

MASTER LEASE AGREEMENT

THIS *Master Lease Agreement (Agreement)* is by and between MONTGOMERY COUNTY, MARYLAND ("Landlord") and HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY ("Tenant"),

Recitals:

WHEREAS, Landlord is a political subdivision of the State of Maryland authorized, among other things, to own, lease, operate and manage real estate; and

WHEREAS, Tenant is the housing authority for Montgomery County, Maryland authorized to assist in the provision of housing for persons of low and moderate income in Montgomery County ; and

WHEREAS, Landlord owns a former elementary school converted to a multi-family apartment facility known as "Pleasant View Apartments" (the "Property") located at 3015 Upton Drive, Kensington, Maryland as described in **Exhibit A**, attached hereto and made a part hereof; and

WHEREAS, the Montgomery County Council approved of the disposition of the Property and its use as "housing and associated programs for one parent families of lower incomes and related community services which constitute public purpose and benefits, and is a public use" in Resolution No. 11-433 dated August 4, 1987; and

WHEREAS, the Property currently consists of 37 rental units (each a "Unit") and related meeting rooms and community facilities; and

WHEREAS, Landlord desires to lease the Property to Tenant to permit its continued operation as housing and associated programs for one parent families of lower incomes through Tenant's use of certain project based housing choice vouchers in order to sublet the Units to persons who qualify for the vouchers because of their low income ; and

WHEREAS, Landlord seeks project-based rental subsidies for 37 Units at the Property which will be provided by Tenant with the Tenant's leasehold interest in the Property; and

WHEREAS, Landlord will contract with a qualified entity ("Property Manager") to manage the Property; and

WHEREAS, Landlord will contract with a qualified entity ("Program Manager") to provide social services on site to the residents; and

WHEREAS, Tenant agrees to the Landlord's selection of a Program Manager and a Property Manager and agrees through this Master Lease to allow Property Manager to act as the leasing agent for the Units in accordance with the terms of this Master Lease and the management agreement between the Landlord and the Property Manger; and

WHEREAS, Landlord is willing to enter into this Master Lease for the Property with Tenant and Tenant is willing to accept the Master Lease on the terms hereof; and

NOW, THEREFORE, the parties agree as follows:

1. **Recitals:** *The recitals are incorporated herein by reference.*
2. **Consideration:** HOC will facilitate the use of the Property in the manner required by Council Resolution No. 11-433 by providing project-based (tenant based) housing choice vouchers at the Property so that the Property will be occupied by one parent families with low incomes.
3. **Term:** Ten years from the Effective Date as defined in Paragraph 19, below, subject to the availability of funding from the U.S. Department of Housing and Urban Development (HUD). If funding from HUD is no longer available, either the Landlord or Tenant may terminate this Agreement by providing at least 120 days advance written notice to the other party. The Lease will be automatically renewed for two (2) successive five (5) year terms ("Renewal Term") unless sixty (60) days' written notice to terminate is provided by Landlord prior to the end of the initial Term or any Renewal Term or unless otherwise earlier terminated for breach by Landlord.
4. **Utilization of Units:** The parties recognize and agree that the Units in the Property will be used by Tenant for sublease to income qualified Subtenants. The rights of any such Subtenant shall at all times be subject and subordinate to this Agreement and each of the subleases shall contain an acknowledgment of this fact. The sublease (the "Sublease") to be utilized by Tenant must be in a form and content approved by the Landlord. Tenant must keep vacancies in the Units to a minimum and, in the event that any Unit will be vacant for a period of

more than thirty (30) days, the Tenant must provide written notice to Landlord explaining the reason for the extended vacancy and the steps that Tenant is taking to re-let the Unit.

5. Unit Inspections. Both Landlord and Tenant shall have the right to inspect each Unit at any time, including but not limited to, on or about the Effective Date and each annual anniversary thereof during the term of this Agreement to ascertain compliance with Housing Quality Standards established in 24 CFR, Part 982. Each Sublease must contain a notice to the Subtenant concerning this right of inspection. If it is determined that a Unit, or any other portion of the Property, does not comply with Housing Quality Standards, the Tenant shall provide thirty (30) days' written notice of the noncompliance to Landlord. Unless the Property or the Unit requires an emergency repair, the Landlord must commence needed repairs or replacements within the thirty (30) day notice period. A subsequent inspection will be scheduled to assure that the work has been performed. In the event that the noncompliance constitutes an emergency, the Tenant will provide Landlord with immediate notice to have the repair or replacement made. In addition, Tenant acknowledges and agrees that Landlord has the right to inspect the Property and each Unit on or about the Effective Date and on or about each annual anniversary thereof for compliance with the Montgomery County Code, Chapter 26, "Housing and Building Maintenance Standards."

6. Maintenance. Landlord is responsible for all Property maintenance and

repairs.

7. **Rules and Regulations.** The Landlord and the Tenant must reach mutually agreeable terms concerning the Rules and Regulations for the Property. The Rules and Regulations will be included as part of the property management agreement, the program management agreement and each of the Subleases. The Tenant and its employees, the Subtenants and their families and guests, the Property Manager and its employees, and the Program Manager and its employees will abide by, to the extent applicable, the provisions of this Agreement, as well as the rules and regulations and all notices issued by Landlord governing the Property.

8. **Alterations.** Tenant will not remodel or make any structural changes, alterations or additions to the Units without the Landlord's prior written consent. The Tenant will include in each Sublease the requirement that the Subtenant not remodel or make any structural changes, alterations or additions to the Unit.

9. **Liability.** Landlord and its agents shall not be liable to Tenant, its employees, subtenants, agents, business invitees, licensees, family members or guests for any damage, compensation or claim arising out of or related to the management of the Unit or the Property or for the failure of elevators, heating, cooling, electrical or plumbing equipment or apparatus, or from any fire or other casualty, or any leakage in any part of the Property or from water, rain or snow that may leak into or flow from any part of the Property or Unit unless

occasioned by or caused by the negligence of Landlord. Any goods, property or personal effects stored or placed by Tenant or Subtenant in or about any Unit shall be at the sole risk of Tenant or Subtenant(s) and Landlord and its agents shall not be held responsible therefore except for damage caused by its negligence. The Tenant shall include a notice in each Sublease containing the provisions of this Paragraph 9.

10. Insurance. Tenant shall provide evidence of and maintain at all times during the Term hereof, at its sole cost and expense, commercial general liability insurance in the amount of *One Million Dollars (\$1,000,000.00)* combined single limit per occurrence for bodily injury, personal injury or death or damage to property. All insurance required to be carried by Tenant shall be issued by responsible insurance companies qualified to do business in the State of Maryland. Coverage under the Montgomery County Self Insurance Program shall be sufficient to comply with this requirement. Landlord will provide property Self-Insurance Fund insurance on the Property.

11. Required Licenses. A copy of all required licenses for the Property, issued by Montgomery County, Maryland, or any other governmental agency, must be displayed in the lobby, vestibule, rental office or other prominent public place on the premises.

12. Miscellaneous. a.) The conditions and agreements contained herein are binding on and are legally enforceable by the parties hereto and their successors and assigns, respectively, and no waiver of any breach of any

condition or agreement contained herein will be construed to be a waiver of the condition or agreement of any subsequent breach thereof or of this Agreement.

b.) This Agreement contains the final and entire agreement among the parties hereto, and neither they nor their agents are bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained.

c.) It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by a court to be illegal or in conflict with any law of the state or county where made, the validity of the remaining portions or provisions are not affected, and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular part, term, or provision held to be invalid.

d.) The paragraph headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference only. They do not purport to and are not to be deemed to define, limit or extend the scope or intent of the paragraphs to which they appertain.

13. Relationship of the Parties. Nothing contained in this Agreement shall be deemed to be construed as creating a partnership or joint venture between Landlord and Tenant.

14. Waiver. A waiver by Landlord of any breach by Tenant of any provision in this Agreement must be in writing; further, any waiver of any breach

shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition therein contained.

15. Modifications. This Agreement contains all of the agreements, conditions, and representations between the parties and may not be modified orally or in any other manner than by agreement in writing signed by the parties thereto.

16. Force Majeure. Whenever a period of time is prescribed for action to be taken by any party, or whenever any party is obligated to perform hereunder, such party shall not be liable and they shall be excluded from the computation for any such period of time any delays or failure to perform through strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any other causes of any kind which are beyond the reasonable control of that party.

17. Notices. Whenever any demand, request, approval, consent or notice shall or may be given to either of the parties by the other, each such notice shall be sent by United States Postal Service first class mail, or sent by overnight courier service at the respective address of the parties set forth below.

TENANT:

**HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY
D. Scott Minton, Executive Director
10400 Detrick Avenue
Kensington, Maryland 20895
With a copy to:**

**Kenneth B. Tecler, Esq.
Chen, Walsh, Tecler & McCabe
200 Monroe Street, Suite 200**

Rockville, Maryland 20850

LANDLORD:

MONTGOMERY COUNTY, MARYLAND c/o
DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS
100 Maryland Avenue, 4th Floor
Rockville, MD 20850

With a copy to:

Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: Vickie L. Gaul, Associate County Attorney

18. Waiver of Jury Trial. Landlord and Tenant shall and each does hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement or its termination, or the relationship of Landlord and Tenant. Subtenant retains all legal rights that flow from his or her subtenancy.

19. Effective Date. The Effective Date of this Agreement is the date that it is signed by the Landlord.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereto agree to abide by all of the terms and conditions in this Master Lease Agreement.

MONTGOMERY COUNTY, MARYLAND


By: Timothy L. Firestine
Chief Administrative Officer

Date: 4/5/2007

HOUSING OPPORTUNITES COMMISSION


By: D. Scott Minton
Executive Director

Date: 4/7/07

APPROVED FOR FORM'S LEGALITY :



By: Vickie L. Gaul
Associate County Attorney

Date: April 3, 2007

STATE OF MARYLAND)
)
COUNTY OF MONTGOMERY)

On this 6 day of April, 2007, before me, the undersigned officer, personally appeared **Timothy L. Firestine**, Chief Administrative Officer for Montgomery County, Maryland, known to me to be the person whose name is subscribed to this Master Lease Agreement on behalf of Montgomery County, Maryland for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

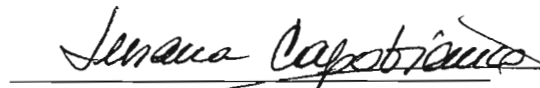

Notary Public

My Commission Expires: 3-1-08

STATE OF MARYLAND)
)
COUNTY OF MONTGOMERY)

On this 9th day of April, 2007, before me, the undersigned officer, personally appeared **D. Scott Minton**, Executive Director of the Housing Opportunities Commission, known to me to be the person whose name is subscribed to this Master Lease Agreement on behalf of the Housing Opportunities Commission for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires: 2/04/08

Parcel ID No.: 13-501-969366, 13-16-1026328, 16-1026330, 16-102634, 16-1026352,
501-0953942

Grantor Address: 101 Monroe Street, Rockville, MD 20850

Grantee Address: 10400 Detrick Avenue, Kensington, MD 20895

Property Address: 3015 Upton Drive, Kensington, MD 20895

After recordation, please return to:

**Office of the County Attorney
Montgomery County, MD
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: Vickie L. Gaul**

EXHIBIT "A" – PROPERTY DESCRIPTION

- I. Being those premises conveyed to Montgomery County, Maryland by Amended Deed from The Maryland-National Capital Park and Planning Commission, by deed dated February 7, 1989, and recorded at Liber 8712, Folio 192, among the land records of Montgomery County, Maryland, containing 43,560 square feet of land, described in metes and bounds in said deed.

Parcel ID # 13-501-969366

- II. Being those premises conveyed to Montgomery County, Maryland, by deed from the Board of Education of Montgomery County, Maryland, by deed dated January 23, 1989, and recorded at Liber 8669, Folio 415, among the land records of Montgomery County, Maryland, containing 6.21 acres, known as Pleasant View Elementary School, more particularly described in said deed.

Parcel ID # 13-16-1026328

16-1026330

16-1026341

16-1026352

501-0953942