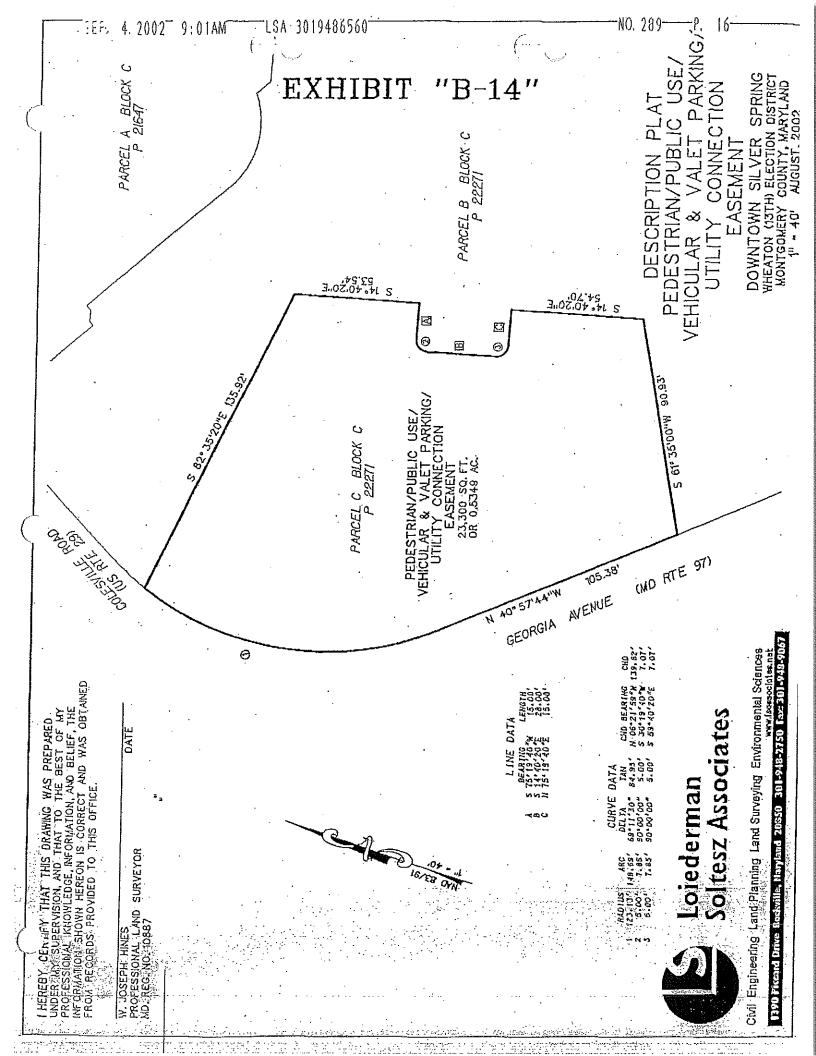


Exhibit "H"

(Public Use Easements)

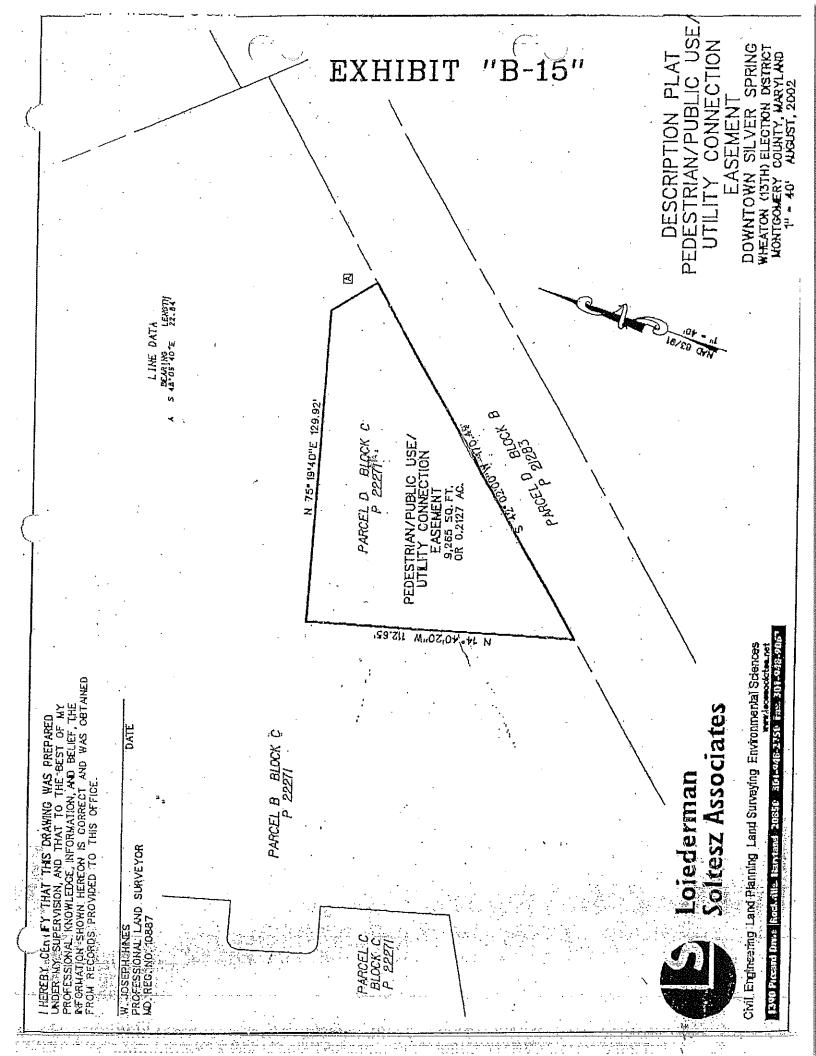
# DESCRIPTION OF A PEDESTRIAN / PUBLIC USE / VEHICULAR & VALET PARKING / UTILITY CONNECTION EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being all of Parcel C, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 23,300 square feet or 0.5349 acres as shown on Exhibit B-14 attached hereto and made a part hereof,



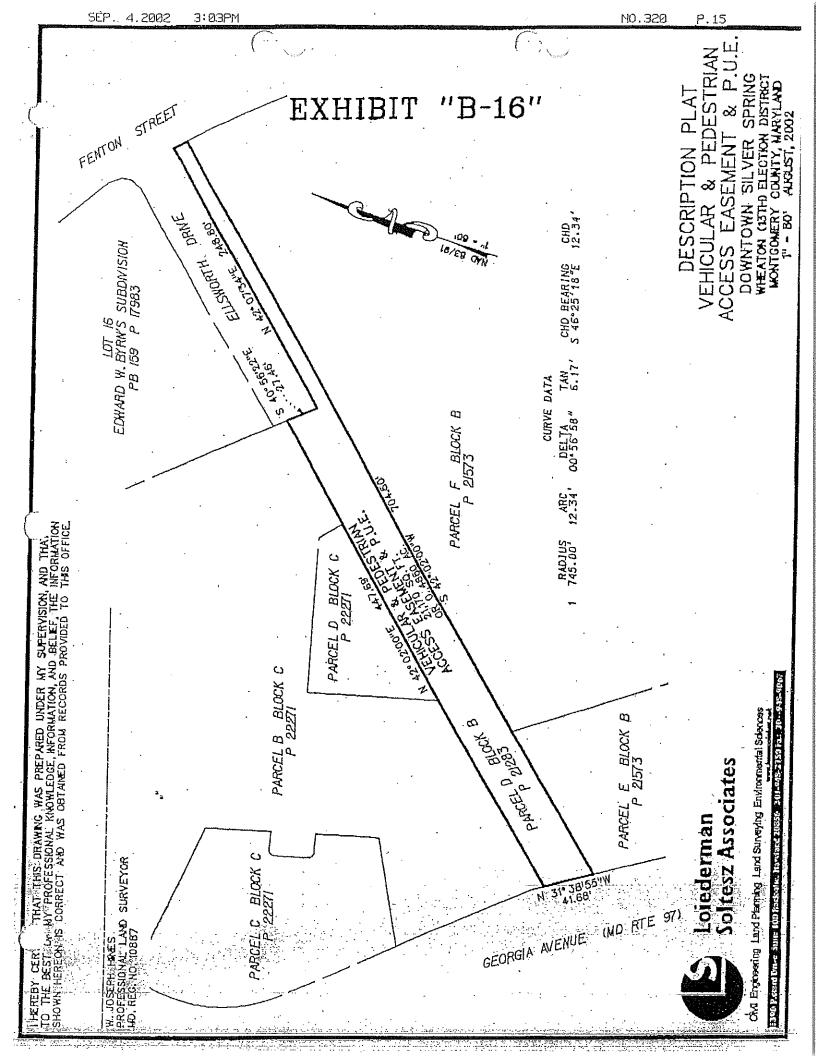
## DESCRIPTION OF A PEDESTRIAN / PUBLIC USE / UTILITY CONNECTION EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Blection District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being all of Parcel D, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 9,265 square feet or 0.2127 acres as shown on Exhibit B-15 attached hereto and made a part hereof.



### DESCRIPTION OF A VEHICULAR & PEDESTRIAN ACCESS EASEMENT & P.U.E.

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said engament area also being all of Parcel D, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels A Through D, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21283, said easement area containing 21,170 square feet or 0.4860 acres as shown on Exhibit B-16 attached hereto and made a part hereof.



### EXHIBIT G

### List of Use Restrictions/Items Applicable to Particular Premises

A. The Landlord has the right up to four (4) times per year to close one or more of Interior Ellsworth Drive (which right shall not apply during the period of December 3 and 24 in any year, except as expressly provided below), Gateway Plaza and Silver Plaza for public festivals, provided that (i) at no time shall public drop-off and valet service be closed on Gateway Plaza without the express consent of Tenant, or its Affiliate leasing Section C, and (ii) no such closure shall restrict vehicular ingress and egress between Georgia Avenue and Interior Ellsworth Drive or into or out of the Wayne Avenue Garage. The Landlord agrees to exercise this right in a commercially reasonable manner and the Tenant agrees to reasonably cooperate with the Landlord or its Affiliates to facilitate such festivals in a manner that does not unreasonably, adversely impact the tenants in Sections B or C. Landlord hereby agrees, and covenants to (i) clean up and remove all rubbish, trash and debris resulting from such public festivals and/or holiday parade; (ii) promptly repair any and all damage to the Project caused thereby; and (iii) procure and maintain liability insurance under a "special events policy". Prior to any such event, Landlord shall deliver to Tenant an insurance certificate evidencing such coverage and naming Tenant and Mortgagee as additional insureds thereunder. Notwithstanding the restrictions on closure between December 3 and 24th, as set forth above, as one of its four (4) closures, each calendar year Landlord shall have a one time right to conduct a holiday parade between December 3<sup>rd</sup> and December 24<sup>th</sup>, provided that (X) such parade to last not longer than 4 hours, and (Y) Landlord shall provide at least 45 days prior written notice of the date and time of such holiday parade.

B. The Tenant may close Ellsworth Drive, Gateway Plaza and Silver Plaza to public vehicular access from time to time, provided that (i) at no time shall public drop-off and valet service be closed on Gateway Plaza without the Landlord's and the American Film Institute's express consent, not to be unreasonably withheld or delayed. Further, the Tenant may only close Ellsworth Drive, Gateway Plaza and Silver Plaza to public vehicular access after coordinating with the Landlord to ensure that the Landlord does not have any programs planned with which such closures would unreasonably conflict, and (ii) no such closure shall restrict vehicular ingress and egress between Georgia Avenue and Interior Ellsworth Drive or into or out of the Wayne Avenue Garage.

C. The foregoing notwithstanding, during such periods of time Interior Ellsworth Drive, the Gateway Plaza and or Silver Plaza may be closed by Tenant, as more particularly set forth above, Tenant shall have the right to locate kiosks, booths and permit pushcart, vendor sales and general retail activity in the Gateway Plaza, Silver Plaza and Interior Ellsworth Drive. At all other times, such retail activities shall not be

Exhibit G

List of Use Restrictions/Items Applicable to Particular Premises

permitted on Interior Ellsworth Drive nor shall it cover in excess of twenty percent (20%) of either of the Silver Plaza Premises or Gateway Plaza Premises. No other use may be made of the Leased Premises without Landlord's prior written approval.

D. Tenant or an Affiliate shall have the exclusive right to cause to be operated at reasonable market rates, terms and conditions, a valet parking service in the Gateway Plaza for the benefit of the Downtown Silver Spring Project including patrons of the AFI and Round House Theater. In the event such valet parking service is not being provided by Tenant or its Affiliate at the times needed by AFI or Round House, or similar occupant of the Silver Theatre and Annex Addition, the Landlord, AFI, and/or Round House (or similar occupant of the Silver Theatre and Annex Addition) shall be entitled to provide such service for their own benefit on a non-exclusive basis. If the Landlord, AFI or Round House, or other similar occupant of the Silver Theatre and Annex Addition provides such valet parking service at the Gateway Plaza, they may, at their respective sole discretion, provide such service during such periods to the entire Downtown Silver Spring Project, at reasonable market rates, terms and conditions. If AFI, Round House Theater or a similar occupant of the Silver Theatre and Annex Addition is providing such service, it shall be subject to customary insurance and reasonable indemnification requirements of Tenant or its Affiliate.

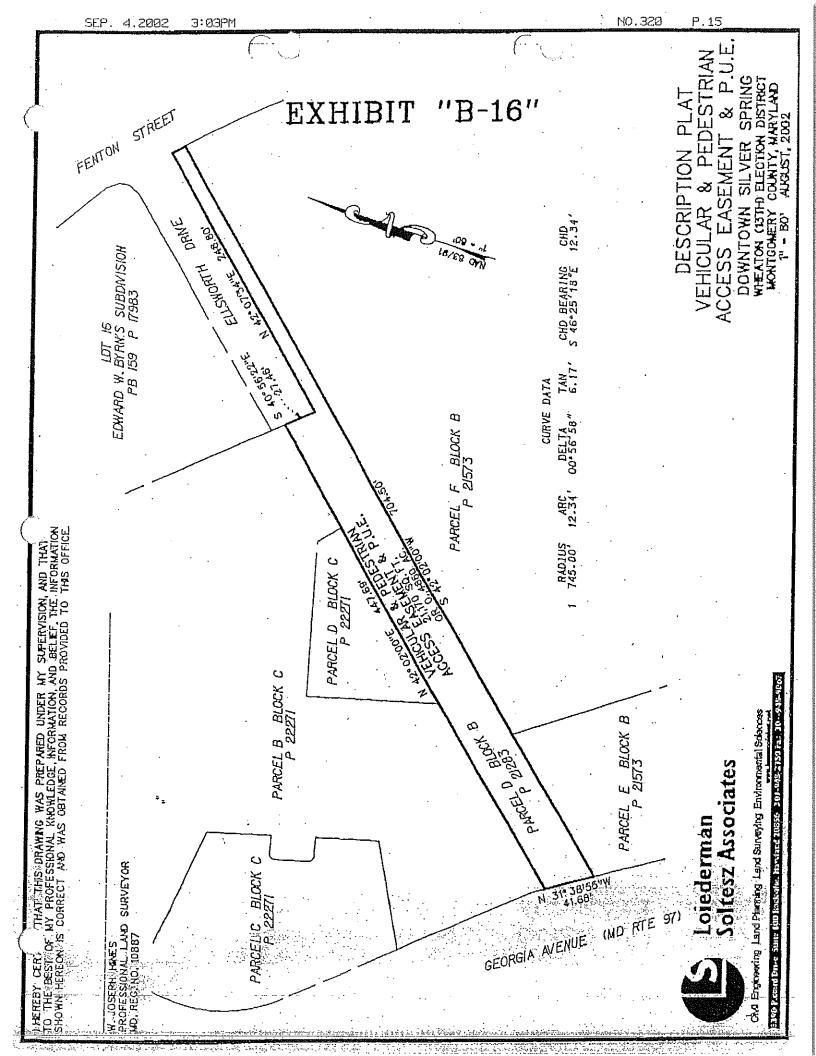
E. Tenant or its Affiliate as tenant under the Section C Ground Lease shall have a right of first refusal to purchase the Gateway Plaza and Silver Plaza from the Landlord at then current fair market value in the event the Landlord desires to sell or transfer one or both of the Plaza Areas to other than a public or quasi-public entity, business improvement district, or similar such entity or to the American Film Institute or Roundhouse Theater. Any such sale shall be subject to the terms of this Lease for the term of this Lease. This right shall survive any such transfer and apply to the transferee.

F. Subject to the terms of the Declaration and the terms of this Lease, Tenant shall have the sole and exclusive right to manage and program the uses of the Project and to impose and enforce such reasonable rules and regulations as Tenant deems necessary to maintain order and to promote the safety, security and economic success of the Downtown Silver Spring Project.

### EXHIBIT A-16

### DESCRIPTION OF A VEHICULAR & PEDESTRIAN ACCESS EASEMENT & P.U.E.

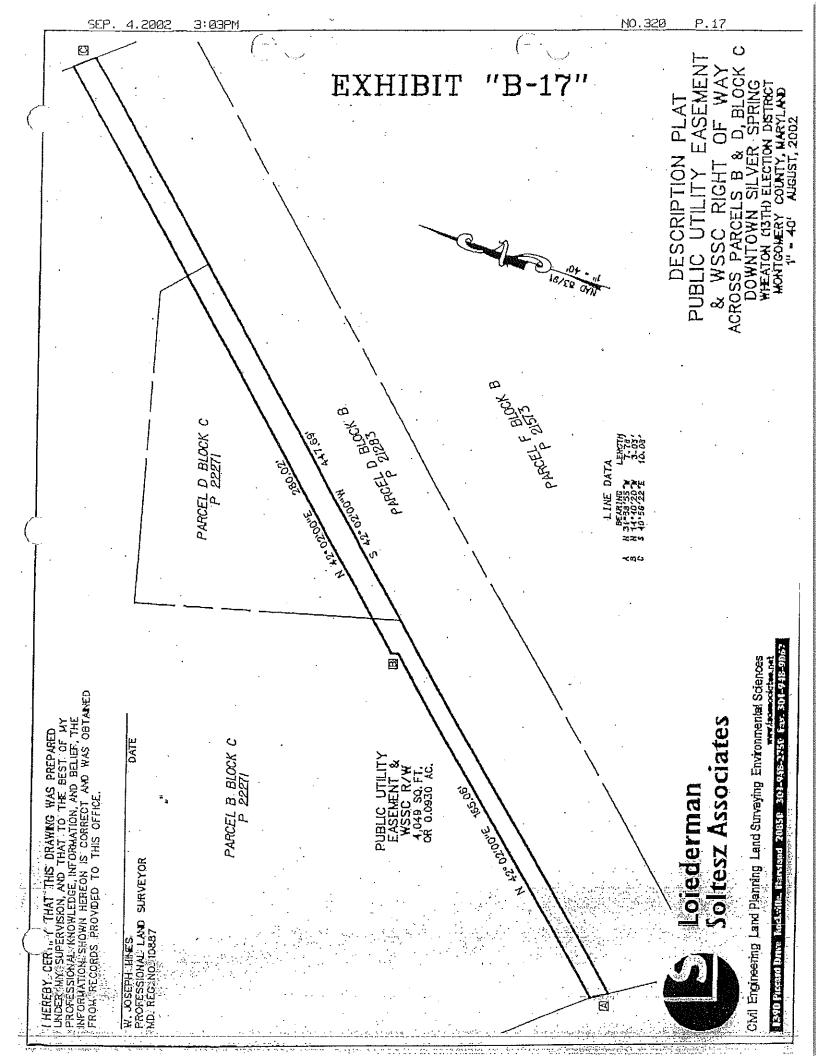
Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being all of Parcel D, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels A Through D, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21283, said easement area containing 21,170 square feet or 0.4860 acres as shown on Exhibit B-16 attached hereto and made a part hereof.



### EXHIBIT A-17

# DESCRIPTION OF A PUBLIC UTILITY EASEMENT & WSSC RIGHT OF WAY

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Marvin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Folio 701, said easement area also being part of Parcels B & D, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 4,049 square feet or 0,0930 acres as shown on Exhibit B-17 attached hereto and made a part hereof.



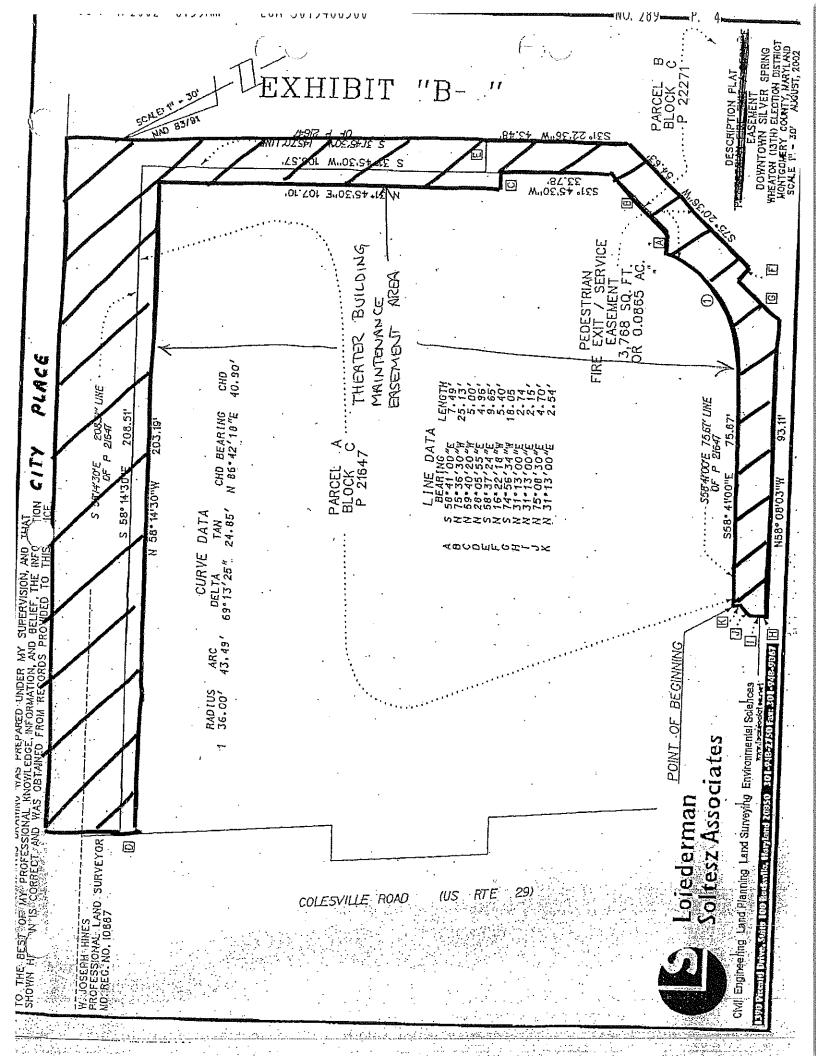


Exhibit "K"

(Electric Easement Area)

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### EXHIBIT A-18

## DESCRIPTION OF A UTILITY CONNECTION EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland from Fred Burka, Louise L. Burka, Maryin Goldman and the Sarabelle K. Burka Income Trust by deed dated January 10, 1996 and recorded among the Land Records of Montgomery County, Maryland in Liber 13865 at Polio 701, said easement area also being part of Parcel B, Block C as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B, C, & D, Block C, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 22271, said easement area containing 1,200 square feet or 0.0275 acres as shown on Exhibit B-18 attached hereto and made a part hereof.

### GROUND LEASE AGREEMENT FOR GATEWAY PLAZA, SILVER PLAZA AND INTERIOR ELLSWORTH DRIVE

BETWEEN

MONTGOMERY COUNTY, MARYLAND

AND

PFA SILVER SPRING LC

Dated September 5, 2002

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### GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (the "Lease") is made and entered into as of September 5, 2002, by and between MONTGOMERY COUNTY, MARYLAND, a political subdivision of the State of Maryland ("Landlord"), located at 101 Monroe Street, Rockville, Maryland 20850, and PFA SILVER SPRING LC, a Maryland limited liability company ("Tenant"), having its principal office at 9600 Blackwell Road, Suite 200, Rockville, Maryland 20850.

### RECITALS:

- R-1. Landlord and Tenant have entered into a certain General Development Agreement for the Redevelopment of Downtown Silver Spring dated as of April 20, 1998 as amended by that certain First Amendment to General Development Agreement dated July 22, 2002, (together, the "Development Agreement").
- R-2. The terms of the Development Agreement contemplate the entry into a ground lease between Landlord and Tenant or its Affiliates for the development, construction and operation of the Downtown Silver Spring Project in multiple Sections upon the satisfaction of certain conditions precedent to lease for such Section.
- R-3 The Downtown Silver Spring Project includes certain public space areas more particularly defined herein as the Silver Plaza, the Gateway Plaza and Interior Ellsworth Drive. The Silver Plaza, Gateway Plaza and Interior Ellsworth Drive are subject to certain public use easements as more particularly set forth in that certain Declaration of Easements for Section C Downtown Silver Spring ("Declaration") and recorded among the Land Records of Montgomery County, Maryland immediately prior to the recordation of a memorandum of this Lease.
- R-4. The Leased Premises are part of an Urban Renewal Area as defined in Montgomery County Council Resolution 13-816 and pursuant to the Landlord's powers as contained in Montgomery County Code (1994 ed., as amended) Sections 56-10 et seq. the Landlord desires to cause the Urban Renewal Area to be redeveloped in order to cure the blighted conditions which led to the creation of the Urban Renewal Area.
- R-5. Landlord and Tenant hereby acknowledge and agree that all conditions precedent to the entry into this Lease for the Leased Premises have been satisfied or waived in writing by the parties and Landlord and Tenant desire therefore to enter into this Lease in accordance with and subject to the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### 1. **DEFINITIONS.**

For purposes of this Lease, the following terms shall have the meanings indicated:

- A. "Affiliate" means any person or entity which directly or indirectly controls, or is controlled by, or is under common control with, the Tenant or its members, or any of them, or which directly or indirectly owns or holds a two percent (2%) or more interest in the Tenant or members of Tenant.
- B. "Annual Base Rent" shall have the meaning described in Section 4.1 hereof.
- C. "Applicable Law" means any federal, state or local law or regulation, or bond covenants for Federal, County Government or State bonds, applicable to the parties and this Agreement. Applicable Law includes orders of court or administrative agencies having jurisdiction over any of the parties hereto with respect to or affecting the Leased Premises.
- D. "Best Efforts" means that whenever in this Lease either party is required to use its "best efforts," such party shall endeavor in good faith to employ all commercially reasonable measures available to that party and within that party's power, with promptness and due diligence, to bring about the event, occurrence, or result to which the "best efforts" obligation refers. Such obligation shall include a requirement that the party make affirmative efforts to accomplish the objective in question, including (where applicable) through consultations or negotiations with persons or entities not parties to this Lease. Notwithstanding the foregoing, a party required to use its best efforts shall not be required to take any action that is contrary to Applicable Law, outside of its corporate power or legal authority, or that would have the effect of restricting that party's express rights and remedies under this Lease. Best Efforts includes the obligation to exercise any and all rights and remedies available to Tenant to enforce the terms of any contract including without limitation the filing of a suit for damages or specific performance.
- E. "County Government" means Montgomery County, Maryland, acting in its regulatory capacity in which it issues licenses, permits and apprôvals, adopts laws, rules and regulations, and exercises its police powers, and not as Landlord.
- F. "Default Rate" means the so-called "prime rate" of interest as published in the Wall Street Journal (or any similar successor publication if the Wall Street Journal ceases to publish) from time to time, plus two (2) percentage points. If a range of rates is published, then the average of such rates shall apply.
- G. "Development Approvals" means: as defined under Applicable Law, preliminary plan of subdivision approval, project plan approval, site plan approval, record plat approval and recordation, site plan enforcement agreements, building permits, storm water management approvals, sediment control permits, utility connections and any other permit or governmental or quasi governmental approval which is necessary to commence

and duly and diligently construct to completion, reconstruct, operate, repair and maintain the Project.

H. "Development Plan" means the project to be developed on the Leased Premises as described on the Final Site Plan for Downtown Silver Spring, a copy of which is attached to and made a part of this Lease as <u>Exhibit "D"</u>, as the same may be amended from time to time with the consent of the Landlord, which may be withheld in its sole discretion.

I. "Downtown Silver Spring Project" means the Public Improvements and Private Improvements shown as Sections A, B, C, D and the retail portions of Sections H and O on the development plan attached as <u>Exhibit "A"</u> to the Development Agreement.

J. "Evening, Weekend and Holiday Parking" means that period of time during which the County intends to provide free parking to the general public, including without limitation, all customers, invitees and employees of Tenant during the following times: (i) 5:00 PM on Friday until 3:00 AM Saturday, (ii) 9:00 AM on Saturday until 3:00 AM the next morning, (iii) 9:00 AM on Sundays and County Holidays until 2:00 AM the next morning and (iv) after 6:00 PM on Monday through Thursday until 2:00 AM the following morning.

K. "Force Majeure" means the following events or circumstances, to the extent that they cause the delay of performance of any obligation hereunder incurred by the claiming party and such delay is beyond the reasonable control of and could not be reasonably anticipated or accommodated by the party claiming the Force Majeure:

- Strikes or lockouts (excluding the general contractor's workforce) or inability to procure materials or suitable substitute materials or failure of utilities necessary for performance;
- Changes in law applicable to the development and/or construction of the Project;
- Delays in obtaining Development Approvals for the Project;
- Landlord Delays;
- Acts of God, tornadoes, hurricanes, floods, sinkholes, fires and other casualties, landslides, earthquakes, and abnormally inclement weather for the area;
- Acts of war, terrorism, blockades, insurrection, riots, civil disturbances, or national calamities; and
- Other acts or circumstances to the extent they would otherwise customarily constitute a Force Majeure event.
- Force Majeure shall not include matters which increase cost but do not cause delay.
- L. "Foreclosure Sale" means a foreclosure sale, deed in lieu of foreclosure or other non-consensual transfer made or undertaken for or on behalf of a Mortgagee.

- M. "Gateway Plaza" means the land and any improvements thereon, now or any time hereafter, as shown on the Development Plan and labeled "Gateway Plaza".
- N. "Governmental Authorities" means public officials or agencies having jurisdictions in respect of the Leased Premises including officials of Montgomery County in their official capacity and not as Landlord hereunder.
- O. "Hazardous Substances" means (i) hazardous or toxic substances, wastes, materials, pollutants and contaminants which are included in or regulated by any federal, state or local law, regulation, rule or ordinance, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resources Conservation and Recovery Act, and the Toxic Substances Control Act, as any of the foregoing may be amended from time to time; (ii) petroleum products; (iii) asbestos containing materials; (iv) radon; and, (v) all other regulated chemicals and materials.
- P. "Impositions" means all real estate taxes, governmental levies, and obligations for any and all other governmental, quasi-governmental, utility and similar charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, which shall during the Term hereof, be made, assessed, levied or imposed upon, or become due and payable in connection with, or a lien upon, the Leased Premises, or any part thereof, any Improvements, or upon this Lease but excluding assessments or special assessments to pay the initial cost of construction of any Public Improvements. Notwithstanding the foregoing and to the extent applicable, in no event shall the term "Impositions" be deemed or construed to include, and Tenant shall not be obligated to pay, any (i) income, profits, earnings, inheritance, devolution, gift, franchise, corporate, gross or other receipts, excise, capital levy, or estate taxes, or any other taxes with similar effect, which are attributable to or chargeable to Landlord, or (ii) tax on the rental paid to Landlord under any existing or future laws of the United States of America, or of any other country, or of any jurisdiction therein.
- Q. "Landlord" means Montgomery County, Maryland in its capacity as property owner and signatory to this Ground Lease and not in its regulatory capacity in which it issues licenses, permits and approvals.
- R. "Landlord's Default" means a failure by Landlord to perform or comply with the Landlord's covenants, agreements or obligations in this Lease, as more specifically set forth in Section 13.
- S. "Landlord Delays" shall mean delays caused by Landlord in achieving milestones under the Section Development Schedule (as defined below) by failing to timely (as provided in the Development Agreement) approve, disapprove or comment on any submitted plans or by requiring changes or modifications which are inconsistent with changes or modifications previously requested by the Landlord with respect to the Public Improvements in the Project being performed by Tenant or an Affiliate of Tenant; or by failing to approve changes or modifications which were the subject of previous requests

by Landlord which have been properly responded to by Tenant or its Affiliate performing such work; or by failing or delaying in providing the Tenant or its Affiliate performing such work with any required information or response or in entering into a Public Improvement Contract (provided that the parties shall have agreed on the terms of such Public Improvement Contract) or issuance of any Notice to Proceed thereunder, as to which all conditions precedent to the entry into such Public Improvement Contract or issuance of such Notice to Proceed have been satisfied.

- T. "Landlord Representative" means the person or persons designated or to be designated in writing by the Chief Administrative Officer to meet with the Tenant regularly to discuss the progress of the Project and who must coordinate reviews by Landlord staff necessary to make decisions regarding requested approvals and grant required Landlord approvals under this Agreement. The Tenant shall be entitled to rely on written approvals and written representations made by any Landlord Representative.
- U. "Lease" means this Ground Lease Agreement or the leasehold estate created thereby, as the context requires.
- V. "Lease Commencement Date" means the date of execution of this Lease as set forth on Page 1.
- W. "Lease Year" means with respect to the first Lease Year, the period from the Lease Commencement Date through the day prior to the first anniversary thereof. Each successive twelve month period shall also be a Lease Year. If the Lease Commencement Date is other than the first day of a calendar month, the first Lease Year shall include the partial month in which the Lease Commencement Date falls plus the next twelve (12) full calendar months.
- X. "Leased Premises" means, collectively, the land comprising the Public Use Spaces and consisting of the following:
- (i) the land consisting of approximately 0.4860 acres of land, as more particularly described on Exhibit "A-1" attached hereto and made a part hereof and known as Parcel D, Block B as shown on a plat thereof known as "Downtown Silver Spring" as recorded in Plat Book 196 at Plat 21283 among the Land Records of Montgomery County, Maryland (the "Interior Ellsworth Drive Premises").
- (ii) the land consisting of approximately 0.5349 acres of land, as more particularly described on Exhibit "A-2" attached hereto and made a part hereof and known as Parcel C, Block C, as shown on a plat thereof known as "Downtown Silver Spring" as recorded at Plat No. 22271 among the Land Records of Montgomery County, Maryland (the "Gateway Plaza Premises).
- (iii) the land consisting of approximately 0.2127 acres of land, as more particularly described on Exhibit "A-3" attached hereto and made a part hereof and known as Parcel D, Block C as shown on a plat thereof known as "Downtown Silver Spring" as recorded at Plat No. 22271 among the Land Records of Montgomery County, Maryland (the "Silver Plaza Premises").

(iv) The rights and incidents of ownership demised by Landlord to Tenant are described in Section 2.1 and incorporated into this definition. "Leasehold Mortgage" means one of more Mortgages securing a Mortgagee and encumbering Tenant's leasehold interest or estate in the Leased Premises and the Private Improvements.

- Y. "Leasehold Mortgagee" means the Mortgagee under any Leasehold Mortgage.
- Z. "Mortgage" means a mortgage, deed of trust, indemnity deed of trust or other security instrument commonly given to secure loans (or guarantees thereof) from a Mortgagee or advances on, real estate and leasehold estates in Montgomery County, Maryland, and the note, credit instrument, guaranty or other evidence of indebtedness secured thereby. The term Mortgage shall include a Leasehold Mortgage.
- AA. "Mortgagee" means a bona fide financial institution reasonably acceptable to the Landlord, which, as a part of its primary business, regularly engages in the making of commercial loans to finance acquisition, construction and development of commercial projects, its trustee or beneficiary under, or the party secured by, any Mortgage, and its successors and assigns. A Mortgagee does not include Tenant or an Affiliate of Tenant unless a Mortgagee succeeds to the interest of Tenant hereunder or under a New Lease.
- BB. "New Lease" means a lease of the Leased Premises entered into by Landlord with a Leasehold Mortgagee or its designee after a termination of this Lease, in accordance with Section 9.3.
- CC. "Notice of Landlord's Default" means a written notice given in accordance with Section 13.3.
- DD. "Notice of Tenant's Default" means a written notice in accordance with Section 12.2.
- EE. "Notice of Termination" means a written notice given in accordance with Section 12.3(A).
- FF. "Permitted Encumbrances" means the permissible encumbrances on the Leased Premises as of the Lease Commencement Date, as shown on <u>Exhibit "B."</u>
- GG. "Private Improvements" means all improvements which do not constitute Public Improvements and which are now or hereafter constructed on the Leased Premises either (i) in accordance with the Development Plan, as the same may be amended, with respect to the Leased Premises, or (ii) as listed on Exhibit H attached to and made a part of this Lease, or (iii) to the extent not otherwise included in (i) or (ii) above, as may constructed from time to time with the consent of the Landlord, which such consent may be withheld by Landlord in its sole discretion.

- HH. "Project" means the Public Improvements and Private Improvements to be developed on the Leased Premises and as shown on the Development Plan.
- II. "Public Improvement Contract" means a sole source contract to be entered into between Tenant or its Affiliate and the Landlord for design services, development and/or construction of the Public Improvements (as hereinafter defined).
- JJ. "Public Improvements" means all the public improvements to be constructed in connection with the Leased Premises and which are (i) listed on <u>Exhibit E</u> attached and made a part of this Lease and (ii) to be constructed in accordance with a Public Improvement Contract.
- KK. "Section" means and refers to one or more of Sections A, B, C, D and the retail portions of Sections H and O, as described in the development plan attached to the Development Agreement.
- LL. "Section Development Schedule" means that certain schedule for the development and construction of the Project and attached to and made a part of this Lease as Exhibit "F", as the same may be amended from time to time with the approval of the County.
- MM. "Silver Plaza" means the land and improvements thereon, now or any time hereafter, as shown on the Development Plan and labeled "Silver Plaza".
- NN. "Taking" means the acquisition by authority of any governmental or quasi-governmental body or entity by condemnation or in the exercise of its power of eminent domain or by purchase in lieu thereof.
- OO. "Tenant" means the Tenant or lessee under this Lease from time to time. The initial Tenant is identified on page 1 hereof.
- PP. "Tenant's Default" means any of the events set forth in Section 12 hereof.
- QQ. "Tenant Representative" means the person or persons designated or to be designated in writing by the Tenant to meet with the Landlord regularly to discuss the progress of the Project and who must coordinate Tenant activities under this Agreement. The Landlord shall be entitled to rely on written approvals and written representations made by any Tenant Representative.
- RR. "Term" means the term of this Lease, as set forth in Section 3.1, and any extensions thereto.
  - SS. "Utility Easements" means the easements described in Section 7.1.

### 2. LEASED PREMISES.

#### 2.1. Demise.

For and in consideration of the rental herein promised to be paid by Tenant and the covenants, conditions and agreements herein contained on the part of Tenant to be kept and performed, Landlord does hereby let and rent to Tenant and Tenant does hereby take and hire as tenant from Landlord, for the Term, at the rental, and upon the terms and conditions all as hereinafter stated, the Leased Premises, together with all rights, advantages, privileges, ways, easements and appurtenances to the same belonging or in any way appertaining. It is intended hereby that all present and future rights relating to the Leased Premises are hereby granted to the Tenant during the Term, subject to all of the requirements and limitations set forth in this Lease.

### 2.2. Warranty of Title.

Landlord leases the Leased Premises to Tenant free of all encumbrances, restrictions, or liens of any kind, except for the Permitted Encumbrances. Landlord represents and warrants that Landlord has full right and power to enter into and implement this Lease without the consent, agreement or action of any other person or entity.

### 2.3. Quiet Enjoyment.

Landlord covenants that if and so long as Tenant is not in default beyond applicable grace periods under the terms hereof, Tenant shall be entitled to quietly hold, occupy and enjoy the Leased Premises and all rights relating thereto during the Term without hindrance, ejection or molestation by Landlord or by any other party. Landlord covenants to make the Leased Premises available to Tenant on the Lease Commencement Date in the condition as required by this Lease.

### 3. TERM OF LEASE.

### 3.1. <u>Term</u>.

The Term of this Lease shall commence on the Lease Commencement Date and shall continue through the last day of the ninety-ninth (99<sup>th</sup>) Lease Year unless sooner terminated in accordance with the provisions of this Lease. Tenant acknowledges and agrees that by virtue of the term of this Lease Tenant shall not be deemed to have acquired fee simple title to the Leased Premises and the Tenant expressly waives any right of redemption to the Leased Premises, whether statutory or otherwise.

#### 3.2. Landlord's Surrender of Possession.

Subject to the terms of this Lease, Landlord shall peaceably and quietly leave, surrender and yield up to Tenant sole and exclusive possession of the Leased Premises on the Lease Commencement Date. Landlord warrants that the entire Leased Premises shall be free and clear of all tenants and other occupiers except for Tenant as of

the Lease Commencement Date and in the condition as required by this Lease. Tenant accepts the Leased Premises "as is" and "where is", except for the representations, warranties and covenants as are expressly set forth in this Lease.

### 4. RENT.

### 4.1. Annual Base Rent.

( Now!

Tenant covenants and agrees to pay unto Landlord, in legal tender of the United States of America, the Annual Base Rent, which shall be in the amount of One Dollar (\$1.00) per Lease Year.

### 4.2. Net Rent.

It is the purpose and intent of Landlord and Tenant that the rent payable hereunder shall be net to Landlord and that except as expressly provided herein, all costs, expenses and charges of every kind and nature directly relating to the Leased Premises which may be attributed to, or become due, during the Term shall be paid by Tenant, excluding, however, assessments or special assessments to pay the initial construction cost of any Public Improvements.

### 4.3. All Sums Rent.

All sums payable by Tenant under this Lease, whether or not stated to be Annual Base Rent, shall be paid to Landlord in legal tender of the United States, at the address for notices to Landlord. Such sums shall be considered "Rent" for all purposes hereunder however described or denominated. The foregoing notwithstanding, Impositions paid to Landlord in its capacity as a taxing authority shall not be deemed to constitute Rent hereunder. In addition to the foregoing, during the ten (10) year period commencing on the date of closing of the initial permanent financing encumbering Section C of the Project (as permanent financing is defined in the ground lease for Section C between Landlord and Tenant's Affiliates of even date herewith), (i) Tenant shall not be entitled to file for or claim any tax credits or abatements (other than Enterprise Zone credits) on account of any Public Improvements; and (ii) if Tenant receives any monetary credits or reimbursements under the "Maryland Brownfields Program" or any historic tax credits or any other tax credit for improvements paid for by the Landlord, upon receipt thereof Tenant shall promptly remit such sums to the Landlord as additional rent hereunder.

### 4.4. Intentionally Omitted.

### 4.5. Impositions.

Landlord promptly shall send to Tenant copies of any notices received by Landlord in respect of any Impositions. As part of the consideration for this Lease, and subject to all of the provisions hereof, at Tenant's own cost and expense, Tenant shall pay all Impositions as the same become due and payable during the Term, and before the assessment of any fine, penalty, interest or other charge which may be added thereto for

the nonpayment thereof; except that any Impositions (and/or installments thereof) properly allocable to periods before or after the Term shall not be payable by Tenant and shall be paid by Landlord. Tenant shall have the right to receive directly any and all notices of Impositions, and to pay such Impositions directly. Tenant shall make prompt application for a separate tax bill for the Leased Premises in the name of Tenant. Tenant shall furnish to Landlord, upon specific request in each instance, copies of tax bills and official receipts of the proper governmental authorities or other proof reasonably satisfactory to Landlord, evidencing the full payment of any and all such Impositions payable by Tenant hereunder. Notwithstanding the foregoing, if by law any Imposition may be paid, at the option of the taxpayer, in installments, then Tenant may pay the same in installments whether or not interest accrues thereon, and Tenant shall only be responsible for such installments (and/or portions thereof) properly allocable to the Term. Any rebate made on account of any Imposition paid by Tenant shall belong to and be paid to Tenant, for Tenant's account.

### 4.6. Right to Contest Impositions.

If Tenant disputes the amount or validity of any Impositions payable by Tenant hereunder, then Tenant shall have the right, at its sole cost and expense, to contest and defend against the same, and in good faith to diligently conduct any necessary proceedings to prevent and avoid the same. In such event Tenant may postpone or defer payment of such Impositions and such postponement or deferral shall not be deemed a default hereunder; provided, however, that, during any such contest, Tenant shall (by the payment or bonding off of such disputed Imposition, including potential interest and penalties thereon, if necessary) prevent any foreclosure of or any divesting thereby of Landlord's title, reversion or other interest in or to the Leased Premises, and will further (by the payment or bonding off of such disputed Imposition, including potential interest and penalties thereon, if necessary) prevent the public sale or foreclosure of any lien for any such Impositions. Tenant's right to contest Impositions shall not be exercised in such a manner as to expose Landlord to any civil penalties. Tenant shall prosecute such contest or defense diligently and expeditiously. Tenant shall have the right, if permitted by law, to pay under protest any Impositions. Any rebate made on account of any Imposition paid by Tenant shall belong to and be paid to Tenant, for Tenant's account.

#### 4.7. Prorations.

Except as otherwise expressly provided herein, appropriate adjustments and prorations shall be made if the Lease Commencement Date or date of termination of this Lease is not on the first day of a calendar month; or if any payment of rent or any other amount hereunder by either Landlord or Tenant covers periods for which the party making such payment is not responsible under this Lease.

4.8. <u>Utilities</u>. Tenant shall pay all charges for gas, electricity, water, sewage, telephone and other utilities used upon or in connection with the Project during the Term ("Utilities"). The foregoing notwithstanding, the Landlord shall be responsible, at its sole cost and expense, for any utility relocation costs for which it has agreed to pay under any Public Improvement Contract entered into.

### 5. <u>USE AND DEVELOPMENT.</u>

### 5.1. Compliance with Law.

Landlord and Tenant shall each promptly give notice to the other of any notice received from Governmental Authorities in respect of the Leased Premises. During the Term, Tenant shall comply with all Applicable Laws in respect of the Leased Premises. Tenant may dispute in good faith the validity of any complaint or action taken pursuant to or under color of any of the foregoing, defend against the same, and, in good faith, diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. Tenant shall prosecute such contest diligently and expeditiously.

#### 5.2. Licenses and Permits.

Tenant shall be solely responsible for securing, obtaining and maintaining in good standing all necessary permits and licenses from the applicable Governmental Authorities for the continued use, operation, repair, replacement, construction and/or reconstruction of the Project.

### 5.3. Use.

A. During the Term, Tenant shall use the Leased Premises for the development, construction, operation, maintenance, repair and replacement of the Project, consistent with the Declaration and in accordance with the Development Plan and the terms of this Lease. The use of the Leased Premises shall be subject to the terms, conditions and restrictions set forth on Exhibit G attached to and made a part of this Lease.

- B. Promptly after the Lease Commencement Date, Landlord and Tenant shall negotiate in good faith an agreement regarding the allocation of parking management and enforcement responsibilities with respect to the Gateway Plaza and Interior Ellsworth Drive. In the event the parties are unable to agree on such allocation of responsibilities, Tenant shall retain the parking management and enforcement responsibility for the Gateway Plaza, and Landlord shall maintain the parking management and enforcement responsibility for Interior Ellsworth Drive.
- C. The parties acknowledge and agree that construction of the Gateway Plaza Public Improvements (including the historic restoration of the shopping center façade which shall be subject to a façade easement in favor of either the County or the Montgomery Historic Preservation Commission) is to commence and be constructed in accordance with a Public Improvements Contract that will require construction to begin no later than August 29, 2002 with the Gateway Plaza parking area and fountain substantially completed no later than March 31, 2003, provided that the Gateway Plaza Public Improvements PIC is signed by both the Landlord and the Tenant not later than August 15, 2002. Commencing no later than March 31, 2003, the Gateway Plaza area must not be used as construction staging area and all trailers located thereon must be removed. Tenant agrees that its Affiliate will schedule the work on the Section C historic

façade so that such work, along with any other work on the Private Improvements in Section C that will require entry on and use of the Gateway Plaza area, will be completed by September 30, 2003. Upon completion of the Gateway Plaza Public Improvements (e.g., March 31, 2003) and until opening for business of the first tenant in the Section C Private Improvements, the Landlord shall have exclusive use of the Gateway Plaza Public Improvements for parking in connection with the AFI Silver Theatre and the Round House Theater during Evening and Weekend and Holiday Parking hours. During hours other than Evening and Weekend and Holiday Parking hours, the Landlord and Tenant shall cooperate in good faith to schedule parking required in connection with the AFI Silver Theatre and the Round House Theater so as to enable the Tenant to use and access the Gateway Plaza to enable the construction of the Section C Private Improvements in a timely and efficient manner in accordance with the Section C Development Schedule. The parties acknowledge that in the event of a scheduling conflict during non-Evening, Weekend and Holiday Parking hours the parties interest in causing the prompt completion of the Section C Private Improvements shall have priority; provided, however, that the Tenant shall use commercially reasonable efforts to minimize the construction impact on the Gateway Plaza Premises during such non-Evening and Weekend and Holiday Parking Hour.

### 6. IMPROVEMENTS.

### 6.1. Repairs and Alterations.

A. Landlord shall have no obligation hereunder to make any repairs or replacements to the Leased Premises or the Project, which obligations shall be the sole responsibility of Tenant throughout the Term.

B. Throughout the Term, Tenant shall perform all necessary repairs, replacements and maintenance of the Project and shall keep the same in good condition and repair, ordinary wear and tear excepted and in condition comparable to similar type projects in the Washington, D.C. metropolitan area. Tenant shall keep and maintain the Project in a clean and orderly condition, free of dirt, rubbish, snow, ice and obstructions.

C. The foregoing notwithstanding, in the event Tenant fails to maintain the Project in the manner contemplated pursuant to Section 6.1(B) above, and such failure gives rise to a risk to public health or safety, Landlord shall provide written notice of such failure to Tenant (except in the event of a public health or safety emergency in which event no such notice shall be required). If Tenant fails to promptly commence and thereafter diligently pursue the correction of such problem within ten (10) days after receipt of such notice (except in the event of a public health or safety emergency in which event no such cure period shall be required), Landlord shall have the right to exercise self help in accordance with the provisions of Section 12.3(B) of this Lease.

### 6.2. Title to Improvements.

Leasehold title to the Project shall be in and remain in Tenant for and during the entire Term, but upon the expiration or termination of the Term shall vest in Landlord.

### 6.3. Mechanics' Liens; Compliance with Laws.

A. Subject to the terms of Section 5.1 hereof, Tenant shall comply promptly and fully with all Applicable Laws, ordinances, rules regulations and requirements of all Governmental Authorities but shall have the right, in its sole discretion, to contest in good faith any such laws, ordinances, rules, regulations and requirements.

B. Tenant shall not create or permit to be created, and if created shall bond off, or contest and place reasonable security, or discharge, any mechanics' or materialmens' lien, tax lien, or judgment lien arising while this Lease is in effect whereby Landlord's estate, right and interest in any or all of the Leased Premises might be impaired. Tenant shall be obligated to bond off any such lien or liens where the aggregate amount outstanding at any one time exceeds Fifty Thousand Dollars (\$50,000) (the "Threshold Amount"). Tenant shall not be required to bond off any such lien or liens aggregating less than the Threshold Amount, but Tenant shall remain solely responsible for the payment thereof.

### 7. COOPERATION OF LANDLORD.

### 7.1. Cooperation in Obtaining Approvals.

Tenant may from time to time, at its sole cost and expense, and subject to the Development Plan and the Public Use Easements, apply for and seek to obtain additional Development Approvals necessary or appropriate, as determined by Tenant from time to time in its sole and absolute discretion. Subject to Applicable Law, Landlord agrees to join in any easements, rights of way or other agreements for land owned by Landlord and relating to the provision of utility service to the Project ("Utility Easements"), and to join in recordable agreements with Governmental Authorities and utility providers. Landlord shall cooperate fully with Tenant in assisting Tenant to obtain Development Approvals and Utility Easements. To this end, within thirty (30) days after written request from time to time from Tenant, Landlord shall, without requiring any additional consideration therefor, execute and return to Tenant, or otherwise join in any such documents as are required for obtaining Development Approvals or Utility Easements. recognizes that Tenant shall have the right, in its own behalf and not as agent for Landlord, to undertake any and all of the actions in which Landlord has agreed to cooperate. The foregoing notwithstanding, any instruments or agreements required of Landlord hereunder shall be in form reasonably acceptable to Landlord and shall not impose any additional expense or liability on Landlord except as may otherwise be set forth in any applicable Public Improvement Contract.

### 8. ASSIGNMENT AND SUBLEASING.

### 8.1. Assignment.

A. For a period of ten (10) years following the Lease Commencement Date, the Leased Premises may not be sold, assigned, transferred or conveyed (other than to an Affiliate), nor may any controlling interest in the Tenant be sold, assigned, transferred or conveyed (other than to an Affiliate) without the consent of the Landlord. Landlord consent is not required for (i) Mortgages; and, (ii) a Foreclosure Sale pursuant to any Mortgage.

B. From and after the expiration of ten (10) years following the Lease Commencement Date, Tenant shall have the right to assign its right, title and interest in and to this Lease, in whole or in part, without the consent of Landlord, (i) to an Affiliate, or (ii) to a third party, together with a sale (or assignment of the Ground Lease) of Section B and/or C, whereupon Tenant shall be released of all further liability under this Lease for all matters arising or accruing after the date of such assignment. Any such assignment shall at all times be subject to this Lease, and the assignee shall agree, from and after date of assignment, to assume and be bound by the terms of this Lease. Landlord shall not be entitled to any compensation in connection with any assignment of this Lease.

### 8.2. Effect of Assignment.

Subject to the terms of Section 8.1 above, effective on the date of an assignment by Tenant, the assignee shall be substituted for and as the "Tenant" in this Lease; the term "Tenant," as used in this Lease, shall mean the assignee and not the assignor; and if the assignee is an Affiliate then in such event the assignor shall be relieved of any obligation or responsibility hereunder relating to any period after the date of assignment. Tenant shall not be relieved of any obligation or responsibility hereunder which accrued before the date of its assignment.

### 8.3. Intentionally Omitted.

### 9. ENCUMBRANCES.

### 9.1. Tenant's Power to Encumber.

In order to secure Construction Financing and/or Permanent Financing, Tenant and every successor and assign of Tenant shall have the absolute right, exercisable at any time and from time to time, without the necessity of securing Landlord's permission or consent, to grant a Mortgage (including without limitation by way of an indemnity deed of trust securing a Mortgagee pursuant to the terms of which this Lease and the Private Improvements may serve as collateral) of its interests in the Lease and in the Leased Premises and the Project under one or more Leasehold Mortgages, to assign this Lease and all of its right, title and interest thereunder as collateral security for such Leasehold Mortgage(s), and to enter into any and all extensions, modifications, amendments, replacements and refinancings of such Leasehold Mortgages as Tenant may desire, upon

the condition that all rights acquired under such Leasehold Mortgage(s) shall be subject to the terms and conditions of this Lease. Tenant shall also have the absolute and unqualified power to grant a purchase-money Leasehold Mortgage and become a Leasehold Mortgagee in connection with Tenant's arms length sale to a third party of its interest in the Leased Premises and the Project. Each Leasehold Mortgagee shall have the unrestricted right to assign, sell, participate, securitize and otherwise deal with its interest in the Leasehold Mortgage without restriction and without Landlord's permission or consent.

### 9.2. Protection of Leasehold Mortgagees.

For each Leasehold Mortgage, if Landlord is given a copy thereof and a written notice specifying the name and address of the Leasehold Mortgagee(s) thereunder and the recording data pertaining to such Leasehold Mortgage, then the following provisions shall apply with respect to such Leasehold Mortgage for so long as it shall remain unsatisfied of record:

A. There shall be no material modification or voluntary surrender of this Lease without the prior written consent of the Leasehold Mortgagee(s).

B. Landlord shall, concurrently with the delivery to Tenant of any notice required or permitted hereunder, deliver to each Leasehold Mortgagee a true copy of any Notice of Tenant's Default, Notice of Termination, or other notices given to Tenant as provided for herein, and no such notice to Tenant shall be effective as to a Leasehold Mortgagee, until a copy of such notice is sent to such Leasehold Mortgagee. Except as otherwise provided in Section 6.1(C) of this Lease as to which no additional notice and cure right shall be permitted, each Leasehold Mortgagee shall thereupon have the period set forth below, after receipt of such notice by it or them, to remedy or cause to be remedied the defaults complained of, and Landlord shall accept such remedy by or at the instigation of any such Leasehold Mortgagee as if the same had been done by Tenant, Landlord and Tenant authorize the Leasehold Mortgagee to take any such action at the Leasehold Mortgagee's option and do hereby authorize entry upon the Leased Premises by the Leasehold Mortgagee for such purposes. If there is more than one Leasehold Mortgagee, the Leasehold Mortgagee under the Mortgage which is prior in lien shall have the prior right to remedy or cure any such default; and the period within which such other Leasehold Mortgagee(s) may remedy such defaults shall be extended for a single additional period of thirty (30) days for such subordinate Leasehold Mortgagees, collectively, within which to effect such remedy or cure. The foregoing notwithstanding, nothing contained in this subsection (B) shall (i) relieve Tenant of its responsibilities or liabilities hereunder, or (ii) obligate the Landlord to recognize more than one Leasehold Mortgagee at any time; which such recognized Leasehold Mortgagee shall be entitled to all of the rights of a Leasehold Mortgagee hereunder.

C. Notwithstanding any other provision of this Lease, if, before the expiration of thirty (30) days following receipt of Notice of Termination, any Leasehold Mortgagee shall have (1) notified Landlord in writing of its desire to nullify such Notice of Termination; (2) paid to Landlord all rent, late charges and other payments then due

from Tenant hereunder but unpaid; and (3) complied or in good faith and with reasonable diligence and continuity, commence to comply within such thirty (30) days following receipt of the Notice of Termination with all of the other non-monetary requirements of this Lease as to which Tenant then is in default, and (4) shall continue to pursue such compliance to completion with reasonable diligence, then Landlord shall not be entitled to terminate this Lease, and any Notice of Termination theretofore given shall be void and of no further force and effect, provided, however, that the Leasehold Mortgagee shall not be required during such thirty (30) day period to cure or discharge any lien, charge or encumbrance against the Tenant's interest in the Lease or the Leased Premises junior in priority to the lien of the Leasehold Mortgagee; subject however to the terms of Section 6.3 hereof.

D. In addition to the rights of Leasehold Mortgagees set forth in subsection (C) above, each Leasehold Mortgagee shall have the right to postpone the date for the termination of this Lease as specified by Landlord in any Notice of Termination, for a period of not more than a total of six (6) additional months from the date specified in such Notice if, before the expiration of thirty (30) days following receipt of such Notice of Termination, such Leasehold Mortgagee (1) shall have notified Landlord in writing of its desire to postpone said termination date, (2) shall have paid to Landlord all rent, late charges and other payments then due from Tenant hereunder but unpaid, (3) shall have agreed to comply with and perform all of the other terms, conditions and provisions of this Lease on Tenant's part to be complied with and performed, other than past non-monetary obligations that are in default and are not reasonably susceptible of being cured by the Leasehold Mortgagee (for example, but not by way of limitation, default under Section 8 [Assignment] or Sections 12.1.2, 12.1.3, or 12.1.5 of this Lease); and (4) shall, promptly, and if not enjoined or stayed, take steps to acquire or sell Tenant's interest in this Lease by foreclosure or otherwise and shall prosecute the same to completion with reasonable diligence and in the exercise of which Mortgagee may exercise any and all remedies available to it under the loan documents evidencing or securing the Leasehold Mortgage. If at the end of said six (6) month period any Leasehold Mortgagee shall be actively engaged in steps to acquire or sell Tenant's interest herein and shall have promptly commenced and complied with the requirements of the preceding sentence and such Leasehold Mortgagee is delayed or impeded in its efforts to acquire or sell Tenant's interest herein due to the pending nature of any proceeding brought by, for or against Tenant, including without limitation a voluntary or involuntary bankruptcy proceeding, then the time for completion by the Leasehold Mortgagee of its proceedings shall continue thereafter for so long as the Leasehold Mortgagee diligently and continuously proceeds to complete steps to acquire or sell Tenant's interest in the Lease by foreclosure of the Leasehold Mortgage or by other appropriate means. Nothing in this subsection (D), however, shall be construed to extend the Lease beyond the original Term thereof in accordance with the Lease, nor to require the Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, the Lease shall continue in full force and effect as if Lessee had not defaulted under the Lease.

E. If the Leasehold Mortgagee is complying with Section 9.2(D), upon the acquisition of the Lease by the Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise and the discharge of any lien, charge or encumbrance against the Tenant's interest in the Lease or the Leased Premises which is junior in priority to the lien of the Leasehold Mortgage and which the Tenant is obligated to satisfy and discharge by reason of the terms of the Lease, the Lease shall continue in full force and effect as if Tenant had not defaulted under the Lease.

F. For the purposes of this Section 9.2, the granting of the Leasehold Mortgage by the Tenant shall not be deemed to constitute an assignment or transfer of the Lease, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of the Lease so as to require the Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed under the Lease. However, the purchaser at any sale of the Lease in any proceedings for the foreclosure of the Leasehold Mortgagee, or the assignee or assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be an assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Tenant to be performed under the Lease from and after the date of such purchase and assignment, (and such purchaser shall have no liability for the performance of the same arising prior to such date) but only for so long as such purchaser or assignee is the owner of the Lease.

G. The Leasehold Mortgagee pursuant to a Foreclosure Sale or other proceedings may, upon acquiring the Lease, without further consent of Landlord, sell and assign the Lease in connection with a Foreclosure Sale of Section B and/or Section C on such terms and to such persons and organizations as are acceptable to the Leasehold Mortgagee and thereafter the Leasehold Mortgagee shall be relieved of all obligations under the Lease; provided that such assignee has delivered to Landlord its written agreement to be bound by all the provisions of the Lease.

H. Notwithstanding anything to the contrary set forth in this Article 9, the Mortgagee shall only foreclose on the Leased Premises in conjunction with the foreclosure of the Mortgage encumbering the Leased Premises for Section B and/or Section C.

### 9.3. <u>Leasehold Mortgagee's Right to New Lease</u>.

In the event of the termination of this Lease, or any succeeding Lease made pursuant to this Lease, including a New Lease, prior to its stated expiration date, as a result of Tenant's default or as a result of a rejection of the Lease by Tenant, including without limitation a rejection in any state or federal insolvency or bankruptcy proceedings, Landlord shall, in addition to providing the applicable notices of default and termination as required by Section 9.2, provide the Leasehold Mortgagee with written notice (the "New Lease Notice") that the Lease has been terminated, together with a statement of all known unpaid sums which would at that time be due under the Lease as of the date of such notice but for such termination, and of all other defaults, if any, then known to Landlord. Landlord shall, upon the written request of a Leasehold Mortgagee

or its nominee, enter into a new lease of the Leased Premises with such Leasehold Mortgagee or its nominee, for the remainder of the Term, effective as of the date of such termination, at the rent and upon the same terms, provisions, covenants and agreement as herein contained and provided however that the Lease including without limitation Section 17.1(A) and (B) shall be revised as appropriate to reflect the composition and existence of the new Tenant (the "New Lease"). The New Lease shall be subject only to the same Permitted Encumbrances to title to which this Lease is subject on the Lease Commencement Date and to any other encumbrances created pursuant to the terms hereof (and Landlord shall have no obligation to cure or remove any encumbrance to title of the Leased Premises created or consented to in writing by Tenant), and to the rights, if any, of any parties then entitled to possession of all or part of the Leased Premises (but excluding Tenant); provided, however, that a grant of the New Lease shall be subject to the following conditions:

A. Said Leasehold Mortgagee or its nominee shall have made written request upon Landlord for such New Lease, within sixty (60) days after the date of its receipt of the New Lease Notice and such written request shall have been accompanied by tender of payment to Landlord of all sums then due to Landlord as specified in the New Lease Notice.

B. Said Leasehold Mortgagee or its nominee shall pay to Landlord at the time of the execution and delivery of said New Lease, any and all Rent which would, at the time of execution and delivery thereof, be due pursuant to this Lease but for such termination, and in addition thereto, all reasonable expenses (including reasonable attorney's fees), which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under the Lease (but expressly excluding any and all damages including punitive and consequential damages), less the net income (on a cash basis and excluding depreciation and other non-cash adjustments) received by Landlord in respect of the Leased Premises after the termination of this Lease but prior to the execution and delivery of the New Lease.

C. Said Leasehold Mortgagee or its nominee shall perform all of Tenant's monetary obligations contained in this Lease.

D. Upon execution and delivery of such New Lease, in accordance with the provisions of this Section 9.3, the tenant under the New Lease shall accept the Lease Premises in its "as is" condition subject to the terms of the New Lease and any Space Leases which theretofore may have been assigned and transferred to Landlord shall thereupon be assigned and transferred by Landlord to the tenant under the New Lease.

Notwithstanding anything to the contrary contained in this Section 9.3, a Leasehold Mortgagee shall not have the right to assign a New Lease to the Tenant or to any Affiliate of such Tenant, provided that the foregoing shall not be deemed to prohibit the Leasehold Mortgagee from assigning a New Lease to an Affiliate of the Leasehold Mortgagee.

## 9.4. Additional Protection for Leasehold Mortgagees.

The following additional matters are included herein for the express protection of any Leasehold Mortgagee, as an intended third party beneficiary of this Lease.

A. The proceeds or award from any of Tenant's insurance policies may be held by any Leasehold Mortgagee(s) and distributed or applied pursuant to the provisions of the applicable Leasehold Mortgage; subject, however to the terms of this Lease including, without limitation Section 10.10.

B. From time to time, and within thirty (30) days of request, Landlord and Tenant shall execute, acknowledge and deliver to any or all Leasehold Mortgagees, an agreement among Landlord, Tenant and such Leasehold Mortgagee(s), prepared at the sole expense of Tenant, in form satisfactory to such Leasehold Mortgagee(s) and the Landlord, reaffirming the applicability of the provisions of Section 9.1 through 9.5 to a particular Leasehold Mortgagee.

#### 9.5. No Landlord Subordination.

A. The Landlord will not subordinate its interest in the Project to any Mortgage.

#### 10. INSURANCE.

During the development and construction of the Project, Tenant shall procure and maintain and cause the contractor(s) (and, to the extent applicable, each of the subcontractors), to procure and maintain the following insurance as follows with respect to the Leased Premises and the Project:

#### 10.1. All Risk Builders Risk Insurance.

All Risk Builders Risk Insurance with limits equal to one hundred percent (100%) of the initial budget for construction of the Project, and any amendment to such budget that affects the cost of construction, on a "replacement cost" basis. Such insurance shall include the perils of fire, extended coverage, theft, vandalism, malicious mischief, collapse, difference in condition, earthquake (subject to a \$10,000,000.00 sublimit), cost of construction, and coverage for flood insurance if required under the Flood Disaster Protection Act of 1973. The All Risk Builders Risk Insurance may not have a deductible or self-insurance retention level that exceeds the lesser of twenty percent (20%) of such budget or Twenty-Five Thousand Dollars (\$25,000). The deductible shall not limit or apply to the Tenant's, its contractor's or subcontractor's liability to the Landlord and shall be the sole responsibility of the Tenant.

#### 10.2. Business Automobile Liability Insurance.

Business Automobile Liability Insurance of not less than \$2,000,000 combined single limit per occurrence to include coverage for owned, non-owned, hired motor vehicles, Uninsured Motorists insurance, and automobile contractual liability.

## 10.3. Workers' Compensation.

Statutory workers compensation coverage, including Maryland benefits and employers liability with limits of not less than \$100,000 per person, \$500,000 combined aggregate and \$100,000 disease protection.

#### 10.4. Subcontractors and Consultants.

The Tenant shall provide and shall cause its contractor(s), subcontractors, architect and consultants to provide the Landlord with certificates of insurance, and if requested by either, copies of all policies of insurance reflecting the foregoing coverages.

## 10.5. Insurance Following Construction of the Project.

Following completion of the Project and during the Term, Tenant shall carry (or cause to be carried) the following insurance in respect of the Project:

A. Insurance, as may be applicable, against loss or damage by fire, windstorm, tornado and hail and all other hazards covered by the usual extended coverage and "all special causes of loss" endorsements of whatsoever kind ("Property Insurance"), including, without limitation, coverage for loss or damage by water, flood and subsidence, and excluding from such coverage normal settling only. Such Property Insurance shall be in the amount set forth in the "replacement cost" endorsement to the policy in question, which endorsement shall be attached to the policy, provided that such amount, in all events, shall be (i) sufficient to prevent Landlord and Tenant from becoming co-insurers under provisions of applicable policies of insurance, and (ii) in the amount not less than one hundred percent (100%) of the replacement cost of the Project (net of footers, foundations and excavation), such net replacement cost to be determined by the insurers from time to time, but not less frequently than required by the standard "replacement cost" endorsement, and no omission on the part of Landlord to request any such determination shall relieve Tenant of its obligation to have such net replacement cost determined as aforesaid. Such Property Insurance shall also include a demolition and clearing clause and extra expense and loss of use coverages with a sublimit of not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence.

B. General comprehensive public liability insurance ("Liability Insurance") against liability for bodily injury and death and property damage, such Liability Insurance to be in an amount not less than One Million Dollars (\$1,000,000.00) for liability for bodily injury, death and property damage arising from any one occurrence and Three Million Dollars (\$3,000,000.00) from the aggregate of all occurrences within each policy year, with excess coverage or umbrella coverage of at least Five Million Dollars (\$5,000,000.00), and shall include the Project and all sidewalks adjoining or appurtenant to the Project, shall contain blanket contractual coverage and shall also provide the following protection:

- (1) completed operations;
- (2) personal injury protection; and

## (3) sprinkler leakage/water damage legal liability.

C. Workers' compensation providing statutory benefits for all persons employed by Tenant at or in connection with the Premises.

The Liability Insurance required under this Section 10 may be provided under Tenant or an Affiliate's umbrella liability policy.

## 10.6. Certificate Requirements.

All of the above-prescribed insurance shall (a) be procured from financially sound and reputable insurers qualified to transact an insurance business in the State of Maryland and have an A.M. Best rating of at least "A-X", (b) be in such form and with such provisions as are generally considered standard provisions for the type of insurance involved, and (c) be evidenced by certificates of insurance delivered to the Landlord upon the issuance of any policies (and subsequent changes in such policies). Any insurance required to be carried by Tenant under Article 10 may be carried under a blanket policy covering the Leased Premises and other locations.

#### 10.7. Deficiencies in Coverage and Failure to Maintain Insurance.

If Tenant or the Landlord becomes aware of any reduction in the coverage provided under any insurance required under this Article, or in the protection afforded thereunder, Tenant or the Landlord as the case may be, shall promptly notify the other. In the event Landlord reasonably determines, based on uses of the Project, that additional types of coverages may be required and to the extent that such additional coverages are customarily required in connection with similar type projects to the Project, Tenant shall promptly obtain, to the extent generally available, such additional coverage, including, without limitation, if required by then existing facts and circumstances, environmental impairment insurance, such requirement being expressly subject to the obligations of Landlord contained in Section 15.2 hereof.

#### 10.8. Additional Insured - Notice of Cancellation.

All policies of liability insurance described herein shall name the Landlord and any Mortgagee as additional insureds and shall not be cancelled, modified or terminated upon less than sixty (60) days prior written notice to Landlord. The liability coverage shall further expressly provide for contractual liability coverage associated with the Tenant's indemnification obligations under this Lease.

#### 10.9. Insurance Does Not Waive Obligations.

No acceptance or approval of any insurance agreement or agreements shall (a) relieve or release or be construed to relieve or release the Tenant or other person from any liability, duty, or obligation assumed by, or imposed upon it, or, (b) impose any obligation upon the additional insured(s)/loss payees.

## 10.10. Property Insurance Proceeds.

During the Term, all sums payable for loss and damage to the Project arising out of casualties covered by the fire and extended coverage policies shall be used for the reconstruction, repair, or replacement of the damage (hereinafter referred to as "Reconstruction Work"), to a condition substantially comparable to its condition prior to the loss or damage and shall be payable directly to Tenant or its Mortgagee, provided that the proceeds must be used to rebuild the Project.

## 10.11. Waiver of Subrogation.

Each of Landlord and Tenant hereby waives any and every claim for recovery from the other for any and all loss or damage to the Leased Premises and/or the Project or to the contents thereof, whether such loss or damage is due to the negligence of Landlord or Tenant or their respective agents or employees, which loss or damage is insured pursuant to this Lease by valid and collectible insurance policies and then only to the extent of the proceeds collected or collectible under such insurance policies; provided, however, that the foregoing waiver shall not be operative in any case where the effect thereof is to invalidate any insurance coverage of the waiving party or increase the cost of such insurance coverage; provided further, that Landlord and Tenant each agree to give written notice of the terms of this mutual waiver to each insurance company which has issued, or in the future may issue, policies of physical damage to it, and to have said insurance policies properly endorsed to prevent the invalidation of said insurance coverage by reason of said waiver and provided further that such insurance company waives all rights of subrogation which it might have against Landlord or Tenant, as the case may be.

## 10.12 Landlord's Obligations.

Nothing contained herein shall be deemed to impose any insurance obligations or requirements on Landlord.

#### 11. TAKING.

## 11.1. Total Taking.

In the event of a Taking of the entire Leased Premises, including the entire fee simple title to the Leased Premises, as well as the right, title and interest of Tenant therein, then the rights and obligations of the parties hereunder (except rights and obligations arising prior to such Taking and except rights and obligations provided in this Section) shall terminate as of the date of such Taking; the parties hereby agree to look solely to the condemnation awards or proceeds for compensation in the proportions hereinafter provided for their respective interests in the Leased Premises and/or the Project as such interest is set forth in Section 11.5 hereof. The Taking shall be considered to take place upon the earlier of acquisition of title by the condemning authority, or acquisition of possession by the condemning authority.

## 11.2. Partial Taking.

In the event of a Taking of any portion of the Leased Premises and/or the Project, and if Section 11.1 does not apply thereto, the Taking award or proceeds shall first be applied to restoration of the portion of the Leased Premises remaining after the Taking, to the extent restorable. The balance of such proceeds shall be apportioned in accordance with Section 11.5.

## 11.3. Substantial Taking.

In the event of a Taking of a substantial portion, but less than the entire Leased Premises and/or the Project, such that it shall no longer be reasonably economical or practical for Tenant, in Tenant's sole judgment, to continue its business on the Leased Premises, then Tenant shall have the right, at its option, to terminate this Lease by notice in writing to Landlord within ninety (90) days after Tenant actually receives notice that such Taking has occurred in which event this Lease shall be terminated except that Tenant's interest hereunder shall continue for purposes of the apportionment of the Taking award or proceeds in accordance with Section 11.5.

## 11.4. Temporary Taking.

In the event of a temporary Taking of the right to possession and use of all or part of the Leased Premises as to which Sections 11.1, 11.2 and 11.3 are not applicable, then the entire Taking award or proceeds shall be apportioned in accordance with Section 11.5.

## 11.5. Allocation of Award.

In the event of a Taking as described in Section 11.1, the net Taking award or proceeds, including damages or interest (after deduction of all expenses, including fees of attorneys, appraisers and expert witnesses), shall be paid as follows in the following order of priority (and, in the event of a Taking as described in Sections 11.2 or 11.3, the apportionment of the Taking award or proceeds shall take into account these priorities to the extent applicable):

A. To secure and make safe the Leased Premises to the extent necessary or required by Applicable Law.

B. Any remaining balance of the Taking award or proceeds shall be payable to Landlord. Tenant shall be entitled to any separately allocated award or proceeds in respect of moving expenses, or loss of good will or profit or in respect of fixtures and other property of Tenant, and/or the cost or expense for the repair and removal of such fixtures and other property.

## 11.6. Notice of Taking.

Landlord and Tenant shall each give to the other and to any Leasehold Mortgagees immediate written notice of any pending or threatened Taking of which it has knowledge.

#### 11.7. Condemnation Proceedings.

The respective rights of Landlord and Tenant in the condemnation award shall be determined pursuant to this Lease under the procedures established herein. Nothing herein shall diminish Tenant's rights to received a separate award for value of fixtures, personal property and relocation costs.

#### 12. TENANT'S DEFAULT; LANDLORD'S REMEDIES.

#### 12.1. Tenant's Default.

## 12.1.1. Failure to Observe Agreement.

A. The Tenant shall fail to observe, satisfy or perform any material term, covenant or agreement contained in this Agreement; or

B. The Section B Ground Lease and the Section C Ground Lease, shall be terminated on account of default by the tenants thereunder; or

## 12.1.2. Accuracy of Representation and Warranties.

Any representation or warranty made herein shall prove to have been incorrect as of the date made or deemed made; and which shall have a material adverse affect on Tenant's ability to perform its obligations hereunder; or

#### 12.1.3. Abandonment.

Tenant abandons the Leased Premises; or

12.1.4. Intentionally Omitted; or

#### 12.1.5. Bankruptcy.

The Tenant shall generally fail to pay its debts as such debts become due or shall admit in writing its inability to pay its debts as such debts become due or shall make a general assignment for the benefit of creditors; the Tenant shall commence any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its property; or any case, proceeding or other action against the Tenant shall be commenced seeking to have an order for relief entered against the Tenant, as debtor, or

seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Tenant or its principals or Affiliates or their debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, liquidation, assignee, trustee, custodian, sequestrator or other similar official for the Tenant, or for all or any substantial part of their respective properties, and (i) the Tenant, shall by any act or omission, indicate its consent or approval of, or acquiescence in such case, proceeding or action, (ii) such case, proceeding or action results in the entry of an order for relief which is not fully stayed within thirty (30) days after the entry thereof, or (iii) such case, proceeding or action remains undismissed for a period of sixty (60) days or more or is dismissed or suspended only pursuant to Section 305 of the United States Bankruptcy Code or any corresponding provision of any future United States bankruptcy law.

#### 12.1.6. Attachment, Garnishment.

The issuance of any attachment or garnishment against the Tenant if the Tenant is the debtor and the failure to discharge the same (by bond or otherwise) within thirty (30) days from the issuance thereto and the impact of which shall materially and adversely affect the Tenant's ability to perform its obligations hereunder.

## 12.1.7. Judgments.

One or more judgments or decrees shall be entered against the Tenant involving an aggregate liability in excess of One Hundred Thousand Dollars (\$100,000) or more, and such judgments and decrees shall not have been vacated, discharged, reduced to below an aggregate of One Hundred Thousand Dollars (\$100,000), stayed or bonded pending an appeal within sixty (60) days from the entry to this Lease and the impact of which shall materially and adversely affect the Tenant's ability to perform its obligations hereunder.

#### 12.2. Notice of Default; Cure Period.

Upon the occurrence of a Tenant's Default, other than a default under Section 12.1.1(B) as to which no notice shall be required, Landlord shall, prior to exercising any remedies hereunder, give to Tenant, pursuant to the notice provisions hereof, a Notice of Tenant's Default, which Notice of Tenant's Default shall at the same time be given to any Leasehold Mortgagees of which Landlord has been notified in writing, and which shall provide in the case of a Tenant's Default described in Section 12.1. that Tenant shall cure such default within a period of fifteen (15) days from the date of such Notice of Tenant's Default for a monetary default and thirty (30) days for a nonmonetary default. With respect to any Tenant's Default other than a default in the payment of money or a default under Section 12.1.1(B), which default is of such nature that it cannot, by due diligence, be cured within the foregoing periods of time, if Tenant shall promptly commence the curing of such default and so long as Tenant is employing Best Efforts to cure such default, then Tenant shall be entitled to a period not to exceed eighteen (18) months to cure such default. There shall exist an Event of Tenant's Default if a Tenant's Default remains uncured after the giving of a Notice of Tenant's Default

and the expiration of the foregoing periods to cure. Any Leasehold Mortgagees shall have the rights and periods of time within which to cure or commence to cure any Tenant's Default as are set forth in Section 9 hereof.

#### 12.3. Remedies.

If an Event of Tenant's Default exists and Landlord gives Tenant and any Leasehold Mortgagee a Notice of Tenant's Default in accordance with Section 12.2, and Tenant and any Leasehold Mortgagees fail to cure the specified default within the time allowed by this Lease, then Landlord shall have the following rights:

A. Landlord may give to Tenant, pursuant to the notice provisions hereof, a notice ("Notice of Termination") which shall at the same time be given to any Leasehold Mortgagee and which shall provide that unless the default specified in the Notice of Tenant's Default (and again specified in the Notice of Termination) is cured (or a cure is commenced) within thirty (30) days following the giving of the Notice of Termination, then, upon the expiration of such thirty (30) day period, the term of this Lease shall expire and terminate. Upon the occurrence of all of the foregoing events, including the expiration of such thirty (30) day period, then unless such Tenant's Default shall have been cured and subject to the Leasehold Mortgagee's rights under Section 9 hereof, including, without limitation, its right to a New Lease under Section 9.3 hereof, the Term of this Lease shall expire and terminate with the same force and effect as though the date so specified were the date herein originally fixed as the expiration date of the Term. The provisions of this subsection shall operate as a notice to quit, any other notice to quit or of Landlord's intention to re-enter the Leased Premises being hereby expressly waived. If necessary, Landlord may proceed to recover possession of the Leased Premises under applicable laws. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything in this Lease to be done and performed by Landlord shall cease without prejudice, and Tenant shall remain liable for (i) all rent and other sums accrued through the later of termination of this Lease or Landlord's recovery of possession and (ii) direct damages incurred by Landlord on account of such default.

B. If Tenant shall fail to cure Tenant's Default within the required cure period Landlord may exercise any or all of its available rights and remedies, at law or in equity. In addition, if Tenant defaults in the making of any payment or in the doing of any act herein required to be made or done by Tenant, then Landlord may, but shall not be required to, make such payment or do such act, in which event the amount of the expense thereof, with interest thereon at the Default Rate from the date of written notice to Tenant of such expenditure, and together with interest or other financing charges or expenses (including assignable overhead) incurred by Landlord in curing such default, may be recovered by Landlord from Tenant as Additional Rent. The foregoing notwithstanding, the exercise by Landlord of "self help" under Section 6.1(C) of this Lease where no notice to Landlord or the Mortgagee is required shall not constitute a Tenant Default.

C. No delay or failure by Landlord to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default by Tenant unless such waiver expressly is set forth in a written instrument signed by Landlord. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

## 12.4. Tenant to Quit Upon Termination.

Except in the event Tenant exercises its right of first refusal to purchase Gateway Plaza and Silver Plaza pursuant to the terms of Exhibit "G" of this Lease, upon the expiration or termination of this Lease, Tenant shall quit and peaceably surrender the Leased Premises, without further notice, any and all notices to quit, notices of intention to re-enter or any other notices and any institution of legal proceedings hereby being waived. If Tenant exercises the right of first refusal, upon expiration of the termination under this Lease, Tenant shall quit and surrender all of the Leased Premises except Gateway Plaza and Silver Plaza in accordance with the foregoing sentence.

#### 12.5. Landlord's Waiver of Distraint.

Landlord hereby waives any and all rights Landlord now has or hereafter may have by reason of this Lease (or by reason of statute or common law) to distrain for rent upon the Leased Premises, or upon any property upon the Leased Premises, whether such property is the property of Tenant or is the property of any other person or entity.

- 12.6. Intentionally Omitted.
- 12.7. Intentionally Omitted.
- 12.8. Additional Cure Rights of Leasehold Mortgagees.

The rights of any Leasehold Mortgagees and other provisions regarding default and termination as set forth in Section 9 shall apply in addition to any rights to cure set forth in this Section.

- 12.9. Intentionally Omitted.
- 12.10. Intentionally Omitted.

## 13. LANDLORD'S DEFAULTS.

#### 13.1. Events of Landlord's Default.

Any failure by the Landlord to perform, or to comply with, within the applicable time periods any of the covenants, agreements or conditions contained in this Lease to be performed or complied with by Landlord shall constitute a Landlord's Default.

#### 13.2. Landlord Powers.

The Landlord is a political subdivision of the State and can exercise only those powers granted it by Applicable Law. In the event the Landlord is prevented, restricted, or delayed in any of the duties and obligations imposed upon it or assumed by it under the terms and provisions of this Lease as a result of any legal proceedings, unless instituted by the Landlord in derogation of its responsibilities and obligations hereunder or as a result of the Landlord's failure to comply with this Lease or any federal, state, or local law, ordinance, or regulation, it shall not be liable for any costs, damages, injuries, or liabilities caused to or suffered or incurred by Tenant, its successors or assigns in connection with, or as a result of any such legal proceedings or any such prevention, restriction, or delay.

#### 13.3. Notice of Landlord's Default; Cure Period.

Tenant shall, prior to exercising any remedies hereunder, give to Landlord, pursuant to the notice provisions hereof, a Notice of Landlord's Default, and which shall provide that Landlord shall cure such default within thirty (30) days from the date of such Notice of Landlord's Default. With respect to any Landlord's Default, if Landlord shall commence the curing of such default within the period specified in the Notice of Landlord's Default, then Landlord shall be entitled to as long a period to cure such default as may be required by Landlord in the exercise of due diligence in endeavoring to cure such default.

## 13.4. Tenant's Remedies.

If Landlord shall fail to cure Landlord's Default within the required time period, an "Event of Landlord's Default" shall exist. In such event, Tenant may exercise any or all of its available rights and remedies, at law or in equity. In addition, if Landlord defaults in the making of any payment or in the doing of any act herein required to be made or done by Landlord, then Tenant may, but shall not be required to, make such payment or do such act, in which event the amount of the expense thereof, with interest thereon at the Default Rate from the date of written notice to Landlord of such expenditure, interest or other financing charges or expenses incurred by Tenant in curing such default, may be recovered by Tenant from Landlord.

#### 13.5. No Waiver.

No failure by Landlord or Tenant to insist upon the performance of any covenant, agreement, provisions or condition of this Lease or to exercise any right or remedy consequent upon a default by either party hereunder, and no acceptance of full or partial rent during the continuance of any Tenant default shall constitute a waiver of any such default or of such covenant, agreement, provision or condition. No waiver of any default shall affect or alter this Lease, but each and every covenant, agreement, provision and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent default hereunder.

#### 14. INDEMNIFICATION.

Tenant hereby agrees, covenants, and warrants to protect, indemnify, and hold the Landlord and its respective officers, members, employees and agents (the "Indemnified Parties") harmless from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, liens, encumbrances, suits or actions and reasonable attorneys' fees, and the cost of the defense of the Indemnified Parties in any suit, including appeals, arising out of, or relating in any manner to (i) all work undertaken by Tenant pursuant hereto, activities resulting therefrom and/or as a result of the Tenant's, or its contractors, subcontractors, agents, employees or invitees presence on, access to, or activities on or about the Leased Premises (excluding any work done in connection with the Public Improvements governed by a Public Improvement Contract) and excepting only the Landlord's negligence and intentional misconduct to the extent of such Landlord negligence or intentional misconduct on a comparative negligence basis, and (ii) direct damages incurred as a result of Tenant's Default hereunder.

## 15. ENVIRONMENTAL MATTERS.

#### 15.1. Environmental Tests and Reports.

A. The Landlord shall cooperate with Tenant, and any Mortgagee, and any of their environmental consultants and/or contractors to assure reasonable access to the Leased Premises for the purpose of permitting the performance of all environmental tests or studies Tenant desires to undertake. Copies of all reports prepared in connection with the studies shall be provided to the Landlord.

B. The Landlord shall cooperate in all reasonable respects with Tenant in Tenant's efforts to secure any and all environmental approvals, closure (or similar) letters, or any other actions from any governmental agencies, including but not limited to "Brownfields" or voluntary remediation program approvals, grants, or other benefits (except for Brownfields tax credits which if received by Tenant during the ten (10) year period commencing on the date of closing of the Permanent Financing, will be paid over to Landlord as additional rent) (collectively, "Environmental Approvals"). The Landlord shall join in any application or other document that may be reasonably required in order to obtain any such Environmental Approvals; provided that such joinder shall impose no financial burden on Landlord beyond what is required under Section 15.2 hereof.

#### 15.2. Environmental Remediation.

For a period of five (5) years following the commencement of construction on the Leased Premises, in the event environmental remediation is required to be performed upon the Leased Premises due to the presence of any Hazardous Substance in excess of permissible concentrations pursuant to any Federal, State and local laws, regulations or ordinances, and such remediation can be clearly demonstrated to be the result of a condition which existed prior to execution of this Lease for such Section, the Landlord shall be responsible for the costs of required remediation in accordance with Applicable Law, provided that such condition was not caused by the

actions of the Tenant, its agents, employees, contractors or invitees. If appropriated funds are inadequate to cover such remediation, the Landlord shall promptly request and diligently pursue a supplemental appropriation to cover the costs of such remediation and any delay in obtaining supplemental appropriation shall be deemed a Landlord Delay but not a Landlord default. Any such remediation will be performed (i) by environmental consultants and contractors reasonably acceptable to Landlord, (ii) in accordance with all Applicable Laws, and (iii) upon terms reasonably acceptable to Landlord.

#### 15.3. Tenant's Obligations.

Tenant shall not knowingly (a) cause or permit the escape, disposal or release of any biologically or chemically active or other "Hazardous Substances", or (b) allow the storage or use of Hazardous Substances in any manner not sanctioned by law or by the standards prevailing in the industry for the storage and use of such substances, waste or materials, or (c) allow any Hazardous Materials to be brought onto the Leased Premises except as are customarily used in similar projects; provided, however, that all such uses, and the storage and disposal of any Hazardous Substances shall be in strict accordance with all Legal Requirements. Except as provided in Section 15.2 above, Tenant shall defend, indemnify and hold harmless Landlord against and from any liability, claim of liability or expense (including attorneys' fees, court costs and experts' fees) arising out of any Hazardous Substances on the Leased Premises while Tenant is in possession thereof, or while this Lease is in effect or at any time thereafter if caused by Tenant or any person acting under or through Tenant. Without limiting the foregoing, if the presence of any Hazardous Substances caused or permitted by Tenant or any person acting under Tenant results in any contamination of the Leased Premises, or if any contamination occurs either knowingly or unknowingly while this Lease is in effect or while Tenant is in possession of the Leased Premises, then subject to any required payment by Landlord as provided in Section 15.2 above, Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Leased Premises to the condition existing prior to the introduction of any such Hazardous Substances to the Leased Premises or as may be required under Applicable Law.

#### 16. FORCE MAJEURE.

Notwithstanding anything to the contrary contained in this Lease, all of the parties' obligations hereunder including, without limitation, the Section Development Schedule, shall be subject to Force Majeure. For any Force Majeure resulting in a delay in either party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of (or should have known of) the Force Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact. The foregoing notwithstanding, the maximum period for any

Force Majeure delay shall not exceed eighteen (18) months, except with respect to Landlord Delays.

# 17. REPRESENTATIONS, WARRANTIES AND COVENANTS.

17.1. Tenant's Representations, Warranties and Covenants.

To induce the Landlord to enter into this Lease, the Tenant represents, warrants, and covenants and agrees with the Landlord that:

- A. Tenant is a limited liability corporation duly organized and validly existing and in good standing under the laws of Maryland and is duly qualified to enter into this Agreement and undertake the obligations provided for herein.
- B. The sole members of Tenant are Silver Triangle L.C., a Maryland limited liability company, which is an Affiliate of The Peterson Companies, and FP-Argo Silver Spring, LC, a Maryland limited liability company, which is an Affiliate of the Foulger-Pratt Companies and Argo Investment Company.
- C. Tenant has the full and unrestricted lawful power and authority to enter into and carry out the terms of this Lease or other agreement contemplated herein. The execution, delivery and performance of this Lease and any other agreement contemplated herein and the consummation of the transactions contemplated hereby and thereby have been or will be as of the Lease Commencement Date, duly authorized and approved by all requisite action, as the case may be, and this Lease and all other agreements contemplated herein, documents contemplated hereby or thereby, when duly executed and delivered, will each constitute a valid and binding agreement of the Tenant and, as applicable, its Affiliates, enforceable in accordance with its terms.
- D. Except for the Development Approvals, and approvals required in this Agreement, no consent, approval or authorization of any other person or entity is required to be obtained by the Tenant in connection with the execution, delivery or performance of this Lease or any other agreement contemplated herein.
- E. Neither the execution or delivery of this Lease, or any other agreement contemplated herein, nor the consummation of the transactions contemplated hereby or thereby, will, as to the Tenant, its principals or Affiliates, where applicable: (i) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under its or their organizational documents (including without limitation articles of incorporation, bylaws, certificates of limited partnership or partnership agreements) or any agreement or instrument to which it is a party or is subject; (ii) violate any agreement, restriction, easement, restrictive covenant, or instrument to which it is a party or to which it or any of its assets is subject; or, (iii) to its knowledge, constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance, rule, judgment, decree or order.
- F. There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Tenant, threatened against or affecting the Tenant, its members or

Affiliates which question the validity of this Lease or any agreement, instrument or document delivered or to be delivered pursuant hereto or thereto, or any action taken in, under or in connection with any of the provisions of hereof or thereof, at law or in equity, before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality; and the Tenant has no reason to believe that any such action, suit, proceeding or investigation may be brought or threatened against the Tenant and subject to the satisfaction of all terms and conditions of this Lease.

G. Tenant has not retained any person or entity to solicit or secure this Lease' from the Landlord upon an agreement or understanding for a commission, percentage or brokerage fee, other than bona fide employees or bona fide established commercial selling agencies retained by the Tenant for the purpose of securing business, and other than attorneys rendering legal services.

H. Tenant shall use its best efforts to take, or cause to be taken, all actions necessary or desirable to cause the representations and warranties of the Tenant set forth herein to be true and correct during the term of this Lease. The Tenant shall refrain from taking any action which would cause, or threaten to cause, any such representation or warranty to become untrue or incorrect at any time during such period.

I.Tenant has (i) satisfied or waived all conditions precedent to the execution of this Lease as set forth in Section 14 of the Development Agreement, to the extent the satisfaction or waiver of such conditions precedent is within Tenant's control, and (ii) not caused any Hazardous Substances to be deposited on the Leased Premises prior to the date hereof.

# 17.2. Landlord Representations and Warranties.

To induce the Tenant to enter into this Lease, the Landlord represents and warrants to, and covenants and agrees with, the Tenant as follows:

A. Landlord is a political subdivision of the State of Maryland and has the full and unrestricted lawful power and authority to enter into and carry out the terms of this Lease. The execution, delivery and performance of this Lease and the consummation of the transactions contemplated hereby and thereby have, been duly authorized and approved, and this Lease and all other agreements, documents and instruments contemplated hereby or thereby, each will constitute a valid and binding agreement of the Landlord, enforceable in accordance with its terms.

B. Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated hereby or thereby will (i) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, Landlord's charter or the Montgomery County Code, or any agreement or instrument to which it is a party; or (ii) constitute a violation of any applicable judgment, decree or order or, to Landlord's knowledge, any applicable code, resolution, law, statute, regulation, ordinance or rule.

C. Subject to the terms of this Lease, Landlord shall reasonably cooperate with the Tenant to facilitate the processing of such plans, permit applications and easements for the benefit of public utilities as are necessary for the development of the Private Improvements.

D. In the event that the Mortgagee or Mortgagees providing Construction and/or Permanent Financing so require, Landlord will provide (i) an appropriate legal opinion from the Landlord Attorney's Office concerning the matters referred to in this Section 17; and (ii) estoppel certificates certifying as to the status of this Lease.

#### 18. GENERAL CONDITIONS.

#### 18.1. Disputes.

Tenant hereby consents and submits to the jurisdiction of the courts of the Circuit Court of Montgomery County, Maryland for all purposes in connection with the resolution of controversies or disputes hereunder. Tenant irrevocably consents to the service of process or notice of motion or other application to any of the aforementioned courts, and any papers in connection with any proceedings before any of such courts, by the mailing of copies thereof by certified or registered mail, postage prepaid, to Tenant at its address designated in Section 18.7 of this Agreement. The Tenant's resident agent is Clayton F. Foulger with an address c/o Foulger-Pratt Companies, 9600 Blackwell Road, Suite 200, Rockville, Maryland 20850, or any such other address as Tenant may designate in writing.

## 18.2. Use of Words and Phrases.

Use of the singular shall include the plural and use of the plural shall include the singular as appropriate. Where this Agreement requires the performance of obligations, such performance, unless otherwise stated, may be performed by the party or its contractor or agent on its behalf.

## 18.3. <u>Landlord Approvals</u>.

Approvals and consents required from Landlord in this Lease do not substitute for regulatory approvals required under Applicable Law. Regulatory approvals by Landlord required by law or regulation do not substitute for approvals and consents required from the Landlord in this Lease. Any time Tenant or Landlord's approval or permission is required by this Lease, such approval must be in writing.

#### 18.4. Construction of Document.

Both parties to this Lease are represented by counsel and this Agreement reflects input from both parties. Therefore, in the event of a dispute over, or any ambiguity of, the terms of this Lease, the parties agree that common law rules of construction in favor of one party or against another party shall not apply.

#### 18.5. No Discrimination.

No covenant, agreement, lease, rental contract, conveyance, or other instrument shall be effected or executed by the Tenant, or any of its successors or assigns, whereby the Leased Premises, or any portion of the Project is restricted upon the basis of race, sex, sexual orientation, religious creed, color, national origin, marital status, age or disability in the sale, lease, rental, use, or occupancy thereof. Tenant will comply with Federal, State, and local laws prohibiting discrimination upon the basis of race, sex, sexual orientation, religious creed, color, national origin, marital status, age, or disability in the development and operation of the Project.

## 18.6. No Partnership or Joint Venture.

It is mutually understood and agreed that nothing contained in this Lease is intended or shall be construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of partners or creating or establishing the relationship of a joint venture between the Landlord and the Tenant or as constituting Tenant as the agent or representative of the Landlord for any purpose or in any manner under this Lease, it being understood that Tenant is a separate entity.

#### 18.7. Notice.

Any notice or communication under this Lease by the Landlord to Tenant or by Tenant to the Landlord must be in writing and shall be sufficiently given or delivered if dispatched by either (a) certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight delivery service, or (c) hand-delivery (if receipt is evidenced by a signature of the addressee or authorized agent), and addressed:

(a) in the case of a notice or communication to Tenant, as follows:

PFA SILVER SPRING LC c/o Foulger Pratt Companies 9600 Blackwell Road, Suite 200 Rockville, Maryland 20850 Attention: Clayton F. Foulger Richard Perlmutter

with a copy to:

Richard M. Zeidman, Esquire Linowes and Blocher LLP 1010 Wayne Avenue Silver Spring, Maryland 20910

#### with a copy to:

The Peterson Companies 12500 Fair Lakes Circle Suite 400 Fairfax, Virginia 22033 Attention: General Counsel-Retail

## (b)in the case of a notice or communication to the Landlord, as follows:

Montgomery County Government
Office of the County Executive
101 Monroe Street, Second Floor
Rockville, Maryland 20850
Attention: Chief Administrative Officer

#### with a copy to:

Montgomery County Government
Silver Spring Redevelopment Program
962 Wayne Avenue
Silver Spring, Maryland 20910
Attention: Director, Silver Spring Redevelopment Program

#### with copy to:

Montgomery County Government
Department of Public Works and Transportation
101 Monroe Street
Rockville, Maryland 20850
Attention: Director

#### with copy to:

Montgomery County Government Office of the County Attorney 101 Monroe Street, Third Floor Rockville, Maryland 20850 Attention: County Attorney

## with copy to:

Montgomery County Office of Leasing Management Department of Public Works and Transportation 110 North Washington Street Rockville, Maryland 20850

or addressed to such other address in respect to any of the foregoing parties as that party may, from time to time, designate in writing, dispatched as provided in this Section.

All notices and approvals required in this Lease must be in writing to bind the submitting or receiving party.

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#### 18.8. Conflicts of Interest.

No member, official, representative, or employee of the Landlord or the Tenant shall take any action regarding this Lease or any agreements relating to either which conflicts with, or is prohibited by, any ethical requirements to which they are subject.

#### 18.9. Performance on Saturday, Sunday, or Holiday.

Whenever the provisions of this Lease call for the performance of any act on or by a date that is not a Landlord business day, including the expiration date of any cure periods provided herein, then such payment or such performance shall be required on or by the immediately succeeding Landlord business day.

#### 18.10. State Law.

This Lease shall be interpreted in accordance with the laws of the State of Maryland.

#### 18.11. No Brokers.

Landlord and Tenant each warrant to the other that no broker or agent has been employed with respect to this Lease and each agrees to indemnify and hold the other harmless from any claim by any broker or agent claiming compensation in respect of this Lease based on an alleged agreement by Landlord or Tenant, as the case may be.

#### 18.12. Estoppel Certificate from Landlord.

Upon thirty (30) days' prior written notice by Tenant or any Mortgagee, from time to time, Landlord shall execute, acknowledge and deliver to Tenant or to any person designated by Tenant, a statement in writing certifying whether this Lease has been modified (and, if there have been modifications, identifying the same by the date thereof and specifying the nature thereof), whether any Notice of Default or Notice of Termination of this Lease has been given to Tenant, whether to the knowledge of Landlord any Event of Tenant's Default exists hereunder, whether Landlord has any specific knowledge of any claims against Tenant hereunder, the Lease Commencement Date, expiration date, the then-current amount of Annual Base Rent and the date to which the Annual Base Rent has been paid by Tenant, that this Lease is in full force and effect and that to the best of Landlord's knowledge there are no conditions existing which, with the passage of time or the giving of notice or both, would constitute a Tenant's Default, and that the contemplated transfer or financing, if any, does not constitute an Event of Default under this Lease and that no consent of the party so certifying is required for such transfer or financing.

## 18.13. Memorandum of Lease.

Concurrently with the execution of this Lease, Landlord and Tenant shall execute in recordable form for purposes of recordation, a short form of this Lease containing the names of the parties, a description of this Leased Premises, the Term of the Lease, a statement of the permitted uses hereunder of the Leased Premises, and such other provisions as Tenant may reasonably require. The parties shall also execute in recordable form additional memoranda reflecting any other date or matter pertaining to this Lease reasonably requested by Tenant. All costs of recording such memoranda shall be borne by Tenant.

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#### 18.14. Entire Agreement.

A. This Lease cannot be changed or terminated orally. This Lease and the Exhibits attached hereto contain the entire agreement between the parties and is intended by the parties to be an integration of all agreements between the parties concerning the terms of this Lease, including, without limitation (except as otherwise expressly and particularly set forth herein), the Development Agreement as it relates to the Section of which the Leased Premises form a part. Any agreement hereafter made shall be ineffective to change, modify or discharge this Lease in whole or in part, unless such agreement is in writing and signed by the parties hereto.

B. In the event of any inconsistency between the terms and provisions of the Lease and the terms and provisions of the Development Agreement, the terms and provisions of this Lease shall govern.

#### 18.15. No Merger.

The fee title of Landlord and the leasehold estate of Tenant shall at all times be separate and apart, and shall in no event be merged, notwithstanding the fact that this Lease or the leasehold estate created hereby, or any interest in either thereof, may be held directly or indirectly by or for the account of any person who shall own the fee estate in the Leased Premises or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all persons at the time having any equity or secured financing interest of record in this Lease or the leasehold estate, shall join in the execution of a written instrument effecting such merger or estates and record such instrument among the land records of Montgomery County, Maryland or alternatively until such time as this Lease and any New Lease entered into shall terminate in accordance with the terms hereof or thereof.

## 18.16. Severability.

If any provisions of this Lease or the application thereof to any person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue to be valid and shall be enforced to the fullest extent permitted by law.

## 18.17. Obligations to Run With Land.

The parties hereto covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals in this Lease contained, shall be construed as covenants running with the land, and as extending to, inuring to the benefit of, and being binding upon Landlord and Tenant and their successors and assigns, to the same extent as if the said successors and assigns were herein named as original parties hereto, all to the end that this Lease shall always bind the owner and holder of any interest whatsoever in or to the Leased Premises and/or the Project. All provisions of this Lease shall be construed to be "conditions" and "covenants" as though language specifically expressing or importing covenants and conditions were used in each separate provision of this Lease.

## 18.18. Gender; Number; Multiple Parties.

Words of any gender used in this Lease shall be held to include any other gender; words in the singular number shall be held to include the plural; and words in the plural shall be held to include the singular; all when the sense requires. If Landlord or Tenant is composed of more than one person or entity, then such person(s) or entity(ies) shall be jointly and severally liable for all obligations of Landlord or Tenant hereunder, as the case may be.

## 18.19. Captions for Convenience.

The captions and titles, and the Section and Paragraph headings (including the index and table of contents) are inserted only for convenience, and are in no way to be construed as part of this Lease, or as a limitation on the scope of the particular provisions to which they refer.

#### 18.20. Counterparts.

This Lease shall be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one agreement. The cover sheet of each such counterpart shall indicate the total number of counterparts executed by the parties, and the recipient of such counterpart.

## 18.21. Consents Not To Be Unreasonably Withheld.

Wherever it is provided in this Lease that anything or matter is subject to the judgment or satisfaction of Landlord or that the consent, approval, action or permission

of Landlord is required, Landlord covenants and agrees that the term "judgment" or "satisfaction", as the case may be, shall be deemed to mean "reasonable judgment" or "reasonable satisfaction" and that any such consent, approval, action or permission shall not be unreasonably withheld, conditioned or delayed.

#### 18.22. Waiver of Jury Trial.

Landlord and Tenant waive trial by jury in any action or proceeding brought by either of them against the other or on any claim, cross-claim or counterclaim in respect thereof on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim, injury or damage under or in connection with this Lease.

#### 18.23. Liability of Tenant.

Notwithstanding anything to the contrary provided in this Lease, there shall be absolutely no personal liability on the part of Tenant (including any successor in interest or any mortgagee or any individual, joint venture, tenancy-in-common, firm or partnership, general or limited, or any general or limited partner thereof) with respect to any of the terms, covenants and conditions of this Lease and any party claiming hereunder shall look solely to the equity of Tenant or its successor in interest in the Leased Premises for the satisfaction of each and every remedy of Landlord in the event of any breach by Tenant or its successor in interest of any of the terms, covenants and conditions of this Lease to be performed by them, such exculpation of personal liability to be absolute and without any exception whatsoever.

## 18.24. Liability of Landlord.

Notwithstanding anything to the contrary provided in this Lease, there shall be absolutely no personal liability on the part of Landlord (including any successor in interest or any mortgagee or any individual, joint venture, tenancy-in-common, firm or partnership, general or limited, or any general or limited partner thereof) with respect to any of the terms, covenants and conditions of this Lease and any party claiming hereunder shall look solely to the equity of Landlord or its successor in interest in the Leased Premises for the satisfaction of each and every remedy of Tenant in the event of any breach by the Landlord or its successor in interest of any of the terms, covenants and conditions of this Lease to be performed by them, such exculpation of personal liability to be absolute and without any exception whatsoever.

## 18.25. Intentionally Omitted.

# 18.26. Construction of Project.

Tenant covenants and agrees to use commercially reasonable efforts to minimize disruptions and impacts to the surrounding business and residential communities during construction of the Project and shall, by the date set forth in the Section Development Schedule, provide Landlord with a plan demonstrating how the Tenant will minimize disruptions to and impacts upon the surrounding business and residential communities during construction of the Project.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the date fist above written.

PFA SILVER SPRING, LC a Maryland limited liability company

Title: Manager

Date: 9.6.02

MONTGOMERY COUNTY, MARYLAND

Douglas M. Duncan, County Executive

Date:

RECOMMENDED BY:

APPROVED AS TO FORM AND LEGALITY:

OFFICE OF THE COUNTY **ATTORNEY** 

# EXHIBIT A-1- Ellsworth Premises

Parcel lettered "D" in Block lettered "B" in the subdivision known as and called "DOWNTOWN SILVER SPRING" per plat thereof recorded in Plat Book 196 at Plat No. 21283 among the Land Records of Montgomery County, Maryland.

# EXHIBIT A-2- Goteway Plaza Premises

Parcel lettered "C" in Block lettered "C" in the subdivision known as and called "DOWNTOWN SILVER SPRING" per plat thereof recorded as Plat No. 22271 among the Land Records of Montgomery County, Maryland.

# EXHIBIT A-3- Silver Plaza Premises

Parcel lettered "D" in Block lettered "C" in the subdivision known as and called "DOWNTOWN SILVER SPRING" per plat thereof recorded as Plat No. 22271 among the Land Records of Montgomery County, Maryland.

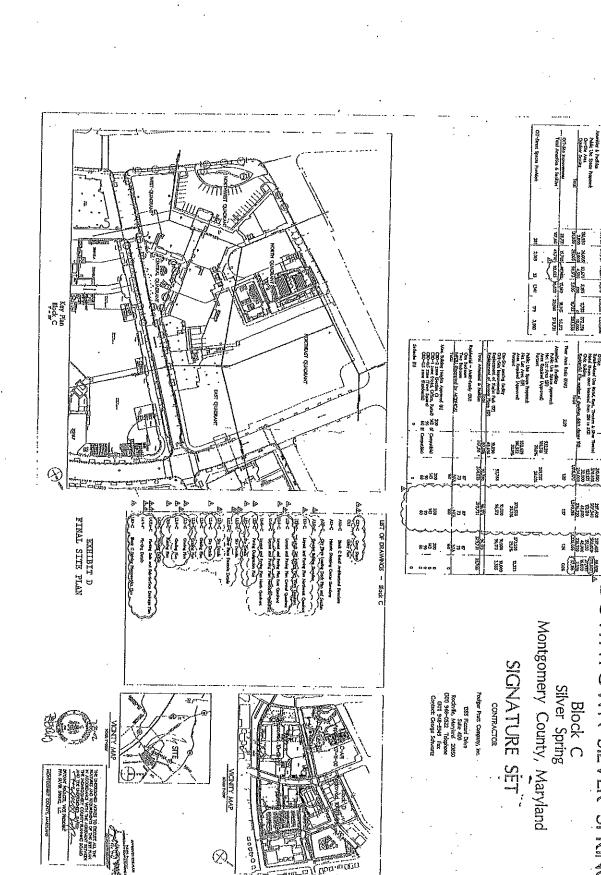
TOGETHER WITH two easements for "overhanging areas of encroachment in to the right of way of Georgia Avenue (Maryland Route 97)", as more particularly set forth in a Deed from Montgomery County, Maryland to the State Highway Administration, dated December 29, 1999, recorded in Liber 17884 at folio 450 among the Land Records of Montgomery County, Maryland.

TOGETHER WITH the easement and right of way on and over the Fire Exiting and Service Easement Area located on part of Parcel "A", Block "C", Downtown Silver Spring subdivision (Plat No. 21647) as more particularly set forth in a Declaration of Easements, dated September \_\_\_\_\_, 2002, recorded in Liber \_\_\_\_\_\_, folio \_\_\_\_\_\_, among the Land Records of Montgomery County, Maryland.

## **EXHIBIT B**

1.	Taxes, State, County and Municipal and other public charges (including, but not limited to, assessments by any State, County, Municipality, Metropolitan District or Commission) payable on an annual basis have been paid through, to and including the fiscal year ending June 30, 2002.
2.	Washington Suburban Sanitary Commission front foot benefit charges subsequent to December 31, 2001, - a lien but next installment not yet due and payable.
3.	Rights or claims of parties to possession under unrecorded space leases.
4.	Covenants, conditions, restrictions, easements, rights of way, building restriction lines; "WSSC Right of Way" in, on and under Parcel D, Block B; Ten foot (10') Public Utility Easement pursuant to the terms of the instruments recorded in Liber 3834 at folio 457 and in Liber at folio (No. 27 below); and other matters, if any, pursuant to Owner's Dedication, shown and/or noted on the following plats:
	a. Plat Book 196, Plat No. 21283 (Parcel D, Block B).
	b. Plat No. 21647 (Parcel A, Block C).
	c. Plat No. 22271 (Parcels B, C & D, Block C.
5.	Reciprocal Easement Agreement by Montgomery County, Maryland, PFA Silver Spring, LC, City Place Limited Partnership and Silver Spring Condo Corporation, dated July 22, 2002, recorded in Liber 21548, folio 326.
6.	Right-of-Way to the Washington Suburban Sanitary Commission (for fire hydrants) recorded in Liber at folio
7.	Declaration of Easements by Montgomery County, Maryland, dated, recorded in Liber, folio
8.	Ground Lease Agreement between Montgomery County, Maryland (landlord) and PFA Silver Spring, LC (tenant), dated, a Memorandum of which is recorded in Liber, folio (as to Parcel D, Block B, and Parcels C & D, Block C).
9.	Ground Lease Agreement between Montgomery County, Maryland (landlord) and PFA-C Silver Spring, LC (tenant), dated, a Memorandum of which is recorded in Liber, folio (as to Parcel B, Block C).
10.	Declaration of Covenants by Montgomery County, Maryland, dated, 2002, recorded in Liber, folio

Exhibit C
Intentionally Omitted

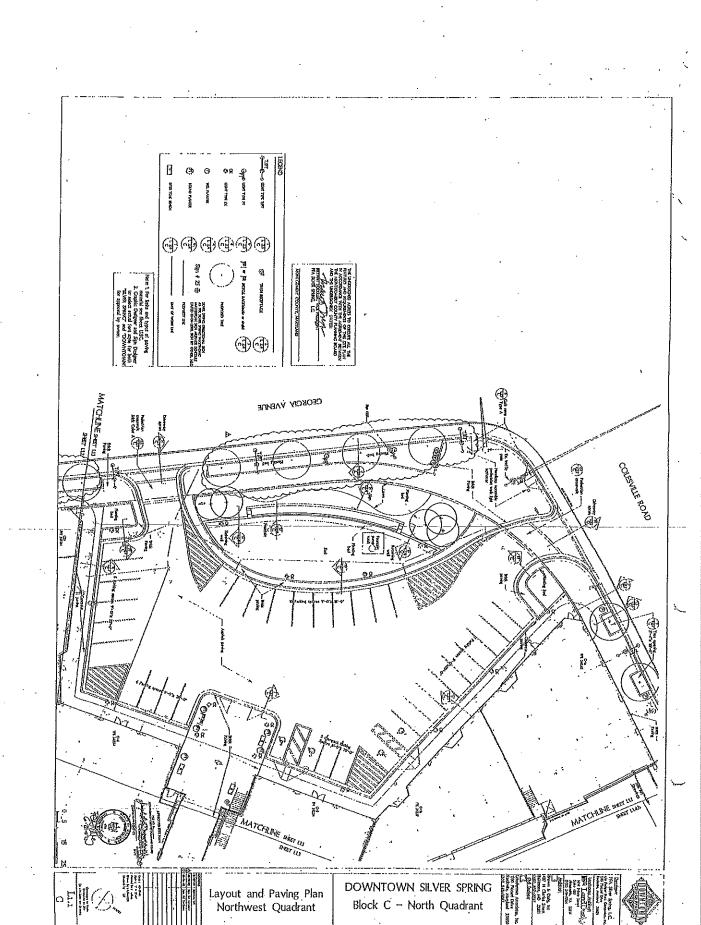


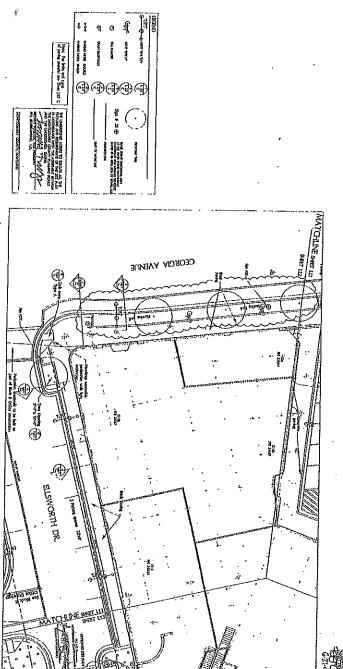
DOWNTOWN SILVER SPRING

Cover Sheet

DOWNTOWN SILVER SPRING Block C - Signature Set

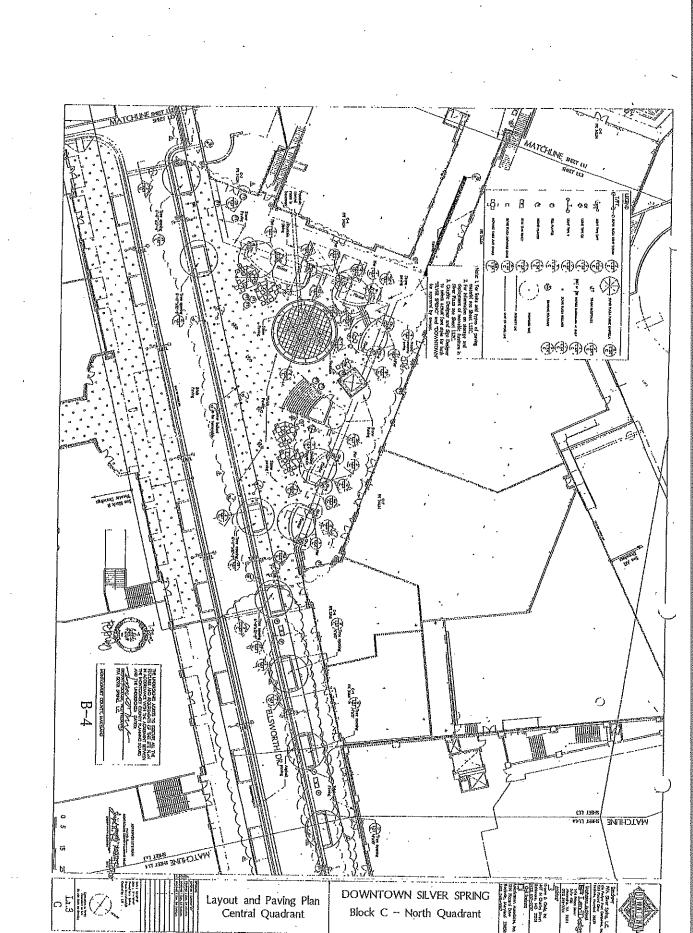


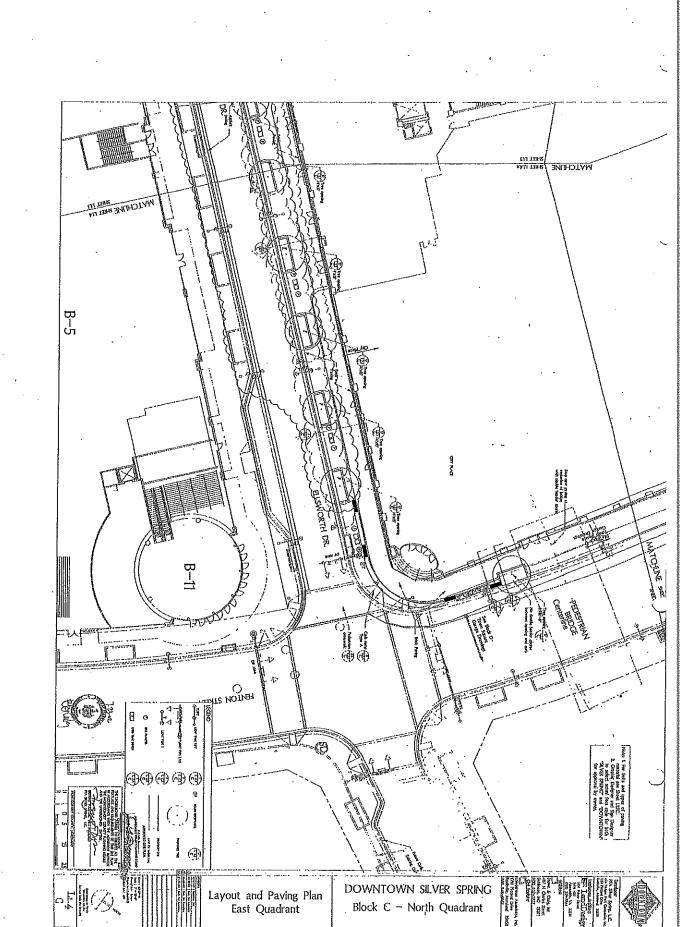


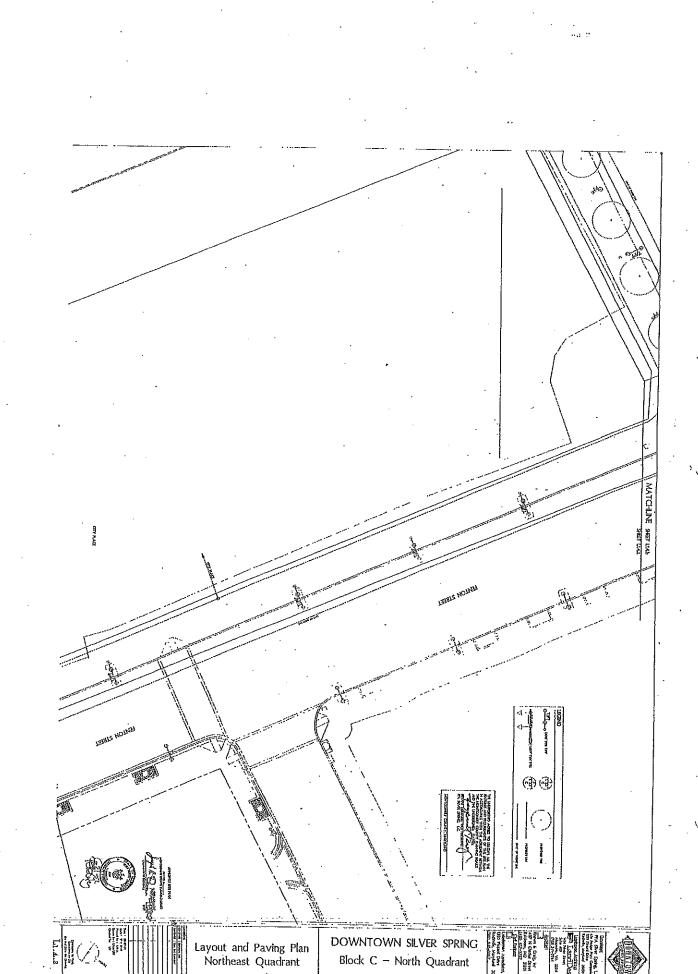


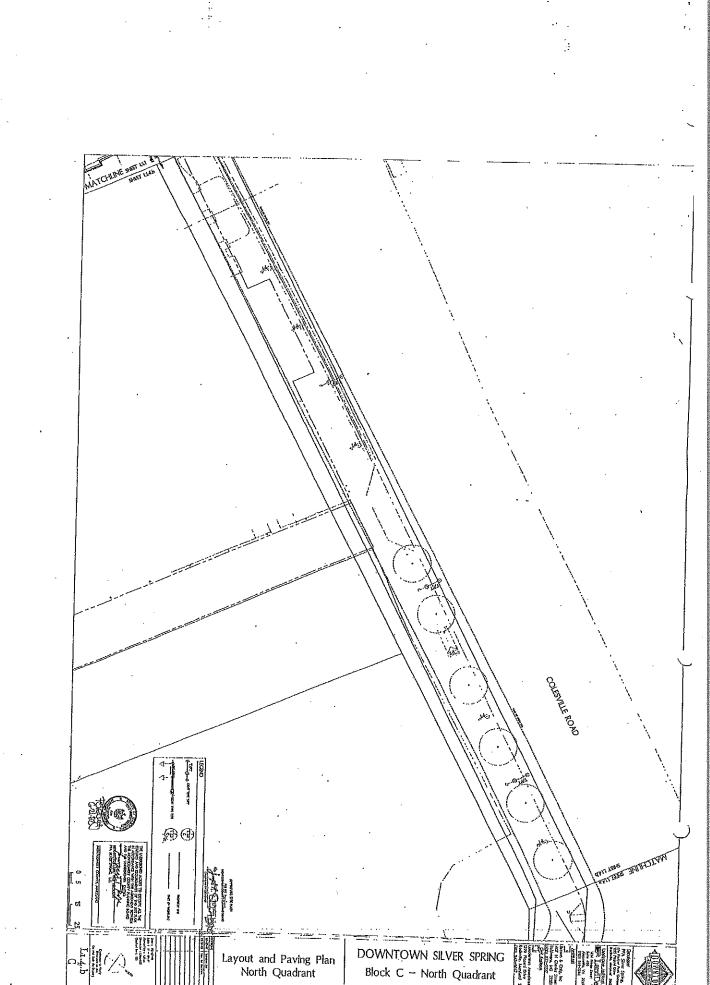


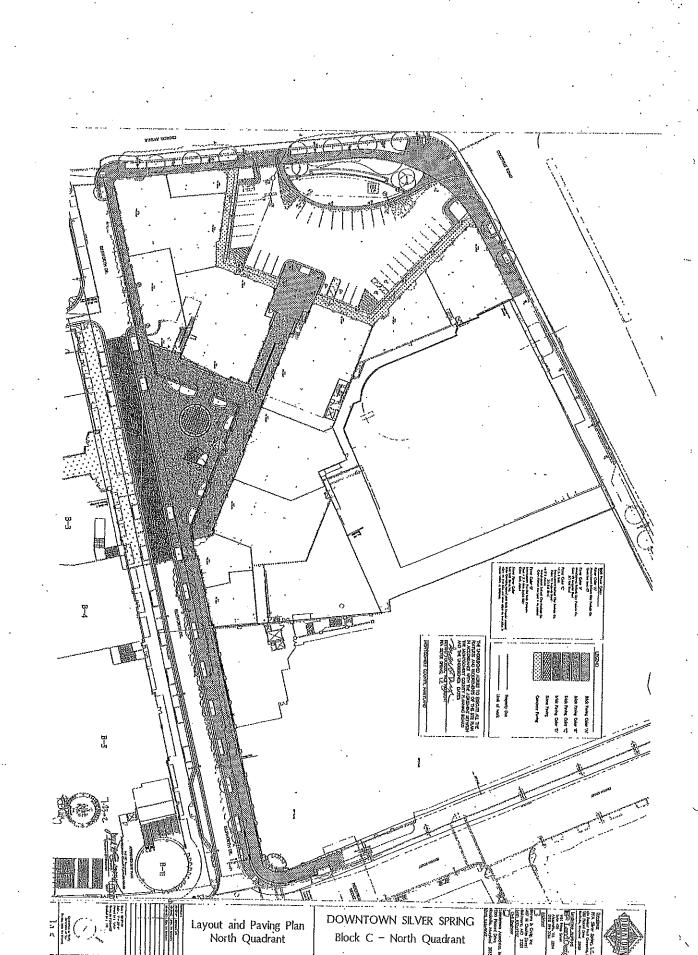
Layout and Paving Plan West Quadran DOWNTOWN SILVER SPRING Block C - North Quadrant

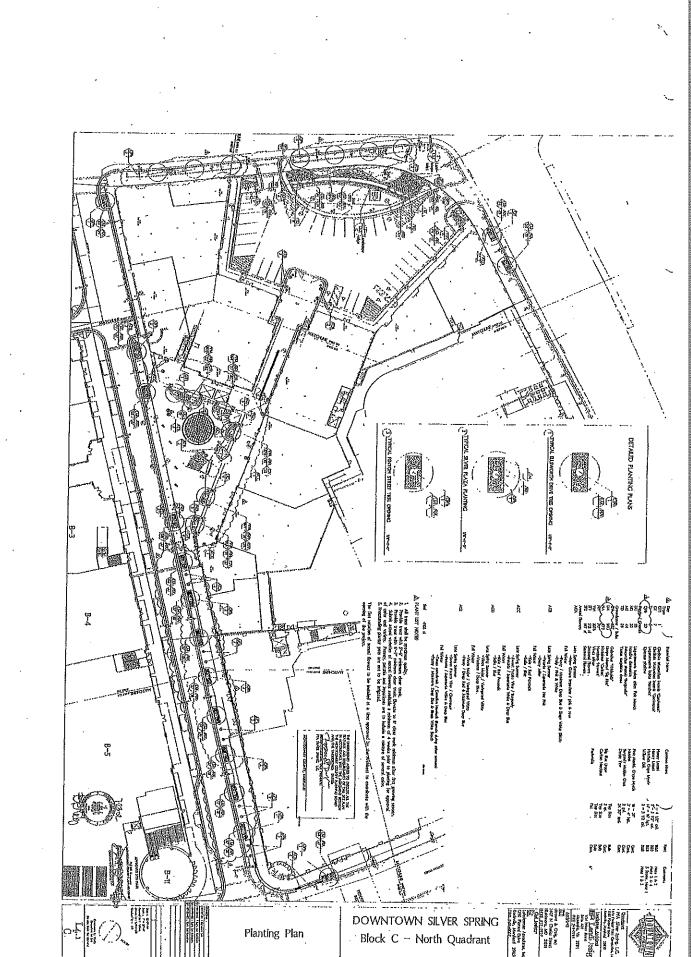












### Exhibit E-1 To Ground Lease List of Public Improvements for Ellsworth

Downtown Silver Spring Section C Ellsworth Drawing Document List

Landscape Drawings Land Design Inc. Construction Documents

Name	Drawing	<u>Date</u>
SITEPLAN	L-1.1	5/15/02
LAYOUT PLAN – WEST QUADRANT	L-1.3	6/17/02
LAYOUT PLAN – CENTRAL QUADRANT	L-1.4	6/17/02
LAYOUT PLAN - EAST QUADRANT	L-1.5	6/17/02
LAYOUT PLAN - NORTHEAST QUADRANT	L-1.5A	5/15/02
PAVING DESIGNATION PLAN	L-1.6	6/17/02
PAVING PLAN – WEST QUADRANT	L-1.6B	5/15/02
PAVING PLAN – CENTRAL QUADRANT	L-1.6C	6/17/02
PAVING PLAN – EAST QUADRANT	L-1.6D	5/15/02
SILVER PLAZA FURNITURE LAYOUT PLAN	L-1.7	5/15/02
GRADING PLAN WEST QUADRANT	L-2.2	6/17/02
GRADING PLAN CENTRAL QUADRANT	L-2.3	6/17/02
GRADING PLAN EAST QUADRANT	L-2.4	6/17/02
PLANTING PLAN	L-3.0	5/12/02
PLANTING SOILS/SUBSURFACE DRAINAGE	L-3.1	6/17/02
IRRIGATION PLANS	L-3.2	5/15/02
IRRIGATION DETAILS	L-3.3	5/15/02
SITE DETAILS	L-4.0	5/15/02
SITE DETAILS	L-4.1	5/15/02
SITE DETAILS	L-4.2	6/17/02
PLANTING DETAILS	L-4.3	6/17/02
PLANTING DETAILS	L-4.3B	5/15/02
SITE FURNITURE DETAILS	L-4.4	6/17/02
LIGHTING FIXTURES	L-4.6	6/17/02
PAVEMENT MARKING/SIGNAGE DETAILS	L-4.7	5/15/02

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Land Design Inc.

Note: These plans to compliment the approved MNCPPC Signature Set

#### <u>Exhibit E-1 To Ground Lease</u> List of Public Improvements for Ellsworth

Downtown Silver Spring Section C Ellsworth Drawing Document List

Landscape Drawings

Land Design Inc.

MNCPPC Signature Set

<u>Name</u>	Drawing	<u>Date</u>
COVER SHEET LAYOUT & PAVING PLAN – WEST QUADRANT LAYOUT & PAVING PLAN – CENTRAL QUADRANT LAYOUT & PAVING PLAN PLAN – EAST QUADRANT LAYOUT & PAVING PLAN – NORTHEAST QUADRANT LAYOUT & PAVING PLAN – NORTH QUADRANT SILVER PLAZA FOUNTAIN DETAILS LIGHTING FIXTURE SITE DETAILS GRADING PLAN WEST QUADRANT GRADING PLAN CENTRAL QUADRANT GRADING PLAN EAST QUADRANT PLANTING PLAN	Drawing  CS.1-C L-1.2-C L-1.3-C L-1.4-C L-1.4-C L-1.5-C L-2.1-C L-2.3-C L-2.4-C L-3.2-C L-3.3-C L-3.4-C L-3.4-C L-4.1-C	Date  7/23/02 5/10/02 7/23/02 7/23/02 5/10/02 6/6/02 7/23/02 6/6/02 7/23/02 5/10/02 7/23/02 7/23/02 7/23/02 7/23/02
PLANTING DETAILS PLANTING SOILS & SUBSURFACE DRAINAGE PLAN PLANTING DETAILS PHOTOMETRICS	I.4.2-C I4.2.A-C I.4.3-C I8.1-C	2/27/02 7/23/02 7/23/02 6/6/02

Parcel B, C, & D, BLOCK C

Specifications 15-May-2002

Brown & Craig Architects Inc., for Land Design Inc.,

Note: These plans to compliment the Land Design Inc. Construction Documents

### Exhibit E-1 To Ground Lease List of Public Improvements for Ellsworth

Downtown Silver Spring Section C Ellsworth Drawing Document List

Civil Engineering Drawings	Loiederman Associates	Construe	ction Documents
Name		Drawing	<u>Date</u>
EXISTING CONDITIONS & D		C-1	5/15/02
SEDIMENT & EROSION CON		C-2	6/17/02
SEDIMENT & EROSION CON	TROL DETAILS	C-3	5/15/02
SITE & GRADING PLAN		C-4	6/17/02
ON-SITE STORM DRAIN & PA		C-5	6/17/02
ELLSWORTH DRIVE PAVING	PLAN	C-6	6/17/02
STORM DRAIN PROFILES	• •	C-7	6/17/02
STORM DRAIN PROFILES & 1	DETAILS	C-8	6/17/02
ON-SITE WATER & SEWER P	LANS	C-11	6/17/02
ON-SITE WATER & SEWER P.	ROFILES	C-12	6/17/02
ROAD IMPROVEMENT PLAN		C-14	6/17/02
ROAD IMPROVEMENT DETA		C-15	6/17/02

Parcel B, C, & D, BLOCK C

Specifications 15-May-2002 Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the approved MNCPPC Signature Set

### Exhibit E-1 To Ground Lease List of Public Improvements for Ellsworth

Downtown Silver Spring Section C Ellsworth Drawing Document List

Civil Engineer Drawings

Loiederman Associates

MNCPPC Signature Set

Name

Drawing

<u>Date</u>

BLOCK C - UTILITY PLAN

C0.1

2/27/01

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the Loiederman Associates Construction Documents

#### <u>Exhibit E-2 To Ground Lease</u> List of Public Improvements for Gateway Plaza

Downtown Silver Spring Section C Gateway Plaza Drawing Document List

Landscape Drawings	Land Design Inc.	Construction Documents	
Name	•	<u>Drawing</u>	<u>Date</u>
SITE PLAN		L-1.1	5/15/02
LAYOUT PLAN - NOF	RTHWEST QUADRANT	L-1.2	6/17/02
LAYOUT PLAN - NOR	TH QUADRANT	L-1.5.B	5/12/02
PAVING DESIGNATION	ON PLAN	L-1.6	6/17/02
PAVING PLAN - NOR	THWEST QUADRANT	L-1.6.A	5/12/02
PAVING PLAN - WEST	Γ QUADRANT	L-1.6B	5/15/02
PAVING PLAN - NOR		L-1.6F	5/15/02
GRADING PLAN - NO	RTHWEST QUADRANT	L-2.1	6/17/02
GRADING PLAN WEST	I QUADRANT	L-2.2	6/17/02
PLANTING PLAN	•	L-3.0	5/12/02
PLANTING SOILS/SUB	SURFACE DRAINAGE	L-3.1	6/17/02
IRRIGATION PLANS		L-3.2	5/15/02
IRRIGATION DETAILS	•	L-3.3	5/15/02
SITE DETAILS	,	L-4.0	5/15/02
SITE DETAILS		L-4.1	5/15/02
SITE DETAILS		L-4.2	6/17/02
PLANTING DETAILS		L-4,3	6/17/02
PLANTING DETAILS		L-4.3B	5/15/02
SITE FURNITURE DET.	AILS	L-4.4	6/17/02
GATEWAY PLAZA FOU		L-4.5B	6/17/02
GATEWAY PLAZA FOU		L-4.5C	5/15/02
GATEWAY PLAZA FOU	INTAIN DETAILS	L-4.5D	6/17/02
LIGHTING FIXTURES	•	L-4.6	6/17/02
PAVEMENT MARKING	/SIGNAGE DETAILS	L-4.7	5/15/02

Parcel B, C, & D, BLOCK C

Specifications 15-May-2002 Brown & Craig Architects Inc., for Land Design Inc.

Note: These plans to compliment the approved MNCPPC Signature Set  $\,$ 

### <u>Exhibit E-2 To Ground Lease</u> List of Public Improvements for Gateway Plaza

Downtown Silver Spring Section C Gateway Plaza Drawing Document List

Landscape Drawings

Land Design Inc.

MNCPPC Signature Set

Name	<u>Drawing</u>	<u>Date</u>
COVER SHEET LAYOUT & PAVING PLAN - NORTHWEST QUADRANT LAYOUT & PAVING PLAN - WEST QUADRANT LAYOUT & PAVING PLAN - NORTH QUADRANT LAYOUT & PAVING PLAN - NORTH QUADRANT SILVER PLAZA FOUNTAIN DETAILS LIGHTING FIXTURE SITE DETAILS GRADING PLAN NORTH QUADRANT GRADING PLAN WEST QUADRANT PLANTING PLAN PLANTING DETAILS PLANTING SOILS & SUBSURFACE DRAINAGE PLAN PLANTING DETAILS PHOTOMETRICS	CS.1-C L-1.1C L-1.2-C L-1.4.B-C L-1.5-C L-2.1-C L-2.3-C L-2.4-C L-3.1-C L-3.2-C L-4.1-C L4.2-C L-4.2-C L-4.3-C L-8.1-C	7/23/02 6/6/02 5/10/02 5/10/02 6/6/02 7/23/02 6/6/02 5/10/02 7/23/02 2/27/02 7/23/02 7/23/02 6/6/02
•		0/0/02

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Land Design Inc.

Note: These plans to compliment the Land Design Inc. Construction Documents

## Exhibit E-2 To Ground Lease List of Public Improvements for Gateway Plaza

Downtown Silver Spring Section C Gateway Plaza Drawing Document List

Civil Engineering Drawings	Loiederman Associates		Construction Documents
<u>Name</u> .		Drawing	<u>Date</u>
EXISTING CONDITIONS & DEA SEDIMENT & EROSION CONTR		C-1	5/15/02
SEDIMENT & EROSION CONTR		C-2 C-3	6/17/02 5/15/02
SITE & GRADING PLAN	ING PLAN	C-4	6/17/02
ON-SITE STORM DRAIN & PAV		C-5	6/17/02
STORM DRAIN PROFILES	TAILS	C-7	6/17/02
STORM DRAIN PROFILES & DE		C-8	6/17/02
SWM PLAN & DETAIL SHEET	·	C-9	5/15/02
SWM PLAN & DETAIL SHEET		C-10	5/15/02
ON-SITE WATER & SEWER PLA	FILES	C-11	6/17/02
ON-SITE WATER & SEWER PRO		C-12	6/17/02
ROAD IMPROVEMENT PLAN-G	EORGIA AVE	C-13	6/17/02
ROAD IMPROVEMENT PLAN-G	EORGIA AVE	C-14	6/17/02
ROAD IMPROVEMENT DETAILS	S .	C-15	6/17/02
TRAFFIC CONTROL & SIDEWAL		C-16	5/15/02

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the approved MNCPPC Signature Set

#### <u>Exhibit E-2 To Ground Lease</u> List of Public Improvements for Gateway Plaza

Downtown Silver Spring Section C Gateway Plaza Drawing Document List

Civil Engineer Drawings

Loiederman Associates

MNCPPC Signature Set

<u>Name</u>

**Drawing** 

Date

BLOCK C - UTILITY PLAN

C0.1

2/27/01

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the Loiederman Associates Construction Documents

Exhibit E-3
List of Public Improvements for Silver Plaza

### <u>Exhibit E-3 To Ground Lease</u> List of Public Improvements for Silver Plaza

Downtown Silver Spring Section C Silver Plaza Drawing Document List

Landscape Drawings	Land Design Inc.	Construction Documents	
Name	· .	Drawing	Date
SITE PLAN		L-1.1	5/15/02
LAYOUT PLAN - CEN	IRAL QUADRANT	L-1.4	6/17/02
PAVING DESIGNATION	N PLAN	L-1.6	6/17/02
PAVING PLAN – WEST	'QUADRANT	L-1.6B	5/15/02
PAVING PLAN - CENT	RAL QUADRANT	L-1.6C	6/17/02
PAVING PLAN - EAST	QUADRANT	L-1.6D	5/15/02
SILVER PLAZA FURNI	FURE LAYOUT PLAN	L-1.7	5/15/02
GRADING PLAN WEST	QUADRANT	L-2.2	6/17/02
GRADING PLAN CENT	RAL QUADRANT	L-2.3	6/17/02
PLANTING PLAN		L-3.0	5/12/02
PLANTING SOILS/SUBS	SURFACE DRAINAGE	L-3.1	6/17/02
IRRIGATION PLANS	•	L-3.2	5/15/02
IRRIGATION DETAILS	r	L-3.3	5/15/02
SITE DETAILS		L-4.0	5/15/02
SITE DETAILS	•	L-4.1	5/15/02
SITE DETAILS		L-4.2	6/17/02
SITE DETAILS		L-4.2B	6/17/02
PLANTING DETAILS	•	L-4.3	6/17/02
PLANTING DETAILS		L-4.3B	5/15/02
SITE FURNITURE DETA	ILS	L-4.4	6/17/02
SILVER PLAZA FOUNTA	UN DETAILS	L-4.5	6/17/02
SILVER PLAZA FOUNTA	UN DETAILS	L-4.5A	6/17/02
SILVER PLAZA FOUNTA	UN NOTES	L-4.5E	6/17/02
SILVER PLAZA FOUNTA	IN DETAILS	L-4.5.1	6/17/02
SILVER PLAZA FOUNTA	IN DETAILS	L-4.5.2	6/17/02
SILVER PLAZA FOUNTA	IN DETAILS	L-4.5.3	6/17/02
LIGHTING FIXTURES		L-4.6	6/17/02
PAVEMENT MARKING/S	IGNAGE DETAILS	L-4.7	5/15/02

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002·

Brown & Craig Architects Inc., for Land Design Inc.

Note: These plans to compliment the approved MNCPPC Signature Set

### Exhibit E-3 To Ground Lease List of Public Improvements for Silver Plaza

Downtown Silver Spring Section C Silver Plaza Drawing Document List

Landscape Drawings Land Design Inc. MNCPPC Signature Set

Name	Drawing	<u>Date</u>
COVER SHEET	CS.1-C	7/23/02
LAYOUT & PAVING PLAN – WEST QUADRANT	L-1.2-C	5/10/02
LAYOUT & PAVING PLAN – CENTRAL QUADRANT	L-1.3-C	7/23/02
LAYOUT & PAVING PLAN - NORTH QUADRANT	L-1.5-C	6/6/02
SILVER PLAZA FOUNTAIN DETAILS	L-2.1-C	7/23/02
SITE DETAILS	L-2.2-C	6/6/02
SILVER PLAZA FOUNTAIN DETAILS	L-2.2.A-C	5/10/02
LIGHTING FIXTURE	L-2.3-C	6/6/02
SITE DETAILS	L-2.4-C	7/23/02
GRADING PLAN WEST QUADRANT	L-3.2-C	5/10/02
GRADING PLAN CENTRAL QUADRANT	L-3.3-C	7/23/02
PLANTING PLAN	L-4.1-C	7/23/02
PLANTING DETAILS	L4.2-C	2/27/02
PLANTING SOILS & SUBSURFACE DRAINAGE PLAN	L-4.2.A-C	7/23/02
PLANTING DETAILS	L4.3-C	7/23/02
PHOTOMETRICS	L-8.1-C	6/6/02

Parcel B, C, & D, BLOCK C

Specifications 15-May-2002 Brown & Craig Architects Inc., for Land Design Inc.

Note: These plans to compliment the Land Design Inc. Construction Documents

### <u>Exhibit E-3 To Ground Lease</u> List of Public Improvements for Silver Plaza

Downtown Silver Spring Section C Silver Plaza Drawing Document List

Civil Engineering Drawings	Loiederman Associates	Construe	ction Documents
Name		<u>Drawing</u>	<u>Date</u>
EXISTING CONDITIONS & DE SEDIMENT & EROSION CONT SEDIMENT & EROSION CONT SITE & GRADING PLAN ON-SITE STORM DRAIN & PAYELLSWORTH DRIVE PAVING STORM DRAIN PROFILES STORM DRAIN PROFILES & DION-SITE WATER & SEWER PLON-SITE WATER & SEWER PROAD IMPROVEMENT DETAIL	ROL PLAN ROL DETAILS VING PLAN PLAN ETAILS ANS OFILES	C-1 C-2 C-3 C-4 C-5 C-6 C-7 C-8 C-11 C-12 C-15	5/15/02 6/17/02 5/15/02 6/17/02 6/17/02 6/17/02 6/17/02 6/17/02 6/17/02 6/17/02

Parcel B, C, & D, BLOCK C

Specifications 15-May-2002 Brown & Craig

Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the approved MNCPPC Signature Set

#### <u>Exhibit E-3 To Ground Lease</u> List of Public Improvements for Silver Plaza

Downtown Silver Spring Section C Silver Plaza Drawing Document List

Civil Engineer Drawings

Loiederman Associates

MNCPPC Signature Set

<u>Name</u>

Drawing

Date

BLOCK C - UTILITY PLAN

C0.1

2/27/01

Parcel B, C, & D, BLOCK C

Specifications

15-May-2002

Brown & Craig Architects Inc., for Loiederman Associates

Note: These plans to compliment the Loiederman Associates Construction Documents

 $\frac{\text{Exhibit } F}{\text{Section Development Schedule}}$ 

### EXHIBIT 'F'

### $Section \ C-D evelopment \ Schedule$

•		<u>Finish</u>
Leasing:	•	
	60% pre-leasing (combined with Sect B) stabilized leasing	6/28/02 fall '04
A & E / Pern	ait:	
	Construction Drawings complete	5/02
	Building permit issued	8/16
Loan Closing	;;	9/4/02
	Ground lease executed	
•	Plazas & Ellsworth lease executed	
•	PIC II – facade, plazas & Ellsworth	
	MHT façade easement	
	Construction contract executed	

# Construction Private Improvements:

	<u>Start</u>	<u>Finish</u>
Steel Shop Drawings/Fabrication	8/30/02	11/21/02
Mobilize	9/5/02	9/5/02
Demolition Existing Structure	10/7/02	11/7/02
Building pad Prep.	11/4/02	11/22/02
Footings & Foundations	10/28/02	11/29/02
Underslab MEP	11/4/02	11/15/02
Slabs on Grade	11/25/02	12/27/02
Erect Steel	11/18/02	1/17/03
Pour Elevated Floor Slabs	12/9/02	1/24/03
City Place Loading Dock	11/25/02	5/16/03
Roofing	1/23/03	3/5/03
Cementitious Fireproofing	1/6/03	3/12/03
Metal Stud Framing	3/3/03	4/18/03
Precast/Brick/Eifs/Storefront	3/17/03	5/16/03
MEP Rough In	1/20/03	4/28/03
Electrical Gear	3/17/03	5/30/03
HVAC Equipment	3/17/03	5/30/03
Finishes and MEP Fixtures	3/31/03	6/5/03
Systems Start-up and Punchlist	6/23/03.	7/18/03

### Public Improvements

Mobilize	9/5/02	9/5/02
·		9/3/02
Historic Façade Bracing Shop Drawings	9/5/02	9/20/02
Brace Historic Façade	9/20/02	10/11/02
Construction Disruption Mitigation Plan	9/30/02	9/30/02
Dismantle Historic Façade	10/14/02	11/4/02
Demolition Existing Structure	10/7/02	11/7/02
Façade renovation/Storefront	3/17/03	7/31/03
Glass Elevator	3/10/03	7/31/03
Gateway Plaza Streetscapes	10/21/02	. 3/31/03
Silver Plaza Streetscapes	5/22/03	9/30/03
Silver Plaza Fountain Artwork	8/1/03	9/30/03
Glass Elevator Neon Artwork	8/1/03	9/30/03

### Tenant Improvements:

Tenant construction begins	6/30/03
Tenants open for business	fall '03 to spring '04

#### EXHIBIT G

### List of Use Restrictions/Items Applicable to Particular Premises

A. The Landlord has the right up to four (4) times per year to close one or more of Interior Ellsworth Drive (which right shall not apply during the period of December 3 and 24 in any year, except as expressly provided below), Gateway Plaza and Silver Plaza for public festivals, provided that (i) at no time shall public drop-off and valet service be closed on Gateway Plaza without the express consent of Tenant, or its Affiliate leasing Section C, and (ii) no such closure shall restrict vehicular ingress and egress between Georgia Avenue and Interior Ellsworth Drive or into or out of the Wayne Avenue Garage. The Landlord agrees to exercise this right in a commercially reasonable manner and the Tenant agrees to reasonably cooperate with the Landlord or its Affiliates to facilitate such festivals in a manner that does not unreasonably, adversely impact the tenants in Sections B or C. Landlord hereby agrees, and covenants to (i) clean up and remove all rubbish, trash and debris resulting from such public festivals and/or holiday parade; (ii) promptly repair any and all damage to the Project caused thereby; and (iii) procure and maintain liability insurance under a "special events policy". Prior to any such event, Landlord shall deliver to Tenant an insurance certificate evidencing such coverage and naming Tenant and Mortgagee as additional insureds thereunder. Notwithstanding the restrictions on closure between December 3 and 24<sup>th</sup>, as set forth above, as one of its four (4) closures, each calendar year Landlord shall have a one time right to conduct a holiday parade between December 3rd and December 24th, provided that (X) such parade to last not longer than 4 hours, and (Y) Landlord shall provide at least 45 days prior written notice of the date and time of such holiday parade.

B. The Tenant may close Ellsworth Drive, Gateway Plaza and Silver Plaza to public vehicular access from time to time, provided that (i) at no time shall public drop-off and valet service be closed on Gateway Plaza without the Landlord's and the American Film Institute's express consent, not to be unreasonably withheld or delayed. Further, the Tenant may only close Ellsworth Drive, Gateway Plaza and Silver Plaza to public vehicular access after coordinating with the Landlord to ensure that the Landlord does not have any programs planned with which such closures would unreasonably conflict, and (ii) no such closure shall restrict vehicular ingress and egress between Georgia Avenue and Interior Ellsworth Drive or into or out of the Wayne Avenue Garage.

C. The foregoing notwithstanding, during such periods of time Interior Ellsworth Drive, the Gateway Plaza and or Silver Plaza may be closed by Tenant, as more particularly set forth above, Tenant shall have the right to locate kiosks, booths and permit pushcart, vendor sales and general retail activity in the Gateway Plaza, Silver Plaza and Interior Ellsworth Drive. At all other times, such retail activities shall not be

#### Exhibit G

List of Use Restrictions/Items Applicable to Particular Premises

permitted on Interior Ellsworth Drive nor shall it cover in excess of twenty percent (20%) of either of the Silver Plaza Premises or Gateway Plaza Premises. No other use may be made of the Leased Premises without Landlord's prior written approval.

D. Tenant or an Affiliate shall have the exclusive right to cause to be operated at reasonable market rates, terms and conditions, a valet parking service in the Gateway Plaza for the benefit of the Downtown Silver Spring Project including patrons of the AFI and Round House Theater. In the event such valet parking service is not being provided by Tenant or its Affiliate at the times needed by AFI or Round House, or similar occupant of the Silver Theatre and Annex Addition, the Landlord, AFI, and/or Round House (or similar occupant of the Silver Theatre and Annex Addition) shall be entitled to provide such service for their own benefit on a non-exclusive basis. If the Landlord, AFI or Round House, or other similar occupant of the Silver Theatre and Annex Addition provides such valet parking service at the Gateway Plaza, they may, at their respective sole discretion, provide such service during such periods to the entire Downtown Silver Spring Project, at reasonable market rates, terms and conditions. If AFI, Round House Theater or a similar occupant of the Silver Theatre and Annex Addition is providing such service, it shall be subject to customary insurance and reasonable indemnification requirements of Tenant or its Affiliate.

E. Tenant or its Affiliate as tenant under the Section C Ground Lease shall have a right of first refusal to purchase the Gateway Plaza and Silver Plaza from the Landlord at then current fair market value in the event the Landlord desires to sell or transfer one or both of the Plaza Areas to other than a public or quasi-public entity, business improvement district, or similar such entity or to the American Film Institute or Roundhouse Theater. Any such sale shall be subject to the terms of this Lease for the term of this Lease. This right shall survive any such transfer and apply to the transferee.

F. Subject to the terms of the Declaration and the terms of this Lease, Tenant shall have the sole and exclusive right to manage and program the uses of the Project and to impose and enforce such reasonable rules and regulations as Tenant deems necessary to maintain order and to promote the safety, security and economic success of the Downtown Silver Spring Project.

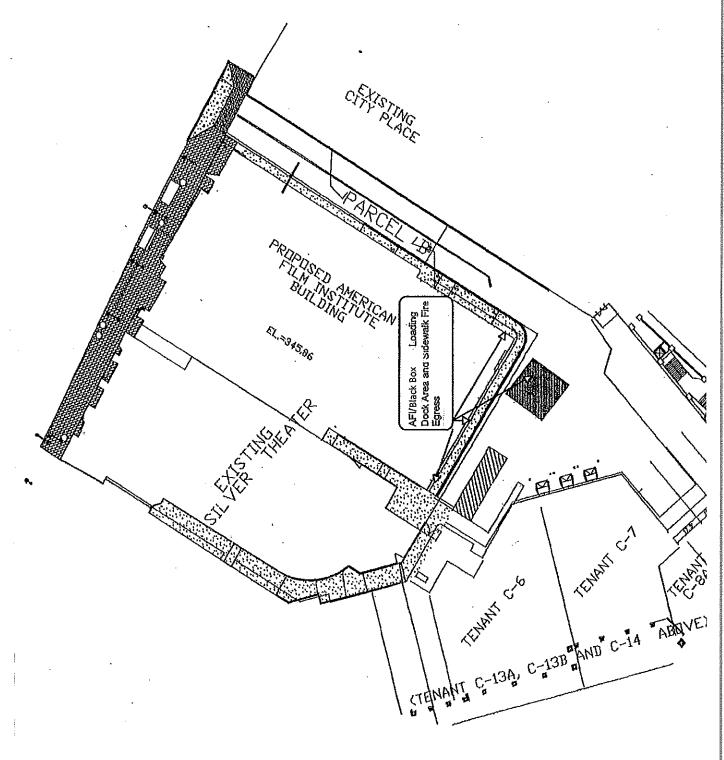
#### EXHIBIT H

### **List of Private Improvements**

### To include, without limitation:

- Escalator
- Signage
- Stairs
- ATM machine
- Theater ticket kiosks
- Music system (speakers and conduit)
- LED screen and support structure
- Freight elevator

### Exhibit H



### RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT ("Agreement") is made this day of July, 2002, by and among MONTGOMERY COUNTY, MARYLAND, a municipal corporation ("County"), PFA SILVER SPRING, LE ("PFA"), CITY PLACE LIMITED PARTNERSHIP ("City Place LP") and SILVER SPRING CONDO CORPORATION ("Corporation").

APPROVED BY \_\_\_\_

RECITALS:

RECORDATION TAX PAID

AUG 2

R-1. Pursuant to the terms of that certain General Deselopment Transfer Tax Raidthe redevelopment of Downtown Silver Spring by and between the County and PFA dated April 28, 1998, as the same may be amended from time to time (the "GDA"), PFA and/or is affiliates have been designated to be the developers of the Silver Spring Urban Renewal Project Silver Downtown Silver Spring ("Project") comprising 22.5 acres bounded in part by Colesville Road, Ellsworth Drive, Georgia Avenue, Wayne Avenue and Cedar Street ("Project Site").

R-2 The County is the fee simple owner of the real property comprising the Project Site, including that certain property more particularly known as Part of Lots 4-6 and 10-13, Byrn's Addition" (the "Retail Property"), per plat thereof recorded in Plat Book 1 at Plat No. 59 (and intended to be known as Parcels B, C and D, Block C, "Downtown Silver Spring"), (the "Retail Plat"), and Parcel A, Block C "Downtown Silver Spring" (the "Theater Property") per plat thereof recorded as Plat No. 21647, among the Land Records of Montgomery County, Maryland, (the "Theater Plat"). The Retail Plat and the Theater Plat are attached to and made a part of this Agreement as Exhibit A-1 and Exhibit A-2, respectively, and are referred to collectively as the "Record Plat." Subject to and in accordance with the terms of the GDA, the County intends to enter into a ground lease for the Retail Property with an affiliate of PFA to be redeveloped as part of the Project.

Retail Property and more particularly known as City Place Condominium Retail White Shown on a plat of condominium entitled "City Place Condominium Condominium Plat Diff Plan Phase One" recorded among the aforesaid Land Records as Condominium Plat No. 5551 ("City Place Retail Unit"). The City Place Retail Unit is improved with the City Place retail center ("Shopping Center").

'R-4. Corporation has the right to create an additional condominium unit out of the air space above the Shopping Center ("City Place Office Unit") as shown, and designated "(Future) Office Unit", on the Plat of Condominium referred to in R-3 above.

R-5. One or more of the Retail Property, the Theater Property, the City Place Retail Unit and the City Place Office Unit are encumbered by certain easements more particularly described

in Section 13(a), (b) and (c) of this Agreement including, inter alia, certain access and construction-related easements and licenses.

- R-6. PFA and the County, as co-applicants, received Combined Urban Renewal Project Plan and Preliminary Plan approvals for the Project from the Montgomery County Planning Board by its separate Opinions dated March 2, 1999, as amended by its Opinions dated September 1, 1999, designated Project Plan Nos. 9-98005 and 9-98005A; Preliminary Plan Nos. 1-98107 and 1-98107R; and Site Plan Review Nos. 8-99002 and 8-99002A (collectively, "Plans"). Pursuant to the Plans the Project includes, inter alia, development of retail, restaurant and theater uses upon the Retail Property and Theater Property.
- R-7. The Plans require the provision of a commercial vehicle service area, more particularly defined as the Ingress/Egress Easement Area (as defined in Section 1(a) hereof), having access to Colesville Road, across portions of the Retail Property, to serve the uses to be established on the Retail Property and the Theater Property. The parties agree that portions of such Ingress/Egress Easement Area will also provide vehicle access to the Shopping Center and/or City Place Retail Unit and City Place Office Unit.
- R-8. Construction of the Project will also include (i) (A) demolition and reconstruction of a portion of the pedestrian bridge ("Bridge") spanning Fenton Street and connecting the Shopping Center and/or City Place Retail Unit to Montgomery County Public Garages 1 and 1A, which Bridge was constructed by City Place LP pursuant to the terms of a certain Franchise Agreement entered into with the County and dated as of August 6, 1990, recorded in Liber 9449 at folio 562, as amended in Liber 10507 at folio 70 (the "Franchise Agreement"), and (B) reconnecting the Bridge to the new reconstructed public parking garage to be known as the Town Square Garage; (ii) construction of a new loading dock for the Shopping Center and/or City Place Retail Unit having access to the Ingress/Egress Basement Area; and (iii) demolition of the existing loading dock area located on Ellsworth Drive serving the Shopping Center and/or City Place Retail Unit and construction of new storefront facades in its place.
- R-9. The County, City Place LP and Corporation desire to establish certain easements and agreements for the benefit of the Retail Property, the Theater Property, the City Place Office Unit, the Shopping Center and/or City Place Retail Unit and the owners thereof from time to time for the purpose of (i) vehicle and pedestrian ingress, egress and use of the Ingress/Egress Easement Area; (ii) demolishing and reconstructing portions of the Bridge; (iii) constructing a new loading dock to service the City Place Office Unit, Shopping Center and/or City Place Retail Unit; (iv) demolishing the existing loading dock on Ellsworth Drive serving the Shopping Center and/or City Place Retail Unit and constructing new storefront facades in its place; and (v) providing ingress and egress on, over, through and across the City Place Retail Unit, City Place Office Unit and the Retail Property as necessary to perform said work as provided herein. The County, City Place LP, and the Corporation and their respective successors, ground lessees and assigns are sometimes referred to herein individually as "Owner" and collectively as "Owners." PFA, City Place LP and Corporation acknowledge and agree that the agreements by and among PFA, City Place LP and Corporation contained herein are the result of private negotiations among the parties.

NOW, THEREFORE, in consideration of the foregoing Recitals, each of which is incorporated in and made a substantive part of this Agreement, and intending to be legally bound hereby, the County, PFA, City Place LP and Corporation hereby declare and covenant as follows:

### 1. <u>Grant of Ingress/Egress Easement ("Ingress/Egress Easement")</u>.

- Grant of Easement. The County hereby establishes, declares, grants and (a) conveys to PFA, City Place LP and Corporation for the benefit of the Retail Property, City Place Office Unit, Theater Property and the Shopping Center and/or City Place Retail Unit and the Owners thereof from time to time, free of charge, perpetual, non-exclusive easements and rights of passage and use on, over, through and across such portions of the Retail Property described and shown on Exhibit "B" attached to and made a part of this Agreement (the "Ingress/Egress Easement Area") for purposes of vehicular and pedestrian ingress and egress and fire exiting to and from Colesville Road and the service and loading dock areas for the Retail Property, Theater Property, Shopping Center and/or City Place Retail Unit and City Place Office Unit as the same may now exist or hereafter be demolished, constructed or reconstructed, for purposes of loading or unloading, at their respective doors and loading areas, supplies, merchandise, construction materials or similar items on behalf of any of the parties or their respective tenants or other occupants. Subject to the provisions of Section 1(d) below, PFA shall have the right to install or cause the applicable utility companies to install underground utility lines in the Ingress/Egress Easement Area and to regrade and repave such area as necessary. Upon request the County shall grant such utility easements in customary form as may reasonably be required by the applicable utility companies from a governmental body.
- (b) Permissible Security Measures Ingress/Egress Easement. Each party shall take such commercially reasonable security measures as it deems appropriate, which shall at all times be in compliance with applicable law, to provide for their respective tenants, agents, employees, invitees and licensees safety when using the Ingress/Egress Easement Area. Such security measures may include, but are not limited to, the provision of adequate lighting. Without limiting the generality of the foregoing, each party shall have the right to erect, subject to approval of the fire marshal and/or other governmental authority(ies) having jurisdiction, bollards, posts or other similar barriers in the Ingress/Egress Easement Area in the vicinity of any fire exit doors from any building or space abutting the Ingress/Egress Easement Area; provided that no such bollards, posts or other similar barriers will interfere with or impede the use of the Ingress/Egress Easement Area.
- (c) No Parking. Except for any period during which the Ingress/Egress Easement Area has been temporarily closed pursuant to the provisions of Section 1(d) of this Agreement, no party shall park or allow to be parked any automobile, truck or other vehicle within the Ingress/Egress Easement Area except for purposes of (i) loading or unloading, at their respective doors and loading areas, supplies, merchandise, construction materials or similar items on behalf of any of the parties or their tenants, and (ii) locating equipment and materials on a temporary basis, from time to time, to perform necessary roof and building repairs and repairs of equipment serving the operation of abutting buildings and buildings located on the Theater

Property and the Retail Property, provided such loading or unloading and/or temporary location of equipment shall not materially obstruct, materially interfere with the use of, materially impair or materially disrupt access to any designated loading dock or loading space or passageway through the Ingress/Egress Easement Area to Colesville Road.

- Neither PFA, City Place LP, Corporation nor the (d) Non-Interference. County shall interfere with the use and enjoyment of the Ingress/Egress Easement Area by the other parties subject to and consistent with the terms and conditions of this Agreement. No walls, fences, barriers or other obstructions shall be erected or allowed to remain within the Ingress/Egress Easement Area so as to interfere with the free flow of vehicular and pedestrian traffic. The foregoing notwithstanding, nothing in this Agreement shall preclude the temporary closure of all or a portion of the Ingress/Egress Easement Area to construct, reconstruct, inspect, maintain, repair or replace any component of the Project or the City Place Retail Unit or the City Place Office Unit improvements, provided such temporary closure (i) is preceded by fifteen (15) days' written notice to the other parties describing the proposed construction, maintenance and repair work and the expected date of completion, unless such written notice is impractical because of threat to life or property in which case reasonable notice shall be given; (ii) closures shall not exceed one (1) twenty-four (24) hour period at a time no sooner than thirty (30) days apart; (iii) no closure of the Ingress/Egress Easement Area will be permitted between November 15 and January 15 of the following calendar year except in the event of an emergency, and (iv) no closure shall materially impair the use of the Loading Dock or the Existing Loading Dock (as defined below) by the City Place Retail Unit or the City Place Office Unit nor materially impair or interfere with the fire exiting requirements for any building or space. practicable, any temporary closure of the Ingress/Egress Easement Areas pursuant to this Section shall be coordinated with the other parties and shall occur at such times and in such manner so as to avoid unreasonable interference with other parties' access to and use of the affected area. All work within the Ingress/Egress Easement Area necessitating its temporary closure shall be performed expeditiously.
- Storage of Materials. Except for hazardous materials or hazardous substances maintained or generated in the ordinary course of business of the Shopping Center and/or City Place Retail Unit, City Place Office Unit, the Retail Property or the Theater Property and which are otherwise handled and stored in accordance with applicable law, each Owner shall refrain from storing or maintaining and shall use commercially reasonable efforts to prevent its tenants, employees, agents, invitees and licensees from storing or maintaining any materials, including, without limitation, toxic wastes, hazardous materials or hazardous substances anywhere within the Ingress/Egress Easement Area. If any such materials, toxic wastes, hazardous materials or hazardous substances are so stored therein in violation of this sentence, the responsible party shall cause such materials, toxic wastes, hazardous material and hazardous substances to be removed from the applicable easement area immediately, and the responsible party shall be solely liable for, and shall indemnify the other parties against, any and all liability for, and damage to, any persons or any real or personal property arising out of the presence of such materials, toxic waste, hazardous material or hazardous substances. As used in this Agreement, the terms "hazardous materials," "toxic wastes," or "hazardous substances," shall include, without limitation, any oil, petroleum products, and their byproducts and any substances,

the presence of which on the property is regulated by any federal, state, or local law, order or regulation.

- (f) <u>Trash and Other Debris</u>. Each Owner shall refrain, and shall cause its tenants, employees, agents, invitees and licensees to refrain, from depositing trash, garbage or other debris anywhere within the Ingress/Egress Easement Area, except for designated compactors and receptacles. If any such trash, garbage or debris is so deposited thereon in violation of the provision of this sentence, the responsible party shall cause such trash, garbage or other debris to be removed from the Ingress/Egress Easement Area immediately.
- (g) <u>Self Help</u>. In the event any party shall determine, in its reasonable discretion, that (i) any parked or standing vehicle is in violation of Section 1(c), or (ii) any party has violated the noninterference provisions of Section 1(d), or (iii) any materials are stored in violation of Section 1(e), or (iv) trash, garbage or other debris is deposited in violation of the terms of Section 1(f), such party shall have the right, after exercising good faith efforts to notify the violating party, to utilize self help to remove such vehicle, materials and/or trash, garbage or other debris and charge the Owner in violation thereof for all expenses relating to such removal.
- 2. Grant of Loading Dock Construction Easement ("Loading Dock Construction Easement").
- Grant of Easement. The County hereby establishes, declares, grants and conveys to PFA, City Place LP and Corporation for the benefit of the Retail Property, City Place Office Unit, and the Shopping Center and/or City Place Retail Unit and the Owners thereof from time, a femporary non-exclusive easement and right of passage and use on, over, through and across such portions of the Retail Property described and shown on Exhibit "C" attached to and made a part of this Agreement ("Loading Dock Easement Area") for purposes of ingress and egress and construction of new loading docks (collectively, the "Loading Dock") for City Place LP and Corporation in accordance with the specifications shown on Exhibit "D" attached hereto and incorporated herein (which shall include minimum height clearances over the Loading Dock). The final plans and specifications for the Loading Dock shall be subject to the reasonable prior approval of City Place LP and Corporation and a courtesy copy shall be provided to the County. The Loading Dock is intended to replace the existing Ellsworth Drive loading dock(s) serving the Shopping Center and/or City Place Retail Unit and will provide access to those interior portions of the City Place Retail Unit ("Service Interior") which are currently accessed by the existing loading dock(s). PFA shall be responsible for the construction and completion of the Loading Dock and the Ingress/Egress Easement Area. Work authorized within the Loading Dock Easement Area shall include, without limitation, the right to make structural alterations to the City Place Retail Unit and to relocate any existing utilities as necessary to provide access from the Loading Dock to the Service Interior and shall be performed (inclusive of any regrading and/or repaving of the Ingress/Egress Easement Area) pursuant to a schedule to be mutually agreed upon between City Place LP and PFA, subject to the completion requirements of Section 2(c) below. The parties shall cooperate in good faith to assure the work is performed in such a manner as to cause as minimal disturbance to City Place LP and its tenants' operations as is reasonably practicable. Once PFA has completed the work in accordance with the specifications

shown on Exhibit "D", the easement and right of passage granted in this Section 2(a) shall automatically terminate without any further action of the parties. Notwithstanding anything to the contrary set forth in this Agreement and subject to the provisions of Section 2(b) below, PFA shall commence work on the Loading Dock promptly after the last to occur of the following: (i) PFA and County entering into the Bridge Construction PIC (as defined in Section 3(a) hereof). (ii) commencement of construction of the Town Square Garage or the Private Improvements on either Section B or Section C of the Project, (all as defined in the GDA) whichever shall first occur, (iii) entry into the ground leases for Sections B and C of the Project between the County and affiliates of PFA, and (iv) receipt by PFA of written notice from City Place LP that the Settlement Agreement (as defined in Section 13(d) hereof) is in full force and effect and that any and all rights by City Place LP to terminate the Settlement Agreement have been either terminated or irrevocably waived (the "Settlement Agreement Notice"). The date of the last to occur of (i), (ii), (iii) and (iv) above shall be referred to herein as the "Loading Dock Commencement Date". In the event PFA does not receive the Settlement Agreement Notice on or before May 31, 2001, PFA shall promptly notify City Place LP in writing that it has not received the notice as of such date (the "Reminder Notice"). If PFA does not receive the Settlement Agreement Notice on or before the later of (A) thirty (30) days after receipt by City Place LP of the Reminder Notice, or (B) ten (10) days after receipt by City Place LP of written notice from the County that PFA or its affiliate(s) has entered into a ground lease with the County for Sections B and C of the Project and commenced work thereon, then in such event any party shall have the right to terminate the provisions of Sections 1, 2, 4, 5 and 6 (except for that portion of Section 6 relating to the Bridge and the Bridge Construction Work) of this Agreement by written notice to the other parties hereto; provided, however that the remaining terms and provisions of this Agreement, including PFA's right to perform the Bridge Construction Work and City Place LP's obligation to maintain the Bridge, subject to, and in accordance with the terms hereof, shall remain in full force and effect,

Loading Dock Costs. PFA shall be responsible for the "Loading Dock Costs" (as more particularly defined below), up to a maximum amount of One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Maximum Amount"). Prior to commencing any work on the Loading Dock, PFA shall post a letter of credit for the Maximum Amount with a mutually acceptable escrow agent (the "Escrow Agent") to ensure the availability of funds to complete the Loading Dock; such letter of credit to be in form and from a lending institution reasonably satisfactory to City Place LP and Corporation and shall be held pursuant to the terms of a mutually acceptable escrow agreement. To the extent the Loading Dock Costs shall exceed the Maximum Amount, City Place LP shall pay such excess to PFA based on monthly draws, within thirty (30) days after receipt of a requisition therefor together with supporting invoices and lienwaivers. PFA as developer shall retain Foulger-Pratt Contracting, L.L.C. ("FPC") as general contractor for the construction of the Loading Dock. FPC will perform such work at cost plus a five percent (5%) general contractor's fee and five percent (5%) for general conditions. PFA shall cause FPC to bid out subcontracts for all of the work (separate and apart from any work being bid out on the Retail Property) to three (3) bidders selected by PFA but subject to the reasonable prior approval of City Place LP. The cost of the work shall be determined based on the lowest bid and performed on an "open book" basis. No more than ten percent (10%) of the work will be performed by FPC's own labor force. PFA shall make available to City Place LP

and Corporation a detailed cost breakdown of the work together with copies of invoices. PFA shall comply with County procurement regulations in the performance of the work on the Loading Dock including regulations governing the employment of females, minorities and the disabled. The term Loading Dock Costs shall mean all bona fide, third-party costs incurred by PFA in the design, engineering and construction of the Loading Dock (inclusive of the contractor's fee and general conditions stipulated above), provided however, that (i) design, architectural and engineering costs for the Loading Dock either (a) incurred by PFA prior to April 26, 2000, or (b) to the extent in excess of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), and (ii) grading, utility and storm drainage work (except for grading of the approach to the Loading Dock and storm drainage serving the Loading Dock exclusively which shall be included in Loading Dock Costs), and (iii) any soft costs, other than permitted design, architectural and engineering costs as aforesaid, shall not be included in Loading Dock Costs and shall not count towards the Maximum Amount. All contracts relating to the design, architectural and engineering costs for the Loading Dock, including the scope of work to be performed under said contracts, shall be subject to the prior written approval of City Place LP and the County (which approval shall not be unreasonably withheld or delayed) to the extent that the costs under said contracts are to be included in Loading Dock Costs. To the extent that based on final bids the Loading Dock Costs will exceed One Hundred Fifty Thousand Dollars (\$150,000.00), City Place LP shall post security reasonably satisfactory to PFA with a mutually acceptable escrow agent (the "Escrow Agent") to ensure prompt payment of such overage. If such security shall be in the form of cash, the same shall be deposited in an interest bearing account with interest paid to City Place LP.

- (c) Completion of Loading Dock. Subject to Force Majeure in accordance with Section 20 of this Agreement, the Loading Dock shall be completed not later than six (6) months prior to the date that the first of any of the stores planned for Section B and/or Section C of the Project first open for business with the public. The Loading Dock shall be deemed to be completed when (i) the Loading Dock and permanent, convenient and functional access thereto along the Ingress/Egress Easement Area (for purposes of which base paving shall be deemed sufficient) is ready for the immediate use thereof by City Place LP for its intended uses as reasonably approved by City Place LP and Corporation and their respective mortgagees, from time to time, and (ii) issuance of a certificate of substantial completion by PFA's Project architect.
- (d) Exclusive Use. County and PFA hereby establish, declare, grant and convey to City Place LP and Corporation for the benefit of the Shopping Center and/or City Place Retail Unit and the City Place Office Unit, free of charge, an exclusive, perpetual easement and right of use to locate, own and beneficially utilize the Loading Dock (but specifically excluding the loading docks serving the Retail Property and the Theater Property) and to attach the same to the common wall of the adjacent improvements on the Retail Property; provided, however, that (i) all utility services required for the beneficial use of the Loading Dock, including without limitation, but subject to applicable law, all appurtenant electrical, sprinkler and utility systems, for the Loading Dock shall be connected to and shall run from the Shopping Center and/or City Place Retail Unit and not the Retail Property (such connections to be part of PFA's construction of the Loading Dock) and (ii) use of the Loading Dock shall be at

the sole risk of the Owner of the Shopping Center and/or City Place Retail Unit from time to time, and neither PFA and any successor Owner of the Retail Property nor the County and any successor owner of the Theater Property, shall be liable for casualty restoration, wear and tear or any injury to any person or property, or for any loss or damage to any vehicle or its contents resulting from theft, collision, vandalism or any other cause whatsoever arising from or in connection with the use and operation of the Loading Dock, except to the extent of the indemnities provided in Section 7(d) hereof and the warranties provided in Section 8(a) hereof. Nothing herein shall be deemed to release any party from its negligence or the negligence of its employees, agents and contractors.

- Release of Liability. From and after PFA's completion of the Loading Dock, the County, PFA, City Place LP and Corporation each hereby release the other from any and all liability or responsibility to the other, or to any other party claiming through or under them by way of subrogation or otherwise, for any loss or damage to property caused by casualty arising from or in connection with the use and operation of the Loading Dock, the Ingress/Egress Easement Area and any other loading docks or delivery facilities located within or adjacent to such Ingress/Egress Easement Area. Each party agrees that all policies of insurance obtained by them pursuant to the terms of this Agreement shall contain provisions or endorsements thereto waiving the insurer's rights of subrogation with respect to claims against the other, and, unless the policies permit waiver of subrogation without notice to the insurer, each shall immediately notify its insurance companies of the existence of the waiver and indemnity provisions set forth in this Agreement. Nothing herein shall be deemed to release or relieve PFA from its warranty obligations under Section 8(a) hereof or its indemnities under Section 7(d) hereof. completion of the Loading Dock, City Place LP shall cause the Loading Dock to be insured under its existing liability insurance policy for the Shopping Center and/or City Place Retail Unit which such policy shall name PFA or its affiliate leasing Section C and the County as additional named insureds thereunder, contain contractual liability coverage insuring City Place LP's indemnities contained in Section 7(e) hereof and upon request by County or PFA from time to time City Place LP shall furnish such parties with certificates or copies of policies evidencing such insurance.
- (f) Existing Loading Docks. The County hereby establishes, declares, grants and conveys to City Place LP and Corporation for the benefit of the Shopping Center and/or City Place Retail Unit and the City Place Office Unit, free of charge, an exclusive, perpetual easement and right of use to locate and beneficially utilize the existing loading docks currently serving the Shopping Center and/or City Place Retail Unit and located in the alley adjacent to the Ingress/Egress Easement Area and any replacements, modifications or expansions thereof (the "Existing Loading Docks"). The foregoing notwithstanding, City Place LP hereby agrees that it shall cease operations at the existing loading docks located on Ellsworth Drive promptly upon completion of the Loading Dock in accordance with Section 2(c) hereof and, if by the time any stores in Section B or Section C of the Project are ready to first open for business, City Place LP has not commenced the Storefront Construction (as defined below), City Place LP shall keep such area neatly screened from public view.

- 3. Grant of Bridge Demolition and Construction Easement ("Bridge Easement") and Footing Easement ("Footing Easement").
- Grant of Bridge Easement. City Place LP and Corporation hereby (a) establish, declare, grant and convey to PFA and the County, free of charge, a temporary nonexclusive easement and right of passage and use (the "Bridge Easement") on, over, through and across such portions of the City Place Retail Unit and the City Place Office Unit, as applicable, described and shown on Exhibit "E" attached to and made a part of this Agreement (the "Bridge Easement Area") for purposes of ingress and egress and for the purpose of demolition and reconstruction of a portion of the Bridge in accordance with the specifications attached to and made a part of this Agreement as Exhibit "F" ("Bridge Construction Work"). The final plans and specifications for the Bridge Construction Work shall be subject to the reasonable prior approval of City Place LP, Corporation and the County. The Bridge Construction Work shall commence promptly after the entry into the ground lease between the County and PFA for Section B of the Project and the commencement of construction of Section B or the Town Square Garage and shall be constructed pursuant to a schedule to be mutually agreed upon between City Place LP and PFA. The parties hereto agree to amend the existing support easements of record (the "Footing Easements") as may be necessary to relocate the supports for the Bridge in accordance with the approved plans and specifications. All work within the Bridge Easement Area shall be performed by PFA pursuant to a Public Improvement Contract (as defined in the GDA) (the "Bridge Construction PIC") with the County for the design and construction of the Town Square Garage and shall be constructed in accordance with the specifications shown on Exhibit "F". Although the Bridge Construction Work is to be performed pursuant to the Bridge Construction PIC, the parties acknowledge and agree that the Bridge Construction work is the subject of a private agreement among PFA, City Place LP and Corporation and that the performance of such work has not been requested or initiated by the County. The parties shall cooperate in good faith to assure the work is performed in such a manner as to cause as little disturbance to City Place LP and its tenants' operations as is reasonably practicable. Once PFA has completed the work in accordance with the specifications shown on Exhibit "F", and any modification thereto approved in accordance with the provisions of this Agreement, the Bridge Easement granted pursuant to this Section 3 shall automatically terminate without any further action of the parties.
- (b) <u>Structural Modifications.</u> PFA shall provide City Place LP and Corporation with thirty (30) days' prior written notice before commencing any work within the Bridge Easement Area. Any modification to the structural specifications shown on <u>Exhibit "F"</u> proposed by PFA shall first be approved by City Place LP and Corporation.
- (c) Control of Bridge Easement Area. Commencing on the date PFA commences the Bridge Construction Work and continuing until the Bridge Construction Work is completed and the Town Square Garage is open for business with the public, PFA shall lock off, barricade and close the Shopping Center and/or City Place Retail Unit and Garage entrances to the Bridge and shall exercise sole dominion and control of the Bridge; subject to the right of representatives of City Place LP and/or Corporation to enter onto the Bridge; provided that any such entry shall be coordinated with PFA and shall not materially hinder or interfere with the

Bridge Construction Work. PFA will provide City Place LP with the keys to any locks securing the closure of the Shopping Center and/or City Place Retail Unit entrance to the Bridge.

4. Storefront Construction. PFA acknowledges that upon demolition of the existing loading docks located on Ellsworth Drive, City Place LP will have the right to convert such area into new storefront retail space (the "Storefront Construction"). PFA hereby agrees that to the extent that the Loading Dock Costs as finally determined shall be less than the Maximum Amount, then, upon receipt from City Place LP of paid invoices and a detailed breakdown of costs, PFA shall pay over to City Place LP an amount equal to the difference between the finally determined Loading Dock Costs and the Maximum Amount (the "Storefront Contribution") to be applied solely towards the cost of the storefront façade (including, without limitation, storefront fascias, sign bands, plate glass, doors, hardware, trim and neutral piers and glazing work). PFA shall post security reasonably satisfactory to City Place LP in the amount of the Storefront Contribution, if any, with the Escrow Agent. If such security is in the form of cash, the same shall be deposited in an interest bearing account with the interest paid to PFA.

### 5. <u>Crane Swinging Licenses</u>

- (a) The County and PFA (to the extent of its right, title and interest, if any) hereby establish and grant to City Place LP and Corporation for the benefit of the City Place Retail Unit and the City Place Office Unit and the Owners thereof, from time to time, a non-exclusive license which shall automatically terminate on December 31, 2020 over the Retail Property and the Theater Property for purposes of allowing tower cranes used in connection with the construction, repair, reconstruction, renovation or redevelopment of the Shopping Center and/or City Place Retail Unit and/or City Place Office Unit, to enter, from time to time, the air space over the Retail Property and the Theater Property, provided that said entry into the air space of the Retail Property and the Theater Property does not unreasonably interfere with the use and enjoyment of the Retail Property and the Theater Property by their respective Owners and ground lessees, and in no way restricts the construction, repair, reconstruction, renovation, operation or location of improvements on the Retail Property and Theater Property.
- (b) City Place LP and Corporation hereby establish and grant to the County and the Owners and ground lessees of the Retail Property and the Theater Property from time to time, a non-exclusive license which shall automatically terminate on December 31, 2020; over the Shopping Center and/or City Place Retail Unit and City Place Office Unit for purposes of allowing tower cranes used in connection with the construction of the improvements on Section C of the Project and the Theater Property and any subsequent repair, reconstruction, renovation or redevelopment thereof to enter, from time to time the air space over the Shopping Center and/or City Place Retail Unit and City Place Office Unit, provided that said entry into the air space of the Shopping Center and/or City Place Retail Unit and City Place Office Unit does not unreasonably interfere with the use and enjoyment of the Shopping Center and/or City Place Retail Unit and City Place Office Unit by their respective Owners and in no way restricts the construction, repair, reconstruction, renovation, operation or redevelopment construction or location of the Shopping Center, City Place Retail Unit and/or City Place Office Unit.

(c) Prior to the exercise by any party of the rights granted under this Section 5, such party shall obtain insurance meeting the requirements of Section 7 hereof and naming the Owners over whose property the crane license will extend as additional named insureds thereunder.

#### 6. Maintenance.

From and after the Loading Dock Commencement Date, (i) PFA or its successors or assigns shall be responsible for maintenance of the Ingress/Egress Easement Area in a good state of repair, free of trash and debris, and in a safe and orderly condition, including, without limitation, snow and ice removal, and (ii) City Place LP shall be financially responsible for fifty percent (50%) of such maintenance costs (inclusive of an annual administrative fee not to exceed five percent (5%) of such costs), but excluding capital expenditures and casualty repairs, payable or reimbursable to PFA by third parties; provided, however, that City Place LP shall not be responsible for any such costs or expenses arising as a result of PFA's ongoing construction activities on Section C. City Place LP shall remit monthly to PFA its share of the maintenance costs within thirty (30) days after receipt of a bona fide invoice from PFA with appropriate backup to evidence the nature and incurrence of all such costs. The foregoing notwithstanding, each party shall maintain, at its sole cost and expense, the exposed surface of their respective walls facing into the Ingress/Egress Easement Area, including maintaining the paint on and removing the graffiti from such walls, and each Owner shall repair at its own expense any and all damage to the Ingress/Egress Easement Area, or any improvements thereon caused by its own use or that of its tenants, employees, agents, invitees or licensees, other than wear and tear. The Bridge and the Loading Dock shall be maintained by City Place LP at its sole expense, except during the period of initial construction when such maintenance shall be performed by PFA at its expense. City Place LP's maintenance, insurance, and indemnification obligations under the Franchise Agreement shall resume in full force and effect upon completion of the Bridge Construction Work. The foregoing notwithstanding, in the event the County conveys its fee simple interest in Section C to a private, non-governmental person or entity, then in such event the above described maintenance costs and expenses shall be adjusted and shared among such third party, PFA and City Place LP with each Owner bearing a pro rata share of such costs and expenses in the proportion that the respective floor area ratio of improvements built on such Owner's parcel bears to the aggregate floor area ratio of all three (3) parcels, provided, however, that in no event shall City Place LP's share of such maintenance costs exceed PFA's share. Until the Loading Dock Commencement Date, the aforesaid maintenance shall be performed in accordance with the terms of the Existing Easements (as defined in Section 13 hereof).

### 7. <u>Insurance</u>.

(a) <u>Builder's Risk</u>. During the period PFA, or its contractors or designees, performs any construction work under the terms of this Agreement, PFA shall maintain special form property insurance covering such work against loss and damage by all risks of physical loss or damage, including, without limitation, fire, extended coverage, sprinkler leakage, windstorm, hurricane, flood, collapse and other risks covered by special form insurance in amounts not less than the full insurable replacement value of the work and any personal

property thereon and without sublimits and bearing a replacement cost agreed-amount endorsement. Such insurance shall be maintained in "builder's risk" form during periods of construction. Upon completion of any work hereunder by PFA or its contractor, PFA will maintain or cause to be maintained completed operations coverage for a period of two (2) years on the completed work.

- (b) General Liability. During the period that PFA, or its contractors or designees performs any construction work under the terms of this Agreement and for a period of ten (10) years after the completion of the last item of work hereunder, PFA or its affiliates shall maintain commercial general liability insurance, including, without limitation death, bodily injury and broad form property damage coverage, with a combined single limit in an amount not less than \$10 million, which insurance coverage may be included in an umbrella excess liability policy and which insurance shall include coverage for completed operations and contractual liability coverage insuring all indemnities set forth in this Agreement.
- Certificate Requirements. All insurance required to be maintained hereunder shall be written and carried by one or more responsible insurance carriers with a Bests rating of at least "A", and qualified to do business in the State of Maryland. All insurance shall name City Place LP and all other Indemnified Parties as additional named insureds and, in the case of special form or builders' risk insurance, shall contain a Non-Contributory Standard Mortgagee's Clause and a Mortgagee's Loss Payable Endorsement (Form 438 BFU NS), or their equivalents, which such endorsements shall entitle City Place's mortgagee to collect any and all proceeds payable under such special form or builder's risk insurance with respect to work performed in the Bridge Easement Area, Loading Dock Easement Area and Storefront Easement Area, with the insurance company waiving any claim or defense against City Place LP or such mortgagee for premium payment, deductible, self-insured retention or claims purporting provisions. All of the foregoing insurance (except workers' compensation insurance) shall contain an express waiver of any right of subrogation by the insurance company against City Place LP or any other Indemnified Parties and shall provide that the coverage shall not be modified, reduced, canceled or lapse unless City Place LP and its mortgagee(s) shall have received not less than thirty (30) days' advance written notice. Any insurance required to be provided by the County may be provided through the County's self-insurance program.
- (d) PFA Indemnity. PFA shall indemnify and hold hamless the County, City Place LP, Corporation, City Place's mortgagee(s), Petrie Dierman Kughn, PDK Property Managers, L.C. and any other Owners or managers, from time to time, of the Shopping Center and/or City Place Retail Unit, City Place Office Unit and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by PFA or its contractors in the Ingress/Egress Easement Area, the Loading Dock Easement Area and the Bridge Easement Area or (ii) pursuant to the crane swinging license granted pursuant to Section 5 hereof or (iii) the beneficial use of the

Ingress/Egress Easement Area by PFA, its affiliates and its or their agents, employees, customers and invitees.

- (e) <u>City Place LP Indemnity.</u> City Place LP shall indemnify and hold harmless the County, PFA and the Owners from time to time of the Retail Property and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by it pursuant to the crane swinging license granted pursuant to Section 5 hereof and (ii) the beneficial use of the Ingress/Egress Easement Area and Loading Dock by City Place LP, and its affiliates, agents, employees, customers and invitees.
- (f) Corporation Indemnity. Corporation shall indemnify and hold harmless the County, PFA and the Owners from time to time of the Retail Property and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by it pursuant to the crane swinging license granted pursuant to Section 5 hereof and (ii) the beneficial use of the Ingress/Egress Easement Area and Loading Dock by Corporation, and its affiliates, agents, employees, customers and invitees.
- (g) County Indemnity. The County shall indemnify and hold harmless PFA, City Place LP, Corporation and the other Owners from time to time and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from any and all work performed by the County or its designees pursuant to the crane swinging license granted pursuant to Section 5 hereof. Notwithstanding the foregoing, the County's liability both independent of and under this Agreement that arises from the same occurrence shall be limited to the type of liability and maximum amounts established in the Local Government Tort Claims Act (Section 5-301 et seq. Courts and Judicial Procedures Article, Annotated Code of Maryland, as amended). In addition the Indemnified Parties may not settle any claims or demands without the express written permission of the County. Further, the County must be given prompt notice of any claims or demands pursuant to which an Indemnified Party would seek protection under this provision. The limitation of liability described herein shall not apply if the County conveys fee simple title to the Theater Property to a person or entity that is not a governmental or quasigovernmental body.
  - 8. <u>Warranties.</u>

- Warranties. PFA hereby provides the following warranties to City Place LP and Corporation: (i) a warranty as to workmanship and materials with respect to the Loading Dock and the Bridge Construction Work for a period for one (1) year for each such improvement from the date of substantial completion of such improvement; (ii) a structural warranty with respect to the Bridge Construction Work for a period for ten (10) years from the date of substantial completion; and (iii) a warranty for latent defects with respect to the Loading Dock and the Bridge Construction Work, ordinary wear and tear and depreciation excepted, for a period of two (2) years for each such improvement from the date of substantial completion of such improvement. PFA agrees to enforce any warranties received from FPC with respect to the aforesaid items for the benefit of City Place LP and Corporation. City Place LP and Corporation acknowledge and agree that, except as expressly set forth in this Agreement, City Place LP and Corporation waive the benefit of any and all warranties, either express or implied at law or otherwise with respect to the work performed hereunder. Additionally, PFA shall bond its warranty obligations under this Section 8(a) as a condition to, and prior to commencement of the Bridge Construction Work or construction of the Loading Dock, as the case may be, the form and content of the bond and the identity of the bonding company to be subject to the reasonable approval of City Place LP. Such bond(s) shall be issued for the benefit of City Place LP and Corporation.
- (b) Mechanics Liens. PFA will bond off any and all mechanics' and/or materialmens' liens filed against City Place LP, Corporation or any of their property, or any part thereof, for labor performed or materials furnished, or for labor claimed to be performed or materials claimed to be furnished, to PFA or in connection with PFA's work hereunder within fifteen (15) days after filing. In the event such liens are not timely bonded off or discharged PFA shall not be entitled to a cure period therefor under Section 11 hereof, and City Place LP and/or Corporation shall have the right to pay off or bond the same and charge PFA for the cost thereof plus interest at twelve percent (12%) per annum until paid; which such costs will be due within fifteen (15) days after receipt by PFA of an invoice therefor together with supporting documentation.
- Performance of Work. All work performed by PFA hereunder shall be performed lien free, substantially in accordance with the approved plans therefor and in accordance with applicable law. The work shall be performed in a good and workmanlike manner with good and sufficient products and materials sufficient for their intended purpose and subject to the warranty contained in Section 8(a) of this Agreement. PFA shall cause to be obtained payment and performance bonds with respect to the work on the Loading Dock and the Bridge, and City Place LP and Corporation shall be named as dual obligees thereunder, the form and content of the bonds and the identity of the bonding company to be subject to the reasonable approval of City Place LP. The County hereby agrees to enforce the Bridge Construction PIC against PFA and any bonding company succeeding to PFA's interest thereunder and in the event such bond(s) are called, the County agrees to perform the obligations of the County in accordance with the terms of the bonds and the Bridge Construction PIC. The County's obligations in accordance with the terms of the bonds and the Bridge Construction PIC are limited to the payment of construction costs and those matters within its control and the control of its employees and do not include things under the control of third parties.

- 10. Free and Uninterrupted Use of Easements. PFA, City Place LP, Corporation, the County and their respective tenants, employees, agents, invitees and licensees shall have full, free and uninterrupted use of the Ingress/Egress Easement Area, the Loading Dock Easement Area, and the Bridge Easement Area, as applicable, for the purposes named herein and shall have all rights and privileges reasonably necessary to the exercise of such rights.
- Default. Upon any default by any party in performing its obligations under this Agreement which is not cured within any applicable grace period set forth herein, each other party shall have the rights to specifically enforce the terms of this Agreement, but not the right to obtain monetary damages for operational delays and lost revenues. No party shall be entitled to exercise any right hereunder, at law or in equity, on account of any default by any other parties unless it gives the defaulting party notice of such default and if the defaulting party has not (a) (if such default consists of a failure by the defaulting party to make any monetary payment) cured such default within fifteen (15) days after such notice is given, or (b) (if such default does not consist of a failure by the defaulting party to make a monetary payment) either (i) cured such default within thirty (30) days after such notice is given, or (ii) if such default is not reasonably capable of being cured within such 30-day period (a) commenced curing such default during such 30-day period, and thereafter used its reasonable efforts with due diligence and in good faith to cause such default to be cured as quickly as is possible, and (b) caused such default to be cured on or before the ninetieth (90th) day after such notice is given. The foregoing notwithstanding, the notice and cure periods provided herein shall not be applicable with regard to the following: (i) violations of the non-interference provisions of Section 1(d) hereof, (ii) failure to timely bond off any liens in accordance with Section 8(b) hereof, and (iii) failure to the timely complete the Loading Dock in accordance with Section 2(c) hereof.
- 12. Notices. All notices, demands, consents, approvals, requests or other communication or documents to be given to the parties hereunder, shall be forwarded to the addresses set forth below or to such other addresses in the United States of America as the parties may designate for themselves from time to time by notice to each other party hereto. Any notice, demand, consent, approval, request and other communication and document to be provided hereunder to a party hereto shall be (a) in writing, and (b) deemed to have provided (i) forty-eight (48) hours after being sent as certified or register mail in the United States mails, postage prepaid, return receipt requested, or (ii) the next business day after having been deposited (in time for delivery by such service on such business day) with Federal Express or another national courier service, in each case to the address of such party set forth herein or to such other address in the United States of America as such party may designate from time to time by notice to each other party hereto.

If to PFA:

PFA Silver Spring, LC c/o Mr. Bryant F. Foulger Foulger-Pratt Companies 9600 Blackwell Road, Suite 200 Rockville, Maryland 20850

and

PFA Silver Spring, LC c/o Mr. James W. Todd The Peterson Companies 12500 Fair Lakes Circle Suite 400 Fairfax, Virginia 22033

If to County:

Montgomery County Government Chief Administrator's Office 101 Monroe Street, Third Floor Rockville, Maryland 20850 Attention: Chief Administrative Officer

with a copy to:

Silver Spring Redevelopment Program 8435 Georgia Avenue Silver Spring, Maryland 20910 Attention: Director, Silver Spring Redevelopment Program

with a copy to:

Montgomery County Government Office of the County Attorney 101 Monroe Street, Third Floor Rockville, Maryland 20850 Attention: County Attorney

If to City Place LP:

City Place Limited Partnership 1320 Old Chain Bridge Road, Suite 430 McLean, Virginia 22101 Attention: Jeffrey B. Dierman

with a copy to:

Glazer & Siegel 5301 Wisconsin Avenue, N.W. Suite 740 Washington, D.C. 20015 Attention: Steven M. Glazer, Esq. with a copy to:

Petrie Ventures, Inc. 170 Jennifer Road, Suite 300 Annapolis, MD 21401 Attention: Walter H. Petrie

If to Corporation:

Silver Spring Condo Corporation c/o The May Department Stores Company 611 Olive Street St Louis Missouri 63101 Attention: Executive Vice President - Real Estate

with a copy to:

c/o The May Department Stores Company 611 Olive Street St. Louis, Missouri 63101 Attention: General Counsel

### 13. Release of Easements.

- (a) Effective automatically on the Loading Dock Commencement Date, this Agreement shall supersede the terms of that certain Easement Agreement dated August 14, 1990, recorded among the aforesaid Land Records in Liber 9511 at folio 024 (the "Existing Easements") and the same shall automatically be deemed vacated and of no further force or effect, subject however to the terms of Subsection (d) hereinbelow. Promptly upon request by PFA or the County, City Place LP and Corporation and their respective mortgagees shall execute a declaration in recordable form confirming the foregoing.
- (b) This Agreement also releases and terminates that certain Right of Way for Ingress and Egress, originally established and/or described in the aforesaid Land Records in Liber 3352, folio 193, Liber 3352, folio 203, as modified in Liber 5862, folio 133; Liber 3364, folio 159, Liber 3364, folio 162 and Liber 5718, folio 664 as modified and/or replaced in Liber 9511, folio 24, and the same are hereby vacated and declared null and void and of no further force or effect.
- (c) This Agreement also releases and terminates that certain Declaration of Easement and Agreement recorded among the aforesaid Land Records in Liber 1491 at folio 525, and the same is hereby vacated and declared null and void and of no further force or effect.
- (d) Notwithstanding anything to the contrary set forth in this Agreement, in the event that at any time prior to the Loading Dock Commencement Date, time being strictly of the essence, either (i) the County or PFA shall terminate the GDA in accordance with its terms for any reason whatsoever, or (ii) that certain Settlement Agreement dated on or about May 12,

2000, among City Place LP, Corporation and the County (the "Settlement Agreement") shall be terminated for any reason whatsoever, City Place LP shall have the right upon written notice to the other parties hereto, within thirty (30) days after the occurrence of either (i) or (ii) to terminate the terms of Sections 1, 2, 4, 5 and 6 hereof (except for that portion of Section 6 relating to the Bridge and the Bridge Construction Work) by written notice to the other parties hereto, whereupon the Existing Easements shall be automatically reinstated in full force and effect without any further action of the parties; provided, however, that the remaining terms and provisions of this Agreement, including PFA's right to perform the Bridge Construction Work and City Place, LP's obligation to maintain the Bridge, subject to, and in accordance with the terms hereof, shall remain in full force and effect, as the same relate to the Bridge and the Bridge Construction Work, provided PFA and the County enter into the Section B ground lease. The parties hereto acknowledge and agree that from and after the Loading Dock Commencement Date no party shall have the right to terminate all or any portion of this Agreement for any reason.

- 14: <u>Easements to be Private</u>. Neither the grant of any easement hereunder, nor the use and enjoyment thereof pursuant to the provisions of this Agreement, shall be deemed in any way to create or confer in or on any member of the public any right to use or enjoy the same, or any estate therein.
- 15. Warranties of Authority. Each of the parties to this Agreement warrants and covenants to the other parties that it (i) has full right, power and authority to enter into, carry out and perform this Agreement without obtaining any further approvals or consents, (ii) owns the entire fee simple title to its respective parcel (legal and equitable), (iii) is duly organized, validly existing and in good standing under the laws of its respective state of formation, and (iv) is qualified to do business in the State of Maryland.
- 16. <u>Time is of the Essence</u>. The parties to this Agreement agree that time is of the essence hereunder.
- 17. Estoppels. From time to time and upon the request of any party, prospective purchaser or any mortgagee of any property described herein, each party shall, within thirty (30) days of said request, execute and deliver estoppel certificates, certifying (i) whether the terms of and rights under this Agreement are and remain in full force and effect, (ii) that this Agreement has not been amended, supplemented or modified, or if this Agreement has been amended, supplemented or modified, the nature of said amendment, supplement or modification, (iii) to the best of said party's knowledge, whether any defaults concerning the parties' obligations under this Agreement exist hereunder, or if any defaults do exist, the nature and extent of such defaults, and/or (iv) to such other matters concerning the status and compliance with the terms of this Agreement, or the obligations of the parties hereunder. The foregoing notwithstanding, any estoppel requested from Corporation shall be limited to clauses (i), (ii) and (iii) above and shall contain the following language:

"The statements contained herein are not affirmative representations, warranties, covenants or waivers but shall act

solely to estop the undersigned from asserting any claim or defense against the addressee to the extent that such claim or assertion is based upon the facts now known to the undersigned which are contrary to those contained in this estoppel certificate and the addressee has acted in reasonable reliance upon such statements without knowledge of facts to the contrary."

### 18. <u>Miscellaneous</u>.

- (a) Except for (i) the obligations of PFA under Sections 2 and 3 hereof, (ii) the indemnities contained in Section 7(d) hereof, (iii) the obligations of PFA pursuant to Section 8(a) of this Agreement (which, in addition to running with ownership of the Retail Property, shall also remain the obligations of PFA subject to the provisions of Section 19 hereof, for the respective terms of such indemnities and warranties), the obligations and liabilities of any party hereunder shall exist for only so long as said party is a fee simple owner of its respective property. When such party or its successor in title ceases to own a fee simple interest in its respective property, such party or its successor in title shall be automatically relieved of any further obligations or liabilities hereunder and such obligations and liabilities shall automatically become the obligations and liabilities of the successor of said party or successor in title.
- (b) No restriction, condition, obligation or provision of this Agreement shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
- (c) Notwithstanding that any or all of the easement areas created hereby and all or a portion of the Retail Property, Theater Property, City Place Retail Unit or City Place Office Unit may now or hereafter be owned by the same individual or entity, the easements and rights herein granted and the covenants hereby imposed shall not be deemed to be extinguished by merger or otherwise and the same shall be perpetual and shall not be extinguished or modified or amended, except by an instrument duly executed by the fee simple owners of the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit and recorded among the Land Records of Montgomery County, Maryland.
- (d) The terms and provisions of this Agreement are severable and in the event that any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the remaining terms and provisions hereof shall remain in full force and effect.
- (e) This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.
- (f) This Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the parties hereto as to the same including, without limitation, that certain Agreement of Understanding dated April 25, 2000 by and between PFA and City Place LP. Notwithstanding the foregoing, this Agreement does not supersede or replace any agreements between PFA and

the County or between City Place LP and the County, such as the GDA or the Settlement Agreement.

- (g) This Agreement may be executed in several counterparts each of which shall be deemed an original, and all of which shall constitute one and the same instrument.
- (h) Whenever any party's consent or approval is required hereunder, such consent or approval shall not be unreasonably withheld, conditioned, delayed or denied unless otherwise specifically provided herein.
- (i) In the event City Place LP or Corporation determines to withhold, condition or deny its approval of the plans for any proposed work under the terms of this Agreement or of any structural modification of such work, a written explanation shall be given to PFA not later than fifteen (15) days in the case of City Place LP and thirty (30) days in the case of Corporation after receipt of the plans therefor from PFA. Such explanation shall state with specificity the reasons approval of the modification is being withheld, conditioned or denied. If no such written explanation is timely sent by City Place LP or Corporation, as applicable, the proposed plans or structural modification shall be deemed approved by City Place LP and Corporation. If such written explanation is timely sent by City Place LP or Corporation, as applicable, the parties shall cooperate in good faith to resolve the matter, and the aforesaid notification process shall be repeated after submission of the revised plans to be approved.

### 19. <u>Limitation of Liability.</u>

Notwithstanding any provision to the contrary contained herein, if any Owner or any successor-in-interest of such Owner or any mortgagee shall be an individual or entity (including without limitation, a joint venture, tenancy in common, corporation, trust, general partnership, limited partnership or limited liability company), it is specifically understood and agreed that, except as hereinafter expressly provided, there shall be absolutely no personal liability on the part of such mortgagee, individual or entity, or on the part of the stockholders or members of any such mortgagee or entity, with respect to any of the terms, covenants and conditions contained herein, and that any party claiming hereunder shall look solely to the equity of such Owner or its successor-in-interest in the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit, as applicable, for the satisfaction of each and every remedy of any such claiming party in the event of any breach by such Owner or by its successor-in-interest, of any of the terms, covenants and conditions contained herein, and such exculpation of personal liability shall be absolute and without any exception whatsoever.

### 20. Force Majeure

For any Force Majeure (as defined below) resulting in a delay in any party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of the Force

Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact. Force Majeure as such term is used herein shall refer to delays due to strike, riot, act of God, severe weather, shortages of labor and materials, governmental laws, regulations or restrictions or by other causes of any kind whatsoever which are beyond the reasonable control of the party claiming Force Majeure; lack of funds for the completion of the Private Improvements not being deemed beyond a party's reasonable control.

### 21. Benefits and Burdens.

All provisions of this Agreement, including the benefits and the burdens, shall touch, concern and run with the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit and be binding upon and inure to the benefit of the Owners of the Retail Property, Theater Property, City Place Retail Unit, City Place Office Unit from time to time and their respective successors, transferees, assigns, heirs and personal representatives. No division of ownership of any Owner's property, by subdivision or other means, and no change in ownership interest of any of the Owners shall affect or modify the easements, rights, covenants and agreements granted hereunder.

#### 22. Consents.

The undersigned trustees, lienholders, and other parties having an interest in any portion of the Property have joined in the execution of this Agreement for the purpose of consenting to the terms and provisions hereof and any supplementary declarations delivered pursuant hereto (and further including any confirmatory or other instruments hereinafter entered into by the Owner of any Parcel as permitted or required by the terms and provisions of this Agreement and as may be approved by such trustees, lienholders, and other parties in interest) and for the purpose of subordinating their respective estates and interests in and to any portion of the Property, as the case may be, to the effect and operation of this Agreement.

[SIGNATURE PAGES FOLLOW]

Title insurer: Lawyers Title Ins. Corp.

Parcel Identifier: 13-3132853

974055

IMANAGE: 175004 v.25 05500,0067

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

Joanne Peore

Dougras M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. Schwartz-Jones

Associate County Attorney

STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: [NOTARIAL SEAL] MANAGE: 175004 y,23 05500.0067

PFA SILVER SPRING, LC

Bryant F. Foulger Managing Member

STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

I HEREBY CERTIFY that on this 17 day of , 2001, before me, the undersigned officer, personally appeared Bryant F. Foulger, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as Managing Member of PFA Silver Spring, LC, and acknowledged that he, as such Managing Member, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of PFA Silver Spring, LC.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires:

[NOTARIAL SEAL]

10-1 349

MANAGE: 175004 v.23 05500.0087

PFA SILVER SPRING, LC

hoen the

Bryant F. Foulger Managing Member

STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

I HEREBY CERTIFY that on this 17 day of \_\_\_\_\_\_\_, 2001, before me, the undersigned officer, personally appeared Bryant F. Foulger, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as Managing Member of PFA Silver Spring, LC, and acknowledged that he, as such Managing Member, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of PFA Silver Spring, LC.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires:

[NOTARIAL SEAL]

WALTER H. PETRIE

CITY PLACE LIMITED PARTNERSHIP

BY: CITY PLACE GP, INC. GENERAL AMPINER

THE FRENCH B. DIE PLACEN

THE: PRESENT

STATE OF MARYLAND

COUNTY OF MONTGOMERY

to wit:

I HEREBY CERTIFY that on this 27th day of November, 2000, before me, the undersigned officer, personally appeared TEFFER B. DIEDMAN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as President of City Place Limited Partnership, and acknowledged that he, as such executed the foregoing and annexed instrument for the purposes therein contained by signing the name of City Place Limited Partnership of the purposes.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Chymen G. Dile Notary Public

My Commission Expires:

[NOTARIAL SEAL]

SILVER SPRING CONDO CORPORATION

Sucha Licha Cal

By: Carol Fielding Fasano
Title: Assistant Secretary

STATE OF MISSOURI

COUNTY OF ST. LOUIS

to wit:

I HEREBY CERTIFY that on this haday of habitaly, 2001, before me, the undersigned officer, personally appeared are fielding fash in known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as his start secretary of Silver Spring Condo Corporation, and acknowledged that he, as such the subscribed to the purposes therein contained by signing the name of Silver Spring Condo Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

My Commission Expires: \_\_\_\_\_\_\_
[NOTARIAL SEAL]

JUDY L. VAUGHN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My commission expires: April 21, 2003

### CONSENT OF LENDER

The undersigned, being the Beneficiary pursuant to assignment under a certain Consolidated, Amended and Restated Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC which was assigned to the undersigned and recorded in the Montgomery County Land Records at Liber 17967, Folio 271 and the Beneficiary under a certain Indemnity Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Guaranty dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC which was assigned to the undersigned and recorded in the Montgomery County Land Records at Liber 17967, Folio 339, as assigned to the undersigned, does hereby consent to the foregoing Reciprocal Easement Agreement and agrees that its interest in the subject property shall be subordinate and subject thereto.

Wells Fargo Bank Minnesota, N.A., as Trustee for the Registered Holders of Credit Suisse First Boston Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2000-FL1

By: Lennar Partners, Inc., attorney in fact

· ·

By:

SUSAN.

Chasman

Title:

itle: 🔥

President

STATE OF FLORIDA

6/21/01

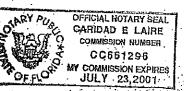
SS:

COUNTY OF MIAMI-DADE

I, CARINADE LAIRE, a Notary Public in and for the State and County aforesaid, do hereby certify that SUSAN K. CHAPMAN, whose name as VICE PRESIDENT of Lennar Partners, Inc., attorney in fact for Wells Bank Minnesota, N.A., Trustee,, has signed to the foregoing and annexed instrument and has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 21 day of JUNE

2001



Randad & Racie Notary Public

My term of office expires on the 23 day of TILY

Credit Suisse First Boston Mortgage Capital LLC

### CONSENT OF LENDER

The undersigned, being the Beneficiary under a certain Consolidated, Amended and Restated Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC and recorded in the Montgomery County Land Records at Liber 17967, Folio 271 and the Beneficiary under a certain Indemnity Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Guaranty dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC and recorded in the Montgomery County Land Records at Liber 17967, Folio 339, does hereby consent to the foregoing Reciprocal Easement Agreement and agrees that its interest in the subject property shall be subordinate and subject thereto.

FEBRUARY 22,2001	By:
Date	Name: ALLAN BAUM
	Title: VICE PRESIDENT.
•	
	ide die de
$\bar{z}$	
STATE OF NEW YORK	•
	SS:
COUNTY OF NEW YORK	
I, Hice Rusk la Notary hereby certify that HICA BAIN Credit Suisse First Boston Mortgage Capit instrument and has acknowledged the same	y Public in and for the State and County aforesaid, do, whose name as of al LLC, is signed to the foregoing and annexed before me in my County aforesaid.
GIVEN UNDER MY HAND AND	OFFICIAL SEAL this 22 day of February.
2001.	QU V
	Notary Public
My term of office expires on the	ALICE RUSSELL  ANOTARY Public, State of New York
	Qualified in Kings County  Qualified in Kings County  Commission Expires July 14, 2001

### ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing document was prepared by or under the supervision of the undersigned, an attorney duly licensed to practice before the Court of Appeals of Maryland.

Richard M. Zeidman

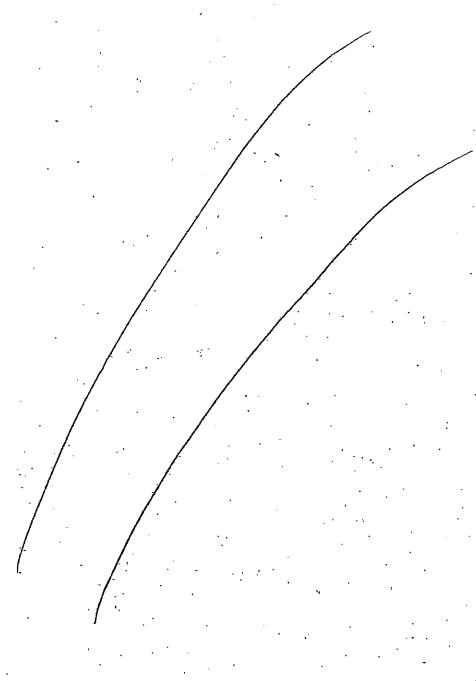
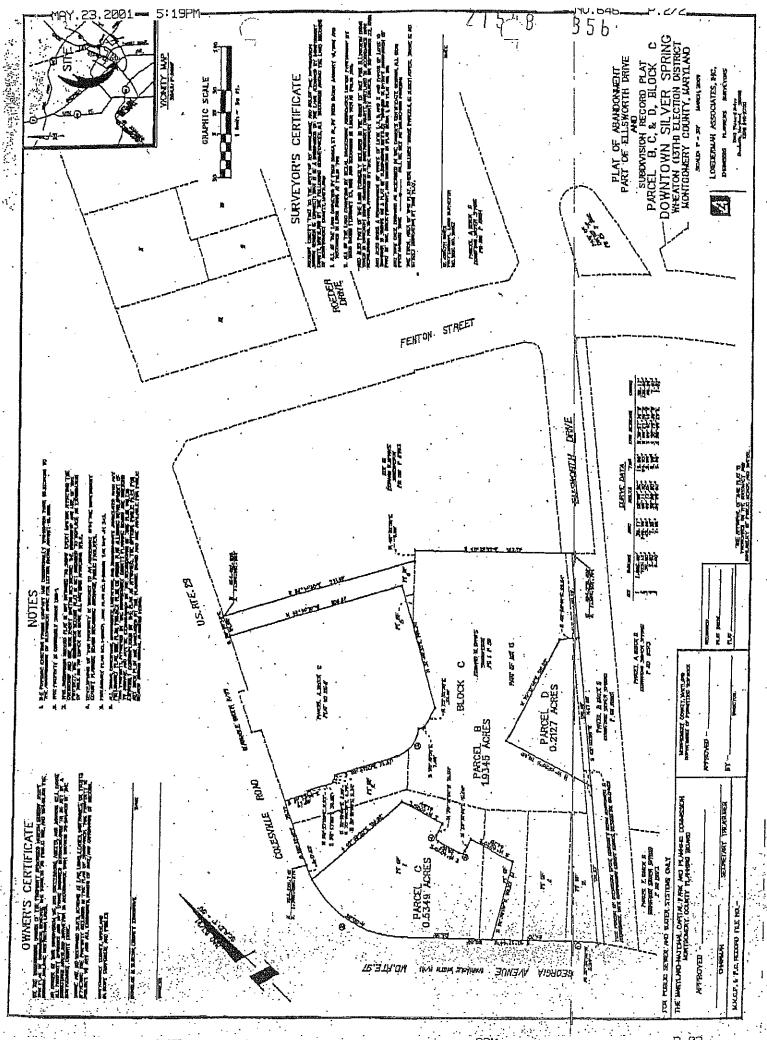


Exhibit A-1 Retail Plat



P. 02

41348 (35)

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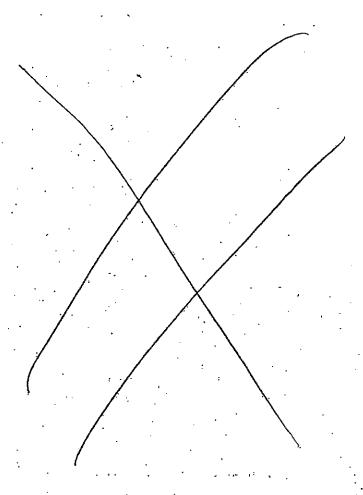


Exhibit A-2 Theater Plat

Cletter Pendling

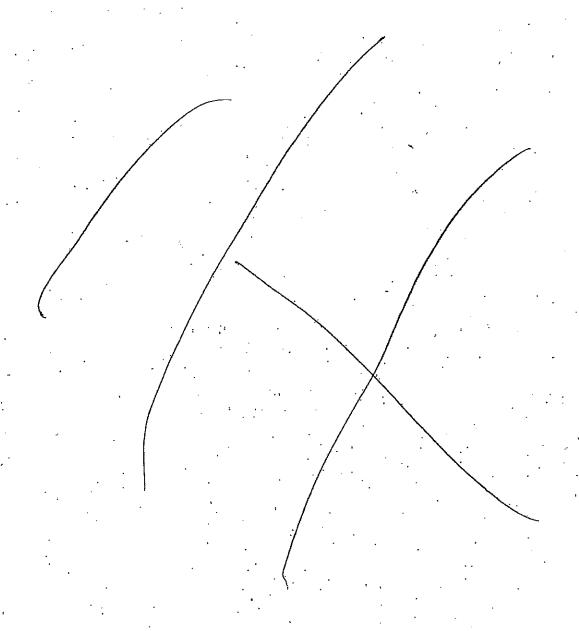
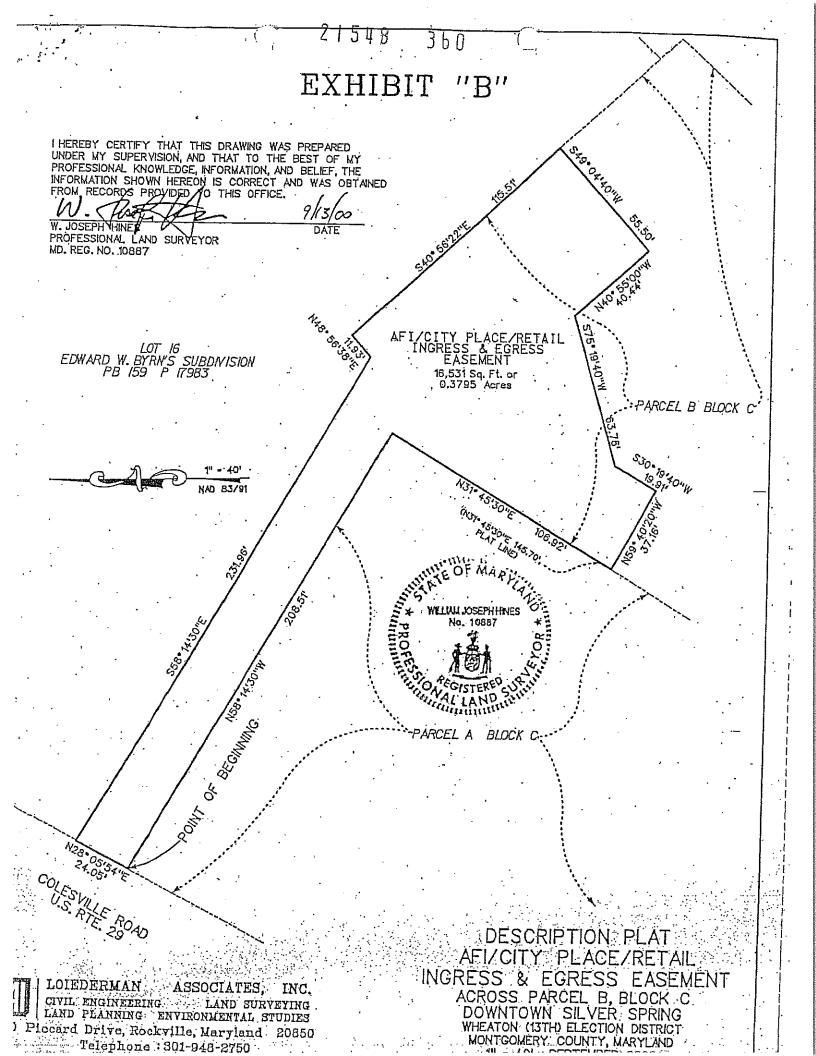


Exhibit B Ingress/Egress Easement Area



2,548 36

LOIEDERMAN ASSOCIATES; INC. Project No. 1006-01 September 13, 2000

DESCRIPTION
AFI/CITY PLACE/RETAIL
INGRESS & EGRESS EASEMENT
DOWNTOWN SILVER SPRING
16,531 Square Feet

Being all of that piece or parcel of land situate lying and being in the thirteenth Election District of Montgomery County, Maryland and being part of the land conveyed by Retail Investment Associates Limited Partnership to Montgomery County, Maryland by deed dated February 23, 1993 and recorded in Liber 11131 at Folio 205, and part of the land conveyed by Fred Burka et al to Montgomery County, Maryland by deed dated January 10, 1996 and recorded in Liber 13865 at Folio 701 all said deeds being recorded among the Land Records of Montgomery County, Maryland, said piece or parcel of land also being part of Parcel B, Block C as shown on a plat of subdivision titled, "PLAT OF ABANDONMENT, PART OF ELLSWORTH DIRVE, AND SUBDIVISION RECORD PLAT, PARCEL B, BLOCK C, DOWNTOWN SILVER SPRING" as recorded among the Land Records of Montgomery County, Maryland in Plat Book \_\_\_\_ as Plat No.\_\_\_\_ and being more particularly described as follows:

Beginning for the same at a point on the southeasterly right of way line of Colesville Road, Maryland U. S. Route 29, said beginning point also being the common corner of the northeasterly line of Parcel B and Parcel A, Block C as shown on the aforereferenced plat of subdivision; thence running with and along the said southeasterly right of way line of Colesville Road

- 1. North 28° 05' 54" East, 24.05 feet to a point; thence leaving said right of way line and running with and along part of the outlines of Lot 16, Edward W. Byrn's Subdivision as recorded in Plat Book 159 as Plat No. 17983, and also with the outlines of said Parcel B
- 2. South 58° 14' 30" East, 231.96 feet to a point; thence
- 3. North 48° 56' 38" East, 11.93 feet to a point; thence
- 4. South 40° 56' 22" East, 115.51 feet to a point; thence leaving the outline of said

  Lot 16 and running so as to cross and include a part of Parcel B
- 5. South 49° 04'40" West, 55.50 feet to a point; thence
- 6. North 40° 55' 00" West, 40.44 feet to a point; thence
- 7. South 75° 19' 40" West, 63.76 feet to a point; thence
- 8. South 30° 19' 40' West, 19.91 feet to a point; thence
- 9. North 59° 40' 20" West, 37.16 feet to a point on the division line of the said

  Parcel A and Parcel B; thence running with said division line the following two:

  (2) courses
- 10. North 31° 45' 30" East, 106.92 feet to a point; thence
- 11. North 58° 14' 30" West, 208.51 feet to the point of beginning containing 16,531 square feet or 0.3795 of an acre of land.

Subject to any and all easements, rights of way and covenants of record.

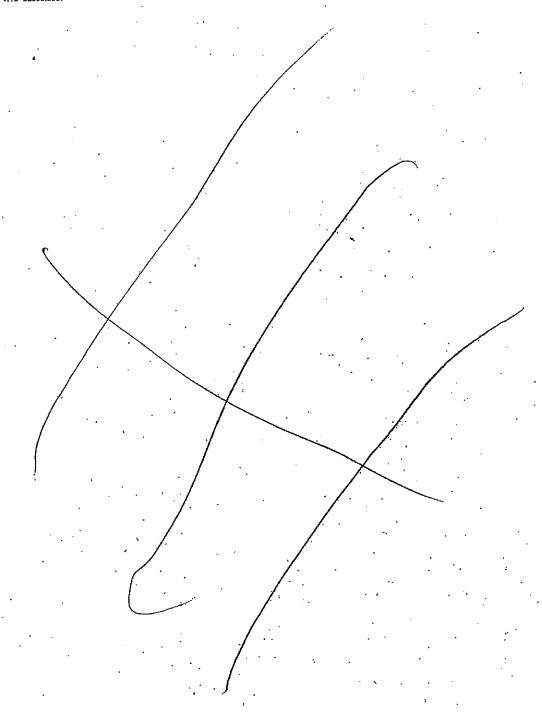


Exhibit C Loading Dock Easement Area 21548 3 4

LOIEDERMAN ASSOCIATES, INC. Project No. 1006-01 September 13, 2000

### DESCRIPTION LOADING DOCK EASEMENT DOWNTOWN SILVER SPRING 611 SQUARE FEET

Being all of that piece or parcel of land situate lying and being in the thirteenth Election District of Montgomery County, Maryland and being part of the land conveyed by Fred Burka et al to Montgomery County, Maryland by deed dated January 10, 1996 and recorded in Liber 13865 at Folio 701 among the Land Records of Montgomery County, Maryland, said piece or parcel of land also being part of Parcel B, Block C as shown on a plat of subdivision titled, "PLAT OF ABANDONMENT, PART OF ELLSWORTH DIRVE, AND SUBDIVISION RECORD PLAT, PARCEL B, BLOCK C, DOWNTOWN SILVER SPRING" as recorded among the Land Records of Montgomery County, Maryland in Plat Book \_\_\_\_ as Plat No. \_\_\_\_ and being more particularly described as follows:

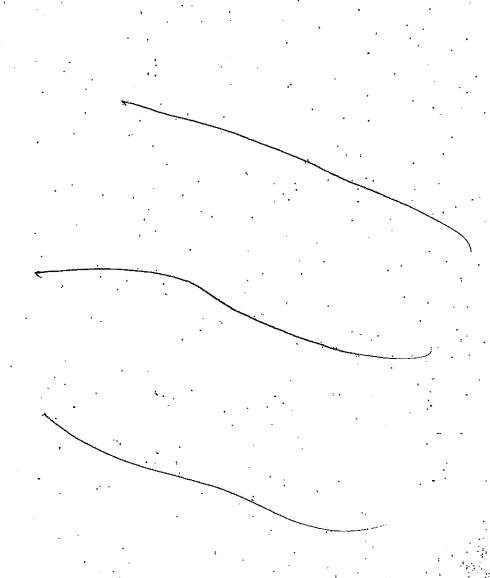
Beginning for the same at a point on the South 40° 56' 22" East, 183.13' line of said Parcel B, said point lying 115.51 feet from the northwesterly end thereof; thence running with a part of said line

- 1. South 40° 56' 22" East, 11.00 feet to a point; thence leaving the outline of said

  Parcel B and running so as to cross and include a part thereof
- 2. South 49° 04'40" West, 55.51 feet to a point; thence
- 3. North 40° 55' 00" West, 11.00 feet to a point; thence

4. North 49° 04' 40" East, 55.50 feet to the point of beginning containing 611 square feet or 0.0140 of an acre of land.

Subject to any and all easements, rights of way and covenants of record.



### EXHIBIT

1 HEREBY CERTIFY THAT THIS DRAWING WAS PREPARED UNDER MY SUPERVISION, AND THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE INFORMATION SHOWN HEREON IS CORRECT AND WAS OBTAINED FROM RECORDS PROVIDED TO THIS OFFICE.

00 SURVEYOR'S OF MARY W. JOSEPH HINES PROFESSIONAL LAND MD: REG. NO. 10887

WILLIAM JOSEPH HINES No. 10887

LOT IBURINISION
PB 159 P 17983

S 40\* 56'22"E

11.00

611 Sq. Ft. or 0.0140 Acres

PARCEL O BLOCK &

N 40.55'00"W 11.00

ELSWORTH DANK

PARCEL B BLOCK C

PARCEL A BLOCK C

DESCRIPTION PLAT CITY PLACE

OADING DOCK EASEMENT ACROSS PARCEL B, BLOCK C DOWNTOWN SILVER SPRING WHEATON (13TH) ELECTION DISTRICT

LOIEDERMAN ASSOCIATES, CIVIL ENGINEERING LAND SURVEYING LAND PLANNING ENVIRONMENTAL STUDIES D. Piccard Drive, Rockville, Maryland 20850

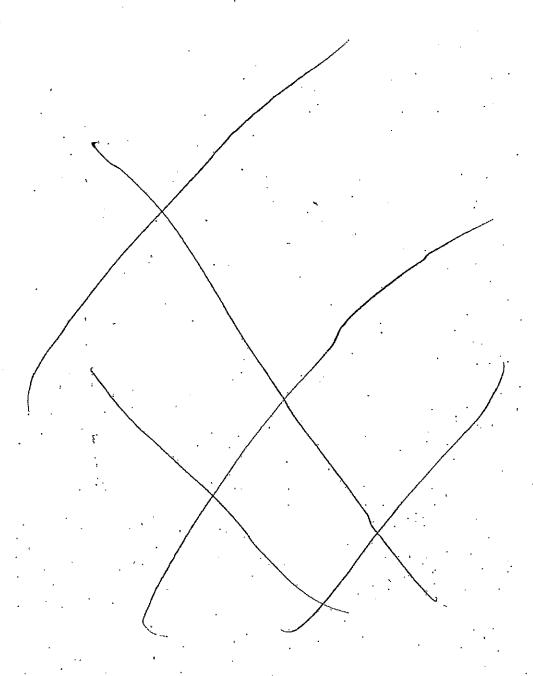
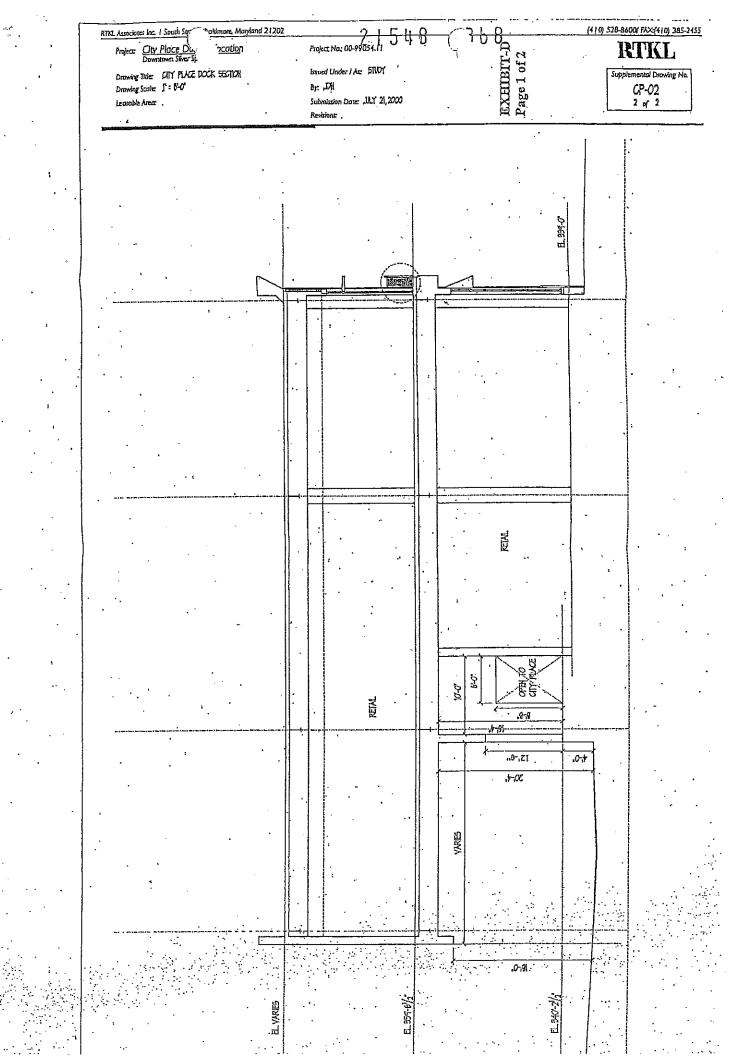
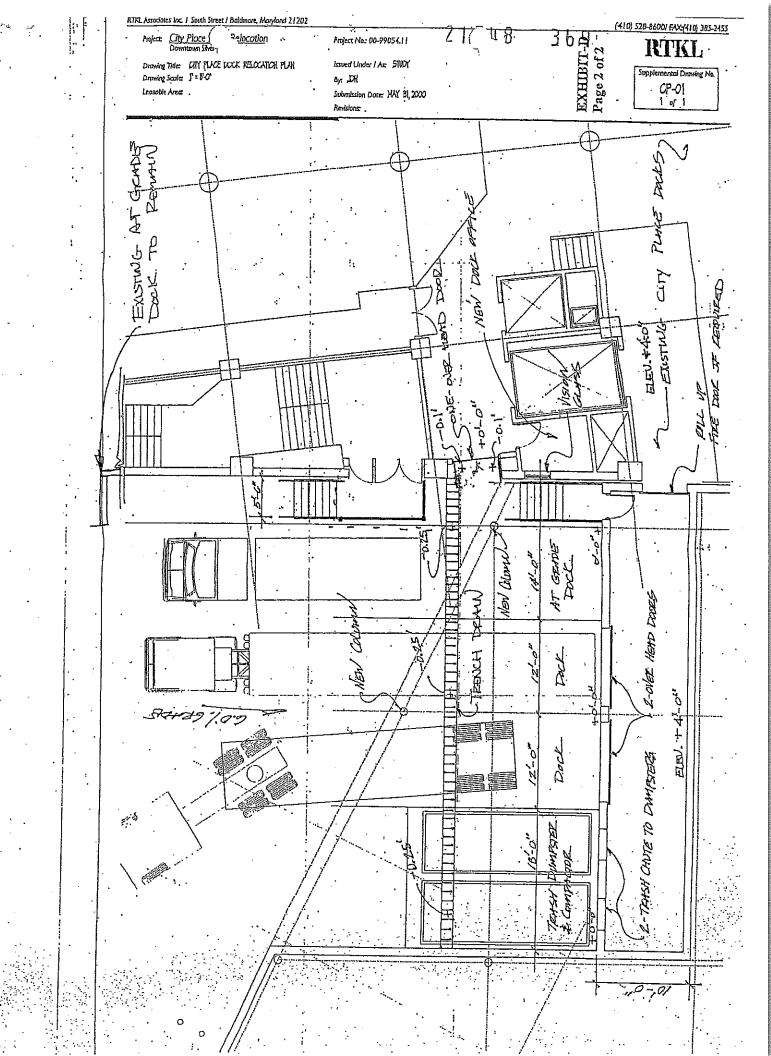


Exhibit D
Loading Dock Plans and Specifications





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Exhibit E Bridge Easement Area

### DECLARATION OF EASEMENTS FOR BLOCK B DOWNTOWN SILVER SPRING Easement No. 10

2410

OF EASEMENTS FOR DECLARATION THIS DOWNTOWN SILVER SPRING (this "Declaration") is made this QH2 day of December, 2002, by MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (herein "Declarant").

### RECITALS

The Declarant and PFA Silver Spring LC ("PFA") have entered into certain General Development Agreement dated as of April 20, 1998, as amended by that certain First Amendment to General Development Agreement dated July 22nd 22002 (collectively, the "GDA"), pursuant to which PFA is the developer of an urban renewal project in downtown Silver Spring, Maryland (as defined in the GDA as the "Project") comprising 22.5 acres bounded by Colesville Road, Georgia Avenue, Wayne Avenue and Cedar Street portions of which are more particularly described in Recital B below, (the "Property").

The Declarant is the fee simple owner of the Property which is comprised В. of (i) that certain portion of the Property more particularly known as Parcels E, F, G and H, Block B, all as shown on the Subdivision Record Plat entitled "Parcels E through H, Block B, Downtown Silver Spring," as recorded at Plat No. 21573 among the Land Records of Montgomery County, Maryland (the "Block B Record Plat") (individually known as "Parcel E", "Parcel F", "Parcel G" and Parcel "H" and collectively as "Block B"), (ii) approximately 0.8777 acres of land as more particularly described as Parcel A on that certain record plat of subdivision known as "Subdivision Record Plat Parcel B, C & D Block C Downtown Silver Spring" and recorded at Plat 21647, among the Land Records of Montgomery County, Maryland (the "Theater Parcel"). The Theater Parcel is improved with a single building (the "Theater Building") which has been leased by Declarant to, respectively, the American Film Institute ("AFI") and the Roundhouse Theater (the American Film Institute, Roundhouse Theater and any successor tenants, licensees or operator(s) of the Theater Building are hereinafter referred to as the "Theater Tenants") (iii) approximately 1.9098 acres of land known as Parcel A Block D as more particularly described on that certain record plat of subdivision recorded at Pfair 1966 Plat 21284 among the Land Records of Montgomery County, Maryland ("Paris A Block D"), and (iv) approximately 5.0047 acres of land known as Parcel A Block Approximately 5.0047 acres particularly described on that certain record plat of subdivision recorded at Par Books 192 111 + 3114 Plat 21017 among the Land Records of Montgomery County, Marylands ("Parker A Block A").

Immediately following the recordation of this Declaration, Declarant intends to enter into a ground lease (the "Section B Ground Lease") leasing Parcel F to PFA-B Silver Spring, LC ("PFA-B"). PFA-B intends to develop a retail building (the

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"Retail Building") on Parcel F as part of the Project in accordance with the GDA and a site plan approved by the applicable governmental authorities. In addition, PFA Silver Spring, LC, an affiliate of PFA-B intends to redevelop Parcel H for and on behalf of Declarant as a seven story structure that will contain approximately 1,732 parking spaces and approximately 7,240 square feet of street fronting space that will initially be leased by a non- profit group or successor tenant, and having a street address of 921 Wayne Avenue and to be known as the "Wayne Avenue Garage", all in accordance with the terms of a public improvement contract between PFA and Declarant and the plans and specifications for the construction of the Wayne Avenue Garage which must be approved by Declarant. PFA and Declarant acknowledge and agree that PFA shall have no real property interest in Parcel H and is acting solely in the capacity of independent contractor for the development of the Wayne Avenue Garage pursuant to the GDA and the applicable public improvement contract.

- D. Pursuant to the terms of the GDA, PFA and its affiliates have certain rights to purchase Parcel E and Parcel G for the development of respectively an office building and related retail space on Parcel E and a hotel and related retail space on Parcel G.
- E. Declarant desires to establish for the benefit of portions of the Property and the Project, certain easements and covenants as depicted and numbered on the Easement Plats attached hereto and made a part of this Declaration and labeled as **Easement Plats No. 1 through No. 17** (the "Easement Area(s)").
- F. PFA-B in its capacity as ground lessee under the Section B Ground Lease and the fee simple owners from time to time of Parcels E, F, G and H are hereinafter referred to individually as "Parcel Owners" and collectively as the "Block B Owners".

NOW, THEREFORE, Declarant, for itself and its successors and assigns, hereby establishes and declares the following:

### 1. <u>Garage Ingress/Pedestrian/ Fire Access/Storm Drain/ Maintenance</u> Easement. [Easement Pat No. 1].

(a) The Declarant hereby reserves to itself and its licensees, invitees, agents and employees and declares and grants for the use and benefit of the general public including without limitation Block B, the Block B Owners and the tenants, invitees, licensees, agents, guests and employees of Block B, as well as the Theater Tenants, a non-exclusive, perpetual easement and right-of-way, free of charge, on, over, across and through that portion of the alley located on Parcel F as shown and labeled on Easement Plat No. 1, for purposes of (i) ordinary pedestrian and vehicular ingress, egress and right of passage into the Wayne Avenue Garage and other portions of Block B, and (ii) ingress and egress, if necessary, by (A) pedestrians and service vehicles for purposes of performing maintenance on the Wayne Avenue Garage and any other improvements fronting on said alley, and (B) fire and emergency trucks, in the event of a

fire or other emergency in said alley the Wayne Avenue Garage or any other improvements fronting on said alley.

(b) The Declarant hereby declares and grants for the use and benefit of Block B and the Block B Owners, a non-exclusive, perpetual easement and right of way, free of charge, on, over, across and through the portion of Parcel F as shown and labeled on Easement Plat No. 1, for the purpose of flow of storm water from Block B into the storm water drainage and retention facilities ("SWM Facilities") located in the adjacent Parcel D, Block B, per Plat No. 21283, together with a non-exclusive and perpetual easement and right to utilize the SWM Facilities.

## 2. Office/4<sup>th</sup> Floor Garage Pedestrian Bridge Easements [Easement Plat No. 2].

- (a) The Declarant hereby declares and grants for the use and benefit of Parcel E and the Owner of Parcel E, a perpetual exclusive right and easement, free of charge to use a portion of the air space located over those portions of Parcel F and Parcel H as shown and labeled on **Easement Plat No. 2**, for the purposes of (i) locating, installing, accessing, constructing, operating, inspecting, maintaining, repairing and replacing the pedestrian bridge ("Office Bridge") proposed to connect the Wayne Avenue Garage and the office building to be located on Parcel E (the "Office Building"), and (ii) attaching and connecting the Office/Garage Bridge to the Wayne Avenue Garage, all in accordance with certain plans and specifications approved or to be approved by the Declarant (the "Approved Plans"); such rights to automatically vest upon the last to occur of completion of the Office Bridge, the opening for business of the Wayne Avenue Garage and the Office Building. The easements and rights granted under this Section 2(a) shall terminate at such time as the Office Building and/or the Wayne Avenue Garage cease to exist and are not rebuilt.
- (b) The Declarant hereby declares and grants for the use and benefit of Parcel E and the Parcel E Owner, a perpetual easement and right of way, free of charge, on, over, across and through that portion of Parcel F which supports the Office Bridge for purposes of installing, reinstalling, constructing, reconstructing, supporting, inspecting, maintaining, repairing and replacing the footings and foundations between the Wayne Avenue Garage and the Office Bridge in accordance with the Approved Plans. Nothing contained herein is intended to create any right to use the Wayne Avenue Garage for support of the Office Bridge.
- (c) In the event that the exercise of the easements granted under this Section 2 result in the loss of any parking spaces in the Wayne Avenue Garage, the Parcel E Owner, as a condition to the exercise of the rights herein created, must first pay to the County the one time aggregate lump sum of Twenty Nine Dollars and Fifty Cents (\$29.50) per square foot for each space used in the exercise of the right or rights created in this Section.
- (d) The Declarant, Parcel F Owner and the Parcel H Owner will have no responsibility for the design, construction, connection, maintenance, repair, safety,

security, or operation of the Office Bridge. The Parcel E Owner will be responsible for designing, constructing, connecting, repairing, operating, maintaining, and providing adequate security for the safe and proper operation and functioning of the Office Bridge and the entry from the Office Bridge into the Wayne Avenue Garage. The Declarant reserves the right, in its sole and absolute discretion, upon not less than ten (10) days' prior written notice to Parcel E Owner to close the entrance to the Wayne Avenue Garage from the Office Bridge at any time for safety, security, maintenance or repairs reasons; provided, however that in the event of exigent circumstances Declarant will provide such notice as is reasonable under the circumstances. The foregoing notwithstanding, the Declarant will not close the entrance to the Wayne Avenue Garage from the Office Bridge for security reasons if the Parcel E Owner installs a restricted access pass system on the entrances from the Office Building to the Office Bridge and from the Office Bridge to the Wayne Avenue Garage. The Declarant shall use commercially reasonable efforts, balanced by the needs of the public health, safety and welfare, to minimize the duration and instances of any such closure.

### 3. 20' Wide Loading/ Access Easement [Easement Plat No. 3].

The Declarant hereby reserves to itself and its tenants, licensees, invitees, contractors, agents and employees and declares and grants for the use and benefit of the general public including without limitation Parcel H and the Wayne Avenue Garage a non-exclusive, perpetual easement and right-of-way, free of charge, on, over, across, under and through that portion of the alley located on Parcel F, as shown and labeled on Easement Plat No. 3, and through the exit in said alley from the Wayne Avenue Garage, for purposes of (i) pedestrian ingress and egress to and from Wayne Avenue the Wayne Avenue Garage and other portions of Block B including, without limitation, access to the offices of any tenant from time to time located in the Wayne Avenue Garage, (ii) vehicular ingress for service vehicles for; and (iii) ingress and egress, if necessary, by any pedestrians, vehicles and fire service vehicles, including without limitation fire trucks, in the event of a fire or other emergency in said alley or the Wayne Avenue Garage. Notwithstanding anything to the contrary set forth in this subsection, there shall at all times be maintained within the aforementioned easement area, a drive aisle of not less than twelve (12) feet in width for the free flow of pedestrian and vehicular traffic.

### 4. 18' Wide Pedestrian Easement [Easement Plat No. 4].

The Declarant hereby declares and grants for the use and benefit of the general public including, without limitation, Parcel A, the Block A Owners, the Theater Tenants, Block B, the Block B Owners and such Owners' tenants, invitees, licensees, agents, guests and employees, a non-exclusive, perpetual easement and right-of-way, free of charge, on, over, across, under and through that portion of Parcel F as shown and labeled on Easement Plat No. 4, and through the entrance and exit in said alley, for purposes of ordinary pedestrian ingress and egress and right of passage to and from the Wayne Avenue Garage and Ellsworth Drive. The Parcel F Owner shall have the right, from time to time, to locate retail kiosks, street furniture, automatic teller machines, ticket booths, outdoor seating for restaurants, Project signage, television screens and other retail uses in the easement area, provided that the use and operation of such facilities must not

unreasonably interfere with the free flow of pedestrian traffic over the easement area. The Declarant further reserves the right to locate a kiosk (either temporary or permanent) on the easement area for the purpose of ticket sales for events at the AFI and/or events at the Round House Theatre (the "AFI/Round House Kiosk"). The AFI/Round House Kiosk shall be located in a manner that does not unreasonably interfere with any of the retail kiosks. The use and operation of the AFI/Round House Kiosk must not unreasonably interfere with the free flow of pedestrian traffic over the easement area. Any kiosk located upon the easement area must be maintained in good condition and repair.

### 5. Service Vehicle/Access Easement [Easement Plat No. 5].

The Declarant hereby reserves to itself and its tenants, contractors, licensees, invitees, agents and employees and declares and grants for the use and benefit of the general public including without limitation Block B, the Block B Owners and such Owners' tenants, invitees, licensees, agents, guests and employees, a non-exclusive, perpetual easement and right-of-way, free of charge, on, over, across, under and through that portion of the alley located on Parcel F and Parcel G, as shown and labeled on Easement Plat No. 5, and through the exit in said alley from the Wayne Avenue Garage, for purposes of (i) vehicular access for service vehicles serving, maintaining, restoring, repairing, constructing or reconstructing the Wayne Avenue Garage and any other improvements fronting on said alley; and (ii) ingress and egress, if necessary, by pedestrians, vehicles and fire service vehicles, including without limitation fire trucks, in the event of a fire or other emergency in said alley or the Wayne Avenue Garage. Notwithstanding anything to the contrary set forth in this subsection, there shall at all times be maintained within the aforementioned easement area, a drive aisle of not less than twelve (12) feet in width for the free flow of pedestrian and vehicular traffic.

# 6. Storm Drain and Communications Equipment Easements [Easement Plat No. 6].

The Declarant hereby declares and establishes unto itself and any future owner, tenant, licensee or user of any portion of Block B, non-exclusive, perpetual easements and rights of way, free of charge, on, over, under, across and through the portions of Parcel F as shown and labeled on <u>Easement Plat No. 6</u>, for (i) the purpose of installation, maintenance, repair and replacement of the SWM Facilities (defined within) for the benefit of Parcel H and any improvements located thereon into the storm water drainage and retention facilities ("SWM Facilities") located in the adjacent Fenton Street and in Parcel D, Block B per Plat No. 21283, together with a non-exclusive and perpetual easement and right to utilize the SWM Facilities; and (ii) the installation, maintenance, repair and replacement of a communication ductbank for the benefit of Parcel H, the Theater Parcel, Parcel A Block D any other public improvements located or to be located within the Project.

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# 7. Hotel/ 4<sup>th</sup> Floor Garage Pedestrian Bridge Easement [Easement Plat No. 7].

- (a) The Declarant hereby declares and grants to the Owner of Parcel G for the use and benefit of Parcel G, a perpetual exclusive easement and right free of charge on, over and across those portions of Parcel H, as shown and labeled on Easement Plat No. 7, for the purposes of (i) attaching and connecting the pedestrian bridge ("Hotel Bridge") proposed to connect the Hotel Building ("Hotel") to the Wayne Avenue Garage as shown on the Approved Plans.
- The Declarant, Parcel F Owner and the Parcel H Owner will have no responsibility for the construction, connection, maintenance, repair, safety, security, or operation of the Hotel Bridge. The Parcel G Owner will be responsible for designing, constructing, repairing, operating, maintaining, and providing adequate security for the safe and proper operation and functioning of the Hotel Bridge and the entry from the Hotel Bridge into the Wayne Avenue Garage. The Declarant reserves the right, upon not less than ten (10) days' prior written notice to the Parcel G Owner, in its sole and absolute discretion, to close the entrance to the Wayne Avenue Garage from the Hotel Bridge at any time for safety, security, maintenance or repairs reasons; provided, however that in the event of exigent circumstances Declarant will provide such notice as is reasonable under the circumstances. The foregoing notwithstanding, the Declarant will not close the entrance to the Wayne Avenue Garage from the Hotel Bridge for security reasons if the Parcel G Owner installs a restricted access pass system on the entrances from the Hotel to the Hotel Bridge and from the Hotel Bridge to the Wayne Avenue Garage. The Declarant shall use commercially reasonable efforts, balanced by the needs of the public health, safety and welfare, to minimize the duration and instances of any such closure.

## 8. Communications Equipment Easement [Easement Plat No. 8].

Declarant hereby establishes and grants for the use and benefit of itself and the tenants, licensees and invitees of the Theater Parcel and the Wayne Avenue Garage, a perpetual, non-exclusive subsurface easement, right and privilege free of charge, under that portion of the Parcel F described and depicted on Easement Plat No 8, for purposes of laying, maintaining, operating, removing, repairing and replacing, underground communication systems, duetbanks and other appurtenances thereto, including without limitation fiber optic cabling and conduits and mobile production truck cabling as necessary in order to receive data, information, images and/or sound into or to transmit information, images and/or sound to and from any portions of any improvements located or to be located on the Theater Parcel, Parcel H, or Parcel A Block D or any other improvements located within the Project. The foregoing notwithstanding, the easements and rights established hereunder shall not be utilized in any manner which unreasonably impairs or has material negative impacts upon the beneficial use and enjoyment of any improvements developed on Parcel E, Parcel F or Parcel G.

## 9. <u>Mobile Production Truck Electrical/Hookup Communication</u> Easement [Easement Plat No. 9].

Declarant hereby reserves to itself and any tenants, invitees, licensees, occupants or users of, and for the use and benefit of the Theater Parcel, Theater Building and the Theater Tenants, a perpetual, non-exclusive subsurface easement, right and privilege free of charge under that portion of the Parcel F described and depicted on Easement Plat No 9, for purposes providing an electrical hookup for mobile production vehicles or equipment using the mobile production easement area described in Section 10.

### 10. Mobile Production Truck Easement [Easement Plat No. 10].

- (a) Declarant hereby establishes and grants for the use and benefit of Theater Parcel, Theater Building and the Theater Tenants and invitees to such parcels, a perpetual, non-exclusive easement, right and privilege free of charge on and under that portion of the Parcel F described and depicted on **Easement Plat No 10** for the purpose of parking mobile production truck(s) that house television and radio or other media transmission, recording and production equipment relating to live broadcasting or other transmissions or recordings of events or activities taking place at or in connection with the Theater Parcel and the Theater Building (Collectively, a "Mobile Production Unit"). Provided that the user of the easement area provides adequate sidewalk pedestrian control and flow, the vehicle(s) and/or equipment may project onto the sidewalk within the easement area provided for herein.
- Mobile Production Unit(s) must provide the Parcel F Owner with as much advance notice of such use as is reasonably possible but in no event less than five (5) days and must coordinate use of the Easement Area in a way that minimizes interference with the beneficial use, operation and enjoyment of the improvements in Block B. The Easement Area must not be used for long-term storage of a Mobile Production Unit. Any Mobile Production Unit that is located on the Easement Area and is not used for thirty (30) consecutive days must be removed from the Easement Area until it is to be used again for an event or program arising out of activities taking place at or in connection with the Theater Parcel. Such required removal is without prejudice to the right to continue to use the Easement Area at other times for transmission or broadcast of any event or activities at or in connection with the Theater Parcel as described herein. Any Mobile Production Unit on the Easement Area must be located in a manner that leaves a minimum twelve (12) feet of vehicular passage area between the unit and the opposing sidewalk.
- (c) The Easement Area is not at the time of the execution of this Declaration improved with any alley. Use of the Easement Area for parking and operation of one or more Mobile Production Units may be suspended from time to time (the "Suspension Period") by the Owner of the Easement Area for reasonable periods of time required to construct the alley upon which Mobile Production Units may be parked within the boundaries of the Easement Area, or for repair or reconstruction of such alley

or any improvements fronting on such alley. During any such Suspension period, the Owner of the Easement Area is required to use commercially reasonable efforts to locate a nearby substitute area within its control for temporary parking and operation of a Mobile Production Unit. If, despite exercise of commercially reasonable efforts, the Owner of the Easement Area is not able to locate a nearby substitute area, the Owner of the Easement Area shall not be liable for any damages arising due to the unavailability of the Easement Area during such construction, repair or reconstruction periods.

## 11. No Build Covenant [Easement Plat No. 11].

Except in connection with the construction, maintenance, repair and replacement of the Wayne Avenue Garage, and except as otherwise permitted under the terms of this Declaration, no at-grade construction shall occur and no building shall be erected in the portion of Parcel F and Parcel G, as shown and labeled on <u>Easement Plat No. 11</u>, except as may be permitted in writing by the Declarant or any future owner of the Wayne Avenue Garage

## 12. 3rd and 5th Floor Garage Fire Exit Easement [Easement Plat No. 12].

The Declarant hereby declares and grants for the use and benefit of the Parcel F, the Parcel F Owner and such Owner's invitees, licensees, agents and employees a non-exclusive, perpetual fire egress easement into the Wayne Avenue Garage as shown and labeled on Easement Plat No. 12, for purposes of emergency pedestrian egress from the building to be used for retail purposes to be located on Parcel F (the "Retail Building") for use in the event of fire or other emergency and in connection with testing for such emergencies in such times and dates as required by statute, ordinance, governmental authorities, the insurance carrier of the Retail Building (at a time to be coordinated with the operator of the Wayne Avenue Garage). Provided that the Wayne Avenue Garage and the Retail Building both continue to exist, the emergency egress easement provided for herein shall be perpetual. If the Wayne Avenue Garage shall cease to exist, the Parcel F Owner will be responsible for providing appropriate emergency egress accommodations from its Retail Building.

## 13. Shared Wall Footing Easement [Easement Plat No. 13].

The Declarant hereby reserves for itself, its invitees, agents, licensees and employees for the benefit of Parcel H and declares and grants to the Owner of Parcel F for the use and benefit of Parcel F, reciprocal and perpetual easements and rights of way, free of charge, on, over, across and through those portions of Parcel F and Parcel H, as shown and labeled on <u>Easement Plat No. 13</u>, for purposes of installing, reinstalling, constructing, reconstructing, supporting, inspecting, maintaining, repairing and replacing the common footings and foundations between the Wayne Avenue Garage and the Retail Building.

#### 14. Public Use Easements [Easement Plats No. 14 and 16].

- (a) The Declarant hereby reserves to itself and its tenants, contractors, licensees, invitees, agents and employees and declares and grants for the use and benefit of the general public, non-exclusive, perpetual easements and rights-of-way, on over and across the areas shown on Easement Plats 14 and 16, for public utilities and public easements for sidewalks, street planters and lights and irrigation system hookups (collectively the "Public Use Easements"). Pursuant to the approved site plan for Block B, as approved by the applicable governmental authorities, the Public Use Easements have been designated and shall be deemed for all purposes of this Declaration to constitute Public Use Space as such term is defined in Section 59-A-2.1 of the Zoning Ordinance of Montgomery County, as the same may be amended from time to time (the "Public Use Space Ordinance").
- (b) Subject to the operation and effect of the Public Use Space Ordinance, the Declarant hereby establishes and grants for the benefit of any retail tenant of Parcel F operating a bookstore at the corner of Fenton Street and Ellsworth Drive, the exclusive right and license, free of charge, during the term of its lease, to locate or place tables for display or sale of books and other items by such retail tenant on the sidewalk located on Ellsworth Drive immediately adjacent to the front door of such retail tenant's demised premises. The display tables shall not consist of more than three (3) tables on each side of the entrance of such retail tenant's demised premises, and each table shall not exceed dimensions of two and one-half feet by six feet (2½' x 6'). The display tables, and all merchandise located thereon, shall be maintained in a neat, orderly and professional manner reasonably satisfactory to the Owner of Parcel F.

## 15. Garage Foundation Easement [Easement Plat No. 17].

The Declarant hereby declares and grants for the use and benefit of Parcel H and the Wayne Avenue Garage perpetual easements and rights of way, free of charge, on, over, across and through those portions of Parcel F and Parcel G as shown and labeled on <u>Easement Plat No. 17</u>, for purposes of installing, reinstalling, constructing, reconstructing, supporting, inspecting, maintaining, repairing and replacing the footings and foundations of the Wayne Avenue Garage.

#### 16. Relocation of Easements.

Each of Declarant and the Block B Owners shall have the right in its sole but reasonable discretion to relocate any Easement Area located on such Owners' Parcel and any related utility facilities and related equipment within the Easement Area ("Utility Facilities"), provided that:

(a) the party requesting the relocation ("Requesting Party") shall give to the other and Beneficiaries at least one hundred eighty (180) days prior written notice of its intention to relocate the Easement Area and related Utility Facilities;

- (b) the Requesting Party shall obtain, at its sole cost and expense, all necessary governmental and Utility company approvals prior to relocating the Easement Area and related Utility Facilities;
- (c) relocation of the Easement Area, all improvements thereon and all related Utility Facilities shall be performed at the sole cost and expense of the Requesting Party in a good, safe and workmanlike manner, in accordance with sound engineering practices and in compliance with all applicable laws, rules, orders, regulations, ordinances and governmental requirements and in a manner that does not diminish the purpose for which the easement was created;
- (d) relocation of the Easement Area and related Utility Facilities shall not unreasonably interfere with the provision of any Utility service to the Theater Parcel or the Wayne Avenue Garage or otherwise impair the use and enjoyment of the Theater Parcel or the Wayne Avenue Garage; and
- (e) Declarant and Owner shall grant a replacement easement for the same purpose and upon the same terms and conditions as were applicable to the original easement and in a manner such that the replacement easement shall be fully insurable by a reputable title insurer as an appurtenance to the Property to the same extent as the original easement.

The non-Requesting Party and Beneficiary shall join in and support all applications for approvals from any applicable governmental authorities or Utility companies as may be required in connection with the relocation of an Easement Area, provided that if the Requesting Owner is Owner, Owner shall have complied with all of its respective obligations pursuant to this Section 16.

## 17. Rights of the Parties.

The Block B Owners shall each, at all times and from time to time during the term of this Declaration, have the right to (i) construct and maintain on such Owner's Parcel, including on any of the Easement Areas granted herein, such footings and foundations, paving, plaza areas, seating and landscaping, and to install utilities as are necessary or convenient for the improvements to be developed on such Parcel, provided that such installations shall not interfere with any use of the easements granted above for the purposes set forth therein, and (ii) establish reasonable guidelines and regulations governing the use of the Easement Areas established under Section 14 of this Declaration.

18. <u>Indemnification</u>. Each Owner (excluding the Declarant) and the Theater Tenants to the extent included in their leases ("Indemnifying Party") shall indemnify and hold harmless the other Owners (including the Declarant) ("Indemnified Party") from and against any and all cost, loss, damage, expense, including reasonable attorneys' fees and costs, incurred by the Indemnified Party and property damage and

injury or death to person resulting from (i) damage caused by the Indemnifying Party, its employees, agents, contractors, invitees, licensees, successors or assigns, to the improvements to the Easement Areas located on the Indemnified Party's Parcel, set forth herein, (ii) loss, cost or damage caused by any use of any easement by the Indemnifying Party its employees, agents, contractors, successors or assigns, and (iii) damage caused by the negligence or willful acts of the Indemnifying Party or its employees, agents, contractors, successors or assigns.

#### 19. Insurance.

Each Owner (excluding Montgomery County, Maryland) shall maintain at all times the following insurance:

(A) General comprehensive public liability insurance ("Liability Insurance") against liability for bodily injury and death and property damage, such Liability Insurance to be in an amount not less than One Million Dollars (\$1,000,000.00) for liability for bodily injury, death and property damage arising from any one occurrence and Two Million Dollars (\$2,000,000.00) from the aggregate of all occurrences within each policy year, shall include the Easement Areas and shall contain blanket contractual coverage.

#### (B) Certificate Requirements.

All of the above-prescribed insurance shall (a) be procured from financially sound and reputable insurers qualified to transact an insurance business in the State of Maryland and have an A.M. Best rating of at least "A-X", (b) be in such form and with such provisions as are generally considered standard provisions for the type of insurance involved, and (c) be evidenced by certificates of insurance delivered to the Declarant upon the issuance of any policies (and subsequent changes in such policies).

## (C) Additional Insured - Notice of Cancellation.

All policies of liability insurance described herein shall name the Declarant and Owner and any mortgagee of Owner as additional insureds and shall not be cancelled, modified or terminated upon less than sixty (60) days prior written notice to Declarant and Owner. The liability coverage shall further expressly provide for contractual liability coverage associated with the indemnification obligations under this Declaration.

## (D) <u>Insurance Does Not Waive Obligations.</u>

No acceptance or approval of any insurance agreement or agreements shall (a) relieve or release or be construed to relieve or release the person or party from any liability, duty, or obligation assumed by, or imposed upon it, or, (b) impose any obligation upon the additional insured(s)/loss payees.

#### (E) Theater Tenant Insurance.

The foregoing notwithstanding, Declarant shall use commercially reasonable efforts to cause the Theater Tenants to maintain the insurance required under their respective leases for the Theater Building.

20. <u>No Dedication</u>. Nothing contained in this Declaration shall be deemed to constitute a gift, grant or dedication of any portion of the Property, it being the intention of Declarant that this Declaration shall be strictly limited to the uses expressly set forth in this Declaration. This Declaration is not intended to constitute any person or entity that is not Declarant or Owner as a third party beneficiary hereunder or to give any such person or entity any rights hereunder.

## 21. Duration of Obligation; Limitation of Liability.

- (A) The obligations of any entity or individual hereunder shall apply only with respect to the period of time during which such entity or individual is an Owner. If any entity or individual ceases to be an Owner, the obligations thereafter accruing hereunder (but not accrued and unperformed obligations) shall be the obligations of such Owner's successor-in-interest.
- (B) Notwithstanding any provision to the contrary contained herein, if an Owner, Declarant, or any successor-in-interest of Owner, Declarant or benefited party or any mortgagee shall be an individual or entity (including without limitation, a joint venture, tenancy in common, corporation, trust, general partnership, limited partnership or limited liability company), it is specifically understood and agreed that there shall be absolutely no personal liability on the part of such individual or entity, or on the part of the stockholders, members, partners, officers or directors of any such individual or entity, with respect to any of the terms, covenants and conditions contained herein, and that any party claiming hereunder shall look solely to the equity of Owner, Declarant, or their respective successors-in-interest in the Property or any Parcel, whichever is applicable, for the satisfaction of each and every remedy of any such claiming party in the event of any breach by Owner or by its successor-in-interest, of any of the terms, covenants and conditions contained herein, and such exculpation of personal liability shall be absolute and without any exception whatsoever.

## 22. <u>Cooperation Among Parties.</u>

To the extent practicable, within thirty (30) business days following Declarant's or any Owner's ("Requesting Party") request therefor, Declarant or the other Owners, as applicable, (each a "Responding Party") with respect to its Parcel contained within the Property shall join in the recording of, and execute consents and approvals with respect to, and in form and substance reasonably acceptable to the Responding Party, easements and other instruments that may be reasonably required from time to time with respect to any improvement, alteration, use, development, operation, maintenance, repair or replacement of the Requesting Party's Parcel; provided however, that no Responding Party shall be required to perform the obligations set forth in this Section 22

in any particular instance if such Responding Party reasonably determines in good faith that the performance of such obligations in such particular instance would materially adversely affect such Responding Party's Parcel or would materially adversely affect such Responding Party's use and enjoyment of its Parcel or would cause additional unreimbursed expense to such Responding Party, or, for any area involving tax-exempt bonds, create a "private activity" issue in connection with such area. The Requesting Party shall be solely responsible for all of the costs and expenses of preparing and recording the any of the foregoing instruments.

#### 23. Waivers, Consents and Amendments; Remedies Cumulative.

- (A) No modification or amendment of, nor any waiver or consent with respect to, this Declaration or any provision hereof shall be binding unless made in writing and signed by all of Declarant and Owners.
- (B) All rights, privileges and remedies provided hereunder shall be deemed cumulative and the exercise of any such right, privilege or remedy shall not be deemed to be a waiver of any other right, privilege or remedy provided herein or otherwise available at law or in equity, except as expressly limited herein.
- 24. <u>Notice.</u> All notices and other communications hereunder shall be in writing and shall be deemed duly given if personally delivered with a signed receipt therefor, or mailed by certified mail, return receipt requested, postage prepaid, or telecopied or delivered by an overnight delivery service with acknowledgment of receipt thereof,

if to the Declarant, to:

Montgomery County Government
Office of the County Executive
101 Monroe Street, Second Floor
Rockville, Maryland 20850
Attention: Chief Administrative Officer

with a copy to:

Montgomery County Government Silver Spring Redevelopment Program 8435 Georgia Avenue Silver Spring, Maryland 20910 Attention: Director, Silver Spring Redevelopment Program

with copy to:

Montgomery County Government Department of Public Works and Transportation 101 Orchard Ridge Drive, Suite 200 Gaithersburg, Maryland 20878 Attention: Director

with copy to:

Montgomery County Government Office of the County Attorney 101 Monroe Street, Third Floor Rockville, Maryland 20850 Attention: County Attorney

#### with copy to:

Montgomery County Office of Leasing Management Department of Public Works and Transportation 110 North Washington Street Rockville, Maryland 20850

if to PFA or PFA-B, to:

PFA-B SILVER SPRING LC
c/o Foulger Pratt Companies
9600 Blackwell Road, Suite 200
Rockville, Maryland 20850
Attention: Clayton F. Foulger
Richard Perlmutter

#### with a copy to:

Richard M. Zeidman, Esquire Linowes and Blocher LLP 1010 Wayne Avenue Silver Spring, Maryland 20910

#### with a copy to:

The Peterson Companies L. C. 12500 Fair Lakes Circle Suite 400 Fairfax, Virginia 22033 Attention: General Counsel-Retail

If to a Theatre Tenant using an Easement Area, notice shall be delivered to such Theatre Tenant at either:

8633 Colesville Road, or 8643 Colesville Road Silver Spring, Maryland 20910, as appropriate. Any notice to a Theatre Tenant at 8633 Colesville Road shall also be sent to:

Akin, Gump, Strauss, Hauer and Feld Attn. Earl Segal 1333 New Hampshire Avenue NW Washington, D.C. 20036.

and if to any Owner or its successor-in-interest or assignee or Mortgagee, to such address as shall be designated by such Owner by written notice in accordance with this Section 24.

- 25. <u>Corrections.</u> The parties hereto agree to reasonably cooperate with one another in order to make any necessary technical corrections to the exhibits attached to this Declaration.
- 26. <u>Severability.</u> The provisions contained in this Declaration are severable and the invalidity of one or more of the provisions hereof shall not affect the validity or enforceability of any other provision.
- 27. Governing Law. This Declaration shall be governed, construed and enforced in accordance with the laws of the State of Maryland without regard to the effect of contrary conflict of law principles.
- 28. <u>Number and Gender</u>. Whenever appropriate herein, the singular includes the plural and the plural includes the singular, and the masculine gender includes the feminine gender and the neuter gender.
- 29. <u>Survival</u>. Any provision of this Declaration which, by its terms, may require performance subsequent to closing and delivery of any deed pertaining to the Property, shall survive such closing and delivery.
- 30. <u>Binding Nature of Covenants</u>. The terms, conditions and provisions contained herein shall be deemed covenants running with the land and, except as otherwise specifically set forth herein, shall be jointly and severally binding upon and inure to the benefit of the respective successors, transferees and assigns of the Declarant and Owner.
- 31. <u>Captions and Headings</u>. The captions and headings contained in this Declaration are included for convenience of reference only, shall not be considered a part hereof, and are not intended in any way to limit or enlarge the terms hereof; nor shall they affect the meaning or interpretation of this Declaration.
- 32. <u>Recitals and Exhibits</u>. Each of the Introductory Statements contained herein and each of the Exhibits attached hereto are made a part hereof as if fully set forth herein.

- 33. Relationship of Parties. Nothing contained herein shall be construed in any manner so as to create any relationship between Declarant, Owner and any benefited parties hereunder other than the relationship of abutting landowners and parties in interest, and the Owners shall not be considered partners or co-venturers for any purpose whatsoever.
- Mon-Merger. Notwithstanding the fact that the Property is or hereafter may be owned by the same entity, the easements and rights herein granted and the covenants hereby imposed upon the Property shall not be deemed to be extinguished by merger or otherwise, and except as otherwise specifically provided herein, the same shall be perpetual and may not be extinguished except by a declaration duly executed by all Owners who, at the time thereof, own an interest in any portion of the Property (as owner, ground lessee, Mortgagee or lienor), which declaration shall be recorded among the Land Records of Montgomery County, Maryland.
- 35. Estoppel Certificates. Declarant agrees at any time and from time to time upon not less than forty-five (45) days prior written notice by Owner or its mortgagee, to execute, acknowledge and deliver to Owner, and to use good faith efforts to cause Beneficiaries to execute, acknowledge and deliver to Owner, a statement in writing certifying (i) that this Declaration is unmodified and in full force and effect or (ii) if there shall have been any modification hereof, the nature of such modifications and that this Declaration, as modified, is in full force and effect; (iii) whether or not to the best knowledge of Declarant, there is a default in the performance of any covenant, agreement or condition contained in this Declaration and, if so, specifying each such default; and (iv) such other factual matters arising under this Declaration as such Owner or its mortgagee may reasonably request.
- 36. <u>Division of Ownership</u>. No division of ownership of the Property, by subdivision or other means, and no change in ownership interest of any of the Declarant or Owner shall affect or modify the easements, rights, covenants and agreements granted hereunder.
- 37. <u>Counterparts.</u> This Declaration may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.
- 38. Consents. The undersigned ground lessees and other parties having an interest in any portion of the Property have joined in the execution of this Declaration for the purpose of consenting to the terms and provisions hereof and any supplementary declarations delivered pursuant hereto (and further including any confirmatory or other instruments hereinafter entered into by the Owner of any Parcel as permitted or required by the terms and provisions of this Declaration and as may be approved by such ground lessees, such approval not to be unreasonably withheld or delayed) and for the purpose of subordinating their respective estates and interests in and to any portion of the Property, as the case may be, to the effect and operation of this Declaration.

**ISIGNATURE PAGES FOLLOW** 

## 22509 017

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first hereinabove written.

WITNESS:

WITNESS:

PFA-B SILVER SPRING, LC; a Maryland limited liability company

By: RICHARD PERLMUTTED

Title: MANAGEL

STATE OF MARYLAND (

COUNTY OF MONTGOMERY SS:

I HEREBY CERTIFY that on this day of fuer 2002, before me, the subscriber, a Notary Public of the jurisdiction aforesaid, personally appeared who is personally well known to me as the person who executed the foregoing Declaration on behalf of PFA-B SILVER SPRING, LC, a Maryland limited liability company, and acknowledged said Declaration to be the act and deed of PFA-B SILVER SPRING, LC, for the purposes contained therein.

GIVEN under my hand and seal this gib day of Junealey, 2002.

Notary Public

My commission expires:

9-15-03

**DECLARANT:** 

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

By:

County Executive

APPROVED AS TO FORM AND LEGALITY:

Associate County Attorney

STATE OF Maryland COUNTY OF Montgomery

to wit

I HEREBY CERTIFY that on this 3rd day of December, 2002, before me, the subscriber, a Notary Public of the jurisdiction aforesaid, personally appeared Dougles M. Duncan, who acknowledged himself to be County Executive of Montgomery County, Maryland, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same on behalf of Montgomery County, Maryland, as DECLARANT, for the purposes contained therein.

AS WITNESS my hand and Notarial Seal.

My Commission Expires: Jun

#### INFORMATION FOR RECORDING PURPOSES ONLY

Parcel ID Number \$:

_

Grantee.

Title Insurer: Lawyers Title Ins. Corp.

PREPARED BY THE UNDERSIGNED, AN ATTORNEY

ADMITTED TO PRACTICE BEFORE THE COURT OF

APPEALS OF MARYLAND.

Richard M. Zeidman

## Easement Plat No. 1

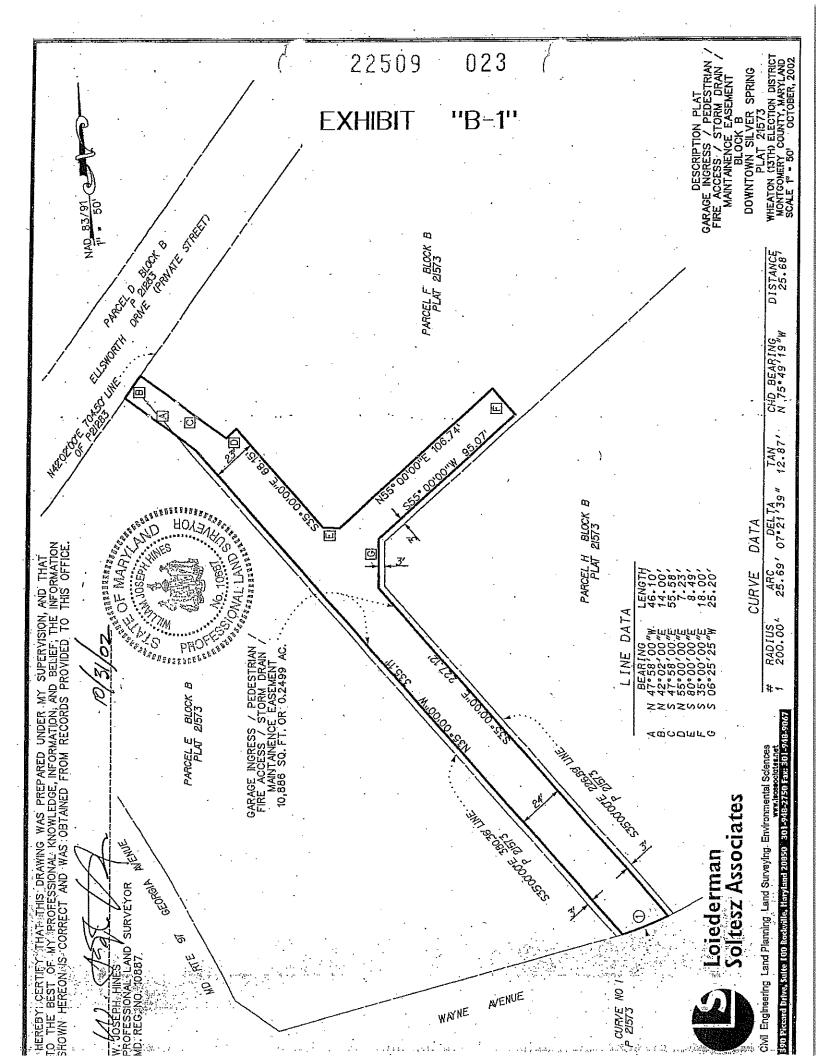
Garage Ingress/Pedestrian/Fire Access/ Storm Drain/Maintenance Easement

# DESCRIPTION OF A GARAGE INGRESS/PEDESTRIAN/ FIRE ACCESS /STORM DRAIN / MAINTAINENCE EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

- 1. from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;
- 2. from 8501 Georgia, L.L.C. by deed dated September 20, 1995 and recorded in Liber 13704 at Folio 36;
- from Pershing Drive Limited Partnership by deed dated February 22, 1997 and recorded in Liber 14700 at Folio 553;
- from James J. Lombardi, personal representative for the estate of Roberta B. L.
   Plummer, et al, by deed dated April 19, 1995 and recorded in Liber 13389 at Folio
   391;
- from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;
- 6. from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;

and also includes parts of two unnamed alleys, Ellsworth Drive, and Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel E, F, and H, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 10,886 square feet or 0.2499 acres as shown on Exhibit B-1 attached hereto and made a part hereof.



Easement Plat No. 2

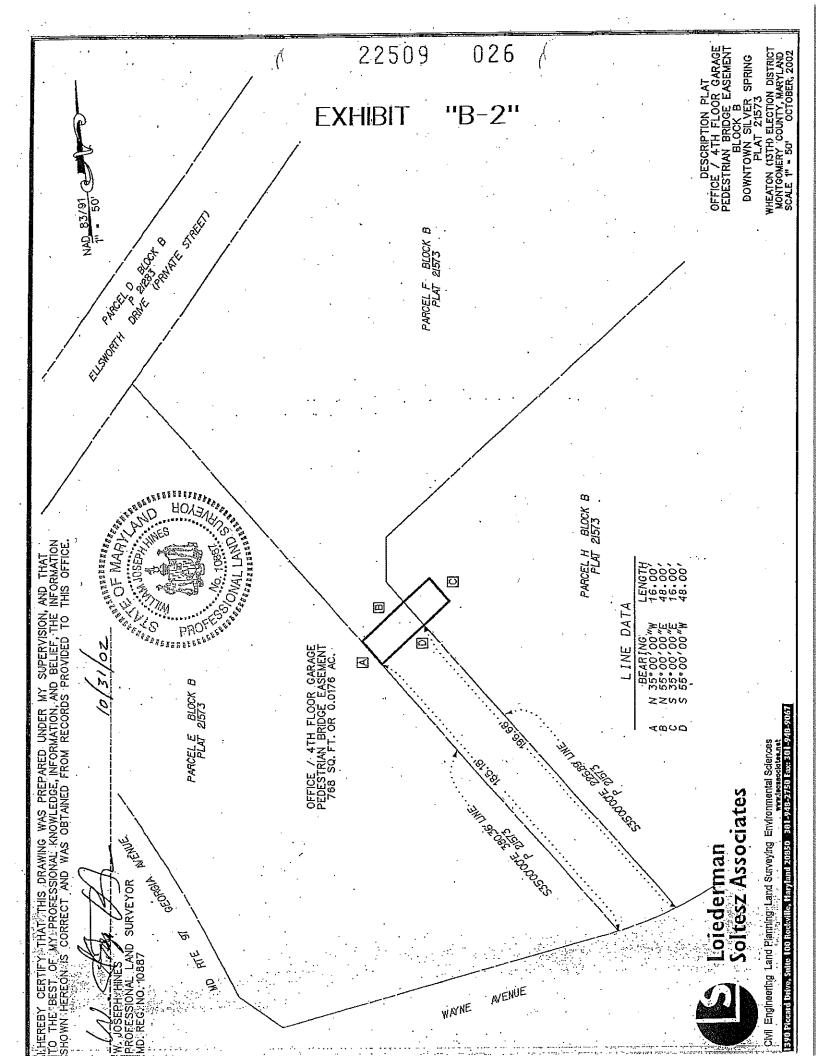
Office/4<sup>th</sup> Floor Garage Pedestrian Bridge Easements

# DESCRIPTION OF A OFFICE/4<sup>TH</sup> FLOOR GARAGE PEDESTRIAN BRIDGE EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

- from 8501 Georgia, L.L.C. by deed dated September 20, 1995 and recorded in Liber
   13704 at Folio 36;
- 2. from Pershing Drive Limited Partnership by deed dated February 22, 1997 and recorded in Liber 14700 at Folio 553;

and also includes parts of one unnamed alley which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F and H, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 768 square feet or 0.0176 acres as shown on Exhibit B-2 attached hereto and made a part hereof.



## Easement Plat No. 3

20' Wide Loading/Access Easement

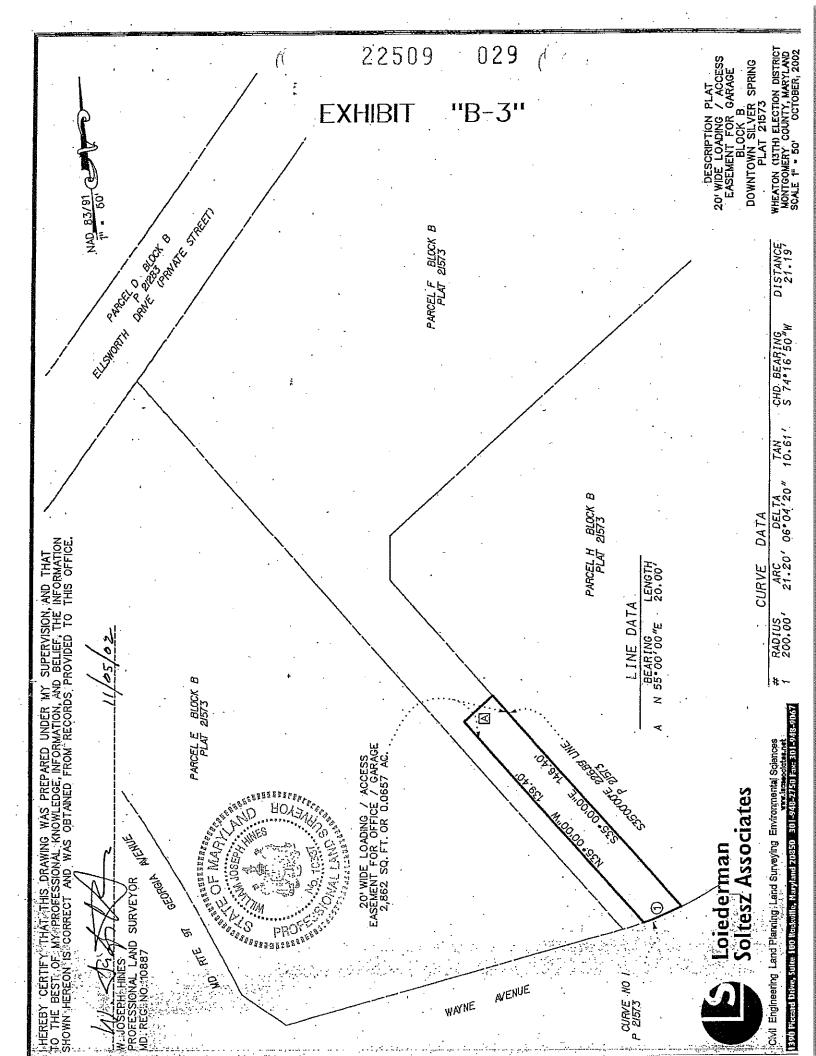
1

#### DESCRIPTION OF A 20' WIDE LOADING/ACCESS EASEMENT FOR GARAGE

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

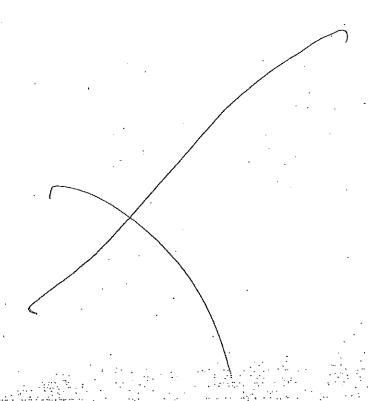
 from Pershing Drive Limited Partnership by deed dated February 22, 1997 and recorded in Liber 14700 at Folio 553;

and also includes parts of one unnamed alley and Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 2,862 square feet or 0.0657 acres as shown on Exhibit B-3 attached hereto and made a part hereof.



Easement Plat No. 4

18' Wide Pedestrian Easement

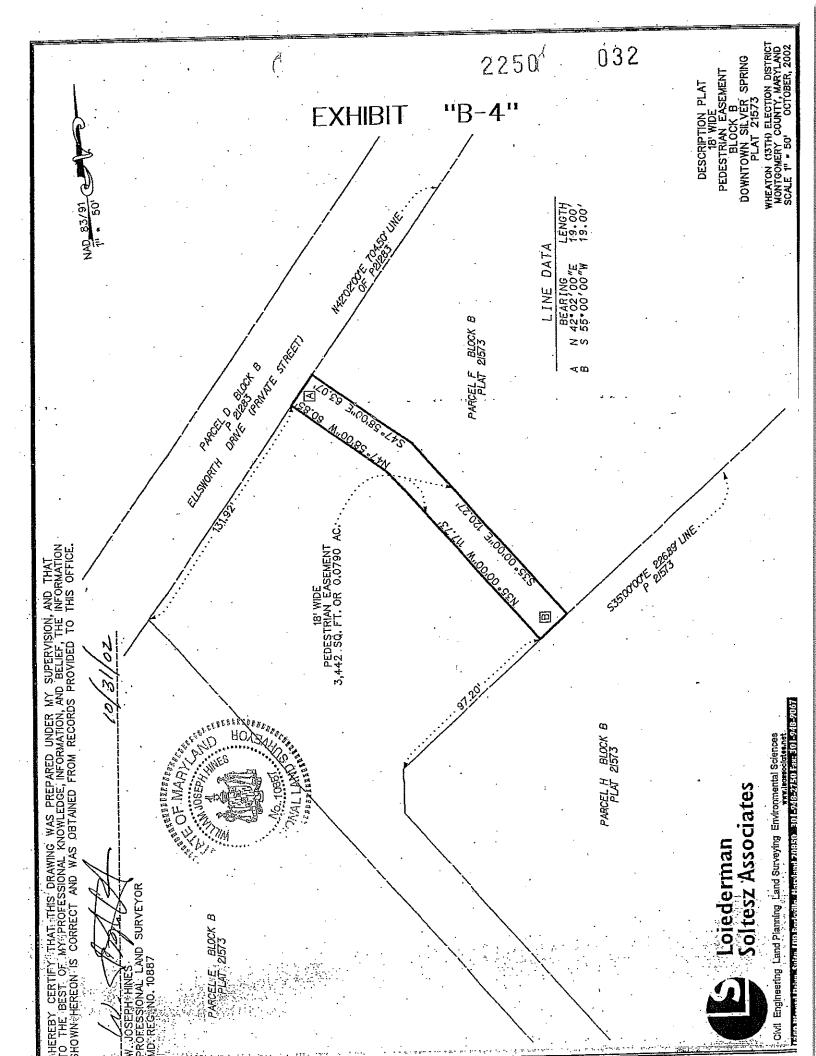


#### DESCRIPTION OF A 18' WIDE PEDESTRIAN EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

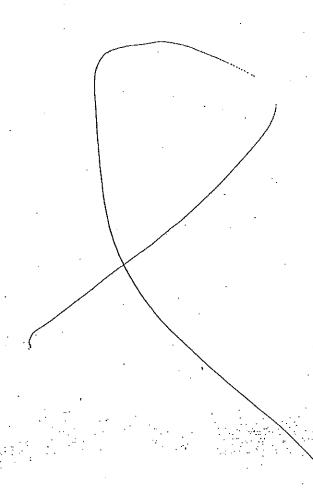
- 1. from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;
- 2. from Lawrence T. Washington, Jr., et al, by deed dated February 23, 1995 and recorded in Liber 13275 at Folio 297;
- 3. from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;

and also includes parts of one unnamed alley and Ellsworth Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel E, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 3,442 square feet or 0.0790 acres as shown on Exhibit B-4 attached hereto and made a part hereof.



Easement Plat No. 5

Service Vehicle/Access Easement



22504. 034.

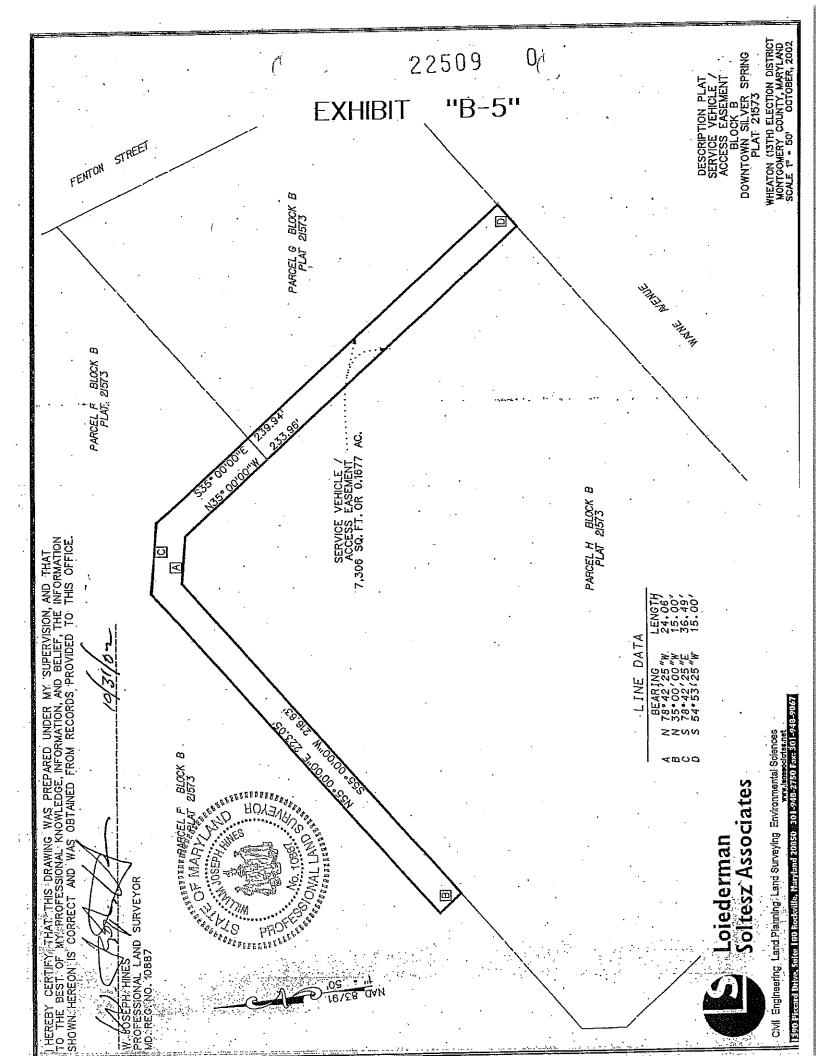
#### EXHIBIT A-5

#### DESCRIPTION OF A SERVICE VEHICLE/ ACCESS EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

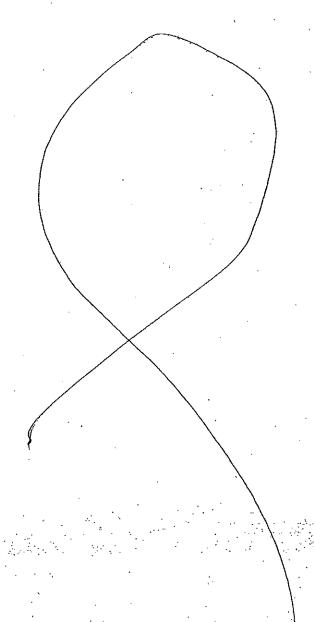
- from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;
- from Billy Boy Carry Out, Inc., by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 594;
- 3. from Barton M. Shapiro by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 590;
- 4. from the State of Maryland by deed dated May 3, 1974 and recorded in Liber 4536 at Folio 412;

and also includes parts of Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F and G, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 7,306 square feet or 0.1677 acres as shown on Exhibit B-5 attached hereto and made a part hereof.



Easement Plat No. 6

Storm Drain and Communications Equipment Easements

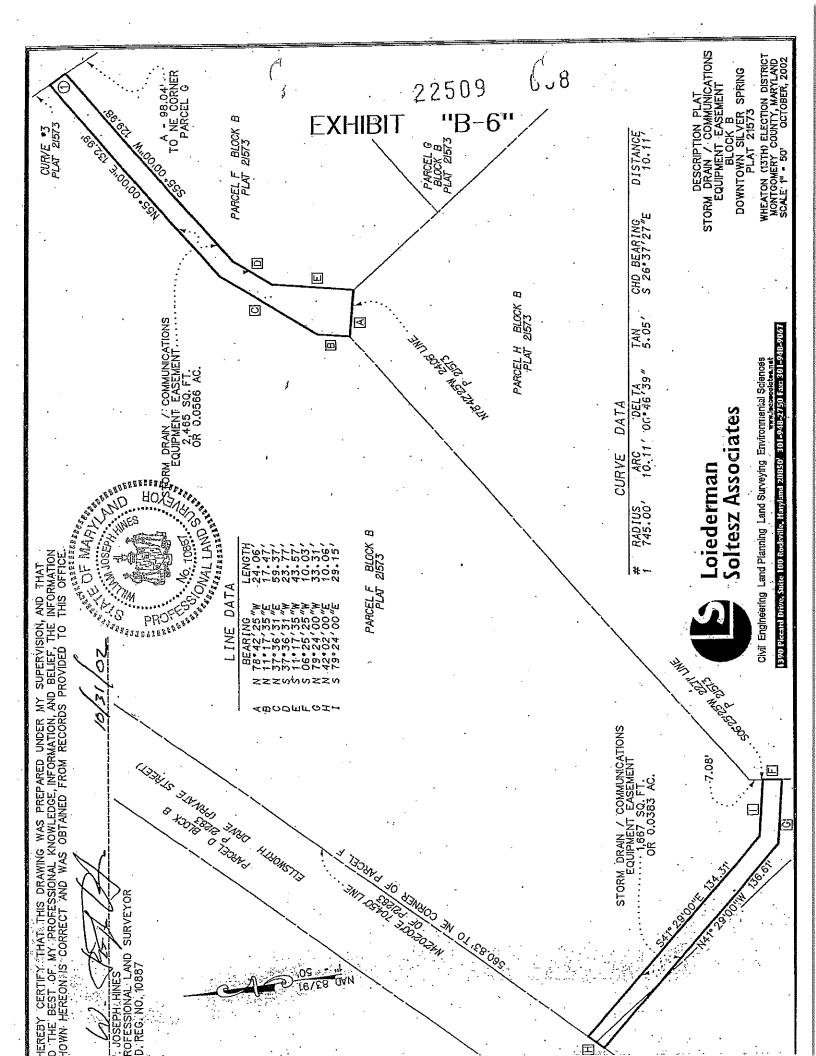


# DESCRIPTION OF A STORM DRAIN / COMMUNICATIONS EQUIPMENT EASEMENT

Being two (2) pieces or parcels of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

from Barton M. Shapiro by deed dated November 15, 1995 and recorded in Liber
 13762 at Folio 590;

and also includes parts of Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said two easement areas also being part of Parcels B and F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said two easement areas containing a total of 4,132 square feet or 0.0949 acres as shown on Exhibit B-6 attached hereto and made a part hereof.



<u>Easement Plat No. 7</u>

Hotel/4<sup>th</sup> Floor Garage Pedestrian Bridge Easement

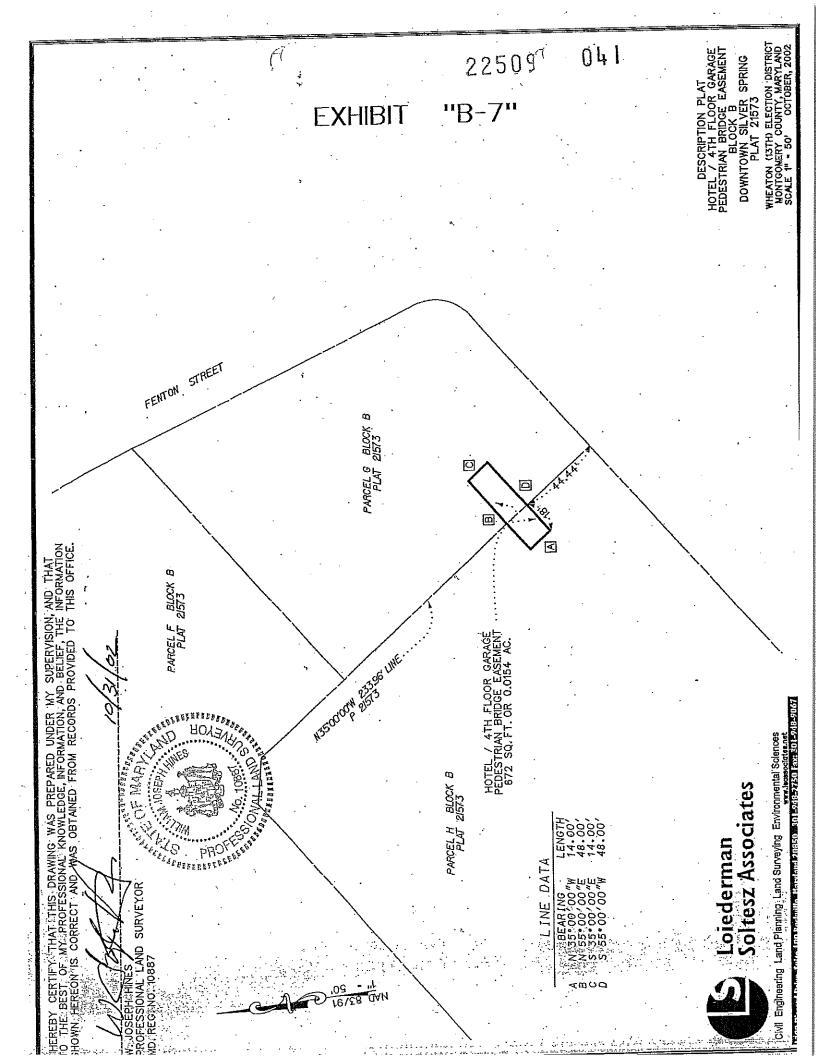


### DESCRIPTION OF A HOTEL/4<sup>TH</sup> FLOOR GARAGE PEDESTRIAN BRIDGE EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

1. from the State of Maryland by deed dated May 3, 1974 and recorded in Liber 4536 at Folio 412;

said easement area also being part of Parcel G and H, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 672 square feet or 0.0154 acres as shown on Exhibit B-7 attached hereto and made a part hereof.



### Easement Plat No. 8

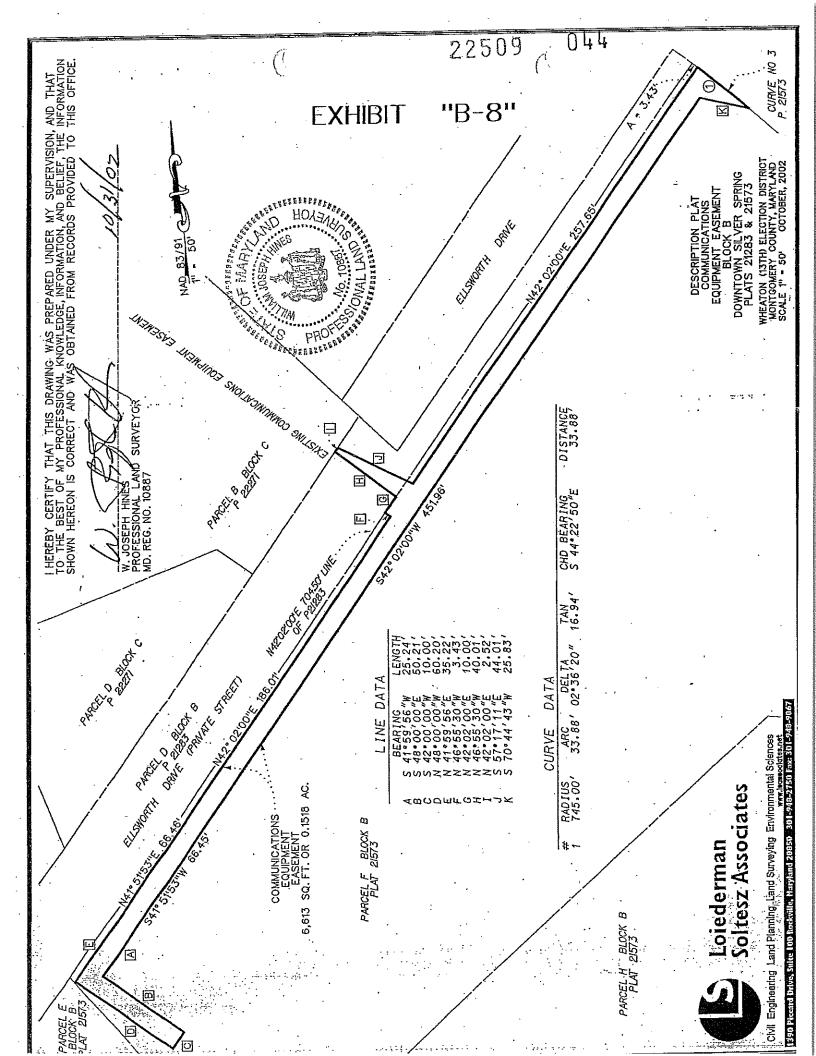
Communications Equipment Easement

### DESCRIPTION OF A COMMUNICATIONS EQUIPMENT EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

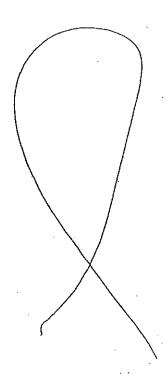
- 1. from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;
- 2. from Lawrence T. Washington, Jr., et al, by deed dated February 23, 1995 and recorded in Liber 13275 at Folio 297;
- 3. from Alex Kontos, et ux, by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 586;
- 4. from Ronald E. Creamer, successor personal representative of the estate of Anna Gudelskey, et al, by deed dated February 9, 1995 and recorded in Liber 13252 at 768;
- from City Place Limited Partnership by deed dated April 19, 1999 and recorded in Liber 17089 at Folio 151;

and also includes parts of one unnamed alley, Ellsworth Drive, and Fenton Place which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel D, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels A through D, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21283, and part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 6,613 square feet or 0.1518 acres as shown on Exhibit B-8 attached hereto and made a part hereof.



Easement Plat No. 9

Mobile Production Truck Electrical Hook-up/Communications Equipment Easement

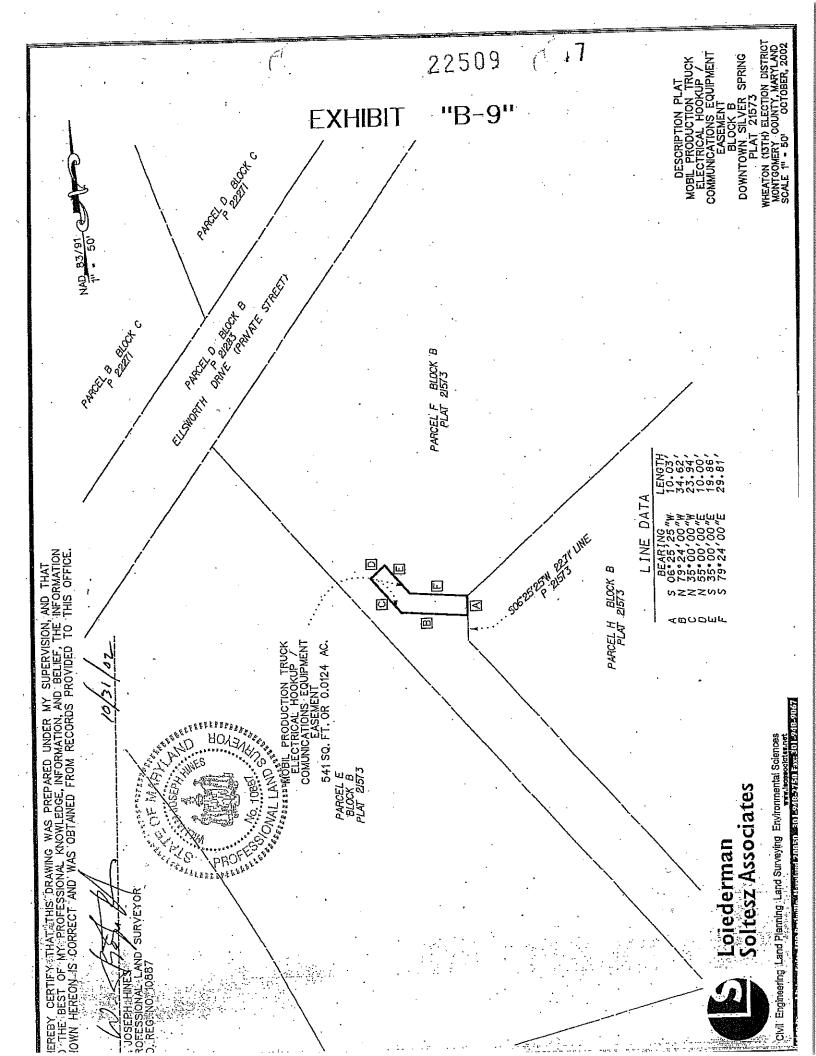


# DESCRIPTION OF A MOBILE PRODUCTION TRUCK ELECTRICAL HOOKUP / COMMUNICATIONS EQUIPMENT EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

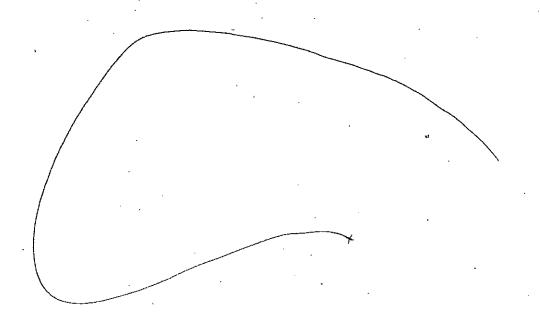
 from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;

and also includes parts of two unnamed alleys, which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 541 square feet or 0.0124 acres as shown on Exhibit B-9 attached hereto and made a part hereof.



Easement Plat No. 10

Mobile Production Truck Easement

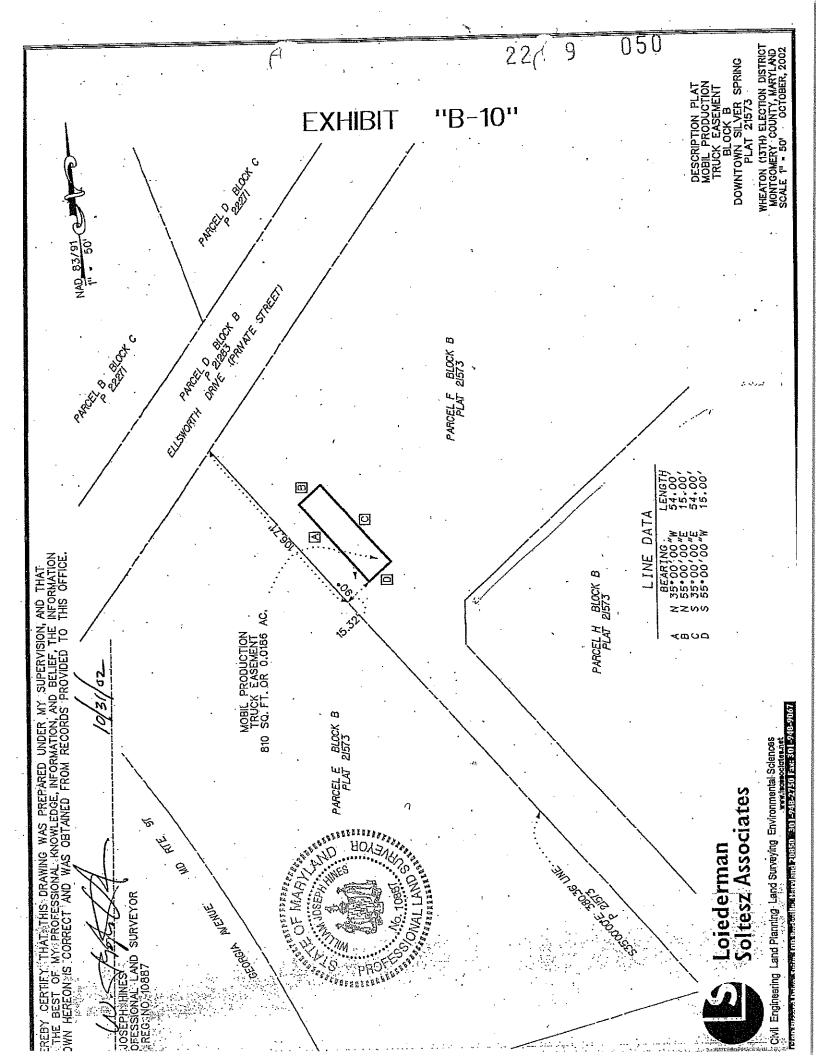


### DESCRIPTION OF A MOBILE PRODUCTION TRUCK EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

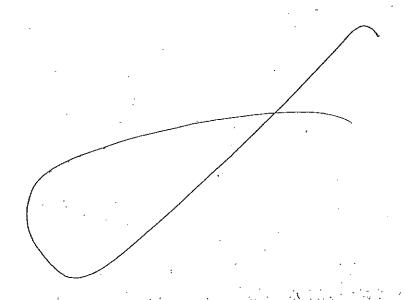
from the McDonald's Corporation by deed dated April 14, 1997 and recorded in
 Liber 14813 at Folio 462;

and also includes parts of one unnamed alley, which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 810 square feet or 0.0186 acres as shown on Exhibit B-10 attached hereto and made a part hereof.



Easement Plat No. 11

No Build Covenant

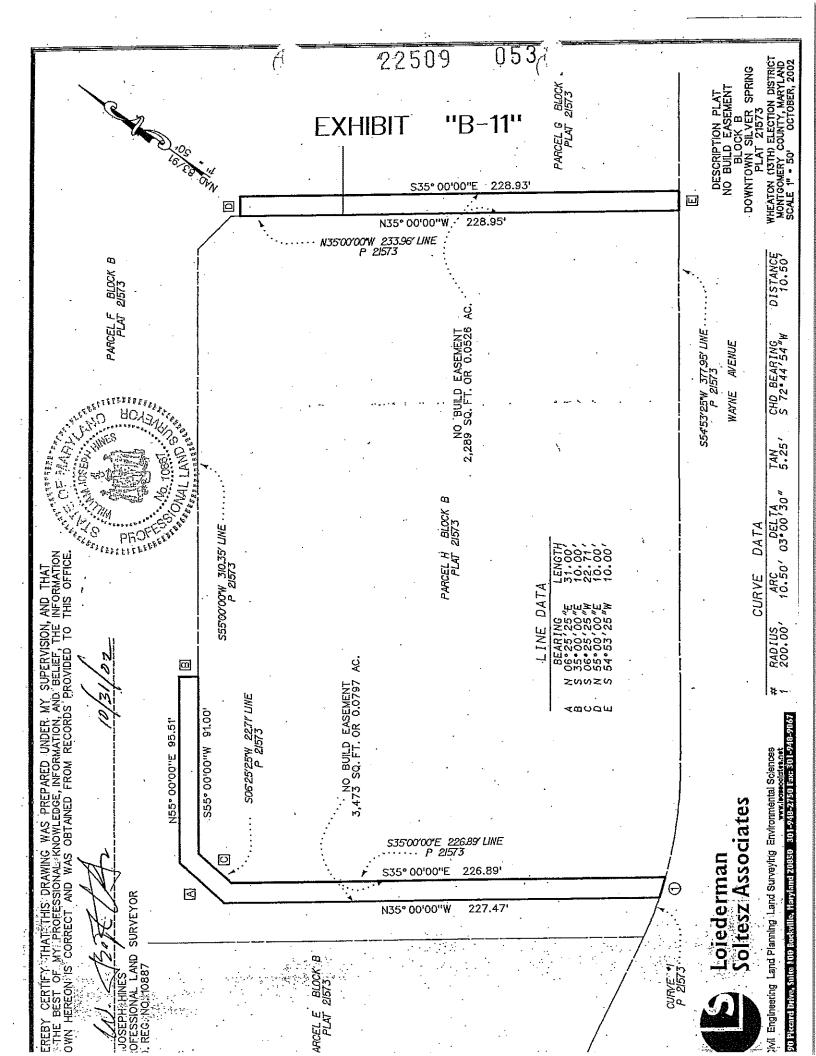


### DESCRIPTION OF A NO BUILD EASEMENT

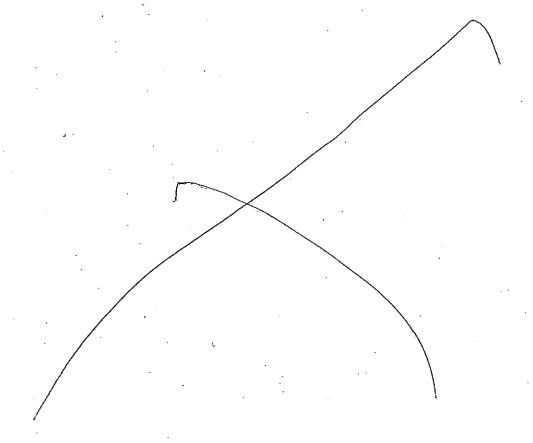
Being two (2) pieces or parcels of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

- from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;
- from Pershing Drive Limited Partnership by deed dated February 22, 1997 and recorded in Liber 14700 at Folio 553;
- from James J. Lombardi, personal representative for the estate of Roberta B. L.
   Plummer, et al, by deed dated April 19, 1995 and recorded in Liber 13389 at Folio
   391;
- from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;
- 5. from the State of Maryland by deed dated May 3, 1974 and recorded in Liber 4536 at Folio 412;

and also includes parts of two unnamed alleys, and Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said two easement areas also being part of Parcel F and G, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said two easement areas containing a total of 5,762 square feet or 0.1323 acres as shown on Exhibit B-11 attached hereto and made a part hereof.



 $\underline{Easement\ Plat\ No.\ 12}$   $3^{rd}\ and\ 5^{th}\ Floor\ Garage\ Fire\ Exit\ Easement$ 

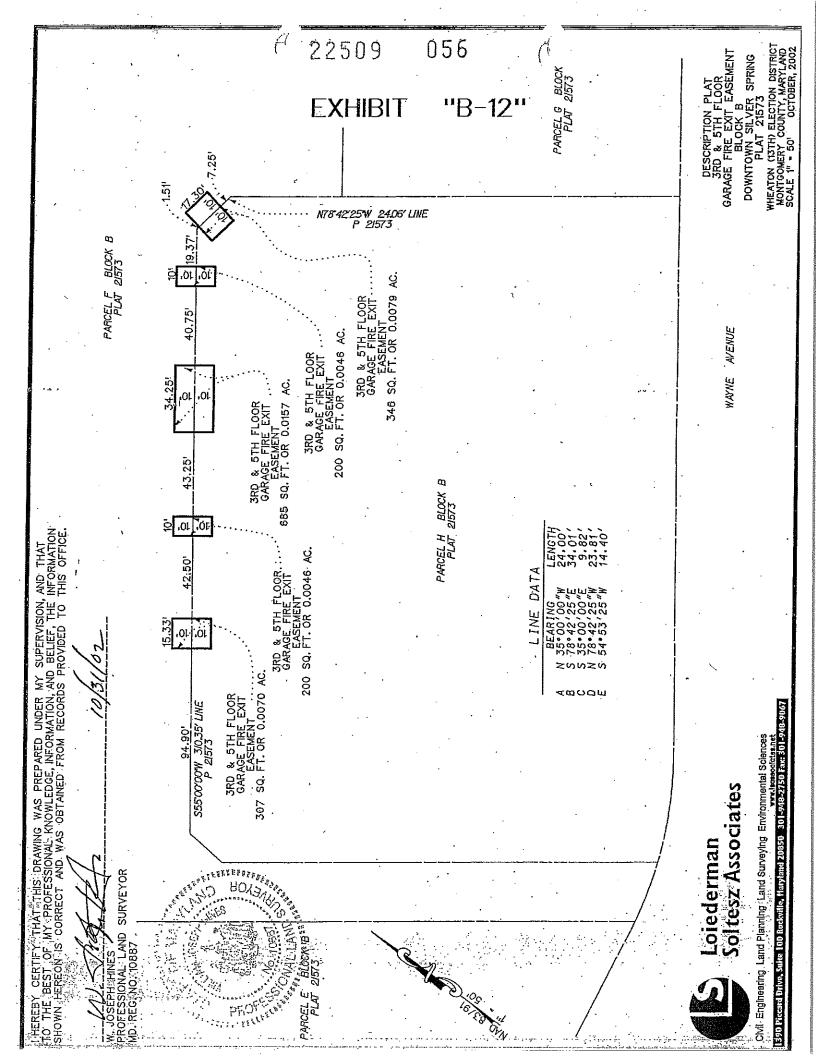


## DESCRIPTION OF A 3<sup>RD</sup> & 5<sup>TH</sup> FLOOR GARAGE FIRE EXIT EASEMENT

Being five (5) pieces or parcels of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

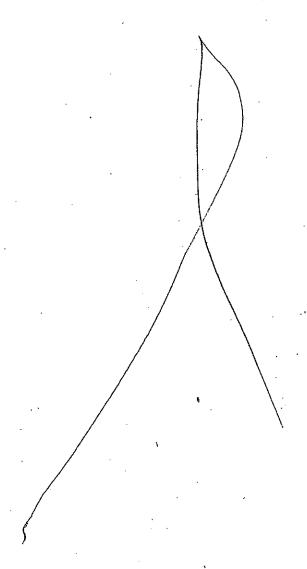
- from James J. Lombardi, personal representative for the estate of Roberta B. L.
   Plummer, et al, by deed dated April 19, 1995 and recorded in Liber 13389 at Folio
   391;
- 2. from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;
- from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;
- from Billy Boy Carry Out, Inc., by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 594;
- from Barton M. Shapiro by deed dated November 15, 1995 and recorded in Liber
   13762 at Folio 590;

and also includes parts of Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said five easement areas also being part of Parcel F and H, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said five easement areas containing a total of 1,738 square feet or 0.0399 acres as shown on Exhibit B-15 attached hereto and made a part hereof.



Easement Plat No. 13

Shared Wall Footing Easement

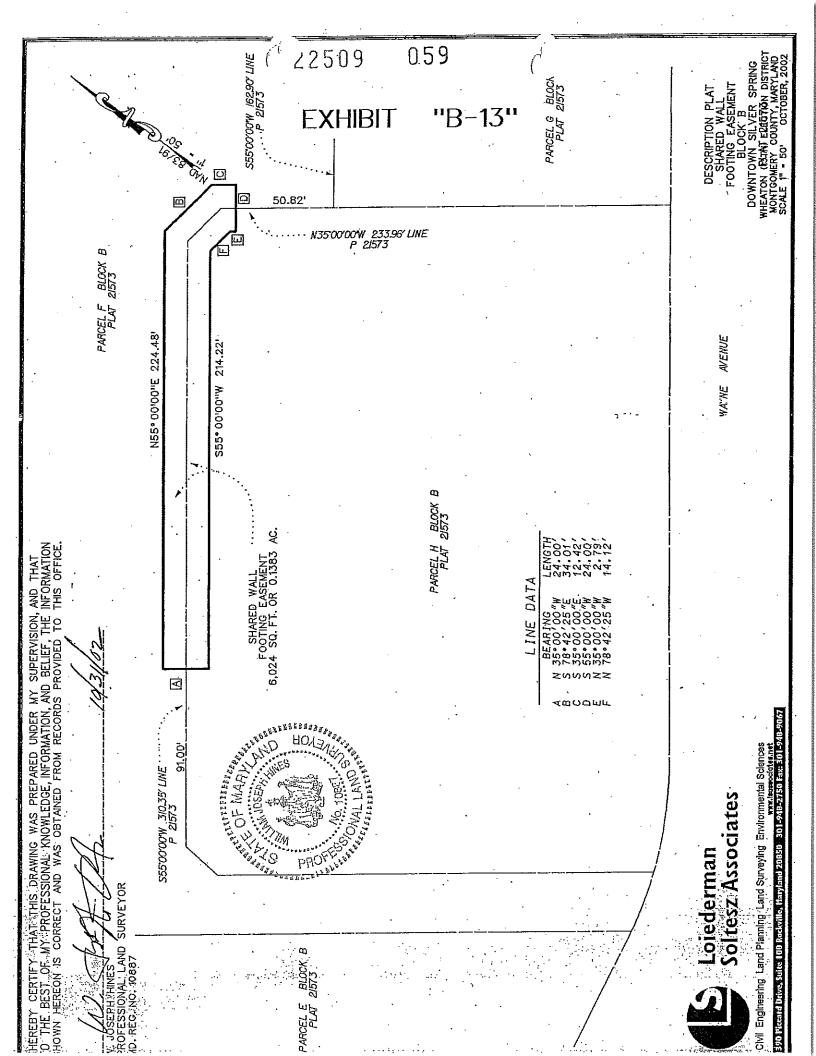


### DESCRIPTION OF A SHARED WALL FOOTING EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

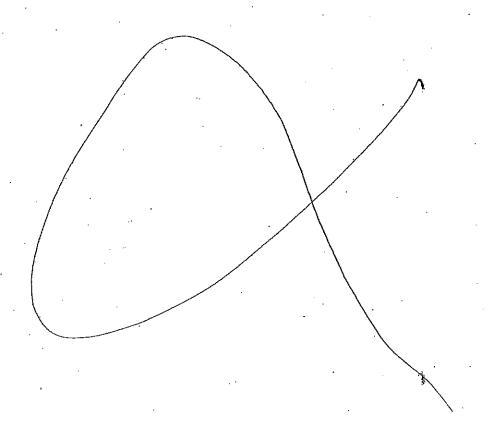
- from James J. Lombardi, personal representative for the estate of Roberta B. L.
   Plummer, et al, by deed dated April 19, 1995 and recorded in Liber 13389 at Folio
   391;<sup>1</sup>
- 2. from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;
- 3. from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;
- from Billy Boy Carry Out, Inc., by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 594;
- 5. from Barton M. Shapiro by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 590;

and also includes parts of Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F and H, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels B through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 6,024 square feet or 0.1383 acres as shown on Exhibit B-13 attached hereto and made a part hereof.



Easement Plat No. 14

Public Use Easement

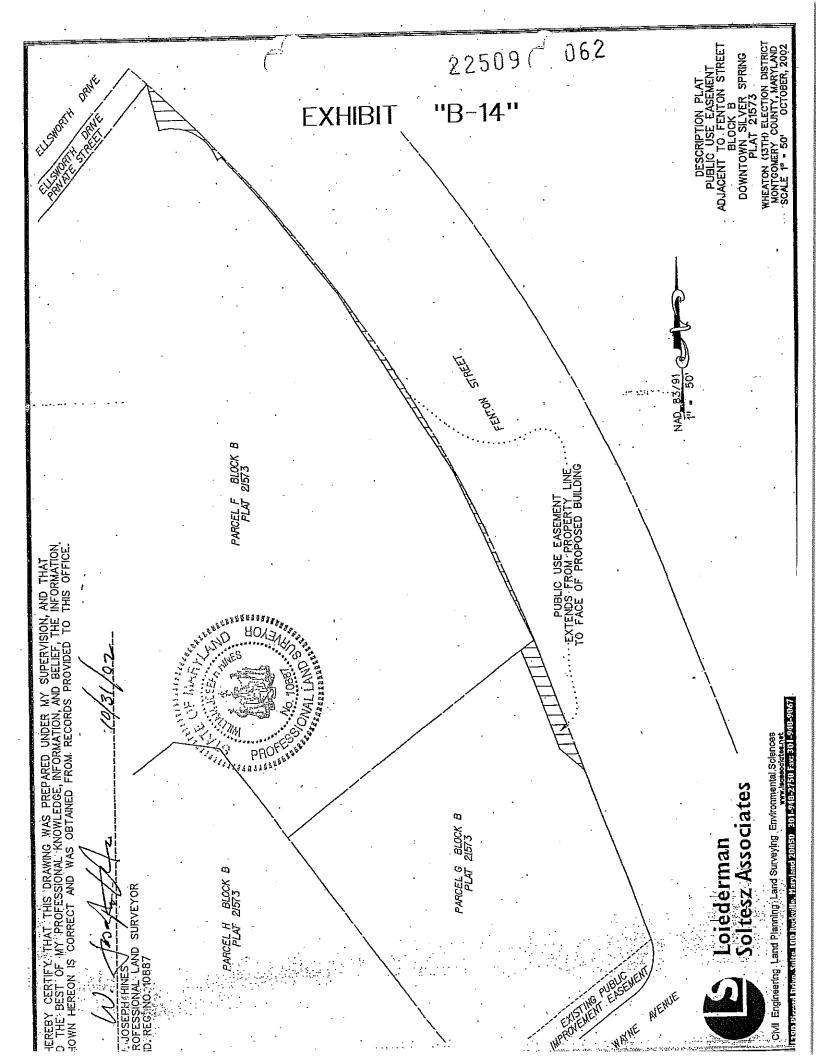


## DESCRIPTION OF A PUBLIC USE EASEMENT ADJACENT TO FENTON STREET

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

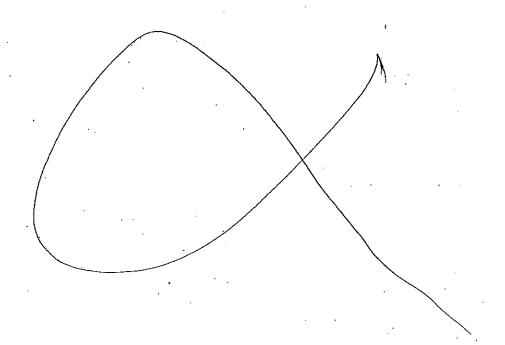
- 1. from the State of Maryland by deed dated May 3, 1974 and recorded in Liber 4536 at Folio 412;
- from City Place Limited Partnership by deed dated April 19, 1999 and recorded in Liber 17089 at Folio 151;

and also includes parts of Pershing Drive and Ellsworth Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area as shown on Exhibit B-14 attached hereto and made a part hereof.



Easement Plat No. 16

Public Use Easement

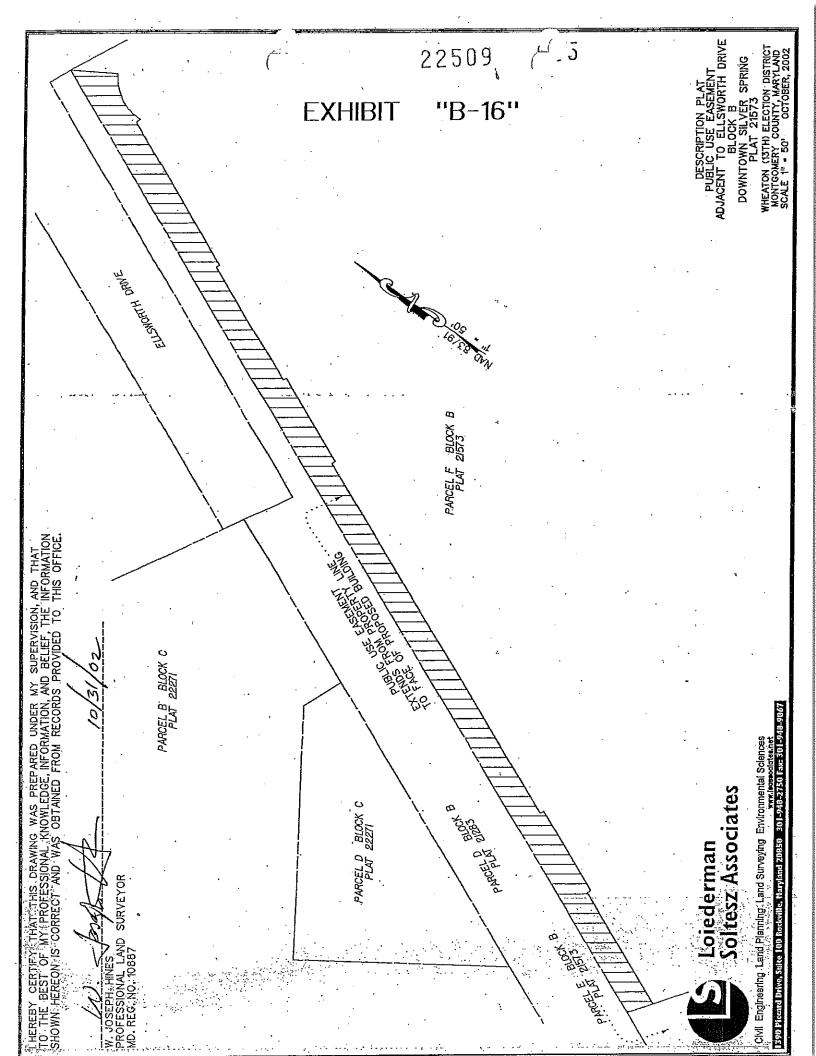


## DESCRIPTION OF A PUBLIC USE EASEMENT ADJACENT TO ELLSWORTH DRIVE

Being all of that piece or parcel of land lying in the Wheaton (13<sup>th</sup>) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

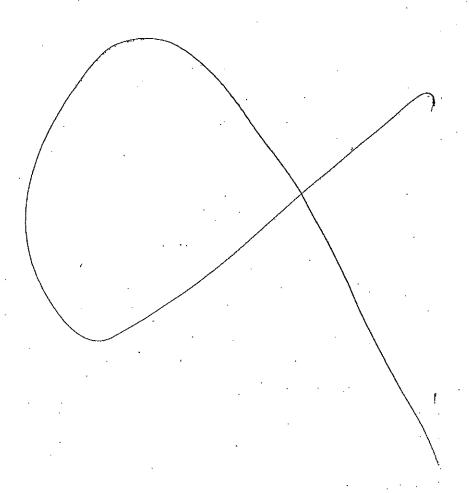
- from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;
- 2. from Lawrence T. Washington, Jr., et al, by deed dated February 23, 1995 and recorded in Liber 13275 at Folio 297;
- 3. from Alex Kontos, et ux, by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 586;
- 4. from Ronald E. Creamer, successor personal representative of the estate of Anna Gudelskey, et al, by deed dated February 9, 1995 and recorded in Liber 13252 at 768;
- 5. from City Place Limited Partnership by deed dated April 19, 1999 and recorded in Liber 17089 at Folio 151;

and also includes parts of one unnamed alley, Ellsworth Drive, and Fenton Place which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F, Block B as shown on a plat of subdivision entitled "Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area as shown on Exhibit B-16 attached hereto and made a part hereof.



Easement Plat No. 17

Garage Foundation Easement



·2/·19 067

#### EXHIBIT A-17

### DESCRIPTION OF A GARAGE FOUNDATION EASEMENT

Being all of that piece or parcel of land lying in the Wheaton (13th) Election District of Montgomery County, Maryland and being part of the land acquired by Montgomery County, Maryland by the following conveyances:

- from the McDonald's Corporation by deed dated April 14, 1997 and recorded in Liber 14813 at Folio 462;
- 2. from Pershing Drive Limited Partnership by deed dated February 22, 1997 and recorded in Liber 14700 at Folio 553;
- from James J. Lombardi, personal representative for the estate of Roberta B. L.
   Plummer, et al, by deed dated April 19, 1995 and recorded in Liber 13389 at Folio
   391;
- 4. from Richard S. Gatti, Jr. by deed dated July 31, 1995 and recorded in Liber 13543 at Folio 263;
- 5. from David Stern by deed dated August 22, 1995 and recorded in Liber 13616 at Folio 93;
- from Billy Boy Carry Out, Inc., by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 594;
- 7. from Barton M. Shapiro by deed dated November 15, 1995 and recorded in Liber 13762 at Folio 590;
- from the State of Maryland by deed dated May 3, 1974 and recorded in Liber 4536 at
   Folio 412;

and also includes parts of one unnamed alley and Pershing Drive which have been abandoned in accordance with Montgomery County Council Resolution Numbers 13-432 and 13-1429, said easement area also being part of Parcel F and G, Block B as shown on a plat of subdivision entitled

"Subdivision Record Plat, Parcels E through H, Block B, Downtown Silver Spring" and recorded among the aforesaid Land Records as Plat No. 21573, said easement area containing 4,127 square feet or 0.0948 acres as shown on Exhibit B-17 attached hereto and made a part hereof.

