LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
MONTGOMERY COUNTY REVENUE AUTHORITY
DATE: 2-2-99

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Exhibit A - Leased Premises
LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease"), made this ___ day of __________, 19__ by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY REVENUE AUTHORITY (hereinafter referred to as "Tenant").

WITNESSETH:

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: Landlord does hereby lease and demise unto Tenant and Tenant hereby leases from Landlord the premises described as 1,480 square feet of space at the Executive Office Building, 101 Monroe Street, Rockville, Maryland, as outlined in red on "Exhibit A" attached hereto and made a part hereof. Said space is hereinafter referred to as the "Leased Premises".

2. TERM: The Lease hereby created shall be effective for five (5) years, commencing December 14, 1998, and expiring at midnight on December 13, 2003, subject to the provisions of Section 3 herein and unless sooner terminated.

3. EARLY TERMINATION: It is agreed between the parties that this Lease may be terminated at any time during its term or any extension thereof by either party giving, one to the other, not less than two (2) months' written notice in advance of the early termination date.

4. CONSIDERATION: In consideration for the rights and obligations provided for herein by and among the parties hereto, it shall be the Tenant's obligation to keep the Premises in neat and habitable condition, and to maintain them in a good state of repair. The Landlord does hereby lease the Premises to the Tenant for the monetary consideration of ten dollars per year ($10.00), payable within 30 days of the commencement of the term, and for other consideration as stated herein.

5. USE OF PREMISES: Tenant covenants and agrees that said premises shall be used and occupied by the Montgomery County Revenue Authority as general offices and for no other purpose. Tenant shall have the right to occupy and use the premises 24 hours a day, seven days a week.
6. PARKING: Facilities and Services Security Unit will assign parking spaces.

7. ASSIGNMENT: Tenant shall not be entitled to and shall not assign this Lease Agreement or sublease all or any part of the Premises.

8. CONDITION OF PREMISES: Tenant accepts the Premises in "as is" condition. Tenant agrees to maintain the Premises in good condition and state of repair and free of clutter throughout the term of this Agreement. Tenant is responsible for any damage to the structure, grounds or contents of the building belonging to Landlord due to the willful or negligent acts of Tenant, Tenant's employees, patrons, guests, invitees or agents. In the event of such damage, Tenant shall make the necessary repairs or replacement to the satisfaction of the Landlord. Tenant acknowledges and agrees that at the end of the Lease agreement, the Premises shall be returned to the Landlord in the same condition as they were when Tenant accepted the Premises reasonable wear and tear excepted.

9. ALTERATIONS AND IMPROVEMENTS:
   A. Tenant shall not undertake any alterations, changes or improvements to the Premises without the prior written consent of the Landlord. Once Landlord's consent has been obtained, Tenant shall be responsible for the acquisition of any and all necessary permits and for the observance of all building and zoning ordinances and regulations then in effect. Failure to adhere to any previously approved plans, applicable ordinances or regulations shall be deemed to be a breach of this Lease.

   B. Landlord's Approval and Inspection: In order to secure Landlord's approval of any alterations or improvements, Tenant shall submit to Landlord plans and specifications clearly setting forth the work to be performed. Landlord shall respond in writing within 45 days from receipt of plans and specifications. Landlord 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 satisfactory to Landlord, Tenant shall undertake any necessary corrections, at Tenant's risk and expense.

10. LIENS: Tenant shall not do or suffer anything to be done whereby the Premises shall be encumbered by any lien, including mechanic's liens. Tenant expressly covenants and
agrees that it will, during the term hereof, within 60 days after the filing thereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to or upon the Premises or any portion thereof by reason of or 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, and shall not be thus released within said sixty (60) day period, 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. Landlord shall have the right to collect any such reimbursements as additional Lease fees owed under this Agreement.

11. SERVICES AND OPERATING EXPENSES: Landlord, at Landlord’s expense, shall provide all utilities, maintenance and repairs, trash removal and pest control within the Leased Premises. Landlord, at Landlord’s expense, shall provide janitorial services within the Leased Premises, Monday through Friday.

12. 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 Tenant, shall remain with the building and shall be delivered to Tenant along with the building. All items installed within the Premises at Tenant's expense shall remain the property of Tenant and shall be removed by Tenant at the expiration or other termination of this Lease. Tenant shall, however, repair any damage caused by reason of said removal. Any personal property remaining within the Premises after termination of the Lease shall become property of the Landlord. The Landlord shall dispose of any such property in the manner it deems appropriate.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:  

A. Tenant agrees to obtain and maintain, during the full term of this Lease, a policy of liability insurance with minimum combined bodily injury and property damage in the amount of FIVE HUNDRED THOUSAND AND NO/100 ($500,000.00) DOLLARS for each occurrence, and ONE MILLION AND NO/100 ($1,000,000.00) DOLLARS in the aggregate, issued by an insurance company Leased in the State of Maryland and acceptable to Landlord.
B. Tenant agrees to obtain and maintain, during the term of this Lease, a policy of Workers' Compensation and Employers' Liability coverage. The Workers' Compensation policy must be in amounts as required by statute and the Employers' Liability Policy must be in amounts of ONE HUNDRED THOUSAND AND NO/100 ($100,000) each accident for bodily injury by accident, FIVE HUNDRED THOUSAND ($500,000) for policy limits for bodily injury by disease and ONE HUNDRED THOUSAND AND NO/100 ($100,000) each employee for bodily injury by disease.

C. Tenant is responsible for fire, theft and vandalism insurance for the contents on the Premises.

D. Landlord shall maintain Landlord's normal fire and liability insurance on the Premises. Landlord reserves the right to self-insure.

E. Tenant shall, within the earlier of thirty (30) days from execution of this Lease or Tenant's entry on to the Leased Premises, deliver to Landlord the required policies or certificates of insurance, evidencing the coverage hereinabove stated and naming Landlord as an additional insured and/or loss payee. The policies shall provide 45 days notice of cancellation to Landlord. Tenant has the obligation, without notice, to maintain and assure that Landlord always has a valid unexpired Certificate of Insurance.

F. The certificate holder will be Montgomery County Government, Department of Public Works and Transportation, Division of Facilities and Services, 110 N. Washington Street, Rockville, MD, 20850, Attention: Office of Leasing Management.

14. HOLD HARMLESS: Tenant agrees to hold harmless and pay for the defense of the Landlord from and against any and all claims of liability, actions, damages and expenses including, but not limited to reasonable attorneys' fees and litigation costs, arising out of or related to Tenant's use or possession of the premises, breach of this Agreement or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, guests or employees, except such claims as may be occasioned by the negligent acts or omissions of the Landlord, the Landlord's employees, agents and contractors. Tenant further specifically agrees to hold
Landlord harmless and pay for the defense of Landlord from and against any claim of liability made in connection with any construction or installation of equipment performed by Tenant, its agents, employees or contractors, within the Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Premises hereinabove described, or such construction or installation of equipment shall have been approved by Landlord.

15. **RESPONSIBILITIES OF Tenant:** Tenant covenants and agrees as follows:

A. 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 Landlord, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

B. Tenant shall not use or allow the Premises or any part thereof to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance, annoyance, inconvenience, or cause damage to the Premises, adjacent properties or the adjacent neighborhood.

C. 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 Landlord.

D. 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, patrons, guests and residents.

E. Tenant shall not have pets in or about the Premises.
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 Landlord, 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 unreasonably interfere with or prevent the intended uses of the Premises as set forth in this Lease.

G. Tenant acknowledges that all glass is in good condition at time of occupancy and Tenant will be responsible for the breakage of all glass in the said Premises, and agrees to replace the same without delay regardless of how the same was broken. Tenant further acknowledges that all appliances and equipment are in working order.

H. Tenant shall maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any trade fixtures and other fixtures, machinery, and equipment including without limitation attached floor coverings, hanging cabinets, railings, screens, screen and storm doors, glass, storm shutters, awnings, water heaters, bathtubs, sinks, water closets, water basins, drinking fountains, faucets, etc., installed in or attached to the Premises. Tenant further agrees to paint the interior of the Premises at least once every three years during the term of this Lease and any renewal thereof or at such other less frequent intervals as may be specified by Landlord.

I. Tenant shall ensure that all entrance doors and windows in the Premises shall be closed and locked when said Premises are not in use. Further, Tenant before closing and leaving the premises at any time, shall close all windows and doors and secure the Premises. No additional locks or bolts of any kind shall be placed upon any of the entrance or interior doors or windows by Tenant nor shall any changes be made in existing locks or the mechanisms thereof without prior written approval of Landlord and in the event of an approved change, shall provide Landlord with keys to the facility. Tenant shall, upon the termination of its tenancy, restore to the Landlord all keys of the building, offices, and bathrooms, either furnished to, or otherwise procured by, the Tenant, and in the event of the loss of any
keys so furnished the Tenant shall pay to the Landlord the cost thereof or rekeying the Premises.

J. Tenant will establish an appropriate fire evacuation plan and hold fire drills as required. All occupants of the Premises will be trained regarding the safe and proper operation of all appliances in the Premises.

K. Tenant shall monitor fuel oil consumption, septic system, and other utility-related items. In the event such monitoring indicates that corrective action is necessary, this shall be reported to Division of Facilities and Services in a timely manner.

L. Tenant will conserve energy, institute an energy conservation program, and keep heating and cooling temperature levels set within reasonable ranges determined by Landlord from time to time.

16. DESTRUCTION OF PREMISES:
A. In the event of damage to or destruction of the Premises or any part thereof by fire, storm, flood or other casualty which does not require Tenant to suspend entirely its business, Landlord shall, as soon as practicable after said damage or destruction, repair and restore the premises to the condition they were in immediately prior to said damage or destruction. Should such damage or destruction of said premises or any substantial part thereof render the Premises wholly untenable, Landlord will promptly begin and diligently pursue the repairing, restoration and rebuilding of the Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as Landlord and Tenant may determine; or Landlord and Tenant, at either's election, may terminate this Lease and the tenancy hereby created by giving the other, within thirty (30) days following the date of such occurrence, written notice of the election to terminate, and in the event of such termination, rent shall be adjusted as of the date of the casualty.

B. In the event of damage to or destruction of fifty percent (50%) or more of the building of which the Premises are a part, Landlord may elect not to restore the said building and this Lease shall automatically terminate and
the parties shall be discharged from all responsibilities thereafter arising under this Lease.

17. **DEFAULT:** Tenant shall be considered in default of this Lease and Landlord may terminate this Lease upon the occurrence of any of the following:

i. Failure to perform under any term, covenant or condition of this Lease or the Service contract attached hereto as Exhibit B.

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.

iii. The making of any assignment for the benefit of Tenant's creditors.

iv. The abandonment of the Premises by Tenant.

18. **EMINENT DOMAIN:** Tenant hereby assigns any condemnation award to Landlord for which Tenant may be entitled as to its leasehold interest. In the event that the Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain or sold under threat thereof, Tenant shall not be entitled to recover from Montgomery County any capital expenditures for improvements and betterments made by Tenant to the Premises at the Tenant's expense.

19. **ACCESS:** Tenant shall allow Landlord and Landlord's employees or agents to have access to the Premises at all reasonable times for the purpose of inspection, or at any time, in the event of fire or other property damage, or for the purpose of performing any work required to be performed by Landlord, or which Landlord considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Premises.

20. **SURRENDER OF POSSESSION:** Tenant covenants and agrees that, at the expiration or other termination of this Lease, to remove all goods and effects from the Premises not the property of Landlord, and to yield up to Landlord the Premises and all keys, locks and other fixtures connected therewith (except trade 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 provided that insurance proceeds from fire or other casualty or damage, if not used to restore the Leased Premises, have been paid to the Landlord. Tenant will pay for all damages to the Premises, its fixtures, and appurtenances, as well as all damages sustained by
Tenant or occupants of the Premises due to any waste, misuse, or neglect of said Premises, its fixtures, and appurtenances, by said Tenant, its employees, or any other person or persons upon the premises by Tenant's permission.

21. HOLDOVER: In the event that the Tenant shall continue to occupy the Premises or any part thereof after the conclusion of this Lease and any renewal thereof, with prior written authorization of Landlord 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 Lease, both parties shall continue to observe all agreements and covenants contained in this Lease.

22. NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES: Tenant shall give to Landlord prompt verbal notice of accidents in or damages to the Premises, and, within twenty-four (24) hours, Tenant shall follow-up with a detailed written report of such accidents or damages.

23. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Tenant, at Tenant's expense, will promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government and municipality in which Premises are located, Montgomery County Department of Environmental Protection 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.

24. 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.

25. DISPUTES: Landlord and Tenant agree that any dispute 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 Tenant and Landlord shall be afforded an opportunity to be heard and offer evidence
in support of their respective positions. Pending final decision of a dispute hereunder, Tenant and Landlord 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.

26. **WAIVER OF JURY TRIAL:** The parties hereto agree that they mutually waive trial by jury on any matter arising out of this Lease.

27. **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.

28. **NON-DISCRIMINATION:** Tenant agrees to comply with the non-discrimination in employment policies in County contracts as required by 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 age, color, creed, national origin, race, religious belief, sexual preference or disability.

29. **CONTRACT SOLICITATION:** Tenant represents that Tenant has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except 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.

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

31. **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:
32. **RESIDENT AGENT:** The Resident Agent for the Tenant is _________________ and its address for receipt of notices and service of process is ____________________________. Tenant shall immediately notify Landlord of any change in resident agent or address as provided herein.

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

34. **NON-APPROPRIATION:** This Lease shall terminate automatically on July 1 of any year for which the County, for whatever reason does not appropriate funds to pay Landlord's obligations as herein stated. Landlord shall give Tenant at least thirty (30) days written notice of the lack of appropriation. The Tenant shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

35. **AMERICANS WITH DISABILITIES ACT REQUIREMENTS:** Landlord and Tenant agree that any future modifications made to the Premises shall be made in conformance with ADA requirements.

36. **CONSTRUCTION:** The Leased Premises are accepted in “as configured” as shown in the attached Exhibit A.
37. **TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT:**

Performance under this Agreement may be terminated in whole or in part, whenever the Chief Administrative Officer of Montgomery County shall determine that termination of this Agreement is in the best interest of Montgomery County. Termination hereunder shall be effected by delivery to the Tenant of written Notice of Termination thirty (30) days prior to the date on which the termination shall become effective.

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

WITNESS:

By: Rebecca Domanar

LANDLORD:
MONTGOMERY COUNTY, MARYLAND

By: William Mooney
WILLIAM MOONEY, ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 2/2/99

WITNESS:

By: ______________________

TENANT:
MONTGOMERY COUNTY REVENUE AUTHORITY

By: _________________
Title: Executive Director

Date: 12/24/98

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: ______________________

RECOMMENDED

By: ______________________
BEY JUNQUERA, LEASING MANAGER
DIVISION OF FACILITIES AND SERVICES

Date: 12/15/98

Date: 1/21/99

DISK 10:REVENLSE