

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

DATED 4-7-1987

TABLE OF CONTENTS

| <u>Paragraph</u> | |
|------------------|---|
| 1. | Premises |
| 2. | Term |
| 3. | Renewal Options |
| 4. | Rent |
| 5. | Use of the Premises |
| 6. | Use of the Gymnasium |
| 7. | Use of Athletic Fields |
| 8. | Parking |
| 9. | Code Mandated and Capital Improvements |
| 10. | Operating Expenses |
| 11. | Fixtures and Equipment |
| 12. | Condition of Premises |
| 13. | Liability, Property Damage and Fire Insurance |
| 14. | Hold Harmless |
| 15. | Responsibilities of Lessee |
| 16. | Destruction of Premises |
| 17. | Default |
| 18. | Eminent Domain |
| 19. | Assignment and Subleasing |
| 20. | Access |
| 21. | Surrender of Possession |
| 22. | Holdover |
| 23. | Notice of Defects |
| 24. | Quiet Possession |
| 25. | Compliance with Laws |
| 26. | Benefit and Burden |
| 27. | Disputes |
| 28. | Prime Lease |
| 29. | Waiver |
| 30. | Non-Discrimination |
| 31. | Contract Solicitation |
| 32. | Public Employment |
| 33. | Mailing Notices |

Exhibit A - Leased Premises

Exhibit B - Prime Lease - Board of Education

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter referred to as "Lease"), entered into this 7th day of April, 1987 by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (hereinafter referred to as "Lessor") and the HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, by action of the Montgomery County Board of Education and the State of Maryland Interagency Committee on School Construction, the Montgomery County Public School System closed the Kensington Elementary School and transferred it to the Montgomery County Government for management and administration effective July 1, 1983; and

WHEREAS, in accordance with the procedures then in effect for the reuse of surplus school buildings, a public hearing was held by the County Executive's designee on September 20, 1982, to receive public comment and consider the reuse of this surplus public facility; and

WHEREAS, as a result of said public hearing a determination was made that the proposal for reuse of the Kensington Elementary School as submitted by the Housing Opportunities Commission of Montgomery County, Maryland, represented the most appropriate reuse for this facility; and

WHEREAS, pursuant to this determination, Executive Order No. 46-82 was issued on October 13, 1982, approving the reuse of the Kensington Elementary School as the administrative offices of the Housing Opportunities Commission; and

WHEREAS, in accordance with said approval, Montgomery County, Maryland, entered into a Memorandum of Understanding with the Housing Opportunities Commission, under which Memorandum of Understanding the Housing Opportunities Commission would undertake the necessary renovations of the Kensington Elementary School; and

WHEREAS, the aforesaid renovation is now complete, and the Lessor and Lessee hereunder wish to enter into a Lease Agreement for the Lessee's continued occupancy of the Kensington Elementary School,

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: Lessor does hereby lease and demise unto Lessee the premises described as the Kensington Elementary School, 10400 Detrick Avenue, Kensington, Maryland, (hereinafter referred to as "leased premises"). The leased premises shall include the building, walkways, parking lot, driveway and those portions of land contiguous to the building, comprising approximately 5.5 acres, as outlined in red on Exhibit A attached hereto and made a part hereof.

2. TERM: The term hereby created shall be ten (10) years, commencing April 1, 1987 and expiring at midnight on March 31, 1997.

3. RENEWAL OPTIONS:

(A) Upon the conclusion of the initial lease term cited in Paragraph 2 hereof, Lessee shall have the right to renew this lease for two (2) additional and consecutive five (5) year periods. Such extensions shall be under the same terms, rent, covenants and conditions as contained in the initial lease. (2001)

(B) For the first five (5) year extension period, commencing April 1, 1997, and expiring at midnight on March 31, 2002, Lessee shall provide Lessor with written notice of its intention to renew on or before October 1, 1996. Provided Lessee has exercised the aforesaid first five (5) year renewal option, for the second five (5) year extension period, commencing April 1, 2002, and expiring at midnight on March 31, 2007, Lessee shall provide Lessor with written notice of its intention to renew on or before October 1, 2001.

4. RENT:

- (A) Lessee shall pay to Lessor annual rent during the initial ten (10) year lease term, and any extension thereof which may be exercised pursuant to Paragraph 3 hereinabove, in the amount of ONE HUNDRED EIGHTEEN THOUSAND, FOUR HUNDRED TWENTY-FIVE AND 20/100 DOLLARS (\$118,425.20). Lessee shall make payment of the above annual amount in the form of two equal semi-annual payments, as provided in Paragraph 4(B).
- (B) Lessee shall make two (2) semi-annual payments each lease year, each in the amount of FIFTY NINE THOUSAND, TWO HUNDRED TWELVE and 60/100 (\$59,212.60) DOLLARS, on April 1 and October 1 of each applicable lease year, at the Department of Facilities & Services, Division of Space & Leasing Management, 110 North Washington Street, Rockville, Maryland 20850.
- (C) Should the Lessee fail to submit rental payments in the above described manner, and should said failure continue for more than thirty (30) calendar days after the day when such rental payment is due and payable, Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of five percent (5%) of said rental payment. Should Lessee's failure to pay continue for more than forty-five (45) calendar days after a payment becomes due and payable Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of fifteen percent (15%) of said rental payment. Should Lessee's failure to pay continue for more than sixty (60) calendar days after a payment becomes due and payable, Lessor shall have the right to terminate this Lease, recover possession of the leased premises and pursue any other legal remedies available to Lessor under the laws of the State of Maryland.

5. USE OF THE PREMISES:

- (A) The premises shall be used as the administrative offices of the Housing Opportunities Commission of Montgomery County.

6. USE OF GYMNASIUM BY THE COMMUNITY, DEPARTMENT OF RECREATION
AND OTHER COUNTY AGENCIES:

(A) Subject to a nominal charge for utilities to be jointly determined by Lessee and the Interagency Coordinating Board, the gymnasium shall remain available to the community during the term of this Lease. Lessee agrees to make the gymnasium available Monday through Saturday during the daytime from 9:00 a.m. to 6:00 p.m., but only when such use will not interfere with Lessee's previously scheduled daytime activities. For the purposes of this Lease, "Lessee's activities" are defined as those programs and activities directly related to the Lessee's use. All requests to use the gymnasium will be channeled directly to the Interagency Coordinating Board and placed according to the priorities indicated in the Guidelines for the Community Use of Educational Facilities and Services. Lessee understands and agrees that no rental of the gymnasium is to be made except through the Interagency Coordinating Board. Lessee agrees to provide the Interagency Coordinating Board with a schedule of its activities for the gymnasium on a semi-annual basis, i.e., the Fall/Winter schedule (October-March) must be submitted by September 15 and the Spring/Summer schedule (April-September) by February 1. Times not scheduled for daytime activities by the Lessee shall be presumed to be available for community use. Lessee agrees to make the gymnasium available Monday through Saturday at night from 6:00 p.m. to 11:00 p.m. and all day Sunday from 9:00 a.m. to 11:00 p.m, but only when such use will not interfere with Lessee's previously scheduled activities during these times, as submitted by the Lessee in its semi-annual schedule. The above notwithstanding, the Lessee agrees to honor and allow any activities scheduled in the gymnasium through the Interagency Coordinating Board prior to the date of execution of this Lease. Any use for the Lessee deviating from its previously submitted schedule will be subject to the approval of the Interagency Coordinating Board. Lessee agrees to make the gymnasium available, upon request from the Interagency Coordinating Board, to the Montgomery County

Supervisor of Elections for use as a polling facility during the day, if necessary, during primary, general and special elections, irrespective of Lessee's prior scheduled activities. The Lessor shall hold the Lessee harmless and defend the Lessee from any and all claims of liability arising by virtue of the community or Lessor's use of the leased premises parking facilities, athletic fields, adjoining grounds or any portion thereof, except for damage or liability arising from the negligent acts or omissions of the Lessee, Lessee's agents, employees, guests or contractors.

- (B) Lessor agrees to accept full responsibility for the security of the building including but not limited to locking all doors, turning off all lights and spigots, and clearing the building, during and following such periods of Community use of the gymnasium during the term of this Lease.

7. USE OF ATHLETIC FIELDS:

Lessee shall have priority use of the athletic fields and other recreational resources, and other adjoining outside grounds which are not a part of the leased premises from 8:30 A.M. to 3:00 P.M., Monday through Friday. In addition, Lessee shall have the right to use the athletic field and adjoining grounds at other times by application to the Maryland-National Capital Park and Planning Commission and/or the Montgomery County Department of Recreation. Maintenance and upkeep of the grounds outside the leasehold shall be determined by Lessee's percentage of use, maintenance required and expense, on a cost-sharing basis with Lessor. Lessee shall provide access to the parking facilities to the Lessor, Lessor's assigns and users of the athletic fields at times outside those hereinabove quoted for the purpose of providing maintenance to or conducting activities on the said athletic fields. The Lessor shall hold the Lessee harmless and defend the Lessee from any claim of liability made or arising out of community or Lessor's use of the parking facilities or the athletic fields and adjoining grounds whether same are a part of or not a part of the leased premises except for damage or liability arising from the negligent acts or omissions of the Lessee, Lessee's agents, employees, guests or contractors.

8. PARKING:

Lessee shall be entitled to full use of the parking facilities which are a part of the leased premises. Lessee shall, at Lessee's risk and expense, be responsible for the ongoing maintenance, cleaning, and repair of said parking facilities. The Lessee shall grant access to said parking facilities to the Lessor's representatives or community users of the premises, during times of community use as set forth in Paragraphs 6 and 7 hereinabove. The above notwithstanding, the Lessee shall be permitted to maintain exclusive use of the portion of the parking lot located to the rear of the school building, which is surrounded by a fence.

9. CODE MANDATED AND CAPITAL IMPROVEMENTS:

(A) Code Mandated Improvements or Modifications:

Lessee agrees to accept the leased premises in "AS IS" condition, and to undertake, at its own risk and expense, any necessary improvements or modifications in order to comply with local, State and Federal codes and regulations relating to the approved use and occupancy of the premises, as required by the County's Department of Environmental Protection and the Fire Marshal's Office.

(B) Capital Improvements and Structural Alterations:

Lessee shall not undertake any structural alterations, changes or improvements to the Leased premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Once Lessor's consent has been obtained, Lessee 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 lease. The cost of any such alterations or improvements shall be borne solely by the Lessee.

(C) Lessor's Approval and Inspection:

In order to secure Lessor's approval of any structural alterations or improvements, Lessee shall submit to Lessor plans and specifications clearly setting forth the work to be performed. Lessor shall respond in writing within 45 days from receipt of plans and specifications. Lessor shall inspect the premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not reasonably satisfactory to Lessor, Lessee shall undertake any necessary corrections, at Lessee's risk and expense.

(D) Major Repair or Replacement:

Should it become necessary to make major repairs to or replacement of the building roof or boiler, and should the life of such repaired or replaced ^{item} ~~time~~, as warranted by the contractor, exceed the balance of the initial lease term and any renewal thereof, Lessor shall adjust the terms of annual rental payment hereunder to reflect a pro-rated reimbursement to Lessee of that proportion of the cost of any such repair or replacement accruing to the balance of the remaining life of the repair or replacement beyond the end of the initial lease term or renewal thereof. Lessor and Lessee agree that this provision shall apply only to major and substantial one-time repairs or replacement, and not to cumulative day-to-day maintenance or "patch work."

(E) Repair of the Gymnasium:

Although Lessee shall be responsible for day-to-day operation of the gymnasium, such as payment for utilities, cleaning and security, the Lessor shall be responsible for maintenance and repairs to the gymnasium located within the leased premises.

10. OPERATING EXPENSES: Lessee shall be responsible for all operating expenses relating to the use and occupancy of the leased premises, to include all maintenance and repair of building and equipment, fixtures, roof, windows, electrical systems, utilities, janitorial

services, refuse removal, snow and ice removal or treatment, telephones, security, maintenance and repair of heating and air conditioning systems, plumbing systems, pest control and any other expense incurred by virtue of the Lessee's use and operation of the leased premises.

11. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the building is delivered to Lessee, shall remain with the building and shall be delivered to Lessee along with the building. All moveable partitions, trade fixtures, floor coverings or equipment installed within the leased premises at Lessee's expense shall remain the property of Lessee and may be removed by Lessee at the expiration or other termination of this Lease. Lessee shall, however, repair any damage caused directly and exclusively by reason of said removal. Any personal property remaining within the leased premises at the time of occupancy by the Lessee shall become property of the Lessee. The Lessee shall dispose of any such property in the manner it deems appropriate.

12. CONDITION OF PREMISES: Lessee agrees to maintain the leased premises, including all improvements therein, in good condition and state of repair throughout the term of this Lease and any extension thereof. For purposes of maintenance and upkeep, the leased premises shall include the building, walkways, parking lot, driveways, and grounds contiguous to the building. Lessee agrees to keep the leased premises clean and neat in appearance at all times, and to keep grass trimmed, trees treated and shrubbery pruned as necessary to maintain them in good condition and appearance.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

(A) Lessee agrees to obtain and maintain, during the full term of this Lease and any extension thereof, a policy of liability insurance with minimum bodily injury limits of FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS for an accident or death to one person, and ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS 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 Lessor.

- (B) Lessee agrees to obtain and maintain, during the term of this Lease and any extension thereof, a policy of Fire, Extended Coverage and Vandalism insurance on the leased premises with minimum limits of at least ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS for each occurrence.
- (C) Lessee is responsible for fire, theft and vandalism insurance on the contents of the leased premises.
- (D) Lessor shall maintain Lessor's normal fire and liability insurance on the leased premises. Lessor reserves the right to self-insure. Lessor and Lessee agree to waive any right of subrogation against the other.
- (E) Lessee shall, within thirty (30) days from execution of this instrument, deliver to Lessor the said policies or certificates of insurance, evidencing the coverage hereinabove stated.

14. HOLD HARMLESS: Lessee agrees to hold harmless and defend the Lessor from any and all claims of liability arising out of Lessee's use of the premises arising by virtue of the nature of the Lessee's business or through any negligence on Lessee's part, except such negligence as may be occasioned by the acts or omissions of the Lessor, the Lessor's employees, agents and contractors, or as provided in Paragraphs 6 and 7 hereinabove and further specifically agrees to hold Lessor harmless and defend Lessor from any claim of public liability made in connection with any construction or installation of equipment within the leased premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the premises hereinabove described.

15. RESPONSIBILITIES OF LESSEE: Lessee covenants and agrees as follows:

- (A) Lessee shall not strip, overload, damage or deface the leased premises, hallways, stairways or other approaches thereto or the fixtures therein or used therewith, nor suffer or permit any waste in or upon said leased premises.

- (B) Lessee shall not keep gasoline or other flammable material or any explosive within the leased premises which will increase the rate of fire insurance on the leased premises beyond the ordinary risk established for the type of operations described in Article 5 hereof. Any such increase in the insurance rate due to the above, or due to Lessee's special operations within the leased premises, shall be borne by Lessee. Lessee 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 Lessee agrees to conform to all rules and regulations established from time to time by the Lessor, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.
- (C) Lessee 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) Lessee 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 Lessor. Lessor's approval shall not be unreasonably withheld.
- (E) Lessee acknowledges that all responsibilities of Lessee relating to the use or misuse of the leased premises and anything therein shall be construed to include use or misuse thereof by Lessee's agents, employees, patrons and sublessees.
- (F) Lessee 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 Lessor, and any violation of said rules and regulations shall be deemed to constitute a violation of this Lease. It is understood that such rules and regulations shall not interfere or prevent the intended uses of the demised premises as set forth in this lease.

16. 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 premises unfit for the purposes for which the premises were leased, and the repair of said destruction or damage cannot reasonably be accomplished by Lessor within ninety (90) days from the date of such damage, Lessee and Lessor shall each be entitled to terminate this Lease by written notice to the other within thirty (30) days after the irreparable destruction or damage occurred.
- (B) In the event that the Lessor is able to undertake the repair of the leased premises, Lessor shall complete said repairs within ninety (90) days from the date of destruction or damage and this Lease shall not be affected, except that during reconstruction rental payments shall be reduced by a percentage corresponding to the portion of the leased premises to which Lessee is denied normal occupancy and use.
- (C) In the event that Lessor is not able to repair the leased premises as hereinabove provided, Lessee shall not be entitled to any compensation or payment from Lessor for the value of any remaining term of the Lease.

17. DEFAULT:

- (A) Lessee shall be considered in default of this Lease upon the occurrence of any of the following:
 - (i) Failure to perform under any term, covenant or condition of this Lease and the continuance thereof for thirty (30) days after written notice from Lessor specifying said failure.
 - (ii) The commencement of any action or proceeding for the dissolution of Lessee, or for the appointment of a receiver or trustee of Lessee's property, and the failure to discharge any such action within thirty (30) days.

(iii) The abandonment of the leased premises by Lessee.

(B) In the event that the Lessee shall be found in default as hereinabove stated, and shall fail to cure said default within thirty (30) days after written notice from the Lessor (or such period as may be reasonably required to correct the default with exercise of due diligence), then and in every such case thenceforth, at the option of the Lessor or Lessor's assigns, the Lessee's right of possession shall thereupon end, and the Lessor may proceed to recover possession under the laws of the State of Maryland.

18. EMINENT DOMAIN:

(A) In the event that the leased premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain, Lessee shall make no claim for compensation or assert any other right which Lessee may have to any portion of any award made as a result of such governmental taking.

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

19. ASSIGNMENT AND SUBLEASING:

(A) Lessee shall not be entitled to and shall not assign this Lease or sublease all or any part of the leased premises to any third party without the Lessor's express written consent thereto which consent shall not be unreasonably withheld.

(B) The Lessor's written consent to prospective sublessees shall be obtained in the following manner:

(i) The Lessee shall submit to Lessor copies of the proposed occupancy or sublease agreements, a description of the activities of the proposed sublessees and any other information pertinent to the proposed sublessee's use and occupancy.

(ii) The Lessor shall respond in writing not later than thirty (30) days after receipt of the information cited hereinabove.

20. ACCESS: Lessee shall allow Lessor and Lessor's employees or agents to have access to said leased premises at all reasonable times and after reasonable notice, 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 Lessor, or which Lessor considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the leased premises. Lessee shall not alter or change the exterior locks installed on the premises, and in the event of an approved change, shall provide Lessor with keys to the facility, said keys to be used by Lessor to obtain access to the facility in emergency situations.

21. SURRENDER OF POSSESSION: Lessee covenants, at the expiration or other termination of this lease, to remove all goods and effects from the leased premises not the property of Lessor, and to yield up to Lessor the leased premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Lessee), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Lessee is not herein expressly made liable excepted.

22. HOLDOVER: In the event that the Lessee shall continue to occupy said leased premises or any part thereof after the conclusion of the term of this lease, or any extension thereof, 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 and covenants contained in this Lease. Lessee shall continue to pay monthly rental under rates to be negotiated a minimum of thirty (30) days prior to the expiration of the initial lease term or extension thereof, which month-to-month rental rates shall in no event be less than the rental rates in effect at the time of expiration of the Lease term or applicable extension thereof.

23. NOTICE OF DEFECTS: Lessee shall give to Lessor prompt written notice of accidents in or damages to the leased premises.

24. QUIET POSSESSION: Lessor covenants and agrees that, if Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this lease and any renewal or extension thereof have the peaceable and quiet enjoyment and possession of the leased premises for the purposes leased without hindrance from any person or persons whomsoever, regardless of whether the building is sold or otherwise conveyed to a third party(s).

25. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Lessee, at Lessee's expense, will promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office. The foregoing shall not be construed to preclude the Lessee from exercising its legal right to contest the validity of legislation through judicial process, provided that the Lessee shall continue to fully comply with the provisions of this Article 25 pending the outcome of the Lessee's efforts.

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

27. DISPUTES: Lessor and Lessee agree that any dispute concerning a question of fact arising under this Lease which is not resolved by agreement of the parties shall be decided by the Chief Administrative Officer of Montgomery County, who shall notify the parties in writing of the determination made. The Lessee and Lessor shall be afforded an

opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Lessee and Lessor shall proceed diligently with the performance of all provisions under this Lease Agreement. The decision of the Chief Administrative Officer shall be final and conclusive. This Article does not preclude consideration of questions of law in connection with the aforesaid decisions.

28. PRIME LEASE: The Lessor represents that the Lessor possesses the requisite leasehold interest in the leased premises as to enable the Lessor to enter into this Lease Agreement, which Lessor's leasehold interest is granted to the Lessor by the Board of Education of Montgomery County in a Lease Agreement, (hereinafter referred to as the Prime Lease), which Prime Lease is attached hereto and made a part hereof as Exhibit B. Lessor and Lessee agree that the provisions of this Lease Agreement are fully subject and subordinate to the provisions of the said Prime Lease.

29. 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.

30. NON-DISCRIMINATION: This lease shall be governed by the Laws of the State of Maryland and Montgomery County. Lessee agrees to abide by the provisions of Executive Regulation No. 9-75 (re: Non-Discrimination in County Contracts) adopted July 7, 1977, and Section 11B-3 and Chapter 27 of the Montgomery County Code 1984.

31. CONTRACT SOLICITATION: Lessee represents that Lessee 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 Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

32. PUBLIC EMPLOYMENT: Lessee understands that unless authorized under Sections 11B-46 or 11B-54 of the Montgomery County Code 1984, 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.

33. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail and shall be deemed to be effective when received or refused by the addressee. Notices to the respective parties shall be addressed as follows:

LESSEE:

THE HOUSING OPPORTUNITIES
COMMISSION
10400 Detrick Avenue
Kensington, Maryland 20850

LESSOR:

MONTGOMERY COUNTY, MARYLAND
Dept. of Facilities & Services
Space & Leasing Management
110 North Washington Street
Rockville, Maryland 20850

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

WITNESS:

By: *Reynolds*

LESSOR:
MONTGOMERY COUNTY, MARYLAND

By: *Alastair McArthur*
Alastair McArthur, Assistant
Chief Administrative Officer

Date: 4/7/87

RECOMMENDED:

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

WITNESS:

By: _____

LESSEE:
THE HOUSING OPPORTUNITIES
COMMISSION

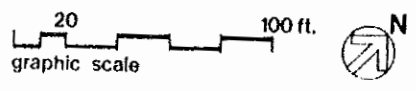
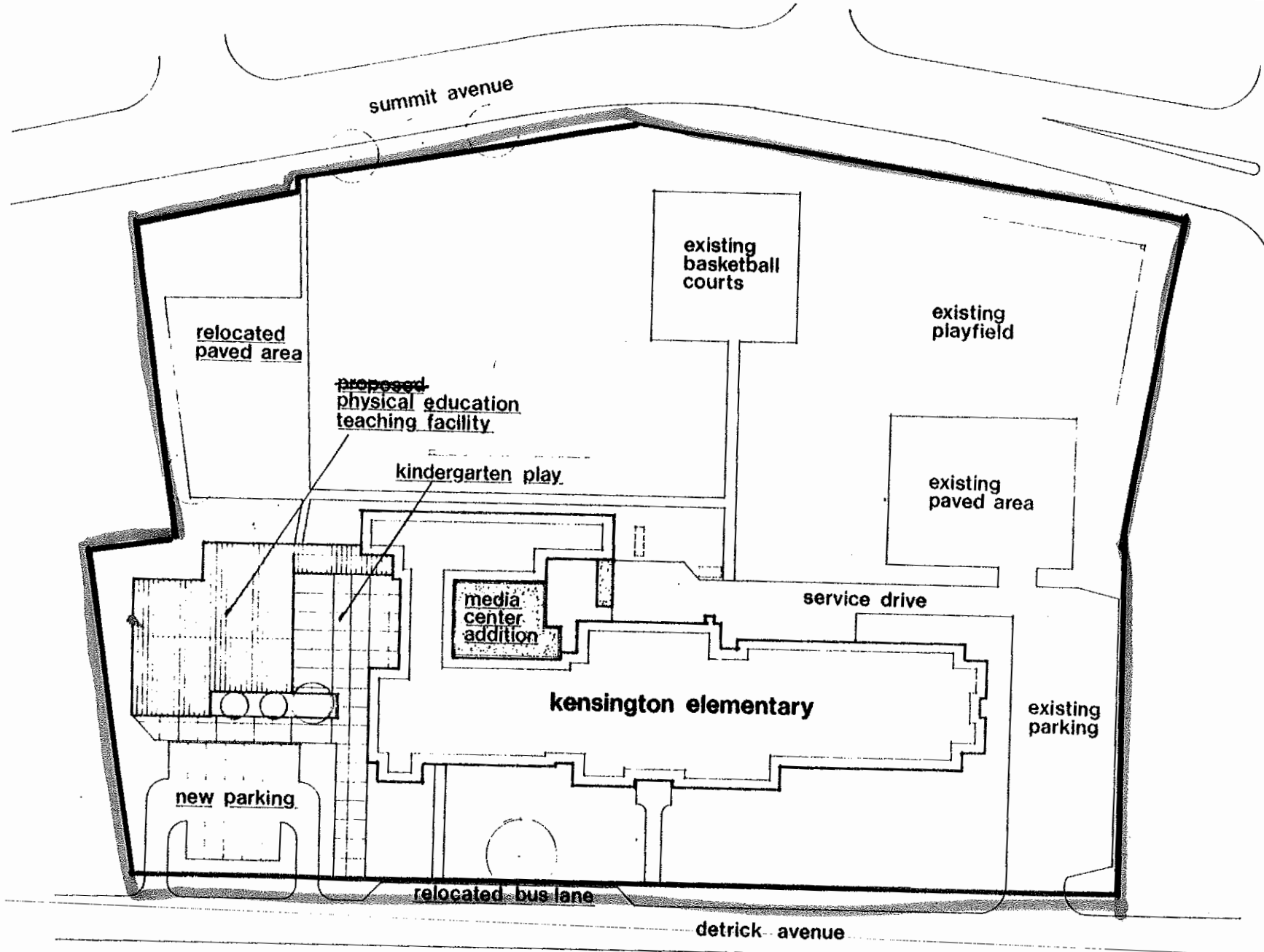
By: *B. L. Tetreault*
Bernard L. Tetreault,
Executive Director

Date: 3/20/87

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: *Joyce R. Stern*
Date: 3-6-87

#1541G



SITE PLAN