

## LEASE AGREEMENT

DATED AS OF AUGUST 1, 1996

BY AND BETWEEN

MONTGOMERY COUNTY REVENUE AUTHORITY,  
AS LESSOR

AND

MONTGOMERY COUNTY, MARYLAND,  
AS LESSEE

This Lease Agreement has been assigned by the Montgomery County Revenue Authority (except for certain compensation and reimbursements rights of the Authority hereunder) to, and is subject to a security interest in favor of, The First National Bank of Maryland, as Trustee under a Trust Agreement dated as of the date hereof by and between the Montgomery County Revenue Authority and the Trustee, as amended or supplemented from time to time.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (including all Exhibits hereto, and all amendments, modifications or supplements hereto, the "Lease Agreement") is made and entered into as of August 1, 1996, by and between the MONTGOMERY COUNTY REVENUE AUTHORITY, a public body corporate and politic and an instrumentality of Montgomery County, Maryland, duly existing under and by virtue of the laws of the State of Maryland and of Montgomery County, Maryland (the "Authority"), as lessor, and MONTGOMERY COUNTY, MARYLAND, a body politic and corporate and a political subdivision of the State of Maryland, duly organized and existing under the Constitution and laws of the State of Maryland (the "County"), as lessee.

WITNESSETH

WHEREAS, the Authority is the owner of a certain parcel comprising approximately 8.0642 acres of land located at 1301 Piccard Drive, Rockville, Montgomery County, Maryland, which ownership is evidenced by a certain deed of even date herewith which is or is intended to be recorded among the Land Records of Montgomery County, Maryland, and which land is more particularly described in Exhibit A attached hereto (the "Land"); and

WHEREAS, the Authority will lease the Land and an existing building on the Land (the "Building"), together with all other improvements, structures and buildings now or hereafter erected or placed on the Land and all replacements thereof (collectively, the "Improvements") and all fixtures, equipment, machinery, building materials and other articles of personal property now or hereafter located at, placed upon, or used or usable in connection with any present or future operation or occupancy of the Land, the Building and Improvements (collectively, the "Equipment") to the County for use as office space for the County Department of Health and Human Services and for a Community Crisis Center (the Land, the Building, the Improvements and the Equipment are hereinafter collectively referred to as the "Leased Premises" and the Authority's acquisition of the Leased Premises is hereinafter referred to as the "Project," as described more fully in the project description form attached hereto as Exhibit B); and

WHEREAS, in order to finance in part the cost of acquiring the Project for the benefit of the County and its residents, the Authority has issued its lease revenue bonds designated "Montgomery County Revenue Authority Lease Revenue Bonds (Human Services Headquarters Project)" (the "Bonds") and has applied the proceeds thereof for a portion of the costs of such acquisition in exchange for the County's entering into and performing its obligations under this Lease Agreement; and

WHEREAS, the County desires to enter into this Lease Agreement with the Authority for the use and enjoyment of the Leased Premises and the Project; and

NOW THEREFORE, in consideration of the foregoing and of the covenants and mutual promises herein contained and other good and valuable consideration, as hereinafter provided, the parties hereto mutually agree as follows:

1. RECITATIONS; DEFINITIONS. The recitations set forth above are hereby incorporated herein by reference. Capitalized terms used herein and not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

2. PREMISES. The Authority does hereby lease and demise unto the County, and the County hereby enters into this Lease Agreement with the Authority, for the exclusive use of the Leased Premises, together with all easements, rights, provisions, advantages, or appurtenances pertaining or appertaining thereto.

3. TERM. The term of this Lease Agreement shall be twenty (20) years, commencing on the date of its execution and delivery and terminating on August 12, 2016, subject to the provisions of Paragraph 8 and Paragraph 23 hereof.

3A. RENEWAL OPTION. Upon the conclusion of the initial lease term provided for in Paragraph 3 above, and provided that the County is not in default under this Lease Agreement, the County shall have the right and option to extend the term of this Lease Agreement for an additional five (5) years, or such shorter period as the County may designate, under such terms, conditions and covenants as shall be mutually agreed upon by the parties hereto. The County shall notify the Authority in writing of its intention to exercise its right to renew not less than eight (8) months prior to the expiration of the initial lease term. Such notice shall refer to this Lease Agreement. The County's failure to so notify the Authority of its election to renew may result in termination of this Lease Agreement on the termination date set forth in Paragraph 3, and any subsequent occupancy of the Leased Premises shall be deemed to be on a month-to-month basis, in accordance with Paragraph 26 hereof. Except where the context otherwise requires, any reference to the term of this Lease Agreement shall include any extension or renewal thereof in accordance herewith.

4. RENT.

(A) Commencing upon the date hereof and continuing so long as the Bonds are outstanding and unpaid, the County shall pay to the Authority as rent hereunder the amounts set forth in Exhibit C hereto (the "Lease Payments") on January 15 and July 15 in the years prescribed therefor in Exhibit C hereto (the "Lease Payment Dates"), which Lease Payments shall be at least equal to the amounts required to pay the principal of and the interest on the Bonds.

(B) The parties hereto recognize and agree that under the Trust Agreement dated as of August 1, 1996 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the "Trust Agreement"), by and between the Authority and The First National Bank of Maryland, a national banking association duly organized and existing under the laws of the United States of America, having its principal corporate trust office in Baltimore, Maryland (the "Trustee"), the Authority will assign certain of its rights under this Lease Agreement to the Trustee for the benefit of the owners of the Bonds. The parties agree that so long as the Bonds remain outstanding and unpaid, all Lease Payments due to the Authority under subparagraph (A) of this Paragraph 4 shall be paid by the County to the Trustee, as assignee of the Authority, for deposit into the Lease Payment Fund created under the Trust Agreement (the "Lease Payment Fund") and for disbursement to the owners of the Bonds, all as provided in the Trust Agreement. The parties further agree that any amounts transferred by the Trustee to the Lease Payment Fund pursuant to Sections 3.3 or 6.3 or 6.6 of the Trust Agreement shall be treated, pro tanto, as a payment of rent by the County pursuant to subparagraph (A) of this Paragraph 4.

(C) In addition to the Lease Payments required to be paid pursuant to subparagraph (A) of this Paragraph 4, the County shall pay the Authority, as additional rent, (i) an amount payable in immediately available funds on the date this Lease Agreement is executed and delivered between the parties hereto equal to the total purchase price for the Land and Building paid by the Authority, less \$7,015,000 from the proceeds of the sale of the Bonds; (ii) an amount sufficient to compensate and reimburse the Authority for its annual incremental overhead and administrative costs relating to making this Lease Agreement and the Bonds, payable in arrears on June 30 of each year in which this Lease Agreement is in effect; and (iii) amounts sufficient to replenish the Reserve Fund on or before the next Payment Date pursuant to Section 6.3 of the Trust Agreement.

(D) The County shall also pay the Authority as additional rent an amount sufficient to compensate and reimburse the Authority for any direct costs relating to maintaining this Lease Agreement and the Bonds, including, but not limited to, counsel's fees, trustees fees (including fees of the Trustee, and fees of the Trustees and the Beneficiary (as defined in the Deed of Trust) [defined herein]), fiscal or paying agency fees, compliance and monitoring fees and securities depository fees. Such additional rental amounts shall be promptly paid or reimbursed by the County upon the Authority's presentation to the County of an invoice or other statement of fees, accompanied by the letter of an authorized officer of the Authority, certifying that such amounts are properly payable or reimbursable to the Authority pursuant to this subparagraph D of this Paragraph 4.

5. OBLIGATIONS OF COUNTY ABSOLUTE. Subject to Paragraph 8 (Nonappropriation), the obligation of the County to pay Lease Payments and all other amounts payable hereunder shall be absolute, irrevocable, complete and unconditional and the amount, manner and time of payment of such amounts shall not be decreased, abated, rebated, set-off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever regardless of any right of set-off, recoupment or counterclaim that the County might otherwise have against the Authority or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during or after the completion of the Project, including, but without in any way limiting the generality of the foregoing:

(a) any damage to or destruction of any part or all of the Leased Premises;

(b) the taking or damaging of any part or all of the Leased Premises by any public authority or agency in the exercise of the power of eminent domain or otherwise, except as otherwise provided herein;

(c) any assignment, novation, merger, consolidation, sale or transfer of assets, leasing or other similar transaction of or affecting the County, whether with or without the approval of the Authority, except as otherwise expressly provided herein;

(d) the expiration of any term, covenant or condition of this Lease Agreement pursuant to any provisions hereof or by operation of law, unless this Lease Agreement shall have been terminated by operation of the provisions of Paragraph 3 (Term), Paragraph 23 (Termination; Succession by County) or Paragraph 8 (Nonappropriation) hereof;

(e) any change or delay in the time of availability to the County for use of the Leased Premises or delays in the renovation or equipping of the Leased Premises by the County;

(f) the failure to complete or to maintain satisfactory progress in the renovation of the Building, whether due to the fault or negligence of Authority or any other cause or reason;

(g) failure of consideration, failure of title or commercial frustration; and

(h) any change in the tax or other laws of the United States of America or any other governmental authority; provided, however, that nothing in this Paragraph 5 shall preclude a separate action by the County with respect to any claim against the Authority.

6. CONTINUATION OF TERM BY COUNTY. The County agrees, subject to the provisions of Paragraph 8, to pay the Lease Payments due under this Lease Agreement. The County reasonably believes that funds of an amount sufficient to make all Lease Payments during the term of this Lease Agreement will be available. The County Executive shall, to the extent permitted by applicable law, do all things within his power annually to seek the appropriation of funds by the County Council for the applicable programs administered by the County in connection with the Leased Premises from which the Lease Payments and all other payments to be made by the County under this Lease Agreement may be made. The County further agrees to apply funds that are appropriated for the applicable programs administered by the County in connection with the Leased Premises and received by it for payment of its obligation to pay the Lease Payments and all other payments to be made by the County under this Lease Agreement.

7. NONSUBSTITUTION. The County agrees, to the extent permitted by applicable law, (i) not to terminate this Lease Agreement under Paragraph 8 in any fiscal year for which sufficient funds are appropriated for the applicable programs administered by the County in connection with the Leased Premises or are otherwise available for such programs administered by the County for the payment of Lease Payments due in that fiscal year and the acquisition (by either purchase or lease or otherwise), retention and/or operation of the Leased Premises or for which equivalent funds have been appropriated for the applicable programs administered by the County in connection with the Leased Premises which funds are available for the acquisition (by either purchase or lease or otherwise), retention and/or operation of functionally similar improvements, equipment or facilities for the use of the County in Montgomery County, Maryland, and (ii) to use its best efforts to obtain the authorization and appropriation of such funds, including, without limitation, the inclusion of such funds in the budget of the County Executive to be submitted to the County Council and a request for adequate funds to meet its obligations hereunder in full in its next fiscal year budget. This Paragraph shall not be construed so as to permit the County to, and the County shall not, terminate this Lease Agreement in order to acquire (through construction, purchase, lease or otherwise) similar, functionally similar or competitive improvements from any other party or to allocate funds to perform indirectly essentially the same functions to the same extent for which the Leased Premises are intended. It is the intention of the parties hereto that any official or agency of the County which may be required to take any action in order to carry out the provisions of this Lease Agreement shall take such action to the extent permitted by applicable law.

8. NONAPPROPRIATION. In the event sufficient funds shall not be appropriated for the payment of the Lease Payments required to be paid under Exhibit C, the County may terminate this Lease

Agreement at the end of the last fiscal year or earlier date for which an appropriation is available and the County shall not be obligated to make payment of the Lease Payments provided for in this Lease Agreement beyond the last date for which an appropriation is available. Notwithstanding any provision of this Lease Agreement to the contrary, if a request for an appropriation to pay a Lease Payment has been made by the County Executive to the County Council and the County Council fails to make the appropriation requested, the County shall have the right to terminate this Lease Agreement as set forth in this Paragraph 8. The County shall report to the Authority and the Trustee on or before June 1 in each calendar year as to the actions for appropriations taken by the County Council on the County's budget for the fiscal year beginning July 1 of such calendar year as such actions regard appropriations for such fiscal year for Lease Payments and other amounts payable under the Lease Agreement during such fiscal year. The failure to give such notice shall not extend the term of this Lease Agreement beyond such fiscal year. Upon termination of this Lease Agreement for nonappropriation, the obligations of the County requiring the expenditure of money will cease so long as all payments previously approved or appropriated have been made, and all interest of the County in the Leased Premises and under this Lease Agreement will terminate and be conveyed to the Authority (or the Trustee as the assignee of the Authority) as provided in the Trust Agreement. The Authority (or the Trustee as the assignee of the Authority) may thereupon take possession of the Leased Premises and may take such other actions as are permitted to be taken upon an Event of Default as provided in Paragraph 20 hereof, and Article XIII of the Trust Agreement and Paragraph 3.2 of the Deed of Trust dated as of August 1, 1996 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the "Deed of Trust"), from the Authority to the Trustees.

9. ESSENTIAL USE. The County represents that the Leased Premises will be essential for the operations of the County and in order to meet the needs of the citizens of Montgomery County, Maryland, and the County is in immediate need of the Leased Premises in order to meet such needs. The County further covenants and agrees that the County will use the Leased Premises only for the purpose of performing one or more functions essential to the public purposes of the County consistent with the permissible scope of the County's authority.

10. PREPAYMENT.

(A) The County shall have the option to prepay the Lease Payments in whole at any time on or after August 1, 2006, by paying a prepayment price equal to the aggregate unpaid principal amount of all then-outstanding Bonds, plus that amount of interest required to be paid with respect to all then-outstanding Bonds on the next following Payment Date (as defined in the Trust

Agreement), plus the applicable redemption premium (if any) payable with respect to all then-outstanding Bonds on the next following Payment Date, all pursuant to the terms of the Bonds and the Trust Agreement. Such prepayment price, interest and prepayment premium shall be applied by the Trustee to the redemption of the Bonds pursuant to the Trust Agreement. The County shall give the Trustee and the Authority written notice of its intention to exercise its option hereunder not less than sixty (60) days in advance of the date of exercise.

(B) The County shall have the option to prepay the Lease Payments in part on any Lease Payment Date on or after August 1, 2006, by paying a prepayment price in any integral multiple of \$5,000 (for the purposes of this subparagraph only, the "prepayment price") plus that amount of interest payable with respect to Bonds in a principal amount equal to the prepayment price on the next following Payment Date plus the applicable redemption premium (if any) payable with respect to Bonds in a principal amount equal to the prepayment price on the next following Payment Date, all pursuant to the terms of the Bonds and the Trust Agreement. Such prepayment price, interest and prepayment premium shall be applied by the Trustee to the partial redemption of the Bonds pursuant to the Trust Agreement. The County shall give the Trustee and the Authority notice of its intention to exercise its option hereunder not less than sixty (60) days in advance of the date of exercise. Upon the redemption of the Bonds with a prepayment made by the County pursuant to this subparagraph (B), the Agent shall recalculate the Lease Payments set forth in Exhibit C hereto, such that the amounts therein will be sufficient to meet future principal and interest payments on the Bonds, and the Authority and the County shall take all actions necessary, in the judgment of bond counsel to the Authority, to amend Exhibit C hereto in order to render such recalculations fully and legally binding and enforceable. Any such recalculations shall be verified by an independent certified public accountant selected by the County Representative. Partial prepayments of the principal portion of the Lease Payments shall be applied to the Lease Payments in the order of maturity directed by the Authority. Upon any such partial redemption of Bonds resulting from an optional prepayment of Lease Payments, the Trustee shall amend Exhibit C hereto to reflect the principal portion of all remaining Lease Payments and the amount of the interest portion of each remaining Lease Payment in accordance with the recalculations of the Agent.

(C) In the event that the Trust Agreement shall be discharged pursuant to its terms as a result of any prepayment of the Lease Payments under this Paragraph 10, all properly creditable amounts then held by the Trustee under the Trust Agreement shall be credited toward the amounts then required to be so prepaid, including amounts then on deposit in the Lease Payment Fund, the Project Fund, or the Reserve Fund (all as created under and defined in the Trust Agreement) to the extent not required to be deposited

to the Rebate Fund (as created under and defined in the Trust Agreement) or otherwise rebated to the United States under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code").

(D) Notwithstanding any other provision of this Lease Agreement, the County may, on any date, secure the payment of all Lease Payments due under subparagraph (A) of Paragraph 4 by means of a security deposit with the Trustee to be deposited in the Security Deposit Fund created under Section 15.1 of the Trust Agreement of an amount of:

(1) cash, together with amounts held by the Trustee under the Trust Agreement and together with permissible interest to accrue thereon (to the extent not required to be deposited to the Rebate Fund created under the Trust Agreement or otherwise rebated to the United States under Section 148(f) of the Code), or

(2) (i) noncallable Government Obligations (as defined in the Trust Agreement), together with permissible interest to accrue thereon, and (ii) if needed, cash, and (iii) if needed, all or a portion of moneys or noncallable Government Obligations then on deposit with the Trustee under the Trust Agreement (to the extent not required to be deposited to the Rebate Fund created under the Trust Agreement or otherwise rebated to the United States under Section 148(f) of the Code),

which, in the opinion of an independent certified public accountant, will be fully sufficient to pay all unpaid payments of the principal of, and the interest and redemption premiums (if any) on, the Bonds, when and as the same shall become due and payable in accordance with the terms of the Bonds and the Trust Agreement. Such security deposit shall be deemed to be and shall constitute a special fund in full satisfaction of the County's obligation to make payment of the Lease Payments in accordance with this Lease Agreement and Section 15.1(b) of the Trust Agreement.

(E) The County shall be obligated to prepay the Lease Payments, in whole at any time or in part on any Lease Payment Date, from and to the extent of any net proceeds (net of any expenses of collection) of any insurance award or condemnation award or from any moneys available from self-insurance theretofore deposited in the Lease Payment Fund (as created under and defined in the Trust Agreement) for such purpose pursuant to Paragraphs 16 and 17 hereof and Article VIII of the Trust Agreement. The County and the Authority hereby agree that such net proceeds or such moneys available from self-insurance so deposited, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the County's obligations under this subparagraph

(E) of this Paragraph 10. In the event of a partial redemption of the Bonds resulting from a mandatory prepayment of the Lease Payments as provided in this subparagraph (E), the Agent shall recalculate the Lease Payments set forth in Exhibit C hereto, such that the amounts therein will be sufficient to meet future principal and interest payments on the Bonds, and the Authority and the County shall take all actions necessary, in the judgment of bond counsel to the Authority, to amend Exhibit C hereto in order to render such recalculations fully and legally binding and enforceable. Partial prepayments of the principal portion of the Lease Payments shall be applied to the Lease Payments in the order of maturity directed by the Authority. Upon any such partial redemption of Bonds resulting from a mandatory prepayment of Lease Payments, the Trustee shall amend Exhibit C hereto to reflect the principal portion of all remaining Lease Payments and the amount of the interest portion of each remaining Lease Payment in accordance with the recalculations of the Agent.

11. USE OF THE PREMISES. The term "Leased Premises", wherever used in this Lease Agreement, shall be construed to include any repairs thereto or replacements thereof. The County shall not use, nor shall it permit any person to use, the Leased Premises in any way that would or might cause the Bonds to be considered "private activity bonds" under Section 141(a) of the Code, nor take or permit to be taken any other action that would or might adversely affect the excludability of the interest payable on the Bonds from the gross income of the registered owners thereof for federal income tax purposes or impair any collateral securing the Bonds.

11A. HAZARDOUS MATERIALS. The County hereby covenants not to place, manufacture, store or use, or permit to be placed, manufactured, stored or used on the Leased Premises any Hazardous Materials, except such Hazardous Materials as are customarily or necessarily placed, manufactured, stored, or used in connection with the operation of facilities such as the Project and which will be placed, manufactured, stored or used in compliance with all applicable federal, state and local laws.

As used in this Paragraph 11A, "Hazardous Materials" means (a) any "hazardous waste", as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance", as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (c) any "oil" as defined by the Maryland Environment Code Ann. Section 4-401 (c) (1), as amended from time to time, and regulations promulgated thereunder; (d) any "hazardous substance", as defined by the Maryland Environment Code Ann., Section 7-201, as amended from time to time, and regulations promulgated thereunder; (e) any substance the presence of which on the Leased Premises is

prohibited by any federal, state or local law similar to those set forth in this definition and regulations promulgated thereunder; and (f) any other substance which by applicable federal, state or local law and regulations promulgated thereunder requires special handling in its collection, storage, treatment, use or disposal. As used in this Paragraph 11A, "Hazardous Materials Contamination" means the contamination of the Leased Premises, facilities, soil, ground water, air or other elements on, or of, the Leased Premises by Hazardous Materials, or the contamination of the buildings, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time emanating from the Leased Premises.

12. CONSTRUCTION AND IMPROVEMENTS. The County assumes full responsibility for the design, renovation and equipping of the Leased Premises. The County shall direct the design, renovation and equipping of the Leased Premises in observance with local, State, and Federal codes and regulations relating to the design, construction and/or equipping of such structures, and as may be required by the Montgomery County Department of Environmental Protection and the Office of the Fire Marshal. The County shall, if so requested by the Authority, submit to the Authority for its review and comment copies of any and all plans and/or specifications pertaining to the design, equipping or renovation, of the Leased Premises. The County agrees to conduct the design, bidding, equipping and renovation of the Leased Premises for a fixed price. The County shall be responsible for and agrees to pay, and shall hold the Authority harmless against, any costs in connection with the design, bidding, equipping and renovation of the Leased Premises which exceed the agreed upon price, and any claims arising out of or in connection with the design, bidding, equipping, and renovation relating to the Leased Premises. The Authority and the Trustee shall have free and unhindered access, during regular business hours, to all financial records relating to the planning, design, equipping and renovation of the Leased Premises. Financial records concerning the planning, design, equipping and renovation of the Leased Premises shall be retained by the County for not less than six (6) years following completion of the same.

13. ADMINISTRATION OF THE LEASED PREMISES. The Leased Premises shall be operated under the rules and regulations of the County, in accordance with the policies established now or hereafter by the County for the operation of the Leased Premises.

14. ALTERATIONS AND IMPROVEMENTS. The County agrees to accept the Leased Premises in "as is" condition. After the renovation and equipping of the Leased Premises is complete, the County shall not make alterations, additions, or improvements to the Leased Premises without the approval of the Authority, which approval shall not unreasonably be withheld. With respect to the renovation, use, and occupancy of the Leased Premises, the County

shall be responsible for the acquisition of any and all necessary permits, approvals, and certificates therefor and for the observation of all building ordinances and regulations then in effect and applicable thereto. All Improvements shall, at the expiration or sooner termination of this Lease Agreement, remain and be surrendered with the Leased Premises.

14A. The Authority makes no warranty, either express or implied, of the actual or designed capacity of the Leased Premises, of the suitability of the Leased Premises for the purposes specified in this Lease Agreement, of the condition of the Leased Premises, or of the suitability of the Leased Premises for the needs of the County.

15. OPERATING EXPENSES AND RESPONSIBILITY.

The County shall at all times during the term of this Lease Agreement maintain the Leased Premises in good and well-maintained condition, good repair, working order, and operating condition. To this end, the County shall be responsible for all aspects of the operation, maintenance and policing of the Leased Premises, including but not limited to (A) maintenance of green space, sidewalks, landscaping and grounds upkeep, cleaning and refuse removal, exterior lighting, snow and ice removal, upkeep of recreational equipment, and any other work necessary to the proper upkeep, operation, and maintenance of the Leased Premises; and (B) the payment of all operating expenses relating to the use and occupancy of the Leased Premises, such as costs of maintenance and repair of the building and equipment, fixtures, roof, windows, electrical systems, utilities, janitorial services, refuse removal, telephone service, security, maintenance and repair of heating and air conditioning systems, plumbing systems, pest control, and any other work or expense incurred by virtue of the use, maintenance, and operation of the Leased Premises. The County shall be responsible for the collection of any fees received in connection with the operations and programs administered in connection with the Leased Premises and any related facilities, the hiring and supervision of employees and contractors in connection with the operation and management of the Leased Premises, and the provision of all appropriate safety equipment. The Authority and the County acknowledge and agree that the County may enter into one or more collateral agreements with other persons, with respect to the upkeep, operation, maintenance and policing of the Leased Premises in which such other persons agree to accept certain responsibilities with respect to all or a portion of the Leased Premises; provided that, entry into any such agreements shall not relieve the County of its responsibility, as between the County and the Authority, for the matters set forth in this paragraph 15.

16. LIABILITY, PROPERTY DAMAGE, AND FIRE INSURANCE.

(A) The County agrees to obtain and maintain, during the term of this Lease Agreement, a policy of liability insurance, issued by an insurance company licensed in the State of Maryland and acceptable to the Authority, with bodily injury limits of not less than Two Hundred Thousand Dollars (\$200,000) for an accident or death to one person, and not less than Five Hundred Thousand Dollars (\$500,000) for bodily injury and property damage for each occurrence.

(B) The County agrees to obtain and maintain, during the term of this Lease Agreement, a policy of Fire, Extended Coverage, and Vandalism insurance covering the Leased Premises in form and substance satisfactory to the Authority, issued by an insurance company licensed in the State of Maryland and acceptable to the Authority, with limits of not less than the replacement cost of the Leased Premises.

(C) The County shall, if appropriate, within thirty (30) days from execution of this Lease Agreement and annually thereafter, deliver to the Authority all such policies or certificates of insurance, evidencing the coverage hereinabove stated. Any liability insurance policy obtained under this Paragraph 16 shall name the Authority and the Trustee as additional insureds, as their interests appear. Any property coverage policy obtained under this Paragraph 16 shall name the Authority and the Trustee as mortgagees or loss payees, as their interests appear.

(D) The County may, at its option, satisfy its obligations set forth in this Paragraph 16 by means of self-insurance in the amounts prescribed above; provided, however, that its doing so shall constitute a representation and warranty, both of which shall continue in effect during the period of self-insurance, that it has sufficient resources or reserves to satisfy the minimum insurance requirements set forth in subparagraphs (A) and (B) of this Paragraph 16.

(E) The net proceeds (i.e., proceeds net of any expenses of collection) of any insurance award resulting from any damage to or destruction of the Leased Premises (including amounts provided by self-insurance in the event the County elects not to repair such damage or destruction) by fire or other casualty shall be paid by the County or the Authority, as the case may be, to the Trustee, as assignee of the Authority under the Trust Agreement, and deposited in the Insurance and Condemnation Fund (as created under and defined in the Trust Agreement) by the Trustee and applied as set forth in Article VIII of the Trust Agreement.

17. EMINENT DOMAIN.

(A) If all of the Leased Premises shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, then the term of this Lease Agreement shall cease as of the day possession shall be so taken (subject, however, to the provisions of subparagraph (D) of Paragraph 20). If less than all of the Leased Premises shall be taken permanently, or if all of the Leased Premises or any part thereof shall be taken temporarily, under the power of eminent domain, then this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking, and the parties waive the benefit of any law to the contrary.

(B) The net proceeds (i.e., proceeds net of any expenses of collection) of any eminent domain award resulting from any event described in subparagraph (A) of this Paragraph 17 shall be paid by the County or the Authority, as the case may be, to the Trustee, as assignee of the Authority under the Trust Agreement, and deposited in the Insurance and Condemnation Fund (as created under and defined in the Trust Agreement) and applied as set forth in Article VIII of the Trust Agreement.

18. HOLD HARMLESS. The County agrees that it will at all times indemnify and save (i) the Authority and its members, agents, and employees, and (ii) the Trustee and its officers and employees, harmless from and against all actions, liability, claims, suits, damages, costs, or expenses of any kind which may be brought or made against the Authority or the Trustee, as the case may be, or which the Authority or the Trustee, as the case may be, may, with prior County approval, pay and incur by reason of or in any manner resulting from any injury or death to any person or to property in any manner connected with the use of the Leased Premises (including, without limitation, the presence at the Leased Premises of any asbestos, radon, lead paint or any other substance, pollutant, contaminant or Hazardous Material (as defined in Paragraph 11A) which by federal, state or local law is prohibited or otherwise regulated) by the County, or resulting from the County's negligent performance of or failure to perform any of its obligations under the terms of this Lease Agreement, except such negligence as may be occasioned by the acts or omissions of the Authority or its employees, agents, or contractors or the Trustee or its officers and employees, as the case may be. The indemnification arising under this Paragraph 18 shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of this Lease Agreement for any reason, but only as to matters arising prior to the date of such termination.

19. DESTRUCTION OF PREMISES. In the event that the Leased Premises are destroyed or damaged from whatever cause so as to

render all or a substantial portion of the Leased Premises unfit for the purposes for which the Leased Premises are leased to the County hereunder, and sufficient monies are available from insurance proceeds and other funding sources to reconstruct the Leased Premises, then this Lease Agreement shall not terminate but shall continue in full force and effect, and the Leased Premises shall be reconstructed, within twenty-four (24) months from the date of such damage or destruction, and with available insurance proceeds and funding from other sources, unless otherwise agreed to by the parties hereto; provided, however, that nothing herein shall be construed to obligate the County or the Authority to provide any funds for reconstruction purposes. Notwithstanding any decision regarding reconstruction of the Leased Premises, the County's obligation to pay rent to the Authority, as set forth in Paragraph 4 hereof, shall continue in full force and effect and without change or modification, in the same manner and amounts as set forth therein, for the full term hereof.

20. DEFAULT.

(A) Subject to Paragraph 8 (Nonappropriation), the County shall be in default of this Lease Agreement upon its failure to perform under any term, covenant, or condition of this Lease Agreement and the continuance thereof for sixty (60) days after written notice from the Authority specifying such failure; provided, however, that in the case of the County's failure to make Lease Payments or pay any additional rent when due, the County shall be in default if such failure to make Lease Payments or pay any additional rent shall continue for either (i) five (5) days after written notice from the Authority or the Trustee specifying such failure or (ii) in the absence of such notice from the Authority or the Trustee, ten (10) days.

(B) In the event that the County shall be in default as hereinabove stated, and shall fail to cure such default within the applicable sixty (60) day, five (5) day, or ten (10) day period, as the case may be, described in subparagraph (A) of this Paragraph 20 (or, except in the case of a failure to make Lease Payments or pay any additional rent when due, such longer 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 Authority, the County's right of possession shall thereupon end, and the Authority may proceed to recover possession under Maryland laws, including all public local and public general laws as may be then available therefor.

(C) Notwithstanding any other provision of this Lease Agreement, if the County shall be in default as hereinabove stated, the Authority may proceed to protect or enforce its rights by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or

other appropriate proceeding for the enforcement of any other legal or equitable remedy available therefor to the Authority.

(D) Subject to Paragraph 8 (Nonappropriation), nothing in this Paragraph 20 or any other provision of this Lease Agreement shall affect or impair the obligation of the County, which is absolute and unconditional, to pay or prepay the Lease Payments as provided in this Lease Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Authority to institute suit to enforce and collect such payment. No delay or omission of the Authority to exercise any right or power arising upon the happening of any event of default described in this Paragraph 20 shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein, and every power and remedy given by this Paragraph 20 to the Authority may be exercised from time to time and as often as shall be deemed expedient by the Authority.

(E) No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

#### 21. ASSIGNMENT AND SUBLEASING.

(A) The Authority may assign its rights under this Lease Agreement to the Trustee. Except as expressly provided in this Lease Agreement, the County shall not be entitled to and shall not assign this Lease Agreement or sublease all or any part of the Leased Premises to any third party, or transfer, pledge, mortgage, or surrender any right or interest in the Leased Premises to any third party, without the written consent of the Authority, which shall not unreasonably be withheld. Anything herein contained to the contrary notwithstanding, the Authority shall have the right to refuse any assignment or subletting of the Leased Premises if, in the opinion of the Authority or its counsel, such assignment or subletting would adversely affect the excludability of the interest payable on the Bonds from the gross income of the registered holders thereof for federal income tax purposes.

(B) Anything hereinabove to the contrary notwithstanding, the County shall be permitted to issue use permits and execute other instruments reasonably necessary to the operation and use of the Leased Premises without approval from the Authority, provided that any such use permits or other instruments do not conflict with any provision of this Lease Agreement and do not adversely affect the excludability of the interest payable on the Bonds from the gross income of the registered holders thereof for federal income tax purposes.

22. BOND ISSUANCE; CONTINGENCY. The Authority covenants and agrees that it will use its best efforts to obtain the approximate sum of Seven Million Eighty-Four Thousand Dollars (\$7,084,000) through the issuance of the Bonds to finance in part the cost of acquiring the Land and Building. In the event that the Authority is unable, for whatever reason, to obtain such funds from sale of the Bonds on or before August 15, 1996, then this Lease Agreement shall thereafter be null and void and of no further force and effect, unless an extension of such date is agreed to in writing by the Authority and the County.

23. TERMINATION; SUCCESSION BY COUNTY. When the Bonds shall have been retired and paid in full, or when provision for their payment has been made pursuant to subparagraph (D) of Paragraph 10 hereof and Section 15.1 of the Trust Agreement, the Authority shall, at the option of the County, convey fee simple title to the Leased Premises to the County pursuant to a special warranty deed, whereupon this Lease Agreement shall terminate. The County shall pay all recordation and transfer taxes, if any, and all other costs of recording the deed. The County may exercise its rights under this Paragraph 23 by giving written notice to such effect to the Authority within 90 days after retirement of the Bonds or after provision for their payment has been made pursuant to subparagraph (D) of Paragraph 10 hereof and Section 15.1 of the Trust Agreement.

24. LIENS AND ENCUMBRANCES.

(A) The County shall not permit any liens to stand against the Leased Premises for any labor or material furnished to the County or the Authority in connection with any work performed by or at the direction of the County. The County covenants and agrees that, in the event any mechanic's or materialmen's lien or any other lien is filed against the Leased Premises due to any act or omission, or any alleged act or omission, of the County, the County shall cause such lien to be discharged of record or bonded at the County's sole expense within thirty (30) days after notice to the County of the filing thereof. Any action taken by the County to discharge any such lien shall not be deemed an admission of liability on the part of the County.

(B) As collateral security for payment of the Bonds, the Authority has granted a first priority Deed of Trust upon the Leased Premises. The Deed of Trust names the Trustee as the beneficiary. Notwithstanding the term or any other provision of this Lease Agreement, the Deed of Trust shall remain in force and effect so long as any of the Bonds are outstanding and unpaid unless provision for payment thereof has been made pursuant to subparagraph (D) of Paragraph 10 hereof and Section 15.1(b) of the Trust Agreement. The County acknowledges that its interest in the Leased Premises under this Lease Agreement is subject to and subordinate to the Deed of Trust.

25. SURRENDER OF POSSESSION. The County covenants, at the expiration or other termination of this Lease Agreement, to remove all goods and effects from the Leased Premises not the property of the Authority and to yield up to the Authority the Leased Premises and all keys, locks, and other fixtures connected therewith; provided, however, that this Paragraph 25 shall not apply in the case of a termination of this Lease Agreement occurring solely by reason of the provisions of Paragraph 23 hereof.

26. HOLDOVER. In the event that the County shall continue to occupy the Leased Premises or any part thereof after the expiration or sooner termination of this Lease Agreement, the tenancy created by such holding over shall be deemed to be upon a month-to-month basis and may be terminated by either party upon not less than thirty (30) days' written notice to the other party, to expire on the first day of the month next succeeding the expiration of such thirty-day notice period. During any month-to-month tenancy, both parties shall continue to perform and observe all agreements and covenants contained in this Lease Agreement on its respective part to perform and observe.

27. NET-NET-NET-LEASE. This Lease Agreement shall be deemed and construed to be a net-net-net lease, and the County hereby agrees that the amounts payable by it hereunder shall be a net return to the Authority, free and clear of any expenses, charges, or set-offs whatever. The County expressly waives any right of set-off, at law or in equity, which it may at any time have with respect to amounts payable under this Lease Agreement or any other agreement.

28. NOTICE OF DEFECTS. The County shall give to the Authority prompt written notice of accidents on or damages to the Leased Premises, and of the institution of any suits or claims or other actions arising (directly or indirectly) out of the design, renovation, operation, or maintenance of the Leased Premises.

29. AUTHORITY'S REMITTANCE OF CERTAIN AMOUNTS TO COUNTY; COUNTY'S REIMBURSEMENT OF CERTAIN AMOUNTS TO AUTHORITY. The Authority agrees to remit to the County such amounts as may be received by the Authority from the Trustee pursuant to Sections 5.4, 5.5, 6.5, 8.1, 9.8 or 15.1 of the Trust Agreement. The County agrees to reimburse the Authority for any amounts paid by the Authority pursuant to Section 4.4 of the Trust Agreement.

30. QUIET POSSESSION. The Authority covenants and agrees that if the County shall perform and observe all the covenants, conditions, and agreements herein contained to be performed or observed on the County's part, the County shall at all times during the term of this Lease Agreement have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes for which it leases the Leased Premises.

31. COMPLIANCE WITH LAWS. It is understood, agreed, and covenanted by and between the parties hereto that the County or the Authority, at their respective expense and as their interests may appear, will promptly comply with, observe, and perform all of the requirements of all applicable 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.

32. BENEFIT AND BURDEN. This Lease Agreement is and shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective successors, assigns, or representatives.

33. 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.

34. NON-DISCRIMINATION. The County and the Authority agree to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable State and federal laws and regulations regarding employment discrimination. In accordance with applicable law, the County and the Authority each represent that it does not, and each agrees that it will not, discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

35. CONTRACT SOLICITATION. The Authority represents that it has not retained anyone to solicit or secure this Lease Agreement from the County upon an agreement or understanding for a commission, or a percentage, brokerage, or contingent fee, except for bona fide employees or an attorney rendering professional legal services consistent with applicable ethical standards or rules.

36. COUNTY ETHICS LAWS. The County and the Authority understand that, unless authorized by law, it is unlawful for any person transacting business with the County to employ a public employee (as defined in Section 19A-4 of the Montgomery County Code 1994, as amended) for employment contemporaneous with his or her public employment (as defined in Section 19A-4 of the Montgomery County Code 1994, as amended).

37. RECORDING OF LEASE AGREEMENT. The Authority and the County shall have the right to record this entire Lease Agreement or to execute a Memorandum of Lease and have it properly acknowledged for the purpose of recording, said recording to occur on or after the date hereof. Such Memorandum of Lease shall have included therein such of the provisions hereof as may be requested

by either party. The cost of recording of this Lease Agreement or such Memorandum of Lease (including all stamps, conveyance, recordation and other taxes incident thereto) shall be borne solely by the party exercising this right.

38. NO WAIVER OF GOVERNMENTAL IMMUNITY. The responsibilities and obligations of the County as set forth in this Lease Agreement shall not constitute a waiver by the County of any provision of the Local Government Tort Claims Act, Section 5-401, et seq., of the Courts and Judicial Proceedings Article, Annotated Code of Maryland.

39. SEVERABILITY. In the event that any provision of this Lease Agreement is deemed invalid, illegal, or unenforceable, such provision shall be considered severable, and the balance of this Lease Agreement shall remain in force and be binding upon the parties as if such provision had never been included.

40. FURTHER ASSURANCES. The parties hereto agree that they will, from time to time, take such further action and shall execute and deliver such further instruments or agreements as may reasonably be required for carrying out the intention of the parties to, or facilitating the performance of, this Lease Agreement.

41. ENTIRE AGREEMENT; AMENDMENT. This Lease Agreement, including the Exhibits attached hereto and made a part hereof and the documents referenced herein and made a part hereof, and such other agreements and documents as are expressly provided for herein, set forth all the covenants, promises, agreements, conditions, and understandings between the County and the Authority concerning the Leased Premises and the Project. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between the parties other than as set forth herein. No subsequent alteration, amendment, change, or addition to this Lease Agreement shall be effective or binding on either party unless made in accordance with Sections 10.1 and 10.2 of the Trust Agreement and reduced to writing and signed by the parties.

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, first-class postage and other fees prepaid and with return receipt requested, and shall be deemed to be effective when received (as evidenced by the return receipt) or refused by the addressee. All notices to, and all payments made hereunder by, a party shall be addressed and delivered to the other party as follows:

If to the Authority:

MONTGOMERY COUNTY REVENUE  
AUTHORITY  
211 Monroe Street  
Rockville, Maryland 20850  
Attention: Executive Director

If to the County:

MONTGOMERY COUNTY, MARYLAND  
Department of Finance  
Executive Office Building  
101 Monroe Street, 15th Floor  
Rockville, Maryland 20850  
Attention: Director of Finance

If to the Trustee:

THE FIRST NATIONAL BANK  
OF MARYLAND  
25 South Charles Street,  
16th Floor  
Baltimore, Maryland 21201  
Attention: Corporate Trust  
Department

with a copy to:

County Attorney  
Montgomery County, Maryland  
Executive Office Building  
101 Monroe Street, 3rd Floor  
Rockville, Maryland 20850

Either party may change its mailing address by giving notice thereof to the other in the manner set forth in this Paragraph 41.

43. COUNTERPARTS. This Lease Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

44. GOVERNING LAW. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be properly executed and sealed as of the date and year first above written.

(SEAL)

ATTEST:

By: William N. Price  
Name: William N. Price  
Title: Secretary-Treasurer

AUTHORITY, as Lessor:  
MONTGOMERY COUNTY REVENUE AUTHORITY  
By: Stephen H. Edwards  
Name: Stephen H. Edwards  
Title: Chairperson

Authority Attestation: I hereby certify that the above-named individual is authorized to execute this instrument on behalf of the MONTGOMERY COUNTY REVENUE AUTHORITY.

William N. Price  
William N. Price  
Secretary-Treasurer

(SEAL)

COUNTY, as Lessee:

ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: Mary A. Edgar  
Name: Mary A. Edgar  
Title: Secretary of  
the County Council  
for Montgomery County,  
Maryland

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

Approved as to Form and Legality:  
OFFICE OF THE COUNTY ATTORNEY

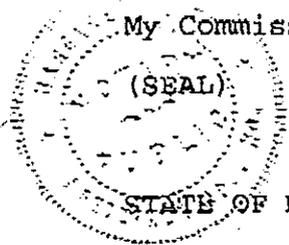
By: Karen L. Federman Henry  
Name: Karen L. Federman Henry  
Title: Associate County Attorney

BEING PAGE 21 OF THE LEASE AGREEMENT DATED AS OF AUGUST 1, 1996, BY AND BETWEEN MONTGOMERY COUNTY REVENUE AUTHORITY, AS LESSOR, AND MONTGOMERY COUNTY, MARYLAND, AS LESSEE.

STATE OF MARYLAND )  
 ) SS:  
CITY/COUNTY OF MONTGOMERY )

On this 8<sup>th</sup> day of August, 1996, before me, the undersigned, a Notary Public in and for said jurisdiction, personally appeared Stephen H. Edwards and William N. Price, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who signed this instrument as the Chairperson and Secretary-Treasurer, respectively, of the Montgomery County Revenue Authority, and acknowledged to me that they executed it in such capacities.

WITNESS my hand and official seal.

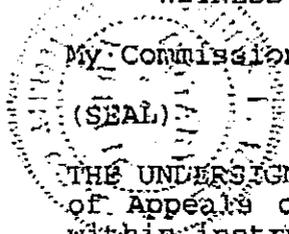


My Commission Expires: 5/1/00  
(SEAL) Margaret Abate  
Notary Public

STATE OF MARYLAND )  
 ) SS:  
CITY/COUNTY OF Montgomery )

On this 8<sup>th</sup> day of August, 1996, before me, the undersigned, a Notary Public in and for said jurisdiction, personally appeared Douglas M. Duncan and Mary A. Edgar, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who signed this instrument as the County Executive and the Secretary of the County Council for Montgomery County, Maryland, respectively, of Montgomery County, Maryland, and acknowledged to me that they executed it in such capacities.

WITNESS my hand and official seal.



My Commission Expires: 5-1-99  
(SEAL) Bernita G. Ware  
Notary Public

THE UNDERSIGNED, an attorney admitted to practice before the Court of Appeals of the State of Maryland, hereby certifies that the within instrument was prepared by him.

Gary F. Florence  
Gary F. Florence

BEING PAGE 22 OF THE LEASE AGREEMENT DATED AS OF AUGUST 1, 1996, BY AND BETWEEN MONTGOMERY COUNTY REVENUE AUTHORITY, AS LESSOR, AND MONTGOMERY COUNTY, MARYLAND, AS LESSEE.

EXHIBIT A

DESCRIPTION OF LEASED PREMISES

Lot numbered Nine (9) in Block lettered "B" in the subdivision known as "270 INDUSTRIAL PARK" as per plat recorded in Plat Book 110 at Plat 12796 among the Land Records of Montgomery County, Maryland.

1. Project Number 649278	Agency No. 0047	<b>A. IDENTIFICATION AND CODING INFORMATION</b>				7. PRE. PDF PG NO 13--5	8. REQ. ADEQ. PUB FAC. IDENT.
3. Project Name HHS PICCARD/CRISIS CENTER		2. Date Jun 3, 1996	2a. Revised:		5. Agency REVENUE AUTHORITY		
4. Program HEALTH AND HUMAN SERVICES		6. Planning Area ROCKVILLE					

<b>B. EXPENDITURE SCHEDULE (\$000)</b>											
Cost Elements	(8) Total	(9) This FY 95	(10) Estimate FY 96	(11) Total 6 Years	(12) Year 1 FY 97	(13) Year 2 FY 98	(14) Year 3 FY 99	(15) Year 4 FY 00	(16) Year 5 FY 01	(17) Year 6 FY 02	(18) Beyond 6 Years
1. Planning, Design and Supervision	125	8	24	93	68	25					
2. Land	8870			8870	8870						
3. Site Improvements and Utilities	28			28	28						
4. Construction	900			900	600	300					
5. Other	341			341		341					
6. Total	10264	8	24	10232	9566	666					

<b>C. FUNDING SCHEDULE (\$000)</b>											
G.O. BONDS	1606	8	12	1586	1253	333					
STATE AID	1574		12	1562	1229	333					
REV AUTH	7084			7084	7084						

<b>D. ANNUAL OPERATING BUDGET IMPACT (\$000)</b>											
MAINT				1069	119	190	190	190	190	190	190
ENERGY				1357	177	236	236	236	236	236	236
NET IMPACT				2426	296	426	426	426	426	426	426
WORK YRS											

**E. DESCRIPTION AND JUSTIFICATION** PROJECT NO.: 649278 PROJECT NAME: HHS PICCARD/CRISIS CENTER

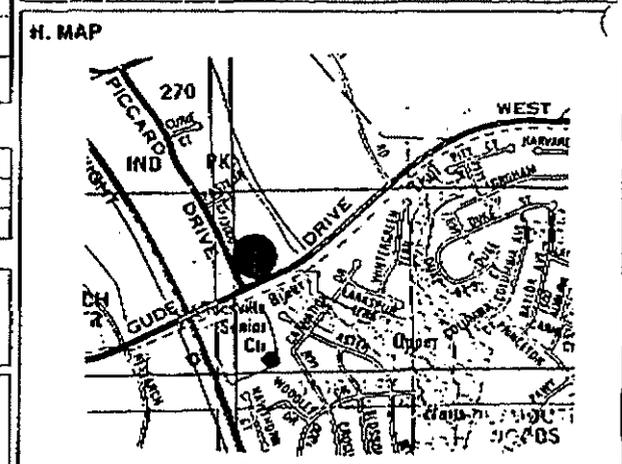
**DESCRIPTION:** This project provides for the purchase of an existing building [87,387 gross square feet] at 1301 Piccard Drive in Rockville for use as office space for the Department of Health and Human Services and for a Community Crisis Center. Approximately three quarters of the building [67,780 gross square feet] will be used to replace space that will no longer be rented by the State of Maryland for delivery of social service programs. Expenditures for the part of the purchase price related to providing space for Social Services will be financed with Revenue Authority Bonds. The State of Maryland will pay the County an annual amount equivalent to the debt service on these bonds plus annual operating expenses for the building. The remainder of the building [19,607 gross square feet] will be used to house a new Community Crisis Center, which had previously been planned as a free standing structure. The Crisis Center is to include 24-hour phone-in/walk-in crisis stabilization services, a five-bed triage and evaluation unit for persons in crisis, abused persons outpatient services, and support functions. The cost of acquisition and buildout for this portion of the building will be funded by County Bonds and State funding (50 percent of eligible costs). To date the State has approved partial funding for its share of the project. Negotiations are currently underway for the balance of funds required.

**JUSTIFICATION:** This new building will allow the Department of Health and Human Services to reorganize for better service delivery and to implement its co-location plans based on the comprehensive HHS Facilities Plan completed in FY96. Replacement space for the social services component of the project has been sought by the State for several years. The need to provide new space for the Crisis Center, housed in a renovated fire station in Bethesda since 1979, was identified in 1983. The proposed facility on Piccard Drive will relieve overcrowding at the existing Crisis Center, and provide a more central location. Cost Increase: Due to scope change to include HHS office space and abused persons outpatient services, offset by a reduced estimate of Crisis Center costs.

**STATUS:** Design Stage. This PDF includes funds for minimal tuneup of mechanical systems, and for some carpet replacement and painting. Not included in this PDF are other costs related to use of this space for HHS offices, including moving, telephones, computer hookups, furnishings, equipment, and reconfiguration of the space. The State will fund these costs. The Crisis Center component requires more extensive buildout, which is included in the PDF. Application will be made to the Community Bond Fund program to secure additional State funding for Crisis Center related expenses.

<b>F. APPROPRIATION AND EXPENDITURE DATA</b>		
Date First Appropriation	94	(\$000)
Initial Cost Estimate		6005
Fast Cost Est Current Scope	(97)	10264
Last FY's Cost Estimate		2857
Present Cost Estimate (97)		10264
Cumulative Appropriation	0	Unencumbered Balance
Expenditures/Encumbrances	0	0
Authorization Request Budget Yr FY97		7084
Supplemental Appropriation Request Current Year FY 95		0

**G. RELOCATION IMPACT**



**I. COORDINATION & OTHER INFORMATION** (INCL SUBPROJ & WORK PRGM LISTS)

Department of Public Works & Transportation  
 Department of Health and Human Services  
 Office of Economic Development  
 Office of Management and Budget  
 State Community Bond Program  
 Office of Intergovernmental Affairs  
 Department of Finance  
 County Attorney  
 Revenue Authority  
 M-NCPPC  
 Center on Domestic Violence (No. 649424)  
 MD Department of Health and Mental Hygiene  
 MD Department of Human Resources  
 Formerly Project No. 925178

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

06/09/97 11:43 0410 8124 Project Description Form SS&C, L.L.C. 027/028 EXHIBIT B

## EXHIBIT C

LEASE PAYMENTS

<u>DATE</u>	<u>PRINCIPAL PORTION</u>	<u>INTEREST PORTION</u>	<u>TOTAL PRINCIPAL AND INTEREST</u>
1/15/1997	-	\$ 211,661.25	\$ 211,661.25
7/15/1997	\$ 230,000.00	211,661.25	441,661.25
1/15/1998	-	205,451.25	205,451.25
7/15/1998	240,000.00	205,451.25	445,451.25
1/15/1999	-	198,971.25	198,971.25
7/15/1999	250,000.00	198,971.25	448,971.25
1/15/2000	-	192,221.25	192,221.25
7/15/2000	265,000.00	192,221.25	457,221.25
1/15/2001	-	185,066.25	185,066.25
7/15/2001	275,000.00	185,066.25	460,066.25
1/15/2002	-	177,641.25	177,641.25
7/15/2002	290,000.00	177,641.25	467,641.25
1/15/2003	-	169,811.25	169,811.25
7/15/2003	305,000.00	169,811.25	474,811.25
1/15/2004	-	161,576.25	161,576.25
7/15/2004	320,000.00	161,576.25	481,576.25
1/15/2005	-	152,936.25	152,936.25
7/15/2005	335,000.00	152,936.25	487,936.25
1/15/2006	-	143,891.25	143,891.25
7/15/2006	355,000.00	143,891.25	498,991.25
1/15/2007	-	134,306.25	134,306.25
7/15/2007	375,000.00	134,306.25	509,306.25
1/15/2008	-	124,181.25	124,181.25
7/15/2008	395,000.00	124,181.25	519,181.25
1/15/2009	-	113,516.25	113,516.25
7/15/2009	420,000.00	113,516.25	533,516.25
1/15/2010	-	102,176.25	102,176.25
7/15/2010	440,000.00	102,176.25	542,176.25
1/15/2011	-	90,296.25	90,296.25
7/15/2011	465,000.00	90,296.25	555,296.25
1/15/2012	-	77,741.25	77,741.25
7/15/2012	495,000.00	77,741.25	572,741.25
1/15/2013	-	64,128.75	64,128.75
7/15/2013	525,000.00	64,128.75	589,128.75
1/15/2014	-	49,560.00	49,560.00
7/15/2014	555,000.00	49,560.00	604,560.00
1/15/2015	-	34,020.00	34,020.00
7/15/2015	590,000.00	34,020.00	624,020.00
1/15/2016	-	17,500.00	17,500.00
<u>7/15/2016</u>	<u>625,000.00</u>	<u>17,500.00</u>	<u>642,500.00</u>
<u>TOTAL</u>	<u>\$7,750,000.00</u>	<u>\$5,213,307.50</u>	<u>\$12,963,307.50</u>