Muddy Branch Liquor Store

LEASE AGREEMENT
BETWEEN
MUDDY BRANCH SQUARE LTD. PARTNERSHIP
AND
MONTGOMERY COUNTY, MARYLAND

DATED: June 26, 1987

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Exhibit A - Leased Premises

LEASE AGREEMENT

THIS LEASE, made and executed this 26th day of June 1987, by and between Muddy Branch Square Ltd. Partnership 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 herby lease and demise unto Tenant, and Tenant does hereby lease and take from the Landlord, for the term and upon the conditions hereinafter provided, approximately 3600 square feet of retail space in the Muddy Branch Square Shopping Center (hereinafter referred to as the "Shopping Center") situated at 814-16 Muddy Branch Road, Gaithersburg, Maryland 20878, which space is outlined in red on Exhibit A attached hereto and made a part hereof and which space is hereinafter referred to as the "leased premises".

2. TERM: The term hereby created shall be four (4) years, eleven (11) months. Landlord and Tenant shall exchange letters setting forth the actual Lease Commencement date.

(A) Anything hereinabove to the contrary notwithstanding, Tenant shall have the right to terminate this Lease at any time after the conclusion of the third full lease year during the initial term of this Lease by providing to Landlord ninety (90) days' notice of its intention to so terminate, and the Lease shall terminate upon the ninetieth (90th) day after receipt by Landlord of such notice. In the event of such a termination, rental payments and other payments as hereinafter specified shall be adjusted to the date of termination. The Tenant shall pay to the Landlord a termination penalty as detailed in Paragraph 40 herein.

3. Option: The landlord agrees that the Tenant shall have and is hereby granted one (1) option to extend the term of this lease for another four (4) years and eleven (11) months. The first option would begin upon the expiration of the initial term of this Lease. All terms of this lease shall apply to the four (4) year, eleven (11) month option period.

4. RENT:

(A) The Tenant shall pay Rent to the Landlord in the annual and monthly amounts hereinafter set forth:

LEASE YEAR	TOTAL AMOUNT	MONTHLY AMOUNT
1	$34,000.08	$2,833.34
2	$35,800.08	$2,983.34
3	$37,600.08	$3,133.34
4	$59,400.00	$4,950.00
4 yr. 11 mos - 6	$63,000.00	$5,250.00
7	$64,800.00	$5,400.00
8	$66,600.00	$5,550.00
9	$68,400.00	$5,700.00
10	$70,200.00	$5,850.00

(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 therefor from the Landlord to and at the offices of the Landlord as hereinafter designated. If payment has not been made prior to the tenth of the month, a late fee of 5.0% of the payment amount will be due as additional rent, per month, until payment is made.

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

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, sewer, water, gas and electric charges, when and as the same become due. In no event shall Landlord be liable for any interruption or failure in the supply of any utilities to the leased premises. Tenant shall pay for sewer and water, computed by sub-meter for such premises, upon receipt of bill. Tenant shall also pay a nominal charge for the service of the water meter reader, which at the present time is Five Dollars ($5.00) per quarter, subject to change by appropriate authorities.

6. MAINTENANCE OF LEASED PREMISES: Tenant shall at all times keep the leased premises, including exterior entrances, all glass and show window mouldings and all partitions, doors, fixtures, equipment and appurtenances thereof, lighting, heating and plumbing fixtures, and any

air conditioning systems in good order, condition and repair during the term of this Lease. Landlord shall maintain structural components of the premises, including roof, exterior plumbing and exterior walls and foundations.

7. USE:

(A) Tenant warrants and agrees that the leased premises shall be used as a retail liquor store 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.

8. COMMON AREAS:

(A) Landlord grants to Tenant during the term of this Lease the right of non-exclusive use, in common with others, of all facilities furnished in the Shopping Center and designated for general use, in common, of occupants of the Shopping Center, including Tenant hereunder, its officers, agents, employees, and customers, including but not limited to parking areas, streets, sidewalks, canopies, roadways, loading platforms, washrooms, shelters, ramps, landscaped areas, and other similar facilities (herein called "Common Areas"). The Common Areas shall at all times be subject to the exclusive control and management of Landlord; and Landlord 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 things from time to time as in Landlord's sole discretion may be necessary for the proper operation of said Common Areas.

(B) Beginning with the commencement date, Tenant will pay to Landlord as additional rent hereunder, without deduction or set-off, such portion of Landlord's actual cost of operating and maintaining the Common Areas (hereinafter defined) as the Floor Area of the Leased Premises bears to the Gross Leasable Area (88,493 square feet) of the Shopping Center, which portion is hereby deemed to be 4.07% or 3600 square feet. Tenant shall pay for such costs as a separate charge in advance of the first day of each calendar month in an amount estimated by the Landlord, which amount shall be subject to annual adjustment to reflect the increasing (or decreasing) cost of the Landlord's operation and maintenance of the Common Areas. At the commencement date of the Lease Agreement, the Tenant's monthly contribution for Common Area maintenance shall be $1.13 per square foot.

(C) Within sixty (60) days after the end of each lease year, Landlord will furnish to Tenant a statement showing in reasonable detail the amount of Landlord's costs for such Common Area Services for the preceding Lease Year. Any deficit in Tenant's share of applicable cost will be proportionately assessed (payable within thirty (30) days of assessment), and any surplus will be proportionately credited, and the monthly payments for the ensuing Lease Year shall be adjusted accordingly. Changes in applicable floor areas shall result in corresponding pro rata adjustments.

(D) "Common Areas" shall be defined as all that portion of building improvements excepting that area which is presently leased to tenants or is hereafter to be leased to tenants. Common areas shall include the parking areas provided by the Landlord 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 tenants and/or customers of the building.

9. REAL ESTATE TAXES:

(A) Tenant agrees to pay, as additional rent hereunder, a sum equal to Tenant's proportionate share of all increases in real estate taxes which may be levied or assessed by lawful taxing authorities against the land, buildings and all improvements in the shopping center, over and above the amount of such real estate taxes due or becoming due during the "Base Year" as hereinafter defined.

(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, 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) Tenant's proportionate share of real estate taxes shall be determined for each calendar year by multiplying the increases in real estate taxes for such calendar year by a fraction, the numerator of which shall be the floor area of the premises, and the denominator of which shall be the floor area of all rentable space in the Building. Tenant's liability for Tenant's proportionate share of real estate taxes and assessments for the calendar years during which this lease commences and terminates shall in all events be subject to a pro-rata adjustment based on the number of days of said calendar year during which the term of this lease is in effect. Landlord and Tenant agree Tenant's pro-rata share of said real estate taxes for the building is 4.07%. At the commencement date of the Lease Agreement, the Tenant's monthly contribution for Real Estate Taxes shall be 93 cents per square foot.

D) Tenant's proportionate share of real estate taxes shall be payable, on a monthly basis, at lease commencement.

(E) If the operation of any foregoing provisions result in payment of Tenant's proportionate share of real estate taxes for calendar years extending beyond the term of this lease, Landlord, within thirty (30) days following the expiration of the term of this lease, shall reimburse Tenant any such amount, less amounts then due Landlord from Tenant.

(F) A copy of a tax bill or assessment bill submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of taxes and/or assessments assessed or levied against the property to which such bill relates. Landlord's and Tenant's obligations under this paragraph shall survive the expiration of the term of this lease.

(G) In the event that any present of 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 tenants in the shopping center to Landlord derived from the shopping center of with respect to the Landlord's (or lessor's) ownership of the land and improvements comprising the shopping center, 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 shopping center, such tax, assessment and/or surcharge shall be deemed to constitute real estate taxes for the purpose of this Article Eight and Tenant shall be obligated to pay its proportionate share as provided herein.

10. ASSIGNMENT AND SUBLEASING: Tenant shall not transfer nor assign this agreement, nor let or sublet the whole or any part of the Leased premises without the written consent of Landlord first had and obtained, which consent shall not be unreasonably or unduly withheld. In the event of any assignment or subletting which is approved by Landlord, Tenant and Guarantors, if any, shall nonetheless remain responsible for the payment of all sums and the performance of all obligations required of the Tenant hereunder. In any event should the Tenant endeavor to assign or sublease all or part of premises, Landlord shall first have twenty (20) days from written notice to accept the surrender of the property at the Landlord's sole option and release the Tenant of further responsibility 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 is in occupancy of any part of the premises, excepting claims that may be filed by virtue of the negligence of the Landlord, the Landlord's employees, contractors, agents or servants.

(D) 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.

(E) Tenant shall deliver 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. Tenant and Landlord hereby waive any right of subrogation against the other, provided such waiver can be obtained at no additional cost.

(F) Landlord's Insurance - See Section 41.

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.

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 provided they are removed by Tenant before the expiration of this agreement or any renewal or extension thereof. 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 sixty (60) 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.

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 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. GLASS PANE REPLACEMENT: Tenant, at Tenant's sole cost and expense, agrees to promptly replace any window or door glass pane that is broken, chipped or cracked, not as a result of structural failure or Landlord's negligence. Should the Tenant fail to effect a replacement within a reasonable period of time, the Landlord may perform this work and the Tenant shall reimburse Landlord for the cost thereof, as additional rent.

19. DEFAULT:

(A) If there is any default by the Tenant of any of the covenants, terms and conditions hereunder, Landlord may recover possession thereof by appropriate proceeding in any court of competent jurisdiction, and Tenant does hereby waive any written notice or demand that may be required by statute, regulation or otherwise. Tenant hereby authorizes the entry of judgment against it for

possession in any amount then due hereunder, and does further waive any stay of execution, and agrees that the proper writ or process shall forthwith issue on said judgment. As to covenants contained in the Lease other than the payment of monies, the Landlord agrees to give the Tenant thirty (30) days written notice, specifying the default, prior to his instituting a proceeding against the Tenant. No such notice shall be required for the failure to pay any monies due and owing under the Lease Agreement.

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 commmissions 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 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 been reasonably given sufficient time for the occurrence of such damage or injury to 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.

20. TERMINATION BY INSOLVENCY: In the event of:

(A) The filing of a petition by or against Tenant for adjudication of Tenant as a bankrupt under the Federal Bankruptcy Act as now or hereafter amended or supplemented, or for reorganization of Tenant within the meaning of Chapter X of the Bankruptcy Act, or for an arrangement within the meaning of Chapter XI of the Bankruptcy Act, or the filing of any petition by or against Tenant under any future bankruptcy act for the same or similar relief; or

(B) The dissolution, or liquidation of Tenant, or the appointing of a receiver or trustee of a substantial portion of the property of Tenant, whether instituted by or against Tenant; or

(C) The taking possession of the property of Tenant by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of Tenant; or

(D) The making by Tenant of an assignment for the benefit of its creditors.

In the event of any of the above, then at the option of the Landlord, the Tenant's right of possession shall thereupon end and the Landlord may proceed to recover possession under the laws of the State of Maryland and seek any other remedy to which Landlord may be entitled under this Agreement and under the laws of the State of Maryland.

21. EMINENT DOMAIN:

(A) In the event that (at any time after the date of this lease) as the aggregate result of one or more takings by eminent domain, the capacity of the parking areas of the Shopping Center shall be reduced by twenty-five percent (25%) or more, and if, within sixty (60) days after the occurrence of the most recent of such takings, Landlord 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.

22. 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 untenantable 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 untenantable 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 untenantable. If the leased premises shall be rendered wholly untenantable by reason of such occurrence, the Landlord shall promptly at its own expense cause such damage to be repaired and the base and additional rent meanwhile shall be abated in whole, provided however, that 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 Agreement, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence, the rent to be adjusted as of such date.

23. SUBORDINATION: Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust that may 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.

24. STATUS OF PERFORMANCE:

(A) Recognizing that both parties may find it necessary to establish to third parties, such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, either party, on the written request of one to the other made from time to time, will promptly furnish a written statement on the status of any matter pertaining to this lease.

(B) Without limiting the generality of the foregoing, the Tenant and Landlord specifically agree, that at any time within ten (10) days after such a request is made, the Tenant or Landlord shall execute, acknowledge and deliver to the other a certificate evidencing whether or not:

1. This lease is in full force and effect;
2. This lease has been amended in any way;
3. There are any existing defaults hereunder to the knowledge of either party, and specifying the nature of such defaults, if any; and
4. The date to which rent has been paid.

(C) 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.

25. 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, the tenancy created by such holding over shall be a month to month tenancy, 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, he shall, in the absence of any agreement to the contrary, be a Tenant from month-to-month at one and one-half the monthly rate in effect during the last month of the expiring term. In addition thereto, the Tenant shall be liable for all other escalations and payments for reimbursement required under the Lease.

26. 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 Montgomery County Fire Marshal's Office.

27. 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 ofsaid 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.

28. 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.

29. 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.

30. FORCE MAJEURE: Anything in this agreement to the contrary notwithstanding, providing such cause is not due to the willful act or 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 same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or unsurged power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through Act of God or other cause beyond the control of either party.

31. 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.

32. NON-DISCRIMINATION: Landlord agrees to abide by the provisions of Executive Regulation No. 9-75 (re: Non-Discrimination in Employment in County Contracts) adopted July 7, 1977, and as set forth in Section 11B-3, Chapter 27 of the Montgomery County Code 1984, as amended.

33. 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 bone fide employees or bone 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.

34. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Section 11B-46 or 11B-54 of the Montgomery County Code 1984, 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.

35. NON-APPROPRIATION: Tenant shall have the right to terminate this Lease Agreement at any time in the event that the Montgomery County Council fails to appropriate sufficient necessary funding for the continued operation of the leased premises, provided that in such an event, the Tenant shall provide Landlord with no less than forty-five (45) days' written notice of termination.

36. 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 waives its right to a jury trial and freely elects to be tried by any court of competent jurisdiction without a jury.

37. PAYMENT OF RENT: Lessee will pay said rent at times specified without demand or deduction to Muddy Branch Square Limited Partnership in care of Alfandre Management Company, Inc., 15850 Crabbs Branch Way, Suite 200, Rockville, Maryland, 20855 or at such other address as may in the future be designated by the Lessor.

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

39. WORK TO BE PERFORMED BY LANDLORD: The landlord, at landlord's sole expense, agrees to perform all work noted on the site plan, attached hereto and made a part hereof on Exhibit A, and shall satisfy all fire and building code restrictions.

40. TERMINATION FEE: The Lease shall not be canceled during the first three lease years except as outlined in Section 35 - NON-APPROPRIATION of the lease. If the lease is canceled as the result of Section 35 during the first year of the Lease term, Tenant shall pay to Landlord a termination fee of Twenty Thousand and 00/100 ($20,000) Dollars; if the lease is canceled as the result of Section 35 during the second year of the lease term,. Tenant shall pay to Landlord Forty Thousand and 00/100 ($40,000) Dollars; if the lease is canceled as a result of Section 35 during the third year of the lease term, Tenant shall pay to Landlord Sixty Thousand and 00/100 ($60,000) Dollars. Thereafter, if the Tenant elects to cancel the lease at any point in the fourth or fifth lease year, as the result of Section 35, Non-Appropriation, or as the result of Section 2A - TERM, the Tenant shall pay a termination fee of $48,000 if the lease is terminated during the fourth lease year or $36,000 if the lease is terminated during the fifth lease year.

41. LANDLORD'S INSURANCE: For each year of the term hereof, Tenant shall pay to Landlord, as additional rent, Tenant's proportionate share of premium costs for all risk coverage insurance, liability insurance and rent insurance respecting all buildings and improvements upon the Shopping Center payable for any "insurance year" (as defined below). As and for Tenant's proportionate share, Tenant shall pay to Landlord the initial Annual Insurance Charge of 29 cents per square foot (subject to adjustments as set forth below), payable as additional rent in

equal monthly installments at the same times as fixed minimum rent is payable hereunder, without demand and without any deduction or set off whatsoever. If Tenant's proportionate share of the actual premium cost of such insurance for any insurance year of Landlord exceeds the insurance charges actually paid by Tenant for such period, Landlord will deliver to Tenant a statement showing in reasonable detail Tenant's proportionate share of such actual excess insurance costs and, within thirty (30) days after delivery of such statement, Tenant will pay such excess shown to be due by said statement, as additional rent. The first "insurance year" shall be the period covered by the first full year's insurance premium, including endorsements, received after the Commencement Date. Tenant's proportionate share shall be the same as set forth with respect to common area maintenance charges. The statement submitted by Landlord shall be sufficient evidence of the actual insurance costs. At any time or times that Landlord receives notice of increase in insurance premiums, Landlord may adjust the amount of the monthly installments hereafter due from Tenant on account of its proportionate share of the premium costs of insurance by increasing such installments by an amount equal to one-twelfth (1/12th) of the excess, if any, of Tenant's estimated share of such costs over the initial annual insurance charge.

42. 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. Notices to the respective parties shall be addressed as follows:

LANDLORD:

MUDDY BRANCH SQUARE LTD.
PARTNERSHIP
c/o Alfandre Management Co., Inc.
15850 Crabbs Branch Way, Suite 200
Rockville, Maryland 20855

TENANT:

MONTGOMERY COUNTY GOVERNMENT
Dept. of Facilities & Services
110 N. Washington Street
Room #318
Rockville, Md. 20850

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

ATTEST:

By: Donald R. Dreux
Title: Assistant Sec.
Date: June 25, 1987

LANDLORD:
MUDDY BRANCH SQUARE LIMITED PARTNERSHIP
By: Aldre, Inc. (General Partner)

By: Steven L. Lebling
Steven L. Lebling
Title: Executive Vice President
Date: June 25, 1987

ATTEST:

By: Carol A. Maryman

TENANT:
MONTGOMERY COUNTY, MARYLAND

By:
Alastair McArthur, ~~Assistant~~
Chief Administrative Officer
Date: June 26, 1987

RECOMMENDED BY:

By: Gloria W. Kratz
Gloria W. Kratz, Chief
Space & Leasing Management

APPROVED AS TO FORM & LEGALITY:
OFFICE OF THE COUNTY ATTORNEY

By:
Date: June 25, 1987

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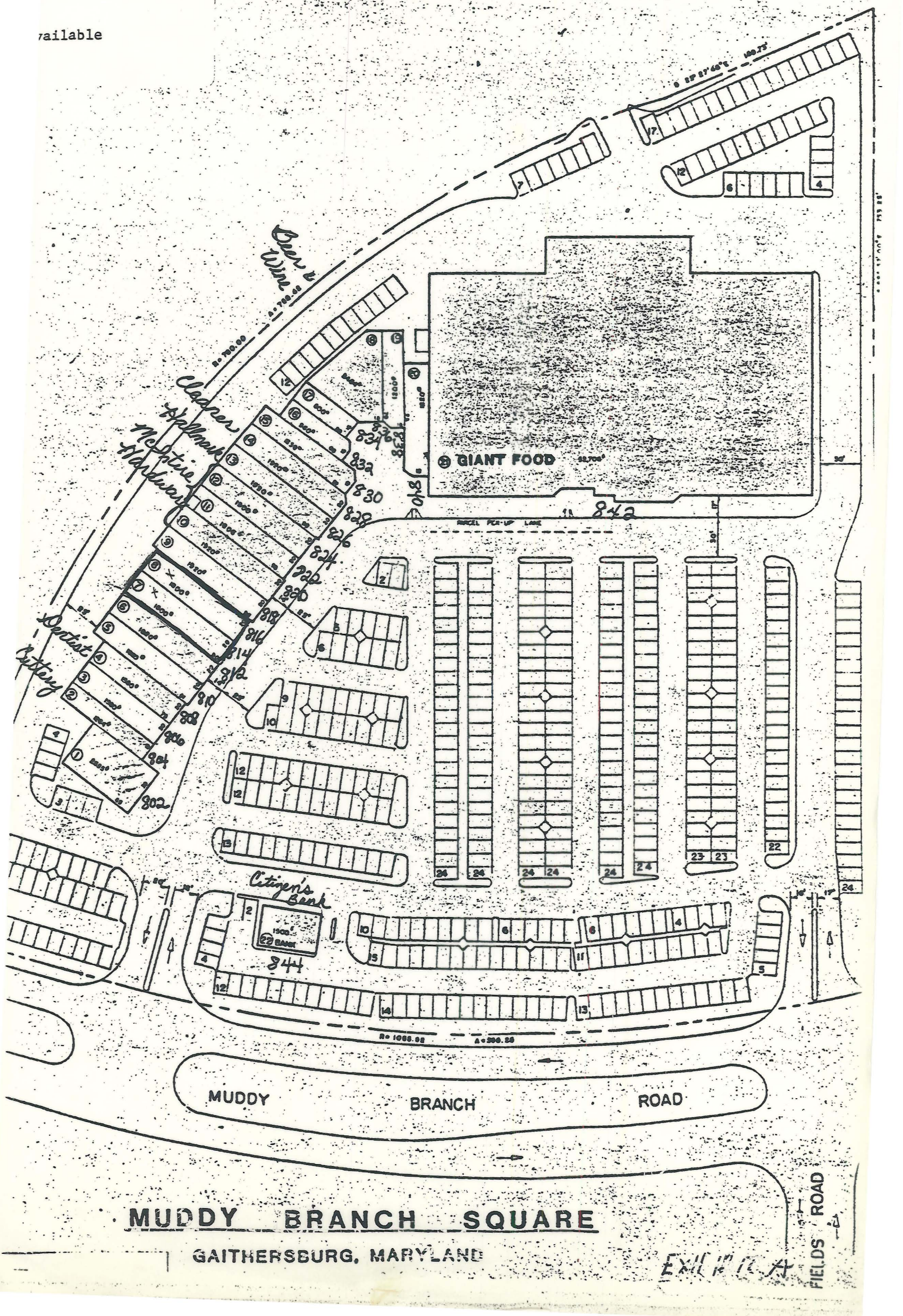
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