LEASE AGREEMENT

between

MONTGOMERY COUNTY, MARYLAND (landlord)

and

AMERICAN FILM INSTITUTE (tenant)

Dated November 27, 2001

ADMINISTRATIVE SUPPORT REQUEST

Diane R. Schwartz Jones (Requestor's Name) Date Submitted:December 4, 2001

Turn Around Required:

___ 4 work hours - _____ (Chuck's initials of approval go here)

If you need a call to let you know who's been assigned this work, please note your phone extension here: _____

~~Two days//Maintain files~~

Date and/or time and reason for deadline goes here. This will be used to prioritize conflicting requests.

ASSIGNED TO: _____

Case/Issue:

WMS No.

DESCRIPTION OF WORK (If a case/issue is shown, please give DRSJ a copy of this form)**:**

Please send this to the print shop and have five copies made and bound. Thanks, Diane

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IF TAPE:

___ One sided ___ Two sided (DON'T REWIND)

___ Straight dictation (normal letters, memo's, pleadings)

___ Complex dictation (complicated editing; extensive legal terminology or citations; instructions, etc.)

___ More tapes on same document to come. Please explain:_____

Original and one copy to Wanda with files and/or other attachments. Copy to be given to secretary with assignment. One copy kept by attorney.

Feedback to Wanda from either requestor or secretary assigned:

_____

_____

_____

_____WORKCOV.WPD

Thank You

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LEASE AGREEMENT

BETWEEN THE AMERICAN FILM INSTITUTEAND MONTGOMERY COUNTY, MARYLAND

FOR THE SILVER THEATRE

THIS LEASE AGREEMENT (the "Lease") is entered into this 27 day of November, 2001 between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (the "County") and THE AMERICAN FILM INSTITUTE, a non-profit corporation organized under the laws of the District of Columbia ("AFI").

W I T N E S S E T H:

RECITALS

RECITAL 1. The County owns a building in Downtown Silver Spring known as the Silver Theatre. The Silver Theatre is located at 8633 Colesville Road in Silver Spring, Maryland and is more particularly described in Exhibit A. The County owns additional land that will be developed substantially as described in Exhibit A-1 (the "Annex"). A portion of the Annex is being leased to AFI as shown on Exhibit A-1. That portion, together with the Silver Theatre, comprises the demised premises. It is expressly understood that a portion of the new building being developed by the County on the additional land is a "live theater" performance space that will not be leased to AFI. This live theater area is clearly delineated on Exhibit A-1 and specifically excluded from the premises demised by this Lease. Collectively the premises demised to AFI hereby are referred to herein as the "Theatre." The Silver Theatre is an historic structure and will be encumbered by an historic easement in favor of the Maryland Historic Trust. The historic easement will apply to both the interior and exterior of the building.

RECITAL 2. The Theatre is located and included in an area designated for urban renewal by the County pursuant to its authority under Montgomery County Code 1994 as amended, Section 56-10 *et seq.*

RECITAL 3. The County has entered into a General Development Agreement dated April 20, 1998 with PFA Silver Spring, LLC ("PFA") for the redevelopment of the retail urban renewal area in accordance with the Amended Urban Renewal Plan adopted by the County.

RECITAL 4. The County has contracted with PFA to provide the design and construction of the Theatre.

RECITAL 5. The County issued a Request for Expressions of Interest for the Long-term Use of the Historic Theatre, a copy of which is attached as Exhibit B.

RECITAL 6. AFI responded to the County's Request for Expressions of Interest for the Long-term Use of the Historic Theatre. A copy of the response is attached as Exhibit C.

RECITAL 7. On April 13, 1998, the County selected AFI as its programming tenant for the Theatre based upon AFI's response to Exhibit B, and AFI, on April 16, 1998 accepted the terms of that designation as reflected in the letter agreement attached hereto as Exhibit D.

RECITAL 8. AFI was established as a non-profit, non-government corporation by the National Council on the Arts in response to a directive in the National Foundation on the Arts and Humanities Act of 1965 and is dedicated to advancing and preserving the art of film, television and other forms of the moving image. AFI's programs promote innovation and excellence through teaching, presenting, preserving and redefining this art form. AFI's creation and current purpose are more particularly described in Exhibit D-1.

RECITAL 9. AFI and the County intend that the Theatre be used to support and further implement AFI's mission to advance and preserve the art of the moving image by presenting the rich legacy of American film and world cinema in the environment in which films were originally intended to be shown and by presenting educational programs that encourage the discussion of American film as an art form. AFI intends to develop the Theatre into a major film and video exhibition center that will be recognized nationally and internationally. The parties further intend that AFI will develop a first class presentation program at the Theatre that will include classic and contemporary films, festivals, special events and other presentations and that AFI will develop related educational uses and programming at the Theatre. The educational uses and programming will be targeted to a broad audience including, but not limited to Montgomery College and Montgomery County Public Schools.

RECITAL 10. AFI and the County, with the concurrence of the Board of Education for Montgomery County and Montgomery College, are negotiating the terms of a Memorandum of Understanding to equip the Theatre with certain audio/video and film recording, production, and editing equipment to maximize the cable related cultural and educational opportunities associated with AFI's operation of the Theatre. A copy of the most recent unsigned draft of the Memorandum of Understanding is attached for background purposes only as Exhibit G, with the express understanding that the provisions of the MOU, whether signed or not, are not conditions or obligations of this Lease unless otherwise set forth herein.

RECITAL 11. The Theatre has been designed and will be renovated and constructed as part of the Redevelopment Project in accordance with the design shown on the Theatre Plans which have been reviewed and approved by AFI and which reflect the AFI corporate mission and identification.

RECITAL 12. AFI and the County desire to enter into this Lease upon the terms herein stated.

NOW THEREFORE in consideration of AFI's providing the services described in Exhibit E (the "AFI Services") and in consideration of the terms and conditions of this Lease, the County agrees to lease the Theatre to AFI and AFI agrees to lease the Theatre from the County. The terms of the lease are as follows:

DEFINITIONS:

(a) **AFI** means the American Film Institute as described in Recital 8.

(b) **AFI Services** means the services to be provided by AFI as consideration for this Lease as described in Exhibit E. Unless expressly included in Exhibit E, AFI Services does not include services described in the Memorandum of Understanding described in Recital 10.

(c) **Annual Budget Plan** means a budget based on an annual operating plan either in the form (but not necessarily with the same content) attached hereto as Exhibit F, or in some other mutually acceptable format, that projects Revenues, Expenses, Operating Fund balance and expenditures, and Net Revenues, if any, for full operation of the Theatre utilizing three (3) screens and satisfying AFI's performance of AFI Services. Further, for any Fiscal Year in which it is applicable, the Annual Budget Plan is to include the anticipated Guaranteed

Ticket Purchase for the upcoming Fiscal Year along with any funds projected to be drawn from the Escrow Fund (defined below).

(d) **Applicable Law** means any federal, state or local law, regulation, or permit applicable to the Theatre, the Redevelopment Project, or the parties to this Lease. Applicable Law includes orders of courts or administrative agencies having jurisdiction over any of the parties hereto, this Lease, the Theatre or the Redevelopment Project.

(e) **Approval and Approved**, whenever required in this Lease, means the written approval by an authorized representative of the party from whom approval is required. Unless the context indicates that "Approval" is within the sole discretion of the party from whom an Approval is sought, an approval shall not be unreasonably withheld, conditioned or delayed.

(f) **Closed Event** means any use of, or at, the Theatre that is not open to the general public through the purchase of tickets from AFI or someone selling tickets on behalf of AFI.

(g) **County** means Montgomery County, Maryland a political subdivision of the State of Maryland in its capacity as property owner and signator to this Lease. County does not mean Montgomery County in its regulatory capacity in which it exercises its police powers and in which it regulates, and/or issues licenses, permits or approvals.

(h) **Endowment Account** means an account at the Bank of America or another financial institution Approved by the County in the metropolitan Washington, D.C. area, that is specifically designated for use only at or on behalf of the Theatre, including, but not limited to, the AFI Services, and/or AFI's use, management, operation, maintenance, improvement, or repair of the Theatre. The Endowment Account shall be funded by contributions to AFI by third parties, which funds are specifically donated or intended for use at or on behalf of the Theatre as described above.

(i) **Escrow Fund** means amounts appropriated, if any, by the County Council for use from the time of commencement of Full AFI Services through the next three (3) full Fiscal Years following the fiscal year in which Full AFI Services commence; which amounts are contributed by the County to cover any negative difference between Expenses and Revenues at the Theatre and are not part of the Guaranteed Ticket Purchases. There will be no Escrow Fund if Full AFI Services commence upon or after the opening of the Wayne Avenue Garage and the Section B Anchors.

(j) **Excluded Expenses** means AFI costs and expenses that are not Expenses under this Lease for purposes of calculating Net Revenues

Excluded Expenses include, but are not limited to expenditures by AFI for:

1. any amount of County overhead associated with AFI Services, including, but not limited to any overhead associated with costs of use, operation, maintenance, programming and upkeep of the Theatre, unless such sums are actually paid by AFI;
2. any amount of AFI overhead associated with AFI Services where such services are provided at a location other than the Theatre or in Montgomery County, Maryland;
3. where employees are working only part time on the Theatre and part time elsewhere or where employees are allocated in part to AFI Services and in part to other AFI matters, that portion of their salaries and other employee cost that are not allocated to working on the Theatre or AFI Services;
4. costs paid by the County for use, operation, maintenance or programming and upkeep of the Theatre (unless such sums are actually paid by AFI);
5. where costs are incurred pursuant to a contract for services that includes facilities and locations other than the Theatre, that portion of such costs that is attributable to such other facilities and locations (except to the extent that such costs are incurred in the performance of AFI Services);
6. depreciation of capital items other than those capital items which are specifically referred to in Definition(j)10, below, which shall be depreciated according to GAAP;
7. payments to the Operating Fund (defined below);
8. deposits into and reinvestment of interest in the Endowment Account;
9. allocations to a Restricted Account; and
10. acquisition of AFI owned fixed assets acquired out of AFI's share of Net Revenues or out of a source of funds other than Revenues.

(k) **Excluded Revenues** means funds received by AFI in connection with the Theatre that are not Revenues under this Lease for purposes of calculating Net Revenues and that are maintained in an Endowment Account or maintained as a Restricted Account.

Excluded Revenues include, but are not limited to:

1. The principal from any Naming Rights Agreement or endowment made to AFI in connection with the Theatre or AFI's activities at, or arising from, the Theatre, where the endowment or proceeds from the Naming Rights Agreement are maintained in either an Endowment Account or a Restricted Account;
2. Charges, credits, compensation and income to third parties unaffiliated with AFI that engage in a Closed Event at any portion of the Theatre except to the extent of any portion of such charges, credits, compensation or income that is paid to AFI;
3. Donated capital assets;
4. Capital assets purchased by AFI out of its share of Net Revenues or from a source of funds other than Revenues; and
5. Funds from the County received under the early Guaranteed Ticket Purchase described in Article 7(b)(2) of this Lease if applied to costs that are not treated as Expenses; and Excess Guaranteed Ticket Purchase amounts as described in Article 8 of this Lease.

(l) **Expenses** means, for each Fiscal Year or portion of a Fiscal Year, the aggregate amount expended by AFI for the performance of AFI Services or in connection with the Theatre and reported on the accrual basis of accounting consistent with Generally Accepted Accounting Principles ("GAAP") for nonprofit organizations.

Expenses include, but are not limited to expenditures by AFI for:

1. use, operation, programming, maintenance, repair, management (including but not limited to accounting, legal and professional fees), and upkeep of the Theatre (including but not limited to consultant's fees);
2. purchase of capital items (subject to the provisions of Article 7(e));
3. replacement of equipment;
4. cost of goods sold related to the sale of food, drink, or merchandise at or from the Theatre or related to programming of the Theatre (whether at the Theatre or elsewhere);

5. salaries and other employee costs of personnel of AFI who's work is allocated on a regularly scheduled full or part-time basis to AFI Services shall to the extent of such allocation be considered Expenses;
6. payment of taxes, assessments and other similar charges; and
7. costs of items paid for out of the Operating Fund and the costs of other improvements or other expenditures at or on behalf of the Theatre or spent in fulfillment of the AFI Services paid for out of an Endowment Account, a Restricted Account, or out of the proceeds of any Naming Rights Agreement.
8. payments to the County for sharing of Net Revenues described in Article 7 (d) by AFI for amounts previously contributed from the Escrow Fund.

(m) **Fiscal Year** means the one-year period beginning July 1 of the applicable year through the next succeeding twelve (12) months expiring on June 30.

(n) **Full AFI Services** means the provision of AFI Services on a full-time basis such that there is year round programming and full-time operations at the Theatre.

(o) **Guaranteed Ticket Purchase** has the meaning given in Article 7.

(p) **Lease Commencement Date** means the date, following issuance of a Certificate of Use and Occupancy for the Theatre, on which the County delivers to AFI possession of the Theatre substantially completed (excepting only "punch list items"), as set forth in Article 3, below, in accordance with the Theatre Plans (defined below) such that AFI can commence providing AFI Services.

(q) **Mobile Production Unit** means a vehicle that houses television and radio or other media transmission, recording and production equipment relating to live broadcasts or other transmissions or recordings of events or activities taking place at or in connection with the Theatre.

(r) **Naming Rights Agreement** means an agreement between AFI and a person or entity that donates to AFI, or purchases from AFI: (1) the privilege of having any portion of the Theatre structure bear the name of a person or entity designated by the donor or purchaser (which designation will require the prior Approval of the County); or (2) have the furniture, fixtures or equipment at the Theatre bear the name of a person or entity designated by the donor or purchaser (which designation will not require the Approval of the County); and/or (3) the

privilege of having any festival, program, activity or event involving, occurring at, or arising from the Theatre bear the name of a person or entity designated by the donor or purchaser (which designation will not require the Approval of the County). The parties acknowledge that there may be multiple requests and agreements for such naming rights.

(s) **Net Revenues** means the Revenues remaining after deducting Expenses from the Revenues. Net Revenues are to be calculated on an "accrual basis" according to GAAP.

(t) **Invitation Only Event** means an event that is by invitation only, at, or in connection with, the Theatre and to which AFI controls admission.

(u) **Notice** means any notice that is required to be given to or by either party to this Lease. Notices must be in writing from a person authorized to give the notice and must be given in accordance with the requirements of this Lease.

(v) **Operating Fund** means an account maintained by AFI for the benefit of the Theatre in accordance with Article 8 of this Lease. The Operating Fund will be maintained at the Bank of America or another financial institution that is Approved by the County and that is located within the Metropolitan Washington D.C. area.

(w) **Original Program** means a new Program or Invitation Only Event which is produced at (or directly in connection with) the Theatre, and takes place or is originally released at the Theatre or elsewhere in Montgomery County. Original Programs specifically exclude all Programs or Invitation Only Events that are created and initially produced or displayed by AFI or others elsewhere and are merely exhibited, reproduced or simultaneously broadcast in whole or in part at or in connection with the Theatre.

(x) **PFA** means PFA Silver Spring, LLC, the designated developer of the Redevelopment Project, or any of its affiliates, or such other entity designated by the County as the developer of the Redevelopment Project if for some reason, PFA Silver Spring, LLC no longer holds such designation from the County.

(y) **Preliminary Annual Budget Plan** means a draft of the Annual Budget Plan. Program means any public or private event, program, festival, seminar or other use of the Theatre, occurring at, or in connection with the Theatre.

(z) **Public Program or Public Programming** means any use of, or at, the Theatre that is open to the general public in whole or in part through the purchase or provision of tickets from AFI or someone selling or providing tickets on behalf of AFI.

(aa) **Redevelopment Project** means the redevelopment of the retail portion of the Silver Spring Urban Renewal Area, pursuant to a certain General Development Agreement dated April 20, 1998 between PFA and the County as that agreement may be amended from time to time, or any future project for the development of the retail portion of the Silver Spring Urban Renewal Area pursuant to an agreement between the County and a third party developer.

(bb) **Restricted Account** means money received by AFI in connection with the Theatre that is reserved for specific Theatre related purposes or programming and that is maintained on AFI's books as a "restricted account."

(cc) **Revenues** means, for each Fiscal Year or portion of a Fiscal Year, the aggregate gross dollar amount received by AFI for the Theatre's account and reported on the accrual basis of accounting consistent with GAAP for nonprofit organizations.

Revenues include, but are not limited to:

(1) One hundred percent (100%) of the price, fees, rents or other amounts charged for:

(i) all services, tickets (including Guaranteed Ticket Purchases and Escrow Fund Contributions by the County, but not early Guaranteed Ticket Purchases described in Article 7(b)(2) of this Lease if applied to costs that are not treated as Expenses, or Excess Guaranteed Ticket Purchase amounts as described in Article 8 of this Lease), or Programs at or in connection with the Theatre (except where such price, fees, rents or other amounts are considered Excluded Revenues);

(ii) licensing, concession or other fees for use of any portion of the Theatre by third parties;

(iii) paid advertising in connection with Programs or use of the Theatre;

(iv) goods, wares, or merchandise;

(v) beverages and food sold, at, in, on or from the Theatre by AFI; or

(vi) amounts retained by AFI as its share of the proceeds from any other person or entity occupying or using any portion of the Theatre;

(2) One hundred percent (100%) of funds withdrawn from Endowment Accounts or transferred out of Restricted Accounts or from the Operating Fund shall be considered Revenues in the year in which they are withdrawn from such accounts (which withdrawal shall be made only for purposes permitted hereunder or otherwise Approved by the County) at which time the costs and expenses paid therewith shall be eligible to be considered Expenses for the purpose of calculating Net Revenues hereunder.

(3) One hundred percent (100 %) of the price, fees, rents or other amounts charged for all services, activities or other operations which are directly related to the Theatre and its activities which are sold or rendered at, in, on or from the Theater by AFI or that are retained by AFI as its share of the proceeds from any other person or entity occupying or using any portion of the Theatre;

(4) One hundred percent (100%) of the interest and investment income that is not reinvested in an Endowment Account;

(5) Money given by third parties to support the costs of any Program scheduled at or in connection with the Theatre unless such sums are placed in a Restricted Account or an Endowment Account in which case they shall not become Revenues until released therefrom for the benefit of the Theatre; and

(6) Fifty percent (50%) of income, royalties, receipts or other amounts earned net of related expenses by AFI as its share of the proceeds from the off-site sale, rent or distribution of any product or merchandise created in association with an Original Program held at, or in connection with, the Theatre.

(7) One hundred percent (100%) of any amount contributed to AFI by the County from the Escrow Fund in a given Fiscal Year.

To the extent actually received and retained (prior to deduction of Expenses) by AFI, Revenues includes any charge, credit, compensation, interest and income of any kind pursuant to Sub-articles 1 through 7 above, including but not limited to cash and payment of checks, drafts, vouchers, notes and instruments.

(dd) **Self Sustaining Operation(s)** means, for any Fiscal Year, the operation of the Theatre so that at the end of the Fiscal Year Revenues at least equal the sum of: (1) Expenses for that Fiscal Year; plus (2) any accumulated contributions of the County to AFI from the Escrow Fund for shortfalls in prior Fiscal Years; plus (3) any reserves in the Operating Fund reasonably agreed by the parties to be required to achieve Self Sustaining Operations in future Fiscal Years.

(ee) [Intentionally Omitted. Definition relocated.]

(ff) **Theatre Account** means the account(s) set up and maintained by AFI for the deposit of Revenues and payment of Expenses in the normal course of business, and for other day-to-day operations of the Theatre and the performance of AFI Services. Revenues received shall be deposited into the Theatre Account unless otherwise specifically set forth herein. Payments required to be made by AFI shall be made from the Theatre Account unless otherwise specifically set forth herein. Theatre Accounts will be maintained at the Bank of America and/or other financial institutions Approved by the County that are located within the Metropolitan Washington D.C. area.

(gg) **Theatre** means the renovated Silver Theatre hereby leased by AFI and located at 8633 Colesville Road and the two new theatres, new gallery and concession areas, café and retail space, and third floor offices to be constructed adjacent thereto, which are respectively described in Exhibits A and A-1, and as more particularly described in the Theatre Plans.

(hh) **Theatre Plans** means the detailed construction drawings and specifications prepared by Gensler and Associates listed on Exhibit H attached hereto, which have been approved by AFI and the County (even if not actually physically attached, and any amendments thereto that have been Approved by the County and AFI. A complete set of the documents tbat constitute the documents listed in Exhibit H shall be maintained at the Montgomery County Department of Public Works and Transportation, Division of Facilities and Services and at the Theatre when it is completed.

(ii) **Wayne Avenue Garage** means the garage described in PDF 508908 to be constructed along Wayne Avenue.

1. INCORPORATION OF RECITALSAND DEFINITIONS:

The recitals and definitions are incorporated into this Lease.

2. THEATRE AND EQUIPMENT

The County leases to AFI and AFI leases from the County the Theatre described in Exhibits A and A-1. The Theatre will be designed to feature the AFI logo and will include the rehabilitated Silver Theatre with a revised seating capacity of approximately 400-seats, a second theatre of approximately 200 seats, a screening room of approximately 75 seats, state of the art audio/visual equipment for such facilities, offices, a conference room/library, and concession and retail spaces, all as more particularly described in the Theatre Plans. With the Theatre, the County leases to AFI and AFI leases from the County the furniture, fixtures and equipment described in Exhibit N for the same term and upon the same conditions as the Theatre. The lease of the items in Exhibit N is contingent upon the continuation of AFI's rights under this Lease.

3. TERM

Unless earlier terminated due to default of this Lease by AFI or the exercise by either party of the below described early termination rights, the initial term of this Lease is ten (10) years commencing on the Lease Commencement Date. The County and AFI agree that they will execute a letter setting forth the Lease Commencement Date within sixty (60) days after delivery of the substantially completed Theatre to AFI. As used in this Lease, the Theatre shall be deemed "substantially completed" only after a Certificate of Occupancy has been issued for the Theatre and then upon the earlier to occur of 1) the parties agreeing that the Theatre has been completed substantially in accordance with the Theatre Plans except for any outstanding "punch list" items, or, 2) when the architect for the Theatre delivers to the County a written statement that the Theatre has been completed substantially in accordance with the Theatre Plans and that any outstanding "punch list" items will not materially adversely interfere with AFI's use or operation of the Theatre. The County will provide AFI with a copy of the architect's certificate. The County will use commercially reasonable efforts to cause the completion of outstanding "punch list" items without unreasonably interfering with AFI's use of the Theatre and at the earliest reasonable and practical date following substantial completion of the Theatre. The Lease Commencement Date must occur no later than April 30, 2004, unless the parties have Approved an extension of that date. If the Lease Commencement Date has not occurred or been extended by April 30, 2004, the rights, duties and obligations of the parties set forth in this Lease will

terminate and be of no further force and effect except with respect to those obligations, if any, which by the terms hereof specifically survive such termination. Unless extended pursuant to the provisions of Article 4 hereof, the term will expire at midnight on the tenth anniversary of the Lease Commencement Date.

4. RENEWALS

Provided that the early termination rights described in Article 5 have not been exercised, upon conclusion of the initial lease term cited in Article 3 or any extension pursuant to this Article 4, this Lease shall be automatically renewed upon the same provisions and conditions, except as stated herein, or as then in effect through amendment to the Lease, for up to nine (9) additional, consecutive ten (10) year terms. The parties may agree by amendment to this Lease to additional renewal periods in addition to those provided for in the preceding provisions of this Article.

5. EARLY TERMINATION

If this Lease and the respective commitments herein created become a financial burden that either party no longer wishes to support, either the County or AFI may terminate this Lease for that specific reason upon not less than one (1) year's advance written Notice to the other party. The Notice must specifically describe the out-of-pocket financial burden that the terminating party no longer wishes to support. The non-terminating party shall have one hundred and eighty (180) days following receipt of such Notice to elect in writing to assume the financial burden to the extent described in the Notice of the terminating party. If the non-terminating party elects to assume such burden, the Lease will not be terminated.

6. CONSIDERATION

In consideration of AFI providing the AFI Services to reasonable standards of excellence for non-profit film exhibition and public programming, the County leases to AFI at no monetary rental the Theatre and the furniture, fixtures and equipment listed in Exhibit N. The parties agree that rent is being provided by AFI by performance of the AFI Services which are supported by AFI's expertise, and the good will of the AFI name and brand, and "in kind" payment is being made for the AFI Services by the County's construction of the Theatre, this Lease of the Theatre along with the furniture, fixtures and equipment, and the maintenance services to be provided by the County as set forth in Exhibit M. As further consideration for this Lease, AFI agrees to provide the County with six (6) complementary (no charge) tickets to all Invitation Only Events,

provided AFI may reissue any such complementary tickets which are not claimed (picked up or requested to be held in "will call" for pickup) by the County Executive's office within twenty-four (24) hours of such Program. Any tickets sold to the County for a Public Program shall be at the lowest price (whether for members, students, seniors or otherwise) charged by AFI (or on AFI's behalf) for tickets for such Public Program for the date and time of the Public Program. The mutual terms and conditions of this Lease are further consideration by each party to enter into this Lease. The parties agree that the consideration recited herein is sufficient.

7. THEATRE REVENUES, COUNTY PURCHASE OF TICKETS AND ANNUAL BUSINESS PLAN

(a) Revenues: AFI must develop programs and provide the AFI Services and shall use reasonable efforts to operate the Theatre in a manner that is consistent with AFI's purpose and that is reasonably intended by AFI to ultimately generate sufficient Revenues to achieve and maintain Self Sustaining Operations at the Theatre. AFI makes no representations or warranties that Self Sustaining Operations will ever be achieved or, if achieved, maintained during the term (or any renewals) of this Lease. Failure to achieve Self Sustaining Operations will not be a default by AFI unless it is due to a failure to provide AFI Services. Nothing herein is intended to compromise AFI in its programming or pursuit of its chartered purposes.

(b) Guaranteed Ticket Purchase.

(1) County Purchase of Tickets. AFI does not project Self Sustaining Operations during the initial term of the Lease. If at any time Self Sustaining Operations are not achieved by AFI at the Theatre, the County agrees as an audience building tool to request one or more appropriations from the Montgomery County Council in an amount estimated in the aggregate to be approximately Seven Hundred Thousand Dollars ($700,000.00) to purchase tickets (the "Guaranteed Ticket Purchase") at a discounted price as provided below for programs at the Theatre. Nothing herein shall be construed to limit AFI's right to reasonably request, or the County's ability to appropriate, more than an aggregate amount of Seven Hundred Thousand Dollars ($700,000.00) for such purposes if, in the County's sole discretion (which it may exercise without limitation), it determines that it wants to provide such additional financial support

to the Theatre. Amounts appropriated pursuant to this provision shall be paid to AFI to help offset Expenses. AFI agrees that in exchange for the Guaranteed Ticket Purchase, it shall provide to the County tickets to Public Programs selected by the County up to the value equal to any Guaranteed Ticket Purchase actually provided by the County. AFI shall make tickets available as described below.

(2) County Start-Up Contributions: To further achieve the mutual purposes of the parties, following execution of this Lease, and only as necessary to enable operations to commence on or about the Lease Commencement Date, the County may contribute start-up funds to AFI in the form of early Guaranteed Ticket Purchases. The amount spent by the County for such purposes shall be deducted from the total amount of Seven Hundred Thousand Dollars ($700,000.00) to be programmed for the Guaranteed Ticket Purchase. At the discretion of the County, such sums may be provided to AFI prior to the Lease Commencement Date.

(3) Guaranteed Tickets and Carryover: AFI guarantees that at least five percent (5%) of the tickets for any Public Program performance shall be made available to the County to the extent that there is an outstanding balance of Guaranteed Ticket Purchase actually provided by the County. The County is not obligated to actually claim such tickets in any given Fiscal Year and to the extent that there is a positive balance of Guaranteed Ticket Purchase actually paid by the County, the County may carry such amount forward for use in succeeding Fiscal Years until it has obtained a quantity of tickets at the discounted price equivalent in value to the Guaranteed Ticket Purchase actually paid by the County. The six (6) complementary tickets described in Article 6 above are not part of the Guaranteed Ticket Purchase described in this Article. AFI reserves the right to dispose of all other tickets for any Public Program performance as well as the right to dispose of any portion of the five percent (5%) of tickets for a Public Program performance that are not purchased by the County under the Guaranteed Ticket Purchase.

(4) Exercise of Guaranteed Ticket Purchase: The parties may agree on any method of implementing the Guaranteed Ticket Purchase to meet their mutual objectives.

(c) Preliminary Annual Budget Plan and Annual Budget Plan. By December 1st of each year for the following Fiscal Year, AFI must provide the County with its Preliminary Annual Budget Plan and supporting documentation, including but not limited to an annual operating plan, and its most recently completed financial statement that includes Endowment Account and Restricted Account balances. AFI shall provide the County with such other supporting documentation as the County may reasonably request. AFI must provide the County with its Annual Budget Plan by February 1st of each year.

(d) Sharing of Net Revenues. The parties acknowledge that the Theatre is being constructed and the AFI Services are to be provided as a not-for-profit enterprise, however, in any Fiscal Year in which there are Net Revenues, AFI and the County agree that Net Revenues shall be distributed first to maintain any required or agreed upon balance in the Operating Fund, second to pay any previous contributions from the Escrow Fund, and then any remaining Net Revenues shall be shared equally by the County and AFI. It is specifically understood and agreed that no Net Revenues are anticipated, required, or promised hereunder. If this Agreement is terminated , then the County's distribution rights under this Article shall terminate after any required payment to the County as set forth in Article 13 (d) (2).

(e) Purchase of Furniture, Fixtures and Equipment. Any furniture, fixtures, equipment, or other capital assets that are purchased out of Revenues or the Operating Fund shall be the property of, and titled to, the County. The County agrees that any such furniture, fixtures or equipment, or other capital assets, shall be available to AFI for use at the Theatre or for the provision of AFI Services in accordance with the terms of this Lease. If AFI purchases furniture, fixtures or equipment or makes other capital expenditures out of its share of Net Revenues, the parties agree that any such furniture, fixtures, equipment, or capital assets shall be the property of, and titled to, AFI and may be removed from the Theatre by AFI (provided such removal is done in accordance with

the requirements of Article 24). Donated property shall be titled as designated by the donor.

8. OPERATING FUND

The parties agree that AFI will establish the Operating Fund, which shall be funded from Net Revenues, if any, prior to any sharing of Net Revenues between the parties as set forth in Article "7 (d)," above. For any Fiscal Year in which Self Sustaining Operations are achieved, Excess Guaranteed Ticket Purchase amounts (as described below), if any, will be deposited in the Operating Fund. The Operating Fund shall be established and maintained to pay for: (a) necessary capital repairs to the Theatre and replacements of furniture, fixtures and equipment necessary to provide the AFI Services; (b) maintenance of the Theatre beyond that budgeted for a given Fiscal Year by the County or AFI and (c) ongoing development of Public Programs and other AFI Services at the Theatre. The Operating Fund shall be maintained by AFI in a separate, interest-bearing account at the Bank of America or another financial institution that is Approved by the County and that is located within the Metropolitan Washington D.C. area. For any Fiscal Year in which the County has made payments under the Guaranteed Ticket Purchase and Self Sustaining Operations are achieved without use of all or a portion of the money paid under the Guaranteed Ticket Purchase for that Fiscal Year (such amount being the "Excess Guaranteed Ticket Purchase"), a payment shall be made into the Operating Fund in an amount at least equal to the Excess Guaranteed Ticket Purchase. Disbursements shall be made from the Operating Fund in amounts and for purposes Approved by the parties. If any sums remain in the Operating Fund upon the termination of the Lease and there are no programmed or anticipated capital repairs to the Theatre, the Operating Fund shall be distributed as follows: first, to pay expenses related to the Theatre and the termination of AFI's tenancy, second, to reimburse the County any outstanding amounts paid from the Escrow Fund and to reimburse Excess Guaranteed Ticket Purchase amounts deposited in the Operating Fund; and third, in equal amounts to the County and AFI.

9. RECORDS AND REPORTING:

(a) Books and Records. AFI shall maintain and keep, or shall cause to be maintained and kept, in accordance with GAAP full and accurate books and records at the Theatre, at AFI's corporate headquarters in Los Angeles, or at such other location as

shall be Approved by the County, of all Expenses, Revenues, Excluded Expenses and Excluded Revenues, the Theatre Account, the Operating Fund, Endowment Accounts and Restricted Accounts related to the Theatre and of all business conducted or transacted in, upon, from, or relating to the Theatre (the "Books and Records"). AFI shall make available to the County upon reasonable request the Books and Records. AFI shall retain and maintain the Books and Records for no less than five (5) years after the end of the Fiscal Year for which they account. At the County's option and expense it may have an audit prepared of the Books and Records described above and AFI shall make the Books and Records available for that purpose.

(b) Annual Financial Statements. AFI shall provide the County with a copy of AFI's annual financial statements relating to the Theatre, Revenues, Expenses, Excluded Revenues, Excluded Expenses, accumulated amounts contributed from the Escrow Fund, Endowment Accounts and Restricted Accounts maintained in connection with the Theatre, Naming Rights Agreements and the Operating Fund. The annual financial statements must be prepared in accordance with GAAP and shall be audited by AFI's certified public accountants. In the event that the County wishes to have an additional audit performed by an accounting firm Approved by the County, it may do so at the County's expense. The financial statements are to be prepared at AFI's expense and provided to the County within one hundred and eighty (180) days after the end of the Fiscal Year.

10. USE OF THE THEATRE

It is understood and agreed between the parties that the use of the Theatre is for provision of the AFI Services by AFI. AFI agrees to use, occupy and continuously operate the Theatre solely for the purposes set forth in this Article of the Lease and in accordance with Applicable Law including, but not limited to, the certificate of occupancy. The use of the Theatre is limited to the following only:

(a) The exhibition, transmission, production, and distribution of film, video, digital pictures (moving and still), and all other forms of projected, displayed, and/or transmitted images with or without sound, whether by means now known or hereafter devised;

(b) Other activities and purposes specifically related to the goal and mission of AFI to advance and preserve the art of the moving image, including but not limited to creating, sponsoring and/or hosting educational programs, seminars, technical training, film festivals, public and private events, performances, lectures and conferences;

(c) Any and all other reasonable purposes ancillary thereto including but not limited to the establishment of office space, creation and maintenance of lobby exhibits and displays, the operation of concession stands and a café, all as depicted on the Theatre Plans, retail sales and/or rentals, and the operation and maintenance of film and video production and editing facilities, provided that any such use does not interfere with the provision of AFI Services and does not substantially reduce any of the seating for the three (3) screens located in the Theatre. Such uses must be in support of AFI's providing of the AFI Services;

(d) Retails sales permitted (but not required) in sub-article (c) above shall only include the sale of merchandise relating to AFI's mission and the AFI Services as described in Exhibits D-1 and E, including but not limited to, the sale of motion picture memorabilia, apparel and promotional merchandise, the sale of books related to film, video, the Internet or moving images, and the sale and/or rental of prerecorded audio and/or video products, audio and/or video software, CD Interactive and CD ROM Systems, and entertainment and other software, the possible sale and rental of video equipment, and the sale and/or rental of related accessories, including accessories used for demonstration, display, and training, the sale and/or rental of electronic equipment, and the sale, rental and/or use of any substitutes for, or items which are a technological evolution of any of the items contained in this Article, as well as sales related to a Closed Event (but only during the Closed Event), and the sale of merchandise from sponsors of Programs (but only during the Program event) and merchandise related to Programs (nothing herein gives AFI the right to sell any property belonging to the County);

(e) For fundraising activities related to the AFI Services, the Theatre and, provided that rent or use fees are paid to AFI at the rate AFI charges other non-profit organizations to use the Theatre, fundraising activities of AFI for any other location or purpose; and

(f) Licensing of the Theatre, or portions thereof for a Closed Event for income generating purposes associated with AFI's use, occupancy and operation of the Theatre and the provision of AFI Services.

11. INDEMNIFICATION FOR ARTISTIC CONTENT

The County hereby acknowledges and agrees that it will have no approval rights with respect to the artistic content of the use of the Theatre. AFI shall be solely responsible for, and shall indemnify and hold the County harmless from and against any and all claims, liabilities, demands, suits, cause or causes of actions, judgments, obligations, fines, penalties, costs and expenses and reasonable attorneys' fees suffered or incurred by the County and/or arising out of, or in any way connected to any claims, suits or proceedings brought against the County based on the artistic content of the use of the Theatre by AFI or anyone permitted by AFI to use the Theatre. This indemnification does not apply to any use of the Theatre by the County pursuant to Article 22 below.

12. NAMING RIGHTS

AFI shall have the right to enter into one or more Naming Rights Agreements to name furniture, fixtures, equipment, rooms, walls and other elements comprising the Theatre, and any compensation to be paid therefor shall belong to AFI and be considered Revenue to the extent described in this Lease. Names given to such elements shall last so long as AFI shall be in possession of the Theatre. The County has the right to Approve (which approval may be exercised in its sole discretion) of the naming of any room, theater(s), or any other portion of the buildings that comprise the Theatre.

13. PARKING AND OBLIGATION TO COMMENCE AFI SERVICES

(a) AFI understands that the Theatre is located in the Silver Spring Parking Lot District and that no on-site parking will be provided pursuant to this Lease. The Theatre will, once the garages are built, be located near two public parking garages currently known as the Town Square Garage and the Wayne Avenue Garage. Parking will be available to visitors to the Theatre to the same extent and upon the same terms and conditions as to the general public.

(b) AFI shall, commencing on a date to be mutually determined, subject to Reasonable Business and Community Considerations (defined below), but in no event later than the

last to occur of : 1) the opening of the Anchors (the primarily first-run movie theater complex and bookstore in the Redevelopment Project) and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre, commence Full AFI Services (the date of which shall be the "Date of Commencement of Full AFI Services"). AFI will perform AFI Services at the Theatre between the Lease Commencement Date and the Date of Commencement of Full AFI Services at the fullest level that is practical considering Reasonable Business and Community Considerations. For purposes of this Lease, the parties agree that "Reasonable Business and Community Considerations" shall take into account the County's investment in the Theatre, and the furniture, fixtures and equipment in reliance upon AFI's agreement to enter into this Lease and provide AFI Services and the reasonable business considerations of AFI, along with the best interests of the surrounding community. The parties understand and agree that following the Lease Commencement Date, the parties will mutually agree on a date for the commencement of Full AFI Services. The date for commencement of Full AFI Services will in no event be later than the later to occur of 1) the opening of the Anchors and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre.

(c) The parties agree that if the Date of Commencement of Full AFI Services occurs prior to completion and opening of the first to occur of the Wayne Avenue Garage, the parties shall work together to come up with a means of making parking accessible to patrons of the Theatre. By way of example only, such means may include valet parking service, a parking shuttle, procurement of private parking from nearby businesses during evening hours, or any combination of the above.

(d) The parties have agreed that the Date of Commencement of Full AFI Services may occur before the opening of the Anchors and the Wayne Avenue Garage (the "Interim Period"). The parties agree that to support the Full AFI Services during the Interim Period:

(1) The County will, subject to appropriation by the County Council, make available to AFI One Hundred Thousand Dollars ($100,000.00) of the Guaranteed Ticket Purchase in Fiscal Year 2002. Further, and subject to appropriations by the County Council, the County will make available in

the first thirty (30) months of operations, if requested, the remaining Six Hundred Thousand Dollars ($600,000.00), or any portion thereof, of the Guaranteed Ticket Purchase to support the provision of Full AFI Services; and

(2) The County Executive will request that the County Council approve an amount to comprise the Escrow Fund to cover any negative difference between Expenses and Revenues at the Theatre for three (3) full Fiscal Years after the Date of Commencement of Full AFI Services. If the County Council appropriates money for the Escrow Fund, any moneys paid to AFI from the Escrow Fund shall be treated as non-recourse, no interest contributions to AFI for Expenses associated with Full AFI Services. Monies contributed to AFI by the County out of the Escrow Fund shall have a priority right in accordance with Article 7 (d), "Sharing of Net Revenues." In no event other than fraud shall AFI be held responsible or liable for the repayment of any monies the County contributes from the Escrow Fund from any source other than its portion of Net Revenues. If insufficient Net Revenues have been received at the time of Lease termination to pay amounts previously contributed to AFI from the Escrow Fund, the balance of any such funds shall be paid from the AFI Silver Operating Fund, to the extent they exist, then the County's distribution rights under Article 7 (d) "Sharing of Net Revenues" and AFI's obligation to the County shall terminate.

(3) If the County Council does not appropriate money for the Escrow Fund, AFI may delay providing Full AFI Services until the later to occur of 1) the opening of the Anchors and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre. Under such circumstances, AFI shall provide AFI Services at the fullest level that is practical considering Reasonable Business and Community Considerations.

14. USE OF LOADING DOCK AND MOBILE PRODUCTION UNIT PARKING:

(a) Loading Dock and Alley. AFI may use the alley easement and loading dock area shown on Exhibit I to accept and unload deliveries. These areas are not part of the Theatre and are not part of the leased premises. AFI understands that the dock serves other space in the vicinity of the Theatre and agrees to abide by reasonable rules, of which it receives notice, relating to use of the alley and the loading dock, as such rules may be established and amended from time to time. AFI further agrees to coordinate its use of the loading dock with the Round House Theater and to cooperate with other users of the alley pursuant to a certain Reciprocal Easement Agreement, a copy of which is attached hereto as Exhibit J, so that there is no unreasonable interference with the use of the alley by others. AFI shall abide by the terms of the Reciprocal Easement Agreement.

(b) Mobile Production Unit Parking. AFI has expressed the need to have, from time to time, a Mobile Production Unit for the transmission of programs or events occurring at, or arising from its use of, the Theatre. Parking for the Mobile Production Unit will be provided at the Mobile Production Unit Easement shown on Exhibit K, a copy of which is attached hereto. AFI agrees to provide the County and PFA with as much advance Notice of use of the Mobile Production Unit Easement as possible and to coordinate use of the Mobile Production Unit in a way that minimizes interference with surrounding activities. AFI must not use the Mobile Production Unit Easement for long-term storage of a Mobile Production Unit. Therefore, if a Mobile Production Unit is located on the easement area and is not used for thirty (30) consecutive days, AFI must relocate the Mobile Production Unit until it is to be used again for an event or program arising out of its activities at the Theatre. Such required removal is without prejudice to the right of AFI to continue to use the Mobile Production Unit Easement at other times for transmission or broadcast of any program or event arising out of AFI's activities at the Theatre. AFI agrees that it will locate any Mobile Production Unit on the Mobile Production Unit Easement in a manner that leaves a minimum of twelve (12) feet of vehicular passage area between the unit and the opposing sidewalk.

15. CONTROLLED ACCESS AND SHARED FACILITIES:

(a) Theatre. AFI acknowledges that the County does not provide personnel for controlling access to the Theatre or any other security services. AFI will contact County Police or fire and rescue as appropriate in emergency situations and when security is required, AFI will make its own arrangements for whatever security it desires (if any) that is beyond the alarm system being constructed as part of the Theatre pursuant to the Theatre Plans.

(b) Keys. The County, on the Lease Commencement Date will provide AFI with keys to the Theatre. The County will retain its own set(s) of keys, but will not enter the Theatre without notifying AFI. AFI will not change the locks to the Theatre without advance Notice to the County and without providing the County with a duplicate set of all such keys.

(c) Shared facilities. AFI acknowledges that the Theatre when completed will include that easement area in the basement of the historic Silver Theatre only, as shown on Exhibit L, attached hereto and incorporated herein, that will house facilities and equipment serving the Round House Theater and its offices. AFI agrees to provide access to the easement areas on Exhibit L to the Roundhouse Theater representatives and contractors at all reasonable times in a manner that does not unreasonably interfere with an AFI program at the Theatre. AFI further agrees that if AFI is unavailable to coordinate the access to the shared facilities for any reason, the County may coordinate and provide the access to or on behalf of the Roundhouse Theater, provided that the County does not allow non-authorized individuals unsupervised access to any other areas of the Theatre.

16. OPERATING RESTRICTIONS.

Throughout the term of the Lease, as it may be extended, AFI covenants and agrees to:

(a) Pay when and as due all license fees, permit fees and charges of a similar nature for the conduct by AFI of any business or undertaking authorized in this Lease to be conducted at the Theatre;

(b) Not permit the accumulation of any rubbish or garbage in, on or about the Theatre except in areas designated by the County for such use;

(c) Not use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any foreign substances therein;

(d) Comply with all applicable laws;

(e) Not paint or permanently decorate any part of the exterior of the Theatre except as provided in the Theatre Plans without obtaining the County's prior Approval;

(f) Not use any area on the property outside of the Theatre for any purpose other than for access to the Theatre. AFI shall use the loading dock for its intended purpose, and shall use any dumpster area for its intended purpose to the extent the use thereof has been provided by or on behalf of the County. This is not intended to limit use of the Mobile Production Unit Easement in accordance with its terms or to prevent AFI or Theatre patrons from otherwise using public areas in accordance with applicable law; and

(g) Not use the Theatre in a manner that exceeds prescribed power usage, weights and methods of installation and position in the Theatre. AFI shall not install in the Theatre any fixtures, equipment or machinery that will place a load upon the floors or walls exceeding the respective floor or wall load per square foot area which such area was designed to carry. All damage done to the Theatre by AFI (or someone acting on behalf of, or through, AFI) taking in or removing a safe or any other equipment, or due to such equipment being improperly installed or utilized in the Theatre, shall be repaired at the expense of AFI.

17. COUNTY SERVICES

The County agrees that it will provide certain maintenance and repair services at the Theatre as described, and in accordance with the schedule set forth, in Exhibit M attached hereto and incorporated herein. AFI shall make the Theatre available to the County when necessary and for such period as necessary for the proper performance of maintenance and repair work described in Exhibit M. AFI and the County shall coordinate the scheduling of necessary maintenance and repair work to minimize (to the extent commercially reasonable) interference with Programs. AFI acknowledges that there may be times when emergency repairs are required and Programs may need to be adjusted or rescheduled to allow for such emergency repairs. The County will, at its expense, provide utilities (water, sewer, gas and electricity) to the Theatre in accordance with the Theatre Plans and pay for usage charges for the consumption of such utilities. The County is

not liable for any failure to supply utilities or services unless such failure is due to negligence of the County. AFI must notify the County of any interruption in services and allow the County a reasonable amount of time to correct the problem. The County is responsible for snow and ice removal or treatment of the walkways and surfaces adjacent to the Theatre as necessary. AFI acknowledges that such service will be provided at such time as the County has generally scheduled such service for other of its properties in downtown Silver Spring. AFI acknowledges that PFA is responsible for maintenance and snow and ice removal in the alley and loading dock area as provided in the Reciprocal Easement Agreement. The County agrees to enforce the terms of the Reciprocal Easement Agreement if PFA materially fails to perform its obligations thereunder.

18. AFI SERVICES

AFI must provide the AFI Services and on-site management and staffing necessary to develop and provide the AFI Services. Without limiting AFI's obligation to perform AFI Services, AFI must provide the AFI portion of the maintenance as provided in Exhibit M, but only to the extent that there are sufficient Revenues or a positive balance in the Operating Fund to pay for such maintenance. Except as provided in Exhibit M, AFI is responsible for setting up for, and cleaning up after, Programs and Closed Events. Without limiting AFI's obligation to perform AFI Services, AFI is responsible for providing for the maintenance, repair and replacement, if necessary, of the audio visual equipment used at the Theatre, but only to the extent that there are sufficient Revenues or a positive balance in the Theatre Account or Operating Fund to pay for such maintenance, repair, and replacement. AFI must arrange and pay for activation and usage of telephone and, if it desires, Internet services. The County agrees that it will request the franchisee(s) under a cable franchise agreement(s) with the County to install without charge to the County or AFI one activated outlet at the Theatre. AFI acknowledges that pursuant to the cable franchise agreement(s) with the County, the franchisee(s) are required to provide only basic service and the equipment necessary to receive such service. The County agrees to require its franchisee(s) to provide such service without charge to the County or AFI. If AFI desires a higher level of service, the County will request that such additional service be provided free of charge. If the franchisee does not agree to provide the additional service requested by AFI free of charge, AFI will be responsible for payment of charges associated with such additional service or may elect not to acquire it. AFI is responsible for all costs and expenses associated with the

provision of any telephone, cable and Internet services it desires to use at the Theatre other than the installation and wiring costs which are to be paid by the County pursuant to the Theatre Plans. AFI shall be responsible for any damages resulting from AFI's provision of, or failure to provide, activation or continuation of such services on it's own behalf.

19. TAXES

To the extent, if any, that property taxes are payable during the initial lease term and any extensions thereto based upon the leasehold estate hereby created, the parties agree that any such tax shall be paid by AFI out of the Theatre Account. Additionally, any sales, entertainment business, personalty or other taxes imposed as a consequence of the occupancy or use of, or activities at, the Theatre by AFI, or anyone acting on behalf of or through AFI, shall be promptly paid by AFI. AFI shall pay such taxes as they become due and payable during the term of the Lease, and before the assessment of any fine, penalty, interest or other charge which may be added thereto for the nonpayment thereof. AFI shall have the right to receive directly any and all notices of such taxes and to pay such taxes directly. AFI shall furnish to the County, copies of tax bills and official receipts of the proper governmental authorities or other proof reasonably satisfactory to the County, evidencing the full payment of any and all such taxes payable by AFI hereunder. Notwithstanding the foregoing, if by law any tax may be paid, at the option of the taxpayer, in installments, then AFI may pay the same in installments whether or not interest accrues thereon, and AFI shall only be responsible for such installments properly allocable to the Lease Year. Any rebate made on account of any tax paid by AFI shall belong to AFI and be paid to AFI for AFI's account. If AFI fails to make payment of any tax provided for herein, at the County's option, it may pay such tax and AFI shall owe the full amount of such payment as additional rent to be paid within thirty (30) days of demand for payment. Any and all taxes paid by AFI on behalf of the Theatre or it operations hereunder shall be included, without limitation, into the definition of Expenses.

20. LIENS, CLAIMS OR ENCUMBRANCES.

(a) AFI shall at all times keep the Theatre free and clear of mechanic's, materialmen's and other liens, and of all charges, claims and encumbrances caused or created by AFI or anyone claiming through or under AFI.

(b) If any mechanic's or other lien shall at any time be filed against the Theatre for work performed by or for AFI, AFI shall either cause the same to be discharged of record within thirty (30) days after the date of filing of the same, or, if AFI shall desire to contest any such lien, AFI shall, within thirty (30) days after the date of the filing of the lien, furnish to the County security in the amount of the claim, plus costs and interest, or shall procure a bond in such amount from a reputable bonding company. The final judgment of any court of competent jurisdiction, including any appeal rights, determining the validity and/or amount of any such lien must be immediately discharged.

(c) Failure to make such payment shall be construed a material breach of this Lease. The County is not required to pay for or bond off any such lien; however, if it does so, any amount expended by the County shall be construed as additional rent to be paid by AFI within thirty (30) days of demand.

21. SILVER THEATRE AND COMMUNITY INPUT

AFI agrees to meet and confer at least one time per year with the Silver Spring Citizen's Advisory Board and the Montgomery County Arts and Humanities Council about matters involving the Silver Theatre. It is understood that such meetings are for consultation only and AFI is not bound to implement any suggestions or comments made in these meetings. Upon request by the County, AFI will meet up to two additional times per year with either group or with a representative of the County. If AFI forms a board or a steering committee which has donors as the core of its membership and that will meet as a body more than two times in any calendar year to deal with funding, operation or management (but not programming) of the Theatre, AFI agrees that at least one member of such board or committee will be appointed from a list of no less than three choices of nominees, if any at all, provided by the County Executive. Such member recommended by the County Executive shall have the same authority as any other member of the board. It is further understood that no such committee shall have any right or authority to make programming decisions on behalf of AFI or the Theatre, which right is expressly reserved by AFI.

22. COUNTY USE OF FACILITY

AFI shall permit the County, without charge, to make use of the Theatre for public events at least two days per calendar year. These events shall be set up in coordination with AFI. The County

will be responsible for the coordination, staffing, set-up and removal of any facilities and equipment necessary to implement these events. The County is responsible for cleaning up after its uses of the Theatre. The failure of the County to use the Theatre two times during any year shall not constitute a waiver of the County's right to use the Theatre in any subsequent calendar year. The County will provide AFI with as much advance notice as is practicable when it intends to use the Theatre under this Article. The County's rights hereunder may at no time interfere with any prescheduled event at the Theatre. AFI agrees to exercise reasonable efforts to coordinate its schedule with any use of the Theatre requested by the County under this Article.

23. CAPITAL IMPROVEMENTS AND ALTERATIONS

AFI must not undertake any alterations, changes, improvements or additions to the Theatre without the prior Approval of the County. The County's failure to respond within forty-five (45) days to a properly submitted request under this Article will be deemed to be disapproval of the request. Once the Approval of the County has been obtained, AFI must comply with all restrictions arising out of or related to the historic nature of the Theatre and must obtain all necessary permits for any alteration, change, improvement or addition. AFI must comply with all applicable laws and regulations. AFI must make any Approved alteration, change, improvement or addition requested by AFI in accordance with Approved construction drawings and specifications, and all costs associated therewith shall be considered Expenses hereunder and may be paid by AFI out of the Theatre Account, Endowment Funds, or Restricted Funds.

AFI must submit to the County a full set of construction plans and specifications clearly setting forth the work proposed to be performed. The County must respond in writing to the request for Approval within forty-five (45) days from its receipt of the construction plans and specifications. In its capacity as County and not in its governmental capacity, the County shall inspect the Theatre 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 the County, AFI must correct the work at the expense of the Theatre Account, Endowment Funds, or Restricted Funds.

24. FURNITURE, FIXTURES AND EQUIPMENT

AFI leases with the Theatre, the furniture, fixtures and equipment owned by the County which are scheduled in Exhibit N attached hereto. At the termination of the tenancy, AFI must deliver

to the County the furniture, fixtures and equipment scheduled in Exhibit N in good, clean condition, reasonable wear and tear excepted. All moveable partitions, trade fixtures, floor coverings or equipment installed within the Theatre at AFI's expense shall remain the Property of AFI and may be removed by AFI at the expiration or other termination of this Lease. AFI must, at its expense, repair any damage caused by removal of any of AFI's property. The furniture, fixtures and equipment shall be maintained in accordance with Exhibit M.

25. CONDITION OF THEATRE

Without limiting the County's obligations hereunder, AFI must maintain the Theatre clean and neat in appearance at all times.

26. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

(a) Insurance provided by AFI. During the term of this Lease, and any renewal hereof, AFI, at its expense, agrees to obtain and maintain insurance policies with the following coverages and provisions:

(1) A policy of general Commercial Liability insurance with a minimum limit of liability of Five Million and 00/100 Dollars ($5,000,000.00) per occurrence and Five Million and 00/100 Dollars ($5,000,000.00) in the aggregate for bodily injury and property damage, including fire legal liability, premises and operations, independent contractors, personal injury and broad form property damage issued by an insurance company licensed in the State of Maryland.

(2) A policy providing Workers Compensation Liability meeting all statutory requirements of the State of Maryland, and the following minimum Employers' Liability limits:

Bodily Injury by Accident - $100,000 each accident

Bodily Injury by Disease - $500,000 policy limits

Bodily Injury by Disease - $100,000 each employee

(3) An All Risk Property policy covering 100% replacement cost of all fixtures, furniture and equipment owned by AFI at the Theatre. The policy shall also provide coverage for anyone using the Theatre under AFI.

(4) An all Risks Property Policy including fire and extended coverage to protect the interest of AFI against loss caused by the perils insured in the amount of 100 percent of the cost of the insurable value. The policy shall contain a maximum deductible of $5,000 per occurrence.

(5) The General Liability policy must name the County as an additional insured; and the All Risk Property policy must name the County as Loss payee. All policies must provide the County with forty-five days advance notice of material amendment or cancellation.

AFI must at least ten (10) days prior to the Commencement Date or its occupancy of the Theatre, whichever comes first, deliver to the County a certificate(s) of insurance evidencing the foregoing insurance. The certificate of insurance must be issued to Montgomery County, Division of Facilities and Services, Room 318, 110 N. Washington Street, Rockville, Maryland 20850.

(b) Insurance to be provided by the County. The County shall provide through its self insurance program or commercial insurance, property insurance against loss or damage by fire, windstorm, tornado and hail and all other hazards covered by the usual extended coverage and "all special causes of loss" endorsements of whatsoever kind ("Property Insurance"), including, without limitation, coverage for loss or damage by water, flood and subsidence. The Property Insurance shall be in an amount to be the estimated net replacement value of the Theatre and the County's equipment housed therein as determined by the County from time to time. Such insurance shall cover the Theatre and the County's equipment housed therein, but shall not cover any of the property of AFI. In the event of any damage to the Theatre, the County shall, to the extent of insurance proceeds made available, repair any elements of and replace any equipment at the Theatre that the County originally constructed, rehabilitated or installed, and AFI shall be responsible for the repair or replacement of any portion of its property within the Theatre. The parties shall have no obligation to make such repairs or replacements unless there are sufficient insurance proceeds, Operating Fund balances, or Revenues to cover the costs of these items.

27. HOLD HARMLESS:

(a) AFI agrees to hold the County harmless from, and indemnify it from and against any and all claims, actions, damages, liability and expenses, including reasonable attorney's fees (collectively, "Claims"), in connection with breach of this Lease by AFI or arising out of the use of the Theatre by AFI, its employees, agents, licensees, concessionaires or contractors., including but not limited to Claims of loss of life, personal injury and/or damage to property arising from or out of any occurrence, occasioned wholly or in part by, and to the extent of, any act or omission of AFI, its employees, agents, licensees, concessionaires or contractors with respect to the provision of AFI Services, obligations of AFI pursuant to this Lease, or pursuant to use of the Theatre, the Loading Dock or the Mobile Production Easement Area by such persons. AFI is not to be liable for damage or injury to the extent caused by the negligent acts or omissions of the County or its employees. AFI is not liable for damage or injury to the extent such damage or injury is caused by the negligent acts or omissions of the Roundhouse Theater or its contractors, agents or employees when exercising rights under the easement in Exhibit L or otherwise. AFI agrees to hold the County harmless from any penalty, damage or charge incurred or imposed upon the County due to AFI's, its employees, agents, licensees, concessionaires or contractors violation of any law or ordinance in connection with the Theatre. This indemnification includes holding the County harmless from reasonable costs arising out of any suit or claim involving actions covered by the indemnification provided in this sub-article. The County may not settle any claims or demands without the express written permission of AFI which permission must not be unreasonably withheld, conditioned or delayed. Further, the County must give AFI immediate notice of any claims or demands made upon it or of which it has knowledge. Failure to provide immediate notice to AFI or settlement of any claim or demand without AFI concurrence shall cause this indemnification to be void and of no further force or effect as to the event for which the County seeks protection under the indemnification.

(b) The County agrees to hold harmless and indemnify AFI from any claims, actions damages, liabilities and expenses in connection with loss of life, personal injury, and/or damage to property arising from or out of any occurrence upon or at the Theatre caused

by, and to the extent of, any act or omission of the County, its employees, agents (provided that such employees or agents are acting within the scope of their employment), invitees to a County event under Article 22 of this Lease. The County agrees to hold AFI harmless from any penalty, damage or charge incurred or imposed upon AFI due to County's violation of any law or ordinance. The County's combined liability, both independent of and, under this Lease for any claims that arise from the same occurrence, shall be subject to and limited by the provision, type of liability and maximum amounts established in the Local Government Tort Claims Act, Section 5-301, et seq., Courts and Judicial Proceedings Article Annotate Code of Maryland, as amended. AFI may not settle any claims or demands without the express written permission of the County, which permission must not be unreasonably withheld, conditioned or delayed. Further, AFI must give the County immediate notice of any claims or demands made upon it or of which it has knowledge. Failure to provide immediate notice to the County or settlement of any claim or demand without the County's concurrence shall cause this indemnification to be void and of no further force or effect as to the event for which AFI seeks protection under the indemnification.

(c) The County does not waive any rights the County may have under the defense of governmental immunity.

28. RESPONSIBILITIES OF AFI

AFI covenants and agrees as follows:

(a) AFI must not strip, overload, damage or deface the Theatre, hallways, stairways or other approaches thereto or the fixtures therein. AFI must not commit or allow any waste to be committed in or upon the Theatre.

(b) AFI must not keep gasoline or other flammable material or any explosive within the Theatre or any easement area referenced in this Lease which will increase the rate of fire insurance on such premises beyond the ordinary risk established for the type of operations described in Exhibit E. Any increase in the insurance rate due to actions of the AFI in violation hereof must be paid by AFI. AFI must not willfully do any act or thing in or about the Theatre which may make void or voidable any insurance on the Theatre. AFI agrees to conform to all rules and regulations established from time to time

by the County in its regulatory capacity, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

(c) AFI must not use the Theatre or allow the Theatre to be used for any illegal or unlawful purpose or for any activity that will constitute a legal nuisance to adjacent properties or the neighborhood.

(d) AFI must not place any placard, sign, lettering or awning upon the Theatre except in such place and manner as shown on the Theatre Plans or such other place and manner as shall have been first Approved by County.

(e) AFI will not allow its employees, agents, or contractors to misuse the Theatre. AFI shall provide such security and exercise reasonable control and oversight to preclude its invitees from misusing or damaging the Theatre. AFI is responsible for repairs necessitated by its invitees only if it failed to provide proper security or to exercise reasonable control and oversight over its invitees.

(f) AFI must comply with all reasonable rules and regulations for use of the Theatre that may be from time to time promulgated by the County. The County must deliver a copy of its rules and regulations to AFI. Provided that the rules and regulations do not prevent or unreasonably interfere with use of the Theatre for the purposes stated in Article 10, violation of the rules and regulations is a violation of this Lease.

29. DEFAULT

(a) The County is entering into this Lease with AFI for the sole purpose of facilitating and obtaining the AFI Services. Therefore, if AFI fails to develop and carry out the AFI Services to reasonable standards of excellence for non-profit film exhibition and public programming, then, subject to AFI's right to cure as set forth in Article "29 (c)," below, County may terminate this Lease.

(b) AFI shall be in default of this Lease upon the occurrence of any of the following:

(i) Failure to perform under any material term, covenant or condition of this Lease and the continuation of such failure for sixty (60) days (or such additional period as may reasonably be required to correct the defect with the prompt exercise of due diligence) after notice from County specifying the failure to perform.

(ii) The commencement of any action or proceeding for the dissolution or liquidation of AFI, or for the appointment of a receiver or trustee of AFI's property, and the failure to discharge any such action within thirty (30) days.

(iii) The making of any assignment for the benefit of AFI's creditors.

(iv) The abandonment of the Theatre by AFI.

(c) If an event described in subparagraph 30(a) or (b) occurs and AFI fails to cure the default event within the applicable cure period (or such additional period as may reasonably be required to correct the defect with the prompt exercise of due diligence) after written notice from County , at the option of County, AFI's right of possession shall end one hundred and eighty (180) days after the Notice was provided and the County may recover possession under the laws of Maryland. The County may also pursue any other legal remedies available to it under Maryland law.

30. EMINENT DOMAIN

If the Theatre or any part thereof, is taken in condemnation proceedings or acquired under threat of condemnation, AFI shall have no claim against the County 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 taking. The full award for any such taking shall belong to the County. Upon such taking, the term of this Lease shall terminate and AFI shall have no claim for the value of any unexpired term of the Lease.

31. ASSIGNMENT AND SUBLEASING

AFI is not entitled to assign this Lease, or sublease or transfer any right or interest in all or any part of the Theatre to any third party except to a legal entity which is formed by AFI (the "Permitted Assignee") as a wholly owned and operated affiliate or subsidiary of AFI created for the purpose of furthering AFI's mission and carrying out its obligations under this Lease and related agreements. Other than as stated herein, in the event of an assignment of AFI's rights and obligations under this Lease in their entirety to a Permitted Assignee, AFI shall thereafter be released from and relieved of all obligations, responsibilities and liabilities hereunder, provided that AFI shall exercise reasonable control of the Permitted Assignee and shall continue to act as an expert advisor for the programming of the Theatre and the performance of AFI Services. Additionally, any funds or donations received by AFI in connection with the Theatre and its use

shall continue to be treated, as appropriate, as Revenues or Excluded Revenues under the Lease. Similarly, any expenditures by AFI that would be Expenses or Excluded Expenses if the lease were not assigned will continue to be treated as Expenses or Excluded Expenses under this Lease. AFI must promptly notify the County in writing of any assignment to a Permitted Assignee and include the name and address of the Permitted Assignee. The notice shall also contain contact information including the name and address of the resident agent of the Permitted Assignee. Notwithstanding the foregoing, AFI may grant concessions or revocable licenses to third parties for certain activities that complement the AFI Services provided such uses are within the areas designated for such uses on the Theatre Plans. No other assignment, license, concession, or sublease is permitted. Additionally, AFI may allow Closed Events at the Theatre, provided that such Closed Events do not exceed thirty percent (30%) of the overall programming and use of the Theatre. The parties may agree in writing to changes to these percentages, if in the sole discretion of both parties, circumstances warrant such changes.

32. ACCESS

The County and its employees, agents and contractors may have access to the Theatre at all reasonable times, during normal working 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 County, or which County considers necessary or desirable, or for any other purpose for the reasonable protection of the Theatre. AFI must not alter or change the exterior locks installed on the Theatre without the County's prior Approval, and in the event of an approved change, shall provide County with keys to the Theatre. Subject to all of the provisions of this Lease, AFI shall have twenty-four (24) hour access to and exclusive possession of the Theatre.

33. SURRENDER OF POSSESSION

At the expiration or other termination of this Lease, AFI must remove all of its goods and effects from the Theatre. AFI must deliver to County the Theatre and all keys, access cards, locks and other fixtures therein, including the property described in Exhibit N, in good repair, order and condition in all respects, reasonable wear and tear and casualty excepted.

34. HOLDOVER

If AFI continues in possession of the Theatre after the conclusion of the term of this Lease, or any renewals hereof, AFI shall be a month to month tenant. The tenancy thus created may be terminated by either party giving the other thirty (30) days notice of such termination. A month to month tenancy hereby created shall be governed in all other respects by the terms of this Lease. Failure to vacate the Theatre upon other termination of this Lease does not create a holdover tenancy. Under such circumstances AFI shall be deemed a trespasser and be subject to ejection.

35. NOTICE OF DEFECTS

AFI must give the County prompt notice of accidents in or damages to the Theatre.

36. COMPLIANCE WITH LAWS

AFI must promptly comply with and observe all applicable laws and regulations. Provided that AFI is complying with all applicable laws, nothing contained herein shall preclude AFI from contesting the validity of any applicable laws, or any rules or regulations imposed by the County.

37. BENEFIT AND BURDEN

All of the terms and provisions of this Lease shall inure to the benefit of and be binding upon the County or its successors or assigns and upon AFI and any successors or assigns of AFI to which County expressly agrees.

38. DISPUTES

The County and AFI 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 a court of competent jurisdiction in the State of Maryland.

39. COUNTY'S TITLE AND COVENANT OF QUIET ENJOYMENT

The County covenants that it owns the title subject only to the Permitted Exceptions attached hereto as Exhibit P, and that it has full right and power to execute and perform this Lease, and that it will put AFI into complete and exclusive possession of the Theatre, subject to the Permitted Exceptions and except as otherwise stated herein. The County further covenants that AFI, provided that it fully performs the AFI Services and its obligations under this Lease, shall peaceably and quietly have possession of the Theatre. AFI acknowledges that the County is a governmental entity and that as such its obligations to make expenditures hereunder and the

adoption of the budgets necessary to provide services as described herein are subject to appropriation by the County Council. In the event the County Council fails to appropriate funds necessary for the County to provide services described herein or to provide the Guaranteed Ticket Purchase in the aggregate amount of Seven Hundred Thousand Dollars ($700,000.00), AFI may, but is not obligated to, terminate this Lease within one hundred and eighty (180) days of receipt of notice from the County of such non-appropriation by providing the County with one hundred and eighty (180) days Notice of such termination.

40. WAIVER

No waiver or 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.

41. WAIVER OF JURY TRIAL

The parties agree and do hereby waive trial by jury on any dispute or matter arising from this Lease.

42. NON-DISCRIMINATION

AFI agrees to comply with the nondiscrimination in employment policies in County contracts as required by Section 11B-33 and 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. AFI assures the County that in accordance with applicable law, it does not, and agrees that it will not, discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

43. CONTRACT SOLICITATION

Neither party has retained anyone to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee.

44. PUBLIC EMPLOYMENT

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

45. INTEGRATED AGREEMENT

This Lease contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner other than by an agreement in writing signed by all the parties or their respective successors in interest. This Lease supercedes any other writings pertaining to use and occupancy of the Theatre and the AFI Services. The terms of the MOU referenced in Recital 10, if and when signed, shall be in addition to and not in lieu of the terms of this Lease. However, in the event of a conflict between the terms of the MOU and this Lease, the terms of this Lease shall prevail. If the parties fail to enter into the MOU, this Lease shall not be effected thereby.

46. NOTICES

All notices required or described to be given in this Lease must be in writing and shall be hand delivered or given by certified or registered mail, return receipt requested. Notice will be effective when received or refused by the addressee, its employees or agents. Notices to the respective parties must be addressed as follows:

AFI:

2021 North Western Ave.
Los Angeles, California
90027
Attention: Chief Operating Officer

With a copy to:
Earl Segal, Esq.
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Ave., NW
Washington, D.C. 20036

County:

Notices for everything except maintenance related matters (with copies to the Chief Division of Facilities and Services, DPWT):

Attn: Chief Administrative Officer
101 Monroe Street, Second Floor
Rockville, Maryland 20850

Notices for maintenance related matters (with copies to the Chief Administrative Officer at the above referenced address):
Attn: Chief, Division of Facilities and Services
Montgomery County, Maryland
Department of Public Works and Transportation
101 Orchard Ridge Drive, 2nd Floor
Gaithersburg, Maryland 20878

With a copy to:
County Attorney
101 Monroe Street, Third Floor
Rockville, Maryland 20850

Either party may change its mailing address hereunder by giving notice to the other party in the manner set forth above.

47. RESIDENT AGENT

The Resident Agent for AFI is the Corporation Service Company, and its address for receipt of notice and service of process is 11 E. Chase St., Baltimore, Maryland 21202, telephone number (800) 927-9800. AFI must notify the County of any change in Resident Agent or address for service of process.

48. GENERAL PROVISIONS:

(a) Governing Law: This Lease is governed by the laws of the State of Maryland and any action brought hereunder or arising herefrom or from the occupancy or tenancy of the Theatre shall be brought in the Circuit Court for Montgomery County, Maryland.

(b) Severability: If any term of this Lease is invalid or unenforceable, the remainder of this Lease shall remain in force.

(c) Exhibits: The exhibits attached to this Lease are incorporated herein as if fully set forth unless expressly provided otherwise. Prior to any exhibit being attached to the Lease after execution of the Lease, AFI shall have the right to review and comment upon such exhibit. If the County is unable to mitigate AFI's legitimate and reasonable concerns with regard to a subsequently appended exhibit, then AFI and the County shall cooperate with each other to reasonably accommodate such legitimate and reasonable concern with minimal impact and at no additional cost or expense to AFI. The parties shall acknowledge in writing exhibits that are attached to the Lease after the Execution Date. At the time of execution of the Lease, the Exhibits remaining to be attached are Exhibits L and N.

49. MEMORANDUM OF LEASE

Either party may upon request and at its own expense record a memorandum of this Lease in a form and substance reasonably acceptable to the other party.

50. AUTHORITY

The County and AFI hereto represent that each has the lawful authority to enter into this Lease in accordance with its terms, and that all required governmental and corporate (respectively) approvals have been obtained.

51. ENVIRONMENTAL MATTERS

The parties acknowledge and agree that AFI is not responsible for the environmental condition of the Theatre except to the extent that it, its agents, employees, contractors or subcontractors bring any hazardous material onto the property or cause any environmental damage to the Theatre or the property upon which it is located. The County is responsible for any required lead abatement or asbestos removal or encapsulation at the Theatre, and any other remediation or treatment of pre-existing environmental conditions that are required by Applicable Law.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the above written date.

WITNESS:

By: _____

County: MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan
County Executive

ATTEST (AFI):

By: _____
James Hindman, Chief Operating Officer

TENANT:
AMERICAN FILM INSTITUTE

By: _____
Jean Firstenberg, Chief Executive Officer

Approved as to Form & Legality
Office of the County Attorney

By: _____
Diane R. Schwartz Jones
Associate County Attorney

Recommended
Office of the Chief Administrative Officer.

By: _____
William Mooney, Assistant CAO

Exhibit A

Property Description

Lease between Montgomery County, Maryland and the American Film Institute

PROPERTY DESCRIPTION

SILVER THEATER
COLESVILLE ROAD AT GEORGIA AVENUE
SILVER SPRING
MONTGOMERY COUNTY

Being a parcel of land, located in Election District No. 13 of Montgomery County, Maryland, hereinafter described in, through, over and across part of the property conveyed by Fred Burka and Louise L. Burka, husband and wife, to Fred Burka by deed dated April 26, 1995 and recorded among the Land Records of Montgomery County, Maryland in Liber 13419 at Folio 672; said parcel of land also being part of Lots 2, 3 and 13 as delineated on a plat of subdivision entitled "THE GIRLS PORTION" as recorded among said Land Records in Plat Book 1 as Plat No. 59 and being more particularly described by Macris, Hendricks and Glascock, P.A. as follows:

Beginning for said parcel of land at a point on and 54.59 feet from the end of the fourth or North 29°47'39" East, 163.60 foot line of said Liber 13419 at Folio 672, said point also being on the southeasterly right-of-way line of Colesville Road (MD Route 29), then binding with part of said fourth line and Colesville Road

1. North 29°47'39" East, 54.59 feet to a point at the beginning of the fifth or South 57°08'51" East, 180.83 foot line of said Liber 13419 at Folio 672; said point also being on the common line of Lots 3 and 4 as delineated on said plat in Plat Book I as Plat No. 59, then leaving said Colesville Road and binding with part of said common line of Lots 3 and 4 and part of said fifth line of said Liber 13419 at Folio 672

2. South 57°08'51" East, 177.66 feet to a point, then leaving said common line of Lots 3 and 4 and said fifth line of Liber 13419 at Folio 672 to cross and include part of Lots 2, 3 and 13 and part of Liber 13419 at Folio 672 and binding with the existing exterior wall of the Silver Theater

3. South 32°57'24" West, 13.19 feet to a point, then

4. South 56°58'15" East, 23.26 feet to a point, then

5. South 33°04'39" West, 19.74 feet to a point, then

6. South 77°10'40" West, 25.07 feet to a point, then

7. North 57°26'30" West, 7.58 feet to a point, then

8. 43.34 feet along the arc of a non-tangent curve to the right, having a radius of 36.62 feet and a chord bearing and distance of South 88°13'47" West, 40.86 feet to a point, then

9. North 57°07'06" West, 75.25 feet to a point, then

10. South 32°49'27" West, 2.68 feet to a point, then

11. South 76°22'13" West, 4.78 feet to a point, then

12. South 32°25'48" West, 2.41 feet to a point, then leaving said exterior wall of said Silver Theater and binding with the outer portion of the interior walls of the Silver Theater

13. North 57°05'41", West, 23.11 feet to a point, then

14. North 32°54'19" East, 30.14 feet to a point, then

15. North 60°09'11" West, 37.63 feet to the point of beginning; containing an area of 12,930 square feet or 0.29686 of an acre of land.

Subject to all restrictions, rights-of-way, easements, and other conditions contained in the deeds forming the chain of title to the captioned property.

BEING ALL THAT SAME PROPERTY conveyed by Deed of Gift dated December 6, 1995 by and between Marvin J. Goldman, Fred Burka, Louise K. Burka, and Paul J. Burka and Lesie Burka as Trustees of the Sarabelle K. Burka Income Trust (the Donor) and Montgomery County Maryland (the Donee) and recorded in the Land Records of Montgomery County at Liber 13804, folio 689.

Exhibit A-1

Annex of Additional Property Description

Showing approximate areas of Silver Theatre Leased Premises and Roundhouse Premises

Lease between Montgomery County, Maryland and the American Film Institute

Exhibit A-2

Historic Preservation Easement

Lease between Montgomery County, Maryland and the American Film Institute

The final Historic Preservation Easement will be substantially the same as attached hereto.

DRAFT

DEED OF

PRESERVATION EASEMENT

THIS DEED OF PRESERVATION EASEMENT is made as of this ___ day of _____ _____, 2001 by and between COUNTY EXECUTIVE AND COUNTY COUNCIL OF MONTGOMERY COUNTY, MARYLAND, its successors or assigns (the "Grantor"), and the MARYLAND HISTORICAL TRUST, an instrumentality of the State of Maryland (the "Grantee").

WHEREAS, Grantee is a body corporate and instrumentality of the State of Maryland created for the purpose generally of preserving and maintaining historic, aesthetic and cultural properties, all as is more particularly provided for by law; and

WHEREAS, the real property as described in Exhibit B (the "Property") has substantial historic, aesthetic and cultural character and this Deed of Preservation Easement (this "Deed") will promote the preservation and maintenance of the Property and its historic, cultural, scenic and aesthetic character; and

WHEREAS, Grantee is possessed with the power and duty to accept, hold and administer this Deed; and

WHEREAS, Grantee has determined that the easement contained within this Deed is exclusively for conservation purposes; and

WHEREAS, in accordance with Chapter 323 of the Laws of Maryland 1994 and the terms and conditions of a letter of approval by the Department of General Services (DGS) acting on behalf of the Board of Public Works ("BPW") to the Grantor dated June 27, 1994, and further pursuant to a Capital Project Grant Application submitted by the Grantor, BPW has approved a grant in the amount of up to FOUR HUNDRED THOUSAND DOLLARS ($ 400,000.00) (the "BPW Grant"), to be made to the Grantor for the purpose of financing, in part, the renovation of the Silver Theater; in Silver Spring, Maryland, and

confirm

WHEREAS, the Act requires as a condition precedent to the making of the BPW Grant that the Grantor shall submit evidence satisfactory to BPW of matching funds at least equal to the amount of the BPW Grant, which condition has been satisfied; and

WHEREAS, the Act requires as a condition precedent to the making of the BPW Grant that the Grantor, as owner of the Property, convey a perpetual preservation easement in form and substance acceptable to the Maryland Historical Trust.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grantor hereby grants and conveys to Grantee with Special Warranty of Title an easement (the "Easement") in the Property which is known as the Silver Theatre and is located at 8633 (formerly 8619) Colesville Road, Silver Spring, together with all of the improvements thereon, and appurtenances, rights, and interests thereunto belonging, all as more particularly described in Exhibit B. need descr. of Theatre only

2. Exhibit A consists of [illegible] pages and includes as page 1 a schedule (which is recorded with this Deed) describing the documents, photographs of selected portions of the Property, and other things that are not recorded herewith but are nonetheless as fully and completely incorporated by reference into this Deed as though recorded herewith. Grantor acknowledges that Exhibit A may be modified and updated upon the conclusion of the restoration of the Property. what is this to be?

3. The terms of the Easement are as follows:

(A) Duration and Nature of the Easement. The Easement shall be perpetual in duration. The parties agree that it is and shall be considered an easement in gross and as such is inheritable and assignable and runs with the land as an incorporeal property interest in the Property, enforceable by Grantee and its successors, transferees and assigns with respect to the Property and against Grantor and Grantor's heirs, successors, transferees and assigns, all of whom are collectively referred to herein as "Grantee" and "Grantor", respectively. The Easement is subject to any presently existing valid encumbrances, easements and rights-of-way upon the Property.

(B) Public Access. Grantee acknowledges that the County is restoring the Theatre to serve a public purpose. The public purpose is the use of the Property by the American Film Institute ("AFI") to further its mission to preserve and promote the moving image as an artistic form. As such, it will be open to the public for public programs sponsored in whole or in part by AFI. If the Property is no longer owned by Monrgomery County, Maryland, AFI or an entity related to AFI, **or is not operated or open to the public for public programs on a regular basis,** Grantor shall make the Property open to the public on a minimum of 5 days per year from 10:00 a.m. to 5:00 p.m., and at other times by appointment as may be determined by Grantor. OK

(C) Maintenance and Administration. Grantor shall keep and maintain the Property, including the Exterior and Interior (as hereinafter defined) of the improvements thereon, in good, clean and safe condition. Grantor shall maintain, repair and administer the Property and the Exterior and Interior of the improvements thereon in a manner to preserve the historic, aesthetic and cultural character and appearance of the Property and the improvements thereon as shown and

described in Exhibit A. The maintenance, repair and administration of the Property and the Exterior and Interior of the improvements thereon shall further conform to the requirements of Paragraph D below. This covenant does not require reconstruction of any improvements which are destroyed in whole or in part by casualty loss unless insurance proceeds are available for such purposes.

(D) Changes and Alterations.

(i) Without the express written consent of the Director of the Maryland Historical Trust (the "Director"), Grantor shall not cause, permit or suffer any construction which would alter or change the Property or the Exterior or Interior of any improvements thereon as described and depicted in Exhibit A, provided, however, that if damage has resulted to said Exterior or Interior from casualty loss, deterioration or wear and tear, then the maintenance, reconstruction, repair, repainting or refinishing to correct the damage shall be permitted without such written permission of the Director, provided that such maintenance, reconstruction, repair, repainting or refinishing is performed in a manner that will not substantially alter the appearance of such improvements upon conclusion of the restoration of the Property. Nothing herein limits the right of the Grantor to construct, alter, modify, or remove additional improvements.

(ii) The terms Exterior and Interior mean the exterior and interior surfaces of **only the 1937 Silver Theatre building,** including the architectural style, the general design and arrangement, the color, the kind and texture of the building materials and the type and style of all windows, doors, light fixtures, signs and other similar exterior and interior features of **the Theatre.** The term construction shall include all construction, reconstruction, improvement, ~~enlargement,~~ painting and decorating, alteration, demolition, maintenance or repair of any structure or works **made to the Theatre.**

(iii) Except as described in paragraph 3(D)(iv) below, or with the express written consent of the Director, no building, structure, or improvement may be constructed or erected on the Property other than those buildings, structures, or improvements which are as of the date of this Agreement located on the Property, as described and depicted in Exhibit A.

(iv) Grantor may rehabiliate the interior and exterior of the Theatre in conformance with Plans and Specifications prepared by Gensler Architects and dated [redacted]

Non-what/be best ref

(E) Inspection. Grantee shall have the right to enter the Property on reasonable notice to Grantor and AFI, **if AFI then holds a property interest in the Theatre,** for the purpose of inspecting the Property to determine whether there is compliance by the Grantor with the terms of this Deed.

(F) Breach by Grantor. Upon any breach of the terms of this Deed by Grantor, Grantee may, after reasonable notice to Grantor, exercise any or all of the following remedies:

(i) institute suit(s) to enjoin any breach or enforce any covenant by ex parte, temporary, and/or permanent injunction;

(ii) demand that the Property be restored promptly to the condition required by this Deed; and

(iii) enter upon the Property, correct any breach, and hold Grantor, if Montgomery County is no longer the Grantor, **or hold AFI, or a legal entity that is related to AFI, if AFI or such legal entity is then a tenant on the Property,** responsible for the resulting cost.

NO, Structure is ours.

Grantee's remedies shall be cumulative and shall be in addition to any other rights and remedies available to Grantee at law or equity. If Grantor is found to have breached any of Grantor's obligations under this Deed, Grantor shall reimburse Grantee for any reasonable costs or expenses incurred by Grantee, including court costs and reasonable attorneys fees.

(G) Waiver. No waiver of any term or condition of this Deed shall have any force or effect unless it is in writing and approved by the parties hereto. No failure on the part of Grantee to enforce any covenant or provision herein nor the waiver of any right thereunder by Grantee shall discharge or invalidate such covenant or provision of any other covenant, condition, or provision hereof, or affect the right of Grantee to enforce the same in the event of a subsequent breach or default.

(H) Consent, Disapproval and Appeal. If the terms of this Deed require the consent of the Director, such consent shall be requested by notice to the Director and shall be deemed to have been given within 45 days after receipt of notice by the Director unless the Director gives notice to the Grantor of specific reason for disapproval. If the Director gives a notice of disapproval, Grantor may appeal the disapproval to the Board of Trustees of the Maryland Historical Trust for review by it or by any person or agency that it designates to make the review. Appeal shall be made by notice to the Director given within 45 days of receipt of notice of disapproval from the Director.

(I) Notice. Any notice required to be given by this Agreement shall be in writing and may be given by certified or registered mail, with postage prepaid and return receipt requested, if to the Grantor, addressed to the Grantor as follows:

Chief Administrative Officer
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

And

Director
Department of Public Works and Transportation
101 Monroe Street

and AFI

Rockville, Maryland 20850

or to the Grantor at such other address as the Grantor may from time to time designate by notice to the Director, or, if to the Grantee or the Director, addressed to the Grantee or Director as follows:

Director
Maryland Historical Trust
100 Community Place
Crownsville, Maryland 21032-2023

or to the Grantee or the Director at such other address as the Director may from time to time designate by notice to the Grantor. Any notice given in the foregoing manner shall be deemed to have been given upon receipt thereof, which shall be presumed to be two (2) days after the day notice has been deposited with the United States Post Office.

(J) Construction. The Easement is for the purpose of promoting and shall be construed to promote the purposes of the statutes creating and governing Grantee and of Section 2-118 of the Real Property Article of the Annotated Code of Maryland and to preserve the historic, cultural, scenic and aesthetic character of the Property.

(K) Subsequent Conveyance. Grantor agrees that the restrictions of the Easement will be inserted, verbatim or by express reference, in any subsequent deed or other legal instrument by which the Grantor's fee simple title to the Property or any other possessory interest in the Property, or any part thereof, is divested or conveyed.

(L) Transfer of Ownership. The Grantor agrees for itself, its personal representatives, heirs, successors, transferees and assigns, to notify the Grantee in writing of the names and addresses of any party to whom the Property, or any part thereof, is being transferred before or within 45 days of the time the transfer is consummated.

(M) Conservation Purposes. Grantee agrees that it will hold this Deed exclusively for conservation purposes i.e., that it will not transfer this Deed whether or not for consideration. However, subject to the provisions of any applicable federal law, Grantee may assign or transfer its interest in this Deed to a governmental unit or organization which qualifies at the time of the transfer as an eligible donee of this Deed under any pertinent provisions of federal law.

(N) Governing Law. This Deed is made in, and shall be governed by, the laws of the State of Maryland.

WITNESS THE FOLLOWING SIGNATURES AND SEALS:

WITNESS/ATTEST:

GRANTOR: COUNTY EXECUTIVE AND COUNTY COUNCIL OF MONTGOMERY COUNTY MARYLAND

DRAFT

_____

By:_____(SEAL)
Douglas M. Duncan, County Executive

WITNESS:

ACCEPTED BY THE
MARYLAND HISTORICAL TRUST

_____

By:_____(SEAL)
J. Rodney Little, Director

REVIEWED AND ACCEPTED BY THE STATE HIGHWAY ADMINISTRATION ONLY AS TO AN EASEMENT OVER CERTAIN ADJACENT PROPERTY DESCRIBED IN SRC PLAT NO. 387, 6681 & 40541 FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF A THEATER MARQUEE.

WITNESS:

ACCEPTED BY THE
MARYLAND STATE HIGHWAY
ADMINISTRATION

_____

By:_____(SEAL)
Name:_____
Title:_____

Approved as to form and legal sufficiency this _____ day of

Approved as to form and legal sufficiency this _____ day of

_____, 2001.

_____
Assistant Attorney General

_____, 2001.

_____
Assistant Attorney General

STATE OF MARYLAND, _____ CITY/COUNTY, to wit:

I HEREBY CERTIFY, that on this ____ day of _____, in the year 2001, before the subscriber, personally appeared Douglas M. Duncan, who acknowledged that he executed the foregoing instrument for the purposes therein contained as the duly authorized County Executive of Montgomery County.

_____
Notary Public

My Commission Expires: _____

STATE OF MARYLAND, _____ COUNTY, to wit:

I HEREBY CERTIFY, that on this ___ day of _____, in the year 2001, before the subscriber, personally appeared J. Rodney Little, and acknowledged that he executed the foregoing instrument for the purposes therein contained as the fully authorized Director of the Maryland Historical Trust.

_____
Notary Public

My Commission Expires: _____

STATE OF MARYLAND, _____ CITY/COUNTY, to wit:

I HEREBY CERTIFY, that on this ____ day of _____, in the year 2001, before the subscriber, personally appeared _____, who acknowledged that s/he executed the foregoing instrument for the purposes therein contained as the duly authorized Administrator of the State Highway Administration.

_____
Notary Public

My Commission Expires:_____

CERTIFICATION

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

_____(SEAL)
Philip J. Deters

EXHIBIT A
SCHEDULE

SILVER THEATER
COLESVILLE ROAD AT GEORGIA AVENUE
SILVER SPRING
MONTGOMERY COUNTY

EXHIBIT B
PROPERTY DESCRIPTION

SILVER THEATER
COLESVILLE ROAD AT GEORGIA AVENUE
SILVER SPRING
MONTGOMERY COUNTY

The Property is the original Silver Theatre constructed in approximately 1937 and located at 8633 Colesville Road (formerly 8619 Colesville Road). The Property expressly excludes adjoining improvements and additional improvements that were not part of the original Silver Theatre.

Being a parcel of land, located in Election District No. 13 of Montgomery County, Maryland, hereinafter described in, through, over and across part of the property conveyed by Fred Burka and Louise L. Burka, husband and wife, to Fred Burka by deed dated April 26, 1995 and recorded among the Land Records of Montgomery County, Maryland in Liber 13419 at Folio 672; said parcel of land also being part of Lots 2, 3 and 13 as delineated on a plat of subdivision entitled "THE GIRLS PORTION" as recorded among said Land Records in Plat Book 1 as Plat No. 59 and being more particularly described by Macris, Hendricks and Glascock, P.A. as follows:

Beginning for said parcel of land at a point on and 54.59 feet from the end of the fourth or North 29°47'39" East, 163.60 foot line of said Liber 13419 at Folio 672, said point also being on the southeasterly right-of-way line of Colesville Road (MD Route 29), then binding with part of said fourth line and Colesville Road

1. North 29°47'39" East, 54.59 feet to a point at the beginning of the fifth or South 57°08'51" East, 180.83 foot line of said Liber 13419 at Folio 672; said point also being on the common line of Lots 3 and 4 as delineated on said plat in Plat Book I as Plat No. 59, then leaving said Colesville Road and binding with part of said common line of Lots 3 and 4 and part of said fifth line of said Liber 13419 at Folio 672

2. South 57°08'51" East, 177.66 feet to a point, then leaving said common line of Lots 3 and 4 and said fifth line of Liber 13419 at Folio 672 to cross and include part of Lots 2, 3 and 13 and part of Liber 13419 at Folio 672 and binding with the existing exterior wall of the Silver Theater

3. South 32°57'24" West, 13.19 feet to a point, then

4. South 56°58'15" East, 23.26 feet to a point, then

5. South 33°04'39" West, 19.74 feet to a point, then

6. South 77°10'40" West, 25.07 feet to a point, then

7. North 57°26'30" West, 7.58 feet to a point, then

8. 43.34 feet along the arc of a non-tangent curve to the right, having a radius of 36.62 feet and a chord bearing and distance of South 88°13'47" West, 40.86 feet to a point, then

9. North 57°07'06" West, 75.25 feet to a point, then

10. South 32°49'27" West, 2.68 feet to a point, then

11. South 76°22'13" West, 4.78 feet to a point, then

12. South 32°25'48" West, 2.41 feet to a point, then leaving said exterior wall of said Silver Theater and binding with the outer portion of the interior walls of the Silver Theater

13. North 57°05'41", West, 23.11 feet to a point, then

14. North 32°54'19" East, 30.14 feet to a point, then

15. North 60°09'11" West, 37.63 feet to the point of beginning; containing an area of 12,930 square feet or 0.29686 of an acre of land.

Subject to all restrictions, rights-of-way, easements, and other conditions contained in the deeds forming the chain of title to the captioned property.

BEING ALL THAT SAME PROPERTY conveyed by Deed of Gift dated December 6, 1995 by and between Marvin J. Goldman, Fred Burka, Louise K. Burka, and Paul J. Burka and Lesie Burka as Trustees of the Sarabelle K. Burka Income Trust (the Donor) and Montgomery County Maryland (the Donee) and recorded in the Land Records of Montgomery County at Liber 13804, folio 689.

Exhibit B

Request for Expressions of Interest for the Long-term Use of the Historic Theatre

Lease between Montgomery County, Maryland and the American Film Institute

DOWNTOWN SILVER SPRING, MARYLAND

REQUEST FOR EXPRESSIONS OF INTEREST FOR THE LONG-TERM USE OF THE HISTORIC SILVER THEATRE

Montgomery County, Maryland
Silver Spring Redevelopment Office
962 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910
(301) 565-7300

REQUEST FOR EXPRESSIONS OF INTEREST
FOR THE LONG-TERM USE
OF THE HISTORIC SILVER THEATRE

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REQUEST FOR EXPRESSIONS OF INTEREST FOR THE LONG-TERM USE OF THE HISTORIC SILVER THEATRE

I SCOPE OF PROPOSAL

This is a Request for Expressions of Interest [REOI] for the long-term use of the historic Silver Theatre in Silver Spring, Maryland. The response to this solicitation will be analyzed in accordance with evaluation criteria set forth in this solicitation. The REOI will be used to develop a short list of prospective offerors who will be requested to present their proposals and answer questions in an interview. The submitted proposal should provide a description of proposed long-term programming/use. The offerors are encouraged to include uses which extend beyond the historic theatre's original one as a movie house. The offerors are asked to provide descriptions of suggested renovations and or modifications which may be necessary to implement their proposals.

This property was acquired as part of the continuing effort by the County, in partnership with the State and a development team to redevelop and revitalize downtown Silver Spring. This section of the County is unique in its density of population, while, by most measures, being underserved by the arts. There is a limited amount of state money approved by the legislature for historic properties, along with a like sum approved by the County Council for a similar purpose. [See IV]

Proposals should describe how these public funds will be expended and augmented with the offeror's funds, including but not limited to grants, gifts, volunteer labor, donated materials and other means. The main priorities in reviewing proposals will be compatibility with the local community, and an ability to obtain additional resources for augmenting the public funding of this project. High impact uses which generate significant activity to the downtown are preferred. Because there may be the chance for complementary space in adjacent facilities, if a proposer's plan requires additional space to implement the proposal, please indicate the details related to that space, e.g., proximity, size, use.

This REOI identifies the information to be included in the submittal. The proposer should submit the requested information for consideration and will be expected to attend a pre-submission conference. This REOI provides a brief history on the Silver Theatre, information on Silver Spring, the site redevelopment efforts, selection criteria, state and County commitments, submission instructions and the response process and schedule.

Private, non-profit, and community-based groups that will program the theatre in a way that is sensitive to its historic character, while providing the public with a viable long-term use, are encouraged to make a response to this REOI. If a proposer cannot respond to the full requirements of the REOI, but has an interest in programming, use, renovation, operation, maintenance, etc., the County welcomes that information.

II SILVER THEATRE

The Silver Theatre was constructed in 1937-38 as a critically important part of the Silver Spring Shopping Center designed by New York City architect John Eberson, one of the nation's leading theatre designers in the first half of the 20th century. The art deco shopping center and Silver Theatre were two of the most ambitious endeavors in the Metropolitan Washington area, if not the country, prior to World War II. With the construction of this commercial complex, Colesville Road became a major commercial spine and the center of commercial Silver Spring was established.

In 1988, because of its importance in the history of commercial architecture, the theatre-shopping center complex was determined to be eligible for the National Register of Historic Places. The architecture designed to accommodate the automobile are emerging as important twentieth century landmarks. The Silver Spring Shopping Center was this region's largest and most ambitious example of a new building type -- the planned neighborhood shopping center, which went on to play a decisive role in shaping the urban and suburban landscape. Currently, the theatre already is designated historic by Montgomery County's Master Plan for Historic Preservation and is listed in the Maryland Register of Historic Properties.

The property was acquired by Montgomery County as part of its acquisition of the contiguous historic shopping center at the corner of Colesville Road and Georgia Avenue in downtown Silver Spring, extending south to Ellsworth Avenue and east to City Place at Colesville and Fenton Street. It is in the heart of the Downtown, adjacent to the planned Silver Triangle office complex and within three blocks of the soon-to-be expanded Transit Center -- currently providing metrobus and metrorail, along with the MARC system.

The shopping center is one in a series of acquisitions the County made to consolidate a site and provide environmental remediation of 22 acres in the center of Silver Spring. These 22 acres, referenced as the Urban Renewal Area, surround and include the theatre.

A critical question facing the County has to do with the level of demand for such a restored or renovated facility, and the ability of potential arts or cultural organizations to pay the theatre's operating expenses. While it is the County's intent to respect the architectural integrity of the exterior of this structure, no final determination has yet been made regarding the interior in terms of the number of seats to be contained in the renovated facility, or the additional facilities to be incorporated into the building. For instance, the theatre lacks any of the normal stage facilities, lighting equipment, dressing rooms, etc. typically required for live performances.

There are five documents which are available for review that describe the property and its status. All five are available for review at the Silver Spring Redevelopment Office, 962 Wayne Avenue, third floor, Silver Spring, Maryland. Contact the office at 301/565-7300 to set an appointment to review the documents.

1. Jennings & Murray, Architects, P.C. conducted a preservation, restoration and preliminary budget study of both the Silver Theatre and The Armory, November 1992.

2. The Maryland National Capital Park and Planning Commission [MNCPPC] created an Inventory of Performing Arts Spaces in Montgomery County in March 1994 which contains the findings, text, summary forms, and supporting maps and tables for the inventory.

3. Quinn/Evans Architects completed a feasibility study in June 1994 which examined three options: a movie house, a limited presentation stage and a performing arts theatre. Each option was evaluated relative to the following project objectives:

   a. historic preservation
   b. neighborhood revitalization
   c. economic viability
   d. community art support

   Quinn/Evans amended their 1994 study in September of 1995, due to the elimination of certain site restrictions, to explore the feasibility of expanding the theatre directly behind the existing movie screen stage, providing a new backstage area, complete with fly-space and a cross-over connection centered on axis with the existing house.

4. Report of the Task Force on the Future of the Performing Arts in Montgomery County, October 1995 was completed by a task force created by the Arts Council of Montgomery County. The task force analyzed existing funding for nearly 100 arts organizations in the County.

5. Master Plan for Historic Preservation for the Silver Theatre and Shopping Center.

Montgomery County acquired the 1100-seat Silver Theatre in 1996. This art deco former movie theatre, constructed in 1937, is currently vacant and in need of renovation before it can be occupied. The condition of the interior includes water damage which occurred before the County took possession and stabilized the roof. Some of the decorative design elements remain, primarily within the building. The property has its own security system which would signal the police department if it is breached.

III BACKGROUND INFORMATION

A. Downtown Silver Spring

Downtown Silver Spring is the largest and oldest Central Business District (CBD) in Montgomery County. Founded in the mid-1840s, Silver Spring experienced significant growth in the late 1920s and early 1930s when several new industrial and commercial enterprises clustered along Georgia Avenue and the B&O rail line. A second wave of development occurred in the late '30s and '40s with the construction, in 1938, of the Silver Spring Shopping Center and Silver Theatre at Georgia Avenue and Colesville Road, and the building of the Hecht Company department store in 1946. The subsequent development of new retail and service outlets, supported by a system of public parking lots, helped Silver Spring become a thriving commercial center serving both the Montgomery County suburbs and the middle and upper income areas of northwest Washington.

In the late 1960s Silver Spring experienced a development boom that permanently altered its skyline. High-rise office buildings, hotels, and apartment houses were built on the fringes of the original business center, and Downtown Silver Spring became a regional employment center.

Downtown Silver Spring has benefited from post-1982 construction, mainly in the form of new office and residential construction near the Metro station. There is 3 million square feet of class A office space in Downtown with a total of 6 million square feet of office space. There are approximately 2 million square feet of retail space in Downtown Silver Spring .

One of Silver Spring's greatest strengths is its neighborhoods. They are close-in, literally bordering the Central Business District, many are upscale, affluent, diverse, and stable. Many countries and cultures are represented throughout, making Downtown Silver Spring as interesting a community as any in the County.

Silver Spring is a short 12 minute ride from Capital Hill by Metrorail. The Silver Spring Metro station is the second busiest transit center in Maryland and the busiest in Montgomery County with about 22,000 to 25,000 daily riders. There are a total of 160 buses during peak hour that service the Silver Spring Transit Station.

B. Economic/ Demographic Conditions

The ability for any activity to capture market share of its trade area is a function of distance, accessibility, visibility, competition, the variety and quality of the service and attractions, and how well they satisfy the needs and interests of the people in the trade area. This is true for any use programmed for the Silver Theatre. It is important to understand the characteristics of the population that will be served by the reuse of the Silver Theatre.

1. Population- Within three miles of Downtown Silver Spring it numbers nearly 200,000. Within the five-mile trade area, the population base swells to half a million, a significant market that could easily be served by a Downtown facility.

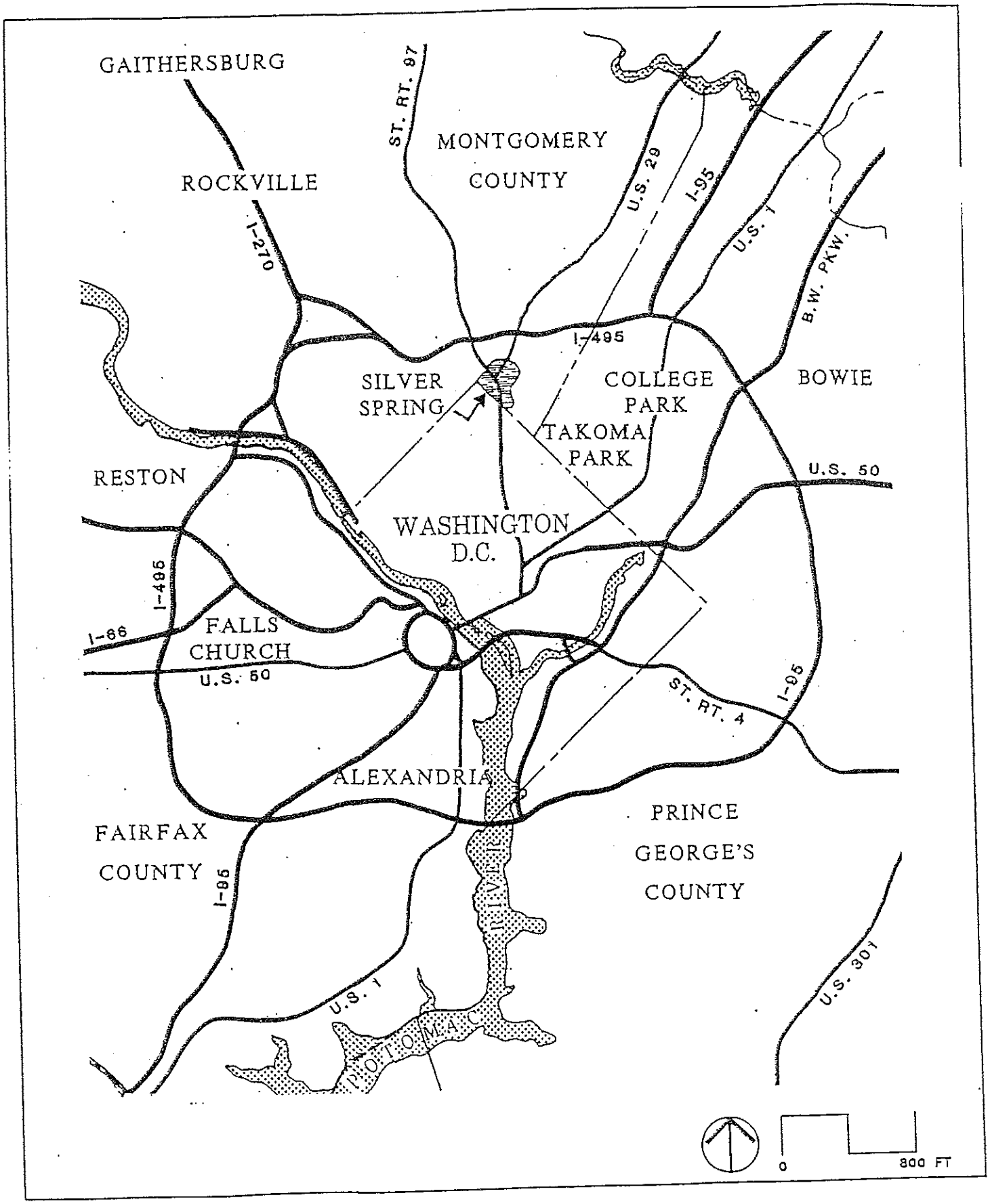
2. Household Income: The markets surrounding Downtown Silver Spring have an estimated 1995 median family income of nearly $63,000. All of the submarkets around Downtown Silver Spring are highly affluent.

3. Educational Attainment: The market that could be served by the Silver Theatre is highly educated. The majority of the adults in the surrounding markets have at least some college education. An incredible 22 percent of the population in this area, aged 25 years and older, have graduate or professional degrees. Educational attainment is critical because it is positively correlated with disposable income, earning potential, and likelihood to patronize education/cultural/discovery attractions.

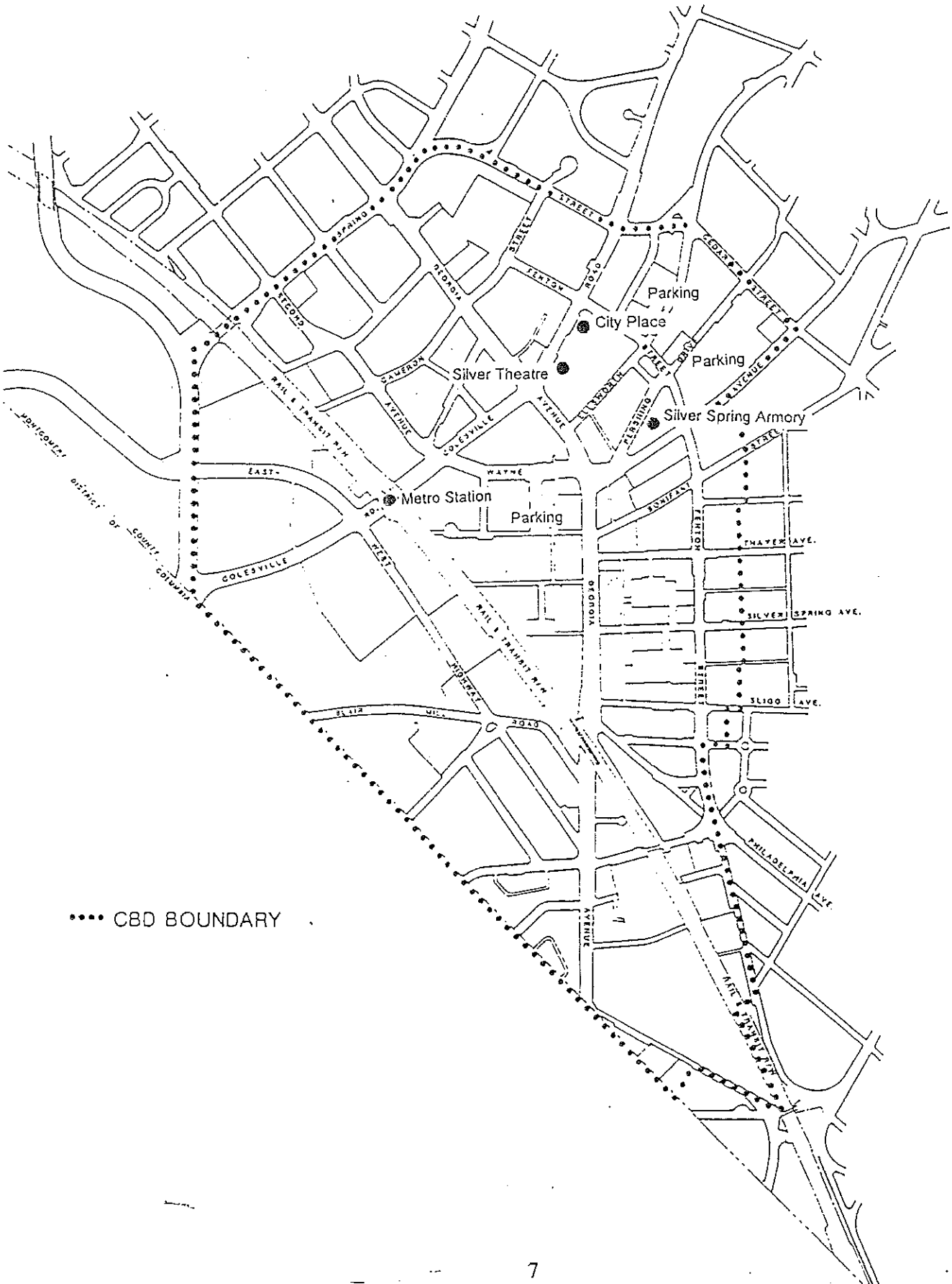
4. Occupation: The entire Washington, DC region has a higher concentration of employees in skilled occupations than the national distribution of occupations. The local market areas' level of skilled occupations is even higher than in the regional market area. These skilled occupations have a positive correlation with higher disposable incomes and buying power.

5. Age Profile: The local market population tends to be older than the regional market population. Children are under-represented in the local market and all of the submarkets are below the national distribution (21 percent) of children in the population. Instead, there is a higher concentration of people in their early 30s and Baby Boomer cohorts (age 30 to 54) than in the national population. This distribution of ages will have a significant impact on the potential type of attractions that should be included in any reuse of the Silver Theatre.

REGIONAL LOCATION MAP



Silver Theatre Location Map



IV SITE REDEVELOPMENT EFFORTS

The Silver Theatre is located on Colesville Road just northeast of the intersection with Georgia Avenue. The property was acquired in late 1995 by Montgomery County's Silver Spring Redevelopment Office as part of the County's effort to redevelop the core of the Downtown area, under the Silver Spring Urban Renewal Plan, as amended on March 11, 1997.

A. Goals of the Urban Renewal Plan

The Silver Theatre is located in the Urban Renewal Area as designated by the County Council in early 1992. The Amended Silver Spring Urban Renewal Plan outlines the goals for the redevelopment of the core area of Downtown Silver Spring. The goals that are pertinent to the reuse of the Silver Theatre include:

1. Downtown Silver Spring must be a destination for shopping, services, employment, entertainment, recreation and cultural activities.
2. Make Downtown a convenient, safe and attractive place to live and work.
3. Strengthen the role of Downtown Silver Spring as a center of commerce and employment.
4. Minimize public risks and costs in the implementation of the Urban Renewal Plan.
5. Optimize the use of public facilities and preserve the public investment in the infrastructure in downtown Silver Spring.
6. Recognize preservation of historic sites as an integral and positive part of the redevelopment of Downtown while appropriately balancing the integration or adaptive reuse of these sites into the redevelopment projects.

The Urban Renewal Plan also provides for development flexibility and incentives to encourage the redevelopment of the core area of Downtown. The reuse of the Silver Theatre should contribute to the community's efforts to realize these goals for the redevelopment of Downtown.

B. Retail/Mixed Use Development Team

The County Executive has selected Foulger-Pratt and the Peterson Companies of Maryland as the development team for the Silver Spring Urban Renewal Area. The redevelopment of the Urban Renewal Area likely will be a mixed-use retail/entertainment project in which the Silver Theatre is situated. The Baltimore office of RTKL are the architects for the redevelopment project. The reuse of the Silver Theatre could become a significant anchor or draw for this area of Downtown and the adjacent mixed-use redevelopment project. The reuse and design of the Silver Theatre must be coordinated with the redevelopment of the adjacent property. The goals for the development, as articulated by Foulger-Pratt and Peterson Companies, are to stabilize and strengthen the Silver Spring Central Business District and to serve the Silver Spring community.

V EVALUATION CRITERIA

The proposals submitted to the County will be reviewed according to the Written Evaluation Criteria listed below. The presenters of the rated proposals, which meet the intent of the REOI, may be invited to an interview. The County may invite the (highest ranked) proposer, based on the combined written evaluation and interview rating, and subject to applicable laws and disposition procedures, if any, to enter into lease negotiations. This negotiation will be based on the submitted proposal. Should the (highest rated) proposer be unable to complete negotiations of a lease agreement with the County, the County may invite the next highest rated proposer for lease negotiations. The County reserves the option to cancel this REOI any time during this process, to accept only parts of a proposal, and/or to terminate the process at any time.

Written Proposal Review Criteria: The proposals will be reviewed and rated according to the following criteria by the Qualification and Review Committee.

A. Previous experience or demonstrated capability. Resources to be used to manage and operate the Silver Theatre. Capability to work with the County and state to accomplish the programming of the Theatre, including the ability to accomplish the objective in a reasonable period of time. (20 points)

B. Reasonable and viable long-term use plan which provides compatibility with both the Silver Spring redevelopment project and the community, has a maximum positive impact on the revitalization program, and is economically sustainable. (20 points)

C. Feasibility of suggested renovations and/or modifications to the building, which may be necessary to implement the proposal. Any changes must demonstrate sensitivity and compatibility with historic preservation. (20 points)

D. Financial capability, cost schedule and proposed budget plan with proposal to program the Theatre, augment the County funds, provide long-term funding for maintenance of the building, and the obligation and investment the proposer has committed to the Theatre's use. (20 points)

E. Community enhancement through the provision of arts, education, and cultural activities. (20 points)

TOTAL SCORE: 100 POINTS

VI STATE AND COUNTY COMMITMENTS AND INCENTIVES

Montgomery County and the State of Maryland have made a significant commitment of resources and developed a Smart Growth Strategy that will promote business expansion, attract new businesses, and encourage reinvestment in Downtown Silver Spring. These strategies include tax credits, loans, grants, permitting assistance, and new Class B Alcoholic Beverages license laws for restaurants.

A. Enterprise Zone

1. Maryland has designated Downtown Silver Spring as an Enterprise Zone creating:

2. Property tax credits over 10 years starting at 80 percent of the increased taxes due on any expansion, renovation or capital improvement to Downtown buildings;
3. One-time state income tax credit of $500 given for each new full-time job or each job relocated from outside of Maryland; and
4. State income tax credit of up to $3,000, over a three-year period, for each economically-disadvantaged employee hired to fill a newly-created position.

B. Grants and Loans

1. State Neighborhood Business Development Program provides building improvement loans in conjunction with private lenders.
2. Montgomery County Bankers' Small Business Loan Fund, Inc. is a loan pool established by a consortium of 21 local banks to provide loans to small businesses that are not able to obtain traditional financing. Loans are made available on more flexible terms and conditions than are normally available.
3. Canopy Program in which the County provides 50 percent of the cost up to $2,500 for a canopy with a sign for the business.
4. Montgomery County Economic Development Fund provides assistance through loans, grants, or both, to private employers who are located, or plan to locate or expand, in the County. Businesses in Downtown Silver Spring applying for aid under this program receive special priority consideration.

C. Green Tape Zone

1. The County will offer a "Fast Track" review to all businesses needing a permit in Downtown.
2. A "Green Tape" team will be available to aid applicants through the various reviews and inspections by providing a customer service caseworker located in Downtown Silver Spring

D. Restaurant Liquor Licenses

1. New State law (HB 928 and HB 934) allows Montgomery County to issue a third Class B Beer, Wine and Liquor License to a restaurant locating in Downtown Silver Spring.
2. Opening a third restaurant with a Class B Alcoholic Beverages License in Downtown Silver Spring allows a restaurant to get a fourth Class B License anywhere in Montgomery County.

Montgomery County and the State of Maryland also have committed significant funds to the Urban Renewal Plan. The State has allocated $15 million to be matched by the County for land acquisition and the construction of a redevelopment project. $2.5 million of these funds have been allocated in the project budget for historic preservation in the Urban Renewal Area, but not specifically to the Silver Theatre. However, there are $400,000 in State funds allocated to the Silver Theatre only, which the County will match for a total of $800,000 for the renovation of the Silver Theatre. Based on the Quinn-Evans evaluation of the Silver Theatre, the renovation of the Theatre will require a larger commitment of resources to complete.

VII SUBMISSION INSTRUCTIONS

The County requests proposals for the long-term use of the Silver Theatre. The intent of this REOI is to develop a long-term lease, which indicates an obligation and investment from the proposer[s] and indicates they are prepared to execute the goals outlined in this REOI.

The proposers should provide sufficient information in this REOI to address the following:

A. Describe the long-term use for the building. Indicate whether public use of the structure will be provided. Uses should be compatible with the surrounding redevelopment project, conform to the Urban Renewal Plan, the development goals, and have maximum impact on the revitalization of Silver Spring. The proposal should include the level of public visitation and how public use will be controlled and managed. The proposal should include an assessment of the compatibility with the revitalization objectives, the redevelopment project, and the level of community and environmental impact expected by the proposed long-term use of the structures and property.

B. Provide descriptions of historic renovation[s] which may be necessary for the proposed use. The building must be fully renovated in accordance with historic preservation guidelines, to a level which is appropriate for its long-term use.

C. Provide a financial plan which includes a description of private funds, resources, contributions and labor to augment the public funds allocated for the use and renovation of the Theatre. This financial plan should describe the cost-effective and efficient use of the public funds, and include projections for any revenues gained through the use of the building. Preference will be given to proposers with a clear plan for raising the funds necessary for their proposed use, and who are willing to use their own funds, take an equity stake in the enterprise, or demonstrate a similar long-term commitment to the project's success. The County funds are expected to be allocated for work accomplished and based on the proposer's plan. The financial plan should describe completely all financial means and technical resources the proposer has available and expects to obligate to this project.

D. Describe the proposal's assumed lease arrangement, assumed term of lease, who will be the responsible Lessee, who will implement the plans and provide a long-term use for the property. The Proposer should be aware that default provisions will be incorporated within the lease to insure that proposed renovations are completed, long-term use is in compliance with the proposal, and the conditions of the lease agreement are being met.

E. Partial Respondents, who will be placed in a separate category for evaluation, are encouraged to respond with the details of what use[s] or programming they would be interested in providing.

VIII RESPONSE PROCESS AND SCHEDULE

The following submission response schedule will be pursued:

September 8, 1997: County to hold on-site pre-submission conference to address inquiries; we invite questions in advance. The pre-submission conference will be held at 10:00 a.m. in the Silver Spring Armory, 925 Wayne Avenue, Silver Spring, Maryland. Respondents interested in attending the pre-submission conference should RSVP to the Silver Spring Redevelopment Office at (301) 565-7300.

By October 10, 1997: Responses to REOI due to County

By November 1, 1997: County to complete evaluation of REOI responses

By November 5, 1997: County to contact respondents for interviews

By November 30, 1997: County to complete interviews with respondents

IX IMPLEMENTATION

The construction implementation timeframe for the Silver Theatre, once this entire process is completed, is anticipated to fall between one and two years.

u:\shared\stheatre\tust

Exhibit C

American Film Institute Early Vision Statement
In Response to REOI

(The contents of this exhibit are solely for historical purposes and shall not be construed to modify, increase or enhance in any manner whatsoever the scope of the AFI Services which are specifically addressed in Exhibit E)

AFI 30 1967 1997

Advancing and celebrating the art of the moving image

Celebrating its 30th anniversary, the American Film Institute is America's national arts organization dedicated to advancing and preserving the art of film, television and other forms of the moving image.

AFI SILVER THEATRE MISSION

- To be the flagship enterprise in expanding AFI's exhibition activities on a national scale through high-visibility, quality programming in regional markets.
- Further the institute's mission to advance and preserve the moving image by presenting the rich legacy of American film and world cinema in the environment in which films were originally intended to be shown.
- Present educational programs that encourage the discussion of American film as an art form.
- Develop the Silver Theatre into a major film & video exhibition center that will be recognized nationally and internationally.

YEARLY PROGRAMMING ELEMENTS

(seven days a week, day and evening, year round)

- **Regular Daily Programming**
  - 300 to 400 different films from the best in American and international cinema presented annually.
  - 50 to 75 in-person guest appearances by filmmakers, writers, and performers every year. These evenings typically include introductory presentations, film screenings, and an audience question and answer period.
  - Programs curated to provide context through a variety of approaches including exploration of genres, re-evaluation of film history, and retrospectives of major directors, producers, actors, and writers.
  - Live musical accompaniment of silent films.
  - Daytime programming for the Senior community.

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The John F. Kennedy Center for the Performing Arts
Washington, DC 20566
202 828 4001

2021 North Western Avenue
Los Angeles, CA 90027
213 856 7600
213 467 4578 Fax

President

Director and CEO

Co-Director and COO

General Counsel

AFI 30 1967 1997

Advancing and preserving the art of the moving image

Board of Trustees
Chairman
President
Founding Director
Honorary Trustee
Trustees
Director and CEO
Co-Director and COO
General Counsel

- Special Events

  - Festivals

AFI anticipates presenting three major annual festivals at the Silver Theatre. These are large scale events, lasting from one to two weeks, with numerous international guests, and extensive national and international press coverage. These events typically sell-out and draw audiences from well beyond the Washington region. They will generate significant hotel and restaurant trade, and are one of the key elements in our strategy to establish an international reputation for the Silver Theatre.

The European Union Showcase

Each year the EU Showcase presents 20 to 25 outstanding works from the major European festivals — Cannes, Berlin, Venice, Edinburgh, San Sebastian — almost all American premieres. This event is heavily attended by the Washington diplomatic community.

Global Documentary Festival

We are currently pursuing the creation of a world-class international non-fiction film festival. This would be a competitive festival with major prizes (possibly including international broadcast for the winners). Plans include flying in film critics, as well as filmmakers and the subjects of their films—who may well be the "stars" of the festival (scientist Stephen Hawking [*A Brief History of Time*] gets as much attention from the press as any rock star and boxer Mohammed Ali [*When We Were Kings*] probably gets more). Wide advertising and promotion of the festival will create the immediate recognition that it is one the major festivals of the world. We believe that in the field of documentary film it would soon rival Sundance (probably the best known festival in the United States) in prestige and publicity.

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Board of Trustees

Chairman

President

Founding Director

Latin American Festival

We are currently in discussions with the Cultural Foundation of the Americas and the Organization of American States on the development of a second "showcase" festival highlighting the emerging national cinemas of Latin America. Like the EU Showcase, this event would host numerous international guests, and draw audiences from beyond the Washington region.

- Premieres
- Two to three times per year we would expect to host premieres of major studio releases and restorations, with gala parties and celebrity appearances.

• Educational Programs

- Working with the Montgomery County Public Schools and Montgomery College, AFI will create a daytime educational track at the Silver Theater. To this end, we have already had several meetings with MCPS and Montgomery College, and are active participants on the Blake High School Arts Advisory Council. We anticipate offering a wide range of educational activities for all grade levels including:
  - Providing immediate advisory support for the MCPS Media Festival, and acting as the host site for the event upon the opening of the Silver Theatre.
  - Ongoing film appreciation course designed to develop a greater understanding of film as an art form.
  - Programs to promote media literacy and critical viewing skills at all grade levels.
  - Field trip programming designed to integrate with existing school curriculum in a variety of disciplines—from language arts and social studies, to history and the sciences.
  - Faculty development programs for integrating moving image media in the curriculum, including re-certification programs.
  - High school, college, continuing education level professional training seminars covering topics such as "Financing and

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Co-Director and COO

General Counsel

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AFI 30 1967 1997

Advancing a greater understanding of the art of the moving image

Development for the Independent Film," "The Art and Craft of Basic Animation," "How to Sell Your Screenplay," "Directing from Concept to Completion," etc.

- Distance learning opportunities through live interactive links with the institute's Center for Advanced Film & Television Studies at its Los Angeles campus.

Board of Trustees

Chairman

Vice-Chairman

President

Founding Director

Honorary Trustees

Trustees

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Exhibit D

Letter Agreement between Montgomery County, Md. and the American Film Institute

Lease between Montgomery County, Maryland and the American Film Institute

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Douglas M. Duncan
County Executive

April 13, 1998

Ms. Jean Picker Firstenberg
Director and Chief Executive Officer
American Film Institute
2021 North Western Avenue
Los Angeles, California 90027

Dear Ms. Firstenberg:

I am pleased to inform you that Montgomery County has selected the American Film Institute as the preferred responder and has designated the AFI as the programming tenant for the renovated Silver Theatre in Downtown Silver Spring. Subject to the terms of this letter, we intend to work with your team exclusively to negotiate in good faith a plan and agreements that will accomplish our mutual objectives for the Theatre. It is of great interest to Montgomery County to work with the American Film Institute in the development of what we believe will become a prototype for the AFI that can be replicated in other cities.

The American Film Institute has an impressive 30-year track record of preservation, education, and presentation of the moving image. You have expressed a strong interest in developing a first class presentation program at the Silver Theatre that will include classic films, festivals, and special events and presentations. The American Film Institute also proposes, in cooperation with Montgomery County Public Schools and Montgomery College, to develop an educational component. Montgomery County believes that both of these components are critical to this project. In addition, we have discussed other programming opportunities, such as programs for seniors, which are also important to the County and can significantly contribute to the ability of this project to be self-sustaining.

In order to achieve our objective, Montgomery County is prepared to make a substantive commitment of both effort and funds. It is our intention, in cooperation with the AFI, to restore the Silver Theatre and to develop a completed facility which Montgomery County will lease to the AFI for a nominal sum of ten dollars ($10) per

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year. The term of the lease is proposed to be for ten years, with 9 ten-year renewals, subject to either party's right, anytime after the fifth year of the initial ten-year term, to terminate the lease with one year's prior written notice. The proposed facility will include: the restored 400-seat theatre; a second theatre of approximately 200 seats; a small screening room; state of the art audio visual equipment for such facilities; offices; a conference room/library; and concession and retail space. In addition, the County will consider the option to incorporate classroom space that would support educational activities. The renovated Silver Theatre will prominently feature the AFI logo. Our current budget for this work is $7,800,000. Should estimates exceed this amount, we will initiate discussions with you on options concerning facility needs and additional third party funding sources to ensure completion of a first-class facility.

In addition to the film facilities for the AFI, Montgomery County is seriously considering developing a performing theatre-school complex and black-box theatre adjacent to AFI's Silver Theatre. The Round House Theatre, a local equity theatre, will be the tenant of the performance complex.

Our expectation is that the American Film Institute is prepared to develop programs as described above and establish the American Film Institute's Silver Theatre and market and manage the theatre to maximize attendance. In support of the program development, Montgomery County will conduct at its expense market analysis and related development efforts during the next 18 months. We propose that the program development be done in such a way that some aspects of the educational programming can begin in the fall of 1998 at either Montgomery College or local high schools, or both. The program for the Silver Theatre should be able to begin in the fall of 1999, contingent on the Theatre being completed, and be implemented over a period of approximately 18 months.

The programming of the Theatre will be based on the business plan as we discussed, which represents the objective for normalized business operations that we would like to achieve within three years. Montgomery County agrees to guarantee sufficient ticket sales needed to make the operation self-sustaining for the term of the lease -- ensuring that revenues support each program as it is developed and implemented. The tickets purchased by the County will be used for educational, promotional, or other purposes that bring community members to the Theatre and its programs. Montgomery County expects the required ticket purchases to be $400,000 in the first year, $200,000 in the second, and $100,000 in the third year. If these amounts are significantly exceeded, Montgomery County will, in cooperation with AFI, evaluate and restructure the business operation as necessary. If we have not achieved a self-sustaining operation within five years, we would agree to reexamine the program and work with the AFI to develop alternatives and restructure the operation.

When the American Film Institute at the Silver Theatre becomes a self-sustaining operation, we propose that the first use of the surplus revenues be to establish sinking funds for large maintenance items as they may be required from time to time. Beyond that, we propose that Montgomery County and the American Film Institute share the surpluses equally.

If you accept this designation for being the programming tenant of the Silver Theatre, please indicate your acceptance by executing and returning the enclosed copy of this letter. My staff will then commence negotiations with you to develop necessary agreements, allocation of responsibilities, and milestones for a successful project.

I look forward with great anticipation to the successful project, which will be of mutual benefit and significantly contribute to the education, preservation, and presentation goals of the AFI and the redevelopment of downtown Silver Spring.

Sincerely,

Douglas M. Duncan

Douglas M. Duncan
County Executive

DMD:jp
Enclosure

We accept the designation by the County to be the programming tenant of the Silver Theatre.

AMERICAN FILM INSTITUTE

By: Jean Firstenberg Date: 4-16-98

Exhibit D-1

Description of AFI's Creation and Purpose

Lease between Montgomery County, Maryland and the American Film Institute

AFI Mission.doc

The American Film Institute (AFI) is America's national arts organization dedicated to advancing and preserving the art of film, television and other forms of the moving image. AFI's programs promote innovation and excellence through teaching, presenting, preserving and redefining this art form.

AFI serves as a point of national focus and coordination for the many individuals and institutions which make up the moving image community. In this effort, AFI is guided by four primary goals:

- **training** the next generation of American filmmakers (AFI identifies and trains America's next generation of filmmakers through many programs, such as the prestigious AFI Conservatory.);
- **presenting** the moving image in its many forms (AFI raises awareness of the moving image as an art form within the creative community and with the wider American public through a multitude of national events and exhibition programs, and by rewarding excellence in the field of the moving image.);
- **preserving** our nation's moving image heritage (Of the more than 21,000 feature-length films produced in the U.S. before 1951, only half exist today. AFI's preservation efforts—considered among the best in the world—work to protect our nation's moving image heritage.); and
- **redefining** the moving image (Since 1991, AFI has played a leadership role in redefining the moving image in the era of the digital revolution by providing a unique environment for creative artists and technical visionaries to better understand and adapt to the future of visual communications.).

Founded in 1967, the original AFI mandate—to bring together leading artists and educators who advocate film and television as an art form—has expanded to include *all* aspects of the moving image. With the success of AFI programs and with many promising new ones, AFI's influence has continued to grow. Today, AFI is playing a major role within the entertainment community to understand the new digital era and how this new media will impact the future of storytelling.

Exhibit E

Description of AFI Services

Lease between Montgomery County, Maryland and the American Film Institute

Exhibit E

AFI Services

AFI Services shall include, but not be limited to, the following:

A. MANAGEMENT

1. AFI shall manage and operate the Theatre (as such term is defined in the Lease) on a daily basis as a motion picture exhibition facility and public cultural center dedicated to advancing and preserving the art of the moving image. The facility will be open year round on a daily basis, subject only to reasonable closures for maintenance, repairs, improvements, holidays, acts of God, civil insurrection, wars, weather conditions, and other matters of necessity. AFI will set the actual operating days and hours from time to time based on a realistic assessment of market conditions, but shall in no event operate the Theatre less than five (5) days per week on average without County approval.
2. AFI shall oversee the furnishing, setup, and routine maintenance of management offices within the Theatre utilizing the locations and equipment set forth in the Theatre Plans (as such term is defined in the Lease).
3. AFI shall hire, train, and oversee employees, consultants and other service providers in sufficient numbers and with the appropriate skills to manage and operate the Theatre for the purposes set forth in the Lease and this Exhibit E.

PROGRAMMING AND OPERATIONS

1. AFI shall program the Theatre to reasonable standards of excellence for non-profit film exhibition, including but not limited to presenting a variety of programs of classic and contemporary feature films; premieres; extended run presentations of specialized films and retrospectives of major directors, producers, actors, and writers; documentaries; short films; animation programs; computer and/or otherwise digitally generated pictures (moving and still); and other screen presentations utilizing media and projection equipment now known or hereafter devised. AFI is a not-for-profit organization and no-one intends it to operate the AFI Silver Theatre complex as commercial movie theaters that have as their primary business the display of first-run feature films for profit.
2. For the purposes hereof the terms "film" and "screen presentations" shall include, without limitation, traditional film in various formats, videotaped programs, digital video, and computer generated imagery, as well as Internet, new media, and multi-media formats and presentations. AFI may reasonably discontinue or alter its use of one or more formats, media, and/or projection delivery systems in the future as technology (and the availability of film product in various forms) changes.

3. AFI shall develop educational uses and programming at the Theatre related to film and to AFI's mission. The educational uses and programming will be targeted to a broad audience which shall include, but not be limited to Montgomery College and Montgomery County Public Schools.
4. AFI shall, record, edit, or otherwise produce film and/or video presentations at or from the Theatre from time to time, subject to: 1) the terms of the MOU (as defined in the Lease); 2) the availability of funding for such productions from the County (including but not limited to the Cable Office); and 3) the receipt by AFI from the parties being recorded and from others who may have interests or rights, of all necessary releases, copyrights, and other necessary production and/or exhibition agreements. Provided all requisite copyrights, releases, and other distribution or exhibition rights are in place, such materials may be exhibited in MCC and MCPS classrooms, over the County's PEG channels or elsewhere. In the event that such productions become economically unfeasible or otherwise create an excessive burden on AFI's management personnel, they may be discontinued without creating a breach hereunder.
5. AFI shall from time to time program and/or present special events, on-stage guest appearances, film festivals, educational discussions, seminars, public forums, technical training, meetings, performances, lectures or conferences at or from the Theatre.
6. AFI may from time to time create, prepare, and maintain lobby, gallery, and other exhibits and displays at the Theatre in areas designated or approved for such purposes in the Lease.
7. AFI shall operate and/or oversee café and concessions services at the Theatre.
8. AFI may provide other services and activities permitted under the Lease which further the Mission of AFI and the goals of the County as articulated in the Lease.
9. AFI may raise funds and/or offer Programs, activities, and services in excess of those required as AFI Services under this Lease. However, such exceptional or additional programs offered by AFI over and above its obligations hereunder shall not be construed as or otherwise become ongoing obligations or conditions of the Lease.

Exhibit F

Annual Budget Plan Format

Lease between Montgomery County, Maryland and the American Film Institute

EXHIBIT "F"

General Format of Annual Budget Plan

REVENUE AND EXPENSE CALCULATIONS FROM THEATRICAL OPERATIONS FISCAL YEAR '__, OPERATIONS

REVENUE

Box Office	$
Concessions (Theater and Café)	$
Theatre Rentals (28 Days-Historic & 14 Days-200 Seat)	$
Special Programs (Discovery & Other allocations)	$
Retail Sales	$
Membership Sales	$
Sponsorships and On Screen Promotions	$
Charitable Contributions	$
GROSS REVENUE	**$**

COST OF SALES

Box Office (Film Rental) (33%)	$
Concessions (30%)	$
Theater Rentals (30%)	$
Special Programs (None)	$
Retail Sales (20%)	$
Membership Sales (None)	$
Sponsorships (None)	$
Charitable Contributions	$
Credit Card and Internet Ticket Purchase Fees (3% of 40%)	$
TOTAL COST OF SALES	**$**

NET REVENUE

OPERATING EXPENSES

Theatre Salaries and Fringes (See Detail)	$
Staff training and hiring (annual)	$
Travel (Staff and Consultants)	$
Guest Travel & Hospitality	$
Meetings and Conferences	$
Telephone, equipment, long distance and monthly services	$
Postage and Delivery (office, exclusive of program guides)	$
Duplicating and Printing (office only, not program guides)	$
Office Supplies/Stationery	$
Theater Supplies	$

Books and Subscriptions	$
Stills and Photos	$
Equipment Purchases (Non-Cable Component)	$
Equipment Repairs	$
Equipment Rental (not charged to renters)	$
Facilities Repair (County maintains building overall)	$
Film Shipping	$
Internet T-1, Firewall, and POS Software maintenance	$
Insurance (Exclusive of Workman's Comp and Rental Floaters)	$
Legal (above pro-bono)	$
Marketing, Promotion, Receptions and Premieres	$
Newspaper Display Ads	$
Monthly Program Guide (including mailing)	$
Staff Uniforms	$
Armored Car Service	$
Alarm and Security Systems and Monitoring	$
TOTAL OPERATING EXPENSES	**$**
PROFIT /LOSS	**$**
COUNTY GUARANTEED TICKET PURCHASES (This fiscal year)	**$**
ESCROW FUND ALLOCATIONS FROM COUNTY (This fiscal year)	**$**
OPERATING FUND ALLOCATIONS (PURSUANT TO LEASE)	**$**
GUARANTEED TICKET PURCHASES CUMULATIVE (Current Balance)	**$**
ESCROW FUND CUMULATIVE (Current Balance)	**$**

Exhibit G

Memorandum of Understanding
Among AFI, County, Board of Education and Montgomery County Public Schools

Lease between Montgomery County, Maryland and the American Film Institute

DRAFT – October 30, 2001

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made this ____ day of _____, 2001, by and between Montgomery County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), The American Film Institute (hereinafter referred to as "AFI"), the Board of Education for Montgomery County (hereinafter referred to as the "Board"), and Montgomery College (hereinafter referred to as "the College" or "MC"). The County, AFI, the Board, and MC are collectively referred to as the "Parties."

I. PURPOSE

The purpose of this MOU is to set forth a mutual understanding of the goals that the Parties want to achieve in order to maximize the cultural and educational opportunities associated with the pending operation of the AFI Silver Theatre by AFI.

II. BACKGROUND

A. AFI is a nonprofit corporation that sponsors and produces programs and activities that promote the moving image arts. AFI also participates in the creation of films and television programming.

B. The AFI Silver Theatre consists of the historic Silver Theatre and the adjacent building at 8633 Colesville Road in Silver Spring, Maryland. The County owns both the historic Silver Theatre property and the adjacent property. Pursuant to a separate lease agreement, the County will lease to AFI the historic Silver Theatre building and the building that is being constructed on the adjacent property. The AFI Silver Theatre is to be operated by AFI as its flagship enterprise to expand its exhibition efforts on a national scale through high-visibility, quality programming in regional markets. AFI's exhibition efforts at the AFI Silver Theatre will be designed to support AFI's mission to advance and preserve the moving image by presenting the rich legacy of American film and world cinema in the environment in which films were originally intended to be shown and by presenting educational and community oriented programs that encourage the discussion of American film as an art form. AFI intends to establish the AFI Silver Theatre as a major film and video exhibition center that will be recognized nationally and internationally. AFI shall develop, design, operate and maintain a part time video production and full time film exhibition facility at the AFI Silver Theatre. Examples of cable related programs and activities that AFI may conduct at the AFI Silver Theatre are listed in Attachment A.

C. The County, the College, and the Board may contribute facilities, equipment, staff, funding, and other assets, in accordance with the terms of this MOU, to support the establishment and operation of the AFI Silver Theatre. The contributions of the County, the College, the Board and the products of these contributions, made by virtue of this MOU, will be known as the "Project."

D. A general list of equipment necessary to support the wide array of functions proposed for the Project is listed in Attachment B. A phased implementation schedule for achieving programming goals will be prepared by the Parties based on the level of funding provided by the County, the Board, and the College as the Project develops. Some changes in program objectives may be realized as the facility is constructed and equipment is installed. An implementation schedule for cablecasting and distance learning will be developed to coincide with the activation of fiber optic interconnects. The equipment listed in Attachment B will support the following: the recording and documenting of filmmakers and other members of the moving image community who will appear at the Silver Theater; the production of original AFI programming for cablecast on the County's Public, Education, and Government ("PEG") channel(s) as agreed upon by the Parties; fiber connections for the distribution of programming and the establishment of interactive connections to the public schools in the County and Montgomery College; distance learning capability with AFI's Center for Advanced Film and Television studies in Los Angeles and other locations.

E. AFI shall develop, design, operate, and maintain a facility at the AFI Silver Theatre which shall include the following design characteristics:

1. multi-component digital production capability;

2. equipment quality in the high-end industrial/low-end broadcast range;

3. interactive connectivity between AFI, the County, the College, the Board and appropriate government and community facilities;

4. wiring connections for the use of production equipment such as production trucks, EFP cameras, or satellite equipment (either satellite trucks or transportable up/down-link equipment.)

III. COMMUNITY, CULTURAL, AND EDUCATIONAL PROGRAM OBJECTIVES

The Parties intend to develop program elements in the furtherance of their respective missions as follows:

A. MC and AFI will work cooperatively to develop college level educational programming that will be played on the College's cable television channel. AFI will give the College a license to receive and duplicate the programs which are created jointly between them in perpetuity for use at the College as teaching materials, provided that AFI has the requisite copyrights and other authority to do so.

B. The Board and AFI will work cooperatively to develop educational programming that will be played on the Board's cable television channels. AFI will give the Board a license to receive and duplicate the programs which are created jointly between them in perpetuity for use by the Board as teaching materials in the Montgomery County public school system, provided that AFI has the requisite copyrights and other authority to do so.

C. AFI will offer programs of general community interest and promote awareness of and participation in programs at the AFI Silver Theatre. This would include programming which features directors, screenwriters and other prominent guests appearing at the AFI Silver Theatre as well as in Los Angeles and other locations. Programming of general community interest may be aired on the County's cable television channel and/or be available for use by the other Parties at their discretion.

D. AFI will offer county residents, through cable programming, access to the cultural opportunities available at the AFI Silver Theatre. AFI will also offer distance learning opportunities if and when they become available through AFI's online and education departments.

E. The County may provide two-way fiber links and appropriate interface equipment from the AFI Silver Theatre to the College, Board and County headends. These links will be used to disseminate programming on open or closed circuit channels.

F. AFI will offer live interactive dialogue between the Board's and MC's students, County residents, and filmmakers from either the AFI Silver Theatre, Los Angeles, or other locations via a live broadband hook up, if the technology and funding are available and it is practicable to do so.

G. AFI will offer internships for Montgomery College and Board students at or through the AFI Silver Theatre.

H. AFI materials may be transmitted over the County's, the College's or the Board's PEG channels with appropriate copyright permission. However, in no event shall AFI be requested or required to provide any materials or programs for which AFI has not received all required clearances and releases, including but not limited to licenses and copyrights.

IV. OBLIGATIONS OF THE PARTIES

A. Funding

1. Subject to an appropriation by the Montgomery County Council and in accordance with the Cable Plan, the County may purchase equipment that is needed to operate the Project. The equipment that may be purchased is identified in Attachment B. All equipment purchased with these monies will be owned by, and titled to, the County. The equipment will be used by AFI solely for programs and activities conducted at or directly related to the AFI Silver Theatre, or for the production of cable or digital programming as contemplated by this memorandum. The County may also provide additional funding for operating expenses, maintenance, and replacement equipment. All County funding is contingent upon an appropriation by the Montgomery County Council.

2. In accordance with the Cable Plan requirements, AFI may submit to the County a

written request(s) for financial support from funds allocated to the County's Cable Plan. Any such request shall state the amount of funding that AFI is seeking and describe the activities and equipment for which any funding may be used.

3. AFI shall cooperate with the Parties in the installation, maintenance, and operation of the audio-video production equipment and editing facilities in the AFI Silver Theatre. AFI shall maintain all equipment at the AFI Silver Theatre.

4. At the time of execution of this MOU, AFI has requested from the County one million eight hundred thousand dollars ($1,800,000) in capital funding for the design, planning, procurement and installation of audio-video production and editing equipment, and other improvement of facilities at the AFI Silver Theatre. These sums are separate from, and in addition to, the capital development funds approved by the County for the rehabilitation and construction of the AFI Silver Theatre. Changes in equipment needs and programming objectives are likely to be realized as the facility is constructed, equipment installed, and operations commenced. AFI and the Parties agree to cooperate in making such changes to carry out the purposes hereof.

5. AFI may not sell or dispose of any equipment purchased with County funds without the written approval of the County. The County will receive any revenue generated from the sale of the equipment. AFI may not use County owned equipment as collateral for any loan or other financial arrangement without the written approval of the County.

6. As soon as practicable after the execution of this MOU, the County may provide AFI with a payment of fifty thousand dollars ($50,000), which shall constitute the first installment out of the one million eight hundred thousand dollars ($1,800,000) referred to above. Such sum ($50,000) will be used to pay for design, planning, and technical advice regarding the purchase of equipment and improvement of facilities in connection with the construction of the AFI Silver Theatre, and for development of a production plan and budget. AFI may request further sums for these and related purposes in subsequent Fiscal Years. The County shall not be obligated to provide any sums until all requisite approvals have been obtained from the Montgomery County Council.

7. If AFI fails to use the equipment or funds provided by the County for the Project, then upon the request of the County: 1) AFI will return to the County any equipment not used for the intended purposes; 2) If AFI is unable to return any equipment, AFI will reimburse the County for the cost of the Equipment; 3) Upon the request of the County, AFI will reimburse the County for funds which were expended for purposes other than those for which they were provided; and 4) AFI will refund to the County any unused funds it has received on behalf of the Project.

B Cable Channel Carriage

1. AFI shall make certain original programming produced at the AFI Silver Theatre and other existing AFI programming available for distribution over the Parties' PEG channels, provided that AFI has all requisite rights, releases, and licenses to do so. The channel operators shall have the sole discretion to determine which of the programs submitted by AFI will be distributed over the PEG channels.

2. The Parties will cooperate to establish reasonable written production guidelines and standards to support the high quality production of programming utilizing the AFI Silver Theatre's facilities for distribution on the County's PEG channels. At the request of the County, and subject to the receipt by AFI of the necessary funding and all requisite releases from participants and other rights owners, AFI shall also make arrangements for certain seminars, lectures, and other events conducted at the AFI Silver Theatre to be videotaped or transmitted live over the Parties' PEG channels.

3. The Parties shall work together to establish an annual programming plan. The programming plan will identify and describe what programming shall be produced by AFI for distribution over the Parties' PEG channels and shall identify funding sources thereof.

4. Potential cable programs to be developed by AFI for the Montgomery County cable system shall include, but are not limited to, the programs identified in Attachment A.

C. Copyright

1. Subject to Subsection C.2. below, AFI shall be responsible for ensuring that all copyrights, licenses, releases and any other such legal clearances are obtained for all programming, programming elements, activities, and materials to be produced or created at the AFI Silver Theatre. AFI shall indemnify the other Parties against any claims arising from the failure of AFI to secure the necessary legal clearances. Any obligation to make payments to any third parties for the use of programs, program elements, or other materials, shall be clearly set forth, allocated, and agreed upon in writing by the affected Parties prior to the exhibition, use, or distribution of said items.

2. It is expressly understood that AFI shall not be required to provide any programming or materials to the County, the Board, or MC unless AFI is able to obtain the appropriate copyrights, licenses, grants of permission, and other legal clearances and affirmatively represents to the other Parties that they are in place for the uses proposed. AFI and its officers, directors, employees, or affiliates regularly produce other programming which does not and will not utilize funds or equipment provided hereunder. The Parties expressly understand and agree that AFI may or may not make such outside productions available for distribution or exhibition over the PEG channels, at AFI's sole discretion.

3. Any use, distribution, or duplication by the Parties of any programs, program elements, and other materials produced, created, or controlled by AFI shall be subject to separate permission from AFI except as otherwise provided for in this agreement. The Parties shall have the right to request such approval prior to funding the production of any original programming hereunder, and AFI agrees to reasonably cooperate in efforts to obtain such use rights for all other programming.

4. The matter of copyright ownership in and to original programs, program elements, and/or other materials developed, produced, or created hereunder shall be handled by separate written agreements between the Parties funding such productions, which agreements shall be entered into at the time of funding or creation of those programs. In the absence of separate written agreements to the contrary, all works and materials created or produced hereunder and all copyrights and other rights thereto shall be the property of AFI, and the contributions of others shall be deemed "work(s)-made-for-hire" pursuant to Section 201 of Title 17 of the United States Code, specially ordered or commissioned by AFI, with AFI being deemed the sole author of all such works, results and proceeds for copyright purposes.

5. Any revenues received by AFI from the sale, licensing or distribution of programs, program elements, or other materials developed using funds or equipment provided by the County, shall be shared equally between AFI and the County after first deducting from the revenues, all costs incurred by AFI associated with the production, editing, reproduction, and licensing, of the programs or materials in question. At the discretion of AFI, AFI may use the original production costs recouped from the sale of programs or materials, to create or support future productions at the AFI Silver Theatre in which case those sums shall not be included in net revenues, but shall be applied by AFI to the creation and/or distribution of programming for the benefit of the Parties hereto.

D. Promotion

1. The County, the College and the Board may promote AFI Silver Theatre Productions and AFI events, educational opportunities and cable programming. Such promotion may include the use of the cable video bulletin board and program guides.

2. AFI shall highlight the PEG cable channels as the vehicle for carriage of AFI programming and AFI Silver Theatre Productions in certain promotional and informational materials developed by the AFI for distribution to Montgomery County residents. AFI shall also have the right to promote AFI and AFI Silver Theatre programs and activities in trailers and productions to be carried over the PEG channels, subject to the consent of the channel operators.

E. Notices

Any notices, offers, requests or demands to be given hereunder shall be sent as follows:

1. Notices sent to AFI shall be mailed to:
   AFI
   C/O Ray Barry
   8633 Colesville Road
   Silver Spring, Maryland

   AFI
   C/O James Hindman, COO
   2021 N. Western Ave.
   Los Angeles, CA 90027

   Earl Segal, Esq.
   C/O Akin, Gump, Strauss, Hauer and Feld
   1333 New Hampshire Ave. NW
   Washington, D.C. 20036

2. Notices sent to Montgomery County shall be mailed to:
   Jane E. Lawton
   Cable Communications Administrator
   Cable Office
   100 Maryland Avenue, Suite 250
   Rockville, MD 20850

3. Notices sent to The Board of Education For Montgomery County shall be mailed to:

4: Notices sent to Montgomery College shall be mailed to:
   Brian Baker, Instructional TV/Cable TV Operations
   Montgomery College
   51 Mannakee Street
   Rockville, MD 20850

   Rocky Sorrell, General Counsel's Office
   Montgomery College
   900 Hungerford Drive
   Rockville, MD 20850

Notices shall be deemed given upon actual receipt or three days after deposit in the U.S. mail, return receipt requested, whichever is sooner.

G. Governing Law

This MOU shall be regarded for all purposes as a Maryland document. The validity and construction hereof shall be determined and governed by the laws of the State of Maryland. If any provision hereof or the application of such provision to any person or circumstance shall be held illegal, invalid or unenforceable, or in conflict with applicable law, the remaining provisions hereof or the application of such provision to persons or circumstances other than those to which it is held illegal, invalid, unenforceable, or in conflict shall not be affected thereby.

H. Assignment

This MOU is not assignable by any Party hereto without the prior written consent of the other Parties except that AFI may assign its rights and obligations hereunder to a legal entity which is formed by AFI (the "Permitted Assignee") as a wholly owned and operated affiliate or subsidiary of AFI. In the event of an assignment of AFI's rights and obligations under this MOU in their entirety to a Permitted Assignee, AFI shall thereafter be released from and relieved of all obligations, responsibilities and liabilities hereunder, provided that AFI shall exercise reasonable control of the Permitted Assignee and shall continue to act as an expert advisor for the programming of the AFI Silver Theatre and the Project. No such assignment shall be valid unless and until the Assignee becomes a signatory to this MOU and a fully executed copy is delivered to the County.

I. Counterparts

This MOU may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

SIGNATURES

MONTGOMERY COUNTY, MARYLAND

By: _____

Title: _____

Date: _____

AMERICAN FILM INSTITUTE

By: _____

Title: _____

Date: _____

BOARD OF EDUCATION FOR MONTGOMERY COUNTY

By: _____

Title: _____

Date: _____

MONTGOMERY COLLEGE

By: _____

Title: _____

Date: _____

ATTACHMENT B

EQUIPMENT COMPONENTS

- A main control room. This is where the operator(s) control events. This is a production oriented area where signals are switched from the different theaters, audio and video enhancements are added, and remote control cameras (if included) are operated. Signals are received in the central equipment area where they are processed. The following major equipment components are identified;
  a) Video digital component switching with mix effects (M/E)
  b) Audio mixing
  c) Intercom system
  d) Audio and video monitoring
  e) Wireless microphone system
  f) Multi-camera remote control system including pan/tilt/zoom (if applicable)
  g) 2 operator consoles

- There County plans to construct several theaters - one large area with approximately 400 seats, one smaller with approximately 200 seats, and a still smaller screening room with approximately 75 seats. Events are to be shown from the central equipment room via a large screen projection system in each theater. Each of these theaters will have the capability of remotely recording events via the main control room. The following are the major equipment components to be provided by the County in the theaters:

  Main Theater
  a) 3- industrial grade, color digital electronic field production (EFP)-DVCAM compliant cameras (remote controlled, if applicable)
  b) Camera intercom system

  Theater #2
  a) 3- high resolution-low light level, industrial grade, component color cameras (remote controlled, if applicable)
  b) Camera intercom system

  Screening Room
  a) 3- high resolution-low light level, industrial grade, component color cameras (remote controlled, if applicable)
  b) Camera intercom system

- In the central equipment area, picture quality will be stabilized, signals are to be recorded on a limited number of VCRs, and video programming will be distributed to the theaters from this area. Equipment for this area includes:
  a) 4- video equipment racks
  b) Main intercom system
  c) Master test signal (Cbars, Bburst, Sync) generation system

ATTACHMENT C

MANDATORY INSURANCE REQUIREMENTS

Prior to the purchase and installation of the equipment by the County and AFI's occupancy of the AFI Silver Theatre, the proposed awardee must obtain at its own cost and expense and keep in force and effect until termination of the contractual relationship with the County the following insurance with insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. Contractor's insurance shall be primary.

Commercial General Liability

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 the following coverages:

Contractual Liability
Premises and Operations
Independent Contractors
Products and Completed Operations

Automobile Liability Coverage

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 the following:

owned automobiles
hired automobiles
non-owned automobiles

Installation Floater

AFI shall provide an installation floater on an all risk coverage basis including 100% of the value of the cable and production equipment installed as part of the Project, against all perils to protect the County, the Contractor and its subcontractors. The policy must name **Montgomery County Government as loss payee.**

Worker's Compensation/Employer's Liability

Meeting all requirements of Maryland Law and with the following minimum limits:

Bodily Injury by Accident - $100,000 each accident
Bodily Injury by Disease - $500,000 policy limits
Bodily Injury by Disease - $100,000 each employee

Additional Insured

Montgomery County Government must be named as an additional insured on general liability policies.

Policy Cancellation

Forty-five (45) days written notice of cancellation or material change of any of the policies is required.

Certificate Holder

Montgomery County Government
DHCA - Cable Office
ATTN: Amy Rowan
100 Maryland Ave., 4th Flr.
Rockville, Maryland 20850

CABLE\AFI\MOU7-23final.doc

Exhibit H

Theatre Plans

Lease between Montgomery County, Maryland and the American Film Institute

Public Improvement Contract 010A

EXHIBIT D (Modified)

LIST OF PLANS AND SPECIFICATIONS

1. The drawings, specifications and other Contract Documents and bid instructions described herein are referred to as the "Plans". Certain Plans that form part of the basis of this contract PIC 010A, include written specifications and other information as prepared by the architect and their consultants, including addendum 1, 2 and 3 only. The drawings are listed on the following pages.

2. Certain specifications up to and including Addendum 1,2 and 3 only, form part of the basis of the Contract. The specifications are listed on the following pages.

3. Contract Documents are complementary, and what is called for by any one shall be as binding as if called for by all. The intention of the Documents is to include all labor and materials, equipment and transportation and other items necessary for the proper execution of the Work, even though only one of a kind may be shown or singular quantities may be used in some instances. Materials or Work described in words shall be given their well-known technical or trade meaning if they have one.

4. If there are discrepancies or conflicts between the parts of the Contract Documents, then the documents that shall hold precedence shall be as specified in the Contract first and then the Supplemental General Conditions then the General Conditions.

5. The Silver Theatre construction project is a rehabilitation of an historic site. Therefore, throughout the construction process, site conditions may require adjustments to the plans. The completed building will be built in accordance with clarifications issued pursuant to requests for information, clarifications and exceptions issued by the General Contractor, and bulletins and revisions issued by the Architect clarifying or correcting the plans or specifications or as required by the program of requirements or site conditions.

LIST OF DRAWINGS

The Drawing List that follows describes the graphic materials included as part of the Content Documents. The Drawing List records the Drawing Number; the Drawing Title; the Issue under which the drawing was most recently issued; and, the Date of latest Issue. The abbreviations utilized for the "Latest Issue" are defined as follows:

1. IFB = Issued for Bid, dated 11/27/00
2. Add#1 Addendum No. 1, dated 12/04/00
3. Add#2 Addendum No. 2, dated 12/15/00.
4. Add#3 Addendum No. 3, dated 01/15/01.

GENERAL

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
A.00.00.DFS	DFS Cover Sheet	Add#3	01/15/01

CIVIL ENGINEERING

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
C.01	Site Plan	IFB	11/27/00
C.02	Site Plan & Details	IFB	11/27/00
C.03	MD State Road Entrance / Streetscape Plan	IFB	11/27/00
C.04	MD State Road Entrance / Streetscape Plan / Details	IFB	11/27/00
C.05	Erosion and Sediment Control Details	IFB	11/27/00
C.06	Erosion and Sediment Control Details	IFB	11/27/00
C.07	Electric and Telecommunication / Plan and Details	IFB	11/27/00
C.08	Electric and Telecommunication / Plan and Details	IFB	11/27/00
C.09	Electric and Telecommunications / Plan and Details	IFB	11/27/00
C.10	Fiber Optic / Plan and Details	IFB	11/27/00

ARCHITECTURE

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
A.00.00	Graphic Symbols/Abbreviations	IFB	11/27/00
A.00.02	General Notes/Abbreviations	Add#1	12/04/00
A.00.04A	Finish Schedules	Add#1	12/04/00
A.00.04B	Finish Schedules	Add#3	01/15/01
A.00.05	Door & Hardware Schedule	Add#3	01/15/01
A.00.06	Doors/Frames/Types	Add#3	01/15/01
A.00.07	Equipment, Accessory, and Mounting Schedules	Add#3	01/15/01

A.00.08	Architectural Site Plan	Add#1	12/04/00
A.00.08A	Enlarged Architectural Site Plan	Add#1	12/04/00
A.00.08B	Enlarged Architectural Site Plan	Add#1	12/04/00
A.00.09A	Basement Egress Floor Plans	Add#2	12/15/00
A.00.09B	First Floor Egress Floor Plans	Add#1	12/04/00
A.00.09C	Second and Third Floor Egress Floor Plans	Add#1	12/04/00
A.01.00	Basement Demolition Plan	IFB	11/27/00
A.01.00F	Photographs Indicating Demolition Basement	IFB	11/27/00
A.01.01	First Floor Demolition Plan	Add#1	12/04/00
A.01.01F1	Photographs indicating Demolition East Auditorium Elevation	IFB	11/27/00
A.01.01F2	Photographs indicating Demolition Rear & West Auditorium Elevations	IFB	11/27/00
A.01.01F3	Photographs indicating Demolition Stage Area and Exit	IFB	11/27/00
A.01.01F4	Photographs indicating Demolition Foyer, Lobby, and Miscellaneous Second Floor Demolition Plan	IFB	11/27/00
A.01.02	Second Floor Demolition Plan	Add#1	12/04/00
A.01.02A	Second Floor Reflected Ceiling Demolition Plan	Add#1	12/04/00
A.01.02F	Photographs indicating Demolition Second Floor and Roof Areas	Add#1	12/04/00
A.01.03	Attic Demolition Plan	IFB	11/27/00
A.01.04	Roof Demolition Plan	Add#1	12/04/00
A.01.10	Existing Exterior Conditions with Photographs, indicating Demolition	IFB	11/27/00
A.01.11	Existing Exterior Conditions with Photographs, indicating Demolition	IFB	11/27/00
A.01.12	Existing Exterior Conditions with Photographs, indicating Demolition	IFB	11/27/00
A.01.13	Existing Exterior Conditions with Photographs, indicating Demolition	IFB	11/27/00
A.02.00	Basement Construction Plan	IFB	11/27/00
A.02.01	First Floor Construction Plan	Add#2	12/15/00
A.02.02	Second Floor Construction Plan	Add#3	01/15/01
A.02.03	Third Floor Construction Plan	Add#1	12/04/00
A.02.04	Roof Plan	Add#1	12/04/00
A.03.00	Basement Power & Communication Plan	IFB	11/27/00
A.03.01	First Floor Power & Communication Plan	IFB	11/27/00
A.03.02	Second Floor Reflected Ceiling Plan	IFB	11/27/00
A.03.03	Third Floor Power & Communication Plan	IFB	11/27/00
A.04.00	Basement Reflected Ceiling Plan	IFB	11/27/00
A.04.01	First Floor Reflected Ceiling Plan	Add#2	12/15/00
A.04.02	Second Floor Reflected Ceiling Plan	Add#3	01/15/01
A.04.03	Third Floor Reflected Ceiling Plan	Add#1	12/04/00
A.04.04	Roof Lighting Plan	Add#1	12/04/00

A.05.00	Basement Finish Plan	Add#3	01/15/01
A.05.01	First Floor Finish Plan	Add#3	01/15/01
A.05.02	Second Floor Finish Plan	Add#3	01/15/01
A.05.02A	Second Floor Ceiling Finish Plan & Enlarged Partial RC Finish Plans	IFB	11/27/00
A.05.03	Third Floor Finish Plan	Add#3	01/15/01
A.06.00	Basement Furniture Plan	Add#1	12/04/00
A.06.01	First Floor Furniture Plan	IFB	11/27/00
A.06.02	Second Floor Furniture Plan	Add#1	12/04/00
A.06.03	Third Floor Furniture Plan	IFB	11/27/00
A.07.00	Silver Theater Baffle Wall Plan and Front Elevation	Add#1	12/04/00
A.07.00A	Silver Theater Baffle Wall RCP and Rear Elevation	Add#2	12/15/00
A.07.00B	Silver Theater Baffle Wall Section and Details	IFB	11/27/00
A.07.00C	Silver Theater Baffle Wall Section and Details	IFB	11/27/00
A.07.01	Curved Vestibule Wall @ Rear of Main Theater	IFB	11/27/00
A.07.02	Façade Details @ WC Rooms	IFB	11/27/00
A.07.03	Retail Façade Details	IFB	11/27/00
A.07.04	Upper Level Seating	Add#1	12/04/00
A.07.05	Link/Lobby Interior Elevation	IFB	11/27/00
A.07.06	Box Office Interior Elevations	IFB	11/27/00
A.07.07	Foyer Details	IFB	11/27/00
A.07.08	Exterior Doors, Foyer, Interior Doors Lobby	IFB	11/27/00
A.07.09	Marquee & Silver Theater Mast Sign	Add#3	01/15/01
A.07.09A	Marquee & Silver Theater Mast Sign	IFB	11/27/00
A.07.10	Projection Room	IFB	11/27/00
A.07.12	Silver Theater Wall Sections & Details	Add#2	12/15/00
A07.13	Silver Theater Wall Sections & Details	Add#3	01/15/01
A.07.30	Enlarged Theater Interior Elevations	IFB	11/27/00
A.07.31	Enlarged Theater Interior Elevations	IFB	11/27/00
A.07.32	Screen Sections	IFB	11/27/00
A.07.50	Enlarged Roundhouse Interior Elevations	IFB	11/27/00
A.07.51	Enlarged Roundhouse Interior Elevations	IFB	11/27/00
A.08.00	Enlarged Toilet Plans/Elevations, Roundhouse	Add#1	12/04/00
A.08.01	Enlarged Toilet Plans/Elevations, Roundhouse and AFI	Add#1	12/04/00
A.08.02	Enlarged Toilet Plans/Elevations, Silver Theater	Add#1	12/04/00
A.08.03	Enlarged Plan, Tile Pattern	Add#1	12/04/00
A.08.09	Roundhouse Ticket Booth and VIP Room Plans and Elevations	IFB	11/27/00
A.08.10	Enlarged Roundhouse Concession/Pantry Plans and Elevations	IFB	11/27/00
A.08.11	Enlarged AFI Concession Plan & Elevations	Add#1	12/04/00
A.08.12	Enlarged Café Plan & Elevations	Add#1	12/04/00

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A.08.41	Enlarged Lobby Third Floor Plans & Elevations	IFB	11/27/00
A.08.61	Dressing Room Interior Elevations	IFB	11/27/00
A.08.71	Enlarged 1st Floor Foyer Clg. And Floor Finish Plans	IFB	11/27/00
A.08.72	Historic Theater Door Finish Details	IFB	11/27/00
A.08.80	Roundhouse Theater Tension Grid	IFB	11/27/00
	Floor Plan and Reflected Ceiling Plan	IFB	11/27/00
A.09.00	North Elevations, AFI & Silver Theater	Add#3	01/15/01
A.09.01	South/East Elevations	Add#2	12/15/00
A.09.02	West Exterior Sectional Elevation & Partial Exterior Elevation	Add#3	01/15/01
A.09.10	Building Sectional Elevations	IFB	11/27/00
A.09.11	Building Sectional Elevations	IFB	11/27/00
A.09.12	Building Sectional Elevations	IFB	11/27/00
A.09.13	Building Sectional Elevations	IFB	11/27/00
A.09.14	Building Sectional Elevations	Add#2	12/15/00
A.09.20	Wall Sections (Exterior)	Add#3	01/15/01
A.09.21	Wall Sections (Exterior)	Add#3	01/15/01
A.09.22	Wall Sections (Exterior)	Add#3	01/15/01
A.09.23	Wall Sections (Exterior)	Add#1	12/04/00
A.10.00	Elevators – Enlarged Plans/Sections	IFB	11/27/00
A.10.01	Elevator Details	IFB	11/27/00
A.10.10	Stair #1 Enlarged Plans/Sections	IFB	11/27/00
A.10.11	Stair #2 Enlarged Plans/Sections	Add#3	01/15/01
A.10.12	Stair #3 Enlarged Plans/Sections	IFB	11/27/00
A.10.13	Steel Stair Detail	IFB	11/27/00
A.10.14	Bridge Enlarged Plans, Sections, Elevations	IFB	11/27/00
A.10.15	Stairs 5, 6, & 7 Enlarged Plan/Sections	IFB	11/27/00
A.11.00	AFI Gallery Interior Elevations	IFB	11/27/00
A.11.00A	Gallery Gobo Layout	IFB	11/27/00
A.11.01	Round House Lobby Interior Elevations	IFB	11/27/00
A.11.07	Interior Elevations of Main Theater	Add#2	12/15/00
A.12.00	Exterior Skin Details	IFB	11/27/00
A.12.01	Exterior Skin Details	Add#1	12/04/00
A.12.02	Exterior Plan, Skin, & Roof Details	IFB	11/27/00
A.12.03	Exterior Skin & Roof Details	Add#1	12/04/00
A.12.04	Exterior Skin & Roof Details	Add#3	01/15/01
A.12.05	Exterior Skin & Roof Details	Add#3	01/15/01
A.12.06	Roof Details	IFB	11/27/00
A.12.06A	Roof Enlarged Plans and Details	Add#1	12/04/00

A.12.07	Awning Details	Add#1	12/04/00
A.12.08	Exterior Building and Site Details	Add#1	12/04/00
A.12.09	Graphic Screen Details, Site Details	Add#3	01/15/01
A.12.10	Partition Types	Add#1	12/04/00
A.12.11	Theater Partition Types	IFB	11/27/00
A.12.12	Section @ Curved Gallery Wall	IFB	11/27/00
A.12.13	Door Details	IFB	11/27/00
A.12.14	Door Details	IFB	11/27/00
A.12.15	Door Details	IFB	11/27/00
A.12.20	Concessions Millwork	IFB	11/27/00
A.12.21	Reception Desk	IFB	11/27/00
A.12.23	Concession Details	IFB	11/27/00
A.12.24	Roundhouse Concessions and Ticket Booth Millwork	IFB	11/27/00
A.12.25	Café Millwork	IFB	11/27/00
A.12.30	Image Boxes and Display Cases & Details	IFB	11/27/00
A.12.31	Display Case Plan, Section, Elevation & Details	Add#1	12/04/00
A.12.50	Screening Room Grid Details	IFB	11/27/00
A.12.51	Details	IFB	11/27/00
A.12.52	Roundhouse Details	IFB	11/27/00
A12.53	AFI Conference Room Details	IFB	11/27/00
A12.54	Misc. Ceiling Details	Add#1	12/04/00
A12.55	Roundhouse Theater Details	Add#2	12/15/00

SIGNAGE & GRAPHICS

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
A.13.00	Drawing Index	Add#1	12/04/00
A.13.01	AFI/RH Message Schedule	Add#1	12/04/00
A.13.02	Symbol/Typeface Schedule	Add#1	12/04/00
A.13.06	Sign Location Plan – Basement	Add#1	12/04/00
A.13.07	Sign Location Plan – First Floor	Add#1	12/04/00
A.13.08	Sign Location Plan – Second Floor	Add#1	12/04/00
A.13.09	Sign Location Plan – Third Floor	Add#1	12/04/00
A.13.10	Sign Type A	Add#1	12/04/00
A.13.11	Sign Types A & B	Add#1	12/04/00
A.13.12	Sign Type C	Add#1	12/04/00
A.13.13	Sign Types D & E	Add#1	12/04/00
A.13.14	Sign Types E, F, & G	Add#1	12/04/00
A.13.15	Sign Types G, H, & J	Add#1	12/04/00
A.13.16	Sign Types J & K	Add#1	12/04/00
A.13.17	Sign Types L & M	Add#1	12/04/00
A.13.18	Sign Types N & O	Add#1	12/04/00

A.13.19	Sign Types P, Q, & R	Add#3	01/15/01
A.13.20	Sign Types S	Add#1	12/04/00
A.13.21	Sign Types T, U, & V	Add#1	12/04/00
A.13.22	Sign Type W	Add#1	12/04/00
A.13.22	Sign Type W	Add#1	12/04/00
A.13.22	Sign Type X	Add#1	12/04/00

STRUCTURL ENGINEERING

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
S1.0	Foundation Plan	IFB	11/27/00
S1.1	1st Floor Framing Plan	IFB	11/27/00
S1.2	2nd Floor Framing Plan	IFB	11/27/00
S1.3	3rd Floor Framing Plan	IFB	11/27/00
S1.4	Roof Framing Plan	IFB	11/27/00
S2.0	Column Schedule	IFB	11/27/00
S2.1	Column Schedule	IFB	11/27/00
S3.0	Sections	IFB	11/27/00
S3.1	Sections	IFB	11/27/00
S3.2	Sections	IFB	11/27/00
S3.3	Sections	IFB	11/27/00
S3.4	Sections	IFB	11/27/00
S3.5	Sections	IFB	11/27/00
S3.6	Sections	IFB	11/27/00
S3.7	Sections	IFB	11/27/00
S3.8	Sections	IFB	11/27/00
S3.9	Sections	IFB	11/27/00
S3.10	Sections	IFB	11/27/00
S3.11	Part Plan, Section, & Detail	IFB	11/27/00
S4.0	Typical Details	IFB	11/27/00
S4.1	Typical Details	IFB	11/27/00
S5.0	General Notes	IFB	11/27/00

MECHANICAL ENGINEERING

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
M-1	Basement Level Mechanical Plan	Add#1	12/04/00
M-2	1st Floor Mechanical Plan	Add#1	12/04/00
M-3	2nd Floor Mechanical Plan	Add#2	12/15/00
M-4	3rd Floor Mechanical Plan	Add#1	12/04/00
M-5	Roof Mechanical Plan	Add#1	12/04/00
M-6	Mechanical Part Plans and Sections	IFB	11/27/00
M-7	Mechanical Symbols, Abbreviations and General Notes	IFB	11/27/00
M-8	Mechanical Details	IFB	11/27/00
M-9	Mechanical Schedules	Add#1	12/04/00
M-10	Mechanical Sections	IFB	11/27/00
M-11	Mechanical Controls Diagrams	IFB	11/27/00
M-12	Mechanical Controls Diagrams	IFB	11/27/00

PLUMBING ENGINEERING

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
P-0	Symbols, Schedules and Abbreviations	IFB	11/27/00
P-1	Basement Level Plumbing Plan	IFB	11/27/00
P-2	First Level Plumbing Plan	IFB	11/27/00
P-3	Second Level Plumbing Plan	IFB	11/27/00
P-4	Third Level Plumbing Plan	IFB	11/27/00
P-5	Roof Plumbing Plan	IFB	11/27/00
P-6	¼" Scale Plumbing Partial Plan	IFB	11/27/00
P-7	Domestic Water Riser Diagram	IFB	11/27/00
P-8	Sanitary Riser Diagram	IFB	11/27/00
P-9	Fire Protection and Storm Water Riser Diagram	IFB	11/27/00
P-10	Food Service Plumbing Plan	IFB	11/27/00

ELECTRICAL ENGINEERING

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
E-1	Electrical Symbols, Schedules and Specifications	Add#1	12/04/00
E-2	Light Fixture Schedule	Add#1	12/04/00
E-3	Basement Level Lighting Plan	Add#1	12/04/00
E-4	Basement Level Power Plan	Add#1	12/04/00
E-5	First Floor Lighting Plan	IFB	11/27/00
E-6	First Floor Power Plan	Add#1	12/04/00
E-7	Second Floor Lighting Plan	Add#1	12/04/00

E-8	Second Floor Power Plan	Add#1	12/04/00
E-9	Third Floor Lighting Plan	Add#1	12/04/00
E-10	Third Floor Power Plan	Add#1	12/04/00
E-11	Roof Power & Lighting Plan	Add#1	12/04/00
E-12	Partial Plans – Kitchen Equipment Connections	Add#1	12/04/00
E-13	Partial Plan – Main Electric Room	IFB	11/27/00
E-14	Power Riser Diagram	IFB	11/27/00
E-15	Fire Alarm Riser Diagram	Add#1	12/04/00
E-16	Fire Alarm Annunciator Detail	IFB	11/27/00
E-17	Panel Schedules	Add#1	12/04/00
E-18	Panel Schedules	Add#1	12/04/00
E-19	Panel Schedules	IFB	11/27/00
E-20	Panel Schedules	IFB	11/27/00
E-21	Basement Level Conduit Plan	IFB	11/27/00
E-22	First Level Conduit Plan	IFB	11/27/00
E-23	Second Level Conduit Plan	Add#1	12/04/00
E-24	Third Level Conduit Plan	IFB	11/27/00
E-25	AV System & Telecom Riser Diagram	Add#1	12/04/00
E-26	RH Lighting System Riser Diagram	IFB	11/27/00
E-27	RH Sound System Riser Diagram	Add#1	12/04/00
E-28	RH Intercom System Riser Diagram	IFB	11/27/00
E-29	Partial Plan – Screening Room Lighting	Add#1	12/04/00

AUDIO / VISUAL (ISSUED FOR INFORMATION ONLY)

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
PB-1	Main Theater Power Plan	IFB	11/27/00
PB-2	Dual Booth Power Plan	IFB	11/27/00
PB-3	Control Room Power Plan	IFB	11/27/00
PB-4	Main Theater Conduit Schedule	IFB	11/27/00
PB-5	Dual Booth Conduit Schedule	IFB	11/27/00
PB-6	Main Theater and Dual Booth Details	IFB	11/27/00

SECURITY

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
F.01	Basement Plan	Add#2	12/15/00
F.02	First Floor Plan	Add#2	12/15/00
F.03	Second Floor Plan	Add#2	12/15/00
F.04	Third Floor Plan	Add#2	12/15/00

FOOD SERVICE

Dwg. No.	Drawing Title	Latest Issue	Date of Latest Issue
K.01	Food Service Equipment Plan	IFB	11/27/00
K.02	Food Service Electrical Plan	IFB	11/27/00
K.03	Food Service Plumbing Plan	IFB	11/27/00
K.04	Food Service Equipment Schedules	IFB	11/27/00

END OF LIST OF DRAWINGS

VOLUME 1 OF 2

		Pages	Latest Issue	Date of Latest Issue
ADDENDA				
ADDENDUM NO. 3		12	Add#3	01/15/01
ADDENDUM NO. 2		17	Add#2	12/15/00
ADDENDUM NO. 1		21	Add#1	12/04/00
INTRODUCTORY INFORMATION				
00001	COVER PAGE	1	Add#2	12/15/00
00002	PROJECT DIRECTORY	1	IFB	11/27/00
00010	TABLE OF CONTENTS	7	Add#2	12/15/00
00015	LIST OF DRAWINGS	9	Add#2	12/15/00
BIDDING REQUIREMENTS				
00200	INSTRUCTIONS TO BIDDERS	8	IFB	11/27/00
00300	INFORMATION AVAILABLE TO BIDDERS	1	IFB	11/27/00
	GEOTECHNICAL REPORT			Attached
	Report of Subsurface Exploration and Preliminary Geotechnical Engineering Analysis, Downtown Silver Spring Development, American Film Institute (AFI) Renovation and Addition, Montgomery County, Maryland for, ECS Job No. 2714-E, Engineering Consulting Services, Ltd., 14026 Thunderbolt Place, Suite 100, Chantilly, VA 20151, prepared for Foulger Pratt Construction, dated July 21, 1999.			
00400	BID FORM	8	IFB	11/27/00
00401	BID STATEMENT	2	IFB	11/27/00
00405	BIDDER'S AFFIDAVIT	1	IFB	11/27/00
00420	MINORITY BUSINESS PROGRAM & OFFEROR'S REPRESENTATIONS	2	IFB	11/27/00
00423	CERTIFICATION OF BIDDER'S EXPERIENCE AND QUALIFICATIONS	1	IFB	11/27/00
00430	PROPOSED SUBCONTRACTORS	1	IFB	11/27/00
00431	PROPOSED MINORITY AND WOMEN OWNED SUBCONTRACTORS	1	IFB	11/27/00
00450	SCHEDULE OF MANUFACTURERS AND SUPPLIERS OF MAJOR EQUIPMENT, MATERIAL ITEMS, AND SERVICES	1	IFB	11/27/00
00460	NON-COLLUSION AFFIDAVIT	1	IFB	11/27/00

CONTRACTING REQUIREMENTS

00500	AGREEMENT FORM	1	IFB	11/27/00
00600	BONDS AND CERTIFICATES	1	IFB	11/27/00
00700	GENERAL CONDITIONS	1	IFB	11/27/00
00800	SUPPLEMENTARY CONDITIONS			

PROJECT FORMS

1.	AIA Document G702, Contractor's Application and Certificate for Payment	Attached
2.	AIA Document G703, Contractor's Application and Certificate for Payment, Continuation Sheet	Attached
3.	AIA Document G706, Contractor's Affidavit of Payments of Debts and Claims	Attached
4.	AIA Document G706A, Contractor's Affidavit of Release of Liens.	Attached
5.	AIA Document G707, Consent of Surety to Final Payment	Attached
6.	Addendum Form, Gensler	Attached
7.	Bulletin Form, Gensler	Attached
8.	Request for Information Form, Gensler	Attached
9.	Request for Information Log, Gensler	Attached
10.	AIA Document G710, Architect's Supplemental Instructions	Attached
11.	AIA Document G810, Transmittal Letter	Attached
12.	Submittal Log, Gensler	Attached
13.	Substitution Request Form, Gensler	Attached
14.	AIA Document G709, Proposal Request	Attached
15.	Change Order Summary Form, Gensler	Attached
16.	AIA Document G701, Change Order Form	Attached
17.	AIA Document G714, Construction Change Directive	Attached
18.	Field Report Form , Gensler	Attached
19.	Certificate of Substantial Completion, Gensler	Attached
20.	Punchlist Form, Gensler	Attached
21.	Shop Drawing Stamp - Example	Attached

DIVISION 1 - GENERAL REQUIREMENTS

01100	SUMMARY OF WORK	6	IFB	11/27/00
01150	ENVIRONMENTAL PROCEDURES	2	IFB	11/27/00
01210	ALLOWANCES			
01230	ALTERNATES			
01250	CHANGE ORDER PROCDEURES			
01270	UNIT PRICES			
01290	APPLICATIONS FOR PAYMENT	3	IFB	11/27/00
01300	ADMINISTRATIVE REQUIREMENTS	4	IFB	11/27/00
01305	YEAR 2000 REQUIREMENTS	3	IFB	11/27/00
01310	PROJECT MEETINGS	5	IFB	11/27/00
01311	CONSTRUCTION SCHEDULES	3	IFB	11/27/00
01321	CONSTRUCTION PHOTOGRAPHS	1	IFB	11/27/00
01329	FIELD ENGINEERING	2	IFB	11/27/00
01330	SUBMITTAL PROCEDURES	18	Add#2	12/15/00
01331	COORDINATION DRAWINGS	5	IFB	11/27/00
01420	REFERENCE STANDARDS AND DEFINITIONS	30	IFB	11/27/00
01440	CONTRUCTION QUALITY CONTROL (CQC)	12	IFB	11/27/00
01450	QUALITY REQUIREMENTS	8	IFB	11/27/00
01500	TEMPORARY FACILITIES AND CONTROLS	12	IFB	11/27/00
01533	TREE & PLANT PROTECTION	4	IFB	11/27/00
01600	PRODUCT REQUIREMENTS	8	IFB	11/27/00
01660	COMMISSIONING	9	IFB	11/27/00
01700	EXECUTION REQUIREMENTS	15	IFB	11/27/00
01730	CUTTING AND PATCHING	5	IFB	11/27/00

DIVISION 2 – SITEWORK

02070	SELECTIVE DEMOLITION	13	IFB	11/27/00
02110	SITE CLEARING	4	IFB	11/27/00
02221	UTILITY TRENCHES	5	IFB	11/27/00
02231	AGGREGATE BASE COURSE	4	IFB	11/27/00
02260	EXCAVATION SUPPORT AND PROTECTION	5	IFB	11/27/00
02270	EROSION & SEDIMENT CONTROL	5	IFB	11/27/00
02300	EARTHWORK	27	IFB	11/27/00
02380	CAISSONS	10	IFB	11/27/00
02444	CHAIN LINK FENCING & GATES	4	IFB	11/27/00
02510	ASPHALTIC CONCRETE PAVING	7	IFB	11/27/00
02520	SITE CONCRETE	11	IFB	11/27/00
02580	PAVEMENT MARKING	2	IFB	11/27/00
02600	SITE UTILITIES	9	IFB	11/27/00
02660	WATER SYSTEMS	11	IFB	11/27/00
02700	SEWERAGE SYSTEM	11	IFB	11/27/00
02711	FOUNDATION DRAINAGE SYSTEMS	5	IFB	11/27/00
02870	SITE FURNISHINGS	2	IFB	11/27/00

02920	PLANTING SOIL	5	IFB	11/27/00
02950	PLANT MATERIALS	15	IFB	11/27/00
DIVISION 3 – CONCRETE				
03100	CONCRETE FORMWORK	7	IFB	11/27/00
03200	CONCRETE REINFORCEMENT	5	IFB	11/27/00
03300	CAST-IN-PLACE CONCRETE	25	IFB	11/27/00
03330	ARCHITECTURAL CAST-IN-PLACE CONCRETE	5	IFB	11/27/00
03345	CONCRETE FINISHING AND LEVELING	4	IFB	11/27/00
DIVISION 4 – MASONRY				
04400	STONE VENEER	6	Add#2	12/15/00
04810	UNIT MASONRY ASSEMBLIES	37	IFB	11/27/00
04900	MASONRY RESTORATION AND CLEANING	16	Add#2	12/15/00
DIVISION 5 – METALS				
05120	STRUCTURAL STEEL	20	IFB	11/27/00
05300	METAL DECKING	10	IFB	11/27/00
05400	COLD FORMED METAL FRAMING	9	IFB	11/27/00
05500	METAL FABRICATIONS	11	IFB	11/27/00
05510	METAL STAIRS	10	IFB	11/27/00
05700	ORNAMENTAL METAL	11	Add#2	12/15/00
05730	ARCHITECTURAL SHEET METAL	4	IFB	11/27/00
05800	EXPANSION CONTROL	3	IFB	11/27/00
DIVISION 6 - WOOD AND PLASTIC				
06100	ROUGH CARPENTRY	10	IFB	11/27/00
06200	FINISH CARPENTRY	6	IFB	11/27/00
06400	ARCHITECTURAL WOODWORK	14	IFB	11/27/00
06650	SOLID POLYMER FABRICATIONS	3	IFB	11/27/00
DIVISION 7 - THERMAL AND MOISTURE PROTECTION				
07110	SHEET MEMBRANE WATERPROOFING	5	IFB	11/27/00
07111	BITUMINOUS DAMPPROOFING	5	IFB	11/27/00
07112	CEMENTITIOUS WATERPROOFING	5	IFB	11/27/00
07130	HOT FLUID-APPLIED WATERPROOFING	7	IFB	11/27/00
07150	AIR BARRIER	9	IFB	11/27/00
07200	THERMAL INSULATION	7	Add#2	12/15/00
7410	PREFINISHED INSULATED METAL PANELS	8	Add#2	12/15/00
07500	ROOFING GENERAL	4	IFB	11/27/00
07510	ALTERATION TO EXISTING ROOFING	8	IFB	11/27/00

07552	SBS-MODIFIED BITUMINOUS MEMBRANE ROOFING SYSTEM	20	Add#1	12/04/00
07610	CUSTOM SHEET METAL ROOFING	6	IFB	11/27/00
07620	SHEET METAL FLASHING AND TRIM	8	IFB	11/27/00
07810	FIREPROOFING	11	IFB	11/27/00
07840	FIRESTOPPING	11	IFB	11/27/00
07842	FIRESRESISTIVE JOINT SYSTEMS	6	IFB	11/27/00
07900	JOINT SEALANTS	12	IFB	11/27/00

DIVISION 8 - DOORS AND WINDOWS

08110	STEEL DOORS AND FRAMES	10	IFB	11/27/00
08120	INTERIOR ALUMINUM FRAMES	4	IFB	11/27/00
08200	WOOD DOORS	10	IFB	11/27/00
08310	ACCESS PANELS	3	IFB	11/27/00
08330	COILING DOORS	5	IFB	11/27/00
08334	OVERHEAD COILING GRILLES	5	IFB	11/27/00
08340	ACOUSTICAL DOOR ASSEMBLIES	6	IFB	11/27/00
08410	ALUMINUM STOREFRONTS AND ENTRANCES	13	IFB	11/27/00
08580	ACOUSTICAL WINDOW ASSEMBLIES	2	IFB	11/27/00
08710	DOOR HARDWARE	30	Add#1	12/04/00
08740	AUTOMATIC SWINGING DOOR OPERATORS	4	Add#1	12/04/00
08800	GLASS AND GLAZING	18	IFB	11/27/00
08801	MIRRORED GLASS	4	IFB	11/27/00
08910	METAL FRAMED CURTAINWALLS	15	IFB	11/27/00

DIVISION 9 – FINISHES

09210	GYPSUM PLASTER	22	Add#2	12/15/00
09216	ACOUSTICAL PLASTER	3	IFB	11/27/00
09250	GYPSUM BOARD SYSTEMS	21	IFB	11/27/00
09271	GLASS-REINFORCED GYPSUM FABRICATIONS	8	IFB	11/27/00
09510	ACOUSTICAL CEILINGS	9	IFB	11/27/00
09525	ACOUSTICAL STRETCHED FABRIC SYSTEM	9	IFB	11/27/00
09545	SPECIAL CEILING SYSTEMS	5	IFB	11/27/00
09630	TILES	18	IFB	11/27/00
09640	WOOD FLOORING			
09650	RESILIENT MATERIALS	8	IFB	11/27/00
09680	CARPET	11	IFB	11/27/00
09720	WALLCOVERINGS	8	IFB	11/27/00
09730	ELASTOMERIC LIQUID FLOORING	3	IFB	11/27/00
09775	FIBERGLASS REINFORCED PLASTIC PANELS	2	IFB	11/27/00
09800	SPECIAL COATINGS	4	IFB	11/27/00
09900	PAINTING	20	IFB	11/27/00

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DIVISION 10 – SPECIALTIES

10153	TOILET COMPARTMENTS	6	IFB	11/27/00
10200	LOUVERS AND VENTS	9	IFB	11/27/00
10260	IMPACT-RESISTANT WALL PROTECTION	3	IFB	11/27/00
10270	ACCESS FLOORING	6	IFB	11/27/00
10440	SIGNAGE	23	Add#2	12/15/00
10530	AWNINGS	3	IFB	11/27/00
10810	TOILET AND BATH ACCESSORIES	6	IFB	11/27/00
10820	PREFAB SHOWER	3	IFB	11/27/00
10999	MISCELLANEOUS SPECIALTIES	3	IFB	11/27/00

DIVISION 11 – EQUIPMENT

11010	WINDOW WASHING SYSTEMS	7	IFB	11/27/00
11063	STAGE CURTAINS	10	IFB	11/27/00
11065	STAGE RIGGING, DRAPERIES, PIT FILLER AND SEATING RISERS	19	Add#1	12/04/00
1067	STAGE SPEAKER SYSTEM	10	Add#1	12/04/00
11069	STAGE LIGHTING SYSTEM	48	Add#1	12/04/00
11135	PROJECTION SCREENS	3	IFB	11/27/00
11160	LOADING DOCK EQUIPMENT	4	IFB	11/27/00
11170	MISCELLANEOUS EQUIPMENT	2	IFB	11/27/00
11400	FOODSERVICE EQUIPMENT	34	Add#3	01/15/01
11450	PANTRY APPLIANCES	2	IFB	11/27/00

DIVISION 12 – FURNISHINGS

12353	DISPLAY CASEWORK	5	IFB	11/27/00
12480	WALKOFF MATS	4	IFB	11/27/00
12490	BLINDS	5	IFB	11/27/00
12492	SHADES	7	IFB	11/27/00
12610	AUDITORIUM SEATING	13	Add#3	01/15/01

DIVISION 13 – SPECIAL CONSTRUCTION

13700	SECURITY ACCESS AND SURVEILLANCE SYSTEMS	8	Add#2	12/15/00

DIVISION 14 – VERTICAL TRANSPORTATION

14240	HYDRAULIC ELEVATORS	24	IFB	11/27/00

DIVISION 15 – MECHANICAL

15010	MECHANICAL GENERAL	10	IFB	11/27/00
15050	BASIC MATERIALS AND METHODS, MECHANICAL	12	IFB	11/27/00
15200	NOISE AND VIBRATION CONTROL	5	IFB	11/27/00
15250	INSULATION: MECHANICAL	4	IFB	11/27/00
15300	AUTOMATIC SPRINKLER AND STANDPIPE FIRE PROTECTION SYSTEM	9	IFB	11/27/00
15400	PLUMBING	17	IFB	11/27/00
15500	HEATING, VENTILATION AND AIR CONDITIONING (HVAC)	22	IFB	11/27/00
15950	ENERGY MANAGEMENT AND CONTROL SYSTEM	30	Add#1	12/04/00
15995	COMMISSIONING OF HVAC SYSTEM	35	IFB	11/27/00
15999	ADJUSTING TESTING AND BALANCING	4	IFB	11/27/00

DIVISION 16 – ELECTRICAL

16010	ELECTRICAL WORK GENERAL	11	IFB	11/27/00
16050	ELECTRICAL BASIC MATERIAL AND METHOD	25	IFB	11/27/00
16163	ELECTRICAL DISTRIBUTION EQUIPMENT	4	IFB	11/27/00
16210	EMERGENCY GENERATOR	8	IFB	11/27/00
16500	LIGHTING	14	IFB	11/27/00
16510	LIGHT FIXTURE SPECIFICATION	45	IFB	11/27/00
16515	INTERIOR LUMINAIRES	4	IFB	11/27/00
16520	ARCHITECTURAL DIMMING SYSTEM	29	IFB	11/27/00
16721	FIRE ALARM SYSTEM	27	IFB	11/27/00
16760	AREA OF REFUGE SYSTEMS	6	Add#1	12/04/00
16915	OCCUPANCY SENSORS	5	IFB	11/27/00
16995	COMMISSIONING OF ELECTRICAL SYSTEM	32	IFB	11/27/00

END OF TABLE OF CONTENTS

Exhibit I

Alley and Loading Dock Plan

Lease between Montgomery County, Maryland and the American Film Institute

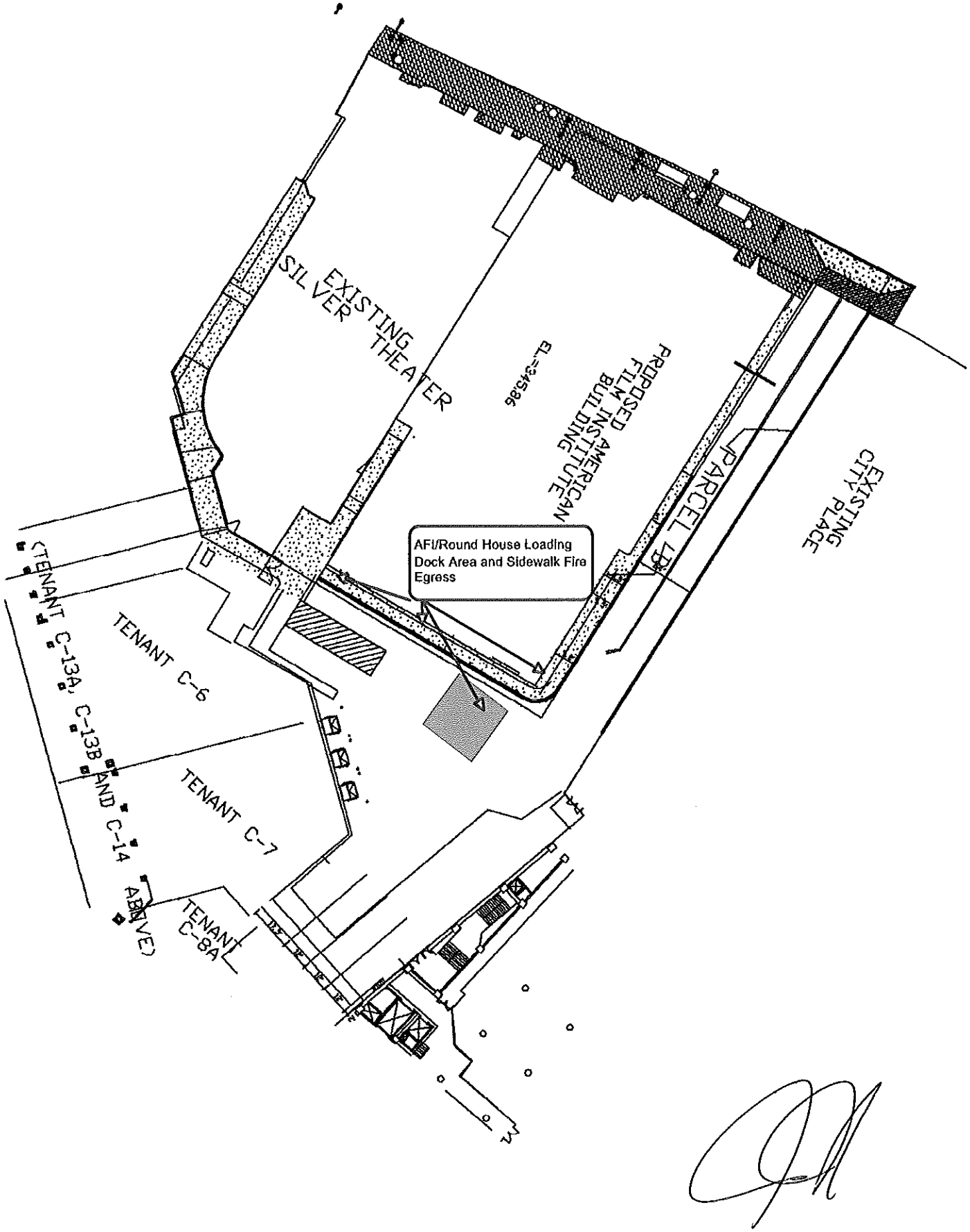
EXISTING SILVER THEATER
EL=345.86
PROPOSED AMERICAN FILM INSTITUTE BUILDING
PARCEL B
EXISTING CITY PLACE
AFI/Round House Loading Dock Area and Sidewalk Fire Egress
TENANT C-6
TENANT C-7
TENANT C-13A, C-13B AND C-14 (ABOVE)
TENANT C-8A

Exhibit J

City Place Reciprocal Easement Agreement

Lease between Montgomery County, Maryland and the American Film Institute

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT ("Agreement") is made this 1st day of June, 2002, by and among **MONTGOMERY COUNTY, MARYLAND**, a municipal corporation ("County"), **PFA SILVER SPRING, LC** ("PFA"), **CITY PLACE LIMITED PARTNERSHIP** ("City Place LP") and **SILVER SPRING CONDO CORPORATION** ("Corporation").

RECITALS:

R-1. Pursuant to the terms of that certain General Development Agreement for the redevelopment of Downtown Silver Spring by and between the County and PFA dated April 28, 1998, as the same may be amended from time to time (the "GDA"), PFA and/or its affiliates have been designated to be the developers of the Silver Spring Urban Renewal Project known as Downtown Silver Spring ("Project") comprising 22.5 acres bounded in part by Colesville Road, Ellsworth Drive, Georgia Avenue, Wayne Avenue and Cedar Street ("Project Site").

R-2 The County is the fee simple owner of the real property comprising the Project Site, including that certain property more particularly known as Part of Lots 4-6 and 10-13, " Byrn's Addition" (the "Retail Property"), per plat thereof recorded in Plat Book 1 at Plat No. 59 (and intended to be known as Parcels B, C and D, Block C, "Downtown Silver Spring"), (the "Retail Plat"), and Parcel A, Block C "Downtown Silver Spring" (the "Theater Property") per plat thereof recorded as Plat No. 21647, among the Land Records of Montgomery County, Maryland, (the "Theater Plat"). The Retail Plat and the Theater Plat are attached to and made a part of this Agreement as Exhibit A-1 and Exhibit A-2, respectively, and are referred to collectively as the "Record Plat." Subject to and in accordance with the terms of the GDA, the County intends to enter into a ground lease for the Retail Property with an affiliate of PFA to be redeveloped as part of the Project.

R-3 City Place LP is the fee simple owner of certain real property located adjacent to the Retail Property and more particularly known as City Place Condominium Retail Unit as shown on a plat of condominium entitled "City Place Condominium Condominium Plat Unit Plan Phase One" recorded among the aforesaid Land Records as Condominium Plat No. 5550 ("City Place Retail Unit"). The City Place Retail Unit is improved with the City Place retail center ("Shopping Center").

R-4. Corporation has the right to create an additional condominium unit out of the air space above the Shopping Center ("City Place Office Unit") as shown, and designated "(Future) Office Unit", on the Plat of Condominium referred to in R-3 above.

R-5. One or more of the Retail Property, the Theater Property, the City Place Retail Unit and the City Place Office Unit are encumbered by certain easements more particularly described

in Section 13(a), (b) and (c) of this Agreement including, inter alia, certain access and construction-related easements and licenses.

R-6. PFA and the County, as co-applicants, received Combined Urban Renewal Project Plan and Preliminary Plan approvals for the Project from the Montgomery County Planning Board by its separate Opinions dated March 2, 1999, as amended by its Opinions dated September 1, 1999, designated Project Plan Nos. 9-98005 and 9-98005A; Preliminary Plan Nos. 1-98107 and 1-98107R; and Site Plan Review Nos. 8-99002 and 8-99002A (collectively, "Plans"). Pursuant to the Plans the Project includes, inter alia, development of retail, restaurant and theater uses upon the Retail Property and Theater Property.

R-7. The Plans require the provision of a commercial vehicle service area, more particularly defined as the Ingress/Egress Easement Area (as defined in Section 1(a) hereof), having access to Colesville Road, across portions of the Retail Property, to serve the uses to be established on the Retail Property and the Theater Property. The parties agree that portions of such Ingress/Egress Easement Area will also provide vehicle access to the Shopping Center and/or City Place Retail Unit and City Place Office Unit.

R-8. Construction of the Project will also include (i) (A) demolition and reconstruction of a portion of the pedestrian bridge ("Bridge") spanning Fenton Street and connecting the Shopping Center and/or City Place Retail Unit to Montgomery County Public Garages 1 and 1A, which Bridge was constructed by City Place LP pursuant to the terms of a certain Franchise Agreement entered into with the County and dated as of August 6, 1990, recorded in Liber 9449 at folio 562, as amended in Liber 10507 at folio 70 (the "Franchise Agreement"), and (B) reconnecting the Bridge to the new reconstructed public parking garage to be known as the Town Square Garage; (ii) construction of a new loading dock for the Shopping Center and/or City Place Retail Unit having access to the Ingress/Egress Easement Area; and (iii) demolition of the existing loading dock area located on Ellsworth Drive serving the Shopping Center and/or City Place Retail Unit and construction of new storefront facades in its place.

R-9. The County, City Place LP and Corporation desire to establish certain easements and agreements for the benefit of the Retail Property, the Theater Property, the City Place Office Unit, the Shopping Center and/or City Place Retail Unit and the owners thereof from time to time for the purpose of (i) vehicle and pedestrian ingress, egress and use of the Ingress/Egress Easement Area; (ii) demolishing and reconstructing portions of the Bridge; (iii) constructing a new loading dock to service the City Place Office Unit, Shopping Center and/or City Place Retail Unit; (iv) demolishing the existing loading dock on Ellsworth Drive serving the Shopping Center and/or City Place Retail Unit and constructing new storefront facades in its place; and (v) providing ingress and egress on, over, through and across the City Place Retail Unit, City Place Office Unit and the Retail Property as necessary to perform said work as provided herein. The County, City Place LP, and the Corporation and their respective successors, ground lessees and assigns are sometimes referred to herein individually as "Owner" and collectively as "Owners." PFA, City Place LP and Corporation acknowledge and agree that the agreements by and among PFA, City Place LP and Corporation contained herein are the result of private negotiations among the parties.

NOW, THEREFORE, in consideration of the foregoing Recitals, each of which is incorporated in and made a substantive part of this Agreement, and intending to be legally bound hereby, the County, PFA, City Place LP and Corporation hereby declare and covenant as follows:

1. Grant of Ingress/Egress Easement ("Ingress/Egress Easement").

(a) Grant of Easement. The County hereby establishes, declares, grants and conveys to PFA, City Place LP and Corporation for the benefit of the Retail Property, City Place Office Unit, Theater Property and the Shopping Center and/or City Place Retail Unit and the Owners thereof from time to time, free of charge, perpetual, non-exclusive easements and rights of passage and use on, over, through and across such portions of the Retail Property described and shown on Exhibit "B" attached to and made a part of this Agreement (the "Ingress/Egress Easement Area") for purposes of vehicular and pedestrian ingress and egress and fire exiting to and from Colesville Road and the service and loading dock areas for the Retail Property, Theater Property, Shopping Center and/or City Place Retail Unit and City Place Office Unit as the same may now exist or hereafter be demolished, constructed or reconstructed, for purposes of loading or unloading, at their respective doors and loading areas, supplies, merchandise, construction materials or similar items on behalf of any of the parties or their respective tenants or other occupants. Subject to the provisions of Section 1(d) below, PFA shall have the right to install or cause the applicable utility companies to install underground utility lines in the Ingress/Egress Easement Area and to regrade and repave such area as necessary. Upon request the County shall grant such utility easements in customary form as may reasonably be required by the applicable utility companies from a governmental body.

(b) Permissible Security Measures - Ingress/Egress Easement. Each party shall take such commercially reasonable security measures as it deems appropriate, which shall at all times be in compliance with applicable law, to provide for their respective tenants, agents, employees, invitees and licensees safety when using the Ingress/Egress Easement Area. Such security measures may include, but are not limited to, the provision of adequate lighting. Without limiting the generality of the foregoing, each party shall have the right to erect, subject to approval of the fire marshal and/or other governmental authority(ies) having jurisdiction, bollards, posts or other similar barriers in the Ingress/Egress Easement Area in the vicinity of any fire exit doors from any building or space abutting the Ingress/Egress Easement Area; provided that no such bollards, posts or other similar barriers will interfere with or impede the use of the Ingress/Egress Easement Area.

(c) No Parking. Except for any period during which the Ingress/Egress Easement Area has been temporarily closed pursuant to the provisions of Section 1(d) of this Agreement, no party shall park or allow to be parked any automobile, truck or other vehicle within the Ingress/Egress Easement Area except for purposes of (i) loading or unloading, at their respective doors and loading areas, supplies, merchandise, construction materials or similar items on behalf of any of the parties or their tenants, and (ii) locating equipment and materials on a temporary basis, from time to time, to perform necessary roof and building repairs and repairs of equipment serving the operation of abutting buildings and buildings located on the Theater

Property and the Retail Property, provided such loading or unloading and/or temporary location of equipment shall not materially obstruct, materially interfere with the use of, materially impair or materially disrupt access to any designated loading dock or loading space or passageway through the Ingress/Egress Easement Area to Colesville Road.

(d) Non-Interference. Neither PFA, City Place LP, Corporation nor the County shall interfere with the use and enjoyment of the Ingress/Egress Easement Area by the other parties subject to and consistent with the terms and conditions of this Agreement. No walls, fences, barriers or other obstructions shall be erected or allowed to remain within the Ingress/Egress Easement Area so as to interfere with the free flow of vehicular and pedestrian traffic. The foregoing notwithstanding, nothing in this Agreement shall preclude the temporary closure of all or a portion of the Ingress/Egress Easement Area to construct, reconstruct, inspect, maintain, repair or replace any component of the Project or the City Place Retail Unit or the City Place Office Unit improvements, provided such temporary closure (i) is preceded by fifteen (15) days' written notice to the other parties describing the proposed construction, maintenance and repair work and the expected date of completion, unless such written notice is impractical because of threat to life or property in which case reasonable notice shall be given; (ii) closures shall not exceed one (1) twenty-four (24) hour period at a time no sooner than thirty (30) days apart; (iii) no closure of the Ingress/Egress Easement Area will be permitted between November 15 and January 15 of the following calendar year except in the event of an emergency, and (iv) no closure shall materially impair the use of the Loading Dock or the Existing Loading Dock (as defined below) by the City Place Retail Unit or the City Place Office Unit nor materially impair or interfere with the fire exiting requirements for any building or space. To the extent practicable, any temporary closure of the Ingress/Egress Easement Areas pursuant to this Section shall be coordinated with the other parties and shall occur at such times and in such manner so as to avoid unreasonable interference with other parties' access to and use of the affected area. All work within the Ingress/Egress Easement Area necessitating its temporary closure shall be performed expeditiously.

(e) Storage of Materials. Except for hazardous materials or hazardous substances maintained or generated in the ordinary course of business of the Shopping Center and/or City Place Retail Unit, City Place Office Unit, the Retail Property or the Theater Property and which are otherwise handled and stored in accordance with applicable law, each Owner shall refrain from storing or maintaining and shall use commercially reasonable efforts to prevent its tenants, employees, agents, invitees and licensees from storing or maintaining any materials, including, without limitation, toxic wastes, hazardous materials or hazardous substances anywhere within the Ingress/Egress Easement Area. If any such materials, toxic wastes, hazardous materials or hazardous substances are so stored therein in violation of this sentence, the responsible party shall cause such materials, toxic wastes, hazardous material and hazardous substances to be removed from the applicable easement area immediately, and the responsible party shall be solely liable for, and shall indemnify the other parties against, any and all liability for, and damage to, any persons or any real or personal property arising out of the presence of such materials, toxic waste, hazardous material or hazardous substances. As used in this Agreement, the terms "hazardous materials," "toxic wastes," or "hazardous substances," shall include, without limitation, any oil, petroleum products, and their byproducts and any substances,

the presence of which on the property is regulated by any federal, state, or local law, order or regulation.

(f) Trash and Other Debris. Each Owner shall refrain, and shall cause its tenants, employees, agents, invitees and licensees to refrain, from depositing trash, garbage or other debris anywhere within the Ingress/Egress Easement Area, except for designated compactors and receptacles. If any such trash, garbage or debris is so deposited thereon in violation of the provision of this sentence, the responsible party shall cause such trash, garbage or other debris to be removed from the Ingress/Egress Easement Area immediately.

(g) Self Help. In the event any party shall determine, in its reasonable discretion, that (i) any parked or standing vehicle is in violation of Section 1(c), or (ii) any party has violated the noninterference provisions of Section 1(d), or (iii) any materials are stored in violation of Section 1(e), or (iv) trash, garbage or other debris is deposited in violation of the terms of Section 1(f), such party shall have the right, after exercising good faith efforts to notify the violating party, to utilize self help to remove such vehicle, materials and/or trash, garbage or other debris and charge the Owner in violation thereof for all expenses relating to such removal.

2. Grant of Loading Dock Construction Easement ("Loading Dock Construction Easement").

(a) Grant of Easement. The County hereby establishes, declares, grants and conveys to PFA, City Place LP and Corporation for the benefit of the Retail Property, City Place Office Unit, and the Shopping Center and/or City Place Retail Unit and the Owners thereof from time, a temporary non-exclusive easement and right of passage and use on, over, through and across such portions of the Retail Property described and shown on Exhibit "C" attached to and made a part of this Agreement ("Loading Dock Easement Area") for purposes of ingress and egress and construction of new loading docks (collectively, the "Loading Dock") for City Place LP and Corporation in accordance with the specifications shown on Exhibit "D" attached hereto and incorporated herein (which shall include minimum height clearances over the Loading Dock). The final plans and specifications for the Loading Dock shall be subject to the reasonable prior approval of City Place LP and Corporation and a courtesy copy shall be provided to the County. The Loading Dock is intended to replace the existing Ellsworth Drive loading dock(s) serving the Shopping Center and/or City Place Retail Unit and will provide access to those interior portions of the City Place Retail Unit ("Service Interior") which are currently accessed by the existing loading dock(s). PFA shall be responsible for the construction and completion of the Loading Dock and the Ingress/Egress Easement Area. Work authorized within the Loading Dock Easement Area shall include, without limitation, the right to make structural alterations to the City Place Retail Unit and to relocate any existing utilities as necessary to provide access from the Loading Dock to the Service Interior and shall be performed (inclusive of any regrading and/or repaving of the Ingress/Egress Easement Area) pursuant to a schedule to be mutually agreed upon between City Place LP and PFA, subject to the completion requirements of Section 2(c) below. The parties shall cooperate in good faith to assure the work is performed in such a manner as to cause as minimal disturbance to City Place LP and its tenants' operations as is reasonably practicable. Once PFA has completed the work in accordance with the specifications

shown on Exhibit "D", the easement and right of passage granted in this Section 2(a) shall automatically terminate without any further action of the parties. Notwithstanding anything to the contrary set forth in this Agreement and subject to the provisions of Section 2(b) below, PFA shall commence work on the Loading Dock promptly after the last to occur of the following: (i) PFA and County entering into the Bridge Construction PIC (as defined in Section 3(a) hereof), (ii) commencement of construction of the Town Square Garage or the Private Improvements on either Section B or Section C of the Project, (all as defined in the GDA) whichever shall first occur, (iii) entry into the ground leases for Sections B and C of the Project between the County and affiliates of PFA, and (iv) receipt by PFA of written notice from City Place LP that the Settlement Agreement (as defined in Section 13(d) hereof) is in full force and effect and that any and all rights by City Place LP to terminate the Settlement Agreement have been either terminated or irrevocably waived (the "Settlement Agreement Notice"). The date of the last to occur of (i), (ii), (iii) and (iv) above shall be referred to herein as the "Loading Dock Commencement Date". In the event PFA does not receive the Settlement Agreement Notice on or before May 31, 2001, PFA shall promptly notify City Place LP in writing that it has not received the notice as of such date (the "Reminder Notice"). If PFA does not receive the Settlement Agreement Notice on or before the later of (A) thirty (30) days after receipt by City Place LP of the Reminder Notice, or (B) ten (10) days after receipt by City Place LP of written notice from the County that PFA or its affiliate(s) has entered into a ground lease with the County for Sections B and C of the Project and commenced work thereon, then in such event any party shall have the right to terminate the provisions of Sections 1, 2, 4, 5 and 6 (except for that portion of Section 6 relating to the Bridge and the Bridge Construction Work) of this Agreement by written notice to the other parties hereto; provided, however that the remaining terms and provisions of this Agreement, including PFA's right to perform the Bridge Construction Work and City Place LP's obligation to maintain the Bridge, subject to, and in accordance with the terms hereof, shall remain in full force and effect.

(b) Loading Dock Costs. PFA shall be responsible for the "Loading Dock Costs" (as more particularly defined below), up to a maximum amount of One Hundred Fifty Thousand Dollars ($150,000.00) (the "Maximum Amount"). Prior to commencing any work on the Loading Dock, PFA shall post a letter of credit for the Maximum Amount with a mutually acceptable escrow agent (the "Escrow Agent") to ensure the availability of funds to complete the Loading Dock; such letter of credit to be in form and from a lending institution reasonably satisfactory to City Place LP and Corporation and shall be held pursuant to the terms of a mutually acceptable escrow agreement. To the extent the Loading Dock Costs shall exceed the Maximum Amount, City Place LP shall pay such excess to PFA based on monthly draws, within thirty (30) days after receipt of a requisition therefor together with supporting invoices and lien waivers. PFA as developer shall retain Foulger-Pratt Contracting, L.L.C. ("FPC") as general contractor for the construction of the Loading Dock. FPC will perform such work at cost plus a five percent (5%) general contractor's fee and five percent (5%) for general conditions. PFA shall cause FPC to bid out subcontracts for all of the work (separate and apart from any work being bid out on the Retail Property) to three (3) bidders selected by PFA but subject to the reasonable prior approval of City Place LP. The cost of the work shall be determined based on the lowest bid and performed on an "open book" basis. No more than ten percent (10%) of the work will be performed by FPC's own labor force. PFA shall make available to City Place LP

and Corporation a detailed cost breakdown of the work together with copies of invoices. PFA shall comply with County procurement regulations in the performance of the work on the Loading Dock including regulations governing the employment of females, minorities and the disabled. The term Loading Dock Costs shall mean all bona fide, third-party costs incurred by PFA in the design, engineering and construction of the Loading Dock (inclusive of the contractor's fee and general conditions stipulated above), provided however, that (i) design, architectural and engineering costs for the Loading Dock either (a) incurred by PFA prior to April 26, 2000, or (b) to the extent in excess of Twenty-Five Thousand and 00/100 Dollars ($25,000.00), and (ii) grading, utility and storm drainage work (except for grading of the approach to the Loading Dock and storm drainage serving the Loading Dock exclusively which shall be included in Loading Dock Costs), and (iii) any soft costs, other than permitted design, architectural and engineering costs as aforesaid, shall not be included in Loading Dock Costs and shall not count towards the Maximum Amount. All contracts relating to the design, architectural and engineering costs for the Loading Dock, including the scope of work to be performed under said contracts, shall be subject to the prior written approval of City Place LP and the County (which approval shall not be unreasonably withheld or delayed) to the extent that the costs under said contracts are to be included in Loading Dock Costs. To the extent that based on final bids the Loading Dock Costs will exceed One Hundred Fifty Thousand Dollars ($150,000.00), City Place LP shall post security reasonably satisfactory to PFA with a mutually acceptable escrow agent (the "Escrow Agent") to ensure prompt payment of such overage. If such security shall be in the form of cash, the same shall be deposited in an interest bearing account with interest paid to City Place LP.

(c) Completion of Loading Dock. Subject to Force Majeure in accordance with Section 20 of this Agreement, the Loading Dock shall be completed not later than six (6) months prior to the date that the first of any of the stores planned for Section B and/or Section C of the Project first open for business with the public. The Loading Dock shall be deemed to be completed when (i) the Loading Dock and permanent, convenient and functional access thereto along the Ingress/Egress Easement Area (for purposes of which base paving shall be deemed sufficient) is ready for the immediate use thereof by City Place LP for its intended uses as reasonably approved by City Place LP and Corporation and their respective mortgagees, from time to time, and (ii) issuance of a certificate of substantial completion by PFA's Project architect.

(d) Exclusive Use. County and PFA hereby establish, declare, grant and convey to City Place LP and Corporation for the benefit of the Shopping Center and/or City Place Retail Unit and the City Place Office Unit, free of charge, an exclusive, perpetual easement and right of use to locate, own and beneficially utilize the Loading Dock (but specifically excluding the loading docks serving the Retail Property and the Theater Property) and to attach the same to the common wall of the adjacent improvements on the Retail Property; provided, however, that (i) all utility services required for the beneficial use of the Loading Dock, including without limitation, but subject to applicable law, all appurtenant electrical, sprinkler and utility systems, for the Loading Dock shall be connected to and shall run from the Shopping Center and/or City Place Retail Unit and not the Retail Property (such connections to be part of PFA's construction of the Loading Dock) and (ii) use of the Loading Dock shall be at

the sole risk of the Owner of the Shopping Center and/or City Place Retail Unit from time to time, and neither PFA and any successor Owner of the Retail Property nor the County and any successor owner of the Theater Property, shall be liable for casualty restoration, wear and tear or any injury to any person or property, or for any loss or damage to any vehicle or its contents resulting from theft, collision, vandalism or any other cause whatsoever arising from or in connection with the use and operation of the Loading Dock, except to the extent of the indemnities provided in Section 7(d) hereof and the warranties provided in Section 8(a) hereof. Nothing herein shall be deemed to release any party from its negligence or the negligence of its employees, agents and contractors.

(e) Release of Liability. From and after PFA's completion of the Loading Dock, the County, PFA, City Place LP and Corporation each hereby release the other from any and all liability or responsibility to the other, or to any other party claiming through or under them by way of subrogation or otherwise, for any loss or damage to property caused by casualty arising from or in connection with the use and operation of the Loading Dock, the Ingress/Egress Easement Area and any other loading docks or delivery facilities located within or adjacent to such Ingress/Egress Easement Area. Each party agrees that all policies of insurance obtained by them pursuant to the terms of this Agreement shall contain provisions or endorsements thereto waiving the insurer's rights of subrogation with respect to claims against the other, and, unless the policies permit waiver of subrogation without notice to the insurer, each shall immediately notify its insurance companies of the existence of the waiver and indemnity provisions set forth in this Agreement. Nothing herein shall be deemed to release or relieve PFA from its warranty obligations under Section 8(a) hereof or its indemnities under Section 7(d) hereof. Upon completion of the Loading Dock, City Place LP shall cause the Loading Dock to be insured under its existing liability insurance policy for the Shopping Center and/or City Place Retail Unit which such policy shall name PFA or its affiliate leasing Section C and the County as additional named insureds thereunder, contain contractual liability coverage insuring City Place LP's indemnities contained in Section 7(e) hereof and upon request by County or PFA from time to time City Place LP shall furnish such parties with certificates or copies of policies evidencing such insurance.

(f) Existing Loading Docks. The County hereby establishes, declares, grants and conveys to City Place LP and Corporation for the benefit of the Shopping Center and/or City Place Retail Unit and the City Place Office Unit, free of charge, an exclusive, perpetual easement and right of nse to locate and beneficially utilize the existing loading docks currently serving the Shopping Center and/or City Place Retail Unit and located in the alley adjacent to the Ingress/Egress Easement Area and any replacements, modifications or expansions thereof (the "Existing Loading Docks"). The foregoing notwithstanding, City Place LP hereby agrees that it shall cease operations at the existing loading docks located on Ellsworth Drive promptly upon completion of the Loading Dock in accordance with Section 2(c) hereof and, if by the time any stores in Section B or Section C of the Project are ready to first open for business, City Place LP has not commenced the Storefront Construction (as defined below), City Place LP shall keep such area neatly screened from public view.

3. Grant of Bridge Demolition and Construction Easement ("Bridge Easement") and Footing Easement ("Footing Easement").

(a) Grant of Bridge Easement. City Place LP and Corporation hereby establish, declare, grant and convey to PFA and the County, free of charge, a temporary non-exclusive easement and right of passage and use (the "Bridge Easement") on, over, through and across such portions of the City Place Retail Unit and the City Place Office Unit, as applicable, described and shown on Exhibit "E" attached to and made a part of this Agreement (the "Bridge Easement Area") for purposes of ingress and egress and for the purpose of demolition and reconstruction of a portion of the Bridge in accordance with the specifications attached to and made a part of this Agreement as Exhibit "F" ("Bridge Construction Work"). The final plans and specifications for the Bridge Construction Work shall be subject to the reasonable prior approval of City Place LP, Corporation and the County. The Bridge Construction Work shall commence promptly after the entry into the ground lease between the County and PFA for Section B of the Project and the commencement of construction of Section B or the Town Square Garage and shall be constructed pursuant to a schedule to be mutually agreed upon between City Place LP and PFA. The parties hereto agree to amend the existing support easements of record (the "Footing Easements") as may be necessary to relocate the supports for the Bridge in accordance with the approved plans and specifications. All work within the Bridge Easement Area shall be performed by PFA pursuant to a Public Improvement Contract (as defined in the GDA) (the "Bridge Construction PIC") with the County for the design and construction of the Town Square Garage and shall be constructed in accordance with the specifications shown on Exhibit "F". Although the Bridge Construction Work is to be performed pursuant to the Bridge Construction PIC, the parties acknowledge and agree that the Bridge Construction work is the subject of a private agreement among PFA, City Place LP and Corporation and that the performance of such work has not been requested or initiated by the County. The parties shall cooperate in good faith to assure the work is performed in such a manner as to cause as little disturbance to City Place LP and its tenants' operations as is reasonably practicable. Once PFA has completed the work in accordance with the specifications shown on Exhibit "F", and any modification thereto approved in accordance with the provisions of this Agreement, the Bridge Easement granted pursuant to this Section 3 shall automatically terminate without any further action of the parties.

(b) Structural Modifications. PFA shall provide City Place LP and Corporation with thirty (30) days' prior written notice before commencing any work within the Bridge Easement Area. Any modification to the structural specifications shown on Exhibit "F" proposed by PFA shall first be approved by City Place LP and Corporation.

(c) Control of Bridge Easement Area. Commencing on the date PFA commences the Bridge Construction Work and continuing until the Bridge Construction Work is completed and the Town Square Garage is open for business with the public, PFA shall lock off, barricade and close the Shopping Center and/or City Place Retail Unit and Garage entrances to the Bridge and shall exercise sole dominion and control of the Bridge; subject to the right of representatives of City Place LP and/or Corporation to enter onto the Bridge; provided that any such entry shall be coordinated with PFA and shall not materially hinder or interfere with the

Bridge Construction Work. PFA will provide City Place LP with the keys to any locks securing the closure of the Shopping Center and/or City Place Retail Unit entrance to the Bridge.

4. Storefront Construction. PFA acknowledges that upon demolition of the existing loading docks located on Ellsworth Drive, City Place LP will have the right to convert such area into new storefront retail space (the "Storefront Construction"). PFA hereby agrees that to the extent that the Loading Dock Costs as finally determined shall be less than the Maximum Amount, then, upon receipt from City Place LP of paid invoices and a detailed breakdown of costs, PFA shall pay over to City Place LP an amount equal to the difference between the finally determined Loading Dock Costs and the Maximum Amount (the "Storefront Contribution") to be applied solely towards the cost of the storefront façade (including, without limitation, storefront fascias, sign bands, plate glass, doors, hardware, trim and neutral piers and glazing work). PFA shall post security reasonably satisfactory to City Place LP in the amount of the Storefront Contribution, if any, with the Escrow Agent. If such security is in the form of cash, the same shall be deposited in an interest bearing account with the interest paid to PFA.

5. Crane Swinging Licenses

(a) The County and PFA (to the extent of its right, title and interest, if any) hereby establish and grant to City Place LP and Corporation for the benefit of the City Place Retail Unit and the City Place Office Unit and the Owners thereof, from time to time, a non-exclusive license which shall automatically terminate on December 31, 2020 over the Retail Property and the Theater Property for purposes of allowing tower cranes used in connection with the construction, repair, reconstruction, renovation or redevelopment of the Shopping Center and/or City Place Retail Unit and/or City Place Office Unit, to enter, from time to time, the air space over the Retail Property and the Theater Property, provided that said entry into the air space of the Retail Property and the Theater Property does not unreasonably interfere with the use and enjoyment of the Retail Property and the Theater Property by their respective Owners and ground lessees, and in no way restricts the construction, repair, reconstruction, renovation, operation or location of improvements on the Retail Property and Theater Property.

(b) City Place LP and Corporation hereby establish and grant to the County and the Owners and ground lessees of the Retail Property and the Theater Property from time to time, a non-exclusive license which shall automatically terminate on December 31, 2020, over the Shopping Center and/or City Place Retail Unit and City Place Office Unit for purposes of allowing tower cranes used in connection with the construction of the improvements on Section C of the Project and the Theater Property and any subsequent repair, reconstruction, renovation or redevelopment thereof to enter, from time to time the air space over the Shopping Center and/or City Place Retail Unit and City Place Office Unit, provided that said entry into the air space of the Shopping Center and/or City Place Retail Unit and City Place Office Unit does not unreasonably interfere with the use and enjoyment of the Shopping Center and/or City Place Retail Unit and City Place Office Unit by their respective Owners and in no way restricts the construction, repair, reconstruction, renovation, operation or redevelopment construction or location of the Shopping Center, City Place Retail Unit and/or City Place Office Unit.

(c) Prior to the exercise by any party of the rights granted under this Section 5, such party shall obtain insurance meeting the requirements of Section 7 hereof and naming the Owners over whose property the crane license will extend as additional named insureds thereunder.

6. Maintenance.

From and after the Loading Dock Commencement Date, (i) PFA or its successors or assigns shall be responsible for maintenance of the Ingress/Egress Easement Area in a good state of repair, free of trash and debris, and in a safe and orderly condition, including, without limitation, snow and ice removal, and (ii) City Place LP shall be financially responsible for fifty percent (50%) of such maintenance costs (inclusive of an annual administrative fee not to exceed five percent (5%) of such costs), but excluding capital expenditures and casualty repairs, payable or reimbursable to PFA by third parties; provided, however, that City Place LP shall not be responsible for any such costs or expenses arising as a result of PFA's ongoing construction activities on Section C. City Place LP shall remit monthly to PFA its share of the maintenance costs within thirty (30) days after receipt of a bona fide invoice from PFA with appropriate back-up to evidence the nature and incurrence of all such costs. The foregoing notwithstanding, each party shall maintain, at its sole cost and expense, the exposed surface of their respective walls facing into the Ingress/Egress Easement Area, including maintaining the paint on and removing the graffiti from such walls, and each Owner shall repair at its own expense any and all damage to the Ingress/Egress Easement Area, or any improvements thereon caused by its own use or that of its tenants, employees, agents, invitees or licensees, other than wear and tear. The Bridge and the Loading Dock shall be maintained by City Place LP at its sole expense, except during the period of initial construction when such maintenance shall be performed by PFA at its expense. City Place LP's maintenance, insurance, and indemnification obligations under the Franchise Agreement shall resume in full force and effect upon completion of the Bridge Construction Work. The foregoing notwithstanding, in the event the County conveys its fee simple interest in Section C to a private, non-governmental person or entity, then in such event the above described maintenance costs and expenses shall be adjusted and shared among such third party, PFA and City Place LP with each Owner bearing a pro rata share of such costs and expenses in the proportion that the respective floor area ratio of improvements built on such Owner's parcel bears to the aggregate floor area ratio of all three (3) parcels, provided, however, that in no event shall City Place LP's share of such maintenance costs exceed PFA's share. Until the Loading Dock Commencement Date, the aforesaid maintenance shall be performed in accordance with the terms of the Existing Easements (as defined in Section 13 hereof).

7. Insurance.

(a) Builder's Risk. During the period PFA, or its contractors or designees, performs any construction work under the terms of this Agreement, PFA shall maintain special form property insurance covering such work against loss and damage by all risks of physical loss or damage, including, without limitation, fire, extended coverage, sprinkler leakage, windstorm, hurricane, flood, collapse and other risks covered by special form insurance in amounts not less than the full insurable replacement value of the work and any personal

property thereon and without sublimits and bearing a replacement cost agreed-amount endorsement. Such insurance shall be maintained in "builder's risk" form during periods of construction. Upon completion of any work hereunder by PFA or its contractor, PFA will maintain or cause to be maintained completed operations coverage for a period of two (2) years on the completed work.

(b) General Liability. During the period that PFA, or its contractors or designees performs any construction work under the terms of this Agreement and for a period of ten (10) years after the completion of the last item of work hereunder, PFA or its affiliates shall maintain commercial general liability insurance, including, without limitation death, bodily injury and broad form property damage coverage, with a combined single limit in an amount not less than $10 million, which insurance coverage may be included in an umbrella excess liability policy and which insurance shall include coverage for completed operations and contractual liability coverage insuring all indemnities set forth in this Agreement.

(c) Certificate Requirements. All insurance required to be maintained hereunder shall be written and carried by one or more responsible insurance carriers with a Bests rating of at least "A", and qualified to do business in the State of Maryland. All insurance shall name City Place LP and all other Indemnified Parties as additional named insureds and, in the case of special form or builders' risk insurance, shall contain a Non-Contributory Standard Mortgagee's Clause and a Mortgagee's Loss Payable Endorsement (Form 438 BFU NS), or their equivalents, which such endorsements shall entitle City Place's mortgagee to collect any and all proceeds payable under such special form or builder's risk insurance with respect to work performed in the Bridge Easement Area, Loading Dock Easement Area and Storefront Easement Area, with the insurance company waiving any claim or defense against City Place LP or such mortgagee for premium payment, deductible, self-insured retention or claims purporting provisions. All of the foregoing insurance (except workers' compensation insurance) shall contain an express waiver of any right of subrogation by the insurance company against City Place LP or any other Indemnified Parties and shall provide that the coverage shall not be modified, reduced, canceled or lapse unless City Place LP and its mortgagee(s) shall have received not less than thirty (30) days' advance written notice. Any insurance required to be provided by the County may be provided through the County's self-insurance program.

(d) PFA Indemnity. PFA shall indemnify and hold harmless the County, City Place LP, Corporation, City Place's mortgagee(s), Petrie Dierman Kughn, PDK Property Managers, L.C. and any other Owners or managers, from time to time, of the Shopping Center and/or City Place Retail Unit, City Place Office Unit and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by PFA or its contractors in the Ingress/Egress Easement Area, the Loading Dock Easement Area and the Bridge Easement Area or (ii) pursuant to the crane swinging license granted pursuant to Section 5 hereof or (iii) the beneficial use of the

Ingress/Egress Easement Area by PFA, its affiliates and its or their agents, employees, customers and invitees.

(e) City Place LP Indemnity. City Place LP shall indemnify and hold harmless the County, PFA and the Owners from time to time of the Retail Property and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by it pursuant to the crane swinging license granted pursuant to Section 5 hereof and (ii) the beneficial use of the Ingress/Egress Easement Area and Loading Dock by City Place LP, and its affiliates, agents, employees, customers and invitees.

(f) Corporation Indemnity. Corporation shall indemnify and hold harmless the County, PFA and the Owners from time to time of the Retail Property and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from (i) any and all work performed by it pursuant to the crane swinging license granted pursuant to Section 5 hereof and (ii) the beneficial use of the Ingress/Egress Easement Area and Loading Dock by Corporation, and its affiliates, agents, employees, customers and invitees.

(g) County Indemnity. The County shall indemnify and hold harmless PFA, City Place LP, Corporation and the other Owners from time to time and their respective directors, shareholders, managers, members, partners, agents and employees (collectively, the "Indemnified Parties") from and against any and all liabilities, loss, fines, claims, damages, actions, costs and expenses of any kind or nature (including reasonable attorneys' fees, expert witness fees and other costs of litigation and court costs) in any manner related to or arising from any and all work performed by the County or its designees pursuant to the crane swinging license granted pursuant to Section 5 hereof. Notwithstanding the foregoing, the County's liability both independent of and under this Agreement that arises from the same occurrence shall be limited to the type of liability and maximum amounts established in the Local Government Tort Claims Act (Section 5-301 et seq. Courts and Judicial Procedures Article, Annotated Code of Maryland, as amended). In addition the Indemnified Parties may not settle any claims or demands without the express written permission of the County. Further, the County must be given prompt notice of any claims or demands pursuant to which an Indemnified Party would seek protection under this provision. The limitation of liability described herein shall not apply if the County conveys fee simple title to the Theater Property to a person or entity that is not a governmental or quasi-governmental body.

8. Warranties.

(a) Warranties. PFA hereby provides the following warranties to City Place LP and Corporation: (i) a warranty as to workmanship and materials with respect to the Loading Dock and the Bridge Construction Work for a period for one (1) year for each such improvement from the date of substantial completion of such improvement; (ii) a structural warranty with respect to the Bridge Construction Work for a period for ten (10) years from the date of substantial completion; and (iii) a warranty for latent defects with respect to the Loading Dock and the Bridge Construction Work, ordinary wear and tear and depreciation excepted, for a period of two (2) years for each such improvement from the date of substantial completion of such improvement. PFA agrees to enforce any warranties received from FPC with respect to the aforesaid items for the benefit of City Place LP and Corporation. City Place LP and Corporation acknowledge and agree that, except as expressly set forth in this Agreement, City Place LP and Corporation waive the benefit of any and all warranties, either express or implied at law or otherwise with respect to the work performed hereunder. Additionally, PFA shall bond its warranty obligations under this Section 8(a) as a condition to, and prior to commencement of, the Bridge Construction Work or construction of the Loading Dock, as the case may be, the form and content of the bond and the identity of the bonding company to be subject to the reasonable approval of City Place LP. Such bond(s) shall be issued for the benefit of City Place LP and Corporation.

(b) Mechanics Liens. PFA will bond off any and all mechanics' and/or materialmens' liens filed against City Place LP, Corporation or any of their property, or any part thereof, for labor performed or materials furnished, or for labor claimed to be performed or materials claimed to be furnished, to PFA or in connection with PFA's work hereunder within fifteen (15) days after filing. In the event such liens are not timely bonded off or discharged PFA shall not be entitled to a cure period therefor under Section 11 hereof, and City Place LP and/or Corporation shall have the right to pay off or bond the same and charge PFA for the cost thereof plus interest at twelve percent (12%) per annum until paid; which such costs will be due within fifteen (15) days after receipt by PFA of an invoice therefor together with supporting documentation.

9. Performance of Work. All work performed by PFA hereunder shall be performed lien free, substantially in accordance with the approved plans therefor and in accordance with applicable law. The work shall be performed in a good and workmanlike manner with good and sufficient products and materials sufficient for their intended purpose and subject to the warranty contained in Section 8(a) of this Agreement. PFA shall cause to be obtained payment and performance bonds with respect to the work on the Loading Dock and the Bridge, and City Place LP and Corporation shall be named as dual obligees thereunder, the form and content of the bonds and the identity of the bonding company to be subject to the reasonable approval of City Place LP. The County hereby agrees to enforce the Bridge Construction PIC against PFA and any bonding company succeeding to PFA's interest thereunder and in the event such bond(s) are called, the County agrees to perform the obligations of the County in accordance with the terms of the bonds and the Bridge Construction PIC. The County's obligations in accordance with the terms of the bonds and the Bridge Construction PIC are limited to the payment of construction costs and those matters within its control and the control of its employees and do not include things under the control of third parties.

10. Free and Uninterrupted Use of Easements. PFA, City Place LP, Corporation, the County and their respective tenants, employees, agents, invitees and licensees shall have full, free and uninterrupted use of the Ingress/Egress Easement Area, the Loading Dock Easement Area, and the Bridge Easement Area, as applicable, for the purposes named herein and shall have all rights and privileges reasonably necessary to the exercise of such rights.

11. Default. Upon any default by any party in performing its obligations under this Agreement which is not cured within any applicable grace period set forth herein, each other party shall have the rights to specifically enforce the terms of this Agreement, but not the right to obtain monetary damages for operational delays and lost revenues. No party shall be entitled to exercise any right hereunder, at law or in equity, on account of any default by any other parties unless it gives the defaulting party notice of such default and if the defaulting party has not (a) (if such default consists of a failure by the defaulting party to make any monetary payment) cured such default within fifteen (15) days after such notice is given, or (b) (if such default does not consist of a failure by the defaulting party to make a monetary payment) either (i) cured such default within thirty (30) days after such notice is given, or (ii) if such default is not reasonably capable of being cured within such 30-day period (a) commenced curing such default during such 30-day period, and thereafter used its reasonable efforts with due diligence and in good faith to cause such default to be cured as quickly as is possible, and (b) caused such default to be cured on or before the ninetieth (90th) day after such notice is given. The foregoing notwithstanding, the notice and cure periods provided herein shall not be applicable with regard to the following: (i) violations of the non-interference provisions of Section 1(d) hereof, (ii) failure to timely bond off any liens in accordance with Section 8(b) hereof, and (iii) failure to the timely complete the Loading Dock in accordance with Section 2(c) hereof.

12. Notices. All notices, demands, consents, approvals, requests or other communication or documents to be given to the parties hereunder, shall be forwarded to the addresses set forth below. All notices, demands, consents, approvals, requests and other communications and documents to be provided hereunder to a party hereto shall be in writing, and sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested, or (ii) if such party's receipt thereof is acknowledged in writing, deposited in time for delivery by such service on such business day with Federal Express or another national courier service, in each case to the address of such party set forth herein or to such other address in the United States of America as such party may designate from time to time by notice to each other party hereto.

If to PFA:

PFA Silver Spring, LC
c/o Mr. Bryant F. Foulger
Foulger-Pratt Companies
1355 Piccard Drive, #400
Rockville, Maryland 20850

and

PFA Silver Spring, LC
c/o Mr. James W. Todd
The Peterson Companies
12500 Fair Lakes Circle
Suite 400
Fairfax, Virginia 22033

If to County:

Montgomery County Government
Chief Administrator's Office
101 Monroe Street, Third Floor
Rockville, Maryland 20850
Attention: Chief Administrative Officer

with a copy to:

Silver Spring Redevelopment Program
8435 Georgia Avenue
Silver Spring, Maryland 20910
Attention: Director, Silver Spring Redevelopment Program

with a copy to:

Montgomery County Government
Office of the County Attorney
101 Monroe Street, Third Floor
Rockville, Maryland 20850
Attention: County Attorney

If to City Place LP:

City Place Limited Partnership
1320 Old Chain Bridge Road, Suite 430
McLean, Virginia 22101
Attention: Jeffrey B. Dierman

with a copy to:

Preminger & Glazer
5301 Wisconsin Avenue, N.W.
Suite 740
Washington, D.C. 20015
Attention: Steven M. Glazer, Esq.

with a copy to:

Petrie Ventures, Inc.
147 Old Solomon's Island Rd.
Suite 208
Annapolis, MD 21401
Attention: Walter H. Petrie

If to Corporation: Silver Spring Condo Corporation
c/o The May Department Stores Company
611 Olive Street St Louis Missouri 63101
Attention: Executive Vice President - Real Estate

with a copy to:

c/o The May Department Stores Company
611 Olive Street St. Louis, Missouri 63101
Attention: General Counsel

13. Release of Easements.

(a) Effective automatically on the Loading Dock Commencement Date, this Agreement shall supersede the terms of that certain Easement Agreement dated August 14, 1990, recorded among the aforesaid Land Records in Liber 9511 at folio 024 (the "Existing Easements") and the same shall automatically be deemed vacated and of no further force or effect, subject however to the terms of Subsection (d) hereinbelow. Promptly upon request by PFA or the County, City Place LP and Corporation and their respective mortgagees shall execute a declaration in recordable form confirming the foregoing.

(b) This Agreement also releases and terminates that certain Right of Way for Ingress and Egress, originally established and/or described in the aforesaid Land Records in Liber 3352, folio 193, Liber 3352, folio 203, as modified in Liber 5862, folio 133; Liber 3364, folio 159, Liber 3364, folio 162 and Liber 5718, folio 664 as modified and/or replaced in Liber 9511, folio 24, and the same are hereby vacated and declared null and void and of no further force or effect.

(c) This Agreement also releases and terminates that certain Declaration of Easement and Agreement recorded among the aforesaid Land Records in Liber 1491 at folio 525, and the same is hereby vacated and declared null and void and of no further force or effect.

(d) Notwithstanding anything to the contrary set forth in this Agreement, in the event that at any time prior to the Loading Dock Commencement Date, time being strictly of the essence, either (i) the County or PFA shall terminate the GDA in accordance with its terms for any reason whatsoever, or (ii) that certain Settlement Agreement dated on or about May 12,

with a copy to:

Petrie Ventures, Inc.
147 Old Solomon's Island Rd.
Suite 208
Annapolis, MD 21401
Attention: Walter H. Petrie

If to Corporation: Silver Spring Condo Corporation
c/o The May Department Stores Company
611 Olive Street St Louis Missouri 63101
Attention: Executive Vice President - Real Estate

with a copy to:

c/o The May Department Stores Company
611 Olive Street St. Louis, Missouri 63101
Attention: General Counsel

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(b) This Agreement also releases and terminates that certain Right of Way for Ingress and Egress, originally established and/or described in the aforesaid Land Records in Liber 3352, folio 193, Liber 3352, folio 203, as modified in Liber 5862, folio 133; Liber 3364, folio 159, Liber 3364, folio 162 and Liber 5718, folio 664 as modified and/or replaced in Liber 9511, folio 24, and the same are hereby vacated and declared null and void and of no further force or effect.

(c) This Agreement also releases and terminates that certain Declaration of Easement and Agreement recorded among the aforesaid Land Records in Liber 1491 at folio 525, and the same is hereby vacated and declared null and void and of no further force or effect.

(d) Notwithstanding anything to the contrary set forth in this Agreement, in the event that at any time prior to the Loading Dock Commencement Date, time being strictly of the essence, either (i) the County or PFA shall terminate the GDA in accordance with its terms for any reason whatsoever, or (ii) that certain Settlement Agreement dated on or about May 12,

2000, among City Place LP, Corporation and the County (the "Settlement Agreement") shall be terminated for any reason whatsoever, City Place LP shall have the right upon written notice to the other parties hereto, within thirty (30) days after the occurrence of either (i) or (ii) to terminate the terms of Sections 1, 2, 4, 5 and 6 hereof (except for that portion of Section 6 relating to the Bridge and the Bridge Construction Work) by written notice to the other parties hereto, whereupon the Existing Easements shall be automatically reinstated in full force and effect without any further action of the parties; provided, however, that the remaining terms and provisions of this Agreement, including PFA's right to perform the Bridge Construction Work and City Place, LP's obligation to maintain the Bridge, subject to, and in accordance with the terms hereof, shall remain in full force and effect, as the same relate to the Bridge and the Bridge Construction Work, provided PFA and the County enter into the Section B ground lease. The parties hereto acknowledge and agree that from and after the Loading Dock Commencement Date no party shall have the right to terminate all or any portion of this Agreement for any reason.

14. Easements to be Private. Neither the grant of any easement hereunder, nor the use and enjoyment thereof pursuant to the provisions of this Agreement, shall be deemed in any way to create or confer in or on any member of the public any right to use or enjoy the same, or any estate therein.

15. Warranties of Authority. Each of the parties to this Agreement warrants and covenants to the other parties that it (i) has full right, power and authority to enter into, carry out and perform this Agreement without obtaining any further approvals or consents, (ii) owns the entire fee simple title to its respective parcel (legal and equitable), (iii) is duly organized, validly existing and in good standing under the laws of its respective state of formation, and (iv) is qualified to do business in the State of Maryland.

16. Time is of the Essence. The parties to this Agreement agree that time is of the essence hereunder.

17. Estoppels. From time to time and upon the request of any party, prospective purchaser or any mortgagee of any property described herein, each party shall, within thirty (30) days of said request, execute and deliver estoppel certificates, certifying (i) whether the terms of and rights under this Agreement are and remain in full force and effect, (ii) that this Agreement has not been amended, supplemented or modified, or if this Agreement has been amended, supplemented or modified, the nature of said amendment, supplement or modification, (iii) to the best of said party's knowledge, whether any defaults concerning the parties' obligations under this Agreement exist hereunder, or if any defaults do exist, the nature and extent of such defaults, and/or (iv) to such other matters concerning the status and compliance with the terms of this Agreement, or the obligations of the parties hereunder. The foregoing notwithstanding, any estoppel requested from Corporation shall be limited to clauses (i), (ii) and (iii) above and shall contain the following language:

> "The statements contained herein are not affirmative representations, warranties, covenants or waivers but shall act

solely to estop the undersigned from asserting any claim or defense against the addressee to the extent that such claim or assertion is based upon the facts now known to the undersigned which are contrary to those contained in this estoppel certificate and the addressee has acted in reasonable reliance upon such statements without knowledge of facts to the contrary."

18. Miscellaneous.

(a) Except for (i) the obligations of PFA under Sections 2 and 3 hereof, (ii) the indemnities contained in Section 7(d) hereof, (iii) the obligations of PFA pursuant to Section 8(a) of this Agreement (which, in addition to running with ownership of the Retail Property, shall also remain the obligations of PFA subject to the provisions of Section 19 hereof, for the respective terms of such indemnities and warranties), the obligations and liabilities of any party hereunder shall exist for only so long as said party is a fee simple owner of its respective property. When such party or its successor in title ceases to own a fee simple interest in its respective property, such party or its successor in title shall be automatically relieved of any further obligations or liabilities hereunder and such obligations and liabilities shall automatically become the obligations and liabilities of the successor of said party or successor in title.

(b) No restriction, condition, obligation or provision of this Agreement shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

(c) Notwithstanding that any or all of the easement areas created hereby and all or a portion of the Retail Property, Theater Property, City Place Retail Unit or City Place Office Unit may now or hereafter be owned by the same individual or entity, the easements and rights herein granted and the covenants hereby imposed shall not be deemed to be extinguished by merger or otherwise and the same shall be perpetual and shall not be extinguished or modified or amended, except by an instrument duly executed by the fee simple owners of the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit and recorded among the Land Records of Montgomery County, Maryland.

(d) The terms and provisions of this Agreement are severable and in the event that any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the remaining terms and provisions hereof shall remain in full force and effect.

(e) This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland.

(f) This Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the parties hereto as to the same including, without limitation, that certain Agreement of Understanding dated April 25, 2000 by and between PFA and City Place LP. Notwithstanding the foregoing, this Agreement does not supersede or replace any agreements between PFA and

the County or between City Place LP and the County, such as the GDA or the Settlement Agreement.

(g) This Agreement may be executed in several counterparts each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

(h) Whenever any party's consent or approval is required hereunder, such consent or approval shall not be unreasonably withheld, conditioned, delayed or denied unless otherwise specifically provided herein.

(i) In the event City Place LP or Corporation determines to withhold, condition or deny its approval of the plans for any proposed work under the terms of this Agreement or of any structural modification of such work, a written explanation shall be given to PFA not later than fifteen (15) days in the case of City Place LP and thirty (30) days in the case of Corporation after receipt of the plans therefor from PFA. Such explanation shall state with specificity the reasons approval of the modification is being withheld, conditioned or denied. If no such written explanation is timely sent by City Place LP or Corporation, as applicable, the proposed plans or structural modification shall be deemed approved by City Place LP and Corporation. If such written explanation is timely sent by City Place LP or Corporation, as applicable, the parties shall cooperate in good faith to resolve the matter, and the aforesaid notification process shall be repeated after submission of the revised plans to be approved.

19. Limitation of Liability.

Notwithstanding any provision to the contrary contained herein, if any Owner or any successor-in-interest of such Owner or any mortgagee shall be an individual or entity (including without limitation, a joint venture, tenancy in common, corporation, trust, general partnership, limited partnership or limited liability company), it is specifically understood and agreed that, except as hereinafter expressly provided, there shall be absolutely no personal liability on the part of such mortgagee, individual or entity, or on the part of the stockholders or members of any such mortgagee or entity, with respect to any of the terms, covenants and conditions contained herein, and that any party claiming hereunder shall look solely to the equity of such Owner or its successor-in-interest in the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit, as applicable, for the satisfaction of each and every remedy of any such claiming party in the event of any breach by such Owner or by its successor-in-interest, of any of the terms, covenants and conditions contained herein, and such exculpation of personal liability shall be absolute and without any exception whatsoever.

20. Force Majeure

For any Force Majeure (as defined below) resulting in a delay in any party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of the Force

Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact. Force Majeure as such term is used herein shall refer to delays due to strike, riot, act of God, severe weather, shortages of labor and materials, governmental laws, regulations or restrictions or by other causes of any kind whatsoever which are beyond the reasonable control of the party claiming Force Majeure; lack of funds for the completion of the Private Improvements not being deemed beyond a party's reasonable control.

21. Benefits and Burdens.

All provisions of this Agreement, including the benefits and the burdens, shall touch, concern and run with the Retail Property, Theater Property, City Place Retail Unit and City Place Office Unit and be binding upon and inure to the benefit of the Owners of the Retail Property, Theater Property, City Place Retail Unit, City Place Office Unit from time to time and their respective successors, transferees, assigns, heirs and personal representatives. No division of ownership of any Owner's property, by subdivision or other means, and no change in ownership interest of any of the Owners shall affect or modify the easements, rights, covenants and agreements granted hereunder.

22. Consents.

The undersigned trustees, lienholders, and other parties having an interest in any portion of the Property have joined in the execution of this Agreement for the purpose of consenting to the terms and provisions hereof and any supplementary declarations delivered pursuant hereto (and further including any confirmatory or other instruments hereinafter entered into by the Owner of any Parcel as permitted or required by the terms and provisions of this Agreement and as may be approved by such trustees, lienholders, and other parties in interest) and for the purpose of subordinating their respective estates and interests in and to any portion of the Property, as the case may be, to the effect and operation of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

Jo Anne Poore

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. A. Jones
REA-alley

Diane R. Schwartz-Jones
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 29th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Jo Anne Poore
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

JoAnne Poore

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. A. Jones
Diane R. Schwartz-Jones REA - atty
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

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JoAnne Poore
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

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WITNESS/ATTEST:

Jo Anne Poore

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. A. Jones
REA-alley

Diane R. Schwartz-Jones
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

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Jo Anne Poore
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. Schwartz-Jones REA-ALLEY
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

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IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

JoAnne Paoke

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. S. Jones
REA - alley
Diane R. Schwartz-Jones
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 29th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

JoAnne Paoke
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. Schwartz-Jones
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 29th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

Jo Anne Poore

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. A. Jones
Diane R. Schwartz-Jones REA-Alley
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 29th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Jo Anne Poore
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

Jo Anne Poore

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. A. Jones
Diane R. Schwartz-Jones REA-alley
Associate County Attorney

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 24th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Jo Anne Poore
Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the County has caused this Agreement to be executed by the signature of its duly authorized representative as of the day and year first written above.

WITNESS/ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: _____
Douglas M. Duncan,
County Executive

APPROVED AS TO FORM AND LEGALITY:

Diane R. Schwartz-Jones
Associate County Attorney

REA-alley

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 29th day of August, 2001, before me, the undersigned officer, personally appeared Douglas M. Duncan, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as County Executive of Montgomery County, Maryland, and acknowledged that he, as such County Executive, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Montgomery County, Maryland.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: June 1, 2002
[NOTARIAL SEAL]

PFA SILVER SPRING, LC

_____

_____
Bryant F. Foulger
Managing Member

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this ____ day of _____, 2001, before me, the undersigned officer, personally appeared Bryant F. Foulger, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as Managing Member of PFA Silver Spring, LC, and acknowledged that he, as such Managing Member, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of PFA Silver Spring, LC.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

_____
Notary Public

My Commission Expires: _____
[NOTARIAL SEAL]

PFA SILVER SPRING, LC

Diane Kurz Stock

James W. Todd
Managing Member

STATE OF MARYLAND *
* to wit:
COUNTY OF MONTGOMERY *

I HEREBY CERTIFY that on this 23 day of January, 2001, before me, the undersigned officer, personally appeared James W. Todd, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as Managing Member of PFA Silver Spring, LC, and acknowledged that he, as such Managing Member, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of PFA Silver Spring, LC.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Colleen Provencher
Notary Public

My Commission Expires: COLLEEN PROVENCHER
[NOTARIAL SEAL] NOTARY PUBLIC
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES: 2/28/02

CITY PLACE LIMITED PARTNERSHIP

BY: CITY PLACE G.P., INC. GENERAL PARTNER

BY: _____

By: JEFFREY B. DIERMAN

Title: PRESIDENT

WALTER H. PETRIE

STATE OF ~~MARYLAND~~ VIRGINIA *

* to wit:

COUNTY OF ~~MONTGOMERY~~ FAIRFAX *

I HEREBY CERTIFY that on this 27TH day of NOVEMBER, 2000, before me, the undersigned officer, personally appeared JEFFREY B. DIERMAN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as PRESIDENT OF CITY PLACE G.P., INC. GENERAL PARTNER of City Place Limited Partnership, and acknowledged that he, as such PRESIDENT, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of City Place Limited Partnership ITS GENERAL PARTNER.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: 9/30/2003

[NOTARIAL SEAL]

SILVER SPRING CONDO
CORPORATION

Witness

By: Carol Fielding Fasano

Name: Carol Fielding Fasano

Title: Assistant Secretary

STATE OF MISSOURI *
City * to wit:
~~COUNTY~~ OF ST. LOUIS *

I HEREBY CERTIFY that on this 8th day of February, 2001, before me, the undersigned officer, personally appeared Carol Fielding Fasano, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as Assistant Secretary of Silver Spring Condo Corporation, and acknowledged that he, as such Assistant Secretary, executed the foregoing and annexed instrument for the purposes therein contained by signing the name of Silver Spring Condo Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

My Commission Expires: _____
[NOTARIAL SEAL]

JUDY L. VAUGHN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My commission expires: April 21, 2003

CONSENT OF LENDER

The undersigned, being the Beneficiary under a certain Consolidated, Amended and Restated Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC and recorded in the Montgomery County Land Records at Liber 17967, Folio 271 and the Beneficiary under a certain Indemnity Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Guaranty dated February 29, 2000 made by City Place Limited Partnership for the benefit of Credit Suisse First Boston Mortgage Capital LLC and recorded in the Montgomery County Land Records at Liber 17967, Folio 339, does hereby consent to the foregoing Reciprocal Easement Agreement and agrees that its interest in the subject property shall be subordinate and subject thereto.

Credit Suisse First Boston Mortgage Capital LLC

FEBRUARY 22, 2001
Date

By: _____
Name: ALLAN BAUM
Title: VICE PRESIDENT

* * *

STATE OF NEW YORK

SS:

COUNTY OF NEW YORK

I, Alice Russell, a Notary Public in and for the State and County aforesaid, do hereby certify that Allan Baum, whose name as VP of Credit Suisse First Boston Mortgage Capital LLC, is signed to the foregoing and annexed instrument and has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 22 day of February, 2001.

_____
Notary Public

My term of office expires on the ____ day of _____

ALICE RUSSELL
Notary Public, State of New York
No. 01RU5081837
Qualified in Kings County
Commission Expires July 14, 2001

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing document was prepared by or under the supervision of the undersigned, an attorney duly licensed to practice before the Court of Appeals of Maryland.

Richard M. Zeidman

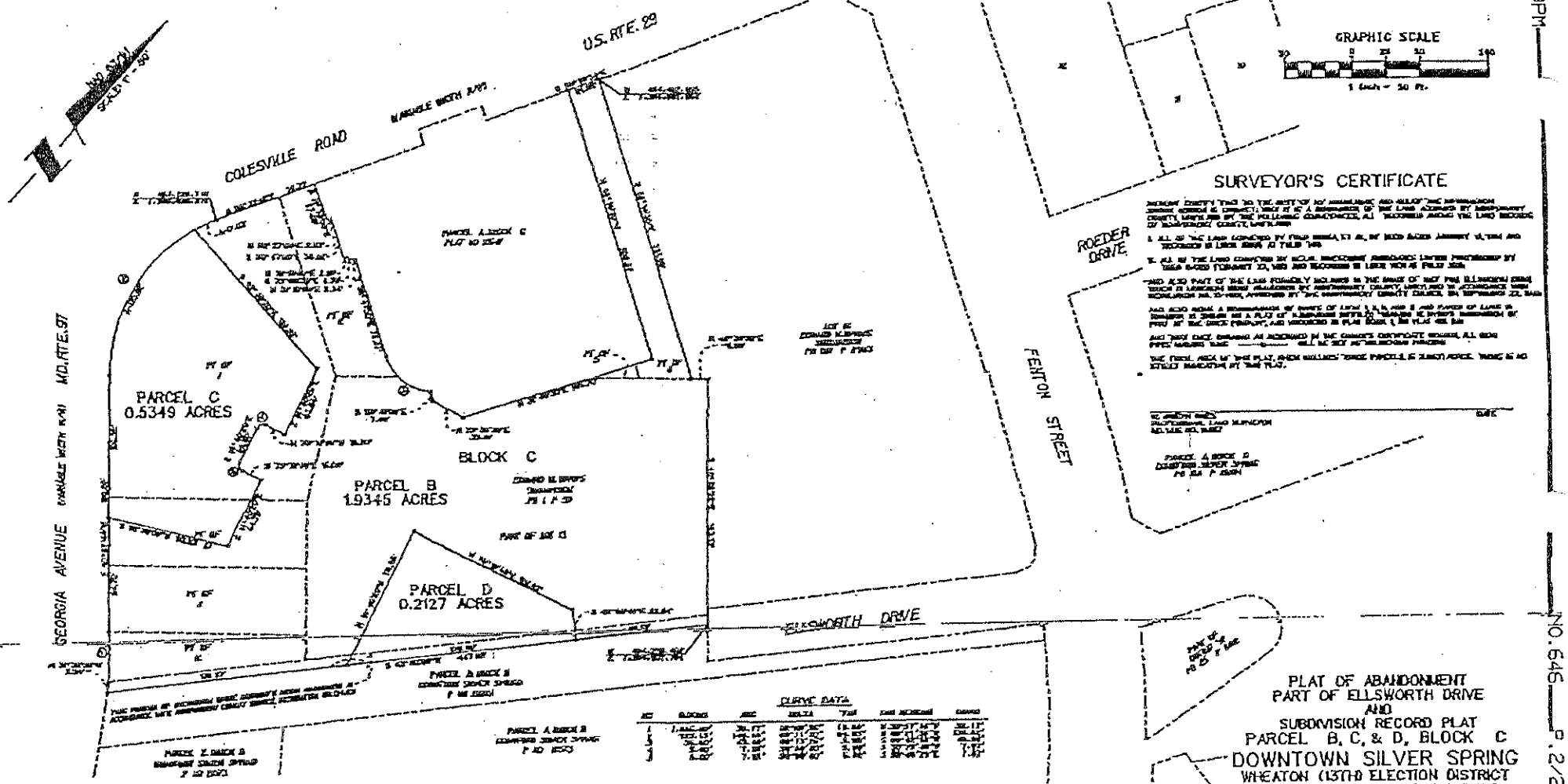
Exhibit A-1
Retail Plat

OWNER'S CERTIFICATE

[illegible]

NOTES

1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]
5. [illegible]
6. [illegible]



SURVEYOR'S CERTIFICATE

[illegible]

PLAT OF ABANDONMENT
PART OF ELLSWORTH DRIVE
AND
SUBDIVISION RECORD PLAT
PARCEL B, C, & D, BLOCK C
DOWNTOWN SILVER SPRING
WHEATON (13TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE: 1" = 50' MARCH, 2001

LOREDERMAN ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS

FOR PUBLIC SEWER AND WATER SYSTEMS ONLY

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MONTGOMERY COUNTY PLANNING BOARD

APPROVED - _____

CHAIRMAN _____ SECRETARY TREASURER _____

M.N.C.P. & P.C. RECORD FILE NO.-

MONTGOMERY COUNTY, MARYLAND
DEPARTMENT OF PERMITTING SERVICES

APPROVED - _____

BY - _____ DIRECTOR

RECORDED _____
PLAT BOOK _____
PLAT _____

THIS APPROVAL OF THIS PLAT IS
[illegible]
AVAILABILITY OF PUBLIC SEWER AND WATER.

MAY 23, 2001 5:19PM

NO. 646 P. 2/2

Exhibit A-2
Theater Plat

OWNER'S CERTIFICATE

WE THE UNDERSIGNED, OWNER OF THE PROPERTY DESCRIBED HEREON, HEREBY ADOPT THIS PLAN OF SUBDIVISION DEDICATE THE STREETS TO PUBLIC USE AND ESTABLISH THE MINIMUM BUILDING RESTRICTION LINES.

ALL TERMS, CONDITIONS, AGREEMENTS, LIMITATIONS, AND REQUIREMENTS ASSOCIATED WITH ANY PRELIMINARY PLAN, SITE PLAN, PROJECT PLAN, OR OTHER PLAN ALLOWING DEVELOPMENT OF THIS PROPERTY, APPROVED BY THE MONTGOMERY COUNTY PLANNING BOARD ARE INTENDED TO SURVIVE AND NOT BE EXTINGUISHED BY THE RECORDATION OF THIS PLAT UNLESS EXPRESSLY CONTEMPLATED BY THE PLAN AS APPROVED. THE OFFICIAL PUBLIC FILES FOR ANY SUCH PLAN ARE MAINTAINED BY THE PLANNING BOARD AND ARE AVAILABLE FOR PUBLIC REVIEW DURING NORMAL BUSINESS HOURS.

AS OWNER OF THIS SUBDIVISION, WE, OUR SUCCESSORS, AGENTS, AND ASSIGNS WILL CAUSE ALL PROPERTY MARKERS AND ANY OTHER REQUIRED MONUMENTATION TO BE SET BY A REGISTERED MARYLAND SURVEYOR IN ACCORDANCE WITH SECTION 50-24(m)(2) OF THE MONTGOMERY COUNTY CODE.

THERE ARE NO RECORDED SUITS, ACTIONS AT LAW, LIENS, LEASES, MORTGAGES, OR TRUSTS AFFECTING THE PROPERTY INCLUDED IN THIS PLAN OF SUBDIVISION. THIS PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS OF WAY, AND COVENANTS OF RECORD.

MONTGOMERY COUNTY, MARYLAND
(A BODY CORPORATE AND POLITIC)

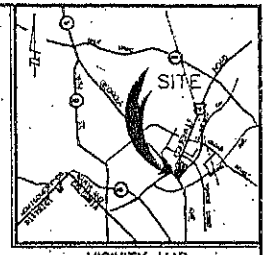
DOUGLAS M. DONCAST, COUNTY EXECUTIVE — DATE

WITNESS

NOTES

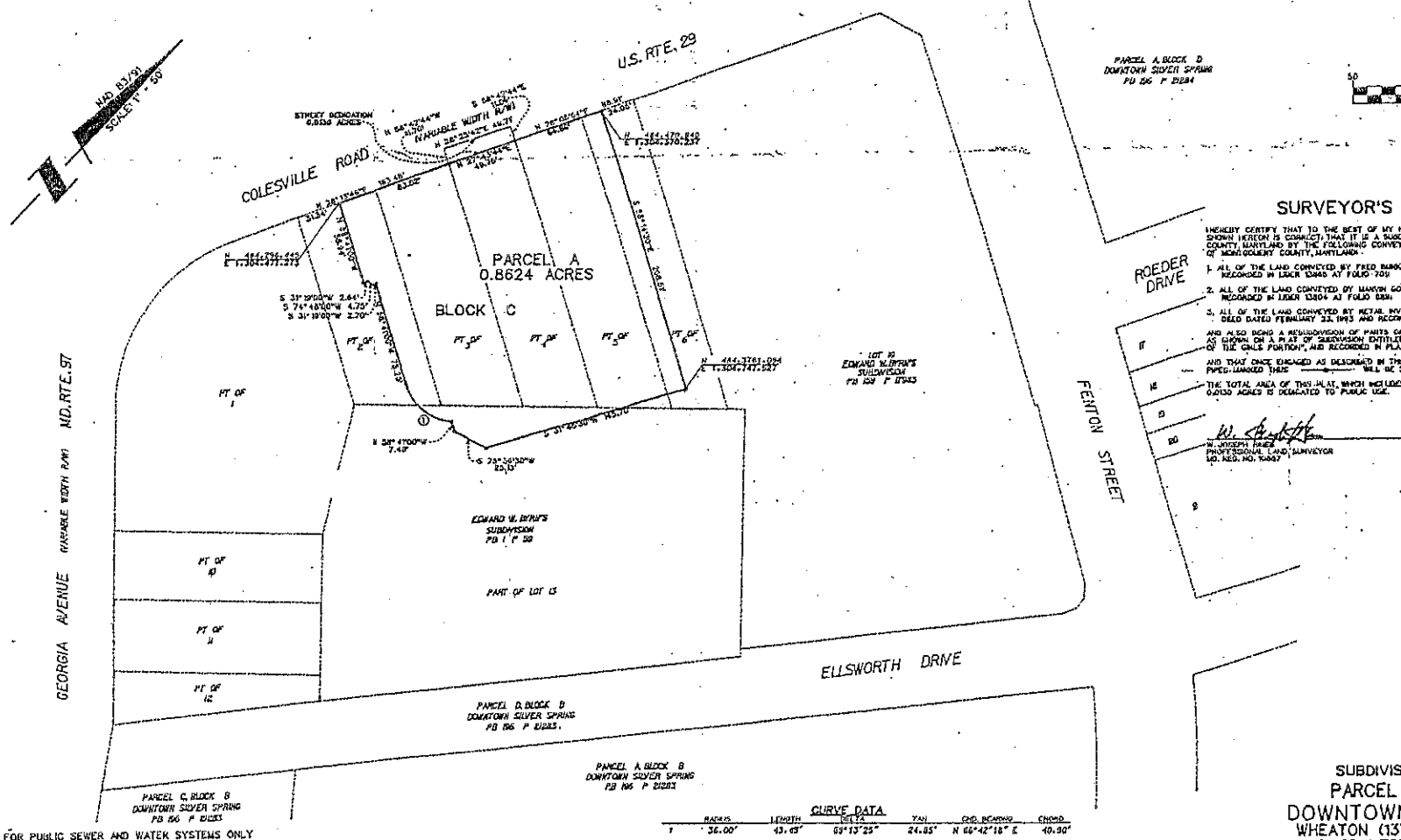
1. THE POTOMAC ELECTRIC POWER COMPANY HAS CONDITIONALLY WITHDRAWN THEIR OBJECTIONS TO THE ABANDONMENT OF ELLSWORTH DRIVE PER LETTER DATED AUGUST 18, 1995.
2. THIS PROPERTY IS CURRENTLY ZONED CBD-1.
3. THIS SUBDIVISION RECORD PLAT IS NOT INTENDED TO SHOW EVERY MATTER AFFECTING THE OWNERSHIP AND USE. NOR EVERY MATTER RESTRICTING THE OWNERSHIP AND USE OF THIS PROPERTY. THE SUBDIVISION RECORD PLAT IS NOT INTENDED TO REPLACE AN EXAMINATION OF TITLE OR TO DEFECT OR NOTE ALL MATTERS AFFECTING TITLE.
4. DEVELOPMENT OF THIS PROPERTY IS SUBJECT TO AN AGREEMENT WITH THE MONTGOMERY COUNTY PLANNING BOARD REGARDING ADEQUATE PUBLIC FACILITIES.
5. PRELIMINARY PLAN NO. 1-95107; SITE PLAN NO. 8-96002; TAX MAP JH 343.

EXHIBIT A-2



VICINITY MAP
SCALE: 1"=2000'

GRAPHIC SCALE
50 0 25 50 100
1 inch = 50 ft.



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THE INFORMATION SHOWN HEREON IS CORRECT; THAT IT IS A SUBDIVISION OF THE LAND ACQUIRED BY MONTGOMERY COUNTY, MARYLAND BY THE FOLLOWING CONVEYANCES, ALL RECORDED AMONG THE LAND RECORDS OF MONTGOMERY COUNTY, MARYLAND:

1. ALL OF THE LAND CONVEYED BY FRED BUNGA, ET AL, BY DEED DATED JANUARY 10, 1914 AND RECORDED IN LIBER 13465 AT FOLIO 709
2. ALL OF THE LAND CONVEYED BY MARVIN GOLDMAN BY DEED DATED DECEMBER 6, 1965 AND RECORDED IN LIBER 13804 AT FOLIO 594.
3. ALL OF THE LAND CONVEYED BY RETAIL INVESTMENT ASSOCIATES LIMITED PARTNERSHIP BY DEED DATED FEBRUARY 22, 1993 AND RECORDED IN LIBER 11131 AT FOLIO 203

AND ALSO BEING A RESUBDIVISION OF PARTS OF LOTS 2 THROUGH 6 AND PART OF LOT 13 AS SHOWN ON A PLAT OF SUBDIVISION ENTITLED "EDWARD W. BYRN'S SUBDIVISION OF PART OF THE CALE PORTION", AND RECORDED IN PLAT BOOK 1, OR PLAT NO. 58.

AND THAT ONCE ENGAGED AS DESIGNED IN THE OWNER'S CERTIFICATE HEREON, ALL IRON PIPES HAVE BEEN SET AS DELINEATED HEREON.

THE TOTAL AREA OF THIS PLAT, WHICH INCLUDES ONE PARCEL, IS 0.8754 ACRES OF WHICH 0.0130 ACRES IS DEDICATED TO PUBLIC USE.

W. JOSEPH HAAS — 4/15/00
PROFESSIONAL LAND SURVEYOR — DATE
MD. REG. NO. 10667

CURVE DATA

	RADIUS	LENGTH	DELTA	TAN	CHD. BEARING	CHORD
1	36.00'	43.69'	69°13'25"	24.85'	N 66°42'18" E	40.90'

FOR PUBLIC SEWER AND WATER SYSTEMS ONLY

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MONTGOMERY COUNTY PLANNING BOARD

APPROVED - _____

CHAIRMAN — SECRETARY TREASURER

M.N.C.P. & P.C. RECORD FILE NO. -

MONTGOMERY COUNTY, MARYLAND
DEPARTMENT OF PERMITTING SERVICES

APPROVED - _____

BY - _____
DIRECTOR

RECORDED _____
PLAT BOOK _____
PLAT _____

THE APPROVAL OF THIS PLAT IS PREDICATED ON THE ADEQUACY AND AVAILABILITY OF PUBLIC SEWER AND WATER.

SUBDIVISION RECORD PLAT
PARCEL A, BLOCK C
DOWNTOWN SILVER SPRING
WHEATON (13TH) ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND

SCALE: 1" = 50' JANUARY, 2000

LOIEDERMAN ASSOCIATES, INC.
ENGINEERS PLANNERS SURVEYORS
1500 Piccard Drive
Rockville, Maryland 20850
(301) 948-2750

A-2

Clerk's Pending

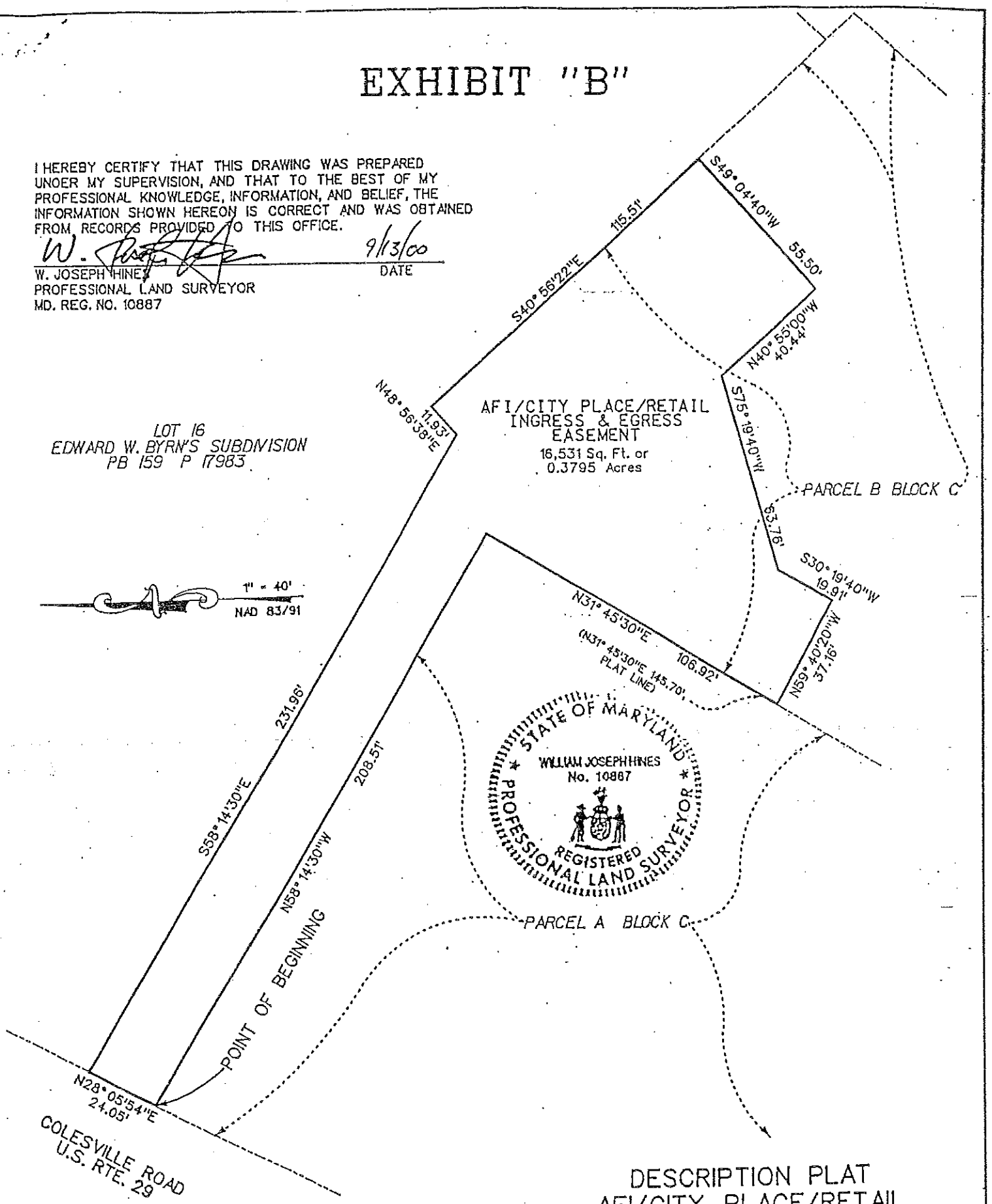
Exhibit B
Ingress/Egress Easement Area

EXHIBIT "B"

I HEREBY CERTIFY THAT THIS DRAWING WAS PREPARED UNDER MY SUPERVISION, AND THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE INFORMATION SHOWN HEREON IS CORRECT AND WAS OBTAINED FROM RECORDS PROVIDED TO THIS OFFICE.

W. JOSEPH HINES — DATE 9/13/00

W. JOSEPH HINES
PROFESSIONAL LAND SURVEYOR
MD. REG. NO. 10887



DESCRIPTION PLAT
AFI/CITY PLACE/RETAIL
INGRESS & EGRESS EASEMENT
ACROSS PARCEL B, BLOCK C
DOWNTOWN SILVER SPRING
WHEATON (13TH) ELECTION DISTRICT

LOIEDERMAN ASSOCIATES, INC.
CIVIL ENGINEERING LAND SURVEYING
LAND PLANNING ENVIRONMENTAL STUDIES

LOIEDERMAN ASSOCIATES, INC.
Project No. 1006-01
September 13, 2000

DESCRIPTION
AFI/CITY PLACE/RETAIL
INGRESS & EGRESS EASEMENT
DOWNTOWN SILVER SPRING
16,531 Square Feet

Being all of that piece or parcel of land situate lying and being in the thirteenth Election District of Montgomery County, Maryland and being part of the land conveyed by Retail Investment Associates Limited Partnership to Montgomery County, Maryland by deed dated February 23, 1993 and recorded in Liber 11131 at Folio 205, and part of the land conveyed by Fred Burka et al to Montgomery County, Maryland by deed dated January 10, 1996 and recorded in Liber 13865 at Folio 701 all said deeds being recorded among the Land Records of Montgomery County, Maryland, said piece or parcel of land also being part of Parcel B, Block C as shown on a plat of subdivision titled, "PLAT OF ABANDONMENT, PART OF ELLSWORTH DIRVE, AND SUBDIVISION RECORD PLAT, PARCEL B, BLOCK C, DOWNTOWN SILVER SPRING" as recorded among the Land Records of Montgomery County, Maryland in Plat Book ___ as Plat No. ___ and being more particularly described as follows:

Beginning for the same at a point on the southeasterly right of way line of Colesville Road, Maryland U. S. Route 29, said beginning point also being the common corner of the northeasterly line of Parcel B and Parcel A, Block C as shown on the aforereferenced plat of subdivision; thence running with and along the said southeasterly right of way line of Colesville Road

1. North 28° 05' 54" East, 24.05 feet to a point; thence leaving said right of way line and running with and along part of the outlines of Lot 16, Edward W. Byrn's Subdivision as recorded in Plat Book 159 as Plat No. 17983, and also with the outlines of said Parcel B
2. South 58° 14' 30" East, 231.96 feet to a point; thence
3. North 48° 56' 38" East, 11.93 feet to a point; thence
4. South 40° 56' 22" East, 115.51 feet to a point; thence leaving the outline of said Lot 16 and running so as to cross and include a part of Parcel B
5. South 49° 04'40" West, 55.50 feet to a point; thence
6. North 40° 55' 00" West, 40.44 feet to a point; thence
7. South 75° 19' 40" West, 63.76 feet to a point; thence
8. South 30° 19' 40' West, 19.91 feet to a point; thence
9. North 59° 40' 20" West, 37.16 feet to a point on the division line of the said Parcel A and Parcel B; thence running with said division line the following two (2) courses
10. North 31° 45' 30" East, 106.92 feet to a point; thence
11. North 58° 14' 30" West, 208.51 feet to the point of beginning containing 16,531 square feet or 0.3795 of an acre of land.

Subject to any and all easements, rights of way and covenants of record.

Exhibit C
Loading Dock Easement Area

LOIEDERMAN ASSOCIATES, INC.
Project No. 1006-01
September 13, 2000

DESCRIPTION
LOADING DOCK EASEMENT
DOWNTOWN SILVER SPRING
611 SQUARE FEET

Being all of that piece or parcel of land situate lying and being in the thirteenth Election District of Montgomery County, Maryland and being part of the land conveyed by Fred Burka et al to Montgomery County, Maryland by deed dated January 10, 1996 and recorded in Liber 13865 at Folio 701 among the Land Records of Montgomery County, Maryland, said piece or parcel of land also being part of Parcel B, Block C as shown on a plat of subdivision titled, "PLAT OF ABANDONMENT, PART OF ELLSWORTH DIRVE, AND SUBDIVISION RECORD PLAT, PARCEL B, BLOCK C, DOWNTOWN SILVER SPRING" as recorded among the Land Records of Montgomery County, Maryland in Plat Book ___ as Plat No. ___ and being more particularly described as follows:

Beginning for the same at a point on the South 40° 56' 22" East, 183.13' line of said Parcel B, said point lying 115.51 feet from the northwesterly end thereof; thence running with a part of said line

1. South 40° 56' 22" East, 11.00 feet to a point; thence leaving the outline of said Parcel B and running so as to cross and include a part thereof
2. South 49° 04'40" West, 55.51 feet to a point; thence
3. North 40° 55' 00" West, 11.00 feet to a point; thence

4. North 49° 04' 40" East, 55.50 feet to the point of beginning containing 611 square feet or 0.0140 of an acre of land.

Subject to any and all easements, rights of way and covenants of record.

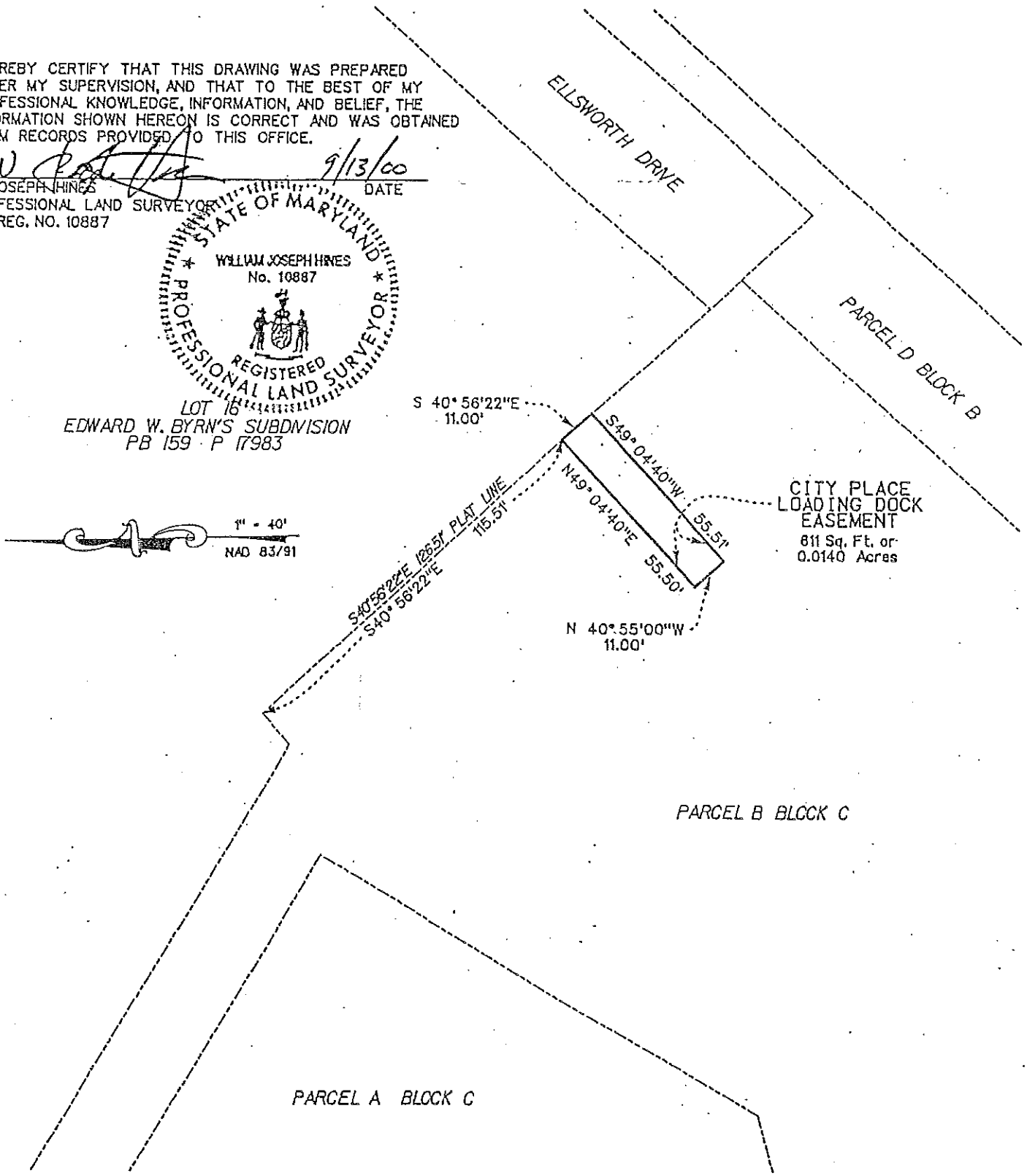
EXHIBIT "C"

I HEREBY CERTIFY THAT THIS DRAWING WAS PREPARED UNDER MY SUPERVISION, AND THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE INFORMATION SHOWN HEREON IS CORRECT AND WAS OBTAINED FROM RECORDS PROVIDED TO THIS OFFICE.

9/13/00

W. JOSEPH HINES — DATE
PROFESSIONAL LAND SURVEYOR
MD. REG. NO. 10887

STATE OF MARYLAND
WILLIAM JOSEPH HINES
No. 10887
REGISTERED PROFESSIONAL LAND SURVEYOR



DESCRIPTION PLAT
CITY PLACE
LOADING DOCK EASEMENT
ACROSS PARCEL B, BLOCK C
DOWNTOWN SILVER SPRING
WHEATON (13TH) ELECTION DISTRICT

LOIEDERMAN ASSOCIATES, INC.
CIVIL ENGINEERING LAND SURVEYING
LAND PLANNING ENVIRONMENTAL STUDIES

Exhibit D
Loading Dock Plans and Specifications

RTKL Associates Inc. 1 South St. Baltimore, Maryland 21202 (410) 528-8600/ FAX:(410) 385-2455

Project: City Place Dock Relocation
Downtown Silver Spring

Drawing Title: CITY PLACE DOCK SECTION
Drawing Scale: 1" = 8'-0"
Leasable Area:

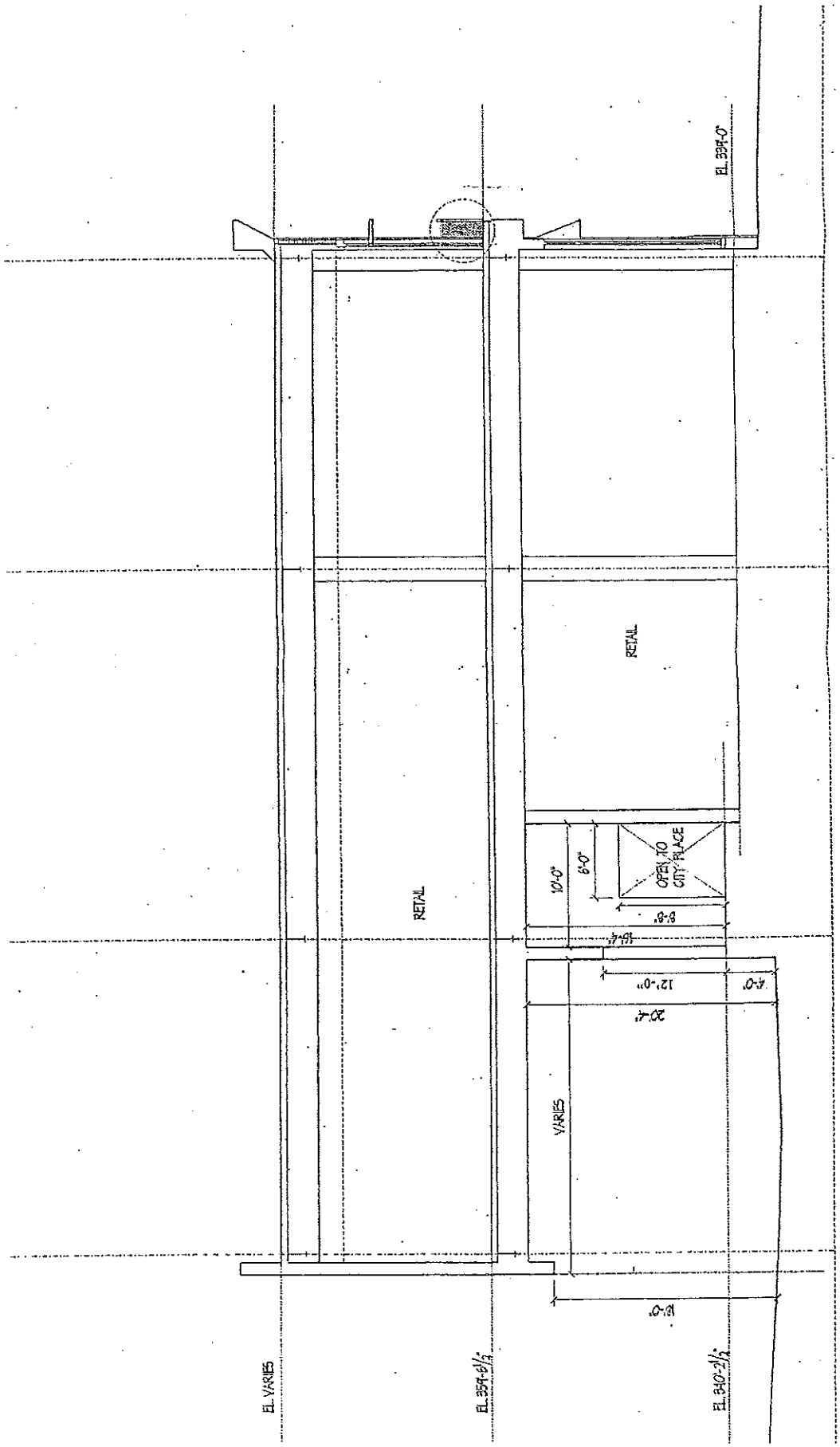
Project No.: 00-99054.11

Issued Under / As: STUDY
by: JDH
Submission Date: JULY 21, 2000
Revisions:

EXHIBIT-D
Page 1 of 2

RTKL

Supplemental Drawing No.
CP-02
2 of 2



RTKL Associates Inc. 1 South / Baltimore, Maryland 21202
(410) 528-8600/ FAX(410) 385-2455

Project: City Place Dock Relocation
Downtown Silver Spring

Project No.: 00-99054.11

Drawing Title: CITY PLACE DOCK RELOCATION PLAN
Drawing Scale: 1" = 8'-0"
Leasable Area:

Issued Under / As: STUDY
By: JDH
Submission Date: MAY 31, 2000
Revisions:

EXHIBIT-D
Page 2 of 2

RTKL

Supplemental Drawing No.
CP-01
1 of 1

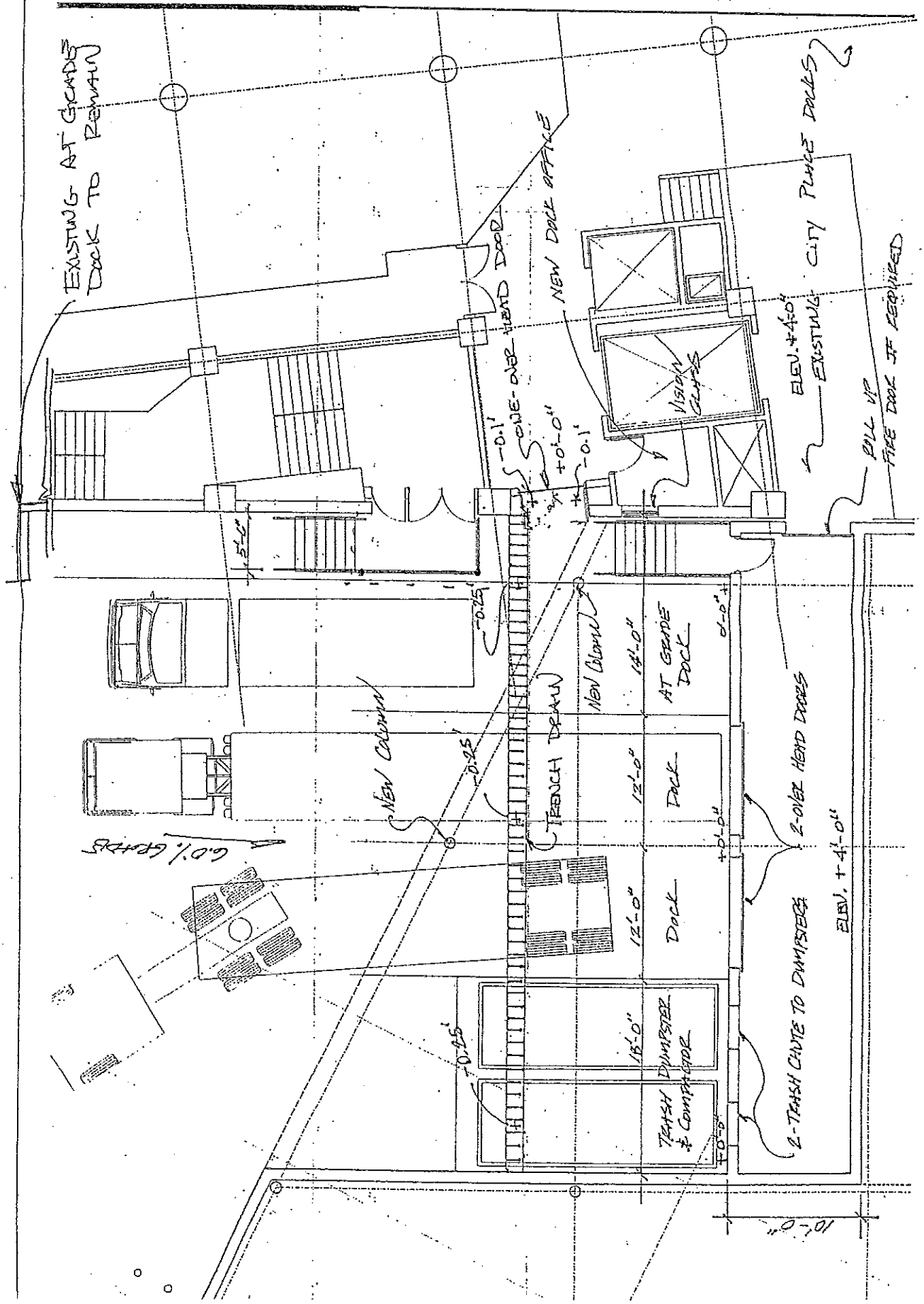


Exhibit E
Bridge Easement Area

Exhibit K

Mobile Production Unit Parking Easement

Lease between Montgomery County, Maryland and the American Film Institute

MOBILE PRODUCTION EASEMENT AGREEMENT

THIS MOBILE PRODUCTION EASEMENT ("Agreement") is made this ___ day of ____, 200__, by MONTGOMERY COUNTY, MARYLAND, a municipal corporation (together with its successors, tenants and assigns the "County").

WITNESSETH:

WHEREAS, the County is the owner of certain property described in Exhibit A attached hereto (the "Easement Area"); and

WHEREAS, the County is the owner of certain other property described in Exhibit B attached hereto upon which are, or will be, located certain live theater production facilities and rehabilitated film and video exhibition and production facilities (collectively, the "Theatre Parcel"); and

WHEREAS, PFA Silver Spring, LLC ("PFA") is the designated Developer under a General Development Agreement dated April 20, 1998, as amended from time to time, between it and the County and providing for, among other things, the redevelopment of certain properties in downtown Silver Spring, including; the land on which the Easement Area is located; and

WHEREAS, the County has entered into (or will enter into) leases for property located at 8633 Colesville Road and 8643 Colesville Road in Downtown Silver Spring for film exhibition and performing arts purposes (the "Theatres"); and

WHEREAS, certain programs and events to be conducted and/or performed in connection with the Theatres will require offsite production and/or broadcast facilities, in addition to those located within the Theatres; and

WHEREAS, these additional production facilities will be located in mobile productions units as described below; and

WHEREAS, the Theatres will benefit from establishment of the Easement Area to be used for temporary placement of mobile production units for mobile production of programs from either of the Theatres and the County therefore intends to benefit the Theatre Parcel with the creation of an easement on the Easement Area for the purpose of placing and operating mobile production units within the Easement Area as described herein; and

WHEREAS, the County intends to burden the property on which the Easement Area is located with a mobile production unit easement as described herein for the use and benefit of the tenants of the Theatre Parcel; and

WHEREAS, PFA or an affiliated entity will, upon satisfaction of certain conditions precedent become the ground lessee of the parcel upon which the Easement Area is located, and upon satisfaction of certain other conditions precedent will become the owner of the underlying parcel; and

WHERAS, PFA joins in the execution of this Agreement for the purpose of indicating its consent to the encumbering of the Easement Area with this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which is incorporated herein by reference, and the mutual promises and covenants of the parties, the parties agree as follows:

1. Creation of Easement. The County does hereby create, establish and reserve upon, over and across the Easement Area a perpetual easement for the purposes and subject to the limitations described in this Agreement. The easement herein created is appurtenant to and for the benefit of the Theatre Parcel and includes all things necessary or incidental upon the Easement Area to use the Easement Area for the purposes described herein.

2. Access.

(a) County does further reserve an easement on behalf of itself and the tenants of the Theatre Parcel over the roads and alleys described on Exhibit C as necessary to enable access to the Easement Area. This easement includes passage over the surface of the roads and alleys described in Exhibit C as necessary to access the Easement Area and subsurface access for the purpose of allowing the installation, maintenance, repair, restoration and reinstallation of conduit, cable and access points to enable operation of the Mobile Production Units on the Easement Area for programming done in connection with either of the Theatres.

(b) The County, and any of its successors in possession or title shall not permit any action to be taken on or over all or any portion of the Easement Area which would unreasonably interfere with or impede use of the Easement Area as described herein. This provision shall in no manner limit or restrict County's exercise of any of its governmental powers or authority.

3. Use of the Easement Area.

(a) The Easement Area is to be used for the parking and operation of Mobile Production Units, subject to the provisions of this Agreement. Mobile Production Unit means a vehicle that houses television and radio or other media transmission, recording and production equipment relating to live broadcasts or other transmissions or recordings of events or activities taking place at or in connection with the Theatre Parcel.

(b) The user of the Easement Area for parking and operation of any Mobile Production Unit(s) must provide as much advance notice of such use as is reasonably possible and must coordinate use of the Easement Area in a way that minimizes interference with surrounding activities. The Easement Area must not be used for long-term storage of a Mobile Production Unit. Any Mobile Production Unit that is located on the Easement Area and is not used for thirty (30) consecutive days must be removed from the Easement Area until it is to be used again for an event or program arising out of activities taking place at or in connection with the Theatre Parcel. Such required removal is without prejudice to the right to continue to use the Easement Area at other times for transmission or broadcast of any event or activities at or in connection with the Theatre Parcel as described herein. Any Mobile Production Unit on the Easement Area must be located in a

manner that leaves a minimum of twelve (12) feet of vehicular passage area between the unit and the opposing sidewalk.

(c) The Easement Area is not at the time of the execution of this Agreement improved with an alley. Use of the Easement Area for parking and operation of one or more Mobile Production Units may be suspended from time to time (the "Suspension Period") by the owner of the Easement Area for reasonable periods of time required to construct the alley upon which Mobile Production Units may be parked within the boundaries of the Easement Area, or for repair or reconstruction of such alley. During any such Suspension Period, the owner or ground lessee of the Easement Area is required to use commercially reasonable efforts to locate a nearby substitute area within its control for temporary parking and operation of a Mobile Production Unit. If despite exercise of commercially reasonable efforts, the owner or ground lessee of the Easement Area is not able to locate a nearby substitute area, the owner or ground lessee of the Easement Area shall not be liable for any damages arising due to the unavailability of the Easement Area during such construction, repair or reconstruction periods. The user of the Theatre Parcel seeking placement of a Mobile Production Unit on a nearby substitute area shall cooperate with the owner of the substitute area and shall abide by such conditions for such use as may be reasonably required, including, but not limited to, the execution of an appropriate hold harmless agreement and the provision of reasonable insurance coverage for such use.

4. Indemnification.

(a) Use of the Easement Area for the purposes described herein is expressly conditioned upon the user indemnifying and holding the County and any ground lessee harmless from and against any and all liability, damage, cost and expense, whether for injuries to person or loss of life or damage to property, arising from or in any manner connected with a breach of this agreement, the use or occupancy of or presence upon the Easement Area by such user, its employees, agents or independent contractors, or invitees unless such damage or injury is caused solely by the willful or negligent act or omission of County or the ground lessee, their employees, agents or independent contractors. Any liability or other obligation created by a user of the easement hereby created shall be specific to that user and shall in no event be considered joint and several liabilities or obligations of any other user. In the event of any claim under any indemnity provided herein, the party making such claim shall give the indemnifying party prompt notice thereof and shall not compromise or settle a claim for which indemnification is requested without the indemnifying party's consent or opportunity to defend against such claim.

(b) Termination of this Easement Agreement shall not affect any indemnification obligations under Paragraph 4(a) hereof with respect to any matter or event that occurs prior to the termination of this Easement Agreement.

5. Insurance. As a condition precedent to any use of the Easement Area, such user shall obtain, at its cost, and keep in force and effect during each use of the Easement Area, the following:

(a) Commercial general liability- minimum One Million Dollars ($1,000,000) combined single limit of bodily injury and property damage per occurrence including the following coverages: (i) contractual liability, (ii) premises and operations, and (iii) independent contractors.

(b) Montgomery County and any ground lessee or any successors thereto shall be named as additional insureds on all such liability policies and must receive thirty (30) days' prior notice of cancellation or material changes in any of the policies. Upon written request, the user of the Easement Area must provide the County, and any ground lessee, or successors thereto, with a certificate of insurance from its insurance company evidencing the foregoing coverage. In the event of any change in ownership of the servient tenement, the new owner shall give to the tenants of the Theatres notice of change in ownership and provide an address to which notices are to be sent.

6. Maintenance.

Any occupant of the Theatre Parcel making use of the Easement Area shall, at its expense, keep the Mobile Production Unit on the Easement Area in good order and safe condition during such use, and shall keep the Easement Area (during such use), clean and free of trash and debris. Neither the County, nor the ground lessee, nor any successors thereto will be liable for any damage or injury arising out of use of the Easement Area, or a substitute area during a Suspension Period, pursuant to this Agreement unless such damage or injury is caused solely by the willful or negligent act or omission of, respectively, the County or the ground lessee, or their respective employees, agents or independent contractors

7. Recordation. This Mobile Production Easement Agreement shall be duly recorded among the Land Records of Montgomery County, Maryland.

8. Covenants Running With Land. The easements and other covenants contained herein shall be covenants running with the land in perpetuity for the purposes described in this Agreement.

9. Notices.

All notices and other communications hereunder shall be in writing and be deemed duly given if personally delivered or mailed by certified mail, return receipt requested, postage prepaid:

If to the County:

Director of the Department of Public Works and Transportation
Montgomery County, Maryland
101 Monroe Street
Rockville, Maryland 20850

With a copy to:

County Attorney for Montgomery County, Maryland
101 Monroe Street
Rockville, Maryland 20850

If to PFA:

PFA SILVER SPRING, L.C.
c/o Foulger Pratt Companies

1355 Piccard Drive
Rockville, Maryland 20850
Attention: Bryant F. Foulger
Clayton F. Foulger
Richard Perlmutter

with a copy to:

Richard M. Zeidman, Esquire
Linowes and Blocher LLP
1010 Wayne Avenue
Silver Spring, Maryland 20910

with a copy to:

The Peterson Companies L.C.
12500 Fair Lakes Circle
Suite 400
Fairfax, Virginia 22033
Attention: Lynne Hansen

If to a Theatre tenant using the Easement Area, notice shall be delivered to such Theatre tenant at either 8633 Colesville Road, or 8643 Colesville Road, Silver Spring, Maryland 20910, as appropriate. Any notice to a Theatre tenant at 8633 Colesville Road shall also be sent to Akin, Gump, Strauss, Hauer and Feld, Attn. Earl Segal, 1333 New Hampshire Avenue NW, Washington, D.C. 20036.

10. Default: Notice of default hereunder shall be provided to the defaulting party with a copy of such notice to the County. The defaulting party shall have thirty (30) days following the notice to cure the default, or such longer or shorter period of time as may be appropriate to the circumstances, provided that the defaulting party is, after receipt of such notice, duly and diligently attempting to cure the default.

11. Nonmerger. The County intends that the easement provided for in this Agreement be created and remain in effect even though the County may now or in the future own both the Easement Area and the Theatres Parcel in fee simple. The easement hereby created is not to be merged into the fee simple estates owned by the County.

12. Rules of Construction.

(a) Use of the singular shall include the plural and use of the plural shall include the singular as appropriate. This Contract shall be interpreted in accordance with the laws of the State of Maryland.

(b) This Agreement cannot be changed or terminated orally. Any modification must be in writing and signed by the parties hereto.

(c) If any provisions of this Agreement or the application thereof to any person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue to be valid and shall be enforced to the fullest extent permitted by law.

13. Binding. This Agreement shall be binding upon the parties' successors and assigns.

14. Governing Law and Venue.

It is the intention of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the internal laws of the State of Maryland. Any action brought hereunder shall be brought in the Circuit Court for Montgomery County, Maryland.

IN WITNESS WHEREOF, this Mobile Production Easement Agreement has been executed the day and year first above written.

COUNTY:

Signed, sealed and delivered in the presence of:

MONTGOMERY COUNTY,MARYLAND,
a body corporate and politic of the State of Maryland

_____
Witness

By:_____
Douglas Duncan
Montgomery County Executive

Date:_____

RECOMMENDED FOR APPROVAL

MONTGOMERY COUNTY
DEPARTMENT OF PUBLIC WORKS
AND TRANSPORTATION

By:_____
_____, Director

Date:_____

APPROVED AS TO FORM AND
LEGALITY:

OFFICE OF THE COUNTY ATTORNEY

By:_____
Date:_____

PFA:

Signed, sealed and delivered in the presence of:

PFA SILVER SPRING, LLC.
a Maryland limited liability corporation

_____
Witness

By:_____

[Notaries follow]

STATE OF MARYLAND)
) ss:
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2001 by Douglas M. Duncan, as County Executive of Montgomery County, Maryland on behalf of said County.

_____
Notary Public

[Notarial Seal]
My Commission Expires: _____

STATE OF MARYLAND)
) ss:
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2001 by _____, as _____ of PFA Silver Spring LLC on behalf of PFA Silver Spring LLC.

_____
Notary Public

[Notarial Seal]
My Commission Expires: _____

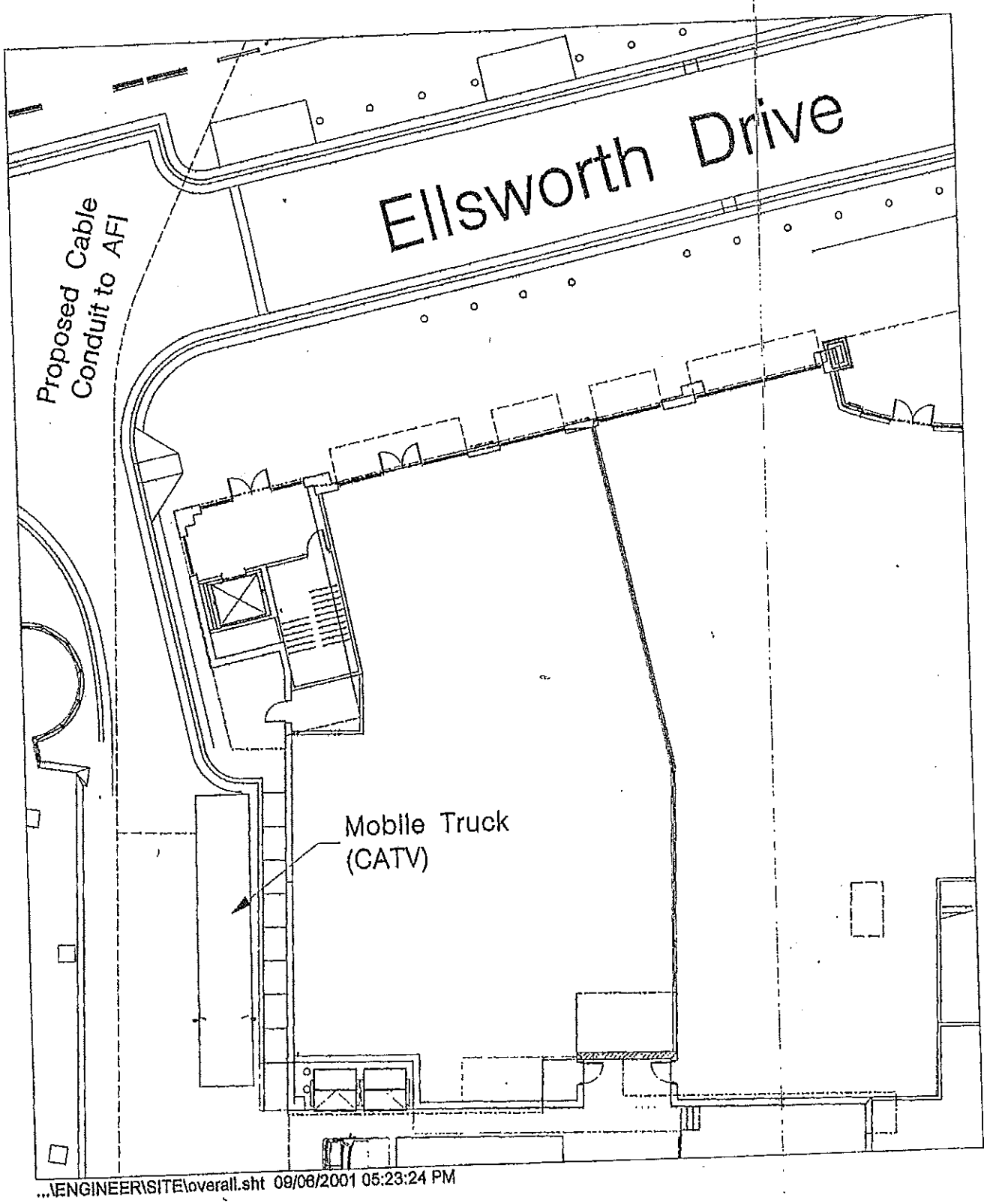

Ellsworth Drive
Proposed Cable Conduit to AFI
Mobile Truck (CATV)
...\ENGINEER\SITE\overall.sht 09/06/2001 05:23:24 PM

Exhibit L

Shared Facility Easement

This easement is to be included at a later date following review and approval by the parties.

Exhibit M
County Maintenance Services

Lease between Montgomery County and the American Film Institute

EXHIBIT M

Note to Reader: Nothing contained in this Exhibit is intended to cause the County or AFI to provide or spend funds in a manner inconsistent with funds made available through other lease provisions and requirements.

MAINTENANCE AND OPERATING RESPONSIBILITIES

Pursuant to the terms and conditions contained in the lease between the parties, dated _____, 2001, Lessor and Lessee's respective maintenance, upkeep and operating responsibilities will be as follows:

A. By Lessor (the County)

I. Maintenance

a. **Heating, Ventilation and Air Conditioning** – Lessor, at Lessor's expense, shall be responsible for all preventive and corrective maintenance and operation of the heating, ventilation, and air conditioning systems serving the leased premises.

b. **Electrical** - Lessor, at Lessor's expense, shall be responsible for all preventive and corrective maintenance of the electrical systems and electrical equipment serving the leased premises, including elevators, fire alarm systems, emergency generators, interior and exterior lighting fixtures, excluding gobo and stage lighting systems and controls.

c. **Plumbing Systems** - Lessor, at Lessor's expense, shall be responsible for preventive and corrective maintenance of all the plumbing systems and plumbing fixtures within the leased premises

d. **Exterior of the Leased Premises** – Lessor, at lessor's expense, shall be responsible for all maintenance of the exterior of the leased premises, including walls, windows, associated fixtures, alleyways, sidewalks, roof, storm water piping, and maintenance of the exterior façade of the leased premises.

e. **Repair and Maintenance of Interior Finishes** – Lessor, at Lessor's expense, shall be responsible for the maintenance

and repair of all interior finishes within the leased premises, including floors and floor coverings, walls, curtains and mechanisms, windows, doors, and ceilings. Lessor's maintenance and repair responsibilities shall be fulfilled to a scope, which is generally customary to other similar types of performing art centers, and shall be consistent with the care and upkeep of similar types of performing art centers. Lessor's responsibilities shall extend to the office areas, the café and concessions area, the gallery and theaters, the mezzanine and the basement, and shall include the sound panels, fabrics and materials which shall be maintained to the original sound quality standards to which the facility was designed and provided within the theater areas.

f. **Furniture and Furnishings** – Following initial installation and provision thereof by the Lessor, the Lessor shall be responsible for ongoing repair and/or replacement of furniture, and furnishings installed within the premises, including tables, podiums, seats and all other furniture and furnishings within the areas listed, including the café and concessions area, the gallery, the theater areas (the public areas)

II. Services

a. **Cleaning and Refuse Removal** - Lessor, at Lessor's expense, shall provide daily housekeeping services and refuse and recycling removal services to the leased premises daily. The Lessor's janitorial responsibilities shall extend to the office areas, the concessions and theater areas, and the gallery, and the mezzanine level (a.k.a.: the second floor). The Lessor shall provide a minimum of 1.75 work years of day porter service per year in addition to normal housekeeping, whose schedule and work to be performed shall be agreed to by the Lessor and Lessee. The Lessor shall provide cleaning of the exterior of the leased premises and exterior window cleaning on the same schedule and at the same frequencies so as to maintain the appearance consistent with similar types of performing arts centers..

b. **Snow and Ice Removal** - Lessor shall provide snow and ice removal and treatment services to the sidewalks and exterior areas that are part of the leased premises, so as to maintain proper ingress and egress to the theatre and offices

c. **Utilities** – Lessor, at Lessor's expense, shall pay for water, sewer, electrical and natural gas utilities provided to the leased premises for Lessee's use.

B. <u>By Lessee (AFI)</u>

I. **Communications** – Following initial installation and provision thereof of the telephone system by the Lessor, Lessee shall make all necessary arrangements to provide telephone services within the leased premises for the use of Lessee, at Lessee's sole cost and expense. Lessee shall thereafter be responsible for the payment of any and all ongoing costs of telephone service to the leased premises. Lessee shall further be responsible, at the Lessee's expense, for the provision, should Lessee so desire, of broadband and internet access services to the leased premises for Lessee's use, and shall be responsible for the ongoing costs thereof.

II. **Furniture and Furnishings** – Following initial installation and provision thereof by the Lessor in accordance with the terms of the Lease, Lessee, at Lessee's expense, shall be responsible for ongoing repair and/or replacement of furniture, and furnishings installed within the premises, including tables, podiums, seats and all other furniture and furnishings within the areas listed, including the office portion of the premises, the ticket booth, the mezzanine level (a.k.a.: the second floor) and the basement (the non-public areas).

III. **Specialty Equipment** – Following initial installation and provision thereof in accordance with the terms of the lease, Lessee shall be responsible, at the Lessee's expense, for ongoing repair and/or replacement of all specialty equipment within the leased premises, including but not limited to film and projection equipment, close circuit television equipment, audio and sound, access or security equipment, concession stand fixtures and equipment, ice machines, catering furnishings and equipment, automated teller or banking machines, point of sale equipment, cash registers, local area network or other networking equipment, all computers, copiers, printers, fax machines, telephones, Fibernet or internet access equipment, all gobo and stage lighting systems and controls, all office furniture and equipment, and cable equipment.

IV. **Security and Access Control** – Following initial installation thereof by Lessor, in accordance with the terms of the lease, Lessee shall be responsible, at the Lessee's expense, for the operation, servicing, repair, replacement and ongoing maintenance of all access control and security equipment installed within the leased premises. Lessee shall be fully responsible, at the Lessee's sole risk and expense, for monitoring of any and all security systems installed within the premises, and for taking any and all necessary measures to properly secure and control access to the leased premises at all times.

C. By Lessor (the County) and Lessee (AFI)

I. The parties agree to meet yearly, and more frequently if required, and walk through the property, together, to inspect and note conditions and prioritize repair and actions needed during the current and subsequent fiscal year(s) in order to maintain and operate the facility in a manner consistent with similar types of performing art centers. The walk through should occur in the first month of the fiscal year.

II. The parties agree following the walk through, to create a mutually agreed upon schedule of approximate dates when the noted and prioritized repairs and actions needed will be performed by the responsible party within that fiscal and subsequent fiscal year(s).

End of Exhibit M

Exhibit N

Schedule of County Furniture, Fixtures and Equipment

To Lease between Montgomery County, Maryland and the

American Film Institute

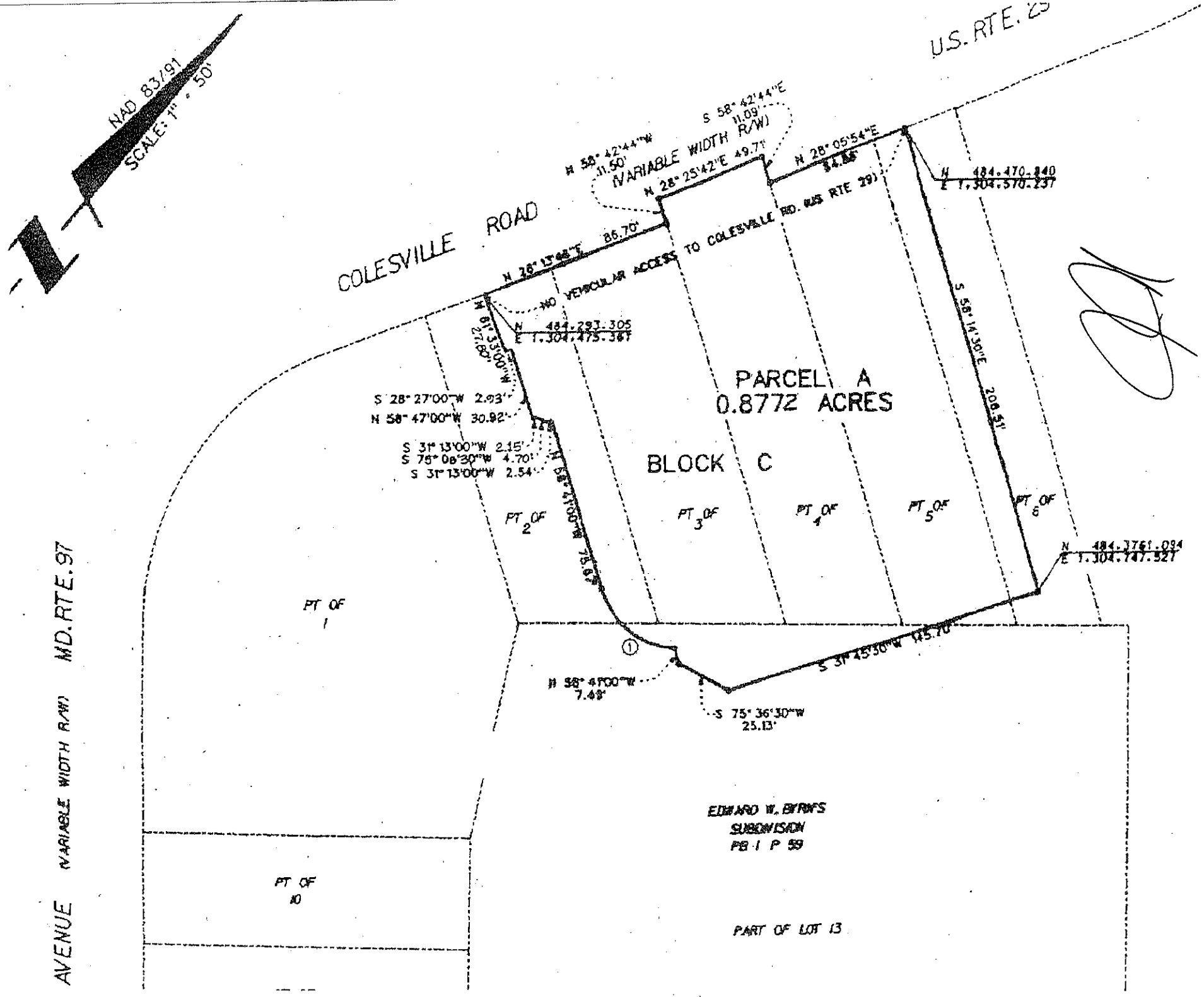
This exhibit is to be attached upon substantial completion of the demised premises.

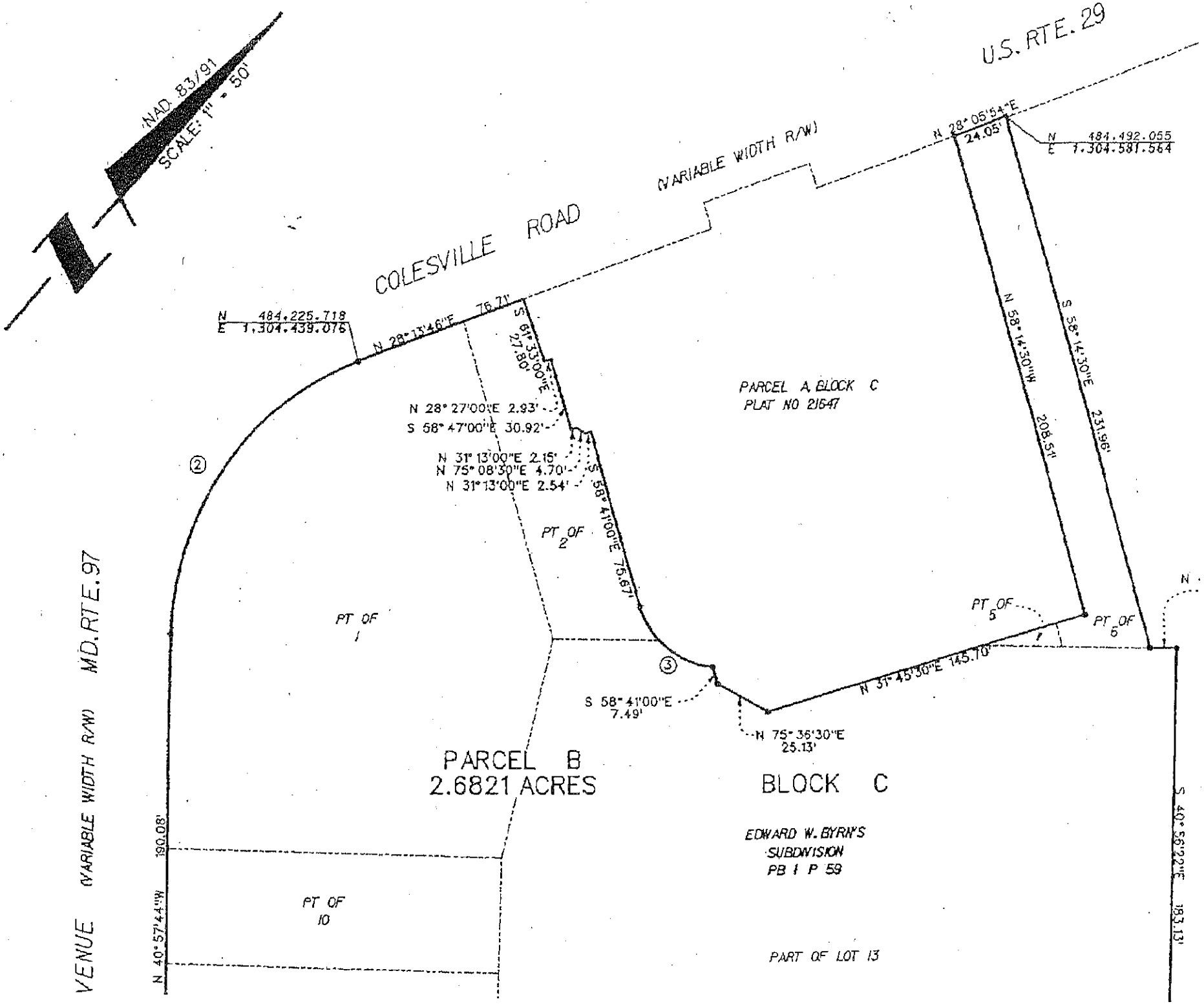
EXHIBIT O

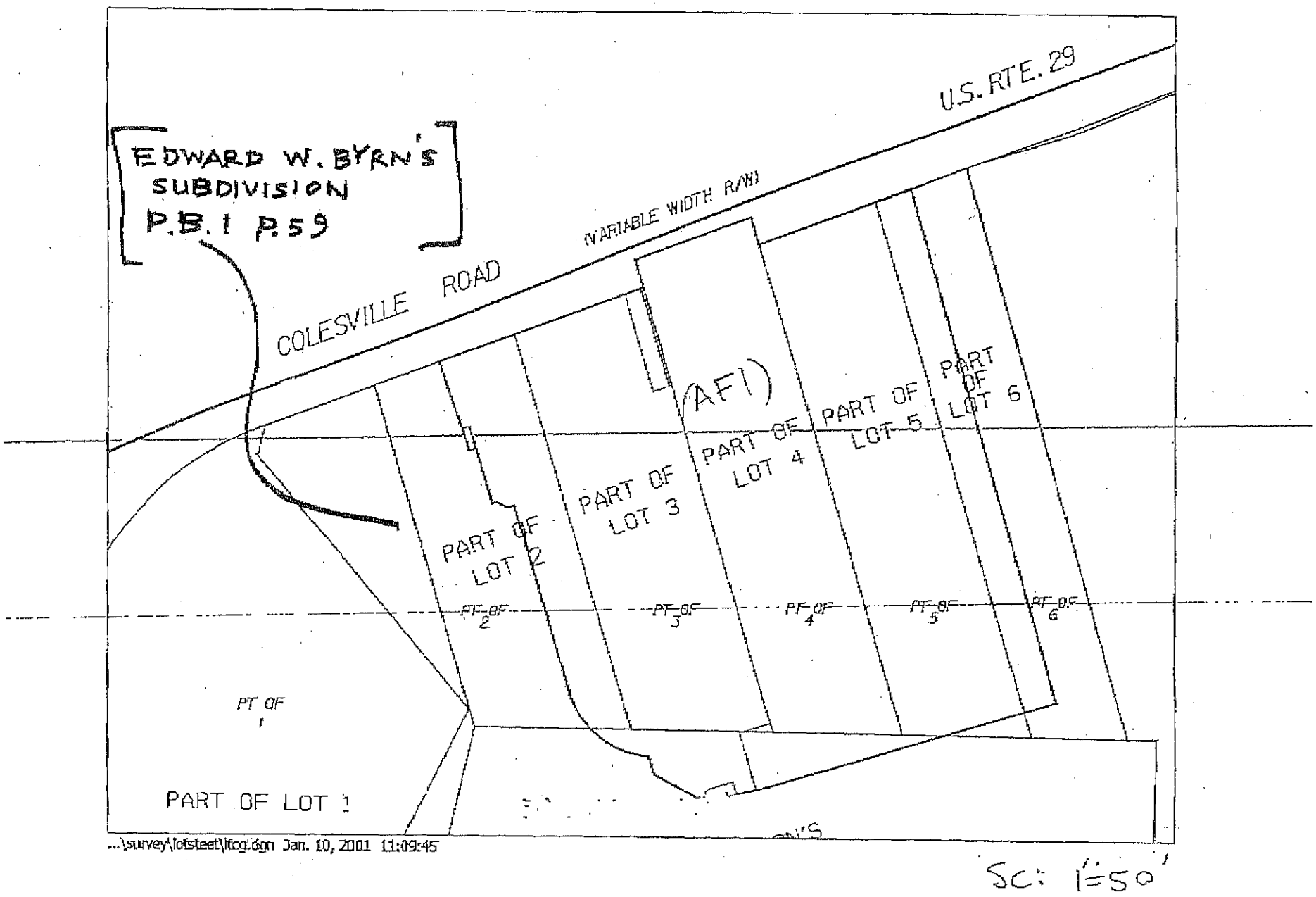
Intentionally deleted – now in body of Lease

Exhibit P

Title Exceptions


NAD 83/91
SCALE: 1" = 50'
U.S. RTE. 29
COLESVILLE ROAD
MD. RTE. 97
AVENUE (VARIABLE WIDTH R/W)
S 58° 42'44"E 11.09'
N 58° 42'44"W 11.50'
(VARIABLE WIDTH R/W)
N 28° 25'42"E 49.71'
N 28° 05'54"E
N 484,470.840
E 1,304,570.237
N 28° 13'48"E 86.70'
NO VEHICULAR ACCESS TO COLESVILLE RD. (US RTE 29)
N 484,293.305
E 1,304,475.361
N 61° 33'00"W 27.60'
S 28° 27'00"W 2.93'
N 58° 47'00"W 30.92'
S 31° 13'00"W 2.15'
S 75° 06'30"W 4.70'
S 31° 13'00"W 2.54'
N 58° 47'00"W 75.92'
PARCEL A
0.8772 ACRES
BLOCK C
S 58° 14'30"E 208.51'
PT 2 OF
PT 3 OF
PT 4 OF
PT 5 OF
PT 6 OF
N 484,3761.094
E 1,304,747.527
PT OF 1
S 31° 45'30"W 145.70'
N 58° 41'00"W 7.48'
S 75° 36'30"W 25.13'
EDWARD W. BYRN'S SUBDIVISION
PB 1 P 59
PT OF 10
PART OF LOT 13


NAD 83/91
SCALE: 1" = 50'
U.S. RTE. 29
COLESVILLE ROAD
(VARIABLE WIDTH R/W)
N 28° 05'54"E
24.05'
N 484,492.055
E 1,304,581.564
N 484,225.718
E 1,304,439.076
N 28° 13'46"E 76.71'
S 61° 33'00"E 27.80'
N 28° 27'00"E 2.93'
S 58° 47'00"E 30.92'
N 31° 13'00"E 2.15'
N 75° 08'30"E 4.70'
N 31° 13'00"E 2.54'
S 58° 41'00"E 75.67'
PARCEL A, BLOCK C
PLAT NO 21647
N 58° 14'30"W 208.51'
S 58° 14'30"E 231.96'
PT 2 OF
PT OF 1
PT 5 OF
PT 6 OF
N 31° 45'30"E 145.70'
S 58° 41'00"E 7.49'
N 75° 36'30"E 25.13'
PARCEL B
2.6821 ACRES
BLOCK C
EDWARD W. BYRN'S
SUBDIVISION
PB 1 P 59
PART OF LOT 13
PT OF 10
N 40° 57'44"W 190.08'
S 40° 56'22"E 183.13'
MD. RTE. 97
VENUE (VARIABLE WIDTH R/W)


EDWARD W. BYRN'S
SUBDIVISION
P.B. 1 P.59
U.S. RTE. 29
VARIABLE WIDTH R/W
COLESVILLE ROAD
(AFI)
PART OF LOT 2
PART OF LOT 3
PART OF LOT 4
PART OF LOT 5
PART OF LOT 6
PT OF 2
PT OF 3
PT OF 4
PT OF 5
PT OF 6
PT OF 1
PART OF LOT 1
...\survey\lotsteet\lcg.dgn Jan. 10, 2001 11:09:45

Sc: 1"=50'

LAWYERS TITLE INSURANCE CORPORATION

Commitment for Title Insurance No. LTIC-98024(Rev#1) Case No. 98024

T.C. No. 3514

SCHEDULE A

1. Effective Date: March 1, 1998 at 8:30 A.M.

2. Policy or Policies to be issued: Amount

(a) ALTA Owner's Policy - Form B-1992 $to be determined

Proposed Insured:
FOULGER PRATT DEVELOPMENT COMPANY, or assigns

(b) ALTA Loan Policy, 1992 $

Proposed Insured:

3. Title to the fee simple estate or interest in the land described or referred to in this Commitment is at the Effective Date vested in:
MONTGOMERY COUNTY, MARYLAND, by deeds recorded in Liber 13804, folio 689 and Liber 13865, folio 701 as to Lots 1-3 & 10-13; and by deed recorded in Liber 11131, folio 205 as to Lots 4-6.

4. The land referred to in this Commitment is described as follows:
ALL THAT LAND located in the Thirteenth Election District, Montgomery County, Maryland, intended to be known as:

Parcel "C" in the subdivision known as and called "DOWNTOWN SILVER SPRING" per plat thereof recorded in Plat Book _____ at Plat _____, among the Land Records of Montgomery County, Maryland.

AND being now more particularly described as follows:
(Continued)

Countersigned at Silver Spring, Maryland
INOWES AND BLOCHER LLP

By: William M. Hoffman, Jr.

Valid only if Schedule B and Cover are attached.

SCHEDULE A - ITEM 4

CONTINUED

That portion of Lots numbered One (1), Two (2), Three (3), Ten (10), Eleven (11), Twelve (12) and Thirteen (13) in the subdivision known as "EDWARD W. BYRN'S SUBDIVISION OF PART OF THE GIRL'S PORTION" per plat thereof recorded in Plat Book 1 at Plat No. 59 among the Land Records of Montgomery County, MD; also known as "COMMUNITY CENTER" per plat recorded in Plat Book 14, Plat 914; as more particularly described on Exhibit "A" (consisting of 2 parts).

AND

That portion of Lots numbered Four (4), Five (5) and Six (6) in the subdivision known as "EDWARD W. BYRN'S SUBDIVISION OF PART OF THE GIRL'S PORTION" per plat thereof recorded in Plat Book 1 at Plat No. 59 among the Land Records of Montgomery County, MD, as more particularly described on Exhibit "B".

LAWYERS TITLE INSURANCE CORPORATION

Commitment for Title Insurance No.LTIC-98024(Rev#1) Case No. 98024

SCHEDULE B - SECTION 1

REQUIREMENTS

The following are the requirements to be complied with:

1. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
2. Pay all taxes, charges, assessments, levied and assessed against subject premises, which are due and payable.
3. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to wit:

   to be determined

4. Affidavit(s) and/or certification of the present owner that:

   a. There are no persons with a right or claim to possession of all or part of the subject property.

   b. There are no unrecorded easements crossing, burdening or affecting the subject property, otherwise the policy will take exception to specific tenancies (if known) and/or to rights or claims of persons to possession of all or part of the property.

   c. The property is not subject to mechanic's/materialmen's liens.

   d. Complies with the Foreign Investment in Real Property Tax Act (FIRPTA Nonforeign Affidavit).

   e. Complies with the Federal Tax Act of 1986 (TIN Solicitation).

5. This Company must be provided with such corporate documentation for Foulger Pratt Development Company and Montgomery County, Maryland, as the Company shall determine is necessary.

6. Intentionally deleted.

7. The judgment and civil indicies have not been examined as to Montgomery County, Maryland. The Company requires that Montgomery County, Maryland execute the usual affidavit and indemnity in that regard as part of the delivery of the deed(s).

8. As to Lots 4, 5 & 6, certification by the surveyor that the alternative descriptions for Lot 4 and for Lots 5 & 6, both of which are set forth in the deed recorded in Liber 11131, folio 205, describe the same parcels of land.

9. As to Lots 1-3 & 10-13, certification by the surveyor that the legal description in the deed recorded in Liber 13419, folio 672 describes the same parcel of land described (in two parts) in Liber 13804, folio 689 and Liber 13865, folio 701.

(Continued)

SCHEDULE B - SECTION 1

Continued

10. Intentionally deleted.

11. As to Lot 6, platting of the quitclaim deeds recorded in Liber 9449, folio 318 and Liber 9449, folio 332.

12. Proper resubdivision of the property into Parcel "C", "DOWNTOWN SILVER SPRING" Subdivision.

13. The Company may make other requirements or take other exceptions upon its review of the proposed documents creating the estate or interest to be insured or otherwise ascertaining details of the transaction.

LAWYERS TITLE INSURANCE CORPORATION

Commitment for Title Insurance No. LTIC-98024(Rev#1) Case No. 98024

SCHEDULE B - SECTION 2

TITLE EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date hereof but prior to the date the Proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. Taxes, State, County and Municipal and other public charges (including, but not limited to, assessments by any State, County, Municipality, Metropolitan District or Commission) payable on an annual basis have been paid through, to and including the fiscal year ending June 30, 1998. However, this policy of title insurance does not insure against possible future tax levies and/or frontage benefit assessments, nor against such public charges and assessments, or the balance thereof for existing or proposed improvements which may have been levied or assessed, or to be levied or assessed, but which are not now due and payable to said State, County, Municipality, Metropolitan District or Commission.

3. Washington Suburban Sanitary Commission front foot benefit charges subsequent to December 31, 1997, - a lien but next installment not yet due and payable.

4. Intentionally deleted.

5. Easements or claims of easements on, above or below the surface not shown by the public records.

   NOTE: Upon receipt of a current and accurate owner/seller affidavit and indemnity, in form acceptable to the Company, this exception will be eliminated or amended according to the facts disclosed thereby.

6. Rights or claims of parties to actual possession of all or part of the property.

   NOTE: Upon receipt of a current and accurate owner/seller affidavit and indemnity, in form acceptable to the Company, this exception will be eliminated or amended according to the facts disclosed thereby.

7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law, and not shown by the public records.

   NOTE: Upon receipt of a current owner/seller affidavit and indemnity, in form acceptable to the Company, this exception will be

(Continued)

SCHEDULE B - SECTION 2

Continued

eliminated or amended according to the facts disclosed thereby.

8. Rights or claims of parties to possession under unrecorded leases as tenants only.

   NOTE: To be deleted upon receipt of satisfactory affidavit of the current owner(s) that there are no such leases and confirmation by the Surveyor that the property is, in fact, vacant. An exception will be added for any and all prospective leases executed by the Proposed Insured.

9. Covenants, conditions, restrictions, easements, rights of way, building restriction lines and other matters, if any, pursuant to Owner's Dedication, shown and/or noted on the following plats:

   Plat Book 1, Plat 59; and
   Plat Book 14, Plat 914;

   NOTE: To be deleted upon proper resubdivision of the property.

10. Covenants, conditions, restrictions, easements, rights of way, building restriction lines and other matters, if any, pursuant to Owner's Dedication, shown and/or noted on the plat of resubdivision for Parcel "C", "DOWNTOWN SILVER SPRING", recorded in Plat Book _____ at Plat No. _____ (to be recorded).

11. The rights of the public in and to those portions as may lie within the right of way of public roads.

    NOTE: To be deleted upon proper resubdivision of the property.

12. Intentionally deleted.

13. Intentionally deleted.

14. Deed to the State of Maryland to the use of the State Roads Commission recorded in Liber 594, folio 59 and State Roads Commission Plat No. 387 and as shown on the Boundary Survey (identified below).

15. Deed to the State of Maryland to the use of the State Roads Commission recorded in Liber 598 at folio 132 and State Roads Commission Plat No. 387 -- possibly affecting the "Area of Unidentified Street Dedication" (See below).

(Continued)

SCHEDULE B - SECTION 2

Continued

16. Declaration of Easement and Agreement (for sewer) recorded in Liber 1491, folio 525 -- Lot 6.

17. Intentionally deleted.

18. Intentionally deleted.

19. Right of Way for ingress and egress over Part of Lot 6 and part of Lot 13, as originally established and/or described in Liber 3352, folio 193, Liber 3352, folio 203, Liber 3364, folio 159, Liber 3364, folio 162 and Liber 5718, folio 664; as modified in Liber 5862, folio 133; as modified and/or replaced in Liber 9511, folio 24; and as shown on the Boundary Survey (identified below).

20. Possible encroachment of Silver Theater (Lot 3) marquee "Overhang" into the public right of way of Colesville Road as shown on the Boundary Survey (identified below).

21. "Overhang" projecting into the right of way of Colesville Road, and "Overhang" projecting into the right of way of Georgia Avenue, as shown on the Boundary Survey (identified below).

22. "Area of Unidentified Street Dedication" shown on the Boundary Survey as lying between the present boundary of Lots 5&6 and the known boundary of Colesville Road, indicating this land may be privately owned.

23. Overhead wires, poles, manholes and other evidence of utilities that may be disclosed by a survey and inspection of the interior of the property.

24. Possible encroachment by existing buildings (located on the property) over utility easements or facilities and/or over lot lines.

Unless otherwise indicated, all Liber/folio and Plat Book/Plat No. references refer to the Land Records of Montgomery County, Maryland.

The exceptions set forth above in Schedule B are digests only - for full terms and provisions please see the recorded instruments themselves. This commitment/policy also takes exception to the terms and provisions of any and all documents, plats or other matters of writing in any way referenced

(Continued)

SCHEDULE B - SECTION 2

Continued

in the title exception documents listed above.

See the Boundary Survey, Section C, Downtown Silver Spring, prepared by Loiderman Associates, dated March 25, 1998, revised May 28, 1998, certified by Donald F. Remmers on March 28, 1998.

EXHIBIT "A" - PART ONE (1 OF 4)

RESIDUE OF THE BURKA PROPERTY

PART OF LIBER 13419 FOLIO 672

Being a parcel of land, located in Election District No. 13 of Montgomery County, Maryland, hereinafter described in, through, over and across part of the property conveyed by Fred Burka and Louise L. Burka, husband and wife, to Fred Burka by deed dated April 26, 1995 and recorded among the Land Records of Montgomery County, Maryland in Liber 13419 at Folio 672; said parcel of land also being parts of Lots 1-3, and Lots 10-13 as delineated on a plat of subdivision entitled "THE GIRLS PORTION" as recorded among said Land Records in Plat Book 1 as Plat No. 59 and being more particularly described by Macris, Hendricks and Glascock, P.A. as follows:

Beginning for said parcel of land at the beginning of the first (1st) or 38.95 foot arc line of said Liber 13419 at Folio 672; said point also being on the northerly right-of-way line of Georgia Avenue, MD Route 97 (a variable width right-of-way), then binding with the first (1st) through the third (3rd) and part of the fourth (4th) line of said Liber 13419 at Folio 672

1. 38.90 feet along the arc of a non-tangent curve to the left, having a radius of 1,085.00 feet and a chord bearing and distance of North 38°22'13" West, 38.89 feet to a point of tangency, then

2. North 39°23'51" West, 189.87 feet to a point of curvature, then

3. 148.69 feet along the arc of a tangent curve to the right, having a radius of 123.13 feet and a chord bearing and distance of North 04°48'06" West, 139.82 feet to a point of tangency, said point also being on the southeasterly right-of-way line of Colesville Road (Md. Route 29) then binding with said right-of-way

4. North 29°47'39" East, 109.01 feet to a point, then leaving said limits of Liber 13419 at Folio 672 and Colesville Road to cross and include part of said Liber 13419 at Folio 672 and binding with the outer portion of the interior walls of the Silver Theater

5. South 60°09'11" East, 37.63 feet to a point, then

6. South 32°54'19" West, 30.14 feet to a point, then

7. South 57°05'41" East, 23.11 feet to a point on the exterior wall of said Silver Theater, then binding with the existing exterior wall of said Silver Theater

8. North 32°25'48" East, 2.41 feet to a point, then

9. North 76°22'13" East, 4.78 feet to a point, then

10. North 32°49'27" East, 2.68 feet to a point, then

11. South 57°07'06" East, 75.25 feet to a point, then

12. 43.34 feet along the arc of a non-tangent curve to the left, having a radius of 36.62 feet and a chord bearing a distance of North 88°13'47" East, 40.86 feet to a point, then

13. South 57°26'30" East, 7.58 feet to a point, then

14. North 77°10'40" East, 25.07 feet to a point, then

15. North 33°04'39" East, 19.74 feet to a point, then

16. North 56°58'15" West, 23.26 feet to a point, then

17. North 32°57'24" East, 13.19 feet to a point on and 3.17 feet from the end of the fifth or South 57°08'51" East, 180.83 foot line of said Liber 13419 at Folio 672; said point also being on and 3.17 feet from the southerly end of the common line of Lots 3 and 4 as delineated on said plat of subdivision in Plat Book 1 as Plat No. 59, then binding with part of said common line and the rear lines of Lots 4-6 and 13 and binding with part of the fifth and all of the sixth (6th) through the eighth (8th) deed lines of said Liber 13419 at Folio 672

18. South 57°08'51" East, 3.17 feet to a point, then

19. North 50°36'35" East, 155.22 feet to a point at the corner of the existing building on Lot 16; said point also being at the northerly end of the westerly or North 40°33'47"

EXHIBIT "A" - PART ONE (4 OF 4)

West, 170.85 foot line of Lot 16 as delineated on a plat of subdivision entitled "EDWARD W. BYRN'S SUBDIVISION" as recorded among said Land Records in Plat Book 159 as Plat No. 17983, then binding with said westerly line and the existing building line

20. South 39°16'25" East, 176.06 feet to a point on the northerly line of Ellsworth Drive (a variable width right-of-way), then binding with the northerly line of Ellsworth Drive

21. South 43°41'39" West, 446.22 feet to the point of beginning; containing an area of 110,037 square feet or 2.52611 acres of land.

Subject to all restrictions, rights-of-way, easements, and other conditions contained in the deeds forming the chain of title to the captioned property.

Certified correct to the best of our professional knowledge, information and belief. If the seal and signature are not violet colored, the document is a copy that should be assumed to contain unauthorized alterations. The certification contained on this document shall not apply to any copies.

Macris, Hendricks & Glascock, P.A.
Jonathan Russell, Property Line Surveyor
MD Registration No. 350

SA401G1.JAR/34-386
11/7/95

F 13804.693

EXHIBIT "A" - PART TWO (1 OF 3)

DESCRIPTION OF THE SILVER THEATER

PART OF FRED BURKA PROPERTY

PART OF LIBER 13419 FOLIO 672

Being a parcel of land, located in Election District No. 13 of Montgomery County, Maryland, hereinafter described in, through, over and across part of the property conveyed by Fred Burka and Louise L. Burka, husband and wife, to Fred Burka by deed dated April 26, 1995 and recorded among the Land Records of Montgomery County, Maryland in Liber 13419 at Folio 672; said parcel of land also being part of Lots 2, 3 and 13 as delineated on a plat of subdivision entitled "THE GIRLS PORTION" as recorded among said Land Records in Plat Book 1 as Plat No. 59 and being more particularly described by Macris, Hendricks and Glascock, P.A. as follows:

Beginning for said parcel of land at a point on and 54.59 feet from the end of the fourth or North 29°47'39" East, 163.60 foot line of said Liber 13419 at Folio 672, said point also being on the southeasterly right-of-way line of Colesville Road (MD Route 29), then binding with part of said fourth line and Colesville Road

1. North 29°47'39" East, 54.59 feet to a point at the beginning of the fifth or South 57°08'51" East, 180.83 foot line of said Liber 13419 at Folio 672; said point also being on the common line of Lots 3 and 4 as delineated on said plat in Plat

EXHIBIT "A" – PART TWO (2 OF 3)

Book 1 as Plat No. 59, then leaving said Colesville Road and binding with part of said common line of Lots 3 and 4 and part of said fifth line of said Liber 13419 at Folio 672

2. South 57°08'51" East, 177.66 feet to a point, then leaving said common line of Lots 3 and 4 and said fifth line of Liber 13419 at Folio 672 to cross and include part of Lots 2, 3 and 13 and part of Liber 13419 at Folio 672 and binding with the existing exterior wall of the Silver Theater

3. South 32°57'24" West, 13.19 feet to a point, then

4. South 56°58'15" East, 23.26 feet to a point, then

5. South 33°04'39" West, 19.74 feet to a point, then

6. South 77°10'40" West, 25.07 feet to a point, then

7. North 57°26'30" West, 7.58 feet to a point, then

8. 43.34 feet along the arc of a non-tangent curve to the right, having a radius of 36.62 feet and a chord bearing and distance of South 88°13'47" West, 40.86 feet to a point, then

9. North 57°07'06" West, 75.25 feet to a point, then

10. South 32°49'27" West, 2.68 feet to a point, then

11. South 76°22'13" West, 4.78 feet to a point, then

F 13804.695

EXHIBIT "A" - PART TWO (3 OF 3)

12. South 32°25'48" West, 2.41 feet to a point, then leaving said exterior wall of said Silver Theater and binding with the outer portion of the interior walls of the Silver Theater

13. North 57°05'41" West, 23.11 feet to a point, then

14. North 32°54'19" East, 30.14 feet to a point, then

15. North 60°09'11" West, 37.63 feet to the point of beginning; containing an area of 12,930 square feet or 0.29686 of an acre of land.

Subject to all restrictions, rights-of-way, easements, and other conditions contained in the deeds forming the chain of title to the captioned property.

Certified correct to the best of our professional knowledge, information and belief. If the seal and signature are not violet colored, the document is a copy that should be assumed to contain unauthorized alterations. The certification contained on this document shall not apply to any copies.

Macris, Hendricks & Glascock, P.A.
Jonathan Russell, Property Line Surveyor
MD Registration No. 350

KA48101.JAR/54-386
11/7/95

EXHIBIT "B"
(1 of 4)

LTB FOL
14131.207

DEED
between
RETAIL INVESTMENT ASSOCIATES LIMITED PARTNERSHIP
and
MONTGOMERY COUNTY, MARYLAND

[redacted]

Description of Land

ALL OF THAT LAND in Montgomery County, Maryland, which is described as follows:

Lot 4

I. "Esquire Clothes Parcel"

ALL OF THAT CERTAIN LAND situate, lying and being in the Wheaton Election District No. 13, Montgomery County, Maryland, being part of Lot 4, as delineated on a Plat of Subdivision entitled Edward W. Byrn's Subdivision of Part of The Girl's Portion" (hereinafter, "Byrn's Subdivision Plat"), recorded among the Land Records of Montgomery County, Maryland (hereinafter, the "Land Records"), in Plat Book 1 at Plat 59, and being more particularly described as follows:

BEGINNING at the easterly-most corner of Lot 4, said easterly-most corner also being the common rear corner of Lots 4 and 5, as shown on Byrn's Subdivision Plat;

THENCE, running with the rear line of Lot 4, as now surveyed in the datum of the Washington Suburban Sanitary Commission, South 48 51' 17" West, 52.38 feet to a point;

THENCE, running with a part of the southerly line of said Lot 4, North 58 43' 50" West, 192.12 feet to a point on the easterly margin of Colesville Road (U.S. Route 29, formerly known as the Colesville and Ashton Turnpike); said easterly margin being 38' at right angles and perpendicular to the baseline of said Colesville Road as shown on Maryland State Roads Commission Right of Way Plat No. 40541;

THENCE, running with said easterly margin of Colesville Road North 28 32' 48" East, 49.99 feet to a point;

THENCE, leaving Colesville Road and running with a part of the northerly line of Lot 4, South 58 43' 50" East, 210.32 feet to the place of beginning; containing a computed area of 10,047.6 square feet or 0.23066 of an acre of land;

BEING the same property conveyed by Deed to Triangle MLP Limited Partnership dated March 31, 1988, and recorded among said Land Records in Liber 8210, Folio 270, et. seq.

EXHIBIT "B" - (2 OF 4)

LIB FOL
11131.208

BEING also described as follows:

BEGINNING at a point on the easterly right-of-way line of Colesville Road at a corner common to the "Community Center - Silver Spring" property and lying 163.36 feet northeast of the point of curve of the Colesville Road/Georgia Avenue intersection;

THENCE, with the easterly right-of-way of Colesville Road North 57 08' 51" West 11.39 feet to a point;

THENCE, North 30 07' 47" East 49.99 feet to a point;

THENCE, South 57 08' 51" East 11.42 feet to a point on said easterly right-of-way line at a corner common to Lot 5, as shown on the Byrn' Subdivision Plat;

THENCE, with Lot 5, South 57 08' 51" East 199.10 feet to a point at a corner common to Lot 5 and the "Community Center - Silver Spring" property;

THENCE, with the "Community Center - Silver Spring" property South 50 38' 43" West 52.44 feet to a point;

THENCE, North 57 08' 51" West 180.73 feet to the point of beginning;

CONTAINING 10,052.62 square feet, as shown on a Plat prepared by Bengston, DeBell Elkin & Titus, Ltd. entitled "Plat Showing Boundary Survey of Community Center - Silver Spring and Lot 4 and Parts of Lots 5, 6 and 13, Edward W. Byrn's Subdivision," dated March 11, 1988 and last recertified February 11, 1993;

BEING the same property conveyed by Deed to Triangle MLP Limited Partnership dated March 31, 1988, and recorded among said Land Records in Liber 8210, Folio 270, et. seq.

II. "Crib 'n' Cradle Parcel" Lots 5+6

ALL OF THAT CERTAIN LAND situate, lying and being in the Wheaton Election District No. 13, Montgomery County, Maryland, being part of Lots 5 and 6, as shown on the "Edward W. Byrn's Subdivision of the Girl's Portion" Plat, and also being a part of Parcel No. 2 of a conveyance by Julian Assets Company to Silver Spring Shopping Center, Inc., by deed dated June 28, 1945 and recorded in Plat Book 972 at Folio 240 in the Land Records, and being more particularly described as follows:

BEGINNING at the southwest corner of Lot 5, and binding on the dividing line between Lots 4 and 5, as shown on the Byrn Subdivision Plat;

THENCE, North 58 43' 50" West 199.10 feet to the

EXHIBIT "B" - (3 OF 4) LTB FOL 11131.209

easterly side of Colesville Road;

THENCE, running along the easterly side of Colesville Road North 28 13' 00" East 88.80 feet to the southwest corner of Lot 14, as shown on the Edward W. Byrn Subdivision Plat, delineated on a plat filed among the aforesaid Land Records in Plat Book 38 at Plat 2717;

THENCE, binding on the southwesterly line of Lot 14 as delineated on said plat, South 58 43' 50" East 231.74 feet to a point on the rear line of the aforesaid Lot 6, as shown on the Byrn Subdivision Plat;

THENCE, South 48 51' 17" West 93.00 feet to the point of beginning, containing 19,109 square feet of land, more or less;

SAVING AND EXCEPTING THEREFROM, so much of said land as was conveyed to the State of Maryland to the use of the State Roads Commission of Maryland by Deed dated March 15, 1971 and recorded in Liber 4059 at Folio 140 among the Land Records;

BEING also described as follows:

BEGINNING at a point on the easterly right-of-way line of Colesville Road at a corner common to Lot 4 and Lot 5 and lying 213.35 feet northeast of the point of curve of the Colesville Road/Georgia Avenue intersection;

THENCE, with the easterly right-of-way of Colesville Road North 29 47' 59" East 88.91 feet to a point;

THENCE, South 56 53' 19" East 232.32 feet to a point;

THENCE, South 50 38' 43" West 92.14 feet to a point;

THENCE, North 57 08' 51" West 199.42 feet to the point of beginning;

CONTAINING 19,058.60 square feet, as shown on a Plat prepared by Bengston, DeBell Elkin & Titus, Ltd. entitled "Plat Showing Boundary Survey of Community Center - Silver Spring and Lot 4 and Parts of Lots 5, 6 and 13, Edward W. Byrn's Subdivision," dated March 11, 1988 and last recertified February 11, 1993;

SAVING AND EXCEPTING THEREFROM, so much of said land as was conveyed by Triangle MLP Limited Partnership to Silver Spring Condo Corporation by a Quitclaim Deed dated as of January 25, 1990 and recorded August 22, 1990 among the Land Records in Liber 9449 at Folio 332;

TOGETHER WITH all right, title, interest and estate conveyed by Silver Spring Condo Corporation, The May Department Store Company and City Place Limited Partnership to Triangle MLP Limited Partnership by Deed dated January 25, 1990 and recorded in

EXHIBIT "B" - (4 OF 4)

LIB FOL
11131.210

the Land Records in Liber 9447 at Folio 318;

BEING a portion of the same property conveyed by Deed to Triangle MLP Limited Partnership dated November 17, 1988, and recorded among the Land Records in Liber 8568 at Folio 847.

* * *

BEING, as to both of the foregoing parcels, a portion of the property described in a "Boundary Survey of Community Center, Silver Spring and Lot 4 and Parts of Lots 5, 6 and 13, Edward W. Byrn's Subdivision" prepared by Bengston, DeBell Elkin & Titus, Ltd., dated March 11, 1988 and last recertified February 11, 1993;

AND BEING, as to both of the foregoing parcels, the same property conveyed by Quitclaim Deed dated February 25, 1992 by Triangle MLP Limited Partnership to Retail Investment Associates Limited Partnership, which Quitclaim Deed is intended to be forthwith recorded immediately prior to the recordation hereof.

was

Peter B. Schwartz of the

Peter B. Schwartz

Lawyers Title Insurance Corporation

NATIONAL HEADQUARTERS
Richmond, Virginia
COMMITMENT FOR TITLE INSURANCE

LAWYERS TITLE INSURANCE CORPORATION, A Virginia corporation, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedule A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused the Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

CONDITIONS AND STIPULATIONS

1. The term "mortgage," when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in under taking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

Lawyers Title Insurance Corporation

By: Janet A. Alpert

President

Attest: [signature]

Secretary

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LITHO IN U.S.A.