

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
THE MAYOR AND COUNCIL OF ROCKVILLE
DATED
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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), dated this 28th day of April, 2008, by and between MONTGOMERY COUNTY, MARYLAND, a political subdivision of the State of Maryland (hereinafter, together with its successors and assigns called "the County"), and THE MAYOR AND COUNCIL OF ROCKVILLE, a political subdivision of the State of Maryland (hereinafter, together with its successors and assigns called "the Tenant") (the County and the Tenant together the "Parties").

BACKGROUND:

1. The County is the owner of a former public school site known as the Broome Middle School, located at 751 Twinbrook Parkway, Rockville, Montgomery County, Maryland (the "Property"), which was declared surplus by the Board of Education of Montgomery County and the State Board of Public Works and conveyed by the Board of Education to the County by deed recorded among the Land Records for Montgomery County, Maryland in Liber 11005 at Folio 194 (the "Deed"). A copy of the Deed is incorporated by reference and made a part of this Lease as Exhibit A. The Property is more particularly described in the Legal Property Description which is incorporated by reference and made a part of this Lease as Exhibit B-1.; and

2. The County and Tenant are parties to a Lease Agreement dated January 24, 1984 and a First Amendment to Lease Agreement dated August 8, 1990 (hereinafter referred to as "Original Lease") under which Original Lease the Tenant occupies premises described as a portion of the Property formerly known as the Broome Middle School, said portion containing approximately 1,542 square feet of interior space in the building and approximately 8.06 acres of exterior field space and all improvements thereon, including the tennis courts; and

3. The Tenant has used the interior space and exterior field space for the purpose of public outdoor recreation and supporting facilities under the terms and conditions of the Original

Lease. The Tenant has made substantial improvements to the exterior field space in order to utilize said exterior field space as a recreational facility; and

4. The term of the Original Lease shall expire on April 7, 2008. The County and Tenant wish to enter into a new twenty-five (25) year lease agreement which incorporates all of the terms prescribed for such leases in Executive Regulation 4-99AM, Code of Montgomery County Regulations (COMCOR) Section 11B.45.02 (the "Closed School Regulations");

NOW THEREFORE, in consideration of the terms of this Lease, and for the construction of certain Qualified Capital Improvements that may be made to the Property by the Tenant from time to time as provided in Article 9 below, including the payment of rent by the Tenant to the County as provided below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. PROPERTY; LEASED PREMISES; BUILDING:

- A. The County leases to Tenant and Tenant leases from the County the Leased Premises located on the Property, described as a 1,542 square foot interior space which is a portion of the Building formerly known as the Broome Middle School, located at 751 Twinbrook Parkway, Rockville, Maryland, (the "Interior Space") and approximately 8.06 acres of land behind the Building containing exterior field space and other improvements, including the tennis courts (said exterior field space and improvements hereinafter referred to as the "Grounds"). The Interior Space and the Grounds are hereinafter collectively referred to as the "Leased Premises". The "Building" shall mean the former Broome Middle School, 751 Twinbrook Parkway, Rockville, Maryland that is located on the Property. The Leased Premises, the Building, and the land upon which the Building is located, are hereinafter collectively referred to as the "Property". The Leased Premises is leased to and accepted by Tenant in an "as is" condition.

- B. Tenant hereby acknowledges that entering into this Lease must not be construed as an option to buy the Property or any portion of the Property.

2. TERM: The term of this Lease (the "Term") is for twenty five (25) years unless extended by mutual written agreement between the Parties. The Commencement Date of this Lease is April 8, 2008. Each twelve (12) month period, commencing with the Commencement Date, shall be referred to as a "Lease Year." The Tenant and the County acknowledge that this Lease is contingent upon the approval of the Board of Public Works of the State of Maryland, and that the County shall therefore submit a copy of this Lease to the Board of Public Works for approval. If approval by the Board of Public Works is not granted, then this Lease shall be null and void as of the date of action by the Board of Public Works.

3. USE OF THE LEASED PREMISES: The Leased Premises shall be used for the purpose of public outdoor recreation and supporting facilities (the "Permitted Use"). Tenant agrees that its use of the Leased Premises, including any use of the Leased Premises by subtenants pursuant to Article 19 herein, shall conform fully with all applicable zoning ordinances, and shall be subject to all rules, regulations, statutes, permits or any other requirements for the use and occupancy of the Leased Premises as established by all appropriate authorities having jurisdiction, including the Closed School Regulations. Special events organized by Tenant or its subtenants, which bring large numbers of visitors to the facility shall be coordinated through the community coordinating group established in Article 41 below, with the goal of mitigating traffic and parking on the adjacent community. Uses of the Property by third parties must be coordinated through the County's Office of Community Use of Public Facilities ("CUPF") in accordance with the Closed School Regulations and Paragraph 6, below.

RENT: Tenant shall pay to the County an annual rent of One Dollar (\$1.00) for the Leased Premises. The first payment of annual rent shall be due upon the Commencement Date and then due and payable upon the anniversary date of each subsequent Lease Year. All Rent shall be payable to:

Montgomery County Government, Leasing Management, P.O. Box 62077, Baltimore, Maryland 21264-2077.

5. TERMINATION:

- A. Termination for Convenience: This Lease and all rights and obligations hereunder may be terminated by the County, for any reason, at any time and at no cost to the County, whenever the Chief Administrative Officer shall determine that termination of this Lease is in the best interest of the County. A termination pursuant to this Article 5.A. shall be a "Termination for Convenience." Such termination shall be effective against the Tenant on the later to occur of (i) one hundred eight (180) days after delivery to Tenant of written notice, or (ii) the date specified in a written notice as the termination date.
- B. Termination for Reuse: As required by Paragraph 6.2 of the Closed School Regulations, this Lease all rights and obligations hereunder may be terminated by the County following a request by the Board of Education for Montgomery County, Maryland (the "BOE") to retrieve and reuse the Lease Premises for public education purposes. A termination pursuant to this Article 5.B. shall be a "Termination for Reuse" and shall be made in accordance with the procedures below:
1. Upon written notice to the Tenant of not less than (i) Eighteen (18) months before the proposed termination date, or (ii) the remaining Term, if the remaining Term is less than eighteen (18) months.
 2. Superintendent of Schools for the BOE shall notify in writing both the Tenant and the Chief Administrative Officer of Montgomery County (the "CAO"), on or before September 1 of the second Lease

Year before the proposed termination date on any June 30th that the BOE shall need the school for public educational purposes. For example, in order to retrieve and reuse the Leased Premises after June 30, 2010, a Termination for Reuse notice shall be given to the Tenant on or before September 1, 2008.

3. If a notice of Termination for Reuse is given to the Tenant, but the Montgomery County Council does not approve such a reuse and does not appropriate sufficient funds to retrieve and reuse the Leased Premises, the CAO may, after consulting with the BOE, withdraw the termination notice by written notice to the Tenant on or before June 30th of the Lease Year immediately prior to the proposed termination date. For example, in order for a withdrawal of a Termination for Reuse to be effective on June 30, 2010, notice of such withdrawal must be given no later than June 30, 2009.

4. In the event the Tenant is operating the Leased Premises as a private school, the County agrees that under no circumstances shall the Tenant be required to surrender the Leased Premises during the normal and usual school year, defined to be August 15 to the next June 15.

6. USE OF ALL-PURPOSE ROOM, GYMNASIUM, AUDITORIUM, OR SIMILAR FACILITY BY THE COMMUNITY, DEPARTMENT OF RECREATION AND OTHER COUNTY AGENCIES:

- A. Community Use of Public Facilities: As required by the Closed School Regulations, Paragraph 6.14, and subject to fees and regulations to be determined by the County's Office of Community Use of Public Facilities or its successor agency ("CUPF"), any All-Purpose Room, Gymnasium,

Auditorium, or similar facility within the Property shall remain available for community use to the extent that the community's use does not materially interfere with Tenant's use of the Leased Premises. The Parties acknowledge that no All-Purpose Room, Gymnasium, Auditorium, or similar facility is part of the Leased Premises. Tenant shall be entitled to request use of such facilities as they may exist within the Property in common with others through CUPF. CUPF shall honor such requests in accordance with the priorities established in the Guidelines for the Community Use of Educational Facilities and Services set forth in Chapter 44 of the Montgomery County Code (2004), as amended. Tenant agrees to make the Leased Premises available, upon request from CUPF, to the Montgomery County Supervisor of Elections for use as a polling facility, if necessary, during primary, general and special elections, irrespective of Tenant's prior scheduled activities.

7. USE OF EXTERIOR PLAY AREAS AND FIELDS ON LEASED PREMISES:

Tenant shall have the exclusive right to use and occupy the Leased Premises, including without limitation all improvements located thereof, including the Interior Space, walkways, play areas, parking lots, driveways, outdoor recreation fields and land located on the Leased Premises, in accordance with the terms and conditions set forth in this Lease. Notwithstanding the foregoing, the County shall be permitted to request the right to use and occupy the play areas and outdoor recreation fields located on the Leased Premises (the "Exterior Play Areas and Fields on the Leased Premises") for community and/or County use. County use will be granted only by mutual agreement of the Parties on such dates and times the Exterior Play Areas and Fields on the Leased Premises are not used for a scheduled Tenant activity.

8. ACCESS; PARKING: Tenant shall be entitled to vehicular access to the Leased Premises from Twinbrook Parkway via an existing driveway as shown on Exhibit C. Tenant shall be entitled to use existing parking spaces located on the Property in common with others on a first come first served basis except that the number of parking spaces and hours of available parking may be reduced or limited, at the County's discretion, on election days or at other times when necessitated by

County use of the Broome Middle School Building. The Parties understand that Tenant parking is complimentary in nature, not intended to conflict with the main use of the Building, and the Tenant must notify the County of any special event which may occur during normal business hours, defined as 8:00 AM to 5:00 PM Monday through Friday. The County shall have the right to designate which parking spaces will be available to the Tenant for parking for the Leased Premises. The County shall only be required to provide access and parking in the condition existing as of the date of this Lease, and the County shall not be required to improve or upgrade the condition of access and parking during the Term of Lease. As required by Paragraph 6.13 of the Closed School Regulations, parking for Tenant and any other occupants of the Building, their staff, clients and guests shall be confined to the surfaced parking areas located on the Property. Tenant may not use or permit any other occupants of the Building, their staff, clients, and guests to use on-street parking in such a way that deprives the nearby property owners of their beneficial use of the public right of way or in any manner that violates the Traffic Management Plan described in Paragraph 41. Subject to all approvals required by all applicable laws, regulations, ordinances and codes, including, without limitation, mandatory referral as required by State law, and subject to all of the provisions of this Lease, Tenant may expand the parking facilities to support Tenant's program needs in connection with Tenant's use of the Leased Premises, with the express written consent of the County. The Tenant shall grant access to all parking facilities to the County's representatives at all times, or to community users of the Leased Premises during times of community use as set forth in Articles 6 and 7 above. Tenant agrees to make repairs as necessary to maintain all of the parking areas in a safe state and as necessary for compliance with any laws, including, but not limited to the Americans with Disabilities Act [42 U.S.C. 12101, et. seq.] The Parties agree to share in the cost of making necessary repairs to parking areas; Tenant's share shall be twenty (20%) percent of the total cost; and, County shall provide Tenant with advance notice of up to one (1) year to comply with Tenant's budget process. In the event that repairs to the parking areas must be made expeditiously, the Parties agree that the County, at its option, may fund the cost of said repairs and later invoice Tenant's share of the cost to comply with Tenant's budget process,

9. CAPITAL IMPROVEMENTS:

A. Capital Improvement Definitions:

1. Elective Capital Improvements are improvements or additions made by Tenant which:
 - a. Increase the value of the Leased Premises to the County;
 - b. Are not required to protect or preserve the Building structure or systems; and
 - c. Are not mandated by County, State, or Federal law, code ordinance or regulation.
 - d. By way of examples, and not intended to be a complete list, Elective Capital Improvements include but are not limited to work such as installation of program specific improvements (e.g., rock climbing walls, boxing rings, raised platform floors, etc.).
2. Non-Elective Capital Improvements are improvements or additions made by Tenant which:
 - a. Increase the value of a closed school to the County;
 - b. Are required to protect and preserve the Building structure or systems; or
 - c. Are mandated by County, State, or Federal code, law ordinance and/or regulations.
 - d. By way of examples, and not intended to be a complete list, Non-Elective Capital Improvements include but are not limited to work such as roof replacement, boiler replacement, HVAC system replacement, replacement of failing exterior structural walls, electrical system replacement, conversion from oil fired boilers to gas heat, asbestos removal, underground storage tank removal,

window replacement (excepting window pane replacements), and ADA mandated improvements.

3. Qualified Capital Improvements are Elective or Non-Elective Capital Improvements that have been reviewed and approved in writing by the County and that are specifically identified in the County's written approval as Qualified Capital Improvements.

B. Approval Process for Non-Elective and Elective Capital Improvements under Paragraph 6.4 of the Closed School Regulations:

1. Tenant must obtain the prior written consent of the County before making any Capital Improvements to the Leased Premises. The Tenant must submit to the County complete plans, drawings, specifications, and cost estimates, at least 45 days prior to beginning work. Tenant's submittal to the County must be in sufficient detail and content to permit the County to fully evaluate Tenant's proposed project. In the event the proposed Capital Improvements are Elective Capital Improvements, two copies of the submission shall be sent by Tenant to the County. The County shall coordinate review with the BOE of any proposed improvement that may affect the future educational use of the Leased Premises. The County will respond in writing to Tenant's submission within 45 days of the receipt of all required documentation advising the Tenant that plans have been approved and accepted; requesting modification; or advising the Tenant that additional time is needed to complete the review. The County reserves the right to deny approval of any and all Capital Improvements proposed by Tenant.

2. In the event of an emergency need for a capital improvement, the Tenant must notify the County immediately, in accordance with the emergency contact information provided in Paragraph 24, and the County shall respond in an appropriate period of time, as dictated by the emergency situation.
3. The County has the right to inspect all work and materials before, during and after construction.
4. Within thirty (30) days after receipt by the County of Tenant's notice of completion of the Qualified Improvements, representatives of the County and Tenant shall meet to inspect such Capital Improvements in order to ensure that such Capital Improvements are in compliance with the plans and specifications previously approved by the County. After such inspection, the County and Tenant shall complete the "Capital Improvements Completion Report" attached hereto as Exhibit D-1. In the event of a material deficiency from such plans and specifications, Tenant shall repair such deficiencies at Tenant's expense, and the County and Tenant shall meet again, within thirty (30) days after receipt by the County of Tenant's notice of completion of such repairs, to inspect such repairs and complete the Capital Improvements Completion Report. In the event Tenant shall fail to make such repairs, the County shall have the right to make such repairs and charge Tenant as Additional Rent the County's reasonable costs for such repairs. The cost of such corrective measures is not eligible for Rent credit and/or reimbursement.

5. The total cost of all Capital Improvements shall be borne solely by Tenant and shall be subject to a Rent credit and/or reimbursement from the County as set forth below. In the event Tenant is eligible for a Rent credit, such Rent credit shall commence with the first installment of Rent due after the completion of the Capital Improvements Completion Report. Tenant shall be solely responsible for obtaining any and all permits, approvals and licenses from all appropriate County, State, and/or municipal authorities having jurisdiction over such work.
6. Tenant shall comply with all applicable zoning, land use, health and safety regulations. This includes, specifically and without limitation, Section 59-G-2.19 of the Montgomery County Code, (2004) as amended, which requires site plan review for any expansion of an existing private school building that would exceed the lesser of (a) 7,500 square feet, or (b) a 15% increase over the size of the Building existing on February 1, 2000, and for the installation of any portable classrooms within the Leased Premises for a period longer than one year.

C. Rent Credits for Capital Improvements as required by Paragraph 6.8 of the Closed School Regulations: The County may credit the Tenant's annual Rent in an amount not to exceed fifty percent (50%) of the annual amortized cost of Qualified Capital Improvements. Said annual Rent credit shall be subject to the following conditions:

1. The total of all Rent credits shall not exceed fifty (50%) of the Tenant's annual Rent as set forth in this Lease.

2. Tenant shall not be entitled to Rent credits for any finance charges, fees, administrative costs, performance bonds, permit fees, insurance, operating, maintenance, or repair expenses, or any other costs except the actual costs directly related to the design and construction and/or installation of Capital Improvements, which costs shall be fully documented by Tenant.
3. Capital Improvements completed by Tenant without the prior written approval of the County shall not receive Rent credit.
4. The County has the right to audit all construction or other costs for which Tenant requests Rent credits.
5. As required by Paragraph 6.4(c) of the Closed School Regulations, in the event the work performed requires repairs pursuant to Article 9.B.4 above, the costs of such corrective measures are not eligible for Rent credit.
6. Rent credits for Elective Capital Improvements shall be made only to the degree that said improvements are determined, at the reasonable determination of the County, to be of value to the County and/or the BOE.
7. Future Rent credits may be forfeited, at the County's option, if Tenant defaults and fails to cure as set forth in Article 17, on any term or condition of this Lease.
8. Only improvements approved and completed after the effective date of the Closed School Regulations, (June 5, 2001) shall be eligible for Rent credits, unless such improvements were already approved for

credit by the County prior to the effective date of such Executive Regulation.

9. For purposes of determining annual Rent credit amounts, amortization of Capital Improvements shall be made straight line over the number of full months remaining under the Lease at the time the Capital Improvement is installed by the tenant and approved by the County. This provision is further subject to the fifty percent (50%) limitations provided in Paragraphs 9.C and 9.C.1, above.
10. No Rent credits shall be granted for any improvement to the extent that the improvement was paid for by a grant, loan, bond or other financial assistance from Montgomery County, Maryland, or from any other government or instrumentality.

D. As required by Paragraph 6.9 of the Closed School Regulations, Partial Reimbursement of Capital Improvements in the Event of Early Termination:

1. In the event the County terminates this Lease pursuant to Article 5 of this Lease, or in the event either party terminates this Lease pursuant to Article 16 of this Lease, the County shall reimburse Tenant one hundred (100%) percent of the remaining unamortized portion of the cost of each Qualified Non-Elective Capital Improvement and fifty (50%) percent of the remaining unamortized portion of the cost of each Qualified Elective Capital Improvement, less any Rent credits for Capital Improvements already granted to Tenant. In the event this Lease is terminated pursuant to Article 18 of this Lease, the County shall reimburse Tenant any applicable awards received by the County for the fair market value of the Qualified Capital Improvements, and such reimbursement shall not preclude Tenant from filing a separate

claim against the authority exercising eminent domain pursuant to Article 18 of this Lease.

2. Such reimbursements shall be made within ninety (90) days of such termination date, or, in the event of eminent domain, within thirty (30) days of the County's receipt of such awards, and, if applicable, shall be subject to appropriation of funds by the Montgomery County Council. In the event appropriations of funds is required, and the County is unable to secure the funding necessary to reimburse Tenant, the County shall not terminate the Lease until such time as funding is appropriated; in which event such termination shall be in accordance with Article 5.B.4 of this Lease.
3. In no event shall Tenant be entitled to receive reimbursement from both the County and any other public agency for the same, like item, or work of any nature or description, and in no event shall the County be entitled to receive unjust enrichment from any insurance coverage or governing authority in connection with the Qualified Capital Improvements performed by Tenant.
4. Capital Improvements performed by Tenant without the prior written approval of the County will not receive reimbursement.
5. As required by Paragraph 6.4(c) of the Closed School Regulations, in the event the work performed requires repairs pursuant to Article 9.B.4 above, the costs of such corrective measures are not eligible for reimbursement.
6. The County will not reimburse Tenant for any Qualified Capital Improvements in the event Tenant vacates the Leased Premises before

the end of the Term, whether voluntarily or pursuant to legal action for breach of this Lease.

7. Tenant shall not be entitled to reimbursement in the Event of Default by Tenant pursuant to Article 17 below.
8. Tenant will not be entitled to reimbursement for any finance charges, fees, administrative costs, bonds, permit fees, insurance, operating, maintenance or repair expenses, or any other costs not directly attributable to the actual construction and/or installation of Qualified Capital Improvements.
9. Tenant will not be entitled to reimbursement for Elective Capital Improvements, unless the improvements are, at the reasonable discretion of the County, determined to be Qualified Capital Improvements.
10. No reimbursement will be granted for any improvement to the extent that the improvement was paid for by a grant, loan, bond or other financial assistance from Montgomery County, Maryland or any other government or public agency.

10. OPERATING EXPENSES:

- A. Maintenance, Repair and Upkeep of the Leased Premises: As required by Paragraphs 6.3(a) and 6.3(c) of the Closed School Regulations, the Tenant shall, at the Tenant's sole cost and expense, assume full responsibility for the maintenance, repair, and upkeep of the entire Leased Premises and all improvements thereon, including but not limited to the repair and/or replacement of all Interior Space elements and equipment, fixtures, windows,

floors, ceiling tiles, walls, electrical systems, heating and air conditioning systems, plumbing systems, interior and exterior painting, outdoor areas, outdoor fields and playgrounds, shrubbery and landscaping located on the Leased Premises. The County shall have the right to determine in its reasonable discretion, and shall notify Tenant in writing, that such maintenance, repair, upkeep, and replacement is required to protect the Leased Premises from damage and deterioration.

- B. Operating Expenses for Leased Premises: As required by Paragraph 6.3(b) of the Closed School Regulations, the Tenant shall be fully responsible at the Tenant's sole cost and expense, for all operating expenses for the Leased Premises, including, but not limited to, utility bills and expenses, janitorial services, trash removal, pest control, snow removal, grounds maintenance, on-site parking facilities, preventive maintenance, day-to-day minor and major maintenance, tree removal, fence repair and/or replacement, and repair or replacement of playground equipment.

11. FIXTURES AND EQUIPMENT: All items which are attached to the Building, or are a part of the Building's systems at the time the Leased Premises are delivered to Tenant, shall remain with the Leased Premises and shall be delivered to Tenant along with the Leased Premises. All moveable partitions, trade fixtures, floor coverings or equipment installed within the Leased Premises at Tenant's expense shall remain the property of Tenant and may be removed by Tenant at the expiration or other termination of this Lease. Upon removal of the Tenant's property from the Leased Premises, the Tenant, at its sole expense shall repair any damage to the Leased Premises caused by such removal so that the Leased Premises are in substantially the same condition as at the commencement of the Lease Term, reasonable wear and tear excepted.

12. CONDITION OF PREMISES: As required by Paragraph 6.3(a) of the Closed School Regulations, Tenant accepts the Leased Premises in "as is" condition, and Tenant agrees to maintain the Leased Premises, including all improvements therein, in good condition and state of

repair throughout the Term and any extension thereof. Tenant acknowledges that Tenant has been in exclusive, continuous use and possession of the Leased Premises under a prior Lease Agreement dated January 24, 1984 and First Amendment to Lease Agreement dated August 8, 1990, (the "Original Lease") a copy of which is attached hereto as Exhibit E. Tenant agrees to keep the Leased Premises clean and neat in appearance at all times, and to keep grass trimmed, trees treated and shrubbery pruned as necessary to maintain them in good condition and appearance. Tenant agrees to make repairs and replacements as necessary for the safe use of the Leased Premises, protection of the Leased Premises from damage or deterioration, including changes necessary to comply with state, federal or local laws, including, but not limited to changes, if required, to comply with the Americans With Disabilities Act [42 U.S.C. 12101], et. seq.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

Tenant shall provide and maintain either through the Montgomery County Self Insurance Fund or otherwise, at its election, insurance as follows:

- A. The Tenant shall have the right to self-insure. The Parties are both members of the Montgomery County Self-Insurance Program. Section 20-37(c) of the Montgomery County Code (2004), as amended, restricts the legal defense fund to members of the fund and does not allow for outside entities. The certificate of insurance evidences limits of insurability for general liability coverage in the amounts of \$500,000 aggregate and \$200,000 each occurrence and \$20,000 per person, \$40,000 per accident for bodily injury and \$15,000 for property damage for automobile liability and State of Maryland statutory limits for worker's compensation. The limits of liability for both Parties for tort claims filed against either or both of them are as stated in the Local Government Tort Claims Act (the "LGTCA"), Md. Ann. Code, Cts.& Jud. Proc. §§ 5-301 et seq, (2005 Repl. Vol.). This insurance policy must be maintained continuously by the Tenant during the Initial Term of this Lease and during any Renewal Term.

- B. The Tenant agrees that it will not keep in or upon the Leased Premises or any part thereof, any article, which may be prohibited by the standard form of fire or hazard insurance policy. In the event the Tenant's use of the Leased Premises causes any increase in the insurance premiums for the Leased Premises or any part thereof, Tenant shall pay the additional premiums as they become due. Tenant has the right to review the Landlord's policy (ies) premium and rates.
- C. The Tenant shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days after execution of this Lease. The certificates shall be issued to: Montgomery County, Maryland, c/o Department of Public Works and Transportation, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850, with a copy to Montgomery County, Risk Management Department, 101 Monroe Street, 15th Floor, Rockville, Maryland 20850.
- D. Insurance Does Not Waive Obligations. No acceptance or approval of any insurance agreement or agreements shall (a) relieve or release or be construed to relieve or release the Tenant or other person from any liability, duty, or obligation assumed by, or imposed upon it or (b) impose any obligation upon the additional insured(s)/loss payees.
- E. Self-Insurance. Notwithstanding any other provision of this Lease to the contrary, for so long as Tenant remains the Tenant under this Lease, or for so long as any entity to whom this Lease has been assigned in accordance with the express terms of this Lease is insured under the Montgomery County Self-Insurance Program, Tenant shall have the right to self-insure in accordance with the provisions of the Montgomery County Self-Insurance

Program that are set forth in Section 20-37 of the Montgomery County Code (2004), as amended. The County reserves the right to institute revised mandatory insurance requirements if tenant is no longer a member of the Montgomery County Self Insurance program.

14. INDEMNIFICATION:

- A. By Tenant: The Tenant shall indemnify the County, hold the County harmless and defend the County from any and all claims, losses, costs, damages, liability and expense, including, without limitation, attorneys' fees, arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is in any way attributable to the use or occupancy of the Leased Premises, by the Tenant or its agents, employees, contractors, guests, or invitees, except for damage or liability arising from the negligent or willful acts or omissions of County, County's employees or guests. In case the County shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then Tenant shall protect and hold harmless the County at Tenant's sole cost and expense. Notwithstanding the foregoing, any indemnification given by the Tenant is subject to the notice requirements and damages limitations stated in the LGTCA; Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.
- B. By County: The County shall indemnify Tenant, hold Tenant harmless and defend Tenant from any and all claims, losses, costs, damages,

liability and expense, including, without limitation, attorneys' fees, arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is in any way attributable to the use or occupancy of the Leased Premises, by the County or its agents, employees, contractors, guests, or invitees, except for damage or liability arising from the negligent or willful acts or omissions of Tenant, Tenant's employees or guests. In case the Tenant shall, without fault on its part, be made a party to any litigation commenced by or against the County, then County shall protect and hold harmless the Tenant at County's sole cost and expense. Notwithstanding the foregoing, any indemnification given by the County is subject to the notice requirements and damages limitations stated in the LGTCA; Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.

15. TENANT'S DUTIES AND COVENANTS:

- A. Waste: Tenant shall not strip, overload, damage or deface the Building, nor suffer or permit any waste in or upon the Leased Premises.
- B. Hazardous Materials: Tenant shall not keep or store gasoline, other flammable material, any explosive, or hazardous material as defined under State and Federal and County laws and regulations, within the Leased Premises or the Property which shall increase the rate of fire insurance on the Leased Premises or the Property beyond the ordinary risk established for the type of operations described in Article 3 of this Lease. Any such increase in

the insurance rate due to the above, or due to Tenant's special operations within the Leased Premises shall be borne by Tenant. Tenant shall not willfully do any act or thing in or about the Leased Premises or the Property which may make void or voidable any insurance on the Leased Premises or the Property, and Tenant agrees to conform to all reasonable rules and regulations established from time to time by the County (as a governmental authority and not as a landlord), the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

- C. Use: Tenant shall not permit any trade or occupation to be carried on or use made of the Leased Premises outside of the scope of this Lease described in Article 3 hereof. Further, Tenant shall not use or allow to be used the Leased Premises or any part thereof for any illegal, unlawful or improper purpose or for any activity which shall constitute a nuisance to adjacent properties or the adjacent neighborhood. Tenant acknowledges that all of its responsibilities relating to the use or misuse of the Leased Premises and anything therein shall be construed to include use or misuse thereof by Tenant's agents, subtenants, employees, patrons, guests and subtenants.
- D. Signage: Tenant shall not place upon the Leased Premises or the Property any placard, sign, lettering or awning (a "Projection") except such, and in such place and manner, as first approved in writing by the County. The County's approval shall not be unreasonably withheld. Any such sign or Projection must be permitted under Chapter 59 of the Montgomery County Code (2004), as amended, (the "Zoning Ordinance") and must be approved by the County agency responsible for administering the Zoning Ordinance, which may withhold its approval for any reason.
- E. Expenses: Tenant shall pay all of its bills and expenses relating to Tenant's use of the Leased Premises on time and shall not permit any disruption of any

service, including, but not limited to, utilities, to any portion of the Leased Premises or the Property.

- F. Authority: Tenant verifies and acknowledges that the person executing this Lease on behalf of the Tenant has the legal authority to bind the Tenant to the duties and obligations set forth herein. Tenant further verifies and acknowledges that such person's signature creates a binding obligation on the part of the Tenant for the term of this Lease.
- G. Performance: Tenant agrees to and shall perform any and all obligations under this Lease in a timely manner. It is understood, agreed and covenanted by and between the parties that Tenant, at Tenant's expense, shall promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County, or any local government with jurisdiction over the Leased Premises.
- H. Toxic Substances Control Act: Tenant specifically acknowledges its responsibility to comply with the requirements of the Toxic Substances Control Act ("TSCA") 15 U.S.C. 2601 to 2692, and its implementing regulations governing asbestos-containing materials in schools, the Asbestos Hazard and Emergency Response Act ("AHERA"), 40 C.F.R. Part 763, Subpart E.

16. DAMAGES TO OR DESTRUCTION OF LEASED PREMISES:

- A. Notice: Tenant shall provide the County with notice, as soon as practicable, of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises or of defects in the roof, plumbing, electric and heating and

cooling systems of the Building, or to any defects or damages to the Property.

- B. Right to Restore or Terminate: In the event that the Leased Premises are substantially destroyed or damaged from whatever cause so as to render all or a substantial portion (which, for purposes of the Lease, shall mean 25% or more of the Leased Premises) of the Leased Premises unfit for the purposes for which such areas were leased, and the Leased Premises can be restored to its pre-existing condition within two-hundred seventy (270) days, the Tenant shall notify the County in writing within thirty (30) days of the date of such destruction or damage whether or not it intends to make such repairs and the Tenant shall promptly and with due diligence repair any damage to the Leased Premises . Notwithstanding the foregoing, if the repair of said destruction or damage to the Leased Premises cannot reasonably be accomplished by the Tenant within two hundred seventy (270) days following the date of such destruction or damage, the Tenant shall notify the County in writing within thirty (30) days after the date of the destruction or damage occurred, and Tenant and the County shall each be entitled to terminate this Lease by written notice to the other within ten (10) days of such written notice.
- C. Standard of Work: In the event that the Tenant is able to undertake the repair of the Leased Premises and determines it is in the Tenant's best interest to do so, and provided neither party elects to terminate this Lease in accordance with Article 16B. above, the Tenant shall complete said repairs in a diligent manner as soon as practical after the date of destruction or damage, with all parties acting diligently, and this Lease shall not be affected.
- D. County Right Not to Repair: The County reserves the right to not repair the Leased Premises, if it decides, in its reasonable discretion, repair of the Leased Premises is not in the County's best interest. If the County elects not

to repair the Leased Premises, the County shall notify the Tenant in writing within thirty (30) days after the date of the destruction or damage occurred, and Tenant shall be entitled to terminate this Lease by written notice to the County within ten (10) days of receipt of such written notice.

17. DEFAULT:

A. Events of Default. Each of the following shall constitute an event of default (the "Event of Default"):

1. Tenant's failure to pay Rent and the continuance thereof for thirty (30) days after receipt from the County of written notice.
Notwithstanding the foregoing, the County shall not be required to provide Tenant with more than three (3) monthly written notices during any twelve (12) month period.
2. Failure to substantially perform under any term, covenant or condition of this Lease other than failure to pay rent, and the continuance thereof for thirty (30) days after written notice from the County specifying said failure, or such greater time as may be reasonably required to correct such failure, with Tenant acting diligently.
3. The abandonment of the Leased Premises by Tenant. Abandonment is defined as the failure of Tenant to operate the Permitted Use for ninety one (91) consecutive days or longer, unless otherwise excused under the terms of this Lease.

B. Tenant Penalties. In the event that an Event of Default shall occur hereinabove stated, provided Tenant fails to cure said default within the time period set forth in this Lease, then, and in every such case thenceforth, at the option of the County or the

County's assigns pursuant to Article 23 below, the Tenant shall be subject to one of the following penalties, depending upon the nature and severity, in the County's sole judgment, of the Event of Default:

1. Tenant's right of possession shall end, the Lease shall be terminated by the County, and the County may proceed to recover possession under the laws of the State of Maryland.
2. The County may, but shall not be obligated to, without waiving such Event of Default, undertake appropriate action to correct the Event of Default at the reasonable expense of Tenant, in which case Tenant shall pay the County all incurred costs of such performance promptly upon receipt of an invoice.
3. In addition to the other rights of the County, as set forth in this Article 17.B, in the event Tenant's Event of Default is due to a failure to perform under Article 17.A.2 above, and such Event of Default continues for forty-eight (48) hours after written notice from the County that the cure period specified in Article 17.A.2 above has expired, the County shall charge Tenant, as Additional Rent, the greater of (i) Five Hundred Dollars (\$500) per day for each day such Event of Default continues, or (ii) the actual costs to undertake appropriate action to correct the Event of Default pursuant to Article 17.B.2 above.
4. The County's acceptance of Additional Rent, as provided in Article 17.B.3 above, shall not constitute a waiver of the County's right to terminate the Lease in accordance with Article 17.B.1 above or to recover possession in a subsequent month during the Term if the Event of Default continues or an additional Event of Default occurs.

- C. County Remedies. Upon occurrence of an Event of Default by the Tenant, the County is entitled to all remedies available at law or in equity, including, but not limited to, the right to terminate the Lease, the right to re-let the Leased Premises (if the Lease has been terminated), with any termination of this Lease to be effectuated by appropriate proceedings brought in any court of competent jurisdiction in Montgomery County, Maryland. Notwithstanding the termination of this Lease, the Tenant shall remain liable for any and all claims, costs, damages, expenses, fees, liabilities and losses suffered by or incurred on behalf of the County as a result of Tenant's Event of Default, including all reasonable attorney's fees and any costs the County incurs recovering possession of the Leased Premises.
- D. No Waiver. 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 the Tenant shall be permitted to retain possession of the Leased Premises, then such proceedings do not constitute a waiver of any condition or agreement contained herein or of any subsequent breach of this Lease. No waiver of any breach of any condition contained herein shall be construed to be a waiver of that condition or of any subsequent breach thereof.

18. EMINENT DOMAIN:

- A. County Right: The County is entitled to receive any award made under the exercise of any superior governmental authority's exercise of its power of eminent domain for the fair market value of the land and improvements upon which the Leased Premises are located.

- B. Tenant Right: Tenant is not precluded from claiming, proving and receiving, in a separate claim filed by Tenant against the superior governmental authority exercising the power of eminent domain, such sums to which the Tenant may be entitled as compensation, including, without limitation, reimbursement of Qualified Capital Improvements, provided that such a separate claim does not interfere with or reduce the County's award and is pursuant to the terms set forth in Article 9D herein.
- C. Right to Terminate: The County or Tenant may terminate this Lease upon exercise of eminent domain by a condemning authority that renders the Leased Premises unfit for the use and purpose set forth in Article 3, above.

19. SUBLEASING:

- A. County Consent for Tenant Subleasing: As required by Paragraph 6.10 of the Closed School Regulations, Tenant shall not sublease any part of the Leased Premises without the County's express written consent. The County's written consent shall be obtained in the following manner:
 - 1. Tenant shall submit to the County a copy of the proposed sublease, a description of the activities and uses proposed by subtenant, proof of the subtenant's ability to pay Rent, adequately maintain its premises and otherwise comply with all terms and conditions of this Lease, and any other information pertinent to the proposed subtenant's use and occupancy as may be requested by the County.
 - 2. The County shall provide copies of the above information to the Montgomery County Council, the Montgomery County Planning Board and BOE and shall solicit and consider their comments on the proposed sublease as required by law.

3. The County shall make a decision on the proposal and shall respond in writing to the Tenant not later than ninety (90) days after receipt of all information required by Article 19.A.1, above, or any additional information that may be requested by the County.
4. It shall not be unreasonable for the County to deny approval for any sublease for any reason or no reason at all.

B. Permitted Subleasing by Tenant: As required by Paragraph 6.11 of the Closed School Regulations, subleasing by Tenant shall be permitted only under the following terms and conditions:

1. Tenant shall not be permitted to sublease more than fifty percent (50%) of the net useable square footage of the Building.
2. Subleasing of any portion of the Leased Premises by Tenant shall have as its primary goal the recovery of reasonable operating and Rent expenses incurred by the Tenant in the operation, maintenance and administration of the Leased Premises. Tenant agrees that any Rent charged to the subtenant shall be limited to the subtenant's prorated share of actual operating, maintenance and administrative expenses, as well as, non-reimbursed Capital Improvements, and/or other improvements benefiting the subtenant incurred by Tenant, plus an amount equal to the same square foot rate of Rent paid by Tenant to the County.
3. The County shall not approve any sublease or transfer of any right or interest in any portion of the Leased Premises if such a sublease or transfer results in any profit or financial gain in excess of the

permitted costs and expenses as set forth, above. The County shall require satisfactory written evidence of compliance with this Article.

4. In the event the County approves a sublease, Tenant remains responsible for the payment of all monies due to the County and for the performance of all obligations required of the Tenant under this Lease.
5. All subtenants must conform to all applicable zoning and land use requirements, to all applicable use and occupancy regulations, laws or statutes, to the use restrictions contained in this Lease, to any restrictions that have been imposed by the Montgomery County Council on the use of the Leased Premises, and to all of the terms and conditions of this Lease.
6. In the event the County determines that Tenant is receiving Rent from subtenant in excess of the costs permitted herein, Tenant shall pay all of the Rent received over and above the allowable costs to the County, as Additional Rent.

20. RIGHT OF ENTRY:

- A. Repairs and Inspection: As required by Paragraph 6.0 of the Closed School Regulations, the Tenant shall permit the County as landlord, its agents or employees, at reasonable times and upon reasonable notice (not less than 72 hours prior notice) to enter the Leased Premises without charge and without diminution of Rent to: (1) examine, inspect and protect the Leased Premises; (2) to perform maintenance and repairs the County may in its reasonable discretion consider necessary or desirable; (3) to exhibit the Leased Premises to prospective purchasers or tenants; and, (4) to enforce the

terms of the Lease and take action, including an inspection of the Leased Premises at least annually, to assure that the Tenant complies with its obligations under the Lease. The County retains all of its rights as a government to enter onto the Leased Premises as permitted by law and for all lawful purposes.

- B. Emergency Access: In cases of an emergency involving imminent risk of injury or death to persons or damage to property, the County, its agents or employees, without prior notice to the Tenant, may enter onto the Leased Premises, however, the County shall notify the Tenant of any such entry under this Article in an appropriate manner as soon as it is practicable under the circumstance.
- C. Locks: Tenant shall not alter or change exterior locks installed on the Leased Premises, however, in the event of an approved change, Tenant must provide the County with keys to the new locks.

21. RETURN OF THE LEASED PREMISES:

- A. Tenant's Property: At the conclusion of the Term as set forth in Article 2, or following the termination of this Lease for any other cause, the Tenant must remove all of Tenant's goods and effects from the Leased Premises and return to the County all keys, locks, and other fixtures belonging to the County, in good repair, reasonable wear and tear excepted. In the event that Tenant's property is not removed from the Leased Premises after the termination of this Lease, the property remaining shall become the property of the County. The County shall dispose of such property in the manner it deems appropriate.

B. Condition of Leased Premises: The Tenant shall return the Leased Premises to the County in the same condition as received at the beginning of the Lease Term in "broom clean" condition, reasonable wear and tear excepted. At the time of termination of this Lease, and at the County's option, the Tenant shall participate in a walk-through with the County's agent or employee to inspect the Leased Premises.

C. Signs: Following termination of this Lease, the Tenant shall remove any and all signs erected by or on behalf of Tenant and shall pay for or repair any damage caused by the installation or removal of such signage.

22. HOLDOVER:

A. No Right to Holdover: The Tenant shall have no right to holdover and continue to occupy the Leased Premises upon expiration or termination of this Lease.

B. Holdover without Consent: Notwithstanding the foregoing, if the Tenant holds over the expiration of this Lease without the County's consent, the Tenant shall, in the absence of any agreement to the contrary, be the Tenant at sufferance and shall pay to the County holdover damages equal to 150% of the then-current fair market rent value of the Leased Premises, payable in monthly installments, for the entire period of such tenancy at sufferance.

C. Indemnification: Tenant shall defend, indemnify, and hold the County harmless from and against any and all claims, losses, liabilities, or damages resulting from the Tenant's failure to surrender possession of the Leased Premises in accordance with this Article (including, but not limited to, any and all claims made by any succeeding tenant).

23. ASSIGNMENT: Tenant must not assign this Lease by operation of law or otherwise.
24. EMERGENCY CONTACT:
- A. Normal Business Hours: The Tenant must notify the County of any emergency as required by this Lease by contacting the Office of Real Estate, Department of Public Works and Transportation at (240) 777-7252. Normal business hours are defined as Monday through Friday during the hours of 8:00AM to 5:00 PM.
- B. After Normal Business Hours: The Tenant must notify the County of any emergency as required by this Lease by contacting the Montgomery County Security Desk at (240) 777-6161.
25. CUMULATIVE REMEDIES: Except as otherwise expressly set forth in this Lease, all remedies granted in this Lease and otherwise provided by law shall be cumulative and, unless inconsistent, may be exercised separately, concurrently or successively.
26. BENEFIT AND BURDEN: The provisions of this Lease shall be binding upon, and shall inure to the benefit of the Parties and each of their respective successors.
27. DISPUTES: The Parties will use reasonable efforts to resolve all disputes by agreement. Pending final resolution of any dispute under this Lease, the Parties must proceed diligently with the performance of all requirements of this Lease.
28. WAIVER: The waiver at any time by either of the Parties of any particular covenant, condition, obligation, or duty under this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of either Party.

29. NON-DISCRIMINATION: Tenant agrees to comply with the non-discrimination in employment policies in County contracts as required in Sections 11B-33 and Chapter 27 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws, rules and regulations regarding discrimination. By signing this Lease, the Tenant assures the County that in accordance with applicable law, it does not, and agrees that it shall not engage in any discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations. The Landlord assures the County that in accordance with applicable law; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, sex, marital status, national origin, ancestry, disability, sexual orientation or genetic status.

30. CONTRACT SOLICITATION: Tenant represents that it has not retained anyone to solicit or secure this Lease from the County upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees of bona fide established, licensed, commercial selling or leasing agencies (the "Broker") maintained by the Tenant for the purpose of securing business or an attorney rendering professional legal services consistent with the canons of ethics of the profession. Tenant is responsible for paying any Broker's fees or commissions for any Broker with whom Tenant has any contract or agreement and for paying all of Tenant's attorneys' fees in connection with the negotiation of this Lease.

31. ETHICS REQUIREMENT: Tenant understands and agrees that unless authorized pursuant to Section 11B-52 and Chapter 19A of the Montgomery County Code (2004), as amended, that it is unlawful for any person or entity transacting business with the County to employ a public employee contemporaneous with his or her public employment.

32. FORCE MAJEURE: 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 action; insurgency; homeland security emergency; or inability to obtain any material or service despite diligent efforts to procure, through natural or other causes beyond the control of either of the Parties;

provided, however, that this provision shall not excuse any non-payment of Rent. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a party to the extent that this provision does not conflict with the appropriations prerogative of any governmental body.

33. MAILING NOTICES: All notices required by this Lease shall be in writing and shall be given by either party by first class mail, postage prepaid, return receipt requested or with a nationally recognized receipted delivery service, addressed to the County or Tenant, respectively. Notice to the Parties shall be addressed as follows:

THE COUNTY:

MONTGOMERY COUNTY, MARYLAND

Department of Public Works and Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850
Attn: Director
With a copy that does not constitute notice to:

Office of the County Attorney
101 Monroe Street; 3rd Floor
Rockville, Maryland 20850
Attn: County Attorney

THE TENANT:

THE MAYOR AND COUNCIL OF ROCKVILLE

111 Maryland Avenue
Rockville, MD 20850
Attn: City Manager

With a copy that does not constitute notice to:

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney

34. INDEMNITY BOND: Upon the request of the County, for reasonable cause in its reasonable discretion, concurrent with the effective date of the Lease or at any time during the term of this Lease, Tenant shall obtain and maintain an executed miscellaneous indemnity bond in an amount to be determined by the County in its reasonable discretion to remain in full force and effect throughout the remainder of the Term, as security for the faithful performance of all the terms and conditions of this Lease. The County shall have the right, but not the obligation, to request such a bond from the Tenant. The County, in its reasonable discretion, may accept an appropriate substitute surety. Tenant shall, within fifteen (15) days from the date of the request by the County, deliver to the County the said surety, evidencing the coverage stated above. Failure to deliver the bond or surety as required is considered by the County to be an Event of Default under this Lease.

35. INDEMNIFICATION BY COUNTY: Any obligation or liability of the County arising in any way from this Lease is subject to, limited by, and contingent upon the appropriation and availability of funds, as well as the damage caps and notice requirements stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. §§ 5-301, et seq. (2006 Repl. Vol.) (the "LGTCA"); Md. Code Ann. Art. 25A, § 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. § 5-509 (2006 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time. Any indemnification given by the County in this Lease is not intended to create any rights or causes of action in any third parties or to increase the County's liability above the caps provided in the County Indemnification Statutes, as applicable.

36. GOVERNING LAW: This Lease is to be interpreted by the law of the State of Maryland without regard to conflict of law provisions.

37. CLAIMS: Any claim or action brought by or on behalf of either Party in connection with the performance of this Lease shall be filed and maintained in a court of competent jurisdiction located in Montgomery County, Maryland.

38. RIGHT OF REDEMPTION: To the extent permitted by law, the Tenant hereby

waives any and all rights of redemption and rights to cure any default hereunder (howsoever denominated) after the County recovers possession of the Leased Premises now or hereafter granted to the Tenant pursuant to applicable law. No acceptance by the County of any monies owed by the Tenant to the County shall constitute a waiver of the provisions of this Article, nor shall any refusal by the County to accept any tender by the Tenant of any sums owed by the Tenant to the County, in connection with any purported exercise of any right of redemption or right to cure to which the Tenant would otherwise be entitled, constitute a termination of this Lease or a release of the Tenant from any liability hereunder.

39. RULES AND REGULATIONS: Existing Rules and Regulations are incorporated by reference and made a part of this Lease as Exhibit F. The County reserves the right to amend the existing Rules and Regulations from time to time, at the County's reasonable discretion. Tenant shall comply with any and all Rules and Regulations adopted by the County and provided in writing to the Tenant. Tenant's failure to obey the Rules and Regulations constitutes an Event of Default under this Lease for which the County may pursue any or all of the remedies set forth in Article 17.C, County's Remedies. In the event of a conflict between the Rules and Regulations and this Lease, the Lease is controlling.

40. COMMUNITY COORDINATION: As required by Paragraph 6.16 of the Closed School Regulations, the Tenant shall establish a process that shall effectively respond to concerns of residents of the surrounding neighborhood that result from Tenant's operation at the Broome Middle School. The purpose of community coordination is to discuss the impact of the Tenant's operation with residents of the surrounding neighborhood and resolve conflicts that may arise. The Tenant shall meet with members of the surrounding community groups and/or disseminate information from time to time for the purpose of establishing a neighborly relationship. The Tenant shall take action to remedy complaints or concerns raised by the community in connection with Tenants operation at Broome Middle School.

41. TRAFFIC MANAGEMENT PLAN:

- A. Compliance: The Tenant must participate in a traffic management plan (the "Plan") in common with other users of the Broome Middle School if the County, during the term of the Lease, decides that such a plan is in the best interest of the County and the surrounding community. The Parties agree that a Plan will later be attached to this Lease as Exhibit G and will be incorporated herein in its entirety.
- B. Requirements: Any traffic management plan must accomplish the following:
 - 1. Operating Plan: Establish an operating plan for both routine activities and special events that clearly identifies on-site access, circulation and parking rules and regulations, and the use of off-site parking areas other than on-street parking to prevent a detrimental impact on surrounding residential areas.
 - 2. Drop-off and Pick-up: Identify means by which vehicular traffic associated with Property drop-off and pick-up activities shall be contained on site.
 - 3. Monitoring: Establish regular monitoring activities to facilitate identification and implementation of operational access and circulation improvements.
- C. Continuing Review: A traffic management plan is subject to review and modification from time-to-time as deemed necessary by the County.

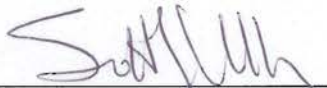
{SIGNATURE PAGE FOLLOWS}

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

WITNESS:

By: 

TENANT:
THE MAYOR AND COUNCIL OF
ROCKVILLE

By: 

Date: 4/15/08

THE COUNTY:
MONTGOMERY COUNTY, MARYLAND

By: 
DIANE SCHWARTZ JONES

Title: ASSISTANT CHIEF ADMINISTRATIVE OFFICER

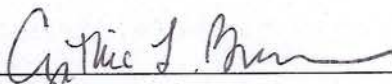
Date: April 28, 2008

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: 

Date: 4/11/2008

RECOMMENDED

By: 
CYNTHIA L. BRENNEMAN
DIRECTOR, OFFICE OF REAL ESTATE

Date: 4/14/08

Exhibit A - Deed
[Background 1]

Exhibit B-1 - Legal Description of Property
[Background 1]

Exhibit B-2 – Tax Map

Exhibit C – Interior Space and Grounds
[Article 1]

Exhibit D –Capital Improvements Completion Report
[Article 9]

Exhibit F – Rules and Regulations
[Article 39]

At this time, the County has no existing Rules and Regulations, but reserves the right to promulgate such Rules and Regulation at a later date provided such Rules and Regulations are reasonable and enforced to all similarly situated properties in a uniform and consistent manner.

Exhibit G – Traffic Management Plan
[Article 41]

At this time, the County has no existing Traffic Management Plan, but the Tenant agrees that it shall commit to participate in a Traffic Management Plan in common with other users of the Broome Middle School if the County, during the term of the Lease, decides that such a plan is in the best interest of the County and the surrounding community.