

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
MONTGOMERY COUNTY REVENUE AUTHORITY

DATED: 8/30/96

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P 280

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "LEASE"), is entered into this 30th day of August, 1996 by and between MONTGOMERY COUNTY, MARYLAND (hereinafter referred to as "Lessor") and the MONTGOMERY COUNTY REVENUE AUTHORITY, an instrumentality of Montgomery County and a public corporation (hereinafter referred to as "Lessee").

WITNESSETH:

In consideration of the mutual agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. PREMISES: In consideration of the sum of Ten Dollars per annum, the receipt of which is acknowledged for the entire 20 year term of this Lease and for other valuable consideration and the covenants hereinafter contained, Lessor does hereby lease and demise unto Lessee, approximately 0.585 of an acre of land over a portion of Parcel P 280 which appears on Tax Map page GU 121. The legal description appears as Exhibit A which is attached hereto and made a part hereof, and the depiction of the leased area on parcel P 280 appears as Exhibit C which is attached hereto and made a part hereof. Lessor also does hereby lease and demise to Lessee a temporary interest in approximately 2.244 acres for use during the initial construction period only. These 2.244 acres are described in Exhibit B and depicted on Exhibit C, both of which are attached hereto and made a part hereof.

2. TERM: The term of this Lease Agreement for the approximately 0.585 acres of land shall be for 20 years, beginning on August 1, 1996 and ending at midnight on July 31, 2016. The term for the short term leasehold shall be for 9 calendar months beginning on September 1, 1996 and ending at midnight on May 31, 1997, unless such term is extended for a period not to exceed one year by mutual agreement of the parties.

3. RIGHT OF EARLY TERMINATION: This Lease may be terminated by the Lessor, in whole or in part, whenever the Chief Administrative Officer shall determine that termination of this Lease is in the best interest of the County. Termination hereunder shall be effected by delivery to Lessee of a written Notice of Termination sixty (60) days prior to the date upon which termination shall become effective.

4. USES OF THE PROPERTY: The leased premises is to be used as a safety buffer area to the Lessee's airpark in order to comply with requirements mandated by the Federal Aviation Administration as a condition precedent to the obtaining of Federal funds for rebuilding the Lessee's runways. The existing perimeter fence will be relocated to include the leased premises. Fill will be added to mitigate an existing grade, and ground cover only will be permitted in the leased premises to avoid the hazards that trees and other obstructions would present to aircraft.

5. RENEWAL OPTIONS: At the conclusion of the Twenty Year term of this Lease the Lessee shall have the option to renew the lease for one additional 20 year term, subject to the same conditions, covenants and terms of this Lease agreement, by giving Lessor at least 90 days written notice of its intent to exercise the renewal option.

6. RESTORATION: At the conclusion of the 20-year term and, if applicable, the 20 year renewal option, the Lessee shall replace the fence to its original location. In the event the Lease is terminated earlier in accordance with paragraph 3 above the costs of the fence relocation will be allocated between Lessor and Lessee in accordance with the ratio formed by dividing the number of full lease years expired by a denominator of 40.

7. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE: Lessee agrees to obtain and maintain, during the full term of this Lease, a policy of liability insurance with minimum bodily injury limits of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS for an accident or death to one person, and ONE MILLION (\$1,000,000.00) DOLLARS for each occurrence, and property damage limits of at least ONE HUNDRED THOUSAND (\$100,000.00) for each occurrence, issued by an insurance company licensed in the State of Maryland and acceptable to Owner.

8. DEFAULT: Lessee shall be considered in default of this Agreement upon the occurrence of any of the following.

- i. Failure to perform under any term, covenant or condition of this Agreement and the continuance thereof for thirty (30) days after written notice from Lessor specifying said failure.
- ii. The commencement of any action or proceeding for the dissolution or liquidation of Lessee, or for the appointment of a receiver or trustee of Lessee's property, and the failure to discharge any such action within thirty (30) days.
- iii. The making of an assignment for the benefit of Lessee's creditors.

iv. The abandonment of the leased Premises by Lessee.

9. HOLD HARMLESS: Lessee agrees to indemnify, hold harmless and defend the Lessor from all claims of liability, damages, and expenses including but not limited to attorney's fees, arising out of or related to Lessee's use or possession of the leased premises except such claims as may be solely occasioned by the negligent acts or omissions of the Lessor, the Lessor's employees, agents and contractors. Lessee further specifically agrees to indemnify, hold Lessor harmless, and defend Lessor from any claim of public liability made in connection with any construction or installation of equipment within or on the leased Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the leased Premises.

10. EMINENT DOMAIN:

- A. Any payment made to the Lessor because some or all of the premises are taken by exercise of the power of eminent domain (or conveyed by other means to an entity having such authority in lieu of that exercise) shall belong solely to the Lessor. Lessee shall make no claim for compensation or assert any right to any portion of any award made to Lessor as a result of such taking.
- B. Nothing contained hereinabove shall be construed to preclude Lessee from claiming, proving and receiving, in a separate claim filed by Lessee against the authority possessing the power of eminent domain, such sums to which the Lessee may be entitled as compensation, provided that such a separate claim does not interfere with or reduce the Lessor's award.

11. QUIET POSSESSION: Lessor covenants and agrees that, if Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this Agreement, subject to the limitations set forth in paragraph 3 and 6 herein, have the peaceable and quiet enjoyment and possession of the leased Premises without hindrance from any person or persons whomever.

12. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Lessee, at Lessee's expense, will 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, Montgomery County

Department of Environmental Protection or Montgomery County Fire Marshal's Office. The foregoing shall not be construed to preclude the Lessee from exercising its legal right to contest the validity of legislation through judicial process, provided that the Lessee shall continue to fully comply with the provisions of this paragraph pending the outcome of the Lessee's efforts.

13. BENEFITS AND BURDEN: The provisions of this Agreement shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective successors, assignees or representatives.

14. DISPUTES: Lessor and Lessee agree that any dispute concerning a question of fact arising under this Agreement which is not resolved by agreement of the parties shall be decided by the Chief Administrative Officer of Montgomery County, who shall notify the parties in writing of the determination made. The Lessee and Lessor shall be afforded an opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Lessee and Lessor shall proceed diligently with the performance of all provisions under this Agreement. The decision of the Chief Administrative Officer shall be final and conclusive. This paragraph does not preclude consideration of questions of law by a court of competent jurisdiction in connection with the aforesaid decisions.

15. WAIVER: No waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself or of any subsequent breach thereof.

16. GENERAL PROVISIONS:

- A. Governing Law: The provisions of this Lease shall be governed by the laws of the State of Maryland.
- B. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected hereby.

17. INTEGRATED AGREEMENT: This Lease contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner other than by an agreement in writing signed by all the parties or their respective successors in interest.

18. MAILING NOTICES: 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:

LESSEE:

Montgomery County Revenue Authority
211 Monroe Street
Rockville, Maryland 20850

LESSOR:

Montgomery County, Maryland
Dept. of Public Works and Transportation
Division of Facilities and Services
110. Washington St., Suite 318
Rockville, Maryland 20850

Either party may change its mailing address hereunder by giving notice thereof to the other party in the manner set forth herein above.

19. NON-DISCRIMINATION: Lessee agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Lessee assures the County 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, national origin, race, religious belief, sexual preference or handicap.

20. ASSIGNMENT AND SUBLEASING: Lessee shall not be entitled to and shall not assign this Agreement or sublease or transfer any right or interest in all or any part of the premises to any third party.

21. CONDITION OF PREMISES: Lessee agrees to maintain the leased premises including all improvements, equipment and facilities therein, in good condition and state of repair throughout the term of this Lease and any extension thereof. For purpose of maintenance and upkeep, the leased premises includes the fence, the ground and all improvements made to the grounds by Lessee. Lessee agrees to keep the leased premises clean and neat in appearance at all times, and to keep grass trimmed, trees treated and shrubbery pruned as necessary to maintain them in good condition and appearance.

22. ACCESS: Lessee shall allow Lessor and Lessor's employees or agents to have access to said Leased Premises at all reasonable times and after reasonable notice 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 Lessor, or which Lessor considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Leased Premises.

23. SURRENDER OF POSSESSION: Lessee covenants, at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Lessor, and to yield up to Lessor the Leased Premises and other fixtures connected therewith (except trade fixtures belonging to Lessee), 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 Lessee is not herein expressly made liable excepted.

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

ATTEST:

By: Rebecca S. Domaruk

LESSOR:
MONTGOMERY COUNTY
MARYLAND

By: 
for DOUGLAS M. DUNCAN
COUNTY EXECUTIVE

Date: 8/30/96

ATTEST:

By: Jennifer J. Sarnecki

LESSEE:
MONTGOMERY COUNTY REVENUE
AUTHORITY

By: 
ANTHONY M. SHORE
EXECUTIVE DIRECTOR

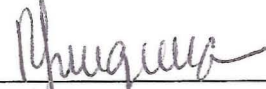
Title: Administrative Assistant

Date: 8-30-96

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

By: Ramona Bell-Pearson

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

DISK3/REVENUE.LSE

**RUNWAY SAFETY AREA TEMPORARY LEASEHOLD
AT MONTGOMERY COUNTY AIRPARK
MONTGOMERY COUNTY REVENUE AUTHORITY**

Beginning at a point on the first or N 24° 00' 00" E 288.97 Feet Line of the Deed from the Montgomery County Airpark, Inc., a Maryland Corporation, as recorded among the Land Records of Montgomery County in Liber 2727 Folio 372, said point being 197.87 Feet from the end of the aforementioned line, thence leaving the outlines of said conveyance and so as to include lands of Montgomery County, also known as the Green Farm Conservation Park, the following courses and distances as now surveyed:

1. S 89° 10' 39.3" W 125.52 Feet; Thence
2. N 31° 22' 02.7" W 153.36 Feet; Thence
3. N 16° 19' 35.3" E 132.50 Feet; Thence
4. N 51° 19' 05.3" E 250.52 Feet; Thence
5. S 62° 08' 56.4" E 169.01 Feet; Thence
6. S 8° 20' 23.0" E 123.40 Feet to intersect the second or N 66° 00' 00" E 198.00 Feet Line of the aforementioned Deed; thence binding reversely on said second line, as now surveyed,
7. S 76° 37' 36.0" W 123.52 Feet to the beginning of said second line; thence
8. S 22° 09' 32.3" W 197.87 Feet to the place of beginning, containing 2.244 Acres, more or less.

May 1, 1996

EXHIBIT A

**RUNWAY SAFETY AREA PERMANENT LEASEHOLD
AT MONTGOMERY COUNTY AIRPARK
MONTGOMERY COUNTY REVENUE AUTHORITY**

Beginning at a point on the first or N 24° 00' 00" E 288.97 Feet Line of the Deed from the Montgomery County Airpark, Inc., a Maryland Corporation, as recorded among the Land Records of Montgomery County in Liber 2727 Folio 372, said point being 176.15 Feet from the end of the aforementioned line, thence leaving the outlines of said conveyance and so as to include lands of Montgomery County, also known as the Green Farm Conservation Park, the following courses and distances as now surveyed:

1. N 46° 47' 37.0" W 140.29 Feet; Thence
2. N 32° 20' 59.9" E 102.58 Feet; Thence
3. N 41° 46' 31.3" E 97.30 Feet; Thence
4. S 58° 01' 08.4" E 141.91 Feet to intersect the second or N 66° 00' 00" E 198.00 Feet Line of the aforementioned Deed; thence binding reversely on said second line, as now surveyed,
5. S 76° 37' 36.0" W 73.37 Feet to the beginning of said second line; thence
6. S 22° 09' 32.3" W 176.15 Feet to the place of beginning, containing 0.585 Acres, more or less.

May 1, 1996

EXHIBIT B

EXHIBIT C

