

EXHIBIT I
LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
SUGARLOAF CITIZENS ASSOCIATION, INC.

THIS LEASE AGREEMENT is made this 27 day of December, 1996, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic, hereinafter referred to as the "County", and SUGARLOAF CITIZENS ASSOCIATION, INC., hereinafter referred to as the "Tenant".

WITNESSETH:

WHEREAS, the County is the owner of certain real property comprising approximately 186 acres, located near Dickerson, Maryland, a portion of which is used by the County for its Yard Waste Compost Facility; and

WHEREAS, portions of the property are not used in connection with the County's Yard Waste Compost Operations other than as a buffer area; and

WHEREAS, the property also is improved with a barn and a single family residence; and

WHEREAS, the County is a defendant in a lawsuit filed by Sugarloaf Citizens Association, Inc. on or about May 10, 1994 in the Circuit Court for Montgomery County, Maryland (the "Litigation"); and

WHEREAS, pursuant to §20-2 of the Montgomery County Code (1994), as amended, the County Attorney and the County Executive have determined that it is advisable and proper to enter into an Agreement of Settlement and Compromise executed April 19, 1996, between the parties hereto, hereinafter referred to as the "Agreement", to settle the pending Litigation, such

settlement to include a lease by the County to the Tenant of certain portions of the property being used as a buffer area in connection with the County's yard waste compost operations; and

WHEREAS, pursuant to former Montgomery County Executive Regulation 110-84, that portion of the property which is to be leased to Tenant was previously submitted for Preliminary and Secondary Review by appropriate County Agencies; and

WHEREAS, a public hearing was held on September 26, 1984 concerning whether certain property, including that property to be leased to the Tenant, should be declared surplus to the County's needs; and

WHEREAS, on February 25, 1986, certain property, including that property to be leased to the Tenant, was by Executive Order 13-86 declared surplus to the needs of the County in accordance with former Montgomery County Executive Regulation 110-84; and

WHEREAS, the remaining procedures set forth in Montgomery County Executive Regulation 67-91AM have been completed; and

WHEREAS, this lease has been advertised in accordance with the §5 of Article 25A of the Annotated Code of Maryland and Montgomery County Executive Regulation 67-91AM.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), receipt of which is hereby acknowledged by the County, and for other good and valuable consideration as set forth herein, the parties hereto mutually agree as follows:

1. PREMISES: The County does hereby lease to Tenant 70 acres, more or less, shown as the area outlined in red on page 1 of Exhibit 1, attached hereto and incorporated herein by reference, and further identified in Exhibit 1 as Parcel B (Parts 1 and 2), Parcel D and part of Parcel 412, located on Martinsburg Road, north of its intersection with Wasche Road, near

Dickerson, Montgomery County, Maryland. This property is hereinafter referred to as the "Leased Premises."

2. TERM: The term hereby created shall be for a fixed term of twenty (20) years beginning January 1, 1998, or at an earlier date at the option of the County, which date shall be established by letter to the Tenant, upon completion of the restoration of the barn and repair of the residence located on the Leased Premises, and related site work in connection therewith, as more particularly set forth in the Agreement, and ending twenty (20) years therefrom, but in no event later than December 31, 2017.

3. RENEWAL: Assuming the Tenant has faithfully performed its duties and obligations under this Lease and is not in default hereunder, the Tenant may, at the Tenant's option and sole discretion, renew this Lease for two (2) additional and consecutive terms of five (5) years each following the expiration of the initial term hereof, provided, however, that the Tenant provides written notice to the County of its intention to renew at least six (6) calendar months prior to the expiration of the term.

4. TENANT'S OPTION TO TERMINATE: The Tenant may, at the Tenant's option and sole discretion, terminate this Lease by providing at least six (6) calendar months written notice to the County.

5. ASSIGNMENT: Tenant shall not be entitled to and shall not assign this Lease nor the Leased Premises or any part thereof.

6. SUBLEASING AND LICENSING: The Tenant may only sublet, or grant a license for use of, portions of the dairy barn for charitable or educational purposes or for matters or functions of concern or interest to the community generally. All subtenants or licensees must

conform with existing zoning laws and to the Use provision in Paragraph 8 of this Lease. The Tenant may sublet the single family residence and the area immediately appurtenant thereto for terms not to exceed two (2) years in duration. Any sublease or license shall be subject to the terms of this Lease and may not survive any termination of this Lease.

A. FINANCIAL RESTRICTIONS:

1. The County and the Tenant agree that the subleasing or licensing of all or any portion of the dairy barn located on the Leased Premises by the Tenant shall have as its primary goal the use of the building by the community for charitable or educational purposes or for matters or functions of concern or interest to the community generally. The County and the Tenant further agree that the subleasing or licensing of all or any portion of the dairy barn located on the Leased Premises by the Tenant shall have as a secondary goal the recovery of reasonable operating and leasing expenses incurred by Tenant in the operation, maintenance and administration of the subleased premises. The Tenant therefore agrees that any rental amounts charged to a subtenant or licensee within the dairy barn shall be limited to the subtenant's or licensee's prorated share of actual operation, maintenance and administrative expenses incurred by Tenant., which expenses shall include any costs for improvements made to the dairy barn or its immediate surroundings or to any furnishings or equipment purchased for use in the dairy barn.

2. Tenant acknowledges and agrees that any sublease or license of any portion of the dairy barn shall not result in any profit or financial gain in excess of that permitted under Paragraph (B)(1). Pursuant to the provisions of this Paragraph, the County may require the Tenant to provide written evidence of compliance thereunder.

B. CONSENT: The Tenant shall provide to the County copies of all subleases and licenses for any portion of the Leased Premises. The copies of the subleases and licenses shall be provided to the County within fifteen days following the close of the calendar year quarter during which the sublease or license was entered. If a prospective sublease or license for any part of the Leased Premises is for a period of three or more consecutive days, then the Tenant must first obtain the County's written consent to any such sublease or license before entering into it, which consent shall not be unreasonably withheld. If the prospective sublease or license is for a period of less than three consecutive days, the prior consent of the County is not required.

1. If the County's written consent to a prospective subtenant or licensee is required, the Tenant shall, at least 21 days before the prospective use is to begin, submit to the County copies of the proposed sublease or license agreements, a description of the activities of the proposed subtenant or licensee, and any other information pertinent to the proposed subtenant's or licensee's use and occupancy. If the County does not respond to a request for prior consent within

seven (7) days after receiving such request, the County shall be deemed to have consented to that particular request.

C. In the event any portion of the Leased Premises is subleased or licensed by the Tenant, the Tenant shall nonetheless remain responsible for the performance of all obligations required of the Tenant under this Lease.

7. USE BY COUNTY: After providing reasonable notice to Tenant, the County has the right to use any portion of the Leased Premises, with the exception of the single-family residence, at such reasonable times as it deems necessary; provided that the County's use of the Leased Premises will not interfere with already scheduled uses and will not substantially interfere with the use by the Tenant. No rent or any other charge shall be assessed by the Tenant upon the County for the County's use of any portion of the Leased Premises. After its use the County shall leave the premises in as good and clean condition as when received. The County agrees to indemnify, defend and hold harmless the Tenant from any claim for damages or injury arising out of, or resulting from, the County's use of the leased premises.

8. USE: A portion of the dairy barn may be used by Tenant for its office space. The remaining portions of the dairy barn shall be used only for charitable or educational purposes or for matters of concern or interest to the community generally which are open to the general public and which are lawful. The single-family residence may only be used for residential purposes. The southern field, located northeast of the intersection of Martinsburg and Wasche Roads and immediately south of the compost facility, as more particularly shown as part of Parcel B on Exhibit 1, may only be used for agricultural purposes, defined as those uses categorized as "Agricultural" and permitted by right in Section 59-C-9.3 of the Montgomery

County Code (1994), as amended. All of the aforesaid features are more particularly shown in Exhibit 1 and Exhibit 2, attached hereto and incorporated herein by reference. Tenant agrees that all uses of the Leased Premises, including those of any subtenants and licensees, shall conform with all applicable zoning ordinances.

9. FUNDS RECEIVED: All funds received by the Tenant as a result of the subletting or licensing of portions of the Leased Premises are to be the sole and exclusive property of the Tenant to be used exclusively for charitable, educational and civic purposes and/or to maintain or improve the demised premises. The Tenant expressly agrees that no portion of said funds shall be expended for the purpose of litigation costs in any administrative or judicial proceeding against the County for whatever purpose, other than an action by the Tenant against the County to enforce the terms and conditions of this Lease.

10. MAINTENANCE OBLIGATIONS OF THE TENANT: The Tenant shall be responsible for the ordinary day-to-day maintenance and janitorial services associated with the improvements on the Leased Premises, such as the regular changing of furnace filters, light bulbs, cleaning, refuse removal and pest control.

11. MAINTENANCE OBLIGATIONS OF THE COUNTY: The County shall provide all other maintenance and repairs (except damage attributable to the Tenant as set forth in Paragraph 13 hereof) reasonably necessary in connection with the Leased Premises including, but not limited to, mowing of fields not actively devoted to agricultural use, grass mowing and removal of Johnsongrass, thistle, multiflora rose and other noxious weeds, except in that area of the Leased Premises immediately incidental to the use of the dairy barn and the single-family residence, repairs to telephone wiring, electrical, plumbing, HVAC and mechanical systems,

appliances, wells, pumps and septic systems, repairs to structures and painting. The County shall maintain any stone fences located on the Leased Premises which have been designated as a historic resource by the Montgomery County Historic Preservation Commission. The Tenant agrees that none of these services will be provided on County holidays. Any maintenance, mowing and landscaping in the berm area, identified as Parcel D in Exhibit 1, shall be performed by the County.

12. UTILITIES: The County shall be responsible for the installation of one (1) telephone cable to the dairy barn. The installation of any telephone cable and service to the single family residence, as well as all costs of telephone service on the Leased Premises, including but not limited to monthly service charges, shall be the responsibility of the Tenant. With the exception of telephone service, the County shall be responsible for the provision of and the payment of all other utilities necessary for the operation of the dairy barn. The Tenant shall be responsible for the payment of all utilities in connection with the single-family residence, except that the County will be responsible for any expenses related to pumping of the septic tank or sewage holding tank (as the case may be), if necessary.

13. CONDITION OF THE PREMISES: The Tenant agrees to maintain the Leased Premises in good condition and state of repair and free of clutter throughout the term of this Lease Agreement and any extensions thereof. The Tenant agrees to keep the Leased Premises clean and neat in appearance at all times. The Tenant shall not suffer or commit any waste to, in or upon said premises or fixtures, nor commit waste with regard to utilities furnished by the County. The Tenant shall be liable for and make repairs to the Leased Premises, fixtures and appliances belonging thereto, resulting from damage by misuse or neglect of the Tenant, the

Tenant's agents, servants or invitees. No improvement or alteration of the premises shall be made without the prior written consent of the County. The County shall not be responsible for any work or materials furnished on or to said premises, and Tenant has no authority to incur any debt or make any charge against the County or to create any lien upon said premises for any work or materials furnished to the premises. The Tenant shall give the County prompt notice of any defects in or accidents to the structures, plumbing, electrical wiring, heating or air conditioning apparatus or any other part of said Leased Premises in order that the same can be repaired with due diligence.

A. EXCAVATION PROHIBITED:

1. Without the express written consent of the County, the Tenant shall not cause, permit or suffer any grading, alteration, excavation, plowing, subsoiling, drainage improvement, or other undertaking which would materially disturb the surface or subsurface of the ground on the Leased Premises, including but not limited to the berm area as identified as Parcel D in Exhibit 1. Further, without the express written consent of the County, the Tenant shall not disturb any land or vegetation in the berm area identified as Parcel D of Exhibit 1, and all maintenance of the berm area shall be performed by the County. Nothing herein contained, however, shall be construed so as to prohibit ordinary and customary agricultural practices on the Leased Premises, with the exception of that area identified as Parcel D in Exhibit 1, according to sound land management practices established by the American Soil Conservation Service.

14. INSURANCE:

A. Tenant agrees to obtain and maintain, during the full term of this Lease, a policy of liability insurance with a minimum limit for bodily injury and property damage in the amount of one million dollars (\$1,000,000.00) per occurrence issued by an insurance company licensed in the State of Maryland and acceptable to the County. Montgomery County Government shall be named an additional insured under this policy.

B. Tenant agrees to obtain and maintain, during the term of this Lease, a policy of All Risk Property insurance on the single family residence covering one hundred percent (100%) of the value of the improvements. The maximum deductible under this policy shall not exceed five hundred dollars (\$500.00). Montgomery County Government shall be named as loss payee under this policy. Tenant agrees to include in any sublease for the single family residence a provision requiring that the subtenant obtain and maintain during the term of the sublease renter's insurance covering their personal property on the premises and general liability.

C. In the event the Tenant is required by law to maintain a policy of Workers' Compensation insurance, Tenant agrees to obtain and maintain, during the term of this Lease, a policy for Workers' Compensation/Employer's Liability meeting all requirements of Maryland Law and with the following minimum limits:

bodily injury by accident	-	\$100,000 each accident,
bodily injury by disease	-	\$500,000 policy limits, and
bodily injury by disease	-	\$100,000 each employee.

D. Additional Insured: Montgomery County Government must be named as an additional insured on all liability policies.

E. Policy Cancellation: Forty-five (45) days written notice of cancellation or material change of any of the policies is required.

F. Certificate Holder: The Certificate Holder on all insurance policies shall be Montgomery County Government, Department of Public Works and Transportation, 101 Monroe Street, Rockville, Maryland 20850.

G. The Tenant shall, no later than ten (10) days from the beginning of the term of this Lease pursuant to Paragraph 2 hereof, deliver to the County the said policies or certificates of insurance evidencing the coverage hereinabove stated. The Tenant has the obligation to assure that the County has a valid unexpired certificate of insurance.

15. DEFAULT:

A. Tenant shall be considered in default of this Lease Agreement upon the occurrence of any of the following:

(i) Failure to perform under any term, covenant or condition of this Lease (“breach”) and the continuance thereof for thirty (30) days after written notice from the County specifying said failure.

(ii) The commencement of any action or proceeding for the dissolution or liquidation of Tenant, or for the appointment of a receiver or trustee of Tenant’s property, and the failure to discharge any such action within thirty (30) days.

(iii) The making of any assignment for the benefit of Tenant’s creditors.

(iv) The abandonment of the Leased premises by Tenant.

B. In the event that the Tenant shall be found in default as hereinabove stated, and shall fail to cure the breach within thirty (30) days after written notice from the County

(or such period as may be reasonably required to correct the breach with exercise of due diligence), then and in every such case thenceforth, at the option of the County or the County's assigns, the Tenant's right of possession shall thereupon end, and the County may proceed to recover possession under the laws of the State of Maryland and seek any other remedy to which the County may be entitled under this Lease and under the laws of the State of Maryland.

16. NON-DISCRIMINATION: Tenant agrees to comply with the non-discrimination and 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 and housing discrimination. The Tenant 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.

17. COUNTY NOT A PARTNER: It is expressly understood that the County 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.

18. CONTRACT SOLICITATION: The Tenant represents that the Tenant 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, excepting for bona fide employees or bona fide established commercial, selling or leasing

agencies maintained by the Tenant for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

19. SURRENDER OF POSSESSION: Tenant covenants, at the expiration or other termination of this Lease, or upon the County's recovery of possession of the Leased Premises, to remove all goods and effects from the Leased Premises not the property of the County, and to yield up to the County the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Tenant) 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 Tenant is not herein expressly made liable excepted.

20. ACCESS: The Tenant shall allow the County and the County's employees or agents to have access to the Leased Premises at all reasonable times, during normal working hours 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 the County, or which the County considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Leased Premises. The Tenant and any subtenant shall allow access by the County to the single family residence in accordance with applicable law. The Tenant shall not alter or change the exterior locks installed on the Leased Premises, and in the event of an approved change, shall provide the County with keys to the facility, said keys to be used by the County to obtain access to the Leased Premises in emergency situations.

21. ATTENUATING BUFFER: The Tenant expressly recognizes that all of the former Matthews Farm located to the west of Martinsburg Road, including the Leased Premises,

serves as a noise attenuation area for the County's Resource Recovery Facility ("RRF") located to the west of the Leased Premises. While the Tenant does not believe that the use of the Matthews Farm, including the Leased Premises, as a noise attenuation area as described above is proper, appropriate or legal under the applicable noise ordinance standards, it nevertheless expressly agrees that it shall not challenge or oppose the use of that portion of the Matthews Farm to the west of Martinsburg Road, including the Leased Premises, as a noise attenuation for the RRF based upon the Tenant's use or possession of the Leased Premises. The Tenant and the County do not believe that the existence of the leasehold interest created by this Lease has any bearing on the County's continued utilization of portions of the Matthews Farm as a noise attenuation area for the RRF. However, in the event of a challenge to its continued use as a noise attenuation area because of the existence of the leasehold interest created herein, the County will not oppose the intervention by Sugarloaf in any such administrative or judicial proceedings. In the event of a final judicial determination that, as a result of the leasehold interest created herein, that portion of the Matthews Farm to the west of Martinsburg Road may not be utilized as a noise attenuation area for the RRF, the leasehold interest created herein shall automatically terminate sixty (60) days following said final judicial determination. As used herein, the "Matthews Farm" is all of that real property and improvements thereon as shown as Parcels A, B, C, D and 412 as shown on Exhibit 1.

22. STANDING: The Tenant hereby agrees that it will not rely on its interests in real property created by this Lease to establish its standing to pursue either administrative or judicial remedies with regard to any solid waste facility of the County, either existing, proposed or proposed in the future.

23. FORCE MAJEURE: Anything in this Lease to the contrary notwithstanding, providing such cause is not due to the willful act or a neglect 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 the same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or unsurged power, sabotage, government regulations or controls, inability to obtain any material, service or financing, through an act of God or other cause beyond the control of either party. In the event that any of the above events beyond the control of either party shall render the Leased Premises completely untenable, either party shall have the right to terminate this Lease by providing thirty (30) days notice to the other.

24. HOLD HARMLESS: Tenant agrees to protect, indemnify and hold harmless and defend the County, its officers, employees and agents (the "Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, liens, encumbrances, suits or actions and attorneys' fees, and the cost of the defense of the Indemnified Parties in any suit, including appeals, for personal injury to, or death of, any person or persons, or loss or damage to property caused by the willful misconduct or negligent acts, errors or omissions of the Tenant, its agents, subtenants, licensees, invitees, contractors or employees, at or upon the Leased Premises or any part thereof, or in connection with or as a result of this Lease or the performance by the Tenant of its obligations hereunder, except to the extent that the injury, death, loss or damage was the result of the willful misconduct or negligent acts, errors or omissions of such Indemnified Party. These indemnification provisions are for the

protection of the Indemnified Parties only and must not establish, of themselves, any liability to third parties.

25. RESPONSIBILITIES OF TENANT: Tenant covenants and agrees as follows:

A. Tenant shall not strip, overload, damage or deface the Leased Premises, hallways, stairways or other approaches thereto or the fixtures thereupon or used therewith, nor suffer or permit any waste in or upon said premises.

B. Tenant shall not keep gasoline or other flammable material or any explosive within the Leased Premises which will increase the rate of all risk insurance on the Leased Premises beyond the ordinary risk established for the type of operations described in Paragraph 8 hereof. Any such increase in the insurance rate due to the above, or due to Tenant's special operations within the Leased Premises, shall be borne by Tenant.

Tenant shall not willfully do any act or thing in or about the Leased Premises which may make void or voidable any insurance on the Leased Premises, and Tenant agrees to conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

C. Tenant shall not use or allow to be used the Leased Premises or any part thereof for any illegal, unlawful or improper purpose or for any activity which will constitute a nuisance to adjacent properties or the adjacent neighborhood.

D. Tenant shall not place upon the Leased Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in

writing by the County, which approval shall not be unreasonably withheld, provided that the Tenant complies with all relevant local ordinances and regulations.

E. Tenant acknowledges that all responsibilities of Tenant relating to the use or misuse of the Leased Premises and anything therein shall be construed to include use or misuse thereof by Tenant's agents, employees, officers, members, patrons and guests.

F. Tenant shall comply with all reasonable rules and regulations with regard to the use of the Leased Premises that may be from time to time promulgated by the County and any violation of said rules and regulations shall be deemed to constitute a violation of this Lease Agreement. It is understood that such rules and regulations shall not unreasonably interfere or prevent the intended uses of the Leased Premises as set forth in this Lease.

26. DESTRUCTION OF PREMISES:

A. In the event that the Leased Premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the Leased Premises unfit for the purposes for which the Premises are used, and the repair of said destruction or damage cannot reasonably be accomplished by the County within ninety (90) days from the date of such damage, Tenant and the County shall each be entitled to terminate this Lease by written notice to the other within thirty (30) days after the destruction or damage occurred.

B. In the event that the County is able to undertake the repair of the Leased Premises, the County shall complete said repairs within ninety (90) days or within a reasonable time, given the circumstances of the necessary repairs, from the date of destruction or damage and this Lease shall not be affected.

C. In the event that the County is not able to repair the Leased Premises as hereinabove provided, this Lease shall terminate immediately upon notice from the County and Tenant shall not be entitled to any compensation or payment from the County for the value of any remaining term of the Lease.

27. NOTICE OF DEFECTS: Tenant shall give to the County prompt written notice of accidents in or damages to the Leased Premises.

28. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Tenant, at Tenant'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, Montgomery County Department of Public Works and Transportation, Montgomery County Health Department or Montgomery County Fire Marshal's Office. The foregoing shall not be construed to preclude the Tenant from exercising its legal right to contest the validity of legislation through judicial process, provided that the Tenant shall continue to fully comply with the provisions of this Paragraph pending the outcome of the Tenant's efforts.

29. PARTIAL INVALIDITY: In case any provision or any part of any provision contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remaining part of the affected provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision or part thereof had never been contained herein but

only to the extent it is invalid, illegal or unenforceable. In the event that any such provision may be construed so as to overcome any such potential invalidity, illegality or unenforceability, then a liberal interpretation shall be applied and the Lease shall be interpreted in such a manner favorable to its validity, legality and enforceability, it being the express intention of the parties hereto to fully perform the obligations contained herein and the purposes sought hereby. And it is also the intention of the both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible and be valid, legal and enforceable.

30. WAIVER: The failure of either party to insist on any occasion upon the strict performance of any covenant, condition or agreement herein contained shall not constitute or operate as a waiver of such covenant, condition or agreement on that occasion or any subsequent occasion. No mention in this Lease of any specific right or remedy shall preclude either party from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled either at law or in equity. The County specifically does not waive its police powers or any authority to enact legislation or administer or enforce its legal rights or obligations.

31. PUBLIC EMPLOYMENT: Tenant understands that unless authorized under Section 11B-52 and 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.

32. HOLDOVER: In the event that the Tenant shall continue to occupy the Leased Premises or any part thereof after the conclusion of the term of this Lease, or any extensions thereof, with prior written authorization of the County the tenancy thus created shall be deemed to be upon a month-to-month basis and may be terminated by either party giving the other not less than thirty (30) days written notice, to expire on the day of the month from which the tenancy commenced. During any month-to-month tenancy, both parties shall continue to observe all agreements, covenants and conditions contained in this Lease.

33. PROHIBITION OF HAZARDOUS SUBSTANCES: The Tenant agrees not to store or bring hazardous substances onto the Leased Premises. The Tenant shall be responsible for and shall indemnify and defend the County against any and all claims of any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the Leased Premises by the Tenant, its agents, contractors, employees, patrons or guests.

34. NON-APPROPRIATION: The continuing financial obligations of the County for maintenance and operation of the Leased Premises pursuant to this lease is subject to the annual appropriation of funds. If funds are not appropriated, for any reason whatsoever, the financial obligations of the County will automatically terminate on July 1 of such year. The County shall give the Tenant at least thirty (30) days written notice of the lack of appropriation. In the event of notice of the lack of appropriation, the Tenant shall have the option, in its sole discretion, of (1) terminating the lease of the Leased Premises or any part thereof by written notice to the County on or before July 1; or (2) continuing the lease of all or any part of the Leased premises pursuant to the provisions hereof, with the exception of the obligations of Paragraph 11 hereof regarding maintenance of the property which, beginning July 1 of that year, shall thereafter be

the responsibility of the Tenant. In the event of the Tenant's election of termination of the Lease with regard to all or any part of the Leased Premises, the Tenant shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items. For the purposes of this Paragraph 34, "any part" of the Leased Premises as used herein shall refer to any of the following four (4) distinct parts:

A. That part of the area identified as Parcel P.412 that is located within the Leased Premises, as shown on Exhibit 1.

B. That area identified as the "Southern Field", being part of Parcel B, Part 1, as shown on Exhibit 1, as would be bifurcated from the remainder of Parcel B, Part 1 by the extension of the South 29 degree, 13 minute, 26 second East line of the fence surrounding the County Yard Waste Compost Facility.

C. That area identified as Parcel B, Part 1, as shown on Exhibit 1, exclusive of that area set forth in Paragraph 34.B above.

D. That area identified as Parcel B, Part 2, as shown on Exhibit 1.

35. AMERICAN DISABILITIES ACT REQUIREMENTS: The County and the Tenant agree that any future modifications made to the Leased Premises by either the County or the Tenant shall be made in conformance with ADA requirements.

36. MAILING NOTICES: Unless otherwise provided herein, whenever notice is to be given under the terms of this Lease, such notice shall be deemed to have been given three (3) United States Postal Service working days after enclosed in an envelope having the proper postage, addressed to the party, and deposited at the United States Post Office or mailbox. Any

such notice shall be in the form of Certified Mail, Return Receipt Requested. Notices to the respective parties shall be addressed as follows:

COUNTY:

Montgomery County Executive
101 Monroe Street
Rockville, Maryland 20850

With a copy by First-Class Mail to:
County Attorney for Montgomery County
Third Floor
101 Monroe Street
Rockville, Maryland 20850

and

Montgomery County Department of Public Works and Transportation
Chief, Division of Solid Waste
Tenth Floor
101 Monroe Street
Rockville, Maryland 20850

TENANT:

Sugarloaf Citizens Association, Inc.
Post Office Box 381
Barnesville, Maryland 20838

With a Copy by First-Class Mail to:
William J. Roberts, Esquire
Post Office Box 368
20,000 Fisher Avenue
Poolesville, Maryland 20837.

37. GENERAL PROVISIONS: This document represents the entirety of the Lease between the parties hereto with respect to the subject matter hereof and shall not be amended, altered or modified except by writing duly executed by each of the parties hereto. This Lease

shall be binding upon the parties and their respective successors and assigns. This Lease and its provisions shall be governed and construed in accordance with the laws of the State of Maryland.

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

ATTEST:

LANDLORD:
Montgomery County, Maryland

By: Jerry Pasternak

By: Douglas M. Duncan
Douglas M. Duncan
County Executive

Date: _____

WITNESS:

TENANT:
Sugarloaf Citizens Association, Inc.

By: [Signature]

By: Jane S. Hunter
Jane S. Hunter, President

Date: December 27, 1996

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

By: [Signature]

By: Robert C. Merryman
Robert C. Merryman, Deputy Director
Department of Public Works and Transportation

Date: 12-17-96

Date: 12/23/96