

LEASE AGREEMENT

BETWEEN

12500 OFFICE BUILDING LIMITED PARTNERSHIP

AND

MONTGOMERY COUNTY, MARYLAND

DATED: 8.5.99

TABLE OF CONTENTS

1. Premises
2. Term
3. Rent
4. Consumer Price Index
5. Maintenance and Services of Leased Premises
6. Real Estate Taxes
7. Construction and Remodeling
8. Use
9. Assignment and Subleasing
10. Property Damage & Liability Insurance
11. Good Order & Repair
12. Furniture & Fixtures
13. Liens
14. Signs & Advertisements
15. Landlord's Inspection Rights
16. Glass Pane Replacement
17. Default
18. Termination by Insolvency
19. Condemnation
20. Damage to Premises
21. Subordination
22. Status of Performance
23. Surrender and Holding Over
24. Statutory Provisions
25. Definition of "Landlord"
26. Landlord Not A Partner
27. Landlord's Title and Covenant of Quiet Enjoyment
28. Force Majeure
29. General Provisions
30. Non-Discrimination
31. Contract Solicitation
32. Public Employment
33. Non-Appropriation
34. Miscellaneous
35. Successors and Assigns
36. Transfer of Landlord's Interest
37. Mailing Notices
38. Landlord's Liability

EXHIBITS

Exhibit A - Leased Premises

Exhibit B - Architectural/Engineering Work

LEASE AGREEMENT

THIS LEASE, made and executed this 5 day of AUGUST
1999, by and between 12500 OFFICE BUILDING
LIMITED PARTNERSHIP c/o Corby Construction, LLC., 4201
Connecticut Avenue, NW, Washington, D.C. 20008, (hereinafter
referred to as "Landlord"), and MONTGOMERY COUNTY, MARYLAND, a
body corporate and politic, (hereinafter referred
to as "Tenant").

WITNESSETH:

That for and in consideration of the rents hereinafter
reserved and the agreements and covenants herein contained,
Landlord and Tenant agree as follows:

1. PREMISES: Landlord does hereby lease and demise unto
Tenant, and Tenant does hereby lease and take from the Landlord,
for the term and upon the conditions hereinafter provided,
approximately 21,778 square feet of space ("Premises"), having an
address of 12500 Ardennes Avenue, Rockville, Maryland,
("Property") which space is depicted on Exhibit A attached hereto
and made a part hereof, and which Premises and Property shall be
hereinafter referred to collectively as the "Leased Premises".

2. TERM:

A. The term hereby created shall be ten (10) years and
three (3) months. The Lease Commencement date shall be September
1, 1999 and terminating at midnight November 30, 2009. The Rent
Commencement Date shall be December 1, 1999. The Lease Year is
hereby defined as September 1 - August 31. Tenant shall be
permitted access to the Premises as of the Lease Commencement
Date for the purpose of making its improvements and installing
its furniture, fixtures and equipment. Tenant shall be
responsible for all utility costs, taxes, and out-of-pocket
expenses associated with such access incurred from the period of
the Lease Commencement Date until the Rent Commencement Date.

B. After the conclusion of the fifth (5th) lease year,
either Tenant or Landlord may, by providing a minimum of one (1)
year's notice to the other, terminate this Lease after the notice
period has expired, provided, however, that should Tenant first
notify Landlord, on or before ninety (90) days prior to the end
of the fifth (5th) lease year, that it shall not exercise its

termination rights for a period of two or more additional lease years, then in that event Landlord shall not have the right to terminate the Lease during those same additional lease years.

3. RENT:

A. Landlord and Tenant agree that Tenant shall pay to the Landlord a base annual rent ("Base Rent") beginning on the Rent Commencement Date, in the amount of Three Hundred Forty Eight Thousand Four Hundred And Forty Eight Dollars (\$348,448.00), payable in equal monthly installments of Twenty Nine Thousand Thirty Seven And 33/100 Dollars (\$29,037.33) for a triple net lease.

B. Tenant covenants and agrees to pay Base Rent and all other amounts ("Additional Rent") due hereunder to Landlord (collectively the "Rent"), payable to 12500 Office Building Limited Partnership, c/o Corby Construction, LLC, 4201 Connecticut Avenue, NW Washington, D.C. 20008. The first rental payment shall be due and payable on the Lease Commencement Date.

C. All subsequent rent payments shall be made by the Tenant in advance, on or before the first day of each month, without set-off, deduction or demand therefor from the Landlord except as otherwise provided herein, to and at the offices of the Landlord as herein designated. Any rental payment not received by Landlord after 5 days from the date it becomes due and payable shall be assessed interest at the rate of 15% per annum until paid. In addition, to offset the administrative and other expenses and inconvenience to Landlord of late rental payments, a late fee of five percent (5%) of the amount of any Base Rent or Additional Rent installment or payment not received by the Landlord within twenty (20) days of its due date shall be imposed and become immediately due and payable by Tenant to Landlord, provided Landlord has, on two previous occasions in any one twelve month period from the date of the past due installment, given Tenant notice of a late payment.

D. In addition to the installments of Base Rent, the Tenant shall be obligated to pay as Additional Rent the following items: 1) Real Estate Taxes as defined in paragraph 6; 2) insurance as defined in paragraph 10; and 3) any other payments

due to Landlord under this Lease which shall be considered Additional Rent.

4. CONSUMER PRICE INDEX: It is agreed between the parties that the Base Rent payable by Tenant shall be adjusted for the second Lease Year and every Lease Year thereafter, as determined by application of the following formula:

A. To the Base Rent payable by Tenant during the previous Lease Year shall be added that sum representing one hundred percent (100%) of the resulting amount, after (1) multiplying said Base Rent payable during the previous Lease Year by a fraction, the numerator of which shall be the index now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Revised CPI-U. All Items, U.S. City Average, 1967=100" for the last month of the previous Lease Year, and denominator of which shall be said index for the month prior to the first month of the previous Lease Year, and (2) subtracting from such product the Base Rent payable during the previous Lease Year.

B. The resulting adjusted Base Rent shall in no event be less than 2% or more than 4% of the Base Rent payable during the previous Lease Year.

C. In the event the said index is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such index, the parties hereto shall attempt to agree on an alternative formula in accordance with such statistics as may be recommended by a department or agency of the United States Government for such purpose, or absent such a recommendation, in such manner as may reasonably be determined by agreement of Landlord and Tenant.

5. MAINTENANCE AND SERVICES OF LEASED PREMISES:

A. TENANT'S REQUIRED MAINTENANCE - Except as specified in paragraph 5 B. below, Tenant shall provide at its sole cost and expense all "Maintenance and Repairs" to the Property and the Premises, which term shall mean all repairs, replacements, maintenance (including preventative maintenance), and other expenses of every kind incurred in the occupancy and operation of the Leased Premises, including but not limited to the following: landscaping, including walkways and paving; snow removal,

janitorial services; trash removal; pest control; the repair and maintenance of mechanical, electrical and plumbing systems and fixtures, including pipes, wires, conduit and other equipment inside the Leased Premises and for all other routine maintenance and repairs to the Premises and Property. In addition, Tenant shall be responsible for the full cost of Maintenance and Repair of the Leased Premises including the doors, windows, screens, floors, walls, and ceilings located in and exclusively servicing the Leased Premises. Tenant, at its expense, shall maintain and repair the heating, ventilating and air-conditioning system exclusively servicing the Leased Premises. Tenant will throughout the term of this lease perform regular inspections and maintenance services to the heating, ventilating and air-conditioning system. Tenant will provide to Landlord a service contract for the HVAC equipment or if Tenant's own personnel are performing maintenance, a schedule and specifications of the work which shall be subject to the approval of the Landlord, which approval shall not be unreasonably withheld. As to all repairs to be performed by Tenant, Tenant shall immediately perform repairs upon the occurrence of the necessity thereof. Tenant shall also be responsible to keep the loading docks exclusively servicing the Leased Premises free and clear of dirt, trash, debris, ice, snow, and any other obstructions. All glass, both exterior and interior which exclusively services the Leased Premises, shall be maintained at the sole risk of Tenant, and Tenant agrees to replace any glass which exclusively services the Leased Premises promptly at its sole expense in the event of breakage. Tenant shall be responsible for the direct payment of all utility charges assessed against the individual meters within the Leased Premises, including oil, heat, gas, water and electric charges, when and as the same become due. In no event shall Landlord be liable for any interruption or failure in the supply of any utilities to the Leased Premises, except as follows. In the event that (i) electricity and/or heating or air conditioning (in season) of the Leased Premises, shall not be furnished for more than seven (7) consecutive days as result of the Landlord's, its agents' or employees' negligence, and (ii) Tenant, in its reasonable business judgment, determines that it is unable to use and occupy the Leased Premises (or any part thereof) as a result thereof, then the Base Rent Tenant is obligated to pay hereunder shall abate with respect to that part of the Leased Premises which Tenant cannot occupy, commencing on the eighth (8th) such

day until the date on which such services and utilities are restored.

B. LANDLORD'S REQUIRED MAINTENANCE - Landlord shall be responsible for repairs to the roof, structure and foundation and major electric and plumbing. In the event Landlord fails to respond in a reasonable period of time to correct major maintenance and repair problems, Tenant shall have the right but not the obligation to correct these problems, in which event Landlord shall reimburse Tenant for Tenant's reasonable cost of correcting such problems within thirty (30) days after receipt of an invoice therefor. Landlord is to be notified of requested major repairs and it will contract and arrange for same. Landlord shall also maintain in good order and repair all pipes, wires and conduits located outside of the Premises which serve the Leased Premises, provided, in each case, that Tenant shall give Landlord written notice of the necessity thereof, and provided further, that any such repairs necessitated by the acts or omissions of Tenant, its agents, employees, contractors or invites, shall be performed at Tenant's expense and the cost thereof shall be paid by Tenant to Landlord, as Additional Rent, within ten (10) days after Landlord's submission of a bill therefor.

6. REAL ESTATE TAXES:

A. Tenant agrees to pay to Landlord as Additional Rent the Real Estate Taxes which are levied or imposed by lawful taxing authorities against the Leased Premises for each year of the Lease term, prorated as provided in subparagraph 6.D. hereof.

B. Real Estate Taxes" shall be deemed to mean all taxes, rates and assessments, general and specific, levied or imposed with respect to the land and improvements comprising the Leased Premises, including all taxes, rates and assessments, general and specific, levied or imposed for schools, public betterment, general or local improvements and operations, and taxes imposed in connection with any special taxing district. The initial Real Estate Tax Year is defined as July 1, 1999 - June 30, 2000.

C. Landlord shall forward to Tenant an annual statement setting forth the amount of Real Estate Taxes (as hereinbefore defined) levied or imposed against the land and improvements

which comprise the Leased Premises. Landlord's annual statement to Tenant shall contain copies of Real Estate Tax billings. Landlord shall pay to Tenant, upon receipt of the Landlord's statement, but in no event more than 30 days after receipt of Landlord's statement, the total amount of real estate taxes. Tenant shall not be responsible for any late charges imposed against Landlord by the taxing authorities.

D. Tenant's liability for Tenant's proportionate share of any real estate taxes and assessments for the calendar years during which this lease commences and terminates shall in all events be subject to a pro-rata adjustment based on the number of days of said calendar year during which the term of this lease is in effect.

7. CONSTRUCTION AND REMODELING:

A. LANDLORD'S WORK - Before the Lease Commencement Date, Landlord, at its sole cost and expense, shall replace the roof; replace or repair all HVAC mechanical equipment to bring it into proper operating condition; and patch, repair, seal and restripe the parking lot. If at any time during the first Lease Year, any of the HVAC equipment fails, beyond reasonable repair through no fault of the Tenant and must be replaced, the Landlord will effect such a replacement at its sole cost and expense.

B. TENANT'S WORK - Except as provided for in 7.A. above, Tenant shall lease the Leased Premises in it "AS IS" condition. Tenant shall make all improvements at its sole cost and expense. All alterations and improvements are subject the Landlord's written approval, which approval will not be unreasonably withheld or delayed. All of the Tenant Improvements must be diligently made in a workmanlike manner and using customarily suitable materials and construction methods. Failure of the Tenant to effect all Tenant Improvements before the Rent Commencement Date shall not delay or alter the Rent Commencement Date or relieve Tenant of its obligation to pay the Base Rent commencing as of the Rent Commencement Date.

C. Architectural and Construction Services.

- (i) The Landlord will provide architectural and engineering services to prepare working and/or

permit drawings for the "Tenant's Work" (7.B.) according to the proposal attached in Exhibit "B" by GTM Architects date July 15, 1999. The Tenant will reimburse the Landlord for all expenses for these services per the proposal plus a five percent (5%) administrative fee.

- (ii) Upon completion of working drawings the Landlord will submit a proposal with a lump sum price to perform the construction work. The Tenant shall have the option to authorize the Landlord to proceed per Landlord's proposal; to do the work itself; or to have another contractor complete the work. Should the Tenant authorize the Landlord to proceed, all work will be done at the Tenant's expense.
- (iii) As stated in paragraph 7.B. the Rent Commencement Date is not to be altered or delayed due to the completion of services in paragraphs 7(c)(i) and (ii), provided that Landlord provides the services outlined in subparagraph 7(c)(i) on or before September 15, 1999. 

8. USE:

A. Tenant warrants and agrees that the Leased Premises shall be used as a general office and program space for the Department of Correction, Police, and other County agencies.

B. The use and occupation by the Tenant of the Leased Premises shall include the use of the parking areas, service roads, loading facilities, sidewalks, and other facilities within the Leased Premises, subject however to the terms and conditions of this Lease and to reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord.

C. Tenant shall not make any alterations, repairs or additions, structures or otherwise (collectively "Alterations") after the Rent Commencement Date without the Landlord's prior written approval, not to be unreasonably withheld but which may be conditioned upon the use of licensed or bonded contractors,

compliance with all applicable governmental regulations or insurance requirements, and performance of the Alterations in a workmanlike manner with customarily suitable materials and methods.

9. ASSIGNMENT AND SUBLEASING: Tenant shall not transfer or assign this Lease, or let or sublet the whole or any part of the Leased Premises without the prior written consent of Landlord first had and obtained, which consent shall not be unreasonably or unduly withheld. In any event, should the Tenant endeavor to assign or sublease all or part of the Leased Premises, Landlord shall first have thirty (30) days from written notice to accept the surrender of the property at the Landlord's sole option and release the Tenant of further responsibility under this Lease. In the event of any assignment or subletting which is approved by Landlord, Tenant shall nonetheless remain responsible for the payment of all sums and the performance of all obligations required of the Tenant hereunder.

10. PROPERTY DAMAGE AND LIABILITY INSURANCE:

A. Tenant shall obtain and maintain, during the full term of this agreement and any extension thereof, a policy of public liability insurance with bodily injury limits of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS for injury (or death) to one person, ONE MILLION (\$1,000,000.00) DOLLARS per occurrence, and property damage insurance with a limit of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS.

B. Landlord's Coverage. Landlord shall obtain and maintain in effect a policy of insurance covering the building and other improvements constituting the Property, including common areas (but excluding Tenant's leasehold improvements, fixtures, and other property required to be insured by Tenant) in an amount not less than the full insurable value of such exclusive of the costs of excavations, foundations and footings, providing protection against perils included within the standard form of fire and extended coverage insurance policy together with such other risks and with such deductibles as Landlord may from time to time determine, and public liability insurance covering the common areas in an amount not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury to any one person, ONE MILLION DOLLARS (\$1,000,000.00) for property damage coverage. The costs of the

premiums of such policy shall be paid by Tenant as ADDITIONAL RENT. Landlord may also obtain reasonable loss of rent coverage for the Leased Premises. Landlord covenants that the annual premiums for Landlord's insurance shall be commercially reasonable and as of the first Lease Year does not exceed

260 \$ 4500.00 .

C. The Tenant shall not conduct or permit to be conducted or do anything that would increase the rate of fire insurance upon the Building. Should said insurance rates be increased by reason of Tenant's use of the Leased Premises, Tenant shall pay to Landlord the increase, as Additional Rent, in the insurance premiums over and above that existing as of the date of this Lease when and as same become due and payable, or Tenant shall provide Landlord with written evidence of sufficient self-insurance.

D. The Landlord and the Tenant each hereby waives its right of recovery against the other, and each releases the other from any claim arising out of loss, damage or destruction to the building, Premises or contents thereon or therein, to the extent its property is covered by a policy of insurance, whether or not such loss, damage or destruction may be attributable to the negligence of either party or its respective agent, visitor, contractor, servant or employee. Each policy shall include a waiver of the insurer's rights of subrogation against the party hereto who is not the insured under said policy.

E. Tenant further agrees that all equipment, trade fixtures or personal property in the Leased Premises shall be and remain at Tenant's sole risk, and Landlord shall not be liable for any damage to or loss of such equipment, trade fixtures or personal property except for any property damage caused by or through the negligent or willful acts or omissions of the Landlord, the Landlord's agents, servants and employees.

F. Tenant shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days after execution of this agreement and annually for each Lease Year. The Tenant's policy or policies shall name Landlord as an additional insured as their interests may appear, and shall not be cancellable prior to expiration of thirty (30)

days' notice to Landlord. Tenant reserves the right to self-insure.

11. GOOD ORDER AND REPAIR: Tenant covenants and agrees to maintain the Leased premises in good order and clean, and in a safe and sanitary condition, and surrender the same at the expiration or other termination hereof in good order and condition, usual wear and tear and damage by fire, storm, public enemies and any other risk with respect to which Tenant is not herein made expressly liable excepted.

12. FURNITURE AND FIXTURES: Tenant shall have the right of installing any furniture and trade fixtures necessary in the conduct of Tenant's business, and the same shall remain the property of Tenant provided they are removed by Tenant before the expiration of this Lease or any renewal or extension thereof. Landlord reserves the right to require the Tenant to remove its furniture and fixtures at the expiration of the Lease, and, in the event that Tenant does not remove its furniture and fixtures, Landlord may do so and Tenant will reimburse Landlord for the costs in connection with the removal and disposal, as well as any repairs that may result from the removal. In the event any damage is done to said premises in the installation or removal of said furniture and trade fixtures, Tenant will immediately make such repairs as are necessary to restore said premises to their condition upon Tenant's occupancy, reasonable wear and tear excepted, or promptly reimburse the Landlord for the cost of such repairs.

13. LIENS: Tenant expressly covenants and agrees that it will, during the term hereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to said premises by reason of any act or omission on the part of Tenant, and hereby expressly agrees to save and hold harmless the Landlord from and against any such lien or claim of lien. In the event any such lien does attach, or any claim of lien is made against said premises, by reason of any act or omission upon the part of Tenant, and the said lien is not released within sixty (60) days after notice thereof, Landlord, in its sole discretion (but nothing herein contained shall be construed as requiring it so to do), may pay and discharge the said lien and relieve the said premises from any such lien, and Tenant agrees to pay and reimburse Landlord upon

demand for or on account of any expense which may be incurred by Landlord in discharging such lien or claim, which sum shall include the maximum legal interest rate per annum from the date such lien is paid by Landlord until the date Landlord is reimbursed by Tenant, or the Landlord, at the Landlord's sole option, may require that the Tenant remove or cause to be removed any such lien, at the Tenant's sole cost and expense, and if not so removed within thirty (30) days, Landlord may terminate this Lease by written notice to Tenant. Payment of any claim under this Paragraph shall not act as an admission on the part of Tenant as to its responsibility or liability.

14. SIGNS AND ADVERTISEMENTS: Tenant will be permitted to display its sign with the Landlord's written consent, which consent will not be unreasonably withheld. All signage must comply with local regulatory requirements for exterior signage.

15. LANDLORD'S INSPECTION RIGHTS: Landlord shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting same, making necessary repairs, or showing same to potential purchasers. Landlord shall have the further right during the last six (6) months of the lease term to bring prospective tenants into the premises upon reasonable notice to Tenant and at times when such visits will not interfere with Tenant's business for the purpose of showing same and during such period, Landlord may display "For Rent" signs in the windows of the premises.

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

17. DEFAULT:

A. If there is any default by the Tenant of any of the covenants, terms and conditions hereunder, Landlord may recover possession thereof by appropriate proceeding in any court of competent jurisdiction. As to covenants contained in the Lease other than the payment of monies (both Base Rent and Additional

Rent) and to maintain insurance as provided in Paragraph 10, the Landlord agrees to give the Tenant thirty (30) days written notice, specifying the default, prior to his instituting a proceeding against the Tenant.

B. In the event of any deficiency in the payment of the Rent during the term of this Lease, which is not cured by Tenant within 10 days from receipt of written demand therefore from Landlord, or if the Tenant shall vacate or abandon said premises, Landlord may, by appropriate proceedings, recover the rents then due hereunder or, at its option, Landlord may re-rent from time to time said premises for the account of the Tenant, and such re-renting may be for a term or terms equal to, less, or greater than the remaining term hereunder, provided the Tenant shall not be liable for any deficiency in rent for any part of the term of such re-renting beyond the term of this Lease, and Landlord shall be entitled to collect the rent accruing under such re-renting and to apply the same first to all costs and expenses, including commissions, standard needed improvements and repairs necessary for re-renting, and attorney's fees incurred in connection with such re-renting and collection of rentals, and apply the balance of the deficiency in accrued rent under this Lease, and in one or more suits, at Landlord's option, recover any remaining deficiency from the Tenant. All remedies granted in this section or otherwise provided by law shall be cumulative and, unless inconsistent, may be exercised separately or concurrently, or successively. In the event of any suit by Landlord to recover possession, or for unpaid rent, Landlord shall also be entitled to recover (i) costs of suit, including reasonable attorney's fees and (ii) reasonable costs of re-renting the leased premises, including commissions, needed standard improvements and repairs.

C. As an additional remedy available to Landlord in the event of Tenant's breach, Tenant shall remain liable to Landlord for the Base Rent and Additional Rent provided in this Lease from the date of Landlord's termination until the date this lease would have expired had such a breach not occurred, plus all expenses including attorneys' fees, Premises restoration or refinishing work, and brokerage commissions incurred by Landlord in preparing the Premises to relet less the fair rental value of the Premises for the balance of the Lease Term. Landlord shall be entitled to sue for and recover this amount of damages in a single judicial proceeding as its agreed and final damages for

the Tenant's breach. For purposes of this paragraph, the Lease Term shall be conclusively deemed to be for ten (10) years and three months, expiring on November 30, 2009, unless prior to the Tenant's default, Tenant shall have exercised its termination rights under paragraph 2.B. hereof, in which case the deemed lease expiration shall coincide with the effective date of Lease termination had Tenant not breached this Lease.

D. Default By Landlord: If the Landlord or Landlord's assigns shall fail or neglect to keep and perform each and every one of Landlord's covenants, conditions, and agreements as contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence) after written notice from the Tenant or Tenant's assigns specifying the default, then the Tenant or Tenant's assigns, at Tenant's option, may pursue any legal remedies available to Tenant, including actions necessary to mitigate damages.

E. In the event that proceedings shall at any time be commenced for recovery of possession as aforesaid and a compromise or settlement shall be effected either before or after judgment whereby Tenant shall be permitted to retain possession of said premises, then such proceedings shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof or of this agreement.

F. In the event of a breach of this Lease by Tenant, Landlord shall have the option to do any of the following in addition to, and not in limitation of, any other remedy permitted by law or by this Lease: (i) to re-enter the Premises, using force if necessary, to dispossess Tenant and all other occupants from the Premises and to remove any or all of Tenant's property at the Premises, (ii) to store Tenant's property in a public warehouse or elsewhere at the cost, risk and expense of Tenant, without Landlord's being deemed guilty of trespass or becoming liable for any loss or damage that may occur on Tenant's property, and (iii) upon five (5) days' written notice to Tenant, which parties agree is commercially reasonable, to sell at public or private sale any or all of said property, whether exempt or not from sale under execution or attachment (such property being deemed charged with a lien in favor of Landlord for all sums due hereunder), with the proceeds of sale to be applied: first, to

the costs and expenses of retaking, removal, storage, preparing for sale, and sale of the property (including reasonable attorney's fees); second, to the payment of any sum due hereunder to Landlord (including Rent, charges, and damages, both theretofore and thereafter accruing); and third, any surplus to Tenant.

18. TERMINATION BY INSOLVENCY:

In the event of:

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

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

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

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

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

19. CONDEMNATION

A. In the event that (at any time after the commencement of this Lease) as the aggregate result of one or more takings by

eminent domain, the Property shall be reduced by twenty-five percent (25%) or more, within sixty (60) days after the occurrence of the most recent such taking, Tenant may terminate this Lease by written notice to Landlord sent at any time after the expiration of said sixty (60) day period. If (at any time after the commencement date of this Lease) as the aggregate result of one or more takings by eminent domain, the square footage of the Premises shall be reduced by 10% or more, Tenant may terminate this lease by written notice to Landlord given not more than sixty (60) days from the date title rests in the condemning authority.

B. Should the Tenant elect to remain in possession of the Leased Premises after any taking by eminent domain subject to the provisions of paragraph 19A., the Base Rent and Additional Rent shall be reduced to reflect that proportion of the Leased Premises to which Tenant is denied normal occupancy as a result of the taking.

C. Landlord reserves, and Tenant hereby assigns to Landlord, all rights to damages accruing on account of any taking by eminent domain of the Leased Premises or the leasehold hereby created.

D. Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or is recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

20. DAMAGE TO PREMISES: If the Leased Premises shall be damaged by fire or other insured casualty, not due to Tenant's negligence, but are not thereby rendered untenable in whole or in part, Landlord shall promptly at its own expense cause such damage to the Leased Premises to be repaired, to the extent of any insurance proceeds, provided such repairs shall restore the

Leased Premises to their condition prior to the damage, and the rent shall not be abated. If by reason of any such occurrence, the Leased Premises shall be rendered untenable only in part, Landlord shall promptly at its own expense cause the damage to be repaired, to the extent of any insurance proceeds, provided such repairs restore the Leased Premises to their condition prior to the damage, and the Base and Additional Rents meanwhile shall be abated proportionately as to the portion of the Leased Premises rendered untenable. If the Leased Premises shall be rendered wholly untenable by reason of such occurrence, the Landlord shall promptly at its own expense cause such damage to be repaired, to the extent of any insurance proceeds, such repairs to bring the premises as close as possible to their condition prior to the occurrence of the damage, and the Base and Additional rent meanwhile shall be abated in whole, provided however, that in the event Landlord, in good faith, determines the damage cannot be repaired within 120 days after the date of the casualty, then Landlord shall notify Tenant of same, and Tenant shall have the right, to be exercised by notice in writing delivered to the Landlord, to terminate this Lease Agreement, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence, the Base and Additional Rent to be adjusted as of such date.

21. SUBORDINATION: Tenant hereby agrees that this Lease and the terms and provisions thereof shall be subject and subordinate to the lien, terms, and provisions of any mortgage or deed of trust (including a mortgage or deed of trust by virtue of this or other subordination) heretofore or hereafter placed upon or affecting the real property of which the leased premises form a part, to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any supplementary security documents involving mortgage or deed of trust loan proceeds. This clause shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request. In the event of any foreclosure sale or sales under or to enforce any mortgage or deed of trust, Tenant shall not be evicted from the leased premises, nor shall Tenant's leasehold estate under this Lease be terminated or disturbed, nor shall any of Tenant's rights under this Lease be affected in any way, by reason of any default under such mortgage or deed of trust, provided that at the time of any such

foreclosure sale or sales, Tenant is not then in default hereunder.

22. STATUS OF PERFORMANCE:

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

B. Without limiting the generality of the foregoing, the Tenant and Landlord specifically agree, that at any time within twenty (20) days after such a request is made, the Tenant or Landlord shall execute, acknowledge and deliver to the other a certificate evidencing whether or not:

1. This lease is in full force and effect;
2. This lease has been amended in any way;
3. There are any existing defaults hereunder to the knowledge of either party, and specifying the nature of such defaults, if any; and
4. The date to which rent has been paid.
5. Any other matters which a prospective purchaser or mortgagee may request.

C. Landlord and Tenant agree that this lease shall not be recorded but that, upon request by either party, a short form lease of even date herewith, shall be executed and recorded in accordance with the laws governing and regulating recording of such documents in the state in which the Leased Premises are located, at the expense of the requesting party.

23. SURRENDER AND HOLDING OVER: Tenant, upon expiration or termination of this Lease, either by lapse of time or otherwise, shall peaceably render to Landlord the premises in broom-clean condition and in good repair. In the event that Tenant shall hold over after the expiration of this lease, the tenancy created by such holding over shall be a month to month tenancy, but in all other respects shall be governed by the terms of this lease, provided, however, that (i) in all cases a thirty (30) day notice shall be required to terminate the tenancy created by such hold-

over, and (ii) the rent hereunder during any such holdover period shall be 200 % of the rental rate then in effect.

Notwithstanding the foregoing, if Landlord and Tenant are engaged in good faith negotiations as to a renewal or extension of the Lease and the terms and conditions thereof, then Tenant may remain in possession as a month-to-month tenant at the rental rate in effect as of the last month of the Lease Term, until such time as Landlord, on a minimum of 30 days' notice to the Tenant, advises Tenant that it must vacate the Leased Premises, and if Tenant fails to do so on or before said thirty (30) day notice period expires, then the holdover rent at the 200% rate will be imposed for each month or portion thereof that Tenant fails to vacate the Leased Premises. If the Tenant shall hold over after the expiration of this Lease, he shall, in the absence of any agreement to the contrary, be a Tenant from month-to-month.

24. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the parties hereto that Landlord and Tenant, as their interests may appear and at their respective expense, shall promptly comply with, observe and perform all of the requirements of all the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government or Montgomery County Fire Marshal's Office.

25. DEFINITION OF "LANDLORD": The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession as owner for the time being of the land and Property or the owner of the Lease of the -Property or of the land and building of which the premises form a part so that in the event of any sale or sales of said land and building or of said Lease, or in the event of a Lease of said building, or of the land and building, the Landlord hereunder shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser at any such sale or the leasing of the of the land and building, that the purchaser or the Tenant has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

26. LANDLORD NOT A PARTNER: It is expressly understood that the Landlord shall not be construed or held to be a partner or

associate of the Tenant in the conduct of Tenant's business; it being expressly understood that the relationship between the parties hereto is and shall remain at all times that of Landlord and Tenant.

27. LANDLORD'S TITLE AND COVENANT OF QUIET ENJOYMENT:

Landlord covenants that it has full right and power to execute and perform this lease, and that it will put Tenant into complete and exclusive possession of the Leased Premises upon completion of interior improvements. Landlord further covenants that Tenant, on paying the rents reserved herein and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the leased premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full term of this lease, and any extension or renewals hereof.

28. FORCE MAJEURE: Anything in this agreement to the contrary notwithstanding, providing such cause is not due to the willful act or neglect of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or unsurged power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through Act of God or other cause beyond the control of either party. In the event that any of the above events beyond the control of either party shall render the premises completely untenable, either party shall have the right to terminate this lease by providing written notice to the other.

29. GENERAL PROVISIONS: It is further understood and agreed, that this instrument contains the entire agreement between the parties hereto and shall not be modified in any manner except by an instrument in writing executed by the parties hereto, and that the conditions and agreements herein are binding on, and may be legally enforced by the parties hereto, their executors, administrators, successors and assigns, respectively, and that no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of that condition or agreement or of any subsequent breach thereof, or of this agreement. Feminine or neuter pronouns shall be substituted for

those of the masculine form, and the plural shall be substituted for the singular number in any place herein in which the context may require such a substitution.

30. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19 of the Montgomery County Code, 1994, as amended, as well as other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the Tenant 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 other handicap.

31. CONTRACT SOLICITATION: Landlord represents that it has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling or leasing agencies maintained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

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

33. NON-APPROPRIATION: This lease is subject to the appropriation of funds. Tenant covenants and agrees to use best efforts to seek annually appropriation of funds for each year of the Lease Term. If funds are not appropriated, the lease will automatically terminate on July 1 of such year. Tenant shall give Landlord as much advance notice as reasonably possible but at least a minimum of thirty (30) days notice of the lack of appropriation. In the event of early termination, the Tenant shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

34. MISCELLANEOUS: This Lease and any Exhibits or Addenda which are attached hereto and made a part hereof, contain the entire agreement by the parties hereto and there are no promises, agreements, conditions, undertakings or warranties or representations, between them other than as herein or therein set forth. The provisions of this lease shall be interpreted in accordance with the laws of the State of Maryland.

35. SUCCESSORS AND ASSIGNS: Subject to the provisions hereof, this Lease shall bind and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

36. TRANSFER OF LANDLORD'S INTEREST: In the event of any sale or sales by the then current Landlord of the Building or the Leased Premises, or in the event the Building is leased by the then current Landlord hereunder to any party (subject to this Lease), then, from and after the closing of such sale or lease transaction, the Landlord whose interest is thus sold or leased shall be and hereby is completely released and forever discharged from any and all covenants, obligations, and liabilities of Landlord hereunder, excepting those obligations, covenants and liabilities accruing prior to the date of transfer.

37. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given in writing by certified or registered mail. Notices to the respective parties shall be addressed as follows:

IF TO TENANT:

Montgomery County Department of Facilities and Services
Division of Real Estate Management
110 North Washington Street
Rockville, Maryland 20850

with a copy to:

Office of Montgomery County Attorney
101 Monroe Street
Rockville, MD 20850

IF TO LANDLORD:

12500 Office Building Limited Partnership
c/o Corby Construction L.L.C.
4201 Connecticut Avenue, NW
Washington, D.C. 20008

with a copy to:

Elsie L. Reid, Esquire
Furey, Doolan & Abell, LLP
8401 Connecticut Avenue, Suite 1100
Chevy Chase, MD 20815
Attn: Karl W. Corby, III

38. LANDLORD'S LIABILITY: Unless there is negligence or a willful act or failure to act on the part of Landlord, its agents or employees, all personal property of Tenant, its employees, agents, business invitees, licensees, customers, clients, family members, guests or trespassers, in and on the Leased Premises, shall be and remain at their sole risk, and Landlord shall not be liable to them for any damage to, or loss of such personal property arising from any act of any other persons. Unless there is negligence or a willful act or failure to act on the part of Landlord, its agents or employees, Landlord shall not be liable for any personal injury to Tenant, its employees, agents, business invitees, licensees, customers, clients, family members, guests or trespassers arising from the use, occupancy and condition of the Leased Premises.

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

ATTEST:

By: Elsie L. Reed

LANDLORD:

12500 OFFICE BUILDING
LIMITED PARTNERSHIP

By: [Signature]
12500 LLC, General Partner
KARL W. CORBY, III, Managing
Member

Date: 8/2/99

ATTEST:

By: Rebecca S. Demaruk

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: William W. Mooney
WILLIAM MOONEY, ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 8/5/99

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

By: [Signature]

Date: 8-2-99

RECOMMENDED

By: [Signature]
REY JUNQUERA, LEASING MANAGER
DIVISION OF FACILITIES AND
SERVICES

Date: 8/3/99

PROPOSAL FOR CONSTRUCTION DOCUMENTS SERVICES

This Proposal is made : July 15, 1999

To the Owner : Corby Construction
Karl W. Corby
4201 Connecticut Avenue, NW
Washington, DC 20008

and the Architect : GTM Architects, Incorporated
10415 Armory Avenue
Kensington, MD 20895

For the following : Architectural and Engineering Services for the Tenant build out for the Montgomery County Department of Correction and Rehabilitation, located in the Owner's building at 12500 Ardennes Avenue in Rockville, MD (GTM File No. 99139)

The Owner and Architect agree as follows :

ARTICLE 1: OWNER'S RESPONSIBILITIES

- 1.1 Owner shall provide approved space plan on Autocad 14 on computer diskette.
- 1.2 Owner shall provide plan showing all required new locations of telephone/data outlets.
- 1.3 Owner shall provide all finish information - paint colors, carpet, vinyl base, tile, etc.
- 1.4 Owner shall provide all other program requirements and specifications for each proposed space, if any.
- 1.5 Owner shall establish Project schedule and promptly communicate to Architect any information which would directly affect Project completion.
- 1.6 Owner shall provide a set of drawings (architectural and MEP) from the previous build out.

ARTICLE 2: ARCHITECT'S RESPONSIBILITIES

2.1 Field Measure / Site Survey

The Architect shall make a site visit to field measure and verify the existing conditions of the building compared to those provided by the Owner.

The Architect assumes no responsibility for hidden field conditions and other site specific situations that would only be revealed by destructive testing. These conditions may cause the Owner to incur unbudgeted costs, change orders, and/or fees during the course of the Project, including but not limited to additional Architect's fees.

2.2 Construction Drawings

Based on the space plan provided by the Owner, the Architect shall be responsible for reviewing the space plan for code and ADA conformance and the preparation of the construction documents. The construction documents shall include the following :

1. Cover Sheet (with code analysis)
2. Floor Plan
3. Reflected Ceiling Plan
4. Interior Elevations of Main Reception or Area Kitchenette
5. Standard Schedule of Base Building Finishes and Hardware
6. Details (as required - to convey base building standards)

The Architect will assume responsibility for providing Final Stamped Drawings for review by the local jurisdiction.

2.3 MEP Engineering Services

The Architect shall consult for the services of an MEP Engineer to perform the following:

HVAC

1. Review existing plans.
2. Perform load computations for heating and cooling.
3. Re-use existing roof-top A/C units to redistribute/reallocate air to meet current codes for total air condition and fresh air. Existing HVAC zoning shall be retained.
4. Draw specifications on drawings.

Plumbing

1. Provide rough-in for certain fixtures in two toilet areas. Tie new piping utilities to existing.

Electrical

1. Provide data and power outlets at suggested locations. Provide single line electrical power diagram. Show circuiting and switching of power outlets.
2. Reconfigure/add lighting fixtures to suit interior partitions and meet illumination levels. Show lighting and panel schedules, breakers and home runs for circuits.
3. Power HVAC units as required.

2.4 Construction Administration Services (Optional)

The Owner may request the Architect to provide specific Construction Administration Services for the Project. If the Architect agrees to provide these services, the Architect shall be compensated on an hourly basis in accordance with Section 3.5 of this Proposal. These services include, but are not limited to the following :

1. Perform weekly site visits to monitor the work.
2. Attend weekly progress meetings.
3. Review and approve shop drawings.
4. Review and approve contractor's applications for payment.
5. Perform walk-thru at substantial and final completion.
6. Coordination of bid process.

Should the Owner choose not to utilize the Architect's services for contract administration services, the Owner shall be responsible for interpreting the construction documents, reviewing submittals, certifying payments to the contractor, and observing the contractor's work. The Owner will assume responsibility for discovering, correcting, or mitigating errors, inconsistencies, or omissions.

2.5 Evaluation of Existing Systems (Optional)

At the Owner's request, the MEP Engineer shall evaluate existing HVAC, fire alarm, and sprinkler system serving the remaining 10,000 SF area (where existing MEP systems are expected to remain). The MEP Engineer shall perform load computations and submit a written report delineating required upgrades to meet current codes.

ARTICLE 3: PAYMENTS AND COMPENSATION TO THE ARCHITECT

3.1 Fees for Services Described in Article 2

1. Field Measure / Site Survey

Field measure, site survey, and existing condition drawing services noted in Section 2.1 shall be performed for a fixed fee as follows:

| | |
|-----------|----------------|
| Architect | \$3,520 |
| MEP | \$2,500 |
| Total | \$6,020 |

2. Construction Documents

Construction Documents noted in Section 2.2 will be charged at \$0.50 / square foot for a Fixed Fee of \$11,000. Price to include up to four hours of meetings with the Architect.

3. MEP Engineering Services

MEP Engineering services noted in Section 2.3 will be charged at Fixed Fees as follows.

| | |
|------------------|----------------|
| HVAC | \$2,500 |
| Plumbing | \$1,200 |
| Sprinkler System | \$700 |
| Electrical | \$2,500 |
| Total | \$6,900 |

4. Construction Administration Services (Optional)

Construction Administration services noted in Section 2.4 will be charged on an hourly basis at the standard hourly rates noted in Section 3.4.

5. **Evaluation of Existing Systems (Optional)**

Services noted in Section 2.5 will be charged at a Fixed Fee of \$2,000.

3.2 **Invoicing**

Invoicing shall be on a monthly basis or upon completion of Project milestones at the Architect's discretion. All invoices are deemed to be accepted by the Owner unless the Architect has been notified to the contrary within fifteen days of the Owner's receipt of the applicable invoice. All invoices are due upon receipt. After thirty days, guaranteed interest of 1.15% per month shall be applied to all unpaid balances. In the event any legal proceedings are required in order for the Architect to obtain payment thereby determined to be properly due, the Owner shall reimburse the Architect its costs of said proceedings, including but not limited to the Architect's attorney and collection fees.

3.3 **Reimbursable Expenses**

All costs incurred for the benefit of the Project shall be billed to the Owner as reimbursable expenses in addition to the fees noted in Section 3.1 and shall include a 10% administrative fee. Such costs shall include but not be limited to the following:

1. Film and Photo Processing
2. Blueprinting
3. Delivery Charges / Overnight Express Mail
4. Permit fees

3.4 **Additional Services**

The following items will be considered Additional Services and will be billed at the standard hourly rates listed below without being subject to any maximum fee described within this contract.

1. Significant revisions (taking more than ½ hour to produce) to approved space plans or construction documents.
2. Development of tenant interior design beyond building standards, i.e. furniture/cubicle layout, color/finish selections.
3. Existing furniture survey and layout of existing furniture in new space.
4. Permit submission.
5. Square footage calculations and marketing exhibits.
6. Cost estimates.
7. Bid negotiations.
8. Construction administration and shop drawing reviews.
9. Development of standard tenant workletters.
10. Code compliance design to upgrade existing MEP base building systems including fire alarm, HVAC, electrical service and panels, etc.
11. Redesign of any roof-top A/C units shall be done at a Fixed Fee of \$1,000/unit if existing units are inadequate.

Standard Hourly Rates for Professional Services:

| | |
|----------------------------|-------------------|
| Principal Architect | \$120.00 per hour |
| Principal Engineer | \$120.00 per hour |
| Project Architect/Designer | \$95.00 per hour |
| Project Engineer | \$95.00 per hour |
| Project Coordinator | \$75.00 per hour |
| Administrative Personnel | \$40.00 per hour |

ARTICLE 4: USE OF ARCHITECT'S DOCUMENTS

Documents prepared by the Architect are instruments of service for use solely with respect to the Project. The Architect shall retain all common law, statutory, and other reserved rights, including the copyright to the documents. The Owner shall not reuse or permit the reuse of the Architect's documents except by mutual Proposal with the Architect in writing. The Architect shall provide any and all blueprints and/or reproducible copies requested by the Owner. The cost of such prints and copies shall be billed to the Owner as a reimbursable expense in accordance with Section 3.4 of this Proposal.

ARTICLE 5: TERMINATION, SUSPENSION, OR ABANDONMENT

In the event of termination, suspension, or abandonment of the Project, the Architect shall be equitably compensated for time spent and rendered up to that point. Failure of the Owner to make payments to the Architect in accordance with this Proposal shall be considered substantial non-performance and is sufficient cause for the Architect to suspend or terminate services. Either the Architect or Owner may terminate this Proposal after giving no less than seven days' written notice if the other party substantially fails to perform in accordance with the terms of this Proposal. If the Project is temporarily suspended and not subsequently resumed within a thirty day period, the Architect's compensation shall be equitably adjusted to provide for expenses and professional time incurred in the interruption and resumption of the Architect's services; such compensation shall be treated as an Additional Service in accordance with Section 3.5 of this Proposal. If the Project is abandoned by the Owner for more than ninety consecutive days, the Architect may terminate this Proposal by giving verbal or written notice.

ARTICLE 6: CONSEQUENTIAL DAMAGES

The Architect and the Owner waive consequential damages for claims, disputes, or other matters in question arising out of or relating to this Proposal. The mutual waiver is applicable, without limitations, to all consequential damages due to either party's termination in accordance with ARTICLE 5 of this Proposal. Nothing contained in this ARTICLE 6 shall be deemed to preclude an award of liquidated direct damages when they are applicable.

ARTICLE 7: MISCELLANEOUS PROVISIONS

This Proposal shall be governed by the law of the location of the principal office of the Architect. The Owner and Architect, respectively, bind themselves, their partners, successors, assigns, and legal representatives to this Proposal. Neither party of the Proposal shall assign the proposal as a whole without written consent of the other. In recognition of the relative risks and benefits of the Project to both the Owner and the Architect, the risks have been allocated such that the Owner agrees, to the fullest extent permitted by law, to limit the liability of the Architect and the Architect's consultants to the Owner and to all construction contractors and subcontractors on the Project for any and all claims, losses, costs, damages of any nature whatsoever or claim expenses from any cause or causes, so that the total aggregate liability of the Architect and his consultants to all those named shall not exceed the currently maintained professional liability insurance coverage of the Architect. Such claims and causes include, but are not limited to negligence, professional errors and omissions, strict liability, breach of contract or warranty. Under no circumstance shall any employee, stockholder, officer or agent of the Architect, past or present, have any individual liability to the Owner concurrent or jointly with, in addition to, or in excess of the Architect's liability under these proposal terms and conditions. Notwithstanding the foregoing, in the event any award or judgment is entered against any such individual, the Owner agrees to look exclusively to the assets of the Architect for satisfaction of said damages. The Architect shall have the right to include representations of the design of the Project, including photographs of the exterior and the interior, among the Architect's promotional and professional materials. These materials shall not include the Owner's confidential or proprietary information. The Owner shall properly provide professional credit to the Architect in Project promotional materials and allow reasonable advertising by the Architect at the construction site.

Should the terms of this Proposal be acceptable, please sign where noted below and return to my attention at your earliest convenience. Upon our receipt of your acceptance, we shall forward an AIA Document B151 for your formal execution to serve as our contract. Facsimile signatures shall be sufficient for execution of this Proposal unless originals are required by a third party.

Owner

Architect

Mr. Karl W. Corby
Corby Construction

George Myers, AIA, President
GTM Architects, Incorporated