LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
THE WASHINGTON WALDORF SCHOOL, INC.
DATED JULY 1, 2012

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), dated this 16TH day of MAY, 2012, 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 WASHINGTON WALDORF SCHOOL, INC., a District of Columbia corporation qualified to do business in 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 Brookmont Elementary School in Bethesda, 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 the 24th day of March, 1993 among the Land Records for Montgomery County, Maryland in Liber 11476 at Folio 391 (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 Tenant is the operator of the Washington Waldorf School, which offers a curriculum for parent/toddler, pre-school, child care, "Children's Garden" programs, elementary, middle, and high school, before and after school programs and summer programs; and

3. Tenant acknowledges that Tenant and its predecessors have been in exclusive, continuous use and possession of the Leased Premises under a prior Lease dated July 18, 1983 as amended by an agreement dated September 30, 1993, copies of which are attached hereto as Exhibit E; and

4. The County has completed the reuse procedure and has obtained necessary approvals to lease the Property to the Tenant, as set forth in Executive Regulation 4-99AM, Code of Montgomery County Regulations (COMCOR) Section 11B.45.02 ("COMCOR 11B.45.02"), and the

Tenant was selected as an appropriate tenant for the Property by the County and in accordance with County law, rules and regulations; and

5. The County and Tenant wish to enter into a thirty (30) year lease agreement, consisting of an initial term of five years plus five five-year extension options, which incorporates all of the terms prescribed for such leases in COMCOR 11B.45.02.

NOW THEREFORE, in consideration of the terms of this Lease including construction of certain substantial Qualified Capital Improvements to be made to the Property by the Tenant as provided in Article 9 below, and the payment of rent by the Tenant to the County as provided in Article 4 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 "Leased Premises" shall mean the area shown as cross-hatched on Exhibit B-2. The County leases to Tenant and Tenant leases from the County the Leased Premises located on the Property, including all improvements, including, without limitation, the Building (as defined below), walkways, play areas, parking lots, driveways, outdoor recreation fields, and land located on the Leased Premises, pursuant to the terms set forth in this Lease. The Leased Premises shall not include the two modular classrooms that are currently located on the Property and are the property of the Tenant. The "Building" shall mean the Brookmont Elementary School, 4800 Sangamore Road, Bethesda, Maryland, that is located on the Leased Premises. The Leased Premises are leased and accepted by Tenant in "as is" condition.

B. Tenant hereby acknowledges that entering into this Lease shall not provide the Tenant with an option to buy the Property or any portion thereof.

2. TERM: The term of this Lease (the "Term") is for thirty (30) years, consisting of an initial 5-year term followed by five consecutive 5-year options for Tenant to extend, unless further

extended by mutual written agreement between the Parties. The Tenant's right to exercise an option to extend this lease shall be subject to the following requirements:

i.) Tenant shall provide County written notice of its intention to exercise an option no later than one hundred eighty (180) days before expiration of the then applicable lease term.

ii.) Tenant shall have satisfied its obligation to substantially complete the Required Capital Improvements applicable to the option in question as set out in Paragraph 9.E ("Required Capital Improvements"), and, thereby, not have lost the right to exercise said option as set out in Paragraph 9G ("Loss of Right to Exercise Option(s))"; and

iii.) Tenant shall not be in default of any material term of this Lease.

The Commencement Date of this Lease is July 1, 2012. The initial lease term shall expire at midnight on June 30, 2017, unless Tenant has properly exercised its option to extend pursuant to the terms above. Each twelve (12) month period, commencing with the Commencement Date, shall be referred to as a "Lease Year." 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 and any subleases entered into by the Tenant hereunder 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 (i) for parent/toddler classes, preschool, child care, "Children's' Garden" programs, kindergarten, elementary school, middle school, high school, before and after school programs, adult education, and summer programs (the "Permitted Use"), and (ii) for community and the County's use as set forth in Articles 6 and 7 of this Lease. 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 COMCOR 11B.45.02, dealing with the Reuse, Leasing and Sale of Closed Schools by the County. As required by COMCOR 11B.45.02,

Paragraph 6.12, Tenant agrees that all uses of the Leased Premises shall comply with the State of Maryland, Department of Education, Office of Child Care, Child Development Program License, License Number 34117, the Montgomery County Department of Health and Human Services, Private Educational Institution License, License Number 144, and the Montgomery County Fire Code Enforcement Section, Child Care Center Licensing Permit, Permit Number 2009031721, copies of which are attached hereto and incorporated herein by reference as Exhibit H-2, as such Licenses may be revised and amended from time to time. Tenant agrees that, in addition to (i) the student occupancy numbers as set forth in such Licenses (which shall in no event exceed a combined total of 350 students), (ii) a nominal number of daily visitors, and (iii) parents who are visiting or dropping off and picking up their students, all uses of the Leased Premises shall generate a total occupancy of teachers, other staff and vendors not to exceed sixty (60) persons at any one time. Special events organized by Tenant or its subtenants, which bring large numbers of visitors to the facility shall be coordinated through the community coordinating procedure established in Article 41 below, with the goal of mitigating traffic and parking on the adjacent community. Tenant shall continue to have the right to occupy and maintain two modular classrooms on the Leased Premises (and such other accessory structures as Tenant may erect from time to time, provided Tenant complies with all regulatory requirements in doing so), which are permitted by the Maryland-National Capital Park and Planning Commission and other governmental agencies having jurisdiction, primarily for the purpose of providing smaller classes and to expand the curriculum, and not for the purpose of accommodating a larger student body or additional faculty beyond the occupancy numbers set forth in this Article 3.

4. RENT: RENTAL ADJUSTMENTS:

A. Rent: For the first Lease Year, Tenant shall pay to the County an annualized rental amount of One Hundred Twenty Three Thousand Six Hundred Sixteen and 11/100 Dollars ($123,616.11) payable in twelve (12) equal monthly installments of Ten Thousand Three Hundred One and 34/100 Dollars ($10, 301.34) (the "Rent"). For each Lease Year thereafter during the Term, the Rent shall be adjusted pursuant to Paragraph 4.D below.

B. Due Date for Rent: The first monthly payment shall be due upon the Commencement Date. All Rent is to be made in advance on the first day of each month during the Term and shall be payable to: Montgomery County

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

C. Failure to Pay Monthly Rent: Should Tenant fail to submit monthly Rent in accordance with this Lease, and if Tenant's failure continues for more than five (5) calendar days after receipt of written notice from the County, Tenant shall pay to the County on demand, in addition to and as a part of the monthly Rent in question, a late penalty equal to five percent (5%) of the monthly Rent. If Tenant's failure to pay continues for more than fifteen (15) calendar days after receipt of the aforesaid written notice from the County, Tenant shall pay to the County on demand, in addition to and as a part of the monthly Rent in question and the aforesaid late penalty, an additional late penalty equal to ten percent (10%) of the monthly Rent. Any late penalty imposed under this Paragraph shall be payable to the County as Additional Rent, and shall be paid at the time that the overdue installment of Rent is paid to the County by Tenant.

D. Rent Adjustments: As required by COMCOR 11B.45.02, Paragraph 6.7, to the annual Rent payable by Tenant during the previous Lease Year shall be added that sum representing one hundred percent (100%) of the amount resulting after (1) multiplying said annual Rent payable during the previous Lease Year by a fraction, the numerator of which shall be the index now known as the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, National Average, All Items (1984 = 100), or its successor, for the month two months prior to the last month of the previous Lease Year and denominator of which shall be said index for the month two months prior to the first month of the previous Lease Year and (2) subtracting from such product the annual Rent payable during the previous Lease Year. The Tenant's adjusted annual Rent shall not be less than 103%, or more than 105% of the Rent paid by Tenant the previous Lease Year.

E. Rent Credit: The amount that Tenant shall be obligated to pay in respect of Rent established under this Paragraph 4 shall be reduced by the amount of any Rent credit to which Tenant is entitled under the terms of Article 9.C.

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, provided, however the County shall be required to make a partial reimbursement of Tenant's Qualified Capital Improvements as provided in Paragraph 9.D. A termination pursuant to this Paragraph 5.A. shall be a "Termination for Convenience." Such termination shall be effective to Tenant on the later to occur of (i) one hundred eighty (180) days after delivery to Tenant of written notice, or (ii) the date specified in a written notice as the termination date; however, in no event shall Tenant be required to vacate the Leased Premises during the school year.

B. Termination for Reuse: As required by COMCOR 11B.45.02, Paragraph 6.2, this Lease and all rights and obligations hereunder may be terminated by the County due to 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, 2014, a Termination for Reuse notice shall be given to the Tenant on or before September 1, 2012.

3. If a notice of Termination for Reuse is given to 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, 2014, notice of such withdrawal must be given no later than June 30, 2013.

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 September 1 to July 1.

6. USE OF ALL-PURPOSE ROOM BY THE COMMUNITY, DEPARTMENT OF RECREATION AND OTHER COUNTY AGENCIES:

A. Community Use of Public Facilities: As required by COMCOR 11B.45.02, Paragraph 6.14, and subject to a nominal charge for utilities to be jointly determined by Tenant and the County's Office of Community Use of Public Facilities or its successor agency (the "CUPF"), any All-Purpose Room within the Leased Premises shall remain available to the community for use during hours outside of the Tenant's activities and regular use during the Term, subject to the terms herein. For the purposes of this Lease, "Tenant's activities" are defined as those programs and activities directly related to the

Tenant's approved occupants and include but are not limited to classes and other educational activities, extracurricular programs such as student clubs and sports, and parent and school community activities related to the school, and the "hours of Tenant's regular use" are Monday through Friday from 7:00 A.M. to 6:00 P.M. Tenant shall forward all requests to use any All-Purpose Room outside of the hours of Tenant's regular use directly to 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 acknowledges and agrees that only CUPF may agree to any rental of any All-Purpose Room. Tenant agrees to provide CUPF with a schedule of its activities outside the hours of Tenant's regular use for any All-Purpose Room on a semi-annual basis. Special events referenced in Article 3 above during the Fall/Winter schedule (October-March) shall be submitted by September 15 of the Lease Year and such special events during the Spring/Summer schedule (April-September) shall be submitted by February 1. Times not scheduled for daytime activities outside of Tenant's hours of regular use by the Tenant shall be deemed to be available, for community use; however, such community use shall be limited to Monday through Saturday at night from 6:00 P.M. to 11:00 P.M. and all day Sunday from 9:00 A.M. to 11:00 P.M. The above notwithstanding, each party agrees to honor and allow any activities scheduled in any All-Purpose Room prior to the Commencement Date. Any use outside of the hours of Tenant's regular use by the Tenant deviating from its previously submitted schedule shall be subject to the approval of CUPF. Tenant agrees to make any All-Purpose Room available, upon request from CUPF, to the Montgomery County Supervisor of Elections for use as a polling facility during the day, if necessary, during primary, general and special elections, irrespective of Tenant's prior scheduled activities.

B. Tenant Limitation: The Tenant shall not be responsible for (i) providing security and safety measures for the Leased Premises, including, without limitation any All-Purpose Room, during such community, CUPF and County

use, or (ii) mitigating the traffic and parking burdens placed on the adjacent community during such community, CUPF and County use.

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

A. Tenant shall have the exclusive right to use and occupy the Leased Premises, including without limitation all improvements located thereon, including the Building, 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 have the non-exclusive 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 after 5:00 p.m., Monday through Friday and all day on Saturday and Sunday unless the Tenant needs the Exterior Play Areas and Fields on the Leased Premises for a scheduled activity subject to a schedule provided to CUPF under Article 6.

B. As required by COMCOR 11B.45.02, Paragraph 6.15, the County shall have use of the outdoor recreation and athletic fields located in the public park adjacent to the Leased Premises ("Outside Public Areas") for community and/or County use after 5:00 p.m., Monday through Friday and all day on Saturday and Sunday unless the Tenant needs some or all of the Outside Public Areas for a CUPF approved regular scheduled program or an exception is approved by CUPF. Tenant agrees to and shall work together with the Parks Department of the Maryland-National Capital Park and Planning Commission, the County's Recreation Department, and CUPF to resolve the use and scheduling of the Outside Public Areas. As consideration for Tenant's use of the Outside Public Areas, the Tenant shall maintain the children's playground to the same standards as outdoor recreation areas maintained by the Parks or Recreation Department, as per the maintenance standards made a part of this Lease as Exhibit I.

8. PARKING: Tenant is entitled to full use of the parking facilities which are a part of the Leased Premises as of the Commencement Date. As required by COMCOR 11B.45.02, Paragraph 6.13, 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 Leased Premises. 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 42. Subject to all approvals required by all applicable laws, regulations, ordinances and codes, including, without limitation, mandatory referral as required by County regulations, and subject to all of the provisions of this Lease, Tenant may expand the parking facilities on the Leased Premises to support the Leased Premises, with the express written consent of the County. Tenant shall, at Tenant's risk and expense, be responsible for the ongoing maintenance, cleaning, and repair of all parking facilities, whether in existence at the time of commencement of this Lease or expanded in accordance with this Article 8. 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 safe operating condition 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.]

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 closed school 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., gymnasium, and associated locker rooms, raised platform floors, replacement of any component or system for the purpose of improving energy efficiency or of remediating negative environmental impact, where such replacement or remediation is not mandated by applicable law, etc.).

2. Non-Elective Capital Improvements are improvements or additions made by Tenant which:

   a. Increase the value of the 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), ADA mandated improvements, and replacement of any component or system for the purpose of improving energy efficiency or of remediating negative environmental impact, where such replacement or remediation is mandated by applicable law.

3. Qualified Capital Improvements are both Elective and 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. As Required by COMCOR 11B.45.02, Paragraph 6.4, Approval Process for Non-Elective and Elective Capital Improvements:

1. Tenant shall obtain the prior written consent of the County for all Capital Improvements. Tenant shall submit to the County complete plans, drawings, specifications, or quotes, at least 45 days prior to beginning work. Tenant's submittal to the County shall be of 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 Montgomery County Public Schools of any proposed Capital Improvements that may affect the future educational use of the Leased Premises. The County shall respond in writing to Tenant's submission within 45 days of the receipt of all required documentation. The County reserves the right to deny approval of any and all Capital Improvements proposed by Tenant, provided, however, such approval shall not be unreasonably delayed or withheld. In its approval, the County shall advise the Tenant in writing as to whether any Elective Capital Improvements are Qualified Capital Improvements.

2. In the event of an emergency need for a Capital Improvement, Tenant shall notify the County promptly, and the County shall respond within a reasonable and 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 Capital Improvements, representatives of the County and Tenant shall meet to inspect such

Qualified 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 lack of conformance to such plans and specifications, Tenant shall correct such non-conforming items 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 Qualified Capital Improvements shall be borne solely by Tenant and shall be subject to partial reimbursement in the form of a Rent credit and/or reimbursement from the County as set forth below at Article 6.C. In the event Tenant is eligible for a Rent credit, such Rent credit shall commence with the first monthly 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 after February 1, 2000, and for the installation of any portable classrooms within the Leased Premises for a period longer than one year.

C. As required by COMCOR 11B.45.02, Paragraph 6.8, Rent Credits for Capital Improvements: The County may credit the Tenant's annual Rent, and hereby elects to do so, 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 percent (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 COMCOR 11B.45.02, Paragraph 6.4(c), 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 Montgomery County Public Schools.

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 material term or condition of this Lease.

8. Only improvements approved and completed after the effective date of COMCOR 11B.45.02, (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 calculated using the straight-line method as follows:

i.) In the case of Capital Improvements described in Article 9.E.2 (insulated roof) and the Capital Improvements consisting of the HVAC system described in Article 9.E.3, depreciation shall be calculated over a total of 240 months commencing on the first day of the month following the month in which the installation of the Capital Improvement is completed by Tenant and approved in a final inspection by the County;

ii.) In the case of the Capital Improvements described in Articles 9.E.4 (windows or glazing, egress doors, and ADA compliant restrooms), 9.E.5 (gymnasium and associated facilities), and 9.E.6 (enhanced front entrance) and those Capital Improvements other than the HVAC system described in Article 9.E.3 (fire safety and efficiency upgrades), depreciation shall be calculated over a total of 360 months commencing on the first day of the month following the month in which the installation of the Capital Improvement is

completed by Tenant and approved in a final inspection by the County.

These provisions are further subject to the fifty percent (50%) limitations provided in Articles 9.C and 9.C.1. Nothing in this Article 9.C.9 shall imply that Tenant shall be entitled, upon the completion of either the initial term or any subsequent extension, to exercise more than one 5-year option at any one time.

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, provided however, that any local, state or federal income tax credits that Tenant obtains shall not be considered a form of financial assistance for purposes of this paragraph.

D. <u>As required by COMCOR 11B.45.02, Paragraph 6.9, Partial Reimbursement of Capital Improvements in the Event of Early Termination</u>:

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 COMCOR 11B.45.02, Paragraph 6.4(c), 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 design, 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 pursuant to Article 9.A.3.

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, provided however, that any local, state or federal income tax credits that Tenant obtains shall not be considered a form of financial assistance for purposes of this paragraph.

E. Required Capital Improvements: As a condition of the grant of this Lease to Tenant, Tenant agrees as follows:

1. By no later than the second (2nd) year anniversary of the Commencement Date, Tenant shall have spent: (i) not less than $30,000 on the design, permitting, construction and installation of essential food preparation equipment including commercial cooking range, exhaust hood, range and oven fire suppression system, commercial dishwasher, serving bar and supplemental hot water supply sufficient to allow preparation of hot school lunches on site in accordance with current health requirements; and (ii) not less than $200,000 on fees for engineering surveys and consulting, site

concept design, permitting and legal advice, and associated administrative costs, with respect to planning for future capital improvements in the Building. Tenant acknowledges that the expenditures set forth above shall not be considered Qualified Capital Improvements, and Tenant shall not be entitled to receive any rent refund or reimbursement therefor.

2. By no later than the fourth (4th) anniversary of the Commencement Date, Tenant shall obtain all necessary permits for and substantially complete construction of a new insulated energy efficient roof to replace the existing roof on the existing Brookmont school portion of the Building (i.e. not including the two modular classrooms). The parties acknowledge that the selection of such deadline is required to allow sufficient time for the work to be performed while the school is in summer recess. To meet this commitment, Tenant shall spend approximately $450,000, based on estimates current as of the Commencement Date, on the actual cost of design, construction and installation of the new roof, which is hereby designated and approved as a Qualified Non-Elective Capital Improvement by the County.

3. Tenant shall undertake Good Faith Efforts, as defined in Article 9.E.7 below, to raise sufficient funds in order to replace all or part of the existing HVAC system in the Building (exclusive of the two modular units) with new more energy efficient systems together with required fire safety and efficiency upgrades (including smoke detection, fire alarm, and sprinkler systems and lighting fixtures) and associated electrical and, if necessary, natural gas and water service upgrades, and to substantially complete such replacement by the 4th anniversary of the Commencement Date. Tenant estimates that the actual cost of design, construction and installation of such new HVAC, fire safety and efficiency facilities and associated upgrades will be approximately $1,700,000, which HVAC, fire safety and efficiency facilities and associated upgrades are hereby designated and approved as Qualified Non-Elective Capital Improvements by the County.

4. Tenant shall undertake Good Faith Efforts, as defined in Article 9.E.7 below, to raise sufficient funds in order to modify existing windows by the addition of new energy conserving windows or storm glazing and, if required, emergency egress doors, and either to modify two restrooms in the existing building or to install a new unisex restroom in the existing building, to meet the standard required by the Americans with Disabilities Act, and to substantially complete such modifications by the 6th year anniversary of the Commencement Date. Tenant estimates that the actual cost of the design, construction and installation of such glazing and restroom modifications will be approximately $550,000. Such modifications are hereby designated and approved as Qualified Non-Elective Capital Improvements by the County.

5. Tenant shall undertake Good Faith Efforts, as defined in Article 9.E.7 below, to raise sufficient funds for and to obtain all necessary permits so as to construct a gymnasium, together with associated locker rooms, showers, and offices, of a total area of approximately 9,500 Square Feet, and to substantially complete such construction by the 8th year anniversary of the Commencement Date. Tenant estimates that the actual cost of the design, construction and installation of such gymnasium facilities will be approximately $2,800,000. Such facilities are hereby designated and approved as Qualified Elective Capital Improvements by the County, and are generally depicted on Exhibit D-2.

6. Tenant shall undertake Good Faith Efforts, as defined in Article 9.E.7 below, to raise sufficient funds for and to obtain all necessary permits so as to construct an enlarged front entrance to the Building in order to provide a vestibule space for visitor control and improved energy efficiency, of a total area of approximately five hundred (500) Square Feet, and to substantially complete such construction by the 7th year anniversary of the Commencement Date. Tenant estimates that the actual cost of the design, construction and installation of such enlarged front entrance will be approximately $200,000. Such facilities are hereby designated and approved as Qualified Elective

Capital Improvements by the County, and are generally depicted on Exhibit D-2.

7. For purposes of this Article 9, "Good Faith Efforts" shall consist of the following:

(a) Tenant implements a capital campaign in its school community, which campaign shall, at a minimum, consist of solicitations to parents, prior and prospective donors and other sources of philanthropic and institutional support; and

(b) Within 90 days after the Commencement Date, Tenant shall by electronic mail provide a report to the County's Director of the Office of Real Estate, Department of General Services, as to the progress of the capital campaign to include the following information:

(i) The total dollar amount (the "goal") sought to be raised by the campaign, as initially adopted or subsequently amended by Tenant's board of directors, that, together with funds already held by Tenant, is intended to cover the cost of the Required Capital Improvements described in Article 9.E;

(ii) The dates of four campaign milestones by which dates Tenant is seeking to obtain (or has already obtained, as the case may be) funds or pledges of funds representing 25%, 50%, 75%, and 100% of the goal;

(iii) The cumulative total amount of funds that prospective donors have pledged toward the goal over the five-year period beginning with the Commencement Date;

(iv) The cumulative total amount of funds actually received toward the goal, specifying the portion that represents the fulfillment or partial fulfillment of pledges already made; and

(v) Any other event, including a decision of Tenant's board of directors, that materially changes the objective of the campaign or is likely to have a material adverse impact on its likelihood of success.

Tenant shall continue to make such reports each quarter thereafter until either the goal is achieved or the campaign is otherwise terminated by Tenant's board of directors.

(c) Provided that the results of the capital campaign indicate in the Tenant's sole but reasonable judgment that sufficient funds are or will be available to undertake the associated improvements, Tenant shall engage such qualified architects, consultants, builders, and/or installers as is customary to assist in permitting, and make reasonable efforts to obtain all permits necessary to undertake the improvements.

F. Determining Detailed Scope of Work and Actual Cost of Qualified Capital Improvements. The parties acknowledge that the stated cost of Qualified Capital Improvements set out in Articles 9.E.2 through 9.E.6 above are estimates based on prices current as of the Commencement Date and that actual costs will depend on conditions at the time construction bids are solicited in accordance with good industry practice. In order to determine the detailed scope of work and actual cost for purposes of the Rent credit, the parties shall follow the process set out in Article 9.B above.

G. Loss of Right to Exercise Options. In the event Tenant fails to substantially complete the Required Capital Improvements described in Articles 9.E.1, 9.E.2 and 9.E.3 above by the end of the initial term or the Required Capital Improvements described in Articles 9.E.4, 9.E.5 and 9.E.6 by the end of the first 5-year extension, as the case may be, Tenant shall lose its right to exercise certain of its options to extend the lease as follows:

1. If Tenant fails to complete the improvements described in Articles 9.E.1 and 9.E.2 by the fifth (5th) anniversary of the Commencement Date, Tenant shall not have the right under Article 2 to exercise any of the 5-year options to extend the term of this Lease;

2. If Tenant fails to complete the improvements described in Article 9.E.3 by the fifth (5th) anniversary of the Commencement Date, Tenant shall not have the right under Article 2 to exercise any of the 5-year options to extend the term of this Lease; provided, however, that if the Tenant completes the improvements described in Article 9.E.5 by the fifth (5th) anniversary of the Commencement Date and the improvements described in Articles 9.E.3 by the tenth (10th) anniversary of the Commencement Date, Tenant shall not by virtue of this subparagraph lose any right under Article 2 to exercise any 5-year options to extend the term of this Lease;

3. If Tenant fails to complete the improvements described in Article 9.E.4 by the tenth (10th) anniversary of the Commencement Date, Tenant shall not have the right under Article 2 to exercise the second, third, fourth, and fifth 5-year options to extend the term of this Lease;

4. If Tenant fails to complete the improvements described in Articles 9.E.5 and 9.E.6 by the tenth (10th) anniversary of the Commencement Date, Tenant shall not have the right under Article 2 to exercise the third, fourth and fifth 5-year options to extend the term of this Lease,

10. OPERATING EXPENSES:

A. Maintenance, Repair and Upkeep of the Leased Premises: As required by COMCOR 11B.45.02, Paragraphs 6.3(a) and 6.3(c), 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 Building elements and equipment, fixtures, roof, 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; however, if such maintenance and repair is due to the County's use of the Leased Premises pursuant to Article 6 above, the County

shall reimburse the Tenant for all costs and expenses incurred by the Tenant in connection with such maintenance and repair within thirty (30) days of the Tenant's delivery to the County of written receipt itemizing such costs and expenses. 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. 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.

B. Operating Expenses for Leased Premises: As required by COMCOR 11B.45.02, Paragraph 6.3(b), 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, and the modular classrooms, shall remain the property of Tenant and may be removed by Tenant at or prior to 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 COMCOR 11B.45.02, Paragraph 6.3(a), 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.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Tenant Insurance: Tenant agrees to obtain and maintain, during the full term of this Lease, and until all of Tenant's obligations which survive termination of this Lease have been completed, a policy or policies of insurance issued by an insurance company or companies licensed to do business in the State of Maryland and acceptable to the County containing the types of insurance coverages and limitations set forth in Exhibit F, Insurance Requirements, which is incorporated by reference and made a part of this Lease.

B. County Insurance: The County shall obtain and maintain, during the Term, an All Risk Property policy covering 100% of the Building on the Leased Premises. The County shall provide insurance covering general liability for the Property. Notwithstanding the above, the County shall have the right to self-insure. The County is a member of the Montgomery County Self-Insurance Program. The County shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of public liability insurance with bodily injury limits of $200,000 for injury (or death) to one person, $500,000 per occurrence, and property damage insurance with a limit of $200,000. These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the Local Government Tort Claims Act Maryland Code Ann., Cts. & Jud. Proc. §§ Sec. 5-301, et seq. (2006 Repl. Vol), as amended from time to time (the "LGTCA").

C. Tenant Owned Contents and Non-Structural Improvements: Tenant shall provide evidence of property coverage for their owned contents and any non-structural improvements, to the Leased Premises. Coverage shall be on a

replacement cost basis for "all risks of direct physical loss or damage except as specifically excluded."

D. Additional Insured:

1. Tenant's General Liability Policy shall list Montgomery County, Maryland as an additional insured and all insurance policies obtained by Tenant as required by this Lease shall provide that Tenant shall give the County written notice of amendment, cancellation, termination or non-renewal, no later than 45 days prior to any such amendment, cancellation, termination or non-renewal. The Tenant shall provide on an annual basis, upon written request from the County, evidence that is satisfactory to the County of the insurance coverages required under this Lease.

2. During the use of the Leased Premises by the County or the public's use of the Leased Premises, as authorized by the County, County hereby waives all claims against Tenant with respect to matters covered by the County's insurance or which would be covered thereby but for its election to self-insure those risks, except for the negligence or willful misconduct of Tenant.

E. Certificate of Insurance: Tenant shall, within ten (10) days from the Commencement Date of this Lease, deliver to the County a certificate(s) of insurance evidencing the coverages required under this Lease. The certificates shall be issued to: Montgomery County, Maryland, c/o Department of General Services, Office of Real Estate, 101 Monroe Street, 9th Floor, Rockville, Maryland 20850, with a copy to Montgomery County, Risk Management Department, 101 Monroe Street, 15th Floor, Rockville, Maryland 20850. Tenant is solely responsible for payment of the premiums for all of Tenant's insurance. The limits of Tenant's insurance in no way limits Tenant's liability under this Lease, at law, or in equity.

14. INDEMNIFICATION:

A. By Tenant: Tenant agrees to indemnify and hold harmless and pay for the defense of the County by counsel of the County's choosing from any and all claims of liability, actions, damages and expenses, including, but not limited to, reasonable attorneys fees and litigation costs, arising out of or related to Tenant's use or possession of the Leased Premises and the adjacent public park, from any breach of this Lease by Tenant, or from any claim, action, damage, liability or expense occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, licensees, guests or employees, except such negligent or willful acts or omissions of the County and the County's agents, contractors, licensees, employees. Tenant further specifically agrees to hold the County harmless and pay for the defense of the County from any claim of liability made in connection with any construction or installation of equipment within the Leased Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Leased Premises hereinabove described. In case the County shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold harmless the County at Tenant's sole cost and expense, pursuant to its obligations set forth in this Article 14.

B. By County: The County shall indemnify and hold Tenant harmless from any and all claims, losses, costs, damages, and liability arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage or loss 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, its agents, contractors, licensees or employees, except for damage or liability arising from the negligent or willful acts or omissions of Tenant, its agents, contractors, licensees, guests or employees. Any obligation or liability of the County arising in any way from this Lease Agreement 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. Secs. 5-301 et seq. (2006 Repl. Vol.)(the "LGTTA"); Md. Code Ann. Art. 25A, Sec. 1A (2011 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, and 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.

B. Each party accepts any liability or responsibility it may have under federal, state or local laws or regulations applicable to the use, storage, disposal, release, spill, discharge, emission, removal, or remediation of materials deemed in such laws or regulations to be hazardous or toxic to human, plant or animal life or to the environment in general.

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. Storage of Flammable Material. Tenant shall not keep or store gasoline (except in reasonable quantities for use for lawn mowers, snow blowers, leaf blowers and other such commonly used equipment on a school property), other flammable material, any explosive, or hazardous material as defined under State and Federal and County laws and regulations, within the Leased Premises which shall increase the rate of fire insurance on the Leased Premises 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 which may make void or voidable any insurance on the Leased Premises, 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, but shall not include use or misuse thereof by community organizations and individuals approved by CUPF.

D. Signage: Except to repair or replace existing signage with substantially similar signage, Tenant shall not place upon the exterior of the Leased Premises any placard, sign, lettering or awning (a "Projection") except such, and in such place and manner, as first approved in writing by the County or CUPF as may be the case. The County's approval shall not be unreasonably withheld, conditioned or delayed. 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.

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. Tenant verifies and acknowledges that it is in good standing and/or qualified to do business in the State of Maryland, as attached as Exhibit J.

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 County shall notify Tenant 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 County 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 County within available insurance proceeds within two hundred seventy (270) days following the date of such destruction or damage, the County shall notify the Tenant in writing within thirty (30) days after the date of the destruction or damage occurred, and either the County or the Tenant shall be entitled to terminate this Lease by written notice to the other party within ten (10) days of such written notice. In the event that the Leased Premises are damaged from whatever cause as to render less than 25% of the Leased Premises unfit for the purposes for which such areas were leased, and such damaged portion was insured or self-insured by County, County shall promptly repair the damage to the Leased Premises.

C. Standard of Work: In the event that the County is able to undertake the repair of the Leased Premises and determines it is in the County's best interest to do so, and provided neither party elects to terminate this Lease in accordance with Article 16.B. above, the County shall complete said repairs in a diligent manner as soon as practicable after the date of destruction or damage, with all parties acting diligently, and this Lease shall not be affected, except that during reconstruction, Rent shall be reduced by a percentage corresponding to

the portion of the Leased Premises to which Tenant is denied normal occupancy and use.

D. County Right Not to Repair: The County reserves the right, in the case of damage that requires repairs or reconstruction to a substantial portion of the of the Leased Premises, as defined at Paragraph 16.B above 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 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 commencement of any involuntary action or proceeding for the dissolution or liquidation of Tenant, or for the appointment of a

receiver or trustee of Tenant's property, and the failure to discharge any such action within one hundred twenty (120) days.

4. The making of any assignment for the benefit of Tenant's creditors.

5. 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.

6. Failure to comply, after notice and opportunity to cure, with a material term of the Traffic Management Plan required in Article 42, below.

B. Tenant Penalties. In the event that an Event of Default shall occur as 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 from the County.

4. 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 may 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.

5. 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 from a governmental authority other than Montgomery County, Maryland 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 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 9.D 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 herein.

19. SUBLEASING:

A. County Consent for Tenant Subleasing: As required by COMCOR 11B.45.02, Paragraph 6.10, 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 Montgomery County Public Schools 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 forty-five (45) 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 if the County determines, in its sole discretion, that such sublease will have a negative impact to the surrounding neighborhood.

B. Permitted Subleasing by Tenant: As required by COMCOR 11B.45.02, Paragraph 6.11, 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 Tenant in the operation, maintenance and administration of the Leased Premises. Tenant agrees that any Rent charged to 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 19.

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 shall 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, with the next Rent payment due.

20. RIGHT OF ENTRY:

A. Repairs and Inspection: 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) during the final 18 months of the initial term or any extension thereof to exhibit the Leased Premises to prospective purchasers or tenants; and, (4) 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 20 as soon as it is practicable under the circumstance.

C. Locks: Tenant may alter or change exterior locks installed on the Leased Premises provided it shall provide the County with keys to the new locks installed in the Building within two work days of such alteration or change.

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 shall 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 and damage by casualty 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 (or in the case of permitted alterations, in the same condition as when such alterations were made) in "broom clean" condition, reasonable wear and tear and damage by casualty 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 exterior 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 without first obtaining the prior written permission of the County.

B. Holdover with Consent: If the Tenant holds over after the expiration of this Lease with the County's consent, the tenancy created by such holding over shall be a month-to-month tenancy, but in all other respects shall be governed by the terms of this Lease, provided, however, that (i) in all cases (except an Event of Default by the Tenant) a thirty (30) day notice shall be required to terminate the tenancy created by such consented hold-over; and (ii) the monthly Rent payable hereunder during any such holdover period shall, unless otherwise mutually agreed, be 150% of the Rent in effect for the last month of the Term then ending; and provided that (a) if, upon the expiration of this Lease, the County and Tenant are actively engaged in good faith negotiations for a renewal or extension of this Lease, the County agrees (on the condition the remainder of such holdover rent is paid timely) to defer payment in excess of such holdover rent above the Rent in effect immediately prior to the expiration of this Lease until the earlier of the sixtieth (60th) day after the expiration of the Term or the date on which such negotiations cease, and (c) if, on or before the ninetieth (90th) day after the expiration of the Term, County and the Tenant execute and deliver a renewal or extension of

this Lease, then County shall waive payment of the amount of holdover rent deferred pursuant to this Article 22.

C. 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 the then-current fair market value of the Leased Premises plus Additional Rent in effect immediately prior to the expiration of the Term for the entire period of such tenancy at sufferance.

D. 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 22 (including, but not limited to, any and all claims made by any succeeding tenant).

23. ASSIGNMENT: Tenant shall not assign this Lease without the prior written consent of the County, which consent shall not be unreasonably conditioned, withheld or delayed, nor shall any assignment hereof be effected by operation of law or otherwise without the prior written consent of the County. Any assignment consented to by the County shall not relieve the Tenant from any of its obligations under this Lease, and such consent by the County shall not be effective unless and until (i) Tenant gives written notice thereof to the County, which notice shall state the name and address of the proposed assignee, and identify the nature and character of the proposed use of the Leased Premises by assignee, (ii) such assignee shall deliver to the County a written agreement in form and substance satisfactory to the County pursuant to which such assignee assumes all of the obligations and liabilities of the Tenant hereunder, and (iii) Tenant shall deliver to the County a copy of the proposed assignment agreement. Tenant shall also provide any additional information the County reasonably requests regarding such proposed assignment. The County shall not approve any assignment if such an assignment results in any profit or financial gain in excess of permitted costs and expenses. Any assignment without the County's written consent may be declared null and void by the County and, at the County's election, constitute an Event of Default hereunder. The County shall not assign this Lease without prior notice to the Tenant.

24. THE COUNTY'S TITLE AND COVENANT OF QUIET ENJOYMENT: The County covenants that it has full right and power to execute and perform this Lease, and that it shall put Tenant into complete and exclusive possession of the Leased Premises, as set forth herein. The County covenants and agrees that, if Tenant pays all Rent, and performs all of its obligations under this Lease, the Tenant shall, at all times during the Term, and any extensions thereof, have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes stated in this Lease unless the County terminates this Lease as provided in COMCOR 11B.45.02.

25. CUMULATIVE REMEDIES: Except as otherwise expressly set forth herein, all remedies granted in this Lease 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, assigns or representatives.

27. DISPUTES: The County and Tenant agree that any dispute concerning a question of fact arising under this Lease which is not resolved by agreement of the Parties shall be decided by the Chief Administrative Officer of Montgomery County, or his designee, who shall notify the Parties in writing of the determination made. The Tenant and the County shall be afforded an opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Tenant and the County shall proceed diligently with the performance of all provisions under this Lease. The decision of the Chief Administrative Officer or his designee shall be final and conclusive. This Article 28 does not preclude consideration of questions of law by a court of competent jurisdiction in connection with the aforesaid decisions

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. Failure by either party to exercise

any right or seek any relief specified herein shall not constitute a waiver of any of such party's rights under this Lease.

29. NON-DISCRIMINATION: Tenant agrees to comply with the non-discrimination in employment policies in County contracts as required in Sections 11B-33 and 27-19 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws, rules and regulations regarding employment 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 employment 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 Tenant 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 llB-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, riots, war-like operation, invasion, rebellion, hostilities, military or insurgency, sabotage, epidemics, quarantine restrictions, acts of God, public restrictions and other acts of governmental agencies, inability to obtain any material or service, 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.

33. RESIDENT AGENT: The Resident Agent for the Tenant is Mr. Brian Lake, 4800 Sangamore Road, Bethesda, MD 20816.

34. 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 General Services
Office of Real Estate
101 Monroe Street, 9th 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:

WASHINGTON WALDORF SCHOOL, INC.

4800 Sangamore Road,
Bethesda, MD 20816
Attn: Faculty Chair

With a copy that does not constitute notice to:

Lerch, Early & Brewer, Chtd.
3 Bethesda Metro Center, Suite 460
Bethesda, MD 20814
Attn: Stacy Silber, Esq.

35. INDEMNITY BOND: Upon the request of the County, for reasonable cause in its reasonable discretion, concurrent with the Commencement Date of this Lease or at any time during the term of this Lease, Tenant shall obtain and maintain an executed miscellaneous indemnity bond in the amount of the annual Rent for the current Lease Year 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 hereinabove stated. Failure to deliver the bond or surety as required is considered by the County to be an Event of Default under this Lease.

36. [Intentionally left blank.]

37. GOVERNING LAW: This Lease and its performance is governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland. Should any provision of this Lease be found invalid or unenforceable no other unrelated provision shall be affected and shall continue in full force and effect. This Lease supersedes all previous written or oral agreements between the County and Tenant.

38. 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.

39. 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 39, 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.

40. RULES AND REGULATIONS: Existing Rules and Regulations are incorporated by reference and made a part of this Lease as Exhibit G. 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.

41. COMMUNITY COORDINATING GROUP.

A. As required by COMCOR 11B.45.02, Paragraph 6.16, the Tenant shall establish a community liaison process that shall effectively respond to concerns of residents of the surrounding neighborhood that result from operation of the school. The Tenant shall maintain a staff position ("Neighborhood Liaison") who will respond to complaints or other expressions of concern raised by neighbors and otherwise be available as the Tenant's point of contact with neighbors. The Tenant shall meet with members of the surrounding communities (hereinafter the "Community Group") on at least a semiannual basis for the

purpose of establishing a neighborly relationship. The first of such meetings shall be held within ninety (90) days of the Commencement Date of this Lease. The Neighborhood Liaison will organize and run the meetings of the Community Group and shall individually invite to such meetings every neighboring household whose property adjoins the site on Westpath Terrace or faces the site across Sangamore and Overlea Roads, and shall also inform the Fort Sumner Community Association and Glen Echo Heights Community Association that its members may also attend such meetings. The Tenant shall monitor traffic impact on the neighborhood and discuss possible solutions to be implemented to address any traffic problems at this community meeting. Tenant shall make reasonable efforts to keep the Community Group abreast of any activity planned at the school that could substantially impact the community's use of the facility or the quality of life in the neighborhood. Tenant shall respond to community complaints or concerns in an expeditious manner. Tenant shall work cooperatively with the Community Group on the matter of future traffic improvements pursuant to the Traffic Management Plan attached hereto as Exhibit H-1 or any future revised version of the plan. The Tenant shall submit to the Office of the Montgomery County Executive and the Montgomery County Council an annual report which shall contain, at a minimum, (i) summary of events that occurred at the Community Group meetings, and (ii) the action, if any, taken or recommended to complaints or concerns raised by the community in connection with the operation of the school.

B. In the event the County determines that Tenant's community relations process, as established under COMCOR 11B.45.02, Paragraph 6.16(b) and outlined above, is not reasonably addressing the concerns of neighbors, the County may direct Tenant to establish a community liaison body as set out in Paragraph 6.16(a) of the aforementioned regulation.

42. TRAFFIC MANAGEMENT PLAN:

A. Compliance: The Tenant shall comply with the Traffic Management Plan (the "Plan") attached hereto as Exhibit H-1.

B. Initial Review: It is the understanding of the parties that the Plan will be provided to the Community Group under the process set forth in Article 41 above and to the Transportation Planning staff of the Montgomery County

Planning Board. The Tenant shall give reasonable consideration to comments of the Community Group and the Transportation Planning staff and shall work with both groups in good faith to resolve disagreements regarding material terms of the Plan. It is further understood that the Plan, as attached hereto, shall be subject for a period of six months from the Commencement Date to reasonable modifications proposed by the Community Group and deemed necessary by the County. The Tenant shall work reasonably with the Community Group to identify accountability measures, up to and including termination of the Lease, as deemed necessary by the County. The Plan shall specify the level of failure required to determine a default.

C. Requirements: Any traffic management plan shall accomplish the following:

1. Operating Plan: Establish an operating plan for both routine school 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 Dismissal: Identify means by which vehicular traffic associated with school drop-off and dismissal activities shall be contained on site.

3. Monitoring: Establish regular monitoring activities to facilitate identification and implementation of operational access and circulation improvements.

4. Tenant Representative: Provide the name, phone number, address, fax number, and email address of the Tenant representative responsible for enforcing the Plan. Tenant shall be responsible for keeping the Tenant representative information up-to-date.

D. Continuing Review: The Plan shall be subject to review and modification from time-to-time as deemed reasonably necessary by the County. In such event, the

County shall inform Tenant of the reason for its action, and both County and Tenant shall work in good faith with each other to agree on modifications. In addition, Tenant may from time to time initiate modifications to the Plan, and shall provide details of such modifications to the County. In both events, Tenant shall inform the Community Group of proposed modifications. Tenant shall give reasonable consideration to comments of the Community Group on such modifications and shall work in good faith to resolve material disagreements over such modifications.

[Signatures appear on the following pages]

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

WITNESS:

By: Natalie R. Adams
Natalie R. Adams
Faculty Chair

TENANT:
WASHINGTON WALDORF SCHOOL, INC., a District of Columbia corporation qualified to do business in the State of Maryland

By:
DANIEL J. WACKER
CHAIRMAN, TRUSTEES COUNCIL

Date: 5/1/2012

THE COUNTY:
MONTGOMERY COUNTY, MARYLAND

By: Ramona Bell-Pearson

Title: Asst Chief Administrative Officer
ASSISTANT CHIEF ADMINISTRATIVE OFFICER

Date: 5/16/12

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: _____

Date: 5/7/12

RECOMMENDED

By: _____

CYNTHIA L. BRENNEMAN

DIRECTOR, OFFICE OF REAL ESTATE

Date: 5/10/12

Exhibit A - Deed

[Background 1]

LIB 11476 391

Parcel ID No. 07-502-0417706
07-502-0417808
07-502-0417832

93 JUN 17 A 8:40

D E E D

THIS DEED made this 24th day of March, 1993, by and between the BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND, 850 Hungerford Drive, Rockville, Maryland 20850, hereinafter called GRANTOR, and MONTGOMERY COUNTY, MARYLAND, c/o the Department of Facilities and Services, 110 North Washington Street, Rockville, Maryland 20850, hereinafter called the ~~COUNTY~~. GRANTEE

MD. RCE. MONTG. CO. MD.

W I T N E S S E T H:

That in consideration of the sum of TEN AND NO/100ths DOLLARS ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the said GRANTOR does hereby grant, convey in fee simple, and release unto the COUNTY, a body corporate, its successors and assigns, all those pieces or parcels of ground and other rights situate and lying in Montgomery County, Maryland, and more particularly described as follows:

RTX
TRANS
AMOUNT
DEED .00
SUBTOTAL .00
CASH TL .00
#081850 C009 R04 T08:52
06/17/93

BEING all that parcel of land conveyed to the Board of Education of Montgomery County, Maryland, from Jeanette Bock and Ruth B. Messerli by deed dated July 28, 1948, and recorded at Liber 1182, Folio 348, among the Land Records of Montgomery County, Maryland, containing 10.00 acres, more or less; and

RECEIVED FOR TRANSFER
State Department of
Assessments & Taxation
Montgomery County
AYK # 20105
Date

BEING all that parcel of land conveyed to the Board of Education of Montgomery County, Maryland, from Jeanette Bock, Ruth B. Messerli and Charles A. Messerli by deed dated January 15, 1952, and recorded at Liber 1620, Folio 417, among the Land Records of Montgomery County, Maryland, containing 2.218 acres, more or less,

LESS THE FOLLOWING THREE OUT-CONVEYANCES:

AGRICULTURE TRANSFER TAX IN THE
AMOUNT OF $ N/A
SIGNATURE AYK

LESS an out-conveyance to Chalmers M. Roberts and Lois Hall Roberts by the Board of Education of Montgomery County, Maryland, by deed dated February 26, 1954, and recorded among the Land Records of Montgomery County, Maryland, at Liber 1895, Folio 369, containing 21,029.5 square feet; and

LESS an out-conveyance to the Maryland-National Capital Park and Planning Commission by the Board of Education of Montgomery County, Maryland, by deed dated June 14, 1955, and recorded among the Land Records of Montgomery County, Maryland, at Liber 2075, Folio 438, containing 5.7602 acres, more or less; and

LESS an out-conveyance to Montgomery County, Maryland, pursuant to a Plat of Dedication recorded March 19, 1956, among the Land Records of Montgomery County, Maryland, at Plat Book 56, Plat No. 4467, containing 14,810.61 square feet, more or less;

LEAVING a total amount conveyed by this deed of 5.634 acres, more or less.

BEING that property known as Brookmont Elementary School.

THE FOLLOWING OUTLOT IS ALSO BEING CONVEYED:

BEING all that parcel of land conveyed to the Board of Education of Montgomery County, Maryland, from Chalmers M. Roberts and Lois Hall Roberts, by deed dated February 2, 1954, and recorded at Liber 1895, Folio 372, among the Land Records of Montgomery County, Maryland, containing 1,250.5 square feet, more or less.

TOGETHER WITH ALL the rights, privileges, easements, appurtenances and advantages thereto belonging or appertaining.

TO HAVE AND TO HOLD the above granted property and rights unto the said COUNTY, its successors or assigns in fee simple.

AND the said GRANTOR does hereby covenant that it will warrant specially the property hereby conveyed, and that it will execute such further assurances of said lands as may be requisite.

LIB 7L
11476.193

WITNESS the hand and seal of the President and Secretary of the GRANTOR the day and year first above written.

ATTEST:

BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND

Paul L. Vance, Secretary

Alan Cheung, President

APPROVED for the Board of Education of Montgomery County.

Paul L. Vance, Superintendent of Schools

STATE OF MARYLAND)
) ss
COUNTY OF MONTGOMERY)

I hereby certify that on this 24th day of MARCH, 1993, before the subscriber, a Notary Public in and for the aforementioned State and County personally appeared ALAN CHEUNG, and PAUL L. VANCE, known to me or satisfactorily proven to be the persons whose names are subscribed to the within instrument and did acknowledge same to be the act and deed of the BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND, and that they in the capacities of President and Secretary have signed the aforegoing Deed on behalf of the BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND, for the purposes therein contained.

My Commission Expires:
KATHERINE CRAWFORD
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires September 24, 1995

Notary Public

I hereby certify that I am an attorney duly admitted to practice before the Court of Appeals of Maryland and that the within instrument was prepared under my supervision.

Carol S. Rubin
Assistant County Attorney

Grantor's Address: 850 Hungerford Drive, Rockville, MD 20850
Grantee's Address: 110 North Washington Street
Rockville, MD 20850
Property Address: 4800 Sangamore Road, Bethesda, MD; and
(outlot) Wapakoneta Road, Bethesda, MD
Title Insurer: None

MAY 18 1993

7-502-417706
417832
417808

2831.smg:87.02016

TRANSFER TO GOVERNMENTAL, RELIGIOUS OR CHARITABLE ORGANIZATION

Exhibit B-1
Legal Description of Property

Tax Account: District 7, Account Numbers 00417706 and 00417832.

Deed: Dated March 24, 1993 and recorded at Liber 11476, Folio 391 among the Land Records of Montgomery County.

Description: Property consists of two parcels

1. Parcel P263 on Tax Map GM62 containing 1.87 acres of land.
2. Parcel P316 on Tax Map GM62 containing 3.75 acres of land

Property Address: 4800 Sangamore Road
Bethesda, Maryland 20816

Maryland Department of Assessments and Taxation
MONTGOMERY COUNTY
Real Property Data Search (2007 vw2.3d)

Go Back
View Map
New Search

Account Identifier: District - 07 Account Number - 00417832

Owner Information

Owner Name:	MONTGOMERY COUNTY	**Use:**	EXEMPT COMMERCIAL
		Principal Residence:	NO
Mailing Address:	% DEPT FACILITIES & SERVICES 110 NORTH WASHINGTON STREET ROCKVILLE MD 20850	**Deed Reference:**	1) /11476/ 391 2)

Location & Structure Information

Premises Address
4800 SANGAMORE RD
BETHESDA 20816

Legal Description
FRIENDSHIP

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:
GM62		P316		502				2	Plat Ref:

Special Tax Areas — **Town** / **Ad Valorem** / **Tax Class** 38

Primary Structure Built	Enclosed Area	Property Land Area	County Use
0000		3.75 AC	681

Stories	Basement	Type	Exterior

Value Information

	Base Value	Value As Of 01/01/2008	Phase-in Assessments As Of 07/01/2009	As Of 07/01/2010
Land	847,100	1,061,700		
Improvements:	242,400	489,300		
Total:	1,089,500	1,551,000	1,397,166	1,551,000
Preferential Land:	0	0	0	0

Transfer Information

Seller:		**Date:** 06/17/1993	**Price:** $0
Type:	IMPROVED ARMS-LENGTH	**Deed1:** /11476/ 391	**Deed2:**
Seller:		**Date:**	**Price:**
Type:		**Deed1:**	**Deed2:**
Seller:		**Date:**	**Price:**
Type:		**Deed1:**	**Deed2:**

Exemption Information

Partial Exempt Assessments	Class	07/01/2009	07/01/2010
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: COUNTY AND STATE
Exempt Class: OTHER

Special Tax Recapture:
* NONE *

Maryland Department of Assessments and Taxation
MONTGOMERY COUNTY
Real Property Data Search (2007 vw2.3d)

Go Back
View Map
New Search

Account Identifier: District - 07 Account Number - 00417706

Owner Information

Owner Name:	MONTGOMERY COUNTY	**Use:**	EXEMPT
		Principal Residence:	NO
Mailing Address:	% DEPT FACILITIES & SERVICES 110 NORTH WASHINGTON STREET ROCKVILLE MD 20850	**Deed Reference:**	1) /11476/ 391 2)

Location & Structure Information

Premises Address
4800 SANGAMORE RD
BETHESDA 20816

Legal Description
FRIENDSHIP

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:
GM62		P263		502				2	Plat Ref:

Special Tax Areas **Town** **Ad Valorem** **Tax Class** 38

Primary Structure Built	Enclosed Area	Property Land Area	County Use
0000		1.87 AC	681

Stories	Basement	Type	Exterior

Value Information

	Base Value	Value As Of 01/01/2008	Phase-in Assessments As Of 07/01/2009	As Of 07/01/2010
Land	1,122,000	243,100		
Improvements:	0	0		
Total:	1,122,000	243,100	243,100	243,100
Preferential Land:	0	0	0	0

Transfer Information

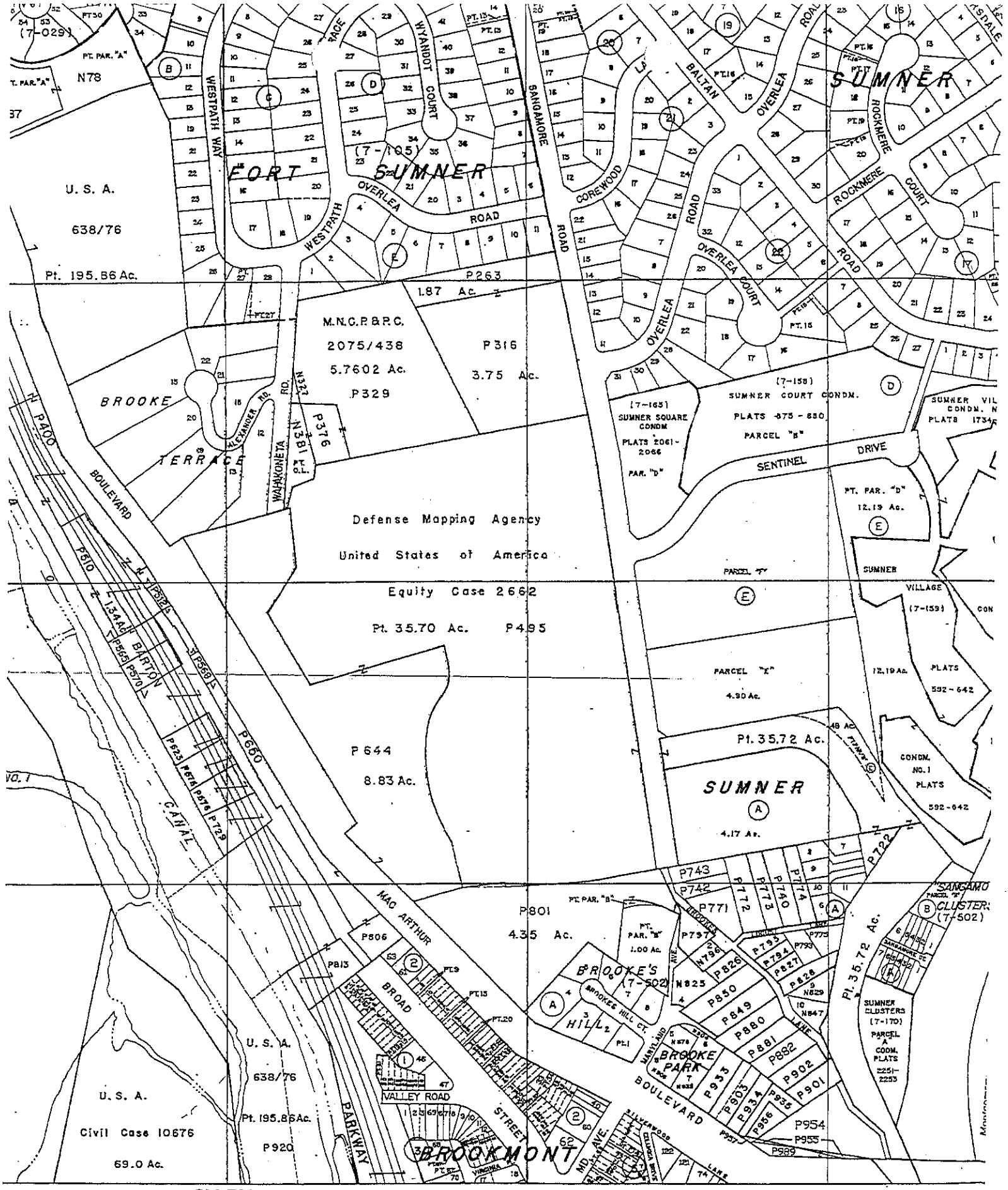
Seller:		**Date:** 06/17/1993	**Price:** $0
Type:	IMPROVED ARMS-LENGTH	**Deed1:** /11476/ 391	**Deed2:**
Seller:		**Date:**	**Price:**
Type:		**Deed1:**	**Deed2:**
Seller:		**Date:**	**Price:**
Type:		**Deed1:**	**Deed2:**

Exemption Information

Partial Exempt Assessments	Class	07/01/2009	07/01/2010
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: COUNTY AND STATE
Exempt Class: OTHER

Special Tax Recapture:
* NONE *



GM 561

MARYLAND DEPARTMENT OF PLANNING
PROPERTY MAPPING SECTION

PROPERTY LINE
SUBDIVISION BOUNDARY
TOWN BOUNDARY
PRIVATE ROAD
STREAM LINE
CONTINUING OWNERSHIP
PARCEL NUMBERING - P#### (ASSIGNED TO IDENTIFY OWNERSHIP, MUST BE PRESCRIBED BY A MAP NUMBER)
SCALE 1"=200' (RF 1:2400)

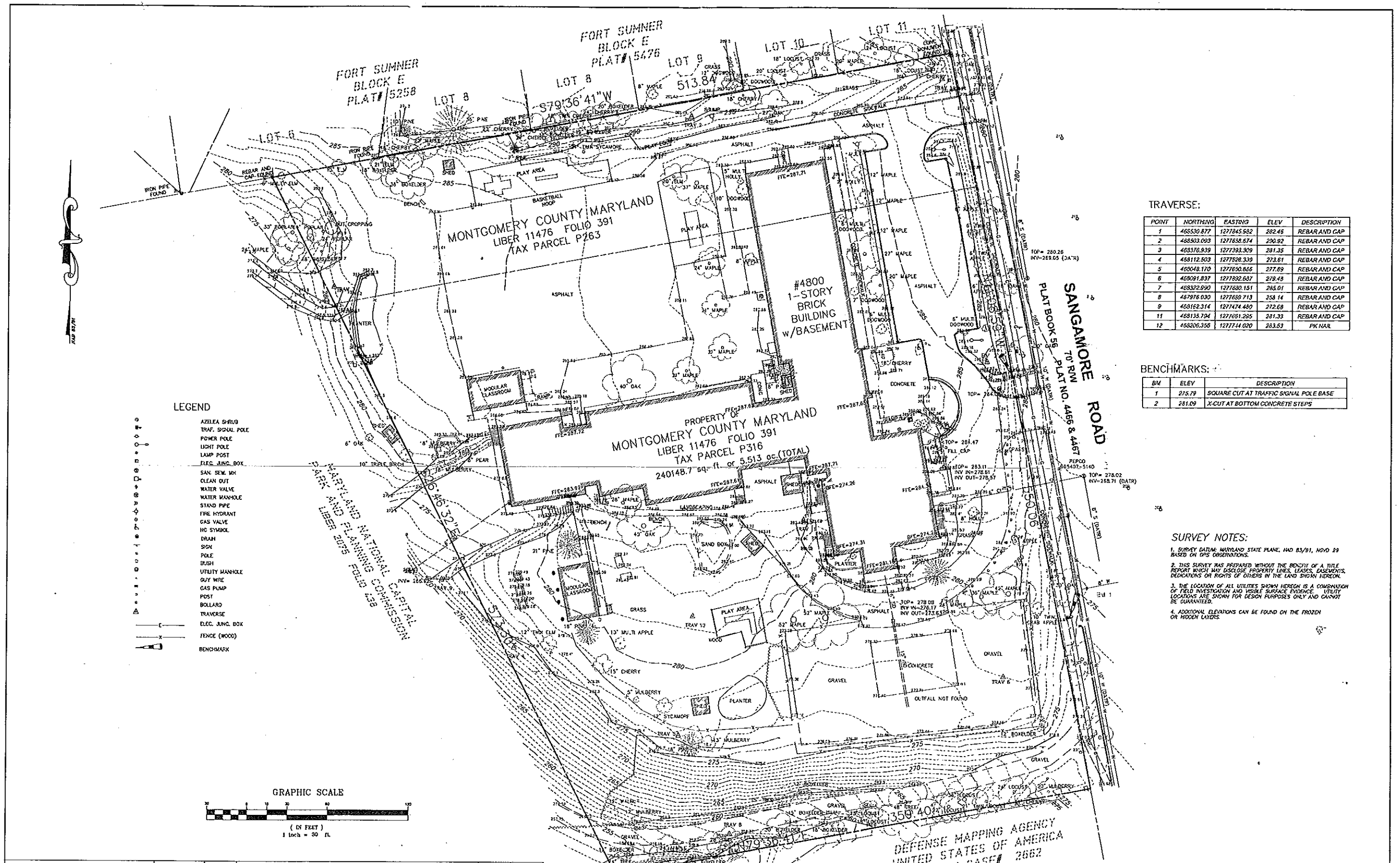
DATE	BY	USER	LAST P. NO.	PHOTO	QUARTER QUADRANGLE	1/4 GRID
JUNE '70	ELE					

Maryland Department of Planning

G 6
MONTGOMERY CO., MARYLAND

Exhibit B-2 – Boundary and Topographic Survey of Property and Leased Premises

[The boundaries of the "Property" and the "Leased Premises" are identical; therefore, the entire area within the boundary lines shown on this exhibit is deemed to be "cross hatched" as that term is used in Article 1.A]



TRAVERSE:

POINT	NORTHING	EASTING	ELEV	DESCRIPTION
1	465530.877	1277845.952	282.45	REBAR AND CAP
2	465503.093	1277858.674	290.92	REBAR AND CAP
3	465376.939	1277393.909	281.35	REBAR AND CAP
4	458112.503	1277528.339	273.61	REBAR AND CAP
5	458048.170	1277650.855	277.89	REBAR AND CAP
6	458091.837	1277832.687	279.48	REBAR AND CAP
7	458322.990	1277880.151	285.01	REBAR AND CAP
8	457976.030	1277859.713	258.14	REBAR AND CAP
9	458162.314	1277474.480	272.68	REBAR AND CAP
11	458135.794	1277651.295	281.33	REBAR AND CAP
12	458206.358	1277744.020	283.53	PK NAIL

BENCHMARKS:

BM	ELEV	DESCRIPTION
1	275.79	SQUARE CUT AT TRAFFIC SIGNAL POLE BASE
2	281.09	X-CUT AT BOTTOM CONCRETE STEPS

SURVEY NOTES:

1. SURVEY DATUM: MARYLAND STATE PLANE, NAD 83/91, NGVD 29 BASED ON GPS OBSERVATIONS.

2. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT WHICH MAY DISCLOSE PROPERTY LINES, LEASES, EASEMENTS, DEDICATIONS OR RIGHTS OF OTHERS IN THE LAND SHOWN HEREON.

3. THE LOCATION OF ALL UTILITIES SHOWN HEREON IS A COMBINATION OF FIELD INVESTIGATION AND VISIBLE SURFACE EVIDENCE. UTILITY LOCATIONS ARE SHOWN FOR DESIGN PURPOSES ONLY AND CANNOT BE GUARANTEED.

4. ADDITIONAL ELEVATIONS CAN BE FOUND ON THE FROZEN OR HIDDEN LAYERS.

AMT

A. MORTON THOMAS AND ASSOCIATES, INC.
CONSULTING ENGINEERS
18750 THREECOOK FARWAY - ROCKVILLE, MD 20852-1709
PH.(301)881-8540 FAX.(301)881-6814

RES.	JV
SURV.	A_S
COMP.	JV
DES.	
DRN.	JV
CHK.	DBS

DATE	REVISION	BY	APP'R.

BOUNDARY AND TOPOGRAPHIC SURVEY

WASHINGTON WALDORF SCHOOL
4800 SANGAMORE ROAD, BETHESDA, MARYLAND
LIBER 11476 FOLIO 391

7TH ELECTION DISTRICT — MONTGOMERY COUNTY, MARYLAND

SCALE	CONTOUR INTERVAL	A.M.T FILE No.
1"=30'	1 FOOT	107-398.01
DATE	TAX MAP No.	SHEET
MAY 2008	GM 62	1

SUBLEASE AGREEMENT

BETWEEN

MONTGOMERY COUNTY, MARYLAND

AND

THE WASHINGTON WALDORF

SCHOOL, INCORPORATED

DATED 7/18/83

LP #71

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"A" Leased Premises

SUBLEASE AGREEMENT

THIS SUBLEASE (hereinafter referred to as "Lease"), entered into this 18th day of July, 1983 by and between MONTGOMERY COUNTY, MARYLAND, a body corporate, (hereinafter referred to as "Lessor") and the WASHINGTON WALDORF SCHOOL, INCORPORATED, a non-profit educational institution (hereinafter referred to as "Lessee")

WITNESSETH

In consideration of the covenants hereinafter contained, the parties hereto mutually agree as follows:

1. PREMISES: Lessor does hereby lease and demise unto Lessee the premises described as the Brookmont Elementary School, 4800 Sangamore Road, Bethesda, Maryland, (hereinafter referred to as "leased premises"). The leased premises shall include the building, walkways, parking lot, driveway and land contiguous to the building, including the basketball court, playground and multi-use court, as outlined in red on "Exhibit A" attached hereto and made a part hereof.

2. TERM: The term hereby created shall be ten (10) years, commencing September 1, 1982 and expiring at midnight on August 31, 1992

3. RENEWAL OPTIONS: Upon the conclusion of the initial lease term cited in Article 2 hereof, Lessee shall have the right to renew this Lease for two additional and consecutive five (5) year periods. In the event that Lessee elects to exercise its right to renew, rental rates and provisions for any renewal period shall be negotiated and agreed to by both parties at the time of renewal. Lessee shall provide Lessor with written notice of Lessee's intention to renew not less than nine (9) months prior to the expiration of the initial term or extension thereof.

4. RIGHT OF TERMINATION: Lessor shall, after at least five (5) years of the initial lease term have expired, allow Lessee to withdraw from this Lease at any time, and thereby terminate all of Lessee's obligations hereunder, by providing to Lessor not less than twelve (12) months' written notice of Lessee's intention to terminate. Upon such a termination, the Lessee shall pay or cause to be paid to the Lessor a lump sum amount, equivalent to six (6) months' rent, based on the rental rate being paid at the time of termination by Lessee.

5. RIGHT TO PURCHASE: In the event the leased premises, as outlined in red on "Exhibit A" hereto, are deeded to Lessor prior to the termination of this Lease, or any extension thereof, Lessee shall have the right of first refusal to purchase the leased premises, provided that the Chief Administrative Officer of Montgomery County concurs with the disposition of the leased premises by sale, and in accordance with Article 25A of the Annotated Code of Maryland. The price to be paid by Lessee for the leased premises shall be established in the following manner:

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Lessor and Lessee shall each select a qualified licensed appraiser. The two appraisers selected shall choose a third qualified, licensed appraiser. The respective parties shall each bear the cost of their own appraisers and the fee for the third appraiser shall be equally divided between the two parties. The price to be paid for the leased premises by the Lessee shall be the average of the fair market values as submitted by each of the three appraisers, such fair market value to be determined for the value of the building and land not inconsistent with the applicable zoning in effect at the time of appraisal. Lessee shall exercise its right of first refusal to purchase within one hundred twenty (120) days from the date appraisals are concluded and Lessee is notified of the established price.

The hereinabove right of first refusal to purchase may not at any time be sold, transferred, assigned or subleased by Lessee to any third party without the written consent of Lessor first had and obtained.

6. RENT: Lessee shall pay to Lessor, as rental for the hereinabove described premises, the annual amount of FORTY TWO THOUSAND FIVE HUNDRED AND NO/100 ($42,500.00) DOLLARS, except as otherwise stated in Paragraph 7 hereof, payable in equal monthly installments of THREE THOUSAND FIVE HUNDRED FORTY ONE AND 66/100 ($3,541.66) DOLLARS. The first monthly payment hereunder shall be due on the commencement date of the initial lease term. All payments thenceforth shall be due and payable on the first day of each month during the lease term, at the Department of Facilities & Services, Division of Space & Leasing Management, 50 Courthouse Square, Rockville, Maryland 20850.

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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.

7. CONSUMER PRICE INDEX: It is agreed between the parties that the annual rent payable by the Lessee pursuant to Paragraph 6 hereinabove shall be adjusted every two years, beginning with the third lease year, and every two lease years thereafter, as determined by the application of the following formula:

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To the annual rent payable by Lessee during the previous two lease years shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying said annual rent payable during the two previous lease years by a fraction, the numerator of which shall be the index 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 prior to the last month of the previous two year period and denominator of which shall be said index for the month prior to the first month of the previous two year period, and subtracting from such product the annual rent payable during the previous two lease years.

The resulting new Basic Rent shall in no event be less than the Basic Rent payable during the preceding twelve months, and shall be payable in twelve equal installments on the first day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such CPI, the parties hereto shall attempt to agree on an alternative formula and if agreement cannot be reached the matter shall be submitted to arbitration under the rules of the American Arbitration Society then in effect.

8. USE OF THE PREMISES: Lessee covenants and agrees that the premises shall be used only for activities which are consistent with the use of the premises as an educational facility, in accordance with all applicable zoning regulations; and for community or Lessor's use as provided in Articles 9 and 10 hereof. Lessee shall be responsible for the acquisition of a Use and Occupancy Permit, in Lessee's name, from the proper County authorities. Prior to the acquisition by Lessee of a Use and Occupancy Permit, Lessee shall have the right to enter the premises, and shall thereafter assume full responsibility for all utilities, insurance, contents, security and maintenance. Any renovations or improvements made by Lessee either prior to or following the issuance of a Use and Occupancy Permit shall be made at Lessee's sole risk and expense. Lessee agrees to save and hold harmless the Lessor from any claims filed for injury or loss of property in connection with any renovations or improvements made by Lessee upon or within the leased premises.

9. USE OF MULTI-PURPOSE ROOM BY THE COMMUNITY, DEPARTMENT OF RECREATION AND OTHER COUNTY AGENCIES:

Subject to reasonable regulations by the Lessee and at a nominal charge for utilities, janitorial services and building security to be determined by Lessee and approved by Lessor, the multi-purpose room shall remain available, on a continuing basis and upon adequate advance notice, to the Community, Montgomery County Department of Recreation and other County agencies at times when such use will not interfere with Lessee's normal activities, and under the same terms and conditions that other school facilities in the County are made available for such non-school use. Lessee retains the right of

refusal in the event that a conflict with Lessee's normal activities should occur.

Lessee specifically agrees to make the Multi-Purpose room available, upon demand, to the offices of the Montgomery County Supervisor of Elections, for use as a polling facility during primary, general and special elections.

10. USE OF OUTSIDE GROUNDS: Lessee shall have the exclusive use of the athletic field and adjoining outside grounds which are not a part of the leased premises, from 8:30 A.M. to 4:00 P.M., Monday through Friday. Lessee agrees to cooperate and work jointly with the Maryland National Capital Park and Planning Commission and the Montgomery County Department of Recreation with regards to the use of the adjacent athletic field and adjoining grounds after 4:00 P.M. weekly, all day Saturday and Sunday. Lessee shall schedule its after hours use of the athletic field and adjoining grounds by providing adequate advance notice to the above mentioned agencies. Lessee shall understand and observe the rights of the Community to use the athletic field in accordance with procedures established by the above mentioned agencies and the Interagency Coordinating Board.

Lessee will allow access to the outside grounds and will provide parking space to Lessor's agents outside of Lessee's daytime hours of operation, for the purposes of maintenance and upkeep of said grounds and for use of the grounds by the community, the Montgomery County Department of Recreation or the Maryland National Capital Park and Planning Commission. Maintenance and upkeep of the grounds outside the leasehold shall be determined by Lessee's percentage of use, maintenance required and expense, on a cost-sharing basis with Lessor.

11. PARKING: Lessee shall be entitled to full use of the parking facilities which are a part of the leased premises. Lessee represents that the existing parking facilities are and will remain adequate to fulfill Lessee's parking needs, and further agrees to contain the parking needs of its staff, patrons and clients within the existing parking lot, so as to prevent unauthorized parking of vehicles on community thoroughfares or adjacent private parking lots. Lessee accepts full responsibility for the cleaning, upkeep and maintenance of the parking facilities included within the red outline on Exhibit "A".

12. CODE MANDATED AND CAPITAL IMPROVEMENTS:

A. Code Mandated Improvements or Modifications:

Lessee agrees to accept the leased premises in "AS IS" condition, and to undertake, at its own risk and expense, any necessary improvements or modifications in order to comply with local, State and Federal codes and regulations relating to the approved use and occupancy of the premises, and as required by the County's Department of Environmental Protection and the Fire Marshal's Office.

B. Capital Improvements and Structural Alterations:

Lessee shall not undertake any structural alterations, changes or improvements to the Leased premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Once Lessor's consent has been obtained, Lessee shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. Failure to adhere to any applicable ordinances or regulations shall be deemed to be a violation of this lease.The cost of any such alterations or improvements shall be borne solely by the Lessee.

C. Lessor's Approval and Inspection: In order to secure Lessor's approval of any structural alterations or improvements, Lessee shall submit to Lessor plans and specifications clearly setting forth the work to be performed. Lessor shall then respond in writing within forty-five (45) days from receipt of the plans and specifications. Lessor shall inspect the premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not reasonably satisfactory to Lessor, Lessee shall undertake any necessary corrections, at Lessee's risk and expense.

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13. HEATING AND AIR CONDITIONING SYSTEMS: Lessee hereby acknowledges receipt of the heating and air conditioning systems in operating condition, and further agrees to assume full responsibility for the necessary maintenance and repair of said systems, at Lessee's sole risk and expense.

14. OPERATING EXPENSES: Lessee shall be responsible for all operating expenses relating to the use and occupancy of the leased premises, to include all maintenance and repair of building and equipment, fixtures, roof, windows, electrical sytems, utilities, janitorial services, refuse removal, snow and ice removal or treatment, telephones, security, maintenance and repair of heating and air conditioning systems, plumbing systems, pest control and any other expense incurred by virtue of the use and operation of the leased premises.

15. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems, shall remain with the building and shall be delivered to Lessee along with the building. All moveable partitions, trade fixtures, floor coverings or equipment installed within the leased premises at Lessee's expense shall remain the property of Lessee and may be removed by Lessee at the expiration or other termination of this Lease. Lessee shall, however, repair any damage caused directly and exclusively by reason of said removal.

16. CONDITION OF PREMISES: Lessee agrees to maintain the leased premises, including all improvements therein, in a state of repair throughout the term of this Lease and any extension thereof. For purposes of maintenance and upkeep, the leased premises shall include the entire area as outlined in red on "Exhibit A", including the building and grounds. Lessee 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. The above shall be construed to require Lessee to maintain the leased premises in the condition in which said premises were delivered to Lessee. Lessee may, but need not, make any

improvements or betterments to the premises, except when such betterments or improvements are required by existing codes and regulations.

17. 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 primary liability insurance with minimum bodily injury limits of at least ONE MILLION AND NO/100 ($1,000,000.00) DOLLARS for each occurrence, and minimum property damage limits of ONE HUNDRED THOUSAND AND NO/100 ($100,000.00) DOLLARS for each occurrence, 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 this Lease and any extension thereof, a policy of primary Fire, Extended Coverage and Vandalism insurance on the leased premises with minimum limits of at least ONE HUNDRED THOUSAND AND NO/100 ($100,000.00) DOLLARS for each occurrence.

C. Lessee is responsible for fire, theft and vandalism insurance on the contents of the leased premises.

D. Lessor shall maintain Lessor's normal fire and liability insurance on the leased premises as shown on "Exhibit A". Lessor reserves the right to self-insure. Lessee shall notify its fire or other casualty insurer that Lessee waives any right of subrogation against Lessor.

E. Lessee shall, within thirty (30) days from execution of this instrument, deliver to Lessor certificates of insurance evidencing the coverage herein stated. No co-insurance shall be accepted by Lessor as fulfillment of the hereinstated requirements.

18. LETTER OF CREDIT: Concurrent with the execution of this Lease, Lessee shall deliver to Lessor an executed Letter of Credit in the amount of TWENTY FIVE THOUSAND AND NO/100 ($25,000.00) DOLLARS, to remain in full force and effect throughout the lease term hereby created and any extension thereof, as security for the faithful performance of all the terms and conditions of this Lease.

19. RESPONSIBILITIES OF LESSEE: Lessee covenants and agrees as follows:

A. Lessee shall not strip, overload, damage or deface the leased premises, hallways, stairways or other approaches thereto or the fixtures therein or used therewith, nor suffer or permit any waste in or upon said leased premises.

B. Lessee shall not keep gasoline or other flammable material or any other explosive within the leased premises which will increase the rate of fire insurance on the leased premises beyond the ordinary risk established for the type of operations described in Article 8 hereof. Any such increase in the insurance rate due to the above, or due to Lessee's special operations within the leased premises, shall be borne by Lessee. Lessee shall not willfully do any act or thing in or about the leased premises which may make void or voidable any insurance on the leased premises, and Lessee agrees to conform to all rules and regulations established from time to time by the Lessor, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

C. Lessee 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 will constitute a nuisance to adjacent properties or the adjacent neighborhood.

D. Lessee shall not place upon the leased premises 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 acknowledges that all responsibilities of Lessee relating to the use or misuse of the leased premises and anything therein shall be construed to include use or misuse thereof by Lessee's agents, employees, patrons and sublessees.

F. Lessee shall comply with all reasonable rules and regulations with regard to the use of the leased premises that may be from time to timepromulgated by Lessor, and any violation of said rules and regulations shall be deemed to be a violation of this Lease.

20. DESTRUCTION OF PREMISES:

A. In the event that the leased premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the premises unfit for the purposes for which the premises were leased, and the repair of said destruction or damage cannot reasonably be accomplished by Lessor with available insurance monies within ninety (90) days from the date of such damage, Lessee and Lessor shall each be entitled to terminate this Lease by written notice to the other within thirty (30) days after the irreparable destruction or damage occurred.

B. In the event that the Lessor elects to undertake the repair of the leased premises, Lessor shall do so within ninety (90) days from the date of destruction or damage and this Lease shall not be affected, except that during reconstruction rental payments shall be reduced by a percentage corresponding to the portion of the leased premises to which Lessee is denied normal occupancy and use. Lessee shall receive a pro-rated refund of any prepaid rent for the period during which such damages occurred.

C. In the event that Lessor elects not to repair the leased

premises as hereinabove provided, Lessee shall not be entitled to any compensation or payment from Lessor for the value of any remaining term of the Lease.

21. DEFAULT: Lessee shall be considered in default of this Lease upon the occurrence of any of the following:

A. Failure to perform under any term, covenant or condition of this Lease and the continuance thereof for thirty (30) days after written notice from Lessor specifying said failure.

B. 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.

C. The making of any assignment for the benefit of Lessee's creditors.

D. The abandonment of the leased premises by Lessee.

In the event that the Lessee shall fail or neglect to keep and perform each and every one of the covenants herein contained, and if such failure or neglect shall continue for more than thirty (30) days after written notice (or such period as may be reasonably required to correct the default with exercise of due diligence) from the Lessor specifying the default, 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 determine, and the Lessor may proceed to recover possession under the laws of the State of Maryland. No default as hereinbefore provided shall be deemed complete unless at the time Lessor seeks to take any action based upon such a default, the same shall remain uncured.

22. EMINENT DOMAIN: In the event that the leased premises shall be taken by any governmental or quasi-governmental authority pursuant to its

power of eminent domain, Lessee shall be entitled to recover any unamortized capital expenditures for improvements other than routine repairs to the premises, and shall make no further claim for compensation or assert any other right which Lessee may have to any portion of any award made as a result of such governmental taking.

23. SECONDARY USERS:

A. Lessee shall cooperate and work in conjunction with the Inter-Agency Coordinating Board to make arrangements for secondary users of school facilities during times outside of regular school hours

B. Lessor shall reserve the right to reject any proposed secondary users.

24. ASSIGNMENT AND SUBLEASING:

A. Lessee shall not have the right to and shall not assign this Lease nor sublease the demised premises or any portion thereof without the consent of the Lessor first obtained in writing, which consent shall not be unreasonably withheld. Any resulting assignment or subleasing or the consent of the Lessor thereto shall not release, discharge or in any way affect the Liability of the Lessee as provided in this Lease for the full term hereof.

B. The Lessee shall notify the Lessor with regard to prospective assignees or sublessees, describing the terms of the proposed assignment or sublease agreement and providing Lessor with a copy of the proposed agreement for examination by all interested parties, at least sixty (60) days prior to the date on which any such agreement is to be entered into. Lessor shall then respond in writing within sixty (60) days from receipt of the proposal. Prior to submission by Lessee

of a proposed assignment or sublease, Lessee shall insure that said proposal is in full compliance with all applicable zoning ordinances. Lessor shall not approve any proposed assignment or subleasing that is contrary to any applicable zoning regulation.

C. Community or citizens use of the premises as secondary users under Articles 9 and 10 hereof does not fall within the purview of this Article.

D. Lessee shall make every effort to accommodate the existing child day care facilities or to otherwise arrange to provide continuing child day care service to the community.

25. CONDEMNATION: In the event that the leased premises or any part thereof, shall be condemned for public use or purpose by any competent authority, Lessee shall have no claim against the Lessor and shall have no claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation (except as otherwise stated in Article 22 hereof). Upon such condemnation, the term of this Lease shall cease and determine and the Lessee shall have no claim against the Lessor for the value of any unexpired term of this Lease, nor shall the Lessor have any claim against the Lessee for the unexpired term of this lease.

26. ACCESS: Lessee shall allow Lessor and Lessor's employees or agents to have access to said leased premises at all reasonable times during normal working or school hours 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 pursuant to the reasonable protection of the leased premises. Lessee shall not alter or change the exterior locks installed on the premises, and shall provide Lessor with keys to the facility, said keys to be used by Lessor to obtain access to the facility in emergency situations.

27. 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 leased premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Lessee), in a state of repair 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.

28. 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, or any extension thereof, 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 to run. 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 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 initial term or extension thereof.

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29. NOTICE OF DEFECTS: Lessee shall give to Lessor prompt written notice of accidents or damages to the leased premises.

30. QUIET POSSESSION: Lessor covenants and agrees that, if Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this lease and any renewal or extension thereof have the peaceable and quiet enjoyment and possession of the leased premises for the purposes leased without hindrance from any person or persons whomsoever.

31. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Lessee, at Lessee's 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, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office.

32. HOLD HARMLESS: Lessee agrees to hold harmless and defend the

Lessor from any and all claims of liability arising by virtue of the nature of the Lessee's business or through any negligence on Lessee's part, except such negligence as may be occasioned by the acts or ommissions of the Lessor, the Lessor's employees, agents and contractors; and further specifically agrees to hold Lessor harmless and defend Lessor from any claim of public liability made in connection with any construction or installation of equipment within the leased premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the premises hereinabove described.

33. 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 heirs, assignees or representatives.

34. 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.

35. NON-DISCRIMINATION: This lease shall be governed by the Laws of the State of Maryland and Montgomery County. Lessee agrees to abide by the provisions of Executive
Regulation No. 9-75 (re: Non-Discrimination in County Contracts) adopted July 7, 1977, and Chapter 27 of the Montgomery County Code 1972, as amended.

36. CONTRACT SOLICITATION: Lessee represents that Lessee 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 or leasing agencies maintained by Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

37. PUBLIC EMPLOYMENT: Lessee understands that unless authorized under Sections 2-129 or 20-36 of the Montgomery County Code 1972, 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.

38. 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	LESSOR:
THE WASHINGTON WALDORF SCHOOL, INCORPORATED 4800 Sangamore Road Bethesda, Maryland	Montgomery County, Maryland Dept. of Facilities & Services Space & Leasing Management 50 Courthouse Square Rockville, Maryland 20850

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

ATTEST:

By: W. Kevin Hughes

LESSOR:
MONTGOMERY COUNTY, MARYLAND

By: Robert K Kendal
Robert K. Kendal, Assistant
Chief Administrative Officer

Date: 7/18/83

WITNESS:

By: Gary Cannon

LESSEE:
THE WASHINGTON WALDORF SCHOOL, INCORPORATED

By: John P. Brauer - Treasurer
Title

Date: June 15, 1983

(CORPORATE SEAL)

Corporate Attestation:
I hereby certify that the above named individual is authorized to execute this instrument on behalf of the WASHINGTON WALDORF SCHOOL, INCORPORATED

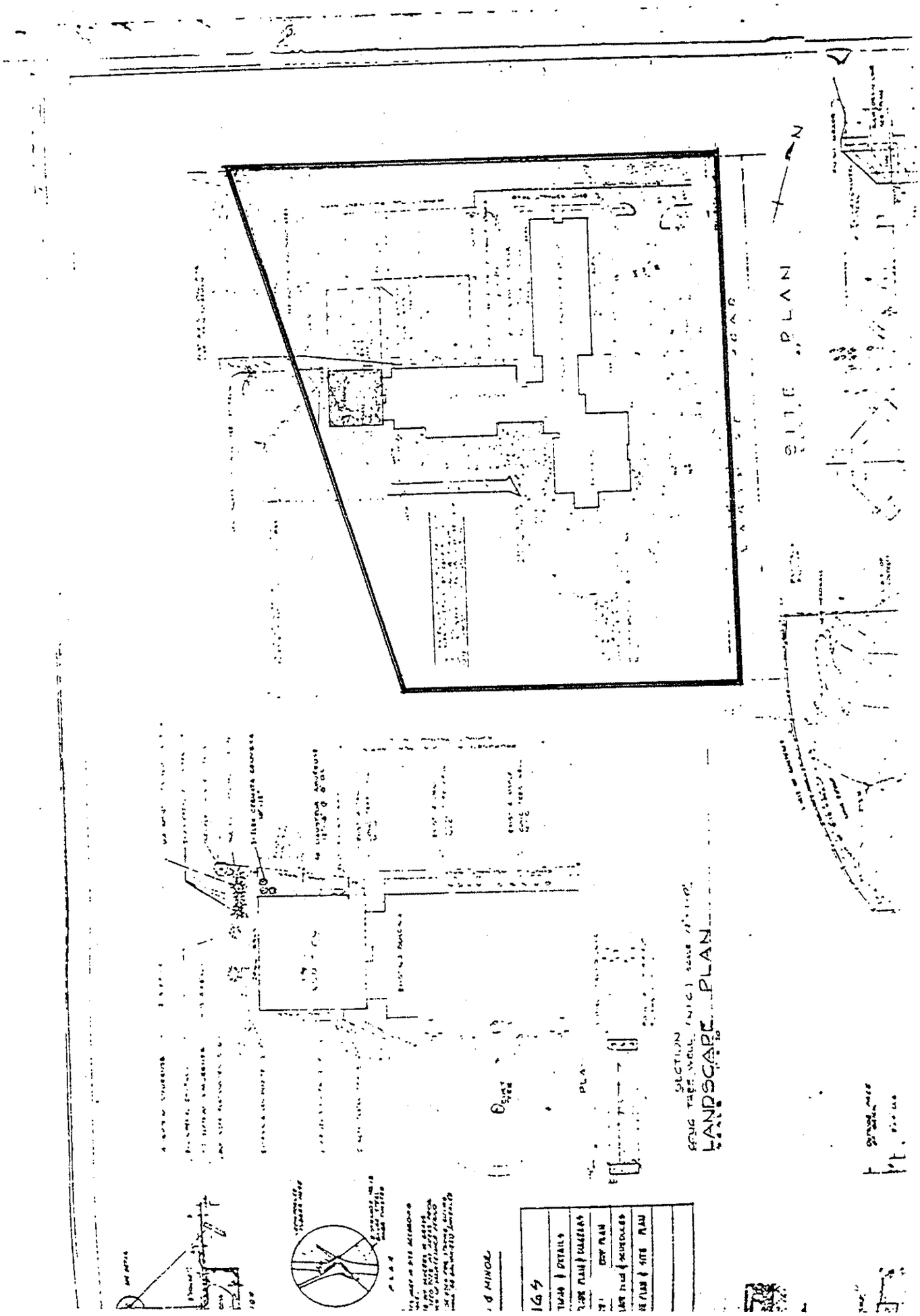
Ann S. Finucane
Corporate Secretary

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By Joyce R. Stern

Date: 7-8-83

EXHIBIT "A" - BROOKMONT ELEMENTARY SCHOOL



MONTGOMERY COUNTY, MARYLAND

AND

WASHINGTON WALDORF SCHOOL, INC.

FIRST AMENDMENT TO LEASE AGREEMENT
AND ELECTION TO RENEW

THIS AGREEMENT made and executed this _____ day of _____, 1992 by and between MONTGOMERY COUNTY, MARYLAND, a body politic and corporate, (hereinafter referred to as "Lessor"), and WASHINGTON WALDORF SCHOOL, INCORPORATED, (hereinafter referred to as "Lessee").

WITNESSETH

WHEREAS, Lessor and Lessee are parties to a Sublease Agreement dated July 18, 1983 (hereinafter referred to as the "Lease"), which is attached hereto and made a part hereof as Exhibit "A", and under which Lease the Lessee occupies the premises known as the Brookmont Elementary School, 4800 Sangamore Road, Bethesda, Maryland; and

WHEREAS, pursuant to the Lease, paragraph 3, Lessee has the right to renew the Lease for two additional consecutive five (5) year periods; and

WHEREAS, the Lease provides that in the event Lessee elects to exercise its right to renew, rental rates and provisions for any renewal shall be negotiated and agreed to by both parties at the time of renewal.

NOW THEREFORE, Lessee hereby elects to renew the Lease for the first five (5) year option period subject to new rental rates and certain amendments of the Lease agreed upon by Lessor and Lessee as follows:

I. Paragraph 6 entitled RENT in the Lease is amended as follows: During the lease year commencing on September 1, 1992, Lessee shall pay rent to the Lessor in the annual amount of EIGHTY-TWO THOUSAND EIGHT HUNDRED AND 00/100 ($82,800.00) payable in equal monthly installments in the amount of SIX THOUSAND NINE HUNDRED DOLLARS AND 00/100 ($6,900.00).

   The first monthly payment hereunder shall be due on September 1, 1992. All payments thenceforth shall be due and payable on the first day of each month thereafter during the lease term to Montgomery County Revenue Division, P. O. Box 6210, Rockville, Maryland 20850.

The remaining provisions of Paragraph 6 of the Lease as it applies to rent payments shall remain in full force and effect without any change or modification.

II. Paragraph 7 entitled CONSUMER PRICE INDEX in the Lease is amended as follows:

It is agreed between the parties that the annual rent payable by the Lessee shall be adjusted at the beginning of the second lease year (for purposes of this provision, Lease Year shall be defined as September 1 through July 31), and every lease year thereafter, as determined by the application of the following formula:

To the annual rent payable by Lessee during the previous lease year shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying said annual rent payable during the previous lease year by a fraction, the numerator of which shall be the index now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, All Items (1987=100)", for the month prior to the last month of the previous lease year and denominator of which shall be said index for the month prior to the first month of the previous lease year, and subtracting from such product the annual rent payable during the previous lease year.

The resulting new annual rent shall in no event be less than the annual rent payable during the preceding twelve months, shall not exceed the annual rent payable during the previous lease year by more than 6%, and shall be payable in twelve equal installments on the first day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such CPI, the parties hereto shall attempt to agree on an alternative formula and if agreement cannot be reached the matter shall be submitted to arbitration under the rules of the American Arbitration Society then in effect.

III. Paragraph 8 entitled USE OF THE PREMISES in the Lease is amended as follows:

The premises are to be used as an educational facility, for related educational activities and for community and Lessor's use as set forth in Article 9 hereof.

IV. Paragraph 9 entitled USE OF ALL-PURPOSE ROOM BY THE COMMUNITY, DEPARTMENT OF RECREATION AND OTHER COUNTY AGENCIES in the Lease is amended as follows:

(A) Subject to a nominal charge for utilities to be jointly determined by Lessee and the Interagency Coordinating Board, the All-Purpose Room shall remain available to the community during the term of this Lease. Lessee agrees to make the All-Purpose Room available Monday through Saturday during the daytime from 9:00 a.m. to 6:00 p.m., but only when such use will not interfere with Lessee's previously scheduled daytime activities. For the purposes of this Lease, "Lessee's activities" are defined as those programs and activities directly related to the Lessee's approved occupants. All requests to use the All-Purpose Room will be channeled directly to the Interagency Coordinating Board and placed according to the priorities indicated in the Guidelines for the Community Use of Educational Facilities and Services. Lessee understands and agrees that no rental of the All-Purpose Room is to be made except through the Interagency Coordinating Board. Lessee agrees to provide the Interagency Coordinating Board with a schedule of its activities for the All-Purpose Room on a semi-annual basis, i.e., the Fall/Winter schedule (October-March) must be submitted by September 15 and the Spring/Summer schedule (April-September) by February 1. Times not scheduled for daytime activities by the Lessee shall be presumed to be available for community use. Lessee agrees to make the All-Purpose Room available Monday through Saturday at night from 6:00 p.m. to 11:00 p.m. and all day Sunday from 9:00 a.m. to 11:00 p.m., but only when such use will not interfere with Lessee's previously scheduled activities during these times, as submitted by the Lessee in its semi-annual schedule. The above notwithstanding, the Lessee agrees to honor and allow any activities scheduled in the

All-Purpose Room through the Interagency Coordinating Board prior to the date of execution of this Lease. Any use for the Lessee deviating from its previously submitted schedule will be subject to the approval of the Interagency Coordinating Board. Lessee agrees to make the All-Purpose Room available, upon request from the Interagency Coordinating Board, to the Montgomery County Supervisor of Elections for use as a polling facility during the day, if necessary, during primary, general and special elections, irrespective of Lessee's prior scheduled activities.

V. Paragraph 12 entitled CODE MANDATED AND CAPITAL IMPROVEMENTS in the Lease is amended as follows:

CAPITAL IMPROVEMENTS:

(A) Elective Capital Improvements and Structural Alterations: Lessee shall not undertake any structural alterations, changes or improvements to the Leased premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Once Lessor's consent has been obtained, Lessee shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. Failure to adhere to any applicable ordinances or regulations shall be deemed to be a breach of this lease. The cost of any such alterations or improvements shall be borne solely by the Lessee.

(B) Non-Elective Capital Improvements: In the event that it becomes necessary for Lessee to make substantial, non-elective capital improvements to the leased premises, and should the life of such work, as determined by the IRS depreciation life span schedule, exceed the balance of the lease term, Lessor shall, subject to funds being available in the approved and adopted Operating Budget of the Department of Facilities and Services, reimburse Lessee for a percentage of the cost of said work, pro-rated to reflect the balance of the remaining life of the improvement beyond the expiration of the lease term. Said reimbursement shall be made in the form of a lump sum payment to the Lessee at the expiration of the lease term, and only upon presentation to the Lessor of documentation as to the cost of the improvements and the contractor's or manufacturer's warranty. Lessor shall not reimburse Lessee for any

non-elective capital improvements to the premises in the event Lessee vacates the premises before the end of the Lease term whether voluntarily or pursuant to legal action for breach. Non-elective capital improvements shall include replacement of the roof, boilers, HVAC system, and windows (excepting window pane replacement).

(C) Lessor's Approval and Inspection: In order to secure Lessor's approval of any structural alterations or improvements, Lessee shall submit to Lessor plans and specifications clearly setting forth the work to be performed. Lessor shall respond in writing within 45 days from receipt of plans and specifications. Lessor shall inspect the premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not reasonably satisfactory to Lessor, Lessee shall undertake any necessary corrections, at Lessee's risk and expense.

VI. Paragraph 17 entitled LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE in the Lease is amended as follows:

(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 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.

VII. Paragraph 18 entitled LETTER OF CREDIT in the Lease is amended as follows:

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.

VIII. Paragraph 24 entitled ASSIGNMENT AND SUBLEASING in the Lease is amended as follows:

(A) Lessee shall not be entitled to and shall not assign this Lease or sublease all or any part of the leased premises without the Lessor's express written consent thereto which consent shall not be unreasonably withheld.

(B) The Lessor's written consent to prospective sublessees or assignees shall be obtained in the following manner:

(i) The Lessee shall submit to Lessor copies of the proposed occupancy or sublease agreements, a description of the activities of the proposed sublessees or assignees and any other information pertinent to the proposed sublessee's or assignee's use and occupancy.

(ii) The Lessor shall respond in writing not later than thirty (30) days after receipt of the information cited in Paragraph 22(B) (i) hereinabove.

(C) The Lessor and Lessee agree that the subleasing or assigning of all or any portion of the premises by the Lessee shall have as its primary goal the recovery of reasonable operating expenses incurred by Lessee in the operation, maintenance and administration of the leased premises. The Lessee therefore agrees that any rental amounts charged to sublessees within the premises shall be limited to the sublessees prorated share of actual operating, maintenance and administrative expenses incurred by Lessee, plus an increment for actual rental paid by the Lessee to the Lessor in accordance with the provisions of Paragraph 6 hereinabove.

(D) In the event Lessor accepts and approves any assignment, sublease or transfer, Lessee shall nonetheless remain responsible for the payment of all sums and the performance of all obligations required of the Lessee.

IX. The following new provisions are added as additional conditions and covenants of the Lease:

Paragraph 39. <u>TERMINATION FOR CONVENIENCE OF MCPS</u>: This Lease Amendment and all obligations hereunder may be terminated by Lessor at any time during the Lease term upon 240 days notice in the event the Montgomery County Public Schools determines a need for this facility. Lessor and Lessee agree that Lessee shall not be required to vacate the premises during a school year (September 1 through June 30).

Paragraph 40. MARKETABILITY OF LEASE: Lessee acknowledges and agrees that the Lessor shall not approve any assignment, sublease or transfer of any right or interest in all or any portion of the leased premises if such an assignment, sublease or transfer results in any profit or financial gain to the Lessee. Pursuant to the provisions of this Paragraph 40, the Lessor may require the Lessee to provide certifiable evidence of compliance hereunder.

Paragraph 41. RESIDENT AGENT: The Resident Agent for the Lessee is _____ and its address for receipt of notice and service of process is _____
_____
_____.

Immediate notice shall be given to Lessor by Lessee of any change in the resident agent or address for receipt of notices, as provided herein.

Paragraph 42. PROHIBITION OF HAZARDOUS SUBSTANCES: The Lessee agrees to not store or bring hazardous substances onto the premises. The Lessee shall be responsible for any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the premises by the Lessee, its agents, contractors, employees or guests.

X. Lessor and Lessee agree that all terms, conditions and covenants in the Lease dated July 18, 1983, shall remain in full force and effect without any change or modifications except as otherwise indicated in this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be property executed.

WITNESS:

By: _____

LANDLORD:
MONTGOMERY COUNTY, MARYLAND

By: _____
Alastair McArthur, Deputy
Chief Administrative Officer

Date: _____

WITNESS:

By: _____

LESSEE:
THE WASHINGTON WALDORF SCHOOL, INC.

By: _____

Date: _____

RECOMMENDED BY:

By: _____
Gloria W. Kratz, Chief
Real Estate Management

Date: _____

APPROVED AS TO FORM & LEGALITY
OFFICE OF COUNTY ATTORNEY

By: _____

Date: 2/7/92

36490

Exhibit F – Insurance Requirements

[Paragraph 13.A]

LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE

A. Tenant agrees to obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of general liability and/or excess liability insurance with a minimum limit of liability of $5,000,000 (five million dollars) for bodily injury and property damage including Contractual Liability, Premises and Operations, Independent Contractors, Personal Injury and fire legal liability issued by an insurance company licensed in the State of Maryland and acceptable to the County.

B. Tenant agrees to obtain and maintain, during the full term of this Lease, 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.

C. Tenant agrees to obtain and maintain, (an All-Risks) a "Special" form Property Policy during the lease term and any renewal terms to protect the full replacement value of all contents of the leased premises and all interests of the Tenant, the County and the property of others against any loss. Any deductibles under this policy shall be funded by Tenant.

D. The General Liability, Automobile and any excess liability policies or floaters must name Montgomery County as an additional insured. Tenant must provide the County with forty-five days advance notice of material amendment or cancellation.

E. The Tenant shall, within (10) days following execution of this Lease deliver to the County a certificate(s) of insurance and copies of the policies evidencing the coverage(s) required above. The Certificate(s) must be issued to Montgomery County, Maryland, Department of General Services, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850. Tenant has the obligation to assure that the County always has a valid Certificate of Insurance and complete copies of the policies.

F. County shall have the right to self-insure. The County is a member of the Montgomery County Self-Insurance Program; Article 20-37 of the Montgomery County Code 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. These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the Local Government Tort Claims Act, 1986. This insurance must be maintained continuously by the County during the full term of this contract and during and any extension of the contract term. County and Tenant hereby waive any and all claims and rights of subrogation against the other to the extent that the loss or liability arises from a cause covered by the insurance or self-insurance to be maintained hereunder, and provided that the Parties' insurance policies (if any) permit such a waiver. The County's self-insurance shall be deemed to cover any such loss or liability to the extent commercially available policies in customary form would cover such loss or liability.

Exhibit G – Rules and Regulations

[Article 40]

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 H-1 – Traffic Management Plan

[Article 42]

WASHINGTON WALDORF SCHOOL
TRAFFIC MANAGEMENT PLAN

Washington Waldorf School (WWS) has developed and implemented the following "Traffic Management Plan" to facilitate the flow of cars in and around the school. WWS is committed to being a good neighbor in the community and to working with the local community to address any traffic related concerns that may arise.

The heaviest traffic flow to WWS occurs in the afternoon between 2:50 p.m. and 3:15 p.m. This Traffic Management Plan addresses this high volume time as well as other parking concerns. This Traffic Management Plan may be amended from time to time to accommodate any changes in traffic patterns that may occur.

Access and Circulation

1) There are a total of seventy-four (74) parking spaces in the WWS parking area. WWS is permitted to have the number of student occupants as set forth in the State of Maryland Department of Human Resources Child Care Administration License, as such License may be revised and amended from time to time. In addition to (i) the student occupancy numbers as set forth in such License, (ii) a nominal number of daily visitors, and (iii) parents who are visiting or dropping off and picking up their students, it is anticipated that, on a routine day, WWS will generate a total occupancy of teachers, other staff and vendors not to exceed sixty (60) persons.

2) When dropping children off at WWS, parents have three options: (i) drive through the central lane of the front parking lot off Sangamore Road, pulling over to the far right lane stopping in front of last two parking spaces and letting their child or children out without parking; (ii) park in the side parking lot of the school, or (iii) park in the front parking lot of the school. The drop off process does not in practice result in any congestion since the school day has a staggered start time with the 7th through 12th grades beginning at 8:15 am and the Kindergarten through 6th grades starting at 8:30 am. Several children arrive by 8 am and our doors are open even before then. The difference in start time and two drop off locations alleviates congestion during morning drop off.

3) The busiest and heaviest traffic flow occurs between 2:50 p.m. and 3:15 p.m. ("Peak Period"). During Peak Period, 4 faculty or staff members act as parking monitors and are present in the front and side parking lots. Each is positioned to help direct traffic into the lot, facilitate children's arrival at parents' cars, and safely direct them out of the lot. The parking monitors direct cars into one of three lanes in the front parking lot: the left and right lanes are for cars waiting for children, the middle lane is kept available for cars that either pull through to the side parking lot, or are exiting the school grounds once children have been picked

up. As a result of utilizing this three-lane system, the school in practice does not experience any back up at the WWS entrance on Sangamore Road.

4) WWS promotes carpooling by coordinating interested parents with other families that live in their neighborhoods.

Enforcement and Coordination

1) WWS regularly distributes information to parents in regards to drop off service, parking policies and local traffic/parking restrictions. These policies are posted in the WWS bimonthly Bulletin and appear in the Parent Handbooks.

2) The Neighborhood Liaison will be the primary point of contact for all traffic and parking related issues that arise from the local community; the Faculty Chair will be responsible for enforcing this Traffic Management Plan.

3) WWS will give advance written notice to (i) the residents of Sangamore Road, Overlea Road, and Westpath Way, (ii) the Fort Sumner Community Association, and (iii) the Glen Echo Heights Community Association, of any unusually large school events scheduled at WWS.

Parking Polices and Enforcement

1) There is no parking allowed outside the school on Sangamore Road during the school day. Teachers and families will be reminded of this in writing on a semi-annual basis.

2) Faculty and staff will be encouraged to avoid arriving during the Peak Period and will be encouraged to carpool.

3) WWS staff will make note of parents who disregard the parking policies or local ordinances.

4) WWS will request parents to report any infractions they may observe of the aforesaid policies and ordinances to the Neighborhood Liaison.

5) WWS may request parents who live in the surrounding communities to communicate with parents who are not consistently respectful of the aforesaid policies and ordinances regarding such violation.

6) WWS will appropriately sanction parents who are repeat violators.

Delivery and Service Vehicles

1) All deliveries shall be scheduled to occur outside the school's Peak Period.

2) Refuse collection shall be scheduled to occur outside the school's Peak Period.

3) Large item delivery will be directed to the back of the school.

Initial Assessment and Continued Community Cooperation

During the first 30 days of the school year, WWS will fully assess on-site peak vehicular operations in order to ensure full compliance with this Traffic Management Plan. WWS will report its assessment in a mailing to the residents who compose the Community Coordinating Group referred to in Article 41 of the lease agreement between WWS and Montgomery County, Maryland, as landlord ("Lease"). If Montgomery County, Maryland, as landlord under the Lease, determines in its reasonable judgment that it is necessary to undertake additional management and operational steps to ensure reasonably prompt compliance with this Traffic Management Plan, WWS will use reasonable efforts to undertake such additional steps.

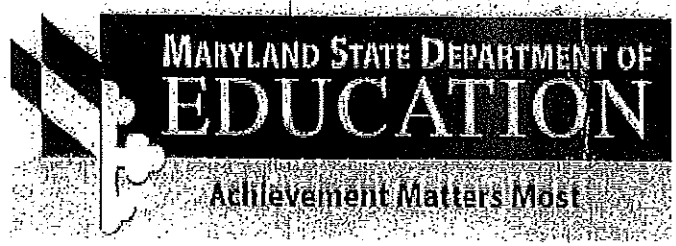
Exhibit H – 2

State of Maryland, Department of Education, Office of Child Care, Child Care Development Program License

Montgomery County, Department of Health and Human Services, Private Educational Institution License

Montgomery County Fire Code Enforcement Section, Child Care Center Licensing Permit

[Article 3]



State of Maryland - Department of Education

Office of Child Care

CHILD DEVELOPMENT PROGRAM LICENSE

Region: 5
County: MONTGOMERY
License Number: 34117
Licensed Center since: 12/06/1983
School Number:
Approved Since:

Waldorf Children's Garden and

4800 Sangamore Road, Bethesda, MD 20816

Operated by **Waldorf Children's Garden and**

The Office of Child Care issues this license pursuant to Family Law Article, Sections 5-570 through 5-585, and COMAR 13A.16.01-.19.
___ In addition, an approval is issued pursuant to Education Article, Section 2-206, Annotated Code of Maryland and COMAR 13A.16.16.

License Status	
Issued on:	07/08/2010
Revised on:	
Status:	Continuing - Full

Rooms Approved and Capacity:	
Room	Cap.
Room 110	20
Room 112	20
Room 113	20
Aud/Apr	15

Key: 1=Child Care, 2=Educational Program, 3=Accredited

Ages:	1	2	3
6 wks through 17 mos	No		No
18 mos through 23 mos	No		No
2 years	Yes	No	No
3 years	Yes	No	No
4 years	Yes	No	No
5 yrs through 15 yrs	Yes		No
16 yrs through 20 yrs	No		No

Schedule:	
Months:	January to December
Days:	Monday to Friday
Hours:	08:15 AM - 06:00 PM
Total Capacity:	75

This Child Care Center License is issued to the licensee named above on condition that the licensee agrees to comply with all applicable child care center licensing laws and regulations. Failure to comply with applicable laws and regulations may result in an enforcement action against this License, including but not limited to suspension or revocation of the License or denial of a new License. The licensee must surrender this License to the Office of Child Care upon suspension, revocation, voluntary closure, or denial of a new License. The licensee must notify the Office of Child Care of a change in ownership of the child care center prior to its effective date.

RESTRICTIONS/COMMENTS: CENTER MUST MAINTAIN THE STAFF CHILD RATIO IN COMPLIANCE WITH COMAR 13A.16.08.03 AT ALL TIMES. ROOM 114 (MATH ROOM) CAN BE USED AS AUXILLARY SPACE WITH NO MORE THAN 12 CHILDREN AT ANY TIME. NAPPING APPROVED IN ROOMS 110, 112, AND 113. CAPACITY IS 20 DURING THE SUMMER PROGRAM. *ANNIVERSARY MONTH IS JUNE*

Nancy S. Grasmick

State Superintendent of Schools

Maryland State Department of Education

OCC 276 (Revised 10/08) - *All previous editions are obsolete*

Exhibit A-2 /1

MARYLAND STATE BOARD OF EDUCATION

CERTIFICATE OF APPROVAL

No. 3074—DUPLICATE

Be it known That, pursuant to Chapter 489 of the Acts of 1947, as amended, of the Laws of the State of Maryland, approval is hereby granted to Washington Waldorf School, Inc.

to operate a nonpublic educational program: Kindergarten, Elementary School (Grades 1 through 8), and Secondary School (Grades 9 through 12)

located at 4800 Sangamore Road, Bethesda, Maryland 20816

to be known as **Washington Waldorf School**

This approval is valid unless and until declared null and void or revoked by the State Board of Education in the manner prescribed by law.

In witness whereof, for and on behalf of the State Board of Education, I have hereunto set my hand and affixed the seal of the State Board of Education, Maryland this 3rd day of March, 1990.

State Superintendent of Schools and
Secretary-Treasurer, Maryland State Board of Education

HEALTH AND HUMAN SERVICES
LICENSURE AND REGULATORY SERVICES
255 Rockville Pike, 1st Floor, Suite 100
Rockville, Maryland 20850
240-777-3986 • FAX 240-777-3088

PRIVATE EDUCATIONAL INSTITUTION LICENSE

This Certifies That

WASHINGTON WALDORF SCHOOL
4800 SANGAMORE ROAD
BETHESDA, MARYLAND 20816

is licensed to operate a Private Educational Institution at:

WASHINGTON WALDORF SCHOOL
4800 SANGAMORE ROAD
BETHESDA, MD 20816

This license is issued under the authority of Chapter 44, of the Montgomery County Code, 2004, as amended.

Conditions:.

Uma S. Ahluwalia, Director

Expiration Date: 10/15/2012 License No: 144

This license is not transferable, must be conspicuously posted on the premises, and renewed prior to the expiration date.

Exhibit H-2 / 2

Montgomery County, MD

Fire Code Enforcement Section

255 Rockville Pike, 2nd Floor
Rockville, MD 20850
240-777-2457 • Fax 240-777-2465

Mail To:

JOHN COX
SANGAMORE RD, 4800
4800 SANGAMORE RD
BETHESDA, MD 20816

The following permit has been issued:

Business Name: WASHINGTON WALDORF SCHOOL

Address: 4800 SANGAMORE RD
BETHESDA, MD 20816

Permit No: 20090317 21

Licensing Permit: 462 Child Care Center

Expiration Date: 06/30/2012

APPROVED NAPPING AREA IN ROOMS 110, 112,AND 113
APPROVED PLAY AREA IN THE MATH ROOM AND THE AUDITORIUM

It is the business's responsibility to ensure that conditions are in accordance with applicable state and local fire regulations. Please contact Fire Code Enforcement Section for more information.

Michael Lowe
Montgomery County Fire Marshal

www.montgomerycountymd.gov/firemarshal

Exhibit H-2/3

Exhibit I - Maintenance Standards

[Article 7]

EXHIBIT I

Closed Schools Grounds Maintenance Standards

Activity	Conditions	Frequency Target
Trash Removal: Empty all trash cans and pick up ground litter within 10 feet of cans and as otherwise seen.	In Season: Out of Season:	5 x week 2 x Week
Litter Removal: Pick up and disposal of all ground litter.	Year Round	1 x week
Mowing: Mow all active and passive use turf areas. (Before beginning operation, all ground litter should be removed).	Season: 3/15 – 11/30	7 – 10 Days
Trimming: Perform trimming operations around exterior amenities, buildings and areas that cannot be mowed by large equipment. (Before beginning operation all ground litter should be removed. After operation all appropriate areas should be blown clean of clippings).	Season: 3/15 – 11/30	10 Days
Landscape Maintenance: trimming, pruning and mulching, and replacement of plant material. Scouting for disease and insect damage. Tree planting. Tree removal. Pesticide application as necessary.	Year Round	Monthly
Turf Maintenance: Fertilizing, over seeding and aeration: using mechanical means, aerate, fertilize and over seed (as needed) all turf areas.	Year Round	Annually
Courts Inspection and Maintenance: to include tennis, basketball, volleyball and multi-use courts. Inspect court surface for hazards, proper lining. Inspect hardware, including nets, standards, backboards, cranks, etc. for hazards, wear and tear, vandalism and over-all functionally. Inspect fencing for hazards, wear and tear, vandalism. Make appropriate repairs or replacements as dictated by the result of the inspection.	Year Round	Semi-monthly
Playgrounds Inspection and Maintenance: Inspect playground facilities to insure compliance with Consumer Product Safety Council guidelines, to include but not limited to inspection for head entrapment potential, checking of wood or protrusion of bolts or other sharp objects, proper depth of surfacing and overall condition of equipment. Make repairs or replace as appropriate based on results of inspection.	Year Round	Monthly
Graffiti Removal: to include stripping, scraping or painting to eliminate graffiti.	Routine	Within 48 hours or report

EXHIBIT I

Exhibit J – Certificate of Good Standing

[Paragraph 15.F]

STATE OF MARYLAND
Department of Assessments and Taxation

I, PAUL B. ANDERSON OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF THE STATE OF MARYLAND, DO HEREBY CERTIFY THAT THE DEPARTMENT, BY LAWS OF THE STATE, IS THE CUSTODIAN OF THE RECORDS OF THIS STATE RELATING TO THE FORFEITURE OR SUSPENSION OF CORPORATE CHARTERS, OR THE RIGHTS OF CORPORATIONS TO TRANSACT BUSINESS IN THIS STATE AND THAT I AM THE PROPER OFFICER TO EXECUTE THIS CERTIFICATE.

I FURTHER CERTIFY THAT WASHINGTON WALDORF SCHOOL, INC., REGISTERED JULY 21, 1982, IS A CORPORATION DULY INCORPORATED AND EXISTING UNDER AND BY VIRTUE OF THE LAWS OF THE STATE OF DISTRICT OF COLUMBIA AND THE CORPORATION HAS FILED ALL ANNUAL REPORTS REQUIRED, HAS NO OUTSTANDING LATE FILING PENALTIES ON THOSE REPORTS, AND HAS A RESIDENT AGENT. THEREFORE, THE CORPORATION IS AT THE TIME OF THIS CERTIFICATE IN GOOD STANDING WITH THIS DEPARTMENT AND DULY AUTHORIZED TO EXERCISE ALL THE POWERS RECITED IN ITS CHARTER OR CERTIFICATE OF INCORPORATION, AND TO TRANSACT INTERSTATE, INTRASTATE AND FOREIGN BUSINESS IN MARYLAND.

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY SIGNATURE AND AFFIXED THE SEAL OF THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND AT BALTIMORE ON THIS APRIL 20, 2012.

Paul B. Anderson

Paul B. Anderson
Charter Division

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