LEASE AGREEMENT

BETWEEN

MONTGOMERY COUNTY, MARYLAND

AND

GERMANTOWN HISTORICAL SOCIETY

DATED: April 2, 2003

TABLE OF CONTENTS

PARAGRAPH

1. Premises
2. Term
3. Renewal Option
4. Consideration
5. Use of Premises
6. Capital Improvements and Alterations
7. Services
8. Fixtures and Equipment
9. Condition of Premises
10. Liability, Property Damage and Fire Insurance
11. Hold Harmless
12. Responsibilities of Tenant
13. Destruction of Premises
14. Default
15. Eminent Domain
16. Assignment and Subleasing
17. Access
18. Surrender of Possession
19. Notice of Defects
20. Compliance with Laws
21. Benefit and Burden
22. Waiver
23. Non-Discrimination
24. Contract Solicitation
25. Public Employment
26. Mailing Notices

Exhibit A – The Premises

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Agreement"), entered into this 2nd day of April, 2003 by and between MONTGOMERY COUNTY, MARYLAND, 101 Monroe Street, Rockville, Maryland 20850, a body corporate and politic and a political subdivision of the State of Maryland (hereinafter referred to as "the County") and the GERMANTOWN HISTORICAL SOCIETY (hereinafter referred to as "Tenant"), (the County and the Tenant together the "Parties").

WITNESSETH:

WHEREAS, the County is the owner of fee simple title in the building known as the Germantown Bank Building at 19330 Mateney Road in Germantown, and

WHEREAS, the County received $40,000 in State grant funds to renovate the property in accordance with the State's Smart Growth Initiative, and

WHEREAS, the County has agreed to allow the Tenant to use and occupy the building for the purpose of establishing an historical museum and to make interior renovations to the building,

WHEREAS, in exchange for the use of the building free of rent, the Tenant has agreed to accept full responsibility for all maintenance, repairs and operation of the building.

NOW, THEREFORE, in consideration of the covenants hereinafter contained, and for other good and valuable consideration as hereinafter provided, the Parties hereto mutually agree as follows:

1. PREMISES: County does hereby lease to Tenant the building in "as-is" condition known as the Germantown Bank Building having an address of 13300 Mateney Road, Germantown, Maryland being a portion of parcel 168, Map EU341, as outlined in RED on Exhibit A attached hereto and made a part hereof.

2. TERM: The term hereby created shall be five (5) years, commencing on February 1 2003, and ending on January 31, 2008.

3. RENEWAL OPTION: Tenant may at its option renew this lease for two (2) additional and consecutive five (5) year terms, provided Tenant has not been in default under the terms hereof during the initial lease term, and that Tenant shall have given County written notice of its intention to do so one hundred twenty (120) days prior to the expiration date of this lease. In the event that this option is exercised, then all terms and conditions of this lease shall apply for such renewal period.

4. CONSIDERATION: In consideration of the rights and obligations provided for in this Lease by the Parties, it shall be the Tenant's obligation to keep the Leased Premises in neat

and habitable condition, to maintain them in a good state of repair, and to perform routine grounds keeping duties as set forth in Paragraph 8 below.

5. USE OF THE PREMISES: The premises shall be used by Tenant for the display of historical artifacts, for the holding of meetings and other events of a historical orientation and for fund raising activities provided such uses are not inconsistent with the residential zoning of the property.

6. PARKING: There is no dedicated parking provided under the terms of this Lease.

7. CAPITAL IMPROVEMENTS AND ALTERATIONS: Tenant shall not undertake any alterations, changes, improvements, or additions to the premises without the prior written consent of the County. In order to secure County's approval of any alterations, changes, improvements, or additions, Tenant shall submit to County plans and specifications clearly setting forth the work to be performed. County shall respond in writing within 45 days from receipt of plans and specifications which are to comply with all applicable codes and regulations. County shall inspect the premises upon completion of the work to determine adherence to submitted plans and specifications. In the event that the completed work is not reasonably satisfactory to the County, Tenant shall undertake any necessary corrections, at Tenant's risk and expense. Once the consent of the County has been obtained, Tenant shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect.

Failure to adhere to any applicable ordinances or regulations shall be deemed to be a violation of this agreement. The cost of any such alterations or improvements shall be borne solely by Tenant.

8. SERVICES:

A. The Tenant will be fully responsible, at the Tenant's sole risk and expense, to perform all maintenance, repair, and/or replacement within the Leased Premises which the County determines in its sole discretion is required to protect the Leased Premises from damage or deterioration.

B. The Tenant assumes, at the Tenant's sole risk and expense, full responsibility for the maintenance, repair, and upkeep of the entire Leased Premises and all improvements thereon, including but not limited to the repair and/or replacement of all building elements and equipment, fixtures, roof, windows, floors, walls, electrical systems, heating and air conditioning systems, plumbing systems, outdoor areas, shrubbery and landscaping.

C. The Tenant is fully responsible at the Tenant's sole risk and expense, for all operating expenses for the Leased Premises, including, but not limited to, utility bills and expenses, janitorial services, recycling, trash removal,

pest control, snow removal, grounds maintenance, snow and ice removal of walkways, preventive maintenance, day to day minor and major maintenance, tree removal, and fence repair and/or replacement.

9. FIXTURES AND EQUIPMENT: All fixtures or equipment which are attached to the premises, or are a part of the building's systems at the time the premises are occupied by Tenant, shall remain with the premises and shall be delivered to Tenant along with the premises. All moveable partitions, trade fixtures, floor coverings or equipment installed within the premises at Tenant's expense shall remain the property of Tenant and may be removed by Tenant at the expiration or other termination of this Agreement. Tenant shall, however, repair any damage caused directly and exclusively by said removal. In the event Tenant does not remove said property at termination, it shall become the property of County.

10. CONDITION OF PREMISES: Tenant agrees to maintain the premises in good condition and state of repair and free of clutter throughout the term of this Agreement and any extension thereof. Tenant agrees to keep the premises clean and neat in appearance at all times.

11. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

(A) Tenant agrees to obtain and maintain, during the full term of this Agreement, a policy of liability insurance with minimum bodily injury limits of FIVE HUNDRED THOUSAND AND 00/100 ($500,000.00) DOLLARS for an accident or death to one person, and FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000.00) for each occurrence, and property damage limits of at least ONE HUNDRED THOUSAND AND NO/100 ($100,000.00) DOLLARS for each occurrence, issued by an insurance company licensed in the State of Maryland and acceptable to the County.

(B) Tenant is responsible for fire, theft and vandalism insurance for its contents on the premises.

(C) The County shall maintain County's normal fire and liability insurance on the premises. The County reserves the right to self-insure. The County and Tenant agree to waive any right of subrogation against the other.

(D) Tenant shall, within thirty (30) days from execution of this Agreement, deliver to the County the said policies or certificates of insurance, evidencing the coverage hereinabove stated.

12. HOLD HARMLESS: Tenant hereby agrees to indemnify and hold the County harmless against any claims which may be made against the County for loss or damage to persons or Property caused by the Tenant's use of the Property or installation, repair, or maintenance of any equipment by the Tenant. The County shall not be liable for damages or

injury occasioned by the acts of omissions of Tenant or its agents, or failure to comply with its obligations under this Lease.

13. RESPONSIBILITES OF TENANT: Tenant covenants and agrees as follows:

(A) Tenant shall not strip, overload, damage or deface the premises, hallways, stairways or other approaches thereto or the fixtures therein 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 premises which will increase the rate of fire insurance on the premises beyond the ordinary risk established for the type of operations described in Paragraph 5 hereof. Any such increase in the insurance rate due to the above, or due to Tenant's special operations within the premises, shall be borne by Tenant. Tenant shall not willfully do any act or thing in or about the premises which may make void or voidable any insurance on the 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 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 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.

(E) Tenant acknowledges that all responsibilities of Tenant relating to the use or misuse of the premises and anything therein shall be construed to include use or misuse thereof by Tenant's agents, employees, and patrons.

(F) Tenant shall comply with all reasonable rules and regulations with regard to the use of the 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 Agreement. It is understood that such rules and regulations shall not unreasonably interfere or prevent the intended uses of the premises as set forth in this Agreement.

14. DESTRUCTION OF PREMISES:

(A) In the event that the premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the premises unfit for the purposes for which the premises are used, Tenant and the County shall

each be entitled to terminate this Agreement by written notice to the other within thirty (30) days after the destruction or damage occurred.

(B) In the event that the County elects to undertake the repair of the 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 Agreement shall not be affected.

(C) In the event that the County does not elect to repair the premises as hereinabove provided, this Lease shall terminate immediately upon notice from County and Tenant shall not be entitled to any compensation or payment from the County for the value of any remaining term of the Agreement.

15. DEFAULT:

(A) Tenant 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 ("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 creditor's.

iv. The abandonment of the 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 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

16. EMINENT DOMAIN:

(A) In the event that the premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain, Tenant shall make no claim for compensation or assert any right which Tenant

may have to any portion of any award made to County as a result of such governmental taking.

(B) Nothing contained hereinabove shall be construed to preclude Tenant from claiming, proving and receiving, in a separate claim filed by Tenant against the authority exercising the power of eminent domain, such sums to which Tenant may be entitled as compensation, provided that such a separate claim does not interfere with or reduce the County's award.

17. ASSIGNMENT AND SUBLEASING: Tenant 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.

18. ACCESS: Tenant shall allow the County and County's employees or agents to have access to said premises at all reasonable times, 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 premises. Tenant shall not alter or change the exterior locks installed on the premises, and in the event of an approved change, shall provide the County with keys to the facility, said keys to be used by County to obtain access to the facility in emergency situations.

19. SURRENDER OF POSSESSION: Tenant covenants, at the expiration or other termination of this Agreement, or upon County's recovery of possession of the premises, to remove all goods and effects from the premises not the property of the County, and to yield up to the County the 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. NOTICE OF DEFECTS: Tenant shall give to the County prompt written notice of accidents in or damages to the premises.

21. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Tenant, at Tenant's expense, will 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, Montgomery County Department of Environmental Protection, 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.

22. BENEFIT 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 or representatives.

23. 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.

27. NON-DISCRIMINATION: Tenant agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11-B-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 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 race, color, religious creed, ancestry, national origin, age, sex, marital status, handicap, disability sexual orientation or genetic status.

28. CONTRACT SOLICITATION: Tenant represents that Tenant has not retained anyone to solicit or secure this Agreement 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 Tenant for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

29. PUBLIC EMPLOYMENT: Tenant understands that unless authorized under Section 11B-52 or Chapter 19A of the Montgomery County Code 1994, as amended, it is unlawful for a person transacting business with County to employ a public employee for employment contemporaneous with his or her public employment.

30. 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:

TENANT:

Germantown Historical Society
P.O. Box 475
Germantown, Maryland 20875

COUNTY:

Montgomery County, Maryland
Attention: Facilities Services Section
Department of Public Works
101 Orchard Ridge Drive, 2nd Floor
Gaithersburg, Maryland 20878
Tel. (240)- 777-6080
Fax. (240)-777-6047

With a copy that is not to constitute notice to:

Office of the County Attorney for Montgomery County, Maryland
101 Monroe Street, 3rd Floor
Rockville, Maryland 20850

SIGNATURE PAGE TO FOLLOW:

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

WITNESS:

By: Rebecca S Domaruk

COUNTY:
MONTGOMERY COUNTY, MARYLAND

By: William M. Mooney
William Mooney, Assistant
Chief Administrative Officer

Date: 4/3/02

WITNESS:

By: Julia Elaine Hney

TENANT:
GERMANTOWN HISTORICAL SOCIETY

By: Gaye Lynn Wilson

Title: PRESIDENT

Date: 3/25/03

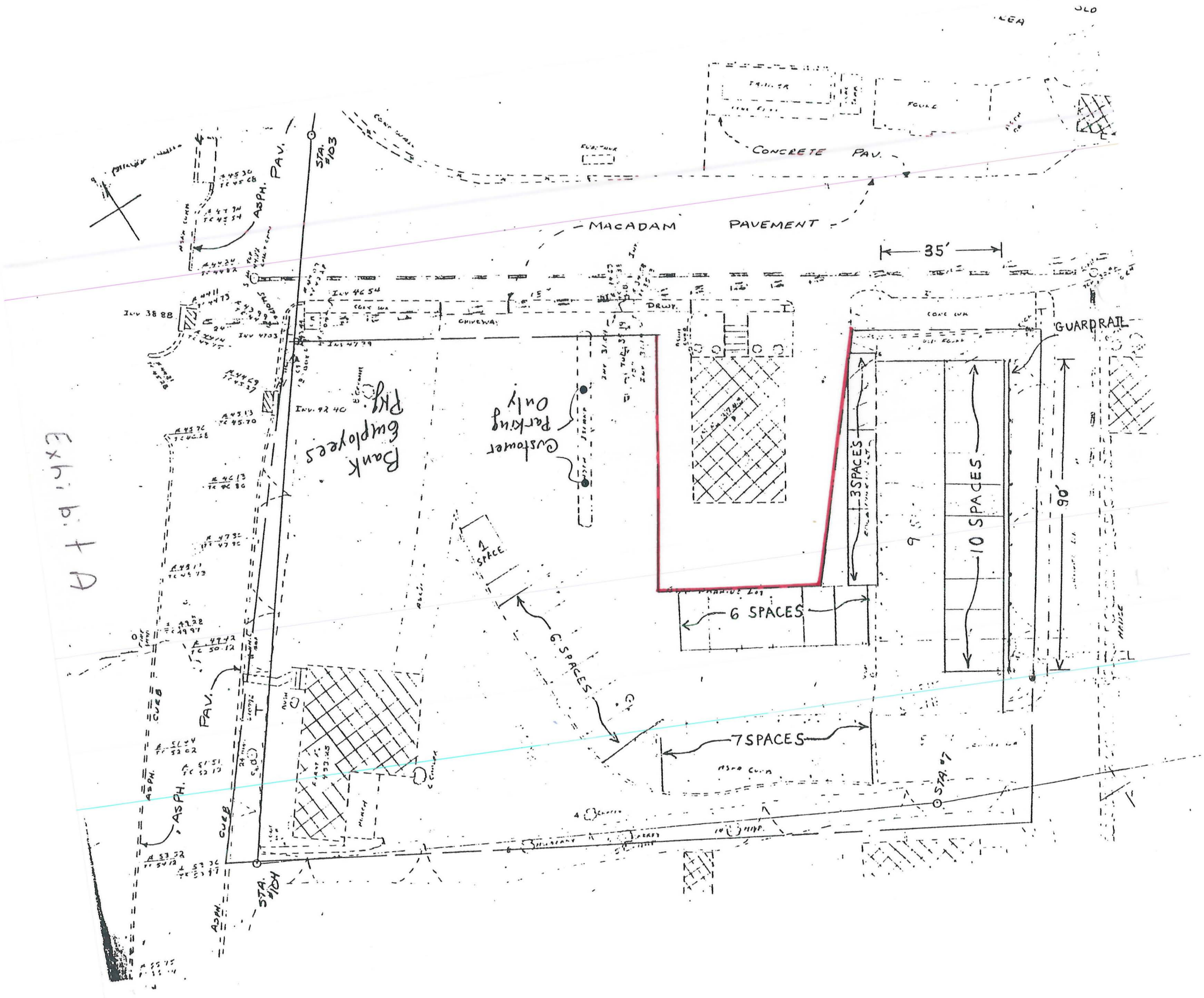
RECOMMENDED:

By: 3/31/03
J. Ronald Smith, Chief
Facilities Services Section

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Eileen O. Basanez

Date: 3/14/2003



CONCRETE PAV.
MACADAM PAVEMENT
35'
GUARDRAIL
90'
3 SPACES
10 SPACES
6 SPACES
7 SPACES
6 SPACES
1 SPACE
Customer Parking Only
Bank Employees Pkg.
ASPH. PAV.
STA. #103
STA. #104
STA. #7
CURB
ASPH.
DRWY.
CHIVEWAY

Exhibit A