

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
PEERLESS ROCKVILLE HISTORIC PRESERVATION, LTD.

DATED April 24, 1996

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EXHIBIT A - Leased Premises

LEASE AGREEMENT

THIS AGREEMENT, entered into this ____ day of _____, 1995, by and between, MONTGOMERY COUNTY, MARYLAND, (hereinafter referred to as "Lessor") and PEERLESS ROCKVILLE HISTORIC PRESERVATION, LTD., (hereinafter referred to as "Lessee").

WITNESSETH:

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

1. PREMISES: Lessor does hereby lease and demise unto Lessee and Lessee hereby leases from Lessor the premises described as approximately 1,455 square feet of space in Room 110 of the building located at 29 Courthouse Square, Rockville, Maryland 20850, as outlined in red on "Exhibit A" attached hereto and made a part hereof. Said space is hereinafter referred to as the "leased premises".
2. TERM: The term of this Lease shall be five (5) years, commencing on October 15, 1995, and terminating on October 14, 2000.
3. USE: Lessee covenants and agrees that the leased premises shall be used as an office for the Peerless Rockville Historic Preservation, Ltd. and for no other purpose whatsoever. Lessee shall not use nor permit said premises or any part thereof to be used for any disorderly or unlawful purpose. The use and occupation by the Lessee 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 Lessor, 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 Lessor. The Common Areas shall at all times be subject to the exclusive control and management of Lessor; and Lessor shall have the right from time to time to change the area, level, location and arrangement of the Common Areas, to restrict parking for the tenants and their employees to employee parking areas, and to make all rules and regulations and do such thing from time to time as in Lessor's sole discretion may be necessary for the proper operation of said Common Areas. "Common Areas" shall be defined as all that portion of building improvements excepting that area which is presently leased to Lessee or is hereafter to be leased to Lessee. Common areas shall include the parking areas provided by the Lessor for the building, the public conveniences of the building, and all other areas in the building now or hereafter constructed and intended to be used in common by the Lessee and/or customers of the building.

4. RENT: Lessee shall pay to Lessor annual rent, beginning on October 15, 1995, for the first lease year, the amount of ONE AND 00/100 (\$1.00) DOLLAR receipt of which is hereby acknowledged. Rental payments beginning in the second lease year shall be due monthly, payable on or before the first day of each month during the lease term hereby created, without set-off, deduction or demand therefor from the Lessor, in equal monthly installments.

Any installment of rent not received by the Lessor within ten (10) days after the due date shall, at the election of the Lessor, be subject to a "late charge" not to exceed five percent (5%) of the payment due.

5. RENTAL ADJUSTMENTS: It is agreed between the parties that the annual rent payable to Lessee as set forth in Paragraph 4 hereinabove shall be adjusted on November 1, of the second lease year, and on November 1, of every lease year thereafter, as determined by the following schedule:

LY 2	November 1, 1996	\$4,365.00 annually	\$363.75 monthly
LY 3	November 1, 1997	\$4,874.25 annually	\$406.19 monthly
LY 4	November 1, 1998	\$5,456.25 annually	\$454.69 monthly
LY 5	November 1, 1999	\$5,965.50 annually	\$497.12 monthly

6. SERVICES AND OPERATING EXPENSES:

A. By Lessor: Lessor agrees to provide within the leased premises and the building of which they are a part, at Lessor's sole cost and expense the following:

- i. All custodial services within the leased premises;
- ii. Heating, air conditioning and all utilities (except telephone);
- iii. All maintenance and repair of the ceiling, walls, floors, and doors, including locks and hardware.
- iv. All maintenance and repair of heating and air conditioning systems; electrical systems and fixtures; plumbing systems and fixtures; roof, windows, structural systems and grounds and related site improvements, and
- v. Routine trash removal and pest control.

- B. By Lessee: Lessee agrees to provide within the demised premises at Lessee's sole cost and expense the following:
- i. Telephone service;
 - ii. Notwithstanding the obligations of the Lessor, Lessee will be responsible for damage to the structure, grounds or of any part of the building belonging to Lessor due to the willful or negligent acts of Lessee, Lessee's employees, patrons or agents. In the event of such damage, the Lessee shall make the necessary repairs or replacement to the satisfaction of the Lessor. In the event Lessee does not repair/or replace within a reasonable time after notice from Lessor, Lessor may enter upon premises and conduct the repairs at cost to be borne by Lessee.

7. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

- A. Lessee agrees to obtain and maintain, during the full term of this Lease or any extension thereof, a policy of general liability insurance with a minimum limit of liability of \$1,000,000 (one million dollars) for bodily injury and property damage, including fire legal liability issued by an insurance company licensed in the State of Maryland and acceptable to Lessor.
- B. Lessee agrees to obtain and maintain, during the term of the Lease, a policy of workers compensation and employers liability coverage in the amount of \$100,000 for bodily injury by accident (each person)
- C. Property Insurance - The Lessor insures the premises for property losses to Real Property, excess of \$100,000 Deductible. The Lessee is required to provide evidence of property insurance on the leased premises in an amount of \$100,000 any one loss. Coverage shall be on a replacement cost basis for "all risks of direct physical loss or damage except as specifically excluded." Coinsurance must be waived in its entirety. Deductible may not exceed \$1,000 per occurrence.

SD

~~Policy must state that such insurance is primary, and not contributory, with any other insurance on the same property whether collectible or not. Montgomery County is to be named as a Loss Payee. Insurance provided by Montgomery County is excess of \$100,000, whether or not the above required insurance is purchased or any recovery thereunder is collectible.~~

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D.

Lessee agrees to obtain and maintain, during the term of the lease, an All Risk Property policy covering 100% of the replacement value of the ^{contents of the} leased premises. y SD

E.

The general liability policy must list Montgomery County as additional insured and all policies must provide Montgomery County 45 days notice of amendment or cancellation.

F.

Lessee shall, within ten (10) days from execution of this instrument, deliver to Lessor a certificate(s) of insurance evidencing the coverages enumerated above. The certificate(s) must be issued to Montgomery County Government, Department of Facilities and Services, 110 N. Washington St., Rockville, MD 20850.

8. PARKING: Lessor will provide Lessee with two (2) parking passes for the garage of the Council Office Building. Lessee agrees to comply with all parking regulations promulgated from time to time by Lessor.

9. ACCESS: Lessee without prior notice from Lessor will allow Lessor or Lessor's agents to have access to the premises at all reasonable times for the purpose of routine inspection, or in the event of fire or other property damage, or for the purpose of performing any maintenance and repairs Lessor may in its sole discretion consider necessary or desirable.

10. ALTERATIONS: Lessee will not make any alterations, additions, or improvements of any kind to the leased premises without the Lessor's written consent, which consent shall not be unreasonably withheld. All alterations, additions, or improvements made by either of the parties hereto upon the premises shall become the property of the Lessor and shall remain upon and be surrendered with the premises upon the termination of

this lease without cost to the Lessor. Lessee shall, with Lessor's prior written consent, have the right to install any furniture or office machinery necessary in the conduct of its business within the leased premises, and the same shall remain the property of the Lessee, and may be removed by Lessee upon the termination of this lease. Upon removal of Lessee's property, Lessee at its sole expense shall repair any damage to the premises caused by such removal so that the premises are in substantially the same condition as at the commencement of the Lease term, reasonable wear and tear excepted.

11. NOTICE OF DEFECTS: Lessee shall provide Lessor with prompt notice of accidents on or damages to the structure, equipment, or fixtures of the leased premises, or defects in the roof, plumbing, electric and heating systems, to be remedied by Lessor.

12. ASSIGNMENT AND SUBLEASING: Lessee shall not have the right to and shall not assign or sublease all or any part of the leased premises.

13. LESSEE'S COVENANTS: Lessee covenants and agrees:

- A. To save harmless the Lessor from all loss, damage, liability or expense incurred by Lessor or any person by reason of Lessee's, Lessee's employees, patrons or agents negligence or use of the premises or of said Building.
- B. Not to strip or overload, damage or deface the leased premises or hallways, stairways, elevators or other approaches thereto.
- C. Not to suffer or permit any trade or occupation to be carried on or use made of the premises outside of the scope of this Lease (Paragraph 3) which shall be unlawful, noisy, offensive or injurious to any person or property, such as by way of illustration and not limitation, to increase the danger of fire or make void or voidable any insurance on said Building.
- D. Not to move any furniture or equipment into or out of the premises without Lessor's consent thereto.
- E. Not to place upon the interior or exterior of the Building or any window or other part thereof or door of the leased premises any

placard, sign, covering or drapes, except such and in such place as shall have been first approved by Lessor.

- F. To conform to all rules and regulations from time to time established by appropriate insurance rating organizations, and to comply with all reasonable rules and regulations from time to time established by Lessor.

14. DESTRUCTION OF PREMISES:

A. LESS THAN SUBSTANTIAL DAMAGE:

In the event of less than substantial damage or destruction of the leased premises by fire or any other casualty, this Lease shall not be terminated, but the premises shall be promptly and fully repaired and restored as the case may be by the Lessor at its own cost and expense. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, for strikes, national emergencies and other conditions beyond the control of the Lessor. Lessor will proceed at its expense and as expeditiously as may be practicable to repair the damage.

B. SUBSTANTIAL DAMAGE:

In the event of substantial damage or destruction of the leased premises, Lessor may at its sole option decide not to repair or restore the premises or the building, in which event, Lessor may terminate this Lease forthwith, by giving Lessee a written notice of its intention to terminate within ninety (90) days after the date of the casualty. No compensation or claim, will be allowed or paid, by Lessor, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the leased premises or any portion of the building of which they are a part.

15. DELIVERY OF THE PREMISES: Lessee covenants that upon the expiration or other termination of this lease, it will remove all goods and effects from the leased premises not the property of Lessor, as determined by Paragraph 10 herein, and to yield to Lessor the leased premises and all keys, locks and other fixtures connected therewith

(except trade fixtures and other fixtures belonging to Lessee), in good repair, order and condition in all respects, reasonable wear and use or lack of repair that is the responsibility of Lessor excepted. In the event of the termination of the Lease in accordance with Paragraph 14, the condition of the property at termination will be accepted by Lessor in an "as is" condition.

16. DEFAULT: By Lessee: If Lessee shall fail or neglect to keep and perform each and every one of the terms of this lease, and such failure or neglect continues for more than 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 Lessor specifying the default, then at the option of the Lessor, the Lessee's right of possession shall thereupon end. In the event Lessee fails to vacate the leased premises the Lessor and its assigns may proceed to recover possession under the laws of the State of Maryland.

17. Indemnification: Lessee agrees to hold harmless and hereby indemnifies Lessor from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence, or occasioned wholly or in part by any act or omission of Lessee or its employees at or upon the Leased premises, or the occupancy or use by Lessee, of the Leased premises or any part thereof, or the Lessee's use of the exterior areas designated by Lessor for the comfort and convenience of Lessee, except such claims for damage or injury occasioned by the negligence or willful acts or omissions of the Lessor, its employees or agents.

18. QUIET POSSESSION: Contingent on the performance of all covenants, conditions and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this lease have the peaceable and quiet enjoyment and possession of the leased premises for the purposes herein cited.

19. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the parties hereto that the Lessor and Lessee, as their interests may appear and at their respective expense, in accordance with their respective responsibilities herein, will promptly comply with, observe and perform all of the requirements of all statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal government, the State of Maryland, the Montgomery County government, or the Montgomery County Fire Marshal's Office.

20. WAIVER: The waiver at any time by the Lessor or Lessee of any particular covenant or condition of this lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatever.

21. NON-DISCRIMINATION: Lessee agrees to comply with the nondiscrimination in employment policies as required in Section 11B-3 and Section 27-19 of the Montgomery County Code 1994 as amended.

22. CONTRACT SOLICITATION: Lessee 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, licensed commercial selling or leasing agencies maintained by the Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

23. PUBLIC EMPLOYMENT: Lessee understands that unless authorized under Section 11B-52 or Chapter 19A 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.

24. EMINENT DOMAIN: In the event the leased premises or any part thereof shall be taken by any governmental or quasi-governmental authority pursuant to the power of eminent domain, Lessee shall make no claim for compensation in the proceeding, and thereby assigns to Lessor any rights which Lessee may have to any portion of any award made as a result of such taking.

25. HOLDOVER: In the event Lessee continues to occupy the leased premises or any part thereof after the conclusion of the term of this Lease, Lessee's tenancy shall be deemed to be upon a month-to-month basis. The tenancy thus created shall be subject to all applicable terms and conditions of this Lease, and may be terminated by either party by providing the other not less than thirty (30) days' written notice, to expire on the day of the month from which the month-to-month tenancy commenced.

26. ENTIRE AGREEMENT: It is further understood and agreed that this instrument contains the entire agreement between the parties hereto and shall not be modified in any manner except by an instrument in writing duly executed by the parties hereto.

27. TERMINATION FOR CONVENIENCE OF THE GOVERNMENT:

Performance under this agreement may be terminated in whole or in part, whenever the Chief Administrative Officer of Montgomery County shall determine that termination of this agreement is in the best interest of Montgomery County. Termination hereunder shall be effected by delivery to the Lessee of written Notice of Termination thirty (30) days prior to the date on which the termination shall become effective.

28. MAIL NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail, postage prepaid, addressed to Lessor or Lessee, respectively. Notices to the respective parties shall be addressed as follows:

LESSOR:

Montgomery County Government
Dept. of Facilities & Svcs.
110 N. Washington St., Ste 318
Rockville, Maryland 20850

LESSEE:

Peerless Rockville Historic
Preservation, Ltd.
P. O. Box 4262
Rockville, Maryland 20849-4262

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first above written.

WITNESS:

LESSEE:

PEERLESS ROCKVILLE HISTORIC
PRESERVATION, LTD.

By: Eileen S. McGuckian

By: Samuel R. Bodoke

Title: President, Peerless Rockville

Date: January 11, 1996

WITNESS:

LESSOR:

MONTGOMERY COUNTY,
MARYLAND

By: bothome Nessett

By: Gordon Aoyagi

Gordon Aoyagi, Senior Assistant
Chief Administrative Officer

Date: 4/24/96

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

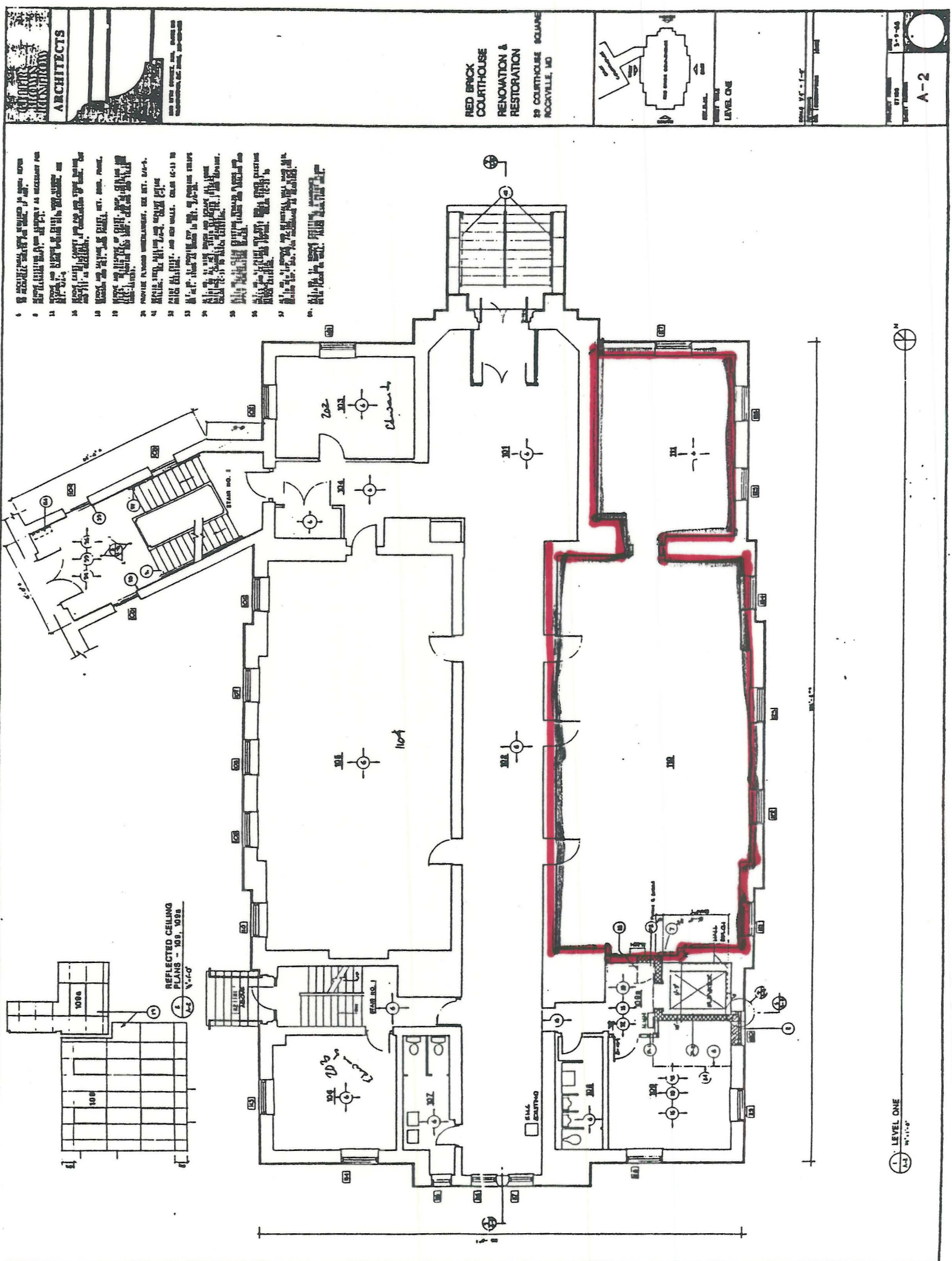
By: Karen A. Federman Henry

By: Rey Junquera

Rey Junquera, Acting Chief
Office of Real Estate Management

Date: October 16, 1995

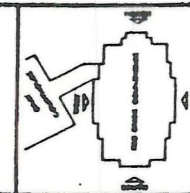
Date: 4/24/96



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ARCHITECTS

RED BRICK
COURTHOUSE
RENOVATION &
RESTORATION
20 COURTHOUSE SQUARE
ROCKVILLE, MD



LEVEL ONE

A-2