

LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
CASA DE MONTESSORI, INC.

DATED: _____

July 16, 1992

CONTENTS

PARAGRAPH

1. Premises
2. Term
3. Option to Renew
4. Right of Early Termination
5. Rent
6. Consumer Price Index
7. Services and Operating Expenses
8. Condition of Premises
9. Use of Premises and Multi-Purpose Room
10. Alterations
11. Responsibilities of Tenant
12. Liability, Property Damage and Fire Insurance
13. Indemnity Bond
14. Default
15. Destruction of Premises
16. Eminent Domain
17. Holdover
18. Access
19. Assignment and Subleasing
20. Surrender of Possession
21. Notice of Defects
22. Compliance with Laws
23. Hold Harmless
24. Waiver
25. Non-Discrimination
26. Benefit and Burden
27. Contract Solicitation
28. Public Employment
29. Mailing Notices
30. Resident Agent

Exhibit A - Leased Premises

LEASE AGREEMENT

THIS LEASE (hereinafter referred to as "Lease"), made this 16th day of July, 1992 by and between MONTGOMERY COUNTY, MARYLAND (hereinafter referred to as "Lessor") and CASA DE MONTESSORI, INC. (hereinafter referred to as "Lessee").

WITNESSETH:

In consideration of the mutual agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. PREMISES:

In consideration of the rent hereinafter reserved and the covenants hereinafter contained, Lessor does hereby lease and demise unto Lessee approximately 2,763 square feet of floor space, consisting of two (3) classrooms, in the building at 14015 New Hampshire Avenue, Silver Spring, Maryland, known as the Colesville Elementary School, Montgomery County, Maryland, as outlined in red on Exhibit "A", attached hereto and made a part hereof (hereinafter the "Demised Premises or the "Leased Premises').

2. TERM:

The initial term of this lease shall be for a period of two (2) years eleven months, commencing on July 1, 1992, and ending at midnight on May 31, 1995.

3. OPTION TO RENEW:

Lessee shall have the option to renew this Lease Agreement for two consecutive one (1) year periods. Lessee shall give the Lessor six (6) months written notice before the end of the lease term or renewal period then in operation of its intention to exercise each option.

4. RIGHT OF EARLY TERMINATION:

(A) It is agreed between the parties that this lease may be terminated at any time during the lease term by either party giving the other not less than six (6) months' written notice.

(B) This lease Agreement may be terminated by the Lessor, in whole or in part, whenever the Chief Administrative Officer shall determine that termination of this Lease Agreement is in the best interest of the Lessor. Termination hereunder shall be effected by delivery to Lessee of a written Notice of Termination sixty (60) days prior to the date upon which termination shall become effective.

5. RENT:

(A) Lessee agrees to pay rent at the rate of Fourteen Thousand, One Hundred Forty Six and 56/100 (\$14,146.56) Dollars per annum, payable in equal monthly installments of One Thousand, One Hundred Seventy Eight 88/100 (\$1,178.88) Dollars, in advance on the first day of each month. Said rental shall be payable to: Montgomery County Revenue Division, P.O. Box 6210, Rockville, Maryland 20850.

(B) Should the Lessee fail to submit monthly rental payments in the above described manner, and should said failure continue for more than ten (10) calendar days after the first day of the month for which such rental payment is due and payable, Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of five percent (5%) of said monthly rental payment. Should Lessee's failure to pay continue for more than twenty (20) calendar days after a monthly payment becomes due and payable Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of fifteen percent (15%) of said monthly rental payment. Should Lessee's failure to pay continue for more than thirty (30) calendar days after a monthly payment becomes due and payable, Lessor shall have the right to terminate this Lease, recover possession of the Leased Premises and pursue any other legal remedies available to Lessor under the laws of the State of Maryland.

6. CONSUMER PRICE INDEX:

It is agreed between the parties that the annual rent payable by the Lessee shall be adjusted at the beginning of each lease year, beginning July 1, 1993 and July 1 for each year thereafter during the term of this Lease and any renewal periods as determined by the application of the following formula:

To the annual rent payable by Lessee during the previous twelve (12) months shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying

such annual rent payable during the previous twelve (12) months by a fraction, the numerator of which shall be the Consumer Price Index (CPI) now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, All Items (1967 = 100)," for the month which is two (2) months prior to the first month of the next twelve (12) month lease period and the denominator of which shall be the CPI for the month which is two (2) months prior to the first month of the previous twelve (12) month lease period, and subtracting from such product the annual rent payable during the previous twelve (12) months.

The resulting new annual rent, which in each instance shall in no event be less than the annual rent payable during the preceding twelve (12) months, shall be payable in twelve (12) equal monthly installments on the first (1st) day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of items now incorporated therein or if a substantial change is made in such CPI, the parties hereto shall agree on an alternative formula.

7. SERVICES AND OPERATING EXPENSES:

A. By Lessee: Lessee agrees to provide within the demised premises at his sole cost and expense the following:

- (1) All custodial services, trash removal, pest control, and security services. Such services shall include the furnishing and installing of burned-out light tubes and bulbs; and
- (2) All maintenance and repair of the ceiling, walls, floors and doors, including locks and hardware. Such maintenance and repair also includes painting as may be required.

(B) By Lessor: Lessor agrees to provide within the demised premises and the building of which they are a part at his sole cost and expense the following:

- (1) All custodial services for the common hallways/corridors and restrooms of the building which are not a part of the demised premises;
- (2) Heating (existing system and equipment only); electricity; fuel oil; and water/sewer;

& except when caused by exterior causes such as rain.

- (3) All maintenance and the repair of the ceiling, walls, floors and doors, which are not a part of the demised premises; and
- (4) All maintenance and repair of heating system; electrical systems and fixtures; plumbing systems and fixtures; roof; windows; structural systems; and grounds and related site improvements.

8. CONDITION OF PREMISES:

Lessee agrees to maintain the Leased Premises, including all improvements therein, in good condition and state of repair throughout the term of this Lease and any extension thereof. Lessee agrees to keep the Leased Premises clean and neat in appearance at all times.

9. USE OF PREMISES AND MULTI-PURPOSE ROOM:

- A. The demised premises are to be used only for Lessee's programs and activities and for related activities as appropriate.
- B. Lessor will make the Multi-Purpose Room available for use by Lessee on a scheduled basis, provided Lessee gives Lessor proper advance notice by contacting the Interagency Coordinating Board.
- C. Lessee is authorized to use the parking spaces in Lessor's parking area at no additional rent or cost. Such parking spaces are to be used by Lessee on a first-come basis in common with other tenants in the building. Lessor reserves the right to institute parking regulations and restrictions.
- D. Lessee is authorized to use the grounds adjacent to the building on an occasional, but not regular, basis; provided, however, Lessee cleans the grounds of trash and litter after such use.

10. ALTERATIONS:

Lessee shall not remodel or make any alterations, changes or improvements to the demised premises without prior written consent of the Lessor. All movable partitions, fixtures, floor covering, or equipment installed in the demised premises at the Lessee's expense shall remain the property of Lessee and may be removed by the Lessee. Lessee shall, however, repair any damage caused directly by said removal.

11. RESPONSIBILITIES OF LESSEE

Lessee covenants and agrees:

- A. Not to damage or deface the demised premises or the building and grounds of which the demised premises are a part.
- B. Not to keep gasoline or other flammable material or any other explosive in the building which will increase the rate of fire insurance on the building beyond the ordinary risk established for the type of operations above provided to be conducted therein, and any such increase in the insurance rate due to the above, or Lessee's special operations carried on within the demised premises, shall be borne by Lessee.
- C. Not to use or allow to be used the demised premises or any part thereof for any illegal, unlawful or improper purpose, or for any activity which will constitute a nuisance to other occupants of the building of which the demised premises are a part, to adjacent properties or to the adjacent neighborhood.
- D. Not to place upon the building any placard, sign, lettering or awning except such, and in such place and manner, as shall have been first approved in writing by Lessor.
- E. Lessee shall comply with all rules and regulations of the building promulgated from time to time by Lessor, and any violation of said rules and regulations shall be a violation of this lease.

12. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

- (A) Lessee agrees to obtain and maintain, during the full term of this lease, and any extension thereof, a policy of general liability insurance with a minimum limit of liability of \$1,000,000 (one million dollars) for bodily injury and property damage including fire legal liability issued by an insurance company licensed in the State of Maryland and acceptable to Lessor.
- (B) Lessee agrees to obtain and maintain, during the term of the lease, and any extension thereof, a policy of workers compensation and employers liability coverage in the amount of \$100,000 for bodily injury by accident (each person) or by disease (each person) and \$500,000 for bodily injury by disease (policy limits).

- (C) Lessee agrees to obtain and maintain, during the term of the lease, an All Risk Property policy covering 100% of the contents of the leased premises.
- (D) The general liability policy must list Montgomery County as additional insured and all policies must provide Montgomery County 60 days notice of material change or cancellation.
- (E) The Lessee shall, within ten (10) days from execution of this instrument, deliver to Lessor a certificate(s) of insurance evidencing the coverages enumerated above. The certificate(s) must be issued to Montgomery County Government, Department of Facilities and Services, Office of Real Estate Management, 110 N. Washington Street, Rockville, Maryland 20850.

13. INDEMNITY BOND:

Upon the request of Lessor, concurrent with the effective date of the Lease or at any time during the term of this lease, Lessee agrees to obtain and maintain an executed miscellaneous indemnity bond in the amount of eight (8) months' rent for the current lease year to remain in full force and effect throughout the remainder of the lease term, as security for the faithful performance of all the terms and conditions of this Lease.

Lessor shall have the right, but not the obligation, in its sole discretion to request such a bond. For good cause shown by Lessee, Lessor, in its sole discretion, may accept an appropriate substitute surety. Lessee shall, on the effective date of the Lease or within thirty (30) days from the date of the request by the Lessor, deliver to Lessor the said surety, evidencing the coverage hereinabove stated. Failure to deliver the bond or surety as required is considered by Lessor to be a material breach of the Lease.

14. DEFAULT:

- (A) Lessee shall be considered in default of this Lease upon the occurrence of any of the following:

- (i) Failure to perform under any term, covenant or condition of this Lease and the continuance thereof for thirty (30) days (or such period as may be reasonably required to correct the default with exercise of due diligence) after written notice from Lessor specifying said failure except that failure to pay rent for 30 days after a monthly payment becomes due and payable shall be considered a default without written notice thereof.

- (ii) The commencement of any action or proceeding for the dissolution or liquidation of Lessee, or for the appointment of a receiver or trustee of Lessee's property, and the failure to discharge any such action within thirty (30) days.
- (iii) The making of any assignment for the benefit of Lessee's creditors.
- (iv) The abandonment of the Leased Premises by Lessee.

(B) In the event that the Lessee shall be found in default as hereinabove stated, then and in every such case thenceforth, at the option of the Lessor or Lessor's assigns, the Lessee's right of possession shall thereupon end, and the Lessor may proceed to recover possession under the laws of the State of Maryland and to take any other action allowable by law.

15. DESTRUCTION OF PREMISES:

- A. If the demised premises shall be destroyed or damaged from whatever cause so as to render them unfit for the purpose for which leased, and the Lessor determines that it is not economical to make repairs considering the extent of damage, cost of repairs, and the rental or market value of the repaired building, Lessor shall terminate this lease by giving written notice to Lessee within fifteen (15) days after such destruction or damage. Then Lessee shall surrender the demised premises within thirty (30) days from date of such destruction or damage and shall be granted a proportionate rebate from any prepaid rental payments made hereunder.
- B. If the Lessor elects to repair the demised premises, he shall do so within ninety (90) days from date of destruction or damage and this lease shall not be affected except that the rent shall be abated until repairs are completed for that portion of the demised premises with respect to which Lessee is deprived of normal use.
- C. In the event that Lessor elects not to repair the demised premises as hereinabove provided, Lessee shall not be entitled to any compensation or payment from the County for the value of any remaining term of the lease.

16. EMINENT DOMAIN:

If the demised premises or any part thereof shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain, Lessee agrees to make no claim for compensation in the proceeding, and hereby assigns to Lessor any rights which Lessee may have to any portion of any award made as a result of such taking.

17. HOLDOVER:

In the event that the Lessee shall continue to occupy said Leased Premises or any part thereof after the conclusion of the term of this Lease, the tenancy thus created shall be deemed to be upon a month-to-month basis and may be terminated by either party giving the other not less than thirty (30) days' written notice, to expire on the day of the month from which the tenancy commenced. During any month-to-month tenancy, both parties shall continue to observe all agreements and covenants contained in this Lease. Lessee shall continue to pay monthly rental under rates to be negotiated a minimum of thirty (30) days prior to the expiration of the initial lease term or extension thereof, which month-to-month rental rates shall in no event be less than the rental rates in effect at the time of expiration of the lease term.

18. ACCESS:

Lessee shall allow Lessor, his employees or agents to have access to said demised premises at all reasonable times for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of performing any work required to be performed by Lessor, or which Lessor considers necessary or desirable, or for any other purpose for the reasonable protection of said demised premises or of the building of which it is a part.

19. ASSIGNMENT AND SUBLEASING:

Lessee shall not have the right to and shall not assign this Lease nor sublease the demised premises or any portion thereof.

20. SURRENDER OF POSSESSION:

Lessee covenants, at the expiration or other termination of this lease, to remove all goods and effects from the leased premises

not the property of Lessor, and to yield up to Lessor the demised premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Lessee), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Lessee is not herein expressly made liable excepted.

21. NOTICE OF DEFECTS:

Lessee shall give to Lessor prompt written notice of accidents on or damages to the premises.

22. COMPLIANCE WITH LAWS:

It is understood, agreed and covenanted by and between the parties hereto that Lessee at his expense, will promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal government, State of Maryland, Montgomery County government, or Montgomery County Fire Marshal's Office.

23. HOLD HARMLESS:

Lessee agrees to hold harmless and defend the Lessor from liability arising by virtue of the nature of the Lessee's business or through Lessee's use of the demised premises, except such claim as may be occasioned by the negligent acts or omissions of the Lessor, his employees, agents and contractors; and further specifically agrees to hold Lessor harmless and to defend it from any claim of public liability made in connection with the installation or construction of equipment in the premises, notwithstanding that they may or may not be deemed to be a part of the premises herein described, except for such negligence as occasioned by the acts or omissions of the Lessor, his employees, agents and contractors.

24. WAIVER:

No waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself or of any subsequent breach thereof.

25. 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 1984, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. 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 age, color, creed, national origin, race, religious belief, sexual preference or handicap.

26. BENEFIT AND BURDEN:

The provisions of this lease shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective representatives, successors and assigns.

27. CONTRACT SOLICITATION:

The Lessee represents that he has not retained anyone to solicit or secure this lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting for bona fide employees or bona fide established commercial, selling agencies maintained by Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

28. PUBLIC EMPLOYMENT:

The Lessee understands that unless authorized under Sections 11B-46 or 11B-54 of the Montgomery County Code 1984, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

29. MAILING NOTICES:

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

LESSEE:

Casa de Montessori, Inc.
14015 New Hampshire Avenue
Silver Spring, Maryland 20904

LESSOR:

Montgomery County Government
Dept. of Facilities & Services
110 N. Washington Street
Room 318
Rockville, Maryland 20850

30. RESIDENT AGENT: The Resident Agent for the Lessee

is Elizabeth A. Burkhardt and its
address for receipt of notices and service of process
is 709 Hobbs Dr., Silver Spring, Md. 20904. Lessee
shall immediately notify Lessor of any change in Resident Agent
or address for service as provided herein.

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

ATTEST:

By: Kathy Barbor

LANDLORD: MONTGOMERY COUNTY, MARYLAND

By: Alastair W. Arthur
Alastair McArthur, Deputy
Chief Administrative Officer

Date: July 16, 1992

WITNESS:

By: Roberta A. Newell

TENANT: CASA DE MONTESSORI, INC.

By: Elizabeth A. Burkhardt

Date: June 24, 1992

APPROVED AS TO FORM AND LEGALITY
BY OFFICE OF THE COUNTY ATTORNEY

By: [Signature]

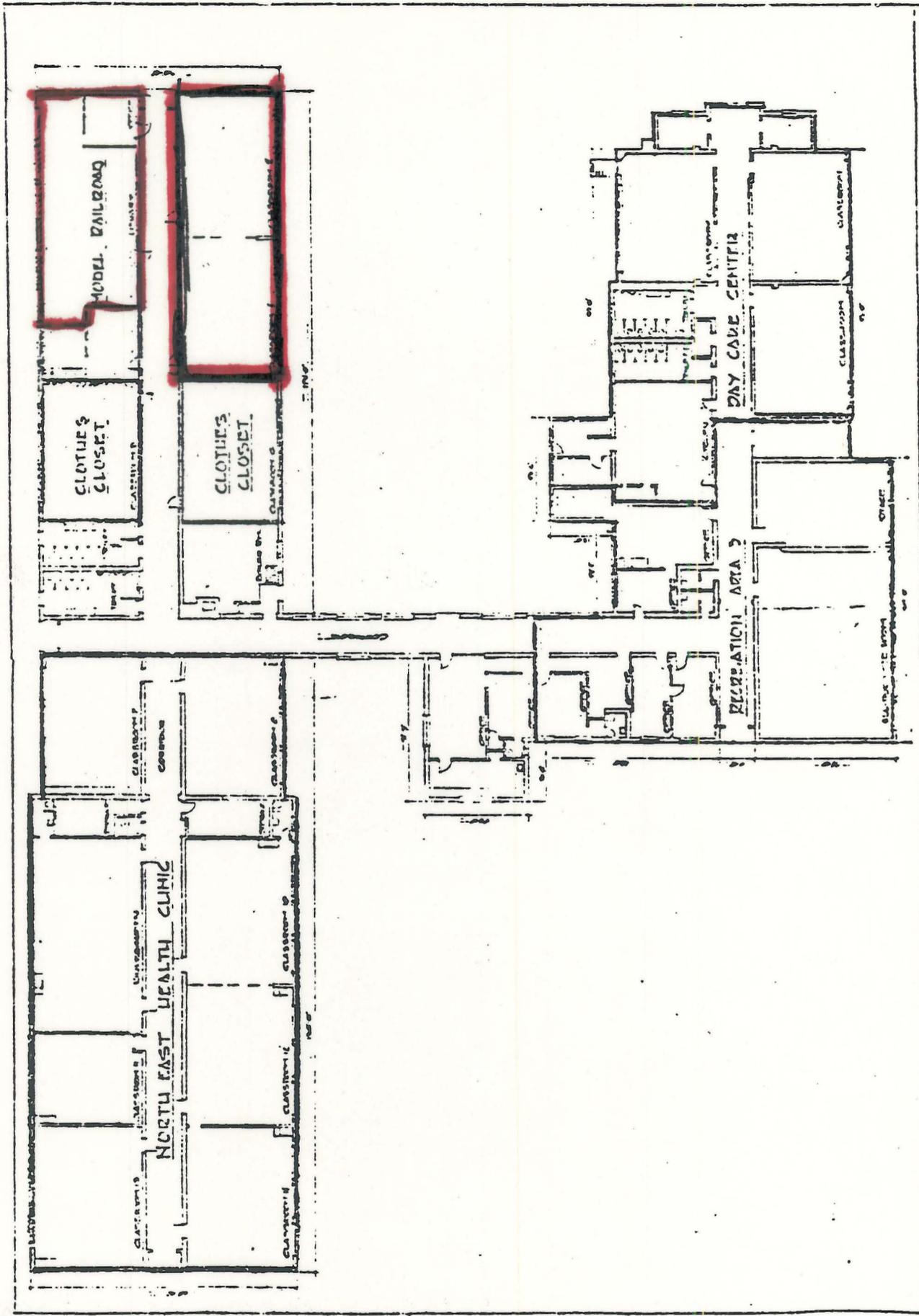
Date: 6/9/92

RECOMMENDED BY:

[Signature]
Gloria W. Kratz, Chief
Office of Real Estate Management

Date: 7/14/92

12650



OFFICE OF ARCHITECTURAL SERVICES
 FEBRUARY 1978
 COLLESVILLE SCHOOL
 EXISTING CONDITIONS
 FLOOR PLAN SPACE ALLOCATION

EXHIBIT "A"