

LICENSE AGREEMENT  
BETWEEN  
MONTGOMERY COUNTY MARYLAND AND  
KIDSCO., INC.

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## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License") made this 26 day of June, 2023, by and between MONTGOMERY COUNTY, Maryland, a body corporate and politic and a political subdivision of the State of Maryland (the "County") and KIDSCO., INC., a Maryland corporation (the "Licensee"). (The "County" and the "Licensee" together the "Parties").

### BACKGROUND:

WHEREAS, the BOARD OF EDUCATION OF MONTGOMERY COUNTY, Maryland ("Board") has the fee simple title in the building known as Brown Station Elementary School located at 851 Quince Orchard Boulevard, Gaithersburg, Maryland, 20878 (the "Building"), in Montgomery County, Maryland; and

WHEREAS, the Amended FY 2010-2015 Capital Improvements Program included funding from the County to the Board for the Board's construction of a childcare suite at Brown Station Elementary School; and

WHEREAS, the County has entered into a Lease with the Board dated December 1, 2022 for the Licensed Premises (defined below) and now desires to license the Licensed Premises to the Licensee, a County selected childcare provider licensed by the Maryland State Department of Education Office of Childcare ("MSDEOC"), for the sole purpose of the Licensee operating a childcare program to provide affordable, educational and necessary childcare services to the constituents of Montgomery County.

WHEREAS, Licensee has continuously occupied the Licensed Premises under a verbal agreement with the County from July 1, 2017 through the date of this License, and the Parties are entering into this License to formalize their agreement regarding Licensee's continued occupancy of the Licensed Premises for the Term."

NOW THEREFORE, in consideration of the covenants contained in this License, and for other

good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties mutually agree as follows:

1. LICENSED PREMISES: The County does grant the Licensee the privilege, license and right to use that portion of the Building designated as Rooms 137, 137-A, and 137-B, 137-C, and Vestibule C-12 containing approximately 1,608 square feet of space (the "Licensed Premises"), as cross-hatched on the attached **Exhibit A**, for the exclusive purpose of providing the childcare services described in the Licensee's Childcare Proposal attached as **Exhibit B** and incorporated as if fully set forth herein (the "Program"), and as set forth in Section 5, below.

2. LICENSE TERM: The term of this License is for seven (7) years, commencing, retroactively, on or about July 1, 2017 and expiring on June 30, 2024 (the "License Term"). This License may be terminated at any time during the License Term or any extension of the License Term by the County upon thirty (30) days written notice, unless the Licensee's license or certification to operate a childcare center is suspended or revoked by MSDEOC in which case the County is not required to provide thirty (30) days written notice to the Licensee. The County is under no obligation to provide alternative space for the Licensee and is not responsible for any moving costs or any expenses incurred by the Licensee resulting from the termination or expiration of this License for any reason. The Parties agree that the License shall only be terminated or revoked by the County on the terms expressly set forth in this License.

3. RENEWAL OPTION: Intentionally Omitted.

4. LICENSE FEE/ADDITIONAL LICENSE FEE:

A. License Fee:

(i) Commencing, retroactively, on July 1, 2017, the Licensee will pay to the County as the "License Fee", Nine Dollars and Fifty Six Cents (\$9.56) per 700 licensable square foot for an annual rate of Six Thousand Six Hundred and Ninety-Two Dollars and No Cents (\$6,692.04) payable in equal monthly installments of Five Hundred Fifty-Seven Dollars and Sixty-Six Cents (\$557.67).

(ii) The License Fee rate to be paid by the Licensee is determined by taking the

average per square foot operating cost for all childcare facilities operated and maintained by the County. For purposes of this License, operating costs shall include, but not be limited to, the following:

1. Utilities;
2. Janitorial – At the same level provided to other County facilities. The Licensee must perform day to day programmatic clean up (spills, crumbs, sand, food preparation areas, etc.);
3. Maintenance (major and minor);
4. Pest control;
5. Snow removal;
6. Grounds maintenance;
7. Fire Extinguishers;
8. Trash removal, recycling;
9. Renovations as required to meet State licensing regulations; and
10. Security in the form of locking the facility.

B. Additional License Fee:(i) Additional License Fees: Commencing, retroactively, on July 1, 2017, in addition to the License Fee payable under Paragraph 4(Ai), the Licensee shall pay to the County a share of the cost of debt service incurred by the County as a result of improvements and renovations to childcare facilities operated, maintained and/or under the control of the County as an Additional Licensee Fee (“Additional License Fee”). The Additional License Fee shall be equal to One Dollar and Seventy- Nine Cents (\$1.79) per 700 licensable square foot for an annual rate of One Thousand Two Hundred and Fifty-Three Dollars and No Cents (\$1,253.04) payable in equal monthly installments of One Hundred Four Dollars and Forty-One Cents (\$104.42).

(ii) The cost of debt service is determined by (1) adding all Capital Improvement Program costs for all County-owned and County-maintained childcare facilities; (2) multiplying the total cost by the average effective annual repayment rate for twenty (20) year bonds; and (3) dividing that result by the total square footage allocated to the County maintained childcare facilities.

(iii) Waiver of the Additional License Fee, may be obtained pursuant to the

Policy on Use of County Buildings for Childcare, attached hereto and made a part hereof as Exhibit C, and can be granted by the County to the Licensee provided that (i) Thirty percent (30%) or more of families served by the Licensee are eligible for or enrolled in the State of Maryland or Montgomery County scholarship or subsidy programs, (ii) provide infant child care and/or (iii) provide care for children with disabilities. The Waiver of the Additional License Fee and the Policy on Use of County Buildings for Childcare must be submitted each year by the first of each calendar year.

C. License Fee and Additional License Fee Payments: The License Fee and Additional License Fee shall be due and payable in the same manner and on the same day and the Additional License Fee payment may be included in the License Fee, (collectively the "License Fee Payment"). All License Fee payments are to be made in advance on the first day of each month during each license year, and shall be payable by check to:

Montgomery County Maryland  
Department of General Services Office of Real Estate  
P.O. Box 826766 Philadelphia, PA 19182 -6766

D. Failure to Pay License Fee Payments: If the Licensee fails to submit any part of the monthly - ten(10) calendar days after the first day of the month for which the License Fee Payment is due and payable, the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of five percent (5%) of the monthly Licensee Fee Payment. If the Licensee's failure to pay continues for more than twenty (20) calendar days after a monthly payment becomes due and payable the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of fifteen percent (15%) of the monthly License Fee Payment. If the Licensee's failure to pay continues for more than thirty (30) calendar days after a monthly License Fee Payment becomes due and payable, Licensee shall be in default of this License and the County will have the right to terminate this License Agreement, recover possession of the Licensed Premises and pursue any other remedies available to the County under this License, and all applicable federal, state and local laws.

E. License and Additional License Fee Increase: Commencing with the 1st of January after the first full License Year of the License Term and on the 1st of each January thereafter during the License Term and any Renewal Term, the County may establish a new License Fee and Additional License Fee rate to be paid by the Licensee for the next fiscal year, beginning on the following July 1., of the License Term. The License Fee and the Additional License Fee shall be determined in accordance with paragraph's 4.(A) ii and (B) (ii) above.

F. The Licensee owes the County upon the execution of this License Agreement, the License Fee and Additional License Fee, in an amount effective July 1, 2017 through March 31, 2020 (31 months) equal to \$18,403.11 and \$3,445.86, respectively.

Due to the Covid 19 Pandemic ("Covid -19"), the County agreed to abate the License Fee/Additional License Fee for the months April, May and June of 2020, and the County Department of Health and Human Services paid the Additional License Fee for the months of July through December 2020, the full 2021 calendar year, the full 2022 calendar year, and the months of January through June in calendar year 2023 ("Covid 19 Abatement"), effectively giving Licensee a Covid 19 Abatement of 36 months, beginning April 2020 ending June 2023.

Effective July 1, 2023 the Licensee shall commence to pay the full License Fee and Additional License Fee as set forth in this License Agreement.

5. USE OF THE LICENSED PREMISES:

A. The Licensee must use the Licensed Premises only for the provision of the Program.

B. The Licensee must abide by all rules and regulations concerning the operation of its Program, which may, from time to time, be issued by the County. The Licensee agrees to abide by all rules and regulations concerning the operation of the Building and the Licensed Premises, which may from time to time, be issued by the County or by the Board.

C. The Licensee must implement its Program in the manner set forth in the Licensee's Childcare Proposal, Exhibit B, and in its presentation to the Childcare Selection Committee.

D. The Licensee must implement its Program in accordance with any and all applicable state, local and federal laws pertaining to the operation of childcare centers and must maintain its license or certification to provide such services in accordance with the requirements of the entity issuing such license or certification.

6. ASSIGNMENT: The Licensee must not assign, transfer, mortgage or otherwise encumber this License or sublet or rent or permit a third party to occupy or use the Licensed Premises or any part of the Licensed Premises.

7. USE OF OUTDOOR PLAYGROUND AREAS: The Licensee shall have access to and the right to use the outdoor playground areas (if any) adjacent to Building when used by the Licensee in connection with its Program and during its normal hours of operation. The Board may provide other age-appropriate playground area,, if necessary, designated by the school principal that does not conflict with schools use thereof. Repair, maintenance and replacement of playground equipment will be the responsibility of the party that provided such playground equipment.

8. LICENSED CAPACITY: The Licensee acknowledges and agrees that the Licensed Premises can be licensed for no more than the maximum number of children permitted by the MSDEOC Licensing. The Licensee agrees that a Certificate of Licensed Capacity will be posted in the Licensed Premises always. At the time of execution of this License the Licensed Capacity of the Licensed Premises is 20 as determined by MSDEOC. Licensee is responsible for notifying the County, within thirty (30) days of notification by the MSDEOC, if the License Capacity changes in accordance with MSDEOC, at any time during the License Term.

9. PRIORITY PLACEMENT: The Licensee must provide children of County employees with priority placement in the Licensee's Program.

10. SPECIAL CONDITIONS: In addition to establishing priority placement for children of County employees, the Licensee must:

- A. Comply with the Americans with Disabilities Act and all federal, state and local laws regarding providing access and services to disabled persons within the Licensed Premises;
- B. Share its Program enrollment data with the County;
- C. Accept children whose parents participate in State of Maryland or Montgomery County scholarship or subsidy programs;
- D. Maintain reports relating to the Licensee's license(s) or certification(s) as a childcare center, or inspection and evaluation for County and parental review;
- E. Maintain compliance with all licensing requirements of its Program, whether state, local or federal; and
- F. Obtain and then continue to maintain accreditation of its Program by the Maryland State Department of Education or National Association for the Education of Young Children.
- G. Provide to the County specific data as requested related to its Program such as staffing information, accrediting, number of families using tuition assistance and any other data which will not violate the privacy of the Licensee or its families.

11. IMPROVEMENTS AND ALTERATIONS: The Licensee must not permit or undertake any alterations, changes, improvements, or additions to the Licensed Premises without the prior written consent of the County ("Licensee's Work"). To secure the County's approval of any Licensee's Work, the Licensee must submit to the County written plans and specifications clearly setting forth Licensee's Work to be performed. The plans and specifications for Licensee's Work submitted by the Licensee to the County must demonstrate compliance with all applicable codes and regulations. The

County will respond in writing to the Licensee within forty-five (45) days from receipt of said plans and specifications for Licensee's Work. The County may impose any reasonable conditions to its consent, including, but not limited to (1) delivery to the County by the Licensee of written or unconditional waivers of mechanic's and materialman's liens as to the Licensed Premises or the premises of which the Licensed Premises are a part, for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the alterations; (2) prior approval of the plans and specifications by the Licensee's contractors with respect to any Licensee's Work; and (3) the right of the County's representatives to inspect any Licensee's Work during the course of any Licensee's Work to be performed to the Licensed Premises or the premises of which the Licensed Premises are a part. Licensee's Work must conform to the requirements of the County's insurer and of the federal, state and local governments having jurisdiction over the premises of which the Licensed Premises are a part and must be performed in accordance with the terms and conditions of this License in a good and workmanlike manner and shall not adversely affect the value, utility, or character of the Licensed Premises or the premises of which the Licensed Premises are a part. Notwithstanding the foregoing, if any mechanic's or materialmen's lien is filed against the Licensed Premises or the Building of which the Licensed Premises are a part, for work claimed to have been done for, or materials claimed to have been furnished to or for the benefit of the Licensee, such lien must be discharged of record by the Licensee within sixty (60) days of such filing, or the filing of any bond required by law. If the Licensee fails to discharge any such lien, the County may (but is not obligated to) discharge the same, the cost of which must be paid by the Licensee upon demand by the County.

The County reserves the right to reject, in its sole discretion, any Licensee's Work proposed by the Licensee. The County will inspect the Licensed Premises upon completion of Licensee's Work to determine adherence to submitted plans and specifications. If Licensee's Work is not reasonably satisfactory to the County, the Licensee must undertake any necessary corrections, at the Licensee's sole risk and expense. Once the consent of the County has been obtained to perform Licensee's Work, the Licensee will be responsible for the acquisition of all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. The Licensee's failure to adhere to any such applicable ordinances or regulations shall be deemed to be a violation of this License Agreement. The cost of any Licensee's Work shall be borne solely by the Licensee. Notwithstanding the foregoing, any approval by

the County of Licensee's Work may be subject to approval by the Board.

12. SERVICES:

A. The County will be responsible for providing to the Licensed Premises regular janitorial services on County workdays as specified in Article 4, Paragraph (B), including refuse removal, recycling, and pest control. Any janitorial services in the Licensed Premises beyond regular County services will be the responsibility of the Licensee. If pest control is required after normal working hours, the Licensee or the Licensee's representative must be available if requested by the County.

B. The County will provide fire extinguishers where needed.

C. The County will be responsible for the payment of utilities necessary for the operation of the Licensed Premises .

D. The County, through the Board, will be responsible for maintenance of the grounds immediately adjacent to the Building of which the Licensed Premises are apart.

E. The County, through the Board will be responsible for snow and ice removal or treatment of walkways and the parking areas, as it becomes necessary.

F. The County will deliver an ADA compliant Licensed Premises and will be responsible for all renovations required to meet state licensing regulations.

G. The County, through the Board, will be responsible for major structural repairs, and maintenance and repair of the Building's mechanical systems.

H. The License Premises will have air-conditioning and heat in the License Premises at the same level as provided to other spaces in the Building.

I. The County and the Licensee agree that the County's maintenance responsibilities, as set forth in items (A), (B), (C), (D), (E), (F), (G) and (H) of this Section will be performed by the County or the Board, at the County's expense. On days when the County is not required to provide such services (i.e., County holidays, emergency closing, etc.) , and the Licensee chooses to continue its use of the Licensed Premises it shall do so by contracting directly with the Inter-Agency Coordinating Board ("ICB") for necessary support services. It will be the responsibility of the Licensee to pay for any additional support services on the days that the County is not required to provide such services either directly to the ICB or through the County. The address of the Community Use of Public Facilities is 255 Rockville Pike, Suite 201, Rockville Maryland, 20850. Main Office Number: 240-777-0311.

[cupf@montgomerycountymd.gov](mailto:cupf@montgomerycountymd.gov)

13. FIXTURES AND EQUIPMENT: All items which are attached to the Building or are a part of the building's systems at the time the Licensed Premises are delivered to the Licensee must remain with the Building. Plumbing, electrical and heating fixtures and all other fixtures, except trade fixtures installed by the Licensee, shall remain in the Licensed Premises at end of term. All other items installed within the Licensed Premises at the Licensee's expense shall remain the property of the Licensee and shall be removed by the Licensee at the expiration or other termination of this License.

14. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Insurance: The Licensee agrees to obtain and maintain, during the full term of this License, and any extension thereof, a policy of general liability insurance with a minimum limit of liability of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) annual aggregate, for bodily

injury and property damage including Contractual Liability, Premises and Operations, Independent Contractors, Personal Injury, Day Care/Childcare Operations and Sexual Misconduct, and Fire Legal Liability coverage issued by an insurance company Licensed in the State of Maryland and acceptable to the County.

i. Licensee agrees to obtain and maintain, during the full term of this License, and any extension thereof, a policy of Automobile Liability Coverage with a minimum limit of liability of One Million Dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including owned automobiles, hired automobiles and non-owned automobiles.

ii. Licensee agrees to obtain and maintain, during the full term of this License, a policy of workers' compensation and employers' liability meeting all statutory requirements of the State of Maryland with the following minimum Employers' Liability limits; Bodily Injury by Accident - \$100,000 each accident, Bodily Injury by Disease - \$500,000 policy limits and Bodily Injury by Disease - \$100,000 each employee.

iii. The Licensee agrees to obtain and maintain, an All-Risk Property Policy during the License term and any renewal terms to protect the full replacement value of all business personal property and interests of the Licensee. Any deductibles under this policy shall be funded by the Licensee. The County is not responsible for and does not provide any coverage for Licensee's owned contents and improvements to the Licensed Premises.

B. Certificate of Insurance: The Licensee must, within thirty (30) days from execution of this License Agreement, deliver to the both the County and the Board certificate(s) of insurance and copy of policies (if requested) evidencing the coverages required under this License Agreement. The certificate to the County should be issued to: Montgomery County, Maryland, Department of General Services, Office of Real Estate, 101 Monroe Street, 9th Floor, Rockville, Maryland 20850. The certificate to the Board should be issued to the Montgomery County Public Schools, Department of Facilities Management, 45 West Gude Drive, Suite 4000, Rockville, Maryland 20850.

C. The Licensee has the obligation to assure that the County and the Board always has a valid Certificate of Insurance and complete copies of the policies if requested.

D. Additional Insured: The Licensee's General Liability, and Automobile Liability Policy must list Montgomery County, Maryland the Board as an additional insureds and all insurance policies obtained by the Licensee as required by this License Agreement must provide that the Licensee will give the County and the Board written notice of amendment, cancellation, termination or non-renewal, no later than thirty (30) days prior to amendment, cancellation, termination or non-renewal. The Licensee must provide on an annual basis evidence that is satisfactory to the County of the insurance coverages required under this License Agreement and if requested copies of policies.

Subrogation: If a casualty or other occurrence which should be covered by the insurance required by this License Agreement occurs, the Licensee must look solely to its insurer for reimbursement and the Licensee must ensure that such insurance is so written that the Licensee's insurer waives all rights of subrogation and shall have no cause of action against the County, its agents, or employees as a result of such casualty or occurrence. The Licensee waives and releases all right of recovery which it might otherwise have against the County or its agents or employees by reason of any loss or damage resulting from such casualty or other occurrence to the extent that the Licensee would be covered by insurance if the Licensee complied with the requirements of this License Agreement pertaining to insurance.

15. HOLD HARMLESS: The Licensee agrees to indemnify, hold harmless and pay for the defense of the County and the County's other tenants, licensees, agents and employees, as well as The Board of Education of Montgomery County (together the "Indemnitees") from any and all claims of liability, obligations, judgements, penalties, claims, costs, charges, actions, damages and expenses, including, but not limited to, reasonable attorney's fees and litigation costs, which may be imposed upon, incurred by, or asserted against any of the Indemnities, arising, directly, indirectly, or related to the Licensee's breach of this License Agreement or the use, possession or occupancy of the Licensed Premises, or the provision of business services by the Licensee, its agents, servants, employees and contractors occasioned wholly or in part by negligence, negligent acts, errors or omission of the Licensee, its agents, contractors, guest or

employees.

The Licensee further specifically agrees to hold the Indemnitees harmless and pay for the defense of any claim of liability made in connection with any construction or installation of equipment performed by the Licensee, its agents, employees or contractors, within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Licensed Premises.

16. RESPONSIBILITIES OF LICENSEE: The Licensee covenants and agrees as follows:

A. The Licensee will not keep gasoline or other flammable material or any explosive within the Licensed Premises which will increase the rate of fire insurance on the Licensed Premises beyond the ordinary risk established for the type of operations described in Article 5. Any such increase in the insurance rate due to the presence of gasoline, other flammable material or explosives, or due to the Licensee's operations within the Licensed Premises, must be borne solely by the Licensee. The Licensee will not willfully do any act or thing in or about the Licensed Premises which may make void voidable any insurance on the Licensed Premises or the Building, and the Licensee must conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

B. The Licensee will not use or allow the Licensed Premises or the Building to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance, annoyance, inconvenience, or cause damage to the Licensed Premises, or the Building , or adjacent properties or the adjacent neighborhood.

C. The Licensee must not place upon the Licensed Premises, or Building any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by the County.

D. The Licensee acknowledges that all responsibilities of the Licensee relating to the use or misuse of the Licensed Premises, or the Building shall be construed

to include use or misuse of the Licensed Premises by the Licensee's agents, contractors, employees and invitees.

E. The Licensee must not allow pets in or about the Licensed Premises or Building. This provision does not limit the Licensee or the Licensee's clients, employees or invitees right to have bona fide service animals on the Licensed Premises. The Licensee is solely responsible for the proper care of service animals in the Licensed Premises and in keeping the Licensed Premises clean and free of debris and waste associated with the care and feeding of service animals.

F. The Licensee must comply with all rules and regulations regarding the use of the Licensed Premises that may be from time to time promulgated by the County or the

G. Board. Any violation of said rules and regulations will be deemed to constitute a violation of this License. It is understood that such rules and regulations will not unreasonably interfere with or prevent the intended uses of the Licensed Premises as set forth in this License.

H. The Licensee must maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any trade fixtures in the Licensed Premises, except as provided for in Article 12.

I. The Licensee must close and lock all entrance doors and windows in the Licensed Premises when the Licensed Premises are not in use. Further, before closing and leaving the Licensed Premises at any time, the Licensee must close all windows and doors and secure the Licensed Premises. The Licensee must not place any additional locks or bolts of any kind upon any of the entrance or interior doors or windows of the Building. The Licensee must not change any existing locks in the Licensed Premises without prior written approval of the County. In the event an approved change is made to the existing locks, the Licensee must provide the County with keys to the new locks. Upon the termination of this License Agreement, the Licensee must return all keys of the building, offices, and bathrooms, either furnished to, or otherwise procured by, the Licensee to the County. In the event of the loss of any keys provided to the Licensee, the Licensee must pay the County the cost such keys and/or locks.

J. The Licensee will establish and post in the Licensed Premises an appropriate fire evacuation plan and hold fire drills as required by Montgomery County law. All occupants of the Licensed Premises must be trained regarding the safe and proper operation of all appliances and equipment in the Licensed Premises.

K. The Licensee is responsible for on site management of the Licensed

Premises and must keep posted, in a conspicuous place within the Licensed Premises, the Licensee's responsibilities and obligations as specified in Articles 12 and 16 of this License. The Licensee will keep a copy of this License at the Licensed Premises and ensure the Licensee's on-site representative is adhering to the terms and conditions of this License.

L. Security System: In the event the County engages the services of a professional security system for the Licensed Premises or the premises of which the Licensed Premises are a part, it is understood that such engagement in no way increases the County's liability for occurrences and/or consequences which such a system is designed to detect or avert and that the Licensee must look solely to its insurer as set forth above for claims for damages or injury to any person or property.

M. The Licensee must not strip, overload, damage, or deface the Licensed Premises or any part of the Building of which the Licensed Premises are a part, including, but not limited to, hallways, stairways, other approaches thereto, elevators, or the fixtures therein. The Licensee will not permit any waste in or about the Licensed Premises or any part of said Building.

N. The Licensee will not permit any trade or occupation to be carried on or use made of the Licensed Premises outside the scope of this License. Further the Licensee agrees to and must obey any and all federal, state, county and local laws and regulations relating to the operation of their Programs in the Licensed Premises or the Building.

O. The Licensee must not move any furniture or equipment which is the property of the County into or out of the Licensed Premises without the County's prior written consent.

P. The Licensee will not engage in the following activities in the Leased Premises at all times:

- i. Use or possession of alcoholic beverages or other intoxicants;
- ii. Smoking or use of tobacco products;
- iii. Gambling;
- iv. Fires, grilling, open flames, and the use of flammable materials;
- v. Parties and celebrations that are essentially private in nature, including, but not limited to, wedding receptions and other similar activities;
- vi. Use or possession of weapons, firearms, ammunition;
- vii. Creating noxious odors; and
- viii. Excessive noise.

Q. The Licensee must pay all its bills and expenses relating to its use of the Licensed Premises in a timely manner so as not to permit any disruption of services (i.e., utilities, etc.) to the Licensed Premises.

R. The Licensee verifies and acknowledges that the person executing this License on behalf of the Licensee has the legal authority to bind the Licensee to the duties and obligations set forth in this License. The Licensee further verifies and acknowledges that such person's signature creates a binding obligation on the part of the Licensee for the term of this License.

S. The Licensee verifies and acknowledges that it is in good standing and/or qualified to do business in the State of Maryland.

T. The Licensee agrees to and must perform any and all obligations under this License in a timely manner.

17. DESTRUCTION OF LICENSED PREMISES. Intentionally Omitted.

18. DEFAULT: The Licensee shall be considered in default of this License Agreement and the County may terminate this License Agreement upon the occurrence of any of the following:

- i. Failure to perform under any term, covenant or condition of this License;

- ii. The commencement of any action or proceeding for the dissolution or liquidation of the Licensee, or for the appointment of a receiver or trustee of the Licensee's property;
- iii. The making of any assignment for the benefit of the Licensee's creditors;
- iv. The abandonment of the Licensed Premises by the Licensee;
- v. The revocation or suspension of the Licensee's license or certification as a child-care provider by the issuing entity;
- vi. Failure to pay the License Fee Payment within thirty (30) days after it becomes due and payable; and
- vii. Any other default or breach of the terms and conditions this License.

With respect to any matters described in (i) and (iv) of this Section 18 that does not involve the payment of money to the County, Licensee shall have a period of fifteen (15) business days following written notice from the County to cure such default.

19. EMINENT DOMAIN: The Licensee is not entitled to any condemnation award granted to the County or the Board as tenant and owner, respectively, of the Building or Licensed Premises.

20. RIGHT OF ENTRY:

A. Routine Repairs and Inspection: The Licensee must permit the County and the Boards, and its and their agents or employees, at reasonable times and upon reasonable prior notice (not less than 1 days/24hours prior notice) to enter the Licensed Premises without charge and without diminution of License Fee payments to: (1) examine, inspect and protect the Licensed Premises; (2) to perform maintenance and repairs the County or Board may in its and their sole discretion consider necessary or

desirable; and (3) to exhibit the Licensed Premises to prospective purchasers, tenants, licensees or to present or future mortgagors.

B. Emergency Access: In cases of emergency involving imminent risk of injury or death to persons or damage to property, the County and Board, and its and their agents or employees without prior notice to the Licensee, may enter the Licensed Premises, however the County will attempt, but is not required to notify the Licensee of any such entry under this section as soon as is practicable under the circumstances.

21. RETURN OF LICENSED PREMISES: At the conclusion of the License Term as set forth in Article 2, or following the termination of this License for any other cause, the Licensee must remove all of the Licensee's goods and effects from the Licensed Premises and return to the Licensed Premises to the County, together with all keys, locks, and other fixtures belonging to the County, in substantially the same condition as received at the beginning of the License Term, reasonable wear and tear excepted. The Licensee must repair any damage caused by reason of the removal of the Licensee's property.

A. If the Licensee's property is not removed from the Licensed Premises within seventy-two (72) hours after the termination of this License, the property remaining will become the property of the County. The County will dispose of any such property in the manner it deems appropriate and, in such case, may charge Licensee the cost of any storage and disposal fees.

B. Following termination of this License, the Licensee must remove any and all signs erected by or on behalf of the Licensee and must pay for or repair any damage caused by the installation or removal of such signage.

C. At the time of termination of this License and at the County's option, the Licensee must participate in a walk-through with the County's agent or employee to inspect the Licensed Premises.

22. NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES: The Licensee will give the County prompt verbal notice of accidents in or damages to the Licensed Premises and, within twenty-four (24) hours following the occurrence of such accident or damage, the Licensee must follow-up with a detailed written report to the County of such accidents or damages.

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

24. WAIVER: The waiver of at any time by either of the Parties of any covenant, condition, obligation, or duty under this License shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver must not be construed or understood as waiving any further or other rights of either Party.

25. NON-DISCRIMINATION: The Licensee agrees to comply with the non-discrimination in policies in County contracts as required by Section 11B-33 and Section 27 of the Montgomery County Code (20014), as amended, as well as all other federal,

state and local laws and regulations regarding employment discrimination. By signing this License Agreement, the Licensee assures the County that in accordance with applicable law, it does not, and agrees that it will 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.

26. PUBLIC EMPLOYMENT: The Licensee understands and agrees that unless authorized under Sections 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 Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

27. MAILING NOTICES: All notices required or desired to be given in accordance with this License by either party must be given by first class mail with a nationally recognized receipted delivery service, postage prepaid, addressed to the County or the Licensee, respectively. Notices to the Parties must be addressed as follows:

Licensee:

KidsCo., Inc.,  
7620 J Rickenbacker Drive  
Gaithersburg, MD 20879  
Attn: Jay Gerson

County:

Department of General Services  
Office of Real Estate  
101 Monroe Street, 9th Floor  
Rockville, Maryland 20850  
Attn: Director of Real Estate

With a copy, that does not constitute Notice to:

Montgomery County, Maryland  
Office of the County Attorney  
101 Monroe Street, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850  
Attn: County Attorney

28. RESIDENT AGENT: The Resident Agent for the Licensee is Jay Gerson and its address for receipt of notices and service of process is 7620 J Rickenbacker Drive, Gaithersburg, Maryland 20879. The Licensee must immediately notify the County of any change in resident agent or resident agent's address.

29. PROHIBITION OF HAZARDOUS SUBSTANCES: The Licensee agrees not to store or bring hazardous substances onto the Licensed Premises. The Licensee indemnifies the County against any and all claims of any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the premises by the Licensee, its agents, contractors, employees or guests.

30. NON-APPROPRIATION: This License shall terminate automatically on July 1 of any year for which the County, for whatever reason does not appropriate funds to pay the County's obligations provided in this License. The Licensee shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

31. AMERICAN DISABILITIES ACT REQUIREMENTS: The County and the Licensee agree that any future modifications made to the Licensed Premises will be made in conformance with the requirements of the Americans with Disabilities Act, the Federal Fair Housing Act, and all safety and accessibility requested in Federal, State and County Laws and regulations. The Licensee must obtain all required permits to make any modifications to the Licensed Premises and must comply with all applicable building and safety codes.

32. CONTRACT SOLICITATION/BROKER'S FEES OR COMMISSIONS:  
The Licensee represents that it has not retained anyone to solicit or secure this License from the County upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established, licensed, commercial selling or leasing agencies maintained by the Licensee for the purpose of securing business or an attorney rendering professional legal services consistent with the applicable canons of ethics of the profession.

33. FORCE MAJEURE: Neither Party will be deemed in default with respect to the performance of any terms, covenants, and conditions of this License if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or upsurged power, sabotage, inability to obtain any material or service, through natural or other cause beyond the control of either party; provided,

however, that this provision shall not excuse any non-payment of License Fees. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a Party.

34. ENTIRE AGREEMENT: This License (which contains and includes the Exhibits) is the entire agreement between the Parties, and no representations, inducements, or agreement, oral or otherwise, between the Parties not contained in this License shall be of any force or effect.

35. MODIFICATION: This License (other than the Rules and Regulations, which may be changed from time to time) must not be modified in any manner except by an instrument in writing executed by both Parties with the same formality as this License.

36. GOVERNING LAW: This License and its performance is to be governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland.

37. CLAIMS: Any action brought by or on behalf of either Party in connection with the performance of this License must be filed and maintained in a court of competent jurisdiction in Montgomery County, Maryland, and the Parties hereby knowingly and voluntarily waive their rights to a trial by jury.

38. INDEMNITY BOND: Upon the request of the County, concurrent with the effective date of this License or at any time during the term of this License, the Licensee must obtain and maintain an executed miscellaneous indemnity bond in the amount of the annual rent for the current License Term to remain in full force and effect throughout the remainder of the License Term as security for the Licensee's faithful performance of all terms and conditions of this License. The County shall have the right, but not the obligation, to request such a bond from the Licensee. The County, in its sole discretion, may accept an appropriate substitute surety. The Licensee must, within fifteen (15) days from the date of the request by the County, deliver to the County, the said surety, evidencing the coverage stated in this Paragraph. Failure to deliver the bond or surety as required is considered by the County to be a default under this License.

39. PARKING: The Licensee is entitled to use of the parking facilities which are a part of the Licensed Premises as of the date of execution of this License. Parking for the Licensee and any other occupants of the Building, their staff, clients and guests will be confined to the surfaced parking areas in existence as of the date of execution of this License. The Licensee is entitled to the use of five (5) designated parking spaces. It is the responsibility of the Licensee to contact the school principal, building service manager, or other so designated administrative staff, who will determine the parking arrangements for the Building's parking facilities.

40. MARYLAND LAWS REGARDING SEX OFFENDERS AND PERSONS WITH UNCONTROLLED ACCESS TO CHILDREN: Maryland Law requires that any person who enters into a contract with a local school system "may not knowingly employ an individual to work at a school" if the individual is a registered sex offender. Under § 11-722 of the Criminal Procedure Article of the Maryland Code, an employer who violates this requirement is guilty of a misdemeanor and, if convicted, may be subject to up to five year's imprisonment and/or a \$5000 fine. Effective July 1, 2015, amendments to § 6-113 of the Education Article of the Maryland Code further require that a contractor or subcontractor for a local school system may not knowingly assign an employee to work on school premises with direct, unsupervised, and uncontrolled access to children, if the employee has been convicted of, or pled guilty or nolo contendere to, a crime involving:

A. A sexual offense in the third or fourth degree under § 3-307 or § 3-308 of the Criminal Law Article of the Maryland Code or an offense under the laws of another state that would constitute an offense under § 3-307 or § 3-308 of the Criminal Law Article if committed in Maryland;

B. Child sexual abuse under § 3-602 of the Criminal Law Article, or an offense under the laws of another state that would constitute child sexual abuse under § 3-602 of the Criminal Law Article if committed in Maryland; or

C. A crime of violence as defined in § 14-101 of the Criminal Law Article, or an offense under the laws of another state that would be a violation of § 14-101 of the Criminal Law Article if committed in Maryland, including: (1) abduction; (2) arson in the first degree; (3) kidnapping; (4) manslaughter, except involuntary manslaughter; (5) mayhem; (6) maiming; (7) murder; (8) rape; (9) robbery; (10)

carjacking; (11) armed carjacking; (12) sexual offense in the first degree; (13) sexual offense in the second degree; (14) use of a handgun in the commission of a felony or other crime of violence; (15) child abuse in the first degree; (16) sexual abuse of a minor; (17) an attempt to commit any of the crimes described in items (1) through (16) of this list; (18) continuing course of conduct with a child under § 3-315 of the Criminal Law Article; (19) assault in the first degree; (20) assault with intent to murder; (21) assault with intent to rape; (22) assault with intent to rob; (23) assault with intent to commit a sexual offense in the first degree; and (24) assault with intent to commit a sexual offense in the second degree.

D. The Licensee shall submit to the County within thirty (30) days after execution of this License Agreement, a letter confirming that its direct employees and those of any subcontractors and/or independent contractors assigned to perform work in the Licensed Premises meet the obligations set forth above. Additionally, the Licensee shall be required to continue to meet this obligation throughout the Term and/or to notify the County when there are changes in the workforce that the Licensee uses to operate its Program in the Licensed Premises. The term “workforce” includes the Licensee’s direct employees, subcontractors, and their employees, and/or independent contractors and their employees.

41. MARYLAND CRIMINAL BACKGROUND CHECK LAW: The County shall require that the Licensee comply with Maryland laws regarding required criminal background checks. § 5-551 of the Family Law Article of the Maryland Code requires that any local school system or childcare center, and any contractor or subcontractor of a local school system or childcare center, ensure that any individuals in its workforce undergo a criminal background check, including fingerprinting, if the individuals will work in a school or childcare facility in circumstances where they have direct, unsupervised, and uncontrolled access to children. Upon the execution of this License Agreement by the Licensee, the County shall require the Licensee to:

A. Implement the background check process in accordance with Maryland law and MSDEOC childcare licensing requirements as set forth in Code of Maryland Regulations 13A.16.06;

B. Comply with any determination by MSDEOC to prohibit the employment of an individual based on the criminal background check;

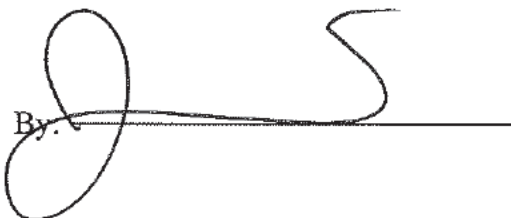
C. Ensure that all individuals in the Licensee's workforce receive training on recognizing, reporting, and preventing child abuse and neglect in accordance with Code of Maryland Regulations 13A.16.06.02; and

D. Provide all direct employees, subcontractors, and their employees, and/or independent contractors and their employees or any person making up part of the Licensee's workforce with an identification badge to be worn at all times in the Licensed Premises and the Building.

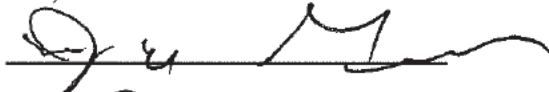
**INTENTIONALLY BLANK - SIGNATURES ON FOLLOWING PAGE**

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

WITNESS:

By: 


LICENSEE:  
KIDSCO., INC.

By: 

Title: President

Date: 6/26/2023

WITNESS:

By: 

COUNTY:  
MONTGOMERY COUNTY,  
MARYLAND

By:   
Fariba Kassiri

Title: Deputy Chief Administrative Officer

Date: 7/11/23

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

By: Neal Anker  
Neal Anker  
Associate County Attorney

Date: 7/3/2023

RECOMMENDED:

By: Cynthia Brenneman  
Cynthia Brenneman, Director  
Office of Real Estate

Date: 6/28/2023

## EXHIBIT A

### Licensed Premises

EXHIBIT B  
Licensee's Childcare Proposal

## EXHIBIT C

### Procedure for Implementing the Revised Policy for Waivers of Capital Cost Fee

