LICENSE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND AND BRIGHT EYES, INC.

DATE: 8/10/06

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License"), made this 8th day of August 2006, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (the "County") and BRIGHT EYES, INC., a for profit corporation and a Child Care Provider (the "Licensee" or the "Provider"). (The County and the Licensee or Provider together the "Parties").

BACKGROUND:

1. The County has a leasehold interest for the sole purpose of operating a child care center in the building located at 7301 Hadley Farms Drive, Gaithersburg, Maryland known as the Judith A. Resnick Elementary School ("Child Care Center");

2. The County solicited requests for proposals from organizations interested in providing child care at 7301 Hadley Farms Drive, Gaithersburg, Maryland;

3. A Child Care Provider Selection Committee reviewed applications and chose the Licensee to provide a child care program appropriate to the needs of the community;

4. The purpose of the County's Policy on Use of County Buildings for Child Care is:

   a. To establish consistent and reasonable rental rates for child care in public buildings licensed from the County;
   b. To establish responsibilities of the County and the Licensee; and
   c. To establish priority placement for children of County employees; and

5. The Licensee is licensed or certified by the State of Maryland or other bona fide certifying or licensing entity to provide child care services.

1. LICENSED PREMISES: The County does grant the Licensee the privilege, license and right to use approximately 3,465 licensable square feet in the

premises known as the Judith Resnick Elementary School located at 7401 Hadley Farms Drive, Gaithersburg, Maryland (the "Licensed Premises"), as outlined in red on the attached **Exhibit A**, for the exclusive purpose of providing the child care services described in the Provider's Childcare Proposal attached as **Exhibit B** and incorporated as if fully set forth (the "Program").

2. LICENSE TERM: The term of this License is for two (2) years, commencing on July 1, 2006 and expiring on June 30, 2008 (the "License Term"). This License may be terminated at any time during the License Term or any extension of the License Term by the County upon thirty (30) days written notice to the Licensee, unless the Licensee's license or certification to operate a Child Care Center is suspended or revoked by the issuing entity, in which case the County is not required to provide thirty (30) days written notice to the Licensee. The County is under no obligation to provide alternative space for the Licensee and is not responsible for any moving costs or any expenses incurred by the Licensee as a result of the termination or expiration of this License for any reason.

3. RENEWAL OPTION: The Licensee may, at its option, extend the License Term for three (3) additional and consecutive two (2) year terms (the " Renewal Terms"), provided that: (a) the Licensee is not in default of any of the provisions of this License; (b) the License is in full force and effect; (c) the County has not given the Licensee notice of the County's intention to terminate the License; (d) The Licensee's license to operate a Child Care Center has not been revoked or suspended by the issuing entity; and (e) the Licensee provides the County with written notice that the Licensee intends to exercise any of the Licensee's options to extend the License Term, one hundred and twenty (120) days prior to the expiration of the current License Term. TIME IS OF THE ESSENCE FOR THE LICENSEE'S NOTICE TO THE COUNTY.

4. LICENSE FEE:

A. License Fee: In order to best serve the interests of the families and children who use the Child Care Center, the Licensee agreed to meet the request from the County to accelerate its original move-in date. To meet this request, the Licensee will spend previously unbudgeted money, time

and effort to accelerate move in and accommodate existing users of the facility. The Licensee has indicated, due to the change in providers and the July opening date, the enrollment will be much lower than anticipated. The County acknowledges that the Licensee's early opening will negatively impact the Licensee's original projections for the Child Care Center and therefore has agreed to an abatement of the License Fee and Additional License Fee beginning with July 1, 2006 and terminating August 31, 2006. Commencing September 1, 2006, the Licensee will pay to the County as a License Fee, Nine Dollars ($9.00) per square foot for an annual rate of Thirty One Thousand One Hundred Eighty Five Dollars ($31,185.00) payable in equal monthly installments of Two Thousand Five Hundred Ninety-Eight Dollars and Seventy-Five Cents ($2,598.75). All payments are to be made in advance on the first day of each month during each license year, and shall be payable by check to:

Montgomery County, Maryland
Office of Real Estate
P. O. Box 62077
Baltimore, Maryland 21264-2077.

B. License Fee Increase: Commencing with January 1, 2007 and on the 1st of January thereafter during the License Term, and any Renewal Term, the County will establish the License Fee rate to be paid by the Licensee for the next year, by determining the average per square foot operating cost for all childcare facilities operated and maintained by the County. For purposes of this License, operating costs shall include, but not be limited to, the following:

1. Utilities;
2. Janitorial – At the same level provided to other County facilities. The Licensee must perform day to day programmatic clean up (spills, crumbs, sand, food preparation areas, etc.);
3. Maintenance (major and minor);

4. Pest control;
5. Snow removal;
6. Grounds maintenance;
7. Fire Extinguishers;
8. Trash removal, recycling;
9. Renovations as required to meet State licensing regulations; and
10. Security in the form of locking the facility.

C. Additional License Fees: In addition to the License Fee payable under Paragraph 4 (B), the Licensee shall pay to the County a share of the cost of debt service incurred by the County as a result of improvements and renovations to child care facilities operated and maintained by the County as an Additional Licensee Fee (the "Additional License Fee"). The Additional License Fee shall be due and payable in the same manner and on the same day as the License Fee. The cost of debt service shall be determined annually by (1) adding all Capital Improvement Program costs for all County-owned and County-maintained child care facilities; (2) multiplying the total cost by the average effective annual repayment rate for twenty (20) year bonds; and (3) dividing that result by the total square footage allocated to the county maintained child care facilities.

D. Waiver of Additional License Fees: Pursuant to the Policy on Use of County Buildings for Child Care, attached hereto and made a part hereof, as **Exhibit C**, a waiver on the repayment of debt service and the Additional License Fee, as stated above in Paragraph 4(C) shall be granted by the County to the Licensee provided that Fifty-one percent (51%) or more of families served by the Licensee are eligible for or enrolled in the Department of Health and Human Services subsidy programs.

E. Failure to Pay License Fees: If the Licensee fails to submit the monthly License Fee or Additional License Fee payments in the manner as provided for above (collectively the "License Fee Payment"), and if the failure continues for more than ten (10) calendar days after the first day of

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

5. USE OF THE LICENSED PREMISES:

A. The Licensee must use the Licensed Premises only for the provision of infant and child care services and those activities related to such services.

B. The Licensee must abide by any and all rules and regulations concerning the operation of its Program, which may, from time to time, be issued by the County.

C. The Licensee must implement its Program in the manner set forth in the Providers Child Care Proposal and in its presentation to the Child Care Selection Committee.

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

E. Licensee shall be granted use of the Licensed Premises from 6:30 a.m. to 6:30 p.m. on weekdays, year long. Use of the Licensed Premises at other times must be approved in advance, in writing, by the Department of Health and Human Services.

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

7. USE OF OUTDOOR PLAYGROUND AREAS: The Licensee shall have access to and the right to use the outdoor playground areas (if any) adjacent to the Licensed Premises when used by the Licensee in connection with its Program and during its normal hours of operation. Repair, maintenance and replacement of playground equipment will be the responsibility of the party that provided such playground equipment as described on the Licensed Premises Equipment Inventory attached as **Exhibit D.**

8. ENROLLMENT: The Licensee acknowledges and agrees that the Licensed Premises will be licensed for a maximum of ninety-nine (99) children. The Licensee must inform the County whenever the licensed enrollment increases beyond ninety-nine (99) children.

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

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

A. Comply with the Americans with Disabilities Act and all federal, state and local laws regarding providing access and services to disabled persons;

B. Share its Program enrollment data with the County;

C. Accept children whose parents participate in state or local subsidy programs;

D. Maintain reports relating to the Licensee's license(s) or certification(s) as a child care provider for inspection and evaluation for County and parental review;

E. Maintain compliance with all licensing requirements of its Program, whether state, local or federal; and

F. Obtain and maintain accreditation of its Program by the National Association for the Education of Young Children (NAEYC) or by another nationally recognized accreditation system.

11. IMPROVEMENTS AND ALTERATIONS: The Licensee must not permit or undertake any alterations, changes, improvements, or additions to the Licensed Premises without the prior written consent of the County ("Licensee's Work"). In order to secure the County's approval of any Licensee's Work", the Licensee must submit to the County written plans and specifications clearly setting forth Licensee's Work to be performed. The plans and specifications for Licensee's Work submitted by the Licensee to the County must demonstrate compliance with all applicable codes and regulations. The County will respond in writing to the Licensee within forty-five (45) days from receipt of said plans and specifications for Licensee's Work. The County may impose any reasonable conditions to its consent, including, but not limited to (1) delivery to the County by the Licensee of written or unconditional waivers of mechanic's and materialman's liens as to the Licensed Premises or the premises of which the Licensed Premises are a part, for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the alterations; (2) prior approval of the plans and specifications and the Licensee's contractors with respect to any Licensee's Work; and (3) the right of the County's representatives to inspect any Licensee's Work during the course of any Licensee's Work to be performed to the Licensed Premises or the premises of which the Licensed Premises are a part. Licensee's Work must conform to the requirements of the

County's insurer and of the federal, state and local governments having jurisdiction over the premises of which the Licensed Premises are a part, and must be performed in accordance with the terms and conditions of this License in a good and workmanlike manner and shall not adversely affect the value, utility, or character of the Licensed Premises or the premises of which the Licensed Premises are a part. Notwithstanding the foregoing, if any mechanic's or materialmen's lien is filed against the Licensed Premises or the premises of which the Licensed Premises are a part, for work claimed to have been done for, or materials claimed to have been furnished to or for the benefit of the Licensee, such lien must be discharged of record by the Licensee within sixty (60) days of payment or the filing of any bond required by law. If the Licensee fails to discharge any such lien, the County may (but is not obligated to) discharge the same, the cost of which must be paid by the Licensee upon demand by the County.

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

12. SERVICES:

A. The Licensee, at its risk and expense, will be responsible for the provision of telephone services to the Licensed Premises, as deemed necessary by the Licensee.

B. The County, through the Montgomery Board of Education, will be responsible for providing to the Licensed Premises regular janitorial services on County workdays as specified in Article 4, Paragraph (B),

including refuse removal, recycling, and pest control. Any janitorial services beyond regular County services will be the responsibility of the Licensee. If pest control is required after normal working hours, the Licensee or the Licensee's representative must be available if requested by the County.

C. The County will provide fire extinguishers where needed.

D. The County will be responsible for the payment of utilities necessary for the operation of the building of which the Licensed Premises are a part.

E. The County will be responsible for maintenance of the grounds immediately adjacent to the building of which the Licensed Premises are a part.

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

G. The County will be responsible for all renovations required to meet state licensing regulations.

H. The County will be responsible for major structural repairs, and maintenance and repair of the building's mechanical systems.

I. The County and the Licensee agree that the County's maintenance responsibilities, as set forth in items (B), (C), (D), (E), (F), (G) and (H) of this Section will be performed by the County, at the County's expense.

13. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the Licensed Premises are delivered to the Licensee, must remain with the building and shall be delivered to the Licensee along with the Licensed Premises. Plumbing, electrical and heating fixtures and all other fixtures, except trade fixtures, installed by the Licensee shall remain in the

Licensed Premises at end of term. All other items installed within the Licensed Premises at the Licensee's expense shall remain the property of the Licensee and shall be removed by the Licensee at the expiration or other termination of this License. The Licensee must repair any damage caused by reason of the removal of the Licensee's property. Any personal property remaining within the Licensed Premises after termination of the License will become property of the County. The County will dispose of any such property in the manner it deems appropriate.

14. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Insurance: The Licensee agrees to obtain and maintain, during the full term of this License, any Renewal Terms, and until all of the Licensee's obligations which survive termination of this License have been completed, a policy or policies of insurance issued by an insurance company or companies licensed in the State of Maryland and acceptable to the County containing the types of insurance coverages and limitations set forth in the Insurance Requirements, attached hereto as **Exhibit E**, which is incorporated by reference and made a part of this License Agreement.

B. Licensee's Owned Contents: The Licensee must provide evidence of property coverage for their owned contents and any improvements to the Licensed Premises. Coverage shall be on a replacement cost basis for "all risks of direct physical loss or damage except as specifically excluded." The County does not provide any coverage for Licensee's owned contents and improvements to the Licensed Premises.

C. County's Insurance: The County will maintain its normal fire and liability insurance on the Licensed Premises. The County reserves the right to self-insure.

D. Certificate of Insurance: The Licensee must, within thirty (30) days from execution of this License Agreement, deliver to the County a certificate(s) of insurance evidencing the coverages required under this License Agreement. The certificates must be issued to: Montgomery

County, Maryland, Department of Public Works and Transportation, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850.

E. Additional Insured: The Licensee's General Liability Policy must list Montgomery County, Maryland as an additional insured and all insurance policies obtained by the Licensee as required by this License Agreement must provide that the Licensee will give the County written notice of amendment, cancellation, termination or non-renewal, no later than forty-five (45) days prior to amendment, cancellation, termination or non-renewal. The Licensee must provide on an annual basis evidence that is satisfactory to the County of the insurance coverages required under this License Agreement.

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

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

15. HOLD HARMLESS: The Licensee agrees to hold harmless and defend the County from and against any and all claims of liability, actions, damages and expenses arising out of or related to the Licensee's breach of this License Agreement or use or possession of the Licensed Premises occasioned wholly or in part by any act or omission of the Licensee, its agents, contractors, guests or employees, except such claims arising solely from the negligent acts or omissions of the County, the County's employees, agents and contractors. The Licensee further specifically agrees to hold the County harmless and defend the County from and against any claim of public liability made in connection with any construction or installation of equipment performed by the Licensee, its agents, employees or contractors, within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Licensed Premises, or such construction or installation of equipment shall have been approved by the County.

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

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

B. The Licensee must not use or allow the Licensed Premises or any part of the Licensed Premises to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance,

annoyance, inconvenience, or cause damage to the Licensed Premises, the premises of which the Licensed Premises are a part, adjacent properties or the adjacent neighborhood.

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

D. The Licensee acknowledges that all responsibilities of the Licensee relating to the use or misuse of the Licensed Premises shall be construed to include use or misuse of the Licensed Premises by the Licensee's agents, employees, patrons and residents.

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

F. The Licensee must comply with all rules and regulations with regard to the use of the Licensed Premises that may be from time to time promulgated by the County. Any violation of said rules and regulations will be deemed to constitute a violation of this License. It is understood that such rules and regulations will not unreasonably interfere with or prevent the intended uses of the Licensed Premises as set forth in this License.

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

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

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

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

K. The Licensee must indemnify, defend and hold the County and the County's other tenants, licensees, agents and employees (together the "Indemnities") harmless from and against all liabilities, obligations, damages, judgments, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorney's fees, which may be imposed upon, incurred by, or asserted against any of the

Indemnities and arising, directly or indirectly, out of or in connection with (i) The Licensee's breach of its obligations under this License; (ii) the acts or negligence of the Licensee, its agents, contractors, and employees in the premises or on the Licensed Premises; and (iii) the use or occupancy of the Licensed Premises, and by the Licensee, its agents, servants, employees and contractors. In case any action or proceeding is brought against any of the Indemnities by reason of any of the foregoing, the Licensee must reimburse the County the cost of defending such action or proceeding, or upon the County's written demand and at the Licensee's sole cost and expense, the Licensee must defend such action and proceeding by counsel approved by the County.

L. The Licensee must not strip, overload, damage, or deface the Licensed Premises or any part of the premises of which the Licensed Premises are a part, including, but not limited to, hallways, stairways, or elevators.

M. The Licensee must not permit any trade or occupation to be carried on or use made of the Licensed Premises outside the scope of this License (Article 5). Further the Licensee agrees to and must obey any and all federal, state, county and local laws and regulations relating to their operation of business on and in the Licensed Premises and premises of which the Licensed Premises are a part.

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

O. The Licensee must not interfere with the County's use or other tenant's or the Licensee's use of the Licensed Premises and the premises of which the Licensed Premises are a part.

P. The Licensee must pay all of its bills and expenses relating to its use of the Licensed Premises on time and must not permit any disruption

in any service, including but not limited to, utilities, to any portion of the Licensed Premises.

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

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

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

T. Upon removal of the Licensee's property from the Licensed Premises, the Licensee at its sole expense must repair any damage to the Licensed Premises caused by such removal so that the Licensed Premises are in substantially the same condition as at the commencement of the License Term, reasonable wear and tear excepted.

17. DESTRUCTION OF LICENSED PREMISES:

A. In the event of damage to or destruction of the Licensed Premises or any part of the Licensed Premises by fire, storm, flood or other casualty which does not require the Licensee to suspend entirely its business, the County shall, as soon as practicable after said damage or destruction, repair and restore the Licensed Premises to the condition they were in immediately prior to said damage or destruction. Should such damage or destruction of said premises or any substantial part of the Licensed Premises render the Licensed Premises wholly unavailable for use by the Licensee for use as a child care facility, the County shall promptly begin and diligently pursue the repairing, restoration and rebuilding of the

Licensed Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as the County may determine appropriate. In the alternative, the County may terminate this License within thirty (30) days following the date of the destruction of the Licensed Premises as described above by sending a termination notice to the Licensee.

B. In the event of damage to or destruction of fifty percent (50%) or more of the building of which the Licensed Premises are a part, the County may elect not to restore the said building and this License shall automatically terminate and the Parties shall be discharged from all responsibilities arising under this License.

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

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

ii. The commencement of any action or proceeding for the dissolution or liquidation of the Licensee, or for the appointment of a receiver or trustee of the Licensee's property;

iii. The making of any assignment for the benefit of the Licensee's creditors;

iv: The abandonment of the Licensed Premises by the Licensee;

v: The revocation or suspension of the Licensee's license or certification as a child care provider by the issuing entity; and

vi: Any other default or breach of the terms and conditions this License.

19. EMINENT DOMAIN: The Licensee is not entitled to any condemnation award granted to the County as owner of the Licensed Premises. In the event that the Licensed Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain or sold under threat of such taking, the Licensee will not be entitled to recover from the County any capital expenditures for improvements and betterments made by the Licensee to the Licensed Premises at the Licensee's expense.

20. RIGHT OF ENTRY:

A. Routine Repairs and Inspection: The Licensee must permit the County, its agents or employees, at reasonable times and upon reasonable prior notice (not less than 1 days/24hours prior notice) to enter the Licensed Premises without charge and without diminution of License Fee payments to: (1) examine, inspect and protect the Licensed Premises; (2) to perform maintenance and repairs the County may in its sole discretion consider necessary or desirable; and (3) to exhibit the Licensed Premises to prospective purchasers, tenants, licensees or to present or future mortgagors.

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

21. RETURN OF LICENSED PREMISES:

A. At the conclusion of the License Term as set forth in Article 2, or following the termination of this License for any other cause, the Licensee must remove all of the Licensee's goods and effects from the Licensed Premises and return to the County all keys, locks, and other fixtures

belonging to the County, in good repair, reasonable wear and tear excepted.

A. The Licensee must return the Licensed Premises to the County in the same condition as received at the beginning of the License Term, in "broom clean" condition, reasonable wear and tear excepted.

B. In the event that Licensee's property is not removed from the Licensed Premises within seventy-two (72) hours after the termination of this License, the property remaining will become the property of the County.

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

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

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

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

County Department of Environmental Protection or Montgomery County Fire Marshal's Office.

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

25. NON-DISCRIMINATION: The Licensee agrees to comply with the non-discrimination in policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws and regulations regarding discrimination. By signing this License Agreement, the Licensee assures the County that in accordance with applicable law, it does not, and agrees that it will not engage in any discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations.

26. PUBLIC EMPLOYMENT: The Licensee understands and agrees that unless authorized under Sections 11B-52 and Chapter 19A of the Montgomery County Code 2004, as amended, that it is unlawful for any person or entity transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

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

Licensee:	County:
Bright Eyes, Inc.	Montgomery County, Maryland
25114 Vista Ridge Road	Department of Public Works &
Gaithersburg, Maryland 20882	Transportation
Diana Holzberger, Director	Office of Real Estate
	101 Monroe Street, 10th Floor

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

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

39. PARKING: The Licensee is entitled to full use of the parking facilities which are a part of the Licensed Premises as of the date of execution of this License. Parking for the Licensee and any other occupants of the building, their staff, clients and guests will be confined to the surfaced parking areas in existence as of the date of execution of this License.

SIGNATURE PAGE TO FOLLOW

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

WITNESS:

By: Rika Murphy

COUNTY:
MONTGOMERY COUNTY,
MARYLAND

By: Joseph F. Beach

Joseph F. Beach, Assistant
Chief Administrative Officer

Date: 8/10/06

WITNESS:

By: Paul E Hofberger

LICENSEE:
BRIGHT EYES, INC.

By: Diane Hofberger

Title: President

Date: 8/3/06

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Eileen O. Brennan

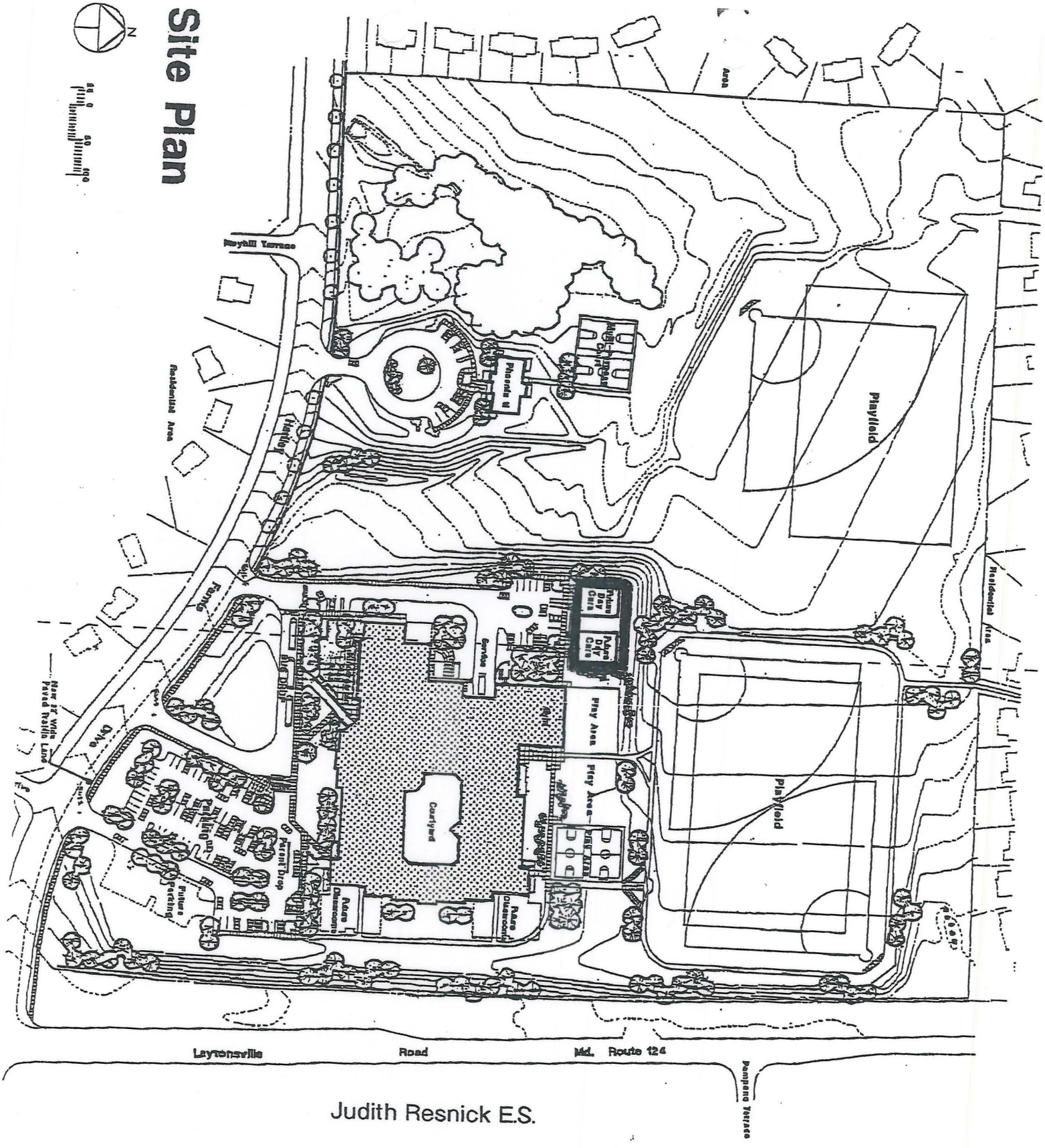
Date: 6/9/2006

RECOMMENDED

By: Cynthia L Brenneman

Cynthia L. Brenneman, Director
Office of Real Estate

Date: 6/7/06



Judith Resnick E.S.

Exhibit A

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

In the February 1991 Fee Structure and Debt Service Report certain specific provisions for waiver of capital cost recovery fee were recommended for inclusion in the County policy for Rental Rates for Child Care. These recommendations were approved in April 1991.

Centers which meet any of the following criteria for waiver may apply in writing for waiver of the capital cost fee. The waiver which shall apply to the entire facility. Waiver application must be submitted at annual lease renewal.

1) The Center shall enroll and provide care to families eligible for or enrolled in Child Care tuition subsidy programs (D.S.S. Purchase of Care and/or Working Parents Assistance Program); Families receiving subsidy shall comprise at least 30% of licensed capacity; the provider shall accept as full tuition payment the face value of vouchers issued by the DSS Purchase of Care Program. Written verification of meeting this requirement shall be required.

2) The provider will serve Infants and Toddlers in Child Care, as defined by the State of Maryland Child Care licensing regulations for Group Child Care; the children served will be in space administered, operated or funded by Montgomery County Government, specifically for Infant Care and/or required by tenant selection for that specific center.

Other sites which may choose to offer care to infants are not automatically granted waiver, but will be considered on a case by case basis. Determination of waiver application will be made jointly by DFS and DFR based on demonstrated community need.

Exhibit C

3) The provider ll serve children with handicap, ng conditions. Waiver will be consiaered on a case by case basis for sites which meet the following criteria:

- child or children must be designated as child with handicapping conditions by physican or authorized agency.

- an approved plan for special need care must be on file with Child Care Administration

- provider must document that enrollment of the child(ren) causes substantial additional cost to the program (additional staff, space modification, specialized equipment) and that this cost has ongoing impact to financial viability of program.

4) Annual certification with documentation shall be required. Waivers will be forfeitted by programs which provide incomplete or inaccurate information. If determined by DFS and DFR that waivers were not legitimate for a lease year, the capital cost fee for that year may be applied to the following lease year.

5) Centers may apply for consideration of waiver if #1 and #4 partially apply. DFS may wave all or a portion of capital cost fee if cost to program is equal to or greater than capital cost fee.

APPLICATION FOR WAIVER OF CAPITAL COST RECOVERY FEE

Indicate which waiver provision(s) your program is applying for

1. 30% Voucher Service
2. Infant Care
3. Special Needs Care

Indicate time period (this should match your annual lease term)

Start date_____

End date_____

Explain how your program meets the provisions of the waiver policy and present and present documentation for verification by County Government. (you many use additional pages as necessary).

_____

_____

_____

_____

_____

I (we) certify that this Waiver Application and any attached documentation are true and correct to the best of my (our) knowledge and belief:

Name	Name
Title	Title
Address	Address
City, State and Zip	City, State and Zip
Signature	Signature
Date	Date

Child Care Equipment Inventory

Facility Address: Judith Resnick Elementary School
7301 Hadley Farms Drive, Gaithersburg, Maryland

Provider Name: Birght Eyes, Inc.

Check box to indicate who provided the item

Equipment	Quantity	County	Provider	N/A	Comment
Playground Equipment	1	✓			
Stove	1	✓			
Oven	0				
Washer	0				
Dryer	0				
Refrigerator	1		✓		
Freezer	1		✓		
Microwave	1		✓		
Storage Shed	1	✓			

Exhibit D

Exhibit E

INSURANCE REQUIREMENTS:

A. Licensee agrees to obtain and maintain, during the full term of this License, a policy of liability insurance with minimum combined bodily injury and property damage in the amount of TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) for each occurrence, and TWO MILLION AND NO/100 DOLLARS ($2, 000,000.00) in the aggregate. Licensee agrees to provide a one (1) year discovery period under the policy. Such policy shall be issued by an insurance company licensed in the State of Maryland and acceptable to the County, which policy must include the following coverage:

1. Contractual Liability
2. Premises and Operations
3. Independent Contractors
4. Products and Completed Operations during and for two years following completion of the work.

B. Licensee agrees to obtain and maintain, during the term of this License, a policy of Workers' Compensation and Employers' Liability coverage. The Workers' Compensation policy must be in amounts as required by statute and the Employers' Liability Policy must be in amounts of ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000) for each accident for bodily injury by accident, FIVE HUNDRED THOUSAND ($500,000) DOLLARS for policy limits for bodily injury by disease and ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000) each employee for bodily injury by disease.

C. Licensee agrees to obtain and maintain during the License Term or any Renewal Term of this License, and until all of the Licensee's obligations which survive termination of this License have been completed, a policy of professional liability insurance covering errors and omissions and negligent acts committed during the License Term and any Renewal Term, with a limit of liability in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for each occurrence, and ONE MILLION AND NO/100 DOLLARS ($1 000,000.00) in the aggregate and a maximum deductible of TWENTY-FIVE THOUSAND DOLLARS ($25,000). Licensee agrees to provide a one (1) year discovery period under the policy.

D. Licensee must obtain and maintain 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:

1. Owned Automobiles
2. Hired Automobiles
3. Non-owned Automobiles

D. Licensee must maintain adequate fire, theft and vandalism insurance for the contents on the Licensed Premises.

EXHIBIT E