

LEASE AGREEMENT

BETWEEN

HAROLD M. KESHISHIAN AND JAMES M. KESHISHIAN

AND

MONTGOMERY COUNTY, MARYLAND

DATED: 9/9/98

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*E. H. H. H.*

*9/8/98*

*Abstracted  
10/1/98  
JPC*



LEASE AGREEMENT

THIS LEASE, made and executed this 9<sup>th</sup> day of September 1998, by and between HAROLD M. KESHISHIAN AND JAMES M. KESHISHIAN, hereinafter referred to as "Landlord", and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic, hereinafter referred to as "Tenant".

WITNESSETH:

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

1. PREMISES: Landlord does hereby lease and demise unto Tenant, and Tenant does hereby lease and take from the Landlord the premises described as approximately 6,000 square feet of space and 18,000 square feet of land which space is known as 832-836 Rockville Pike, Rockville, Maryland. A site plan of the premises is attached hereto and made a part hereof as Exhibit A. The aforesaid 6,000 square feet of space being leased by Tenant is hereinafter sometimes referred to as the "leased premises" or "premises". A floor plan depicting the leased premises is attached hereto and made a part hereof as "Exhibit B".

2. TERM: The term hereby created shall be five (5) years and zero (0) months, commencing on July 1, 1998 and terminating June 30, 2003.

3. BASE RENT:

- A. The Tenant shall pay Base Rent (also referred to as "Minimum Annual Rent") to the Landlord in the annual amount of ONE HUNDRED NINETY EIGHT THOUSAND DOLLARS AND NO CENTS (\$198,000.00) and the monthly amount of SIXTEEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$16,500.00).
- B. All rent payments shall be made by the Tenant in advance, on or before the first day of each month, without set-off, deduction or demand therefore from the Landlord to and at the offices of the Landlord as hereinafter designated.

- C. The rent commencement date shall coincide with the lease commencement date as set forth in Paragraph 2 herein.

Non-Payment and Late Payment of Rent: Any Base Rent or Additional Rent which is not paid within thirty (30) days after the same is due shall bear interest at fifteen percent (15%) per annum. Any payments of Base Rent or Additional Rent by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord shall be treated as payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant. In the event Base Rent or Additional Rent is not paid within sixty (60) days of its due date, Landlord, at its sole option, may assess a late charge equal to five percent (5%) of the Monthly Amount as liquidated damages for the additional administrative charges incurred by Landlord as a result of such late payment. In the event that Tenant challenges charges under additional rent and such challenge is validated, Landlord shall refund the monies charged with interest as specified hereinabove.

- D. Whenever Tenant is required to make any payment to Landlord other than base rent, said amount shall be deemed "Additional Rent" and, unless expressly stated otherwise, shall be paid with the installment of base rent next due. Landlord shall have all rights and remedies for nonpayment of additional rent as it has for base rent.

4. RENEWAL OPTION: Provided (i) that this lease shall be in full force and effect; (ii) that Tenant shall be in possession of the Leased Premises; and (iii) that Tenant shall not be in default under any of the terms, provisions, covenants or conditions of this lease, then, and only in such event Tenant shall have the right at Tenant's sole option, to renew this lease for a period of five (5) years and zero (0) months. Such renewal option shall be exercised by Tenant's giving written notice of the exercise of such renewal option to Landlord no sooner than two hundred seventy (270) days and no later than ninety (90) days prior to the last days of the lease term

("Expiration Date") of this Lease, and if such notice is not given in the above-referenced timeframe, this renewal option shall lapse and be null and void, time being of the essence herewith. The Renewal Term shall be upon the same terms, covenants and conditions as set forth herein with respect to the lease term, and the Minimum Annual Rent shall be \$198,000.00 per year.

5. UTILITIES: Tenant shall be responsible for the direct payment of all utility charges assessed against the individual meters installed by the Landlord within the Leased Premises, including oil, heat, water, gas and electric charges, and its pro-rated share of sewer charges, when and as the same become due.

Interruption of Service: In no event shall Landlord be liable to Tenant for any interruption or failure in the supply of any such utilities to the Leased Premises. Landlord reserves the right to interrupt service of the heat, plumbing, air conditioning, cooling, electric, and sewer and water systems, when necessary, by reason of accident, or of repairs, alterations or improvements which in the judgement of Landlord are desirable or necessary to be made, until such repairs, alterations or improvements shall have been completed; and Landlord shall have no responsibility or liability for failure to supply heat, plumbing, air conditioning, cooling, electric, and sewer and water service, or other service or act for the benefit of Tenant, when prevented from so doing by strikes, accidents, or by any other cause beyond Landlord's reasonable control, or by orders or regulations of any federal, state, county, or municipal authority, or by any failure to receive suitable fuel supply, or inability by exercise of reasonable diligence to obtain the regularly-used fuel or other suitable substitute; and Tenant agrees that Tenant shall have no claim for damages nor shall there be any abatement of Base Rent in the event that any of said systems or service shall be temporarily discontinued or shall fail to function for any reason set forth above.

6. MAINTENANCE OF LEASED PREMISES: Tenant shall at all times keep the leased premises, including exterior entrances, all glass and show window moldings and all partitions, floors, walls, pipes, wires, conduits, doors, fixtures, equipment and appurtenances thereof, lighting, heating and plumbing fixtures, and any air conditioning systems and any other portion of the Leased Premises outside Landlord's maintenance responsibility in good order, condition and repair during the term of this Lease. Landlord shall maintain structural

components of the premises, including roof and foundations. Exterior plumbing and exterior walls of the Leased Premises shall be maintained by Landlord as part of the maintenance of Common Areas.

Maintenance Contract; Repair of Glass: Tenant, at its sole expense, will throughout the term of this Lease cause the appropriate inspector(s) employed or contracted for by Tenant to regularly inspect the heating, ventilation and air conditioning system serving the Leased Premises. Tenant shall perform necessary maintenance service to said HVAC system as is necessary to keep it in good, efficient, operating condition. All glass, both exterior and interior, shall be maintained in the Leased Premises at the sole risk of Tenant, and Tenant agrees to replace any glass promptly at its sole expense in the event of breakage.

7. USE:

- A. Tenant warrants and agrees that the leased premises shall be used as a retail liquor store in the same manner and as other County-operated liquor stores in Montgomery County are operated, and for no other purpose whatsoever. Tenant shall not use nor permit said premises or any part thereof to be used for any disorderly or unlawful purpose.
- B. The use and occupation by the Tenant of the leased premises shall include the use in common with others entitled thereto of the common areas, parking areas, service roads, loading facilities, sidewalks, and other facilities as may be designated from time to time by the Landlord, subject however to the terms and conditions of this agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord.
- C. The "business hours" of the Leased Premises during which Tenant shall remain open to the public as aforesaid shall be from at least 10:00 a.m. to 9:00 p.m. on Monday through Saturday during the Term (except New Year's Eve, New Year's Day, Thanksgiving, Christmas Eve, Christmas and other holidays given to employees of Montgomery County, Maryland).

8. COMMON AREAS:

Landlord's Control: Landlord shall, as between Landlord and Tenant, at all times during the term of the Lease have the sole and exclusive control, management and direction of the common areas, and may at any time and from time to time during the term exclude and restrain any person from use or occupancy thereof, excepting, however, Tenant and other tenants of Landlord and bona fide invitees of either who make use of said areas in accordance with the rules and regulations established by Landlord from time to time with respect thereto. The rights of Tenant in and to the common areas shall at all times be subject to the rights of others to use the same in common with Tenant, and it shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created by Tenant or resulting from Tenant's operation. Landlord may at any time and from time to time close all or any portion of the common areas to make repairs or changes or to such extent as may, in the opinion of the Landlord, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, to close temporarily any or all portions of the said areas to discourage noncustomer parking, and to so and perform such other acts in and to said areas as, in the exercise of good business judgement, Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their employees, agents and invitees.

9. REAL ESTATE TAXES:

- A. Tenant shall pay to Landlord, as additional rent, annually, any increase in real estate taxes over and above those in effect at the time of the signing of this Lease, whether said increase is a result of an increase in the rate or a new tax and/or reassessment of the property for any other reason. Such amount shall be paid as directed in this Agreement and it shall be collectible as a part of the rent. A tax bill shall be sufficient evidence of the amount of taxes so imposed. As of the date of this Lease, the base of the real estate taxes and public space rental amount is \$8,863.82. Tenant shall have thirty (30) days from the date on which Landlord submits a tax bill for each tax year succeeding the tax year in which this Lease is signed to pay the increase in taxes on the premises to Landlord. For the purposes of this paragraph, "tax year" shall refer to the period beginning on July 1 of one year and ending on June 30 of the following.

- B. "Real estate taxes" shall be deemed to mean all city, county, town and village taxes, special or general, ordinary or extraordinary, assessments, excises, levies, sewer and water charges and other governmental charges which shall be imposed upon or become due and payable or become a lien upon the premises or any part thereof, by any Federal, state municipal, or other governmental or public authority under existing law, or practice or under any future law or practice, and costs and expenses incurred in contesting or negotiating an adjustment thereof. The real estate taxes for any calendar year shall mean the real estate taxes actually paid or due to be paid during such calendar year, whether or not such real estate taxes related to such calendar year or a fiscal year.
- C. In the event that any present or future enactment of any state or political subdivision thereof or any governmental authority having jurisdiction thereover: (a) imposes a tax and/or assessment of any kind or nature upon, against or with respect to the rents payable by Tenant, or with respect to the Landlord's ownership of the land and improvements comprising the premises, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such improvements, or in addition thereto; and/or (b) imposes a tax or surcharge of any kind or nature, upon, against or with respect to the parking areas or the number of parking spaces in the Premises, such tax, assessment and/or surcharge shall be deemed to constitute real estate taxes for the purpose of this Paragraph and Tenant shall be obligated to pay its proportionate share thereof as provided herein.

10. ASSIGNMENT AND SUBLEASING:

- A. Tenant will not sublet the Leased Premises or any part thereof or transfer possession or occupancy thereof, to any person, firm or corporation or transfer, assign, mortgage or encumber this Lease or any interest in this Lease, without the prior written consent of Landlord, nor shall any subletting, assignment or transfer hereof be effected by operation of law or otherwise without the prior written consent of Landlord which may be withheld in its sole and Absolute discretion. Any attempted subletting,

assignment, transfer, mortgaging or encumbering of this Lease in violation of the provisions hereof shall be void and confer no rights on any third person.

- B. If Tenant desires to assign or sublet all or a substantial portion of the Leased Premises, Tenant shall give Landlord thirty (30) days written notice of Tenant's intention to do so, together with a written statement containing the name of the proposed assignee or subtenant, such information as to its financial responsibility and standing as Landlord may require, and all of the terms and provisions upon which the proposed assignment or subletting is to be made and, if the proposed sublet area constitutes less than all of the Leased Premises, a floor plan designating the proposed sublet area. Tenant shall reimburse Landlord, upon demand, any reasonable out-of-pocket costs (including attorney's fees) incurred by Landlord in reviewing the proposed assignment or sublease.
- C. If Landlord consents to the subletting or assignment of the Leased Premises, Tenant shall remain fully liable and obligated under all the terms, conditions and provisions of this Lease and any assignee shall assume all of the obligations of Tenant under this Lease. The consent by Landlord to any assignment, transfer, or subletting to any party other than Landlord, shall not be constructed as a waiver or release of Tenant from the terms of any covenant or obligation contained in this Lease, nor shall any such assignment or subletting be construed to relieve Tenant from giving Landlord said thirty (30) days notice or from obtaining the consent in writing of Landlord to any further assignment or subletting. In the event that Tenant defaults hereunder, Tenant hereby assigns to Landlord the rent due from any subtenant to pay said rent directly to Landlord. A copy of the assignment or sublease will be furnished to Landlord prior to its approval and will not thereafter be modified or amended without Landlord's prior consent.

D. Notwithstanding anything set forth in this Lease to the contrary, in the event of the privatization of liquor stores in Montgomery County, Maryland, Tenant shall have the one (1) time right, with thirty (30) days written notice to Landlord, to assign this Lease for the use and occupation of the Premises solely for the purpose set forth in Section 7 of this Lease (except trade name), provided, however, that such assignee shall assume in writing all of Tenant's obligations thereunder. Said assignment shall be subject to Landlord's approval which may be withheld in its sole and absolute discretion. In the event Landlord approves such assignment and Tenant does assign this Lease as provided in the paragraph, then commencing on the effective date of the assignment the Landlord will look solely to the assignee to fulfill any and all obligations under this Lease. If Landlord disapproves such assignment, Tenant may request approval by Landlord whose approval shall not then unreasonably withheld. If Landlord shall thereupon approve such assignment, Tenant shall remain liable for the performance of all of the obligations of the tenant under this Lease.

11. PROPERTY DAMAGE AND LIABILITY INSURANCE:

- A. Tenant shall obtain and maintain, during the full term of this agreement and any extension thereof, a policy of public liability insurance with bodily injury limits of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS for injury (or death) to one person, ONE MILLION (1,000,000.00) DOLLARS per occurrence, and property damage insurance with a limit of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS.
- B. The Tenant shall not permit or do anything which would increase the rate of fire insurance upon the Leased premises. Should said insurance rates be increased by reason of Tenant's use of the premises, Tenant shall pay to Landlord the difference in the insurance premiums over and above that existing as of the date of this Lease when and as same become due and payable or Tenant shall provide Landlord with written evidence of sufficient self-insurance.

- C. To the maximum extent this agreement may be made effective according to law, Tenant agrees to indemnify and save Landlord harmless from and against all claims of whatever nature arising from any act, omission or negligence of Tenant, or Tenant's contractors, licensees, agents, servants or employees, or arising from any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring within the leased premises after the commencement date hereof, and until the end of the term of this lease, so long as Tenant has not assigned this Lease as provided in Section 10 hereof, excepting claims that may be filed by virtue of the negligence of the Landlord, the Landlord's employees, contractors, agents or servants.
- D. Landlord shall indemnify, defend and hold Tenant harmless from and against all liabilities, obligations and all claims of whatever nature arising from any act or omission or negligence of Landlord or Landlord's contractors, licensees, agents, servants or employees, or arising from any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring within the leased premises after the commencement date hereof, and until the end of the term of this lease.
- E. Tenant further agrees that all equipment, trade fixtures or personal property in the leased premises shall be and remain at Tenant's sole risk, and Landlord shall not be liable for any damage to or loss of such equipment, trade fixtures or personal property arising out of the acts or omissions of the Tenant, Tenant's agents, servants and employees. Landlord shall be liable for any property damage caused by or through the acts and omissions of the Landlord, the Landlord's agents, servants and employees. Tenant shall be required to give Landlord written notice of repairs that are to be required to be made by Landlord as stipulated in this paragraph, and Landlord shall be given a reasonable opportunity to make the said repairs.

F. Tenant will, if requested by Landlord, furnish to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days after execution of this agreement. Tenant reserves the right to self insure.

12. GOOD ORDER AND REPAIR: Tenant covenants and agrees to maintain the Leased premises in good order and condition, and surrender the same at the expiration or other termination hereof in good order and condition, usual wear and tear and damage by fire, storm, public enemies and any other risk with respect to which Tenant is not herein made expressly liable excepted. Tenant will, at Tenant's sole expense, remove all trash from the premises that is generated by the Tenant.

13. FURNITURE AND FIXTURES: Tenant shall have the privilege of installing any furniture and trade fixtures necessary in the conduct of Tenant's business, and the same shall remain the property of Tenant. Tenant shall remove all such fixtures and equipment at the expiration of the lease. In the event any damage is done to said premises in the installation or removal of said furniture and trade fixtures, Tenant will immediately make such repairs as are necessary to restore said premises to their original condition, or promptly reimburse the Landlord for the cost of such repairs.

14. LIENS: Tenant expressly covenants and agrees that it will, during the term hereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to said premises by reason of any act or omission on the part of Tenant, and hereby expressly agrees to save and hold harmless the Landlord 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 premises, by reason of any act or omission upon the part of Tenant, and the said lien is not released within forty-five (45) days after notice thereof, Landlord, 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 premises from any such lien, and Tenant agrees to pay and reimburse Landlord upon demand for or on account of any expense which may be incurred by Landlord in discharging such lien or claim, which sum shall include the maximum legal interest rate per annum from the date such lien is paid by Landlord until the date Landlord is reimbursed by Tenant. Payment of such lien shall not be construed as an admission of liability or responsibility to any third party.

15. SIGNAGE: Tenant shall place no signs, awnings or curtains on any part of the exterior of said premises or on any show window, nor paint any brick or stone work, cornice work, mill work or iron work on the front of said premises without the written consent of Landlord or his Agent first had and obtained. Such consent shall not be unreasonably, untimely or unduly withheld. Tenant agrees that if the Landlord remodels the Shopping Center of which the leased space is a portion during the term, the Tenant will, at its own expense, upon the written request of the Landlord, within sixty (60) days, conform any existing signage to the format proposed by the Landlord, with the amount of area of the sign to which the Tenant shall be entitled to be proportionate to the Tenants' space as to the improved area of the Shopping Center, in accordance with the then existing local, county and state regulations.

16. SIDEWALKS: Tenant shall maintain the sidewalks immediately abutting the Leased premises free from obstructions of all nature, properly swept and free of snow and ice.

17. LANDLORD'S INSPECTION RIGHTS: Landlord shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting same, making necessary repairs, or showing same to potential purchasers. Landlord shall have the further right during the last four (4) months of the lease term to bring prospective Tenants into the premises for the purpose of showing same and during such period, Landlord may display "For Rent" signs in the windows of the premises.

18. DEFAULT:

A. By Tenant: Any one of the following events shall constitute a default by Tenant under this lease: (i) if Tenant fails to pay any Rent (or any installment thereof or additional rent) within ten (10) days after the same shall be due and payable and after written notice having been made to the Tenant for same, (ii) if Tenant shall breach or substantially fail in the observance or performance of any of the terms, conditions or covenants of the Lease to be observed or performed by Tenant, other than those involving the payment of Rent and such breach or failure is not cured within thirty (30) days (or such period as may reasonable be required to correct the default with the exercise of due diligence) after Tenant's receipt of written notice thereof, or (iii) if Tenant shall vacate, abandon or cease to continuously operate the Leased Premises as required.

- i. Upon the occurrence of any event of Default described in this section, Landlord shall have all rights and remedies provided in this Section, in addition to all rights and remedies available under this Lease and the laws of the State of Maryland. Except that Landlord shall have no right to terminate or take other action against Tenant based on the Default if Tenant cures the Default before such action is taken.
  
- ii. In the event of any deficiency in the payment of the rental during the term of this Lease, or if the Tenant shall vacate or abandon said premises, Landlord may, by successive suits, recover the rent due hereunder or, at its option, may re-rent from time-to-time said premises for the account of the Tenant, and such re-renting may be for a term or terms equal to, less, or greater than the remaining term hereunder, provided the Tenant shall not be liable for any deficiency in rent for any part of the term of such re-renting beyond the term of this Lease, and Landlord shall be entitled to collect the rent accruing under such re-renting and to apply the same first to all costs and expenses, including commissions and attorney's fees incurred in connection with such re-renting and collection of rentals, and apply the balance of the deficiency in accrued rent under this Lease, and by successive suits recover any remaining deficiency from the Tenant. All remedies granted in this section or otherwise provided by law shall be cumulative and, unless inconsistent, may be exercised separately or concurrently, or successively. The Tenant shall be liable to the Landlord for the payment of reasonable attorney's fees and court costs.

B. By Landlord: If the Landlord or Landlord's assigns shall fail or neglect to keep and perform each and every one of Landlord's covenants, conditions, and agreements as contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence) after written notice from the Tenant or Tenant's assigns specifying the default, then the Tenant or Tenant's assigns, at Tenant's option, may pursue any legal remedies available to Tenant. Landlord shall not be liable for damages or injury to person or property of Tenant or of any other person or business unless notice is given in writing of any defect (a) which Landlord has under the terms of this Lease the duty to correct, and, (b) which has caused such damage or injury shall have and Landlord has been given reasonably sufficient time for the occurrence of such damage or injury for the Landlord to correct such defect and even then, only if such damage or injury is due to Landlord's negligence.

C. In the event that proceedings shall at any time be commenced for recovery of possession as aforesaid and a compromise or settlement shall be effected either before or after judgment whereby Tenant shall be permitted to retain possession of said premises, then such proceedings shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof or of this agreement.

19. EMINENT DOMAIN:

A. In the event that (at any time after the date of this lease) as the aggregate result of one or more taking by eminent domain, the capacity of the parking areas of the Shopping Center shall be reduced to less than 20 available parking spaces, and if, within sixty (60) days after the occurrence of the most recent of such takings, Landlord at its option shall not have furnished substitute adjacent parking areas which shall meet with the Tenant's approval (Tenant agreeing that such approval shall not unreasonably be withheld), Tenant may terminate this lease by written notice to Landlord sent at any time after the expiration of said sixty (60) day period. If (at any time after the commencement date of this lease) as

the aggregate result of one or more takings by eminent domain, the square footage of the leased premises shall be reduced by any amount, Tenant may terminate this lease by written notice to Landlord given not more than sixty (60) days from the date title rests in the condemning authority.

- B. Should the Tenant elect to remain in possession of the leased premises after any takings by eminent domain, the base rent and additional rents shall be reduced to reflect that proportion of the premises to which Tenant is denied normal occupancy as a result of the taking.
- C. Landlord reserves, and Tenant hereby assigns to Landlord, all rights to damages accruing on account of any taking by eminent domain of the leased premises, or the building of which they are a part, or the Shopping Center, or the leasehold hereby created.
- D. Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the leased premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or is recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

20. DAMAGE TO PREMISES: If the Leased Premises shall be damaged by fire or other insured casualty, not due to Tenant's negligence, but are not thereby rendered untenable in whole or in part, Landlord shall promptly at its own expense cause such damage to be repaired, and the base and additional rents shall not be abated. If by reason of any such occurrence, the Leased Premises shall be rendered untenable only in part, Landlord shall promptly at its own expense cause the damage to be repaired, and the base and additional rents meanwhile shall be abated proportionately as to the portion of the Leased Premises rendered untenable. If the Leased Premises shall be rendered wholly untenable by reason of such occurrence, the Landlord

shall promptly at its own expense cause such damage to be repaired the base and additional rent meanwhile shall be abated in whole, provided however, that if Landlord's architect certifies that such damage cannot be repaired within 120 working days after the date of the damage, then Landlord and Tenant shall each have the right to be exercised by notice in writing delivered to the other within sixty (60) days from and after said occurrence, to terminate this Lease Ant, and in such event this Lease and the tenant hereby created shall cease as of the date of the said occurrence, the rent to be adjusted as of such date. Landlord shall have the further right to terminate this Lease in the event it decides, sole discretion, not to restore or repair the premises or Shopping Center, or shall decide to demolish them in the event of damage or not to rebuild them, which right shall be exercised within 90 days from the date of the casualty.

21. SUBORDINATION: Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust that may now or hereafter be placed upon the leased premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacement and extensions thereof, provided the mortgagee or trustee named in said mortgages or deeds of trust shall agree to recognize this Lease and the rights of Tenant hereunder. In the event of any mortgagee or trustee electing to have the lease a prior lien to its mortgage or deed of trust, then and in such event, upon such mortgagee or trustee notifying Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether or not this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust.

If any person shall succeed to all or part of Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of Lease or otherwise, Tenant shall, without charge, attorn to such successor-in-interest upon written request from Landlord.

22. ESTOPPEL CERTIFICATES:

- A. Tenant agrees, at anytime and from time to time, upon not less than twenty (20) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing: (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications the nature of same); (ii) stating the dates to which the rent and additional rent have been paid by Tenant; (iii) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any

covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge, and (iv) stating the address to which notice to Tenant should be sent. Any such statement delivered pursuant hereto may be relied upon by an owner of the Building, any prospective purchaser of the Building, any mortgagee or prospective mortgagee of the building, or of Landlord's interest therein, or any prospective assignee of any such mortgage.

- B. Landlord and Tenant agree that this lease shall not be recorded but that, upon request by either party, a short form lease of even date herewith, shall be executed and recorded in accordance with the laws governing and regulating recording of such documents in the state in which the leased premises are located, at the expense of the requesting party.

23. SURRENDER AND HOLDING OVER: Tenant, upon expiration or termination of this Lease, either by lapse of time or otherwise, shall peaceably render to Landlord the premises in broom-clean condition and in good repair. In the event that Tenant shall hold over after the expiration of this lease, and any renewals thereof without the consent of Landlord, the tenancy created by such holding over shall be a Tenant of sufferance only, but in all other respects shall be governed by the terms of this lease, provided, however, that in all cases a thirty (30) day notice shall be required to terminate the tenancy created by such hold-over. If the Tenant shall hold over after the expiration of this Lease, and any renewals thereof, it shall, in the absence of any agreement to the contrary, be a Tenant at sufferance at one and one-half the monthly rate in effect during the last month of the expiring Lease term. In addition thereto, the Tenant shall be liable for all other escalations and payments for reimbursement required under the Lease. Should Tenant hold over after the expiration of this Lease, and any renewals thereof, after first obtaining Landlord's written consent, Tenant's tenancy shall be deemed to be upon a month-to-month basis at one hundred and three percent (103%) of the base monthly rent paid during the last lease year of the term.

24. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the parties hereto that Landlord and Tenant, as their interests may appear and at their respective expense, shall promptly comply with, observe and perform all of the requirements of all 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 local government and whether required of the Landlord or the Tenant. Tenant shall be required to comply with all laws, rules, orders and regulations in regard to the premises and Landlord shall be required to comply with all laws, rules, orders and regulations in regard to the common areas.

25. DEFINITION OF "LANDLORD": The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession as owner for the time being of the land and building or the owner of the Lease of the building or of the land and building of which the premises form a part so that in the event of any sale or sales of said land and building or of said Lease, or in the event of a Lease of said building, or of the land and building, the Landlord hereunder shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser at any such sale or the leasing of the building or of the land and building, that the purchaser or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

26. LANDLORD NOT A PARTNER: It is expressly understood that the Landlord shall not be construed or held to be a partner or associate of the Tenant in the conduct of Tenant's business; it being expressly understood that the relationship between the parties hereto is and shall remain at all times that of Landlord and Tenant.

27. FIRE EXTINGUISHERS: The Tenant shall be obligated to supply and maintain at its own cost and expense any fire extinguishers or other fire prevention equipment required by law, rules, orders, ordinances, regulations and/or recommendations of the City, County, State, Rating Bureau or Underwriters Association having jurisdiction in the area in which the leased premises are located.

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

rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full term of this lease, and any extension or renewals hereof.

29. FORCE MAJEURE: Anything in this agreement to the contrary notwithstanding, providing such cause is not due to the willful act or negligence of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or upsurged power, sabotage, governmental regulations or controls, inability to obtain any material, service through Act of God or other cause beyond the control of either party; provided, however, that this provision shall not excuse any non-payment of rent or additional rent. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a party.

30. GENERAL PROVISIONS: It is further understood and agreed, that this instrument contains the entire agreement between the parties hereto and shall not be modified in any manner except by an instrument in writing executed by the parties hereto, and that the conditions and agreements herein are binding on, and may be legally enforced by the parties hereto, their executors, administrators, successors and assigns, respectively, and that no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of that condition or agreement or of any subsequent breach thereof, or of this agreement. Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number in any place herein in which the context may require such a substitution.

31. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the Tenant that in accordance with applicable law, it does not, and agrees that it will not discriminate in any manner on the basis of age, color, creed, ancestry, national origin, marital status, race, religious belief, sexual preference or disability.

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

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

34. NON-APPROPRIATION: This Lease is subject to the appropriation of funds. If funds are not appropriated, for any reason whatsoever, the Lease will automatically terminate on July 1 of such year. Tenant shall provide Landlord with no less than forty-five (45) days' written notice of termination. The Tenant shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

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

36. PAYMENT OF RENT: Tenant will pay said rent at times specified without demand or deduction to Mr. James M. Keshishian, 4505 Stanford Street, Chevy Chase, Maryland 20815 or at such other address as may in the future be designated by the Landlord.

37. RULES AND REGULATIONS: Tenant will comply with all rules and regulations now in effect, or that may hereafter be enacted by the County, State or Federal Government, insofar as the same pertains to the conduct of the Tenant's business in the demised premises.

Any rules and regulations promulgated by Landlord of which Tenant is expected to comply, are attached as Exhibit D to this Lease. Tenant agrees to comply with and observe the

same and any additional reasonable rules and regulations promulgated by Landlord of which Tenant is given adequate prior notices. No changes will be made to the Rules and Regulations which contradict or conflict with Lease provisions. In the event of a conflict between the Rules and Regulations and the Lease, the Lease agreement is controlling. Tenants failure to keep and observe said Rules and Regulations shall constitute a breach of the terms of the Lease with the same manner as if the same were contained herein as covenants.

38. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by hand delivery or certified or registered mail. Notice deemed given five (5) days after mailing or upon receipt or refusal to accept if hand delivered. Notices to the respective parties shall be addressed as follows:

LANDLORD:

Mr. James M. Keshishian  
4505 Stanford Street  
Chevy Chase, Maryland 20815

TENANT:

MONTGOMERY COUNTY  
MARYLAND  
Division of Facilities & Services  
Leasing Management  
110 N. Washington St., Suite 318  
Rockville, Maryland 20850

39. CHOICE OF LAW AND FORUM: This Lease shall be construed; and all disputes, claims and questions arising hereunder shall be determined; in accordance with the laws of the State of Maryland. Any suit or action involving a dispute relating in any manner to the Lease, the relationship of Landlord Tenant, the use or occupancy of the Leased Premises, and/or any claim of injury or damage shall be filed and adjudicated solely in the state or federal courts of the jurisdiction in which the Leased Premises are located.

40. MISCELLANEOUS: The Lease Agreement supercedes the prior Lease Agreement dated May 8, 1988, and the letter of extension dated July 14, 1993, between Harold M. Keshishian and James M. Keshishian (hereinafter referred to as Landlord) and Montgomery County, Maryland, a body politic and corporate, (hereinafter referred to as Tenant) . Both parties agree the letter of extension dated July 13, 1993 expired on June 30, 1998.

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

WITNESS:

By: *Randy Sullivan*

LESSEE:  
MONTGOMERY COUNTY, MARYLAND

By: *Bruce Romer*  
BRUCE ROMER  
CHIEF ADMINISTRATIVE OFFICER

Date: 7-9-98

WITNESS:

By: *Gene Dombrowski*

LESSOR:  
HAROLD M. KESHISHIAN AND  
JAMES M. KESHISHIAN

By: *Harold M. Keshishian*  
HAROLD M. KESHISHIAN

Date: 8-27-98

By: *James M. Keshishian*  
JAMES M. KESHISHIAN

Date: 8-27-98

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: *Christy Hitchens*

Date: 8-12-98

RECOMMENDED

By: *Rey Junquera*  
REY JUNQUERA, LEASING MANAGER  
DIVISION OF FACILITIES AND SERVICES

Date: 9/1/98

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IN WITNESS WHEREOF, the Landlord and the Tenant hereto have caused this First Amendment to Lease to be properly executed.

WITNESS:

By: \_\_\_\_\_

LANDLORD:

HADJIN ASSOCIATES, LLC

By: \_\_\_\_\_

Harold M. Keshishian  
Managing Member

Date: \_\_\_\_\_

WITNESS:

By: \_\_\_\_\_

TENANT:

MONTGOMERY COUNTY,  
MARYLAND

By: \_\_\_\_\_

Diane Schwartz Jones, Assistant  
Chief Administrative Officer

Date: \_\_\_\_\_

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: \_\_\_\_\_

RECOMMENDED:

By: \_\_\_\_\_

Cynthia L. Brenneman, Director  
Office of Real Estate

Date: \_\_\_\_\_

Date: \_\_\_\_\_