

**LEASE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
THE STRATHMORE HALL FOUNDATION
INCORPORATED**

DATED: October 1, 2004

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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), entered into this _____ day of October, 2004 by and between **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the "County" or "Landlord") and **THE STRATHMORE HALL FOUNDATION, INCORPORATED**, a Maryland non-profit corporation (the "Tenant"), (the County and the Tenant together the "Parties").

WITNESSETH

In consideration of the covenants contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties mutually agree as follows:

1. COUNTY PREMISES:

A. Definition: The County hereby leases and demises to the Tenant certain property located in Montgomery County, Maryland more particularly described as a parcel of improved real property containing approximately 11 (eleven) acres located in the northeast quadrant of the intersection of Maryland Route 355 and Tuckerman Lane, being a portion of a parcel containing 30.18 acres that was conveyed to the County by the Sisters of the Holy Cross Hospital Association, in a conveyance recorded among the Land Records of Montgomery County, Maryland in Liber 4928 at Folio 482 (the "County Premises"). The County Premises includes the existing buildings located on the above described property known as the "Old Corby Mansion" or the "Mansion" and the newly constructed "Venue" for the performing arts, also known as "The Music Center at Strathmore", as well as future buildings which may be built on the property as well as existing and future walkways, the parking lot, driveway, and the remainder of the 11 (eleven) acres contiguous to the Mansion and the Venue. The Mansion and

surrounding property is shown on Exhibit A-1 and Exhibit A-2, both of which are attached and incorporated as if fully set forth in this Lease. All improvements, buildings and structures located on the County Premises are collectively referred to as the "Buildings." The improved County Premises are also known as and referred to in this Lease as "Strathmore."

B. Parking:

1. During the Term of this Lease and so long as Tenant is not in default of the terms of this Lease, Tenant will have the use, and will control the management and operation of all parking facilities provided on the County Premises.

2. Tenant acknowledges that the County will be entering into an agreement with the Washington Metropolitan Area Transit Authority ("WMATA") for the use of the Grosvenor-Strathmore Metro Garage and the Metrobus facilities by Strathmore's patrons in substantially the same form as detailed in Exhibit B, which is attached and incorporated as if fully set forth in this Lease. Tenant will provide a certification of ticket sales and remit payments for parking in accordance with Exhibit B or as directed by the County.

3. Tenant must pay WMATA all User Fees and other costs and fees due under Exhibit B. In the event that Tenant does not timely pay any cost or fee when due, the County may elect to pay the cost or fee then due, and will notify Strathmore in writing. Any amount paid by the County will be deemed additional rent, and must be paid by Tenant not later than thirty (30) days after Tenant receives written notice from the County.

2. **TERM:** The Initial Term of this Lease (the "Initial Term") is 15 (fifteen) years, commencing on the 1st day of October, 2004 and expiring on September 30, 2019. The Term of the Lease is the Initial Term plus any Renewal Terms (defined below).

3. RENEWAL OPTIONS:

A. **Renewal Term:** Subject to the determination of the Review Board (defined below), upon the conclusion of the Initial Term or any then current Renewal Term (defined below), this Lease shall be automatically renewed under the same terms and conditions as the Initial Term as amended by mutual written agreement of the Parties for not more than four (4) additional consecutive 10 (ten) year terms, each additional consecutive 10 year term known as a "Renewal Term." Notwithstanding the foregoing, either Party may give the other written notice, not less than three (3) years prior to the expiration of the initial Term or the then current Renewal Term, of its intention not to renew the Lease or of its desire to renegotiate any of the provisions or conditions then in effect. In the latter case, written notice shall specify what alterations, amendments, deletions or additions are desired. This provision must not be interpreted to prohibit the Parties from negotiating changes to the Lease at any time during the Lease Term.

B. **Review Board:** The County may require a review panel (the "Review Board") to conduct a review of Tenant's finances and mission to determine that Tenant is (i) managing its finances in a manner comparable to other similar arts organizations in the Washington-Baltimore region; and (ii) adequately and actively involving community representation in its programming and planning functions. The Review Board shall consist of three (3) individuals knowledgeable in arts management, at least two (2) of whom must have familiarity with arts activity in Montgomery County. The County Executive will appoint the chair of the Review Board. The Chair of the Board of Directors of Tenant will appoint one member and the Parties will mutually select one other member. During the Initial Term or any Renewal Term, Tenant, must notify County in writing prior to 48 (forty eight) months and prior to 42 (forty two) months before the expiration of the then current Term, of its need to consider the utilization of the Review Board. The Review Board must complete its review no later than

36 (thirty six) months prior to the expiration of the then current Term. Upon completion of its review, the Review Board will report its findings to the County Executive and to Tenant. If the Review Board determines that Tenant is deficient in meeting the criteria set forth above, the then County Executive, in the Executive's sole discretion, may determine either: (i) not to renew this Lease; or (ii) require Tenant to resolve such deficiencies to the satisfaction of the County for the following Renewal Term. The County will provide the County's determination to the Tenant in writing not later than 36 (thirty six) months prior to the expiration of the then current Term so as to minimize the impact on programming contracts for events at Strathmore.

C. **Waiver of Review:** Following the first Renewal Term, the Review Board, with the approval of the County Executive, may waive such review for the next subsequent Renewal Term only. Each opportunity for review must be expressly waived.

4. **RENT:** In consideration of Tenant's history of successfully operating Strathmore for more than 20 years, of stewarding the growth of programming at Strathmore as well as fostering Strathmore's recognition as a first class performing arts center; and for Tenant's assumption of significant operating expenses at Strathmore during the Lease Term; and for Tenant's past, current, and anticipated fund raising efforts to develop past and future satisfactory efforts with regard to the planning and execution of a coordinated development and endowment program for the Strathmore; and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the County leases the County Premises to the Tenant for the sum of ONE AND 00/100S DOLLARS (\$1.00) per year and the payment of other costs as provided in this Lease.

5. **USE OF THE COUNTY PREMISES:** Tenant covenants and agrees that, during the Lease Term, Tenant will use the County Premises for activities that are consistent

with the purposes expressed within Tenant's Articles of Incorporation as follows, and for no other purpose (the "Permitted Uses"):

A. To foster and support the development of the Strathmore Hall Arts Center and the effective use of its facilities as a multi-disciplinary center for promoting and encouraging participation in and appreciation of the performing, literary and visual arts;

B. To restore, improve and maintain the Old Corby Mansion as an accessible arts center to sharpen the focus of community involvement, to facilitate activities and to enhance interests in the arts by young and old, amateur and professional , artist and audience; to make its rooms suitable and available for display of works of art while simultaneously providing attractive sites for intimate concerts, lectures, meetings, exhibitions, workshops, demonstrations, receptions and other events and activities consistent with the purpose of the Strathmore Hall Arts Center and the suitability of the Old Corby Mansion; to encourage or itself sponsor or underwrite such activities; to provide an insurance program to protect the personal property of the Strathmore Hall Arts Center and protect The Strathmore Hall Foundation, Incorporated from liability arising from its activities; to provide service facilities for cooperative use by community arts organizations; and

C. To promote and expedite, or itself undertake, the planning, design, financing and construction of other buildings, structures and facilities on the site, or properties of the Strathmore Hall Arts Center necessary or desirable for carrying out the full range of activities in the performing, literary and visual arts to which the Strathmore Hall Arts Center is dedicated; to encourage or itself sponsor or underwrite performances, programs, exhibitions and other activities on the site, properties or under the aegis of the Strathmore Hall Arts Center.

6. **USE OF THE COUNTY PREMISES BY THE MONTGOMERY COUNTY DEPARTMENT OF RECREATION AND OTHER COUNTY AGENCIES:**

It is the acknowledged intention of the Parties to cooperate in the development and promotion of activities at Strathmore, and to make Strathmore accessible to all County residents. To this end, Tenant agrees that, during the Term of the Lease, Tenant will:

A. Ensure that the Montgomery County Department of Recreation ("Department") has continuing access to Strathmore for art-related activities sponsored by the Department, both in terms of booking and at the lowest rental rate category established by the Tenant for comparable use of Strathmore; and

B. Cooperate with the County to schedule a minimum for at least four (4) official Montgomery County Government functions at Strathmore during each calendar year during the Lease Term without charge and as agreed by the Parties (the "County Events"). The Parties will cooperate to schedule the County Events so that the arts programming at Strathmore is not compromised.

7. **NAMING RIGHTS:** Tenant shall have the right to sell or lease naming rights to any buildings or portions of buildings at Strathmore as part of its fundraising efforts. Any naming rights granted shall be coterminous with the Term and any then current Renewal Term(s), and is transferable to any non-profit successor tenant except Montgomery County, Maryland

8. **CAPITAL IMPROVEMENTS AND SITE DEVELOPMENT:**

A. **Capital Improvements and Structural Alterations:** Tenant shall not undertake any structural alterations, structural changes, site improvements, or modifications requiring a building permit ("Structural Alterations") to the County Premises without the prior written consent of the County; County's consent will not be unreasonably withheld. Tenant shall not undertake any other alterations ("Alterations") to the County Premises without the prior written consent of the County, provided, however, that such consent as to Alterations that are

worth less than Five Thousand Dollars (\$5,000.00) shall be deemed granted if not denied by the County within 60 days after delivery of Tenant's written request for approval. Tenant shall be responsible for obtaining all necessary permits for construction at Strathmore, and for compliance with all building, zoning, and life safety codes and regulations then in effect. County, at no cost to Tenant, shall cooperate with Tenant's acquisition of such permits to the extent that County will be a co-applicant for permits where the law requires the consent of the Owner to prosecute a permit application. This provision must not be read to waive the County's right as the approving authority under any applicable building, zoning, or life safety laws or regulations reviewing applications submitted by Tenant. Failure by Tenant to adhere to any applicable building, fire, health, or life safety laws or regulations in making any improvements to Strathmore shall be deemed to be a violation of this Lease. The cost of any Alterations, unless otherwise agreed, shall be borne solely by the Tenant.

B. County's Approval and Inspection: Tenant agrees to keep County informed of any plans for any capital project at Strathmore. Tenant agrees that it will not enter into any contract for any new construction or renovation work at Strathmore without first obtaining the approval of the County in the County's capacity as Landlord and not in the County's capacity as administrator of any building, zoning, and life safety codes to undertake the proposed capital project. In order to secure County's approval of any Alterations to the Leased Premises and not in lieu of plan approvals required under applicable building, fire, health, or safety ordinances or regulations, Tenant shall, not less than 90 days before construction is to begin, submit to the County in its capacity as Landlord 95% complete plans and specifications clearly setting forth the work to be performed at Strathmore. County will have the right to comment on the proposed work, and to request changes in the plans and specifications prior to the time that Tenant submits the proposed capital project to the Maryland-National Capital

Park& Planning Commission ("M-NCPPC") for review under the mandatory referral provisions of Md. Ann. Code art. 28, §7-112 (1957 Code, 2003 Repl. Vol.), as amended from time to time. The Parties will cooperate to make any minor modifications requested by the County that will not unduly adversely affect the scope or timing of the proposed work. After substantial completion of the work, the County as Landlord as well as in the County's capacity as administrator of building, zoning, and life safety codes and regulations shall inspect the County Premises to determine whether or not the work has been satisfactorily completed. The approval of the work by the County as Landlord must not be construed to be the County's approval as administrator of applicable building, fire, health, safety or life safety codes or regulations. Tenant must obtain all required permits and licenses required for construction and occupancy of any tenant improvements at Strathmore.

C. Endowment Fund: During the Lease Term, Tenant will maintain the Endowment Fund established pursuant to an agreement pertaining to the Endowment Fund dated August 1, 1983, as modified by a letter dated August 3, 1990 from Eliot Pfanstiehl to Robert K. Kendal, Director OMB and by the First Amendment to the Endowment Fund Agreement dated October 1, 2004, copies of which are attached as Exhibits C-1, C-2, and C-3, respectively, and incorporated as if fully set forth in this Lease.

D. New Construction: Subject to the above conditions, Tenant shall have the non-exclusive right to plan, fund and execute new construction and capital improvements to the County Premises in addition to the Old Corby Mansion or the Venue; provided always that the construction and capital improvements by whomever planned, funded or executed shall be for the activities in the performing, visual or literary arts to whose promotion and use the site is dedicated, unless otherwise agreed in writing by the Parties ("New Construction"). Tenant must

secure County's consent to any such construction or improvements as provided in §§ 8.A and 8.B, above.

Any New Construction at Strathmore will, by virtue of its location within the County Premises, become the property of County. Any New Construction within the County Premises shall be considered a part of the County Premises as defined in Section 1, above, and may, in the County's sole discretion, be leased to the Tenant under the same terms and conditions of this Lease as amended from time to time for the remainder of the Term. The County expressly reserves the right to modify the Terms of this Lease as to payment of Rent and insurance requirements pertaining to the Lease of any New Construction. In the event of Tenant's dissolution, Tenant shall not be entitled to any compensation from the County for any such New Construction paid for by Tenant, except that the fair market value of any New Construction shall be deducted from Tenant's indebtedness to County, if any, including the repayment of the County's contribution to the operating Endowment Fund as set forth in Exhibits C-1, C-2, and C-3.

E. Sinking fund for the venue:

1. Commencing January 1, 2006, Tenant shall establish a separate account (the "Sinking Fund") to create a reserve to be used for necessary capital repairs and replacements to the furniture, fixtures and equipment of the Venue ("Sinking Fund Replacements") necessary to operate the Venue, all as provided on Exhibit D, which is attached and incorporated as if fully set forth in this Lease. Tenant shall deposit the sum of ONE HUNDRED THIRTY-THREE THOUSAND SIX HUNDRED THIRTY AND 00/100 DOLLARS (\$133,630.00) in the "Sinking Fund" on December 31, 2006 and annually every year during the Lease Term not later than the anniversary of the first payment. The Sinking Fund shall be used solely for the Sinking Fund Replacements as reflected on Exhibit D, unless the

Parties amend **Exhibit D** in a writing executed by both Parties. The Sinking Fund shall be maintained by Tenant in an interest bearing account at a federally insured banking institution with an office or branch located in Montgomery County, Maryland. In the event this Lease is terminated for any reason or is not renewed for any reason, the Sinking Fund shall be the property of Tenant, except that any payments that were due to be made out of the Sinking Fund at or prior to the date of termination must be made by Tenant at Termination.

2. Not later than February 1st of every year of the term, Tenant must submit an updated **Exhibit D** to the County itemizing the anticipated replacements and capital repairs which are anticipated to be made by the Tenant to the County Premises during that next 5 year period of the Lease Term (the "Annual Sinking Fund Reconciliation"). The Annual Sinking Fund Reconciliation must also include any adjustments proposed by the Tenant for the annual deposit into the Sinking Fund, which must be supported by justification satisfactory to the County. The Annual Sinking Fund Reconciliation will not be effective until approved by the County. Concurrently with the submission of the Annual Sinking Fund Reconciliation, Tenant must provide County with invoices and other evidence of the expenditures made from the Sinking Fund of the expenditures made from the Sinking Fund during the previous calendar year. Regardless of the date of Termination of the Lease, the final Annual Sinking Fund Reconciliation must be made at Termination, and will provide for all the disbursal of all money remaining in the Sinking Fund at that time.

3. Tenant shall construct, erect, undertake and complete or cause to be fully constructed, erected, undertaken and completed all of the Sinking Fund Replacement. Amendments to **Exhibit D** may only be made in writing signed by both Parties.

4. County may, at County's discretion and subject to appropriation by the Montgomery County Council, construct, erect, undertake and complete or cause to be fully

constructed, erected, undertaken and completed all necessary repairs and replacements, capital or otherwise not specifically listed as the responsibility of Tenant. Tenant has participated in the design and construction of the Venue, and specifically waives any right to require County to make any repairs to the design and construction of the Venue.

9. **MAINTENANCE AND OTHER RESPONSIBILITIES:**

A. **Maintenance:** During the Lease Term, the County will maintain and repair the roof and structural integrity of the Old Corby Mansion and the Venue, except to the extent that any repairs or unusual maintenance are required due to Tenant's negligence or misuse of the structures, or for any damage to the roofs or structures caused by any Alterations or New Construction by Tenant. Tenant will be solely responsible for the maintenance and repair of any New Construction by Tenant, and must provide adequate funds for repair and maintenance of the New Construction in the Annual Sinking Fund Reconciliation. County will maintain the grounds at Strathmore, including maintenance of the roads, walks and parking areas at Strathmore to the same standards as the County maintains internal roads and driveways, walks, and parking areas at all County facilities. Tenant may supplement County standard maintenance as required by Tenant in its reasonable judgment, except that the Tenant must notify the County of additional maintenance services provided by Tenant. Tenant must not deduct the cost of any enhanced maintenance from the Sinking Fund. County may repair or replace any damage to Strathmore caused by Tenant's maintenance contractors at Strathmore's sole cost and expense, which must not be deducted from the Sinking Fund. Other maintenance and repair responsibilities to the County Premises shall otherwise be made in accordance with **Exhibit E** which shows the relative responsibilities of the Parties for Facilities Maintenance, Security, Facility Housekeeping, Miscellaneous, Grounds Maintenance and Facility Utilities. All persons performing maintenance and repair responsibilities on behalf of the County under this Lease

shall perform such services under the direction of County's designated maintenance and repair supervisor ("Designated Supervisor") for the County Premises. The Tenant will designate a Vice President for Operations or an Operations Manager to communicate with the Designated Supervisor, and will advise County in writing of any changes in the designation of the Tenant's representative for operational matters. Tenant will make sure maintenance schedules and maintenance requirements and specifications are available to the County upon request.

B. Security: Tenant acknowledges that County does not provide personnel for controlling access to the County Premises or any other security services. Tenant will communicate with the County Police or the County Fire and Rescue Service as appropriate in emergency situations. When security is required, Tenant will make its own arrangements for whatever security it desires (if any) that is beyond the alarm system existing at the Mansion or that which is part of the Venue. The Tenant will provide the County with sufficient information concerning the security systems at Strathmore to permit the County to render police, fire, and emergency services protection.

C. Keys: Tenant acknowledges that County has provided Tenant with keys to the Old Corby Mansion and to the Venue. Tenant is responsible for safeguarding the keys in its possession, and in limiting access to the buildings on the Premises consistent with good fire safety and security practices. County will retain two (2) sets of keys to the Mansion and Venue, but will not enter either building, other than for provision of services described in this Lease. Except in cases of emergency, County will endeavor provide services required to be provided by the County under this Lease in a manner that minimizes interference with programming. Tenant will notify County in advance if Tenant is changing the locks to the Old Corby Mansion or the Venue, and will promptly provide two duplicate sets of all new keys to the buildings to County. County agrees to secure its sets of keys and not duplicate the same and, County shall request

from Tenant additional sets of keys, if necessary specifying the need for the same to Tenant. The Parties will provide each other with duplicate keys to any New Construction consistent with the provisions of this Paragraph.

10. FIXTURES AND EQUIPMENT: All items which are attached to the Buildings, or are a part of the Buildings' systems, shall remain with the Buildings and shall be delivered to Tenant as part of the County Premises. All fixtures, furniture, and equipment installed within the County Premises at Tenant's sole expense shall remain the property of Tenant and may be altered, replaced or disposed of in whatever manner Tenant deems appropriate. Tenant shall, however, repair any damage caused directly and exclusively by reason of said removal. Attached hereto as **Exhibit F** is the list of fixtures, furniture, and equipment which is the property of Tenant (purchased with funds of the Tenant), which list may be added to or deleted from time to time in Tenant's business determination. In the event Tenant vacates the County Premises prior to the expiration date of the Initial Term, County shall have the right to purchase for a sixty (60) day period from the date of notice of termination any items on said Exhibit F. The price shall be set at the fair market value at that time giving due consideration to the impact of depreciation.

11. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE

Insurance provided by Strathmore.

Prior to the execution of this Lease, and any renewal hereof, Tenant, agrees to obtain at its own cost and expense the following insurance with an insurance company/companies licensed to do business in the State of Maryland and acceptable to Montgomery County's Division of Risk Management. Said insurance must be kept in full force and effect during the term of this Lease, including all extensions. The insurance must be evidenced by a certificate of insurance, and if requested by the County, Tenant shall provide to the County a copy of the insurance policies. Tenant's insurance shall be primary.

- 1) A policy of general Commercial Liability and excess insurance with a minimum total limit of liability of Five Million and 00/100 Dollars (\$5,000,000) per occurrence 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 of Automobile Liability Coverage with a minimum limit of liability of One Million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including owned automobiles, hired automobiles and non-owned automobiles.
- 3) 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
- 4) An All-Risks Property Policy during the term of the Lease and any renewal terms to protect the full replacement value of all contents of the County Premises and all interests of Tenant, the County and the Property of Others against any loss including all artwork and personal property, either owned or the property of others. Any deductibles under this policy shall be funded by Tenant. The policy shall contain a maximum deductible of \$5,000 per occurrence.
- 5) The General Liability and any excess liability policies must name the County as an additional insured. All policies must provide the County with a forty-five (45) day advance notice of material amendment or cancellation. Tenant shall at least ten (10) days prior to October 1, 2004, deliver to the County a certificate(s) of insurance and certified copies of the insurance policies evidencing the foregoing insurance. The evidence of insurance shall be submitted to Montgomery County, Office of Real Estate, Tenth Floor, 101 Monroe Street, Rockville, Maryland 20850.
- 6) County reserves the right, if necessary, to review and revise the above coverage requirements every five (5) years to those customary at that time; provided that County provides Tenant at least a ninety (90) day notice of such revised requirements.

12. **HOLD HARMLESS:** Tenant agrees to hold harmless and defend the County from any claims of liability arising by virtue of the Tenant's use of the County Premises, or by virtue of any negligence on Tenant's part, except such negligence as may be occasioned solely by the acts or omissions of the County, and County's employees and agents; and further specifically agrees to hold County harmless and to defend it from any claim of liability made in connection with any subtenant or secondary users of the County Premises, except for such negligence as occasioned solely by the acts or omissions of the County, County's employees and agents.

13. **INDEMNIFICATION FOR ARTISTIC CONTENT:** County hereby acknowledges and agrees that it will have no approval rights with respect to the artistic content of the programs and performances at the County Premises. Tenant shall be solely responsible for, and shall indemnify and hold 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 County and/or arising out of, or in any way connected to any claims, suits or proceedings brought against County based on the artistic content of the use of the County Premises by Tenant or anyone permitted by Tenant to use the County Premises. Tenant further indemnifies County against all costs and expenses for claims of direct or indirect infringement of any intellectual property rights or claims in connection with the use of the County Premises for programs, performances and sale of merchandise on the County Premises by Tenant, its employees, agents, contractors and licensees.

14. **RESPONSIBILITIES OF TENANT:** Tenant covenants and agrees as follows:

A. Tenant shall not strip, overload, damage or deface the County Premises or the fixtures therein or used therewith, nor suffer or permit any waste which diminishes the value of the County Premises.

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

C. Tenant shall not use or allow to be used the County Premises or any part thereof for any illegal or unlawful purposes.

D. Tenant acknowledges that all responsibilities of Tenant relating to the use or misuse of the County Premises and anything therein shall be construed to include use or misuse thereof by Tenant's agents, employees, patrons and subtenants.

15. DESTRUCTION OF COUNTY PREMISES:

A. In the event that the County Premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the County Premises unfit for the Permitted Uses, and the Parties determine that repair of said destruction or damage cannot reasonably be accomplished by the County with available insurance proceeds within a reasonable period of time from the date of such damage, either Party may terminate this Lease by giving written notice to the other within ninety (90) days after the irreparable destruction or damage occurred.

B. In the event that County is able to undertake the repair of the County Premises with available insurance proceeds, County shall commence to do so within a reasonable period of time from the date of destruction or damage and diligently pursue the completion of

such repair. Tenant's obligation for maintenance and contributions to the Sinking Fund shall be abated during the period of repair.

C. In the event that County is unable to repair the County Premises as hereinabove provided, Tenant shall not be entitled to any compensation or payment from County for the value of any remaining Term of the Lease.

16. **DEFAULT:** Tenant shall be considered in default of this Lease upon the occurrence of any of the following:

A. Failure to perform under any term, covenant or condition of this Lease and the continuance thereof for sixty (60) days after written notice from County specifying said failure.

B. The commencement of any action or proceeding for the dissolution or liquidation of Tenant, or for the appointment of a receiver or trustee of Tenant's property, and the failure to discharge any such action within one hundred twenty (120) days.

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

D. The abandonment of the County Premises by Tenant. Under this Lease, abandonment means any one or more of the following: i.) the failure of Tenant to secure programming for Strathmore for the upcoming season; ii.) cancellation of three (3) or more consecutive programmed events unless cancelled due to substantial damage to or destruction of the Old Corby Mansion or the Venue; iii.) written notice from the Tenant to the County that Tenant is quitting the County Premises prior to Termination of the Lease; iv.) Tenant's absence from the County Premises for a period of 30 or more consecutive days; or v.) the Venue going "dark" (i.e. no scheduled professional artistic performances) for more than 120 days during any calendar year.

In the event of default by Tenant under this Lease, the County will give the Tenant written notice of default and demand cure. In the event that the default continues for more than 30 days after written notice from County, then at the option of County or County's assigns, Tenant's right of possession shall terminate, and County may proceed to recover possession and seek other available relief under the laws of the State of Maryland.

17. **CONDEMNATION:** In the event the whole or a substantial part of the County Premises shall be taken for any public or quasi-public purpose by any lawful power or authority (except the County) by exercise of the power of condemnation or eminent domain, or sold to said authority under threat of such taking (collectively referred to herein as a "Taking"), County shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. For purpose of this Section, a taking of 25 percent or more of the Leased Premises may be considered to be a Taking under this Lease if the Taking renders it commercially undesirable for County to permit this Lease to continue or to continue operating the County Premises. Tenant shall not assert any claim against County or the authority for any compensation arising out of or related to such Taking and County shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant; provided, however, nothing contained in this Section shall be deemed to give County any interest in any award that is made in addition to and separately stated from any award made to County for the County Premises and does not reduce the amount of the County's award.

18. **SECONDARY USERS:** Tenant shall be solely responsible for any arrangements with secondary users of the County Premises. Secondary uses include licensees, resident artists, and vendors of merchandise, goods, and services related to the Permitted Uses

19. **ASSIGNMENT AND SUBLEASING:** Tenant shall not assign this Lease or any portion of the County Premises without the consent of the County which consent shall not be

unreasonably withheld. Tenant shall have the right without County's consent or approval to enter into licenses, and concessions as Tenant deems necessary to support the Permitted Uses. Tenant shall remain liable under this Lease in the event of any assignment, license, concession or sublease.

20. NON-APPROPRIATION/TERMINATION FOR CONVENIENCE:

A. Non-appropriation: This Lease is subject to annual appropriations by the Montgomery County Council.

B. Termination for Convenience: County may terminate this Lease for convenience upon not less than 180 (one hundred eighty) days written notice to Tenant. The Lease shall terminate on the date specified in the notice and Tenant shall deliver the County Premises to County in accordance with the provisions of this Lease. County will work with Tenant to ensure that the date of any such termination for convenience does not occur while there are any outstanding programs scheduled, unexpired License Use Agreements pending or other similar outstanding commitments, unless County assumes full responsibility for the completion of contracts for those outstanding contracts. After receipt of such notice by Tenant, Tenant shall not schedule any programs, execute any License Use Agreements, or make any other similar commitments beyond the date given in the notice for such termination for convenience.

21. ACCESS: Tenant shall allow County and County's employees or agents to have access to the County Premises at all reasonable times for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of performing any work required to be performed by County, or which County considers reasonably necessary, or for any other purpose pursuant to the reasonable protection of the County Premises. Such access shall not unreasonably or unnecessarily interfere with Tenant's normal use of the County Premises. Tenant shall provide County at all times with keys to the Buildings, said keys to be used by

County to obtain access to the facility in emergency situations and as otherwise provided in this Lease.

22. **SURRENDER OF POSSESSION:** Tenant covenants, at the expiration or other termination of this Lease, to remove all of Tenant's personal property from the County Premises, and to yield up to County the County Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other furnishings belonging to Tenant), in good repair, order and condition in all respects, reasonable wear and tear thereof and damage by fire or other casualty excepted.

23. **HOLDOVER:** In the event that Tenant shall continue to occupy the County Premises or any part thereof after the conclusion of the Term the tenancy thus created shall be deemed to be upon a month-to-month basis and may be terminated by either party giving the other not less than thirty (30) days' written notice, to expire on the day of the month from which the tenancy commenced to run. During any month-to-month tenancy, both parties shall continue to observe all agreements and covenants contained in this Lease, except that Tenant will be required to pay fair market value rent to the County monthly during the holdover tenancy according to instructions issued to the Tenant by the County.

24. **NOTICE OF DEFECTS:** Tenant shall give to County prompt written notice of accidents or damages to the County Premises. In cases of emergency, the notice may be given orally and confirmed in writing as soon as possible after the oral notice is given.

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

26. **NON-DISCRIMINATION:** Tenant agrees to abide by the provisions Section 11B-33 and 27-19 of the Montgomery County Code (1994), as amended , as well as all other

applicable federal and state laws and regulations regarding employment discrimination. Tenant covenants that Tenant will not discriminate in awarding contracts or in providing programming on the basis of race, creed, national origin, gender, age, marital status, disability, or genetic status.

27. **CONTRACT SOLICITATION:** Tenant represents that Tenant has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting for bona fide employees or bona fide established commercial, selling or leasing agencies maintained by Tenant for the purpose of securing business or an attorney rendering professional legal services consistent with applicable ethical and professional codes. Tenant is responsible for paying for the services of all of its employees, agents, brokers, and attorneys.

28. **PUBLIC EMPLOYMENT:** Tenant understands that unless authorized under Chapter 19A and § 11B-52 of the Montgomery County Code (1994), as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

29. **DISPUTES:**

A. **Governing Law; Construction:** This Lease shall be construed and enforced in accordance with the substantive laws of the State of Maryland, without regard to choice of law provisions. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either County or Tenant.

B. **Disputed Resolution:** The County and Tenant agree that any dispute concerning a question of fact arising under this Lease which is not resolved by agreement of the parties shall be decided by the Chief Administrative Officer of Montgomery County, or his/her designee, who shall notify the parties in writing of the determination made.

The Tenant and County shall be afforded an opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Tenant and County shall proceed diligently with the performance of all requirements and obligations under this Lease. The decision of the Chief Administrative Officer or his/her designee shall be final and conclusive.

30. MAILING NOTICES: All notices, demands, approvals, consents or other communications required or desired to be given hereunder by either part to the other shall be given in writing and delivered in person, by receipted overnight delivery service, or by certified mail, first class, postage prepaid to the party involved at the addresses below:

TENANT:

THE STRATHMORE HALL FOUNDATION, INCORPORATED
10701 Rockville Pike
North Bethesda, Maryland 20852
Attn: Mr. Eliot Pfanstiehl

With a copy to:

SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A.
11921 Rockville Pike, Third Floor
Rockville, Maryland 20852
Attn: Lawrence A. Shulman, Esquire

LANDLORD:

Montgomery County, Maryland
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850
Attn: Chief Administrative Office

and

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

With copies that don't constitute notice to:

Montgomery County Division of Operations
Department of Public Works and Transportation
101 Orchard Ridge Drive, 2nd Floor
Gaithersburg, Maryland 20878
Attn: Chief, Division of Operations

and
Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, Maryland 20850
Attn: County Attorney

Any notice, demand, approval, consent or other communication delivered in person or by messenger service on normal business days and during normal business hours shall be deemed to have been given on the date delivered and any notice, demand, approval, consent or other communication given by mail shall be deemed to have been given three (3) days after the date it was sent by certified United States mail, return receipt requested, postage prepaid, addressed to the party to be served at said address or at such other address of which that party may have given notice under the provisions of this Section 30. Either Party may change its address by giving written notice of change of address to the other Party as required in this Paragraph.

31. GENERAL:

A. Captions: The captions and headings used in this Lease are for the purpose of convenience only and shall not be construed to limit or extend the meaning of any part of this Lease.

B. Executed Copy: Any fully executed copy of this Lease shall be deemed an original for all purposes.

C. Time: Time is of the essence for the performance of each term, condition and covenant of this Lease.

D. Separability: If one or more of the provisions contained herein is for any reason held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

E. Gender; Singular, Plural: When the context of this Lease requires, the neuter gender includes the masculine, the feminine, a partnership or corporation or joint venture, and the singular includes the plural.

F. Binding Effect: The covenants and agreement contained in this Lease shall be binding on the Parties and on their respective heirs, successors and assigns to the extent this Lease is assignable.

G. Waiver: The waiver by County or Tenant of any breach of any term, condition or covenant, of this Lease by the other shall not be deemed to be a waiver of such provision or any subsequent breach of the same or any other term, condition or covenant of this Lease. No covenant, term or condition of this Lease shall be deemed to have been waived by County or Tenant unless such waiver is in writing signed by the waiving party.

H. Entire Agreement: This Lease is the entire agreement between the Parties, and there are no agreements or representations between the Parties except as expressed in this Lease. All exhibits, amendments, riders and addenda attached to this Lease are hereby incorporated into and made a part of this Lease. Except as otherwise provided in this Lease, no subsequent change or addition to this Lease shall be binding unless in writing and signed by the Parties.

I. Days of Week: If the date upon which any act is to be performed or notice is to be delivered under this Lease shall fall upon a Saturday, Sunday or legal holiday, such act or notice shall be timely if performed or delivered on the next business day.

J. Force Majeure: The performance of any obligation to be performed by County and Tenant under this Lease shall be excused for any period during which either Party is prevented from performing such obligation due to causes beyond such Party's control, including without limitation, strikes, lockouts or other labor disturbance or labor dispute, governmental regulation, moratorium or other governmental action, civil disturbance, war, war-like operations, acts of terrorism, invasions, rebellion, hostilities, sabotage, fires or other casualty, flooding, or other acts of God (collectively, "force majeure"). County and Tenant each agree to: (i) provide written notice to the other if County or Tenant is unable to perform any obligation imposed upon such Party in the time period required, if such inability to perform is due to force majeure, and (ii) use reasonable efforts to mitigate the effects of force majeure on the timely performance of such obligation.

K. Relationship of Parties: Nothing contained in this Lease shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent, partnership, joint venture, or any relationship between the Parties other than that of landlord and tenant.

L. Construction: This Lease shall be construed without regard to any presumption or other rule permitting construction against the Party causing this Lease to be drafted and shall not be construed more strictly in favor of or against either of the Parties.

M. Waiver of Jury Trial and Counterclaim: County and Tenant waive their right to trial by jury in any action, proceeding or counterclaim brought by either Party against the other on any matters arising out of or in any way connected with this Lease, the relationship of County and Tenant, Tenant's use or occupancy of the County Premises, and any emergency statutory or any other statutory remedy. Any action filed by either Party to enforce

the terms of this Lease or for any matter arising out of or in any way connected with this Lease must be filed in a Court of competent jurisdiction located in Montgomery County, Maryland.

32. **TERMINATION OF EXISTING LEASE:** The Parties hereby agree that upon the Effective Date, the prior lease dated August 13, 1983 shall be deemed null and void and the Parties shall be released from all obligations contained in that Lease.

33. **DEFRAYMENT PAYMENTS:** Tenant agrees to make payments to partially defray maintenance and utility costs for the Venue. Tenant agrees to make such payments in accordance with **Exhibit G**, which is attached and incorporated as if fully set forth in this Lease.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Lease to be properly executed
under seal on the date first written above.

WITNESS:

LANDLORD:

MONTGOMERY COUNTY, MARYLAND

By: JoAnne Poore

By: Duncan
Name: Douglas M. Duncan
Title: County Executive

Date: October 5, 2004

WITNESS:

TENANT:

**THE STRATHMORE HALL FOUNDATION,
INCORPORATED**

By: Mary Kay Omy

By: Eliot Pfansteihl
Name: Eliot Pfansteihl
Title: President

Date: October 1, 2004

(CORPORATE
SEAL)

Corporate Attestation:

I hereby certify that the above named individual
is authorized to execute this instrument on behalf
of THE STRATHMORE HALL FOUNDATION,
INCORPORATED.

Peter James Trukey
_____, Corporate Secretary

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Lillian J. Baseman
Date: 10/11/2004


STATE OF MARYLAND

ss:

COUNTY OF MONTGOMERY

On this 5th day of October, 2004, before me, the undersigned officer, personally appeared Douglas M. Duncan, County Executive of Montgomery County, Maryland, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as County Executive on behalf of Montgomery County, Maryland, for the purposes contained therein.

As witness my hand and notarial seal.


Notary Public
My Commission Expires:
June 1, 2006

STATE OF MARYLAND

ss:

COUNTY OF MONTGOMERY

On this 1st day of October, 2004, before me, the undersigned officer, personally appeared Eliot Pfansteihl, President, The Strathmore Hall Foundation, Incorporated, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as President on behalf of The Strathmore Hall Foundation, Incorporated, for the purposes contained therein.

As witness my hand and notarial seal.


Notary Public
My Commission Expires:
January 1, 2006
S. C. FOLLOCK
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 1, 2006

AFTER RECORDING RETURN TO:

Cynthia L. Brenneman
Director, Office of Real Estate
Department of Public Works and
Transportation
101 Monroe Street, 10th Floor
Rockville, MD 20850-4168

EXHIBIT "A-1"

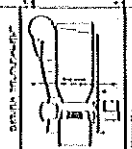
COUNTY PREMISES

[SECTION 1]

[SEE ATTACHED]

This Exhibit "A-1" reflects the entire County Premises as of May, 2000, but shows the walkway in front of the Venue incorrectly; said walkway having been subsequently modified.

Simultaneamente, a partir das análises feitas, foi possível estabelecer uma correlação entre a ocorrência de doenças e a presença de fatores de risco.

[illegible]

Summary

L-1.02

EXHIBIT "A-2"

COUNTY PREMISES

[SECTION 1]

[SEE ATTACHED]

This Exhibit "A-2" dated June, 2001 does not reflect the entire County Premises, but shows the correct alignment of the walkway in front of the Venue.

STRUCTURAL CONSULTANTS

10000 LANTANA DRIVE, SUITE 100

MONTGOMERY COUNTY, MD

Department of Public Works

Division of Engineering and Construction

101 EASTBURY DRIVE, SUITE 200

GAITHERSBURG, MD 20878

DESIGN ARCHITECT

WILLIAM HENRY ASSOCIATES

101 EASTBURY DRIVE, SUITE 200

GAITHERSBURG, MD 20878

CONSTRUCTION CONTRACT

101 EASTBURY DRIVE, SUITE 200

GAITHERSBURG, MD 20878

0000000000

THOMAS ENGINEERING

101 EASTBURY DRIVE, SUITE 200

GAITHERSBURG, MD 20878

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THOMAS ENGINEERING

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GAITHERSBURG, MD 20878

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LEGEND

PROPOSED ROAD

EXISTING ROAD

PROPOSED SIDEWALK

EXISTING SIDEWALK

PROPOSED DRIVE

EXISTING DRIVE

PROPOSED WALK

EXISTING WALK

PROPOSED DRIVE

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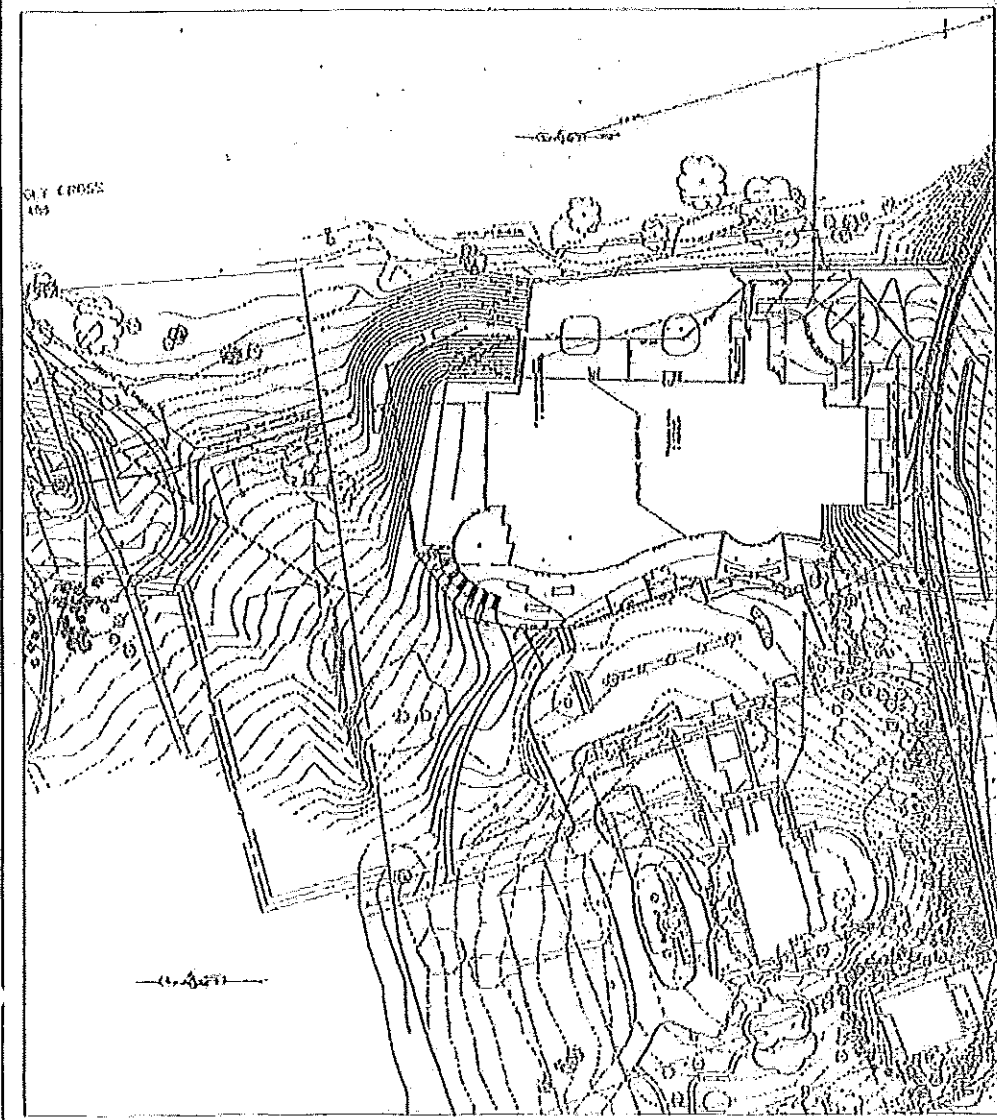
EXISTING DRIVE

PROPOSED WALK

EXISTING WALK

PROPOSED DRIVE

EXISTING DRIVE



NOT FOR CONSTRUCTION / FOR INFORMATION ONLY

SITE PLAN

C-2

EXHIBIT "B"

GROSVENOR METRO GARAGE AGREEMENT

BETWEEN MONTGOMERY COUNTY, MARYLAND

AND WMATA

[SEE ATTACHED]

GROSVENOR-STRATHMORE USE AGREEMENT

between

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

and

MONTGOMERY COUNTY

**GROSVENOR-STRATHMORE METRO RAIL STATION
PARKING STRUCTURE AND BUS BAY USE**

Dated as of , 2001

**GROSVENOR-STRATHMORE METRORAIL STATION
PARKING AND BUS BAY USE AGREEMENT**

This **GROSVENOR-STRATHMORE USE AGREEMENT** (Agreement) made and entered into this ____ day of _____, 2001, by and between the **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (WMATA)** and **MONTGOMERY COUNTY, MARYLAND** (the County).

WITNESSETH:

WHEREAS, WMATA and the County have entered into several agreements regarding the planning, design, financing, construction and leasing of a parking facility located at WMATA's Grosvenor-Strathmore Metrorail station in Montgomery County (WMATA Facilities); and

WHEREAS, WMATA's Board of Director's authorized and subsequently approved the staff report of a Public Hearing to construct the garage held on August 1, 2001; and

WHEREAS, WMATA will manage and operate the proposed parking facility;
and

WHEREAS, Strathmore Hall, Inc. (a 501(c)(3) Corporation) requires parking and bus debark and embark facilities for its events; and

WHEREAS, Strathmore Hall's parking and bus facility requirements are compatible with, and incidental to, parking and bus facility requirements at WMATA's Grosvenor-Strathmore Metrorail Station; and

WHEREAS, WMATA is willing to agree with the County that the proposed parking facility and the bus facilities referred to herein may be used to meet Strathmore Hall's parking and bus facility requirements;

NOW, THEREFORE, in consideration of the mutual promises contained herein, WMATA hereby permits the County, for the use of Strathmore Hall, to share in the use of WMATA's Facilities at the Grosvenor-Strathmore Metrorail Station subject to the following terms and conditions and subject to the terms and conditions of that certain Facility Lease dated _____ between WMATA and the County. In the event of a conflict between this Agreement and the Facility Lease, the terms of the Facility Lease shall prevail.

I. DESCRIPTION OF FACILITIES.

- A. Parking Facility. The Parking Facilities referred to in this agreement shall mean the garage and the pedestrian bridge from the garage to the north edge of Tuckerman Lane Right of Way, to be built by the County and operated by WMATA pursuant to that certain project agreement dated _____, and the surface park and ride lot on the grounds of the Grosvenor-Strathmore Metrorail Station (Parking Facility)
- B. Bus Facility. The bus facility shall be the bus bay(s) on the grounds of the Grosvenor-Strathmore Metrorail Station as specified by WMATA from time to time in a document substantially in the form of Exhibit A (Bus Facility), the Parking Facility and Bus Facility, hereafter referred to collectively as the WMATA Facilities.
- C. Montgomery Bus Division Maintenance Facility. The WMATA Metrobus facility located at 5400 Marinelli Road, Rockville, Maryland.
- D. Under current practice, WMATA Facilities are available for use 24 hours per day, 7 days per week. In the event that WMATA changes this practice and establishes more limited operating hours for its Facilities, it will notify the County 30 days prior to implementing the change. If a change in the 24 hour/7 day policy is implemented, the County may request extension of operating hours for any event at

Strathmore Hall by submitting a request at least 72 hours prior to the event. The County shall pay WMATA for any extension of hours at rates as may be set from time to time by WMATA.

- II. **TERM.** The term of this Agreement shall commence upon the opening of the Parking Facility or the Strathmore Concert Hall, whichever shall last occur, and shall expire at Midnight on December 31, 2030. This Agreement may be extended by mutual consent of the parties under such terms and conditions as may be mutually agreed upon by the parties, in writing, at the time of the extension.
- III. **USE FEES.** For the use of the Parking Facility, the County shall pay WMATA a monthly use fee based on the attendance at ticketed events of Strathmore Hall (Use Fee).
 - A. The Use Fee shall be 80% of the total monthly attendance at ticketed events multiplied by 50% of WMATA's daily unreserved parking rate in effect at the Grosvenor-Strathmore Metrorail Station from time to time, it being understood that WMATA's Board of Directors may change the daily unreserved parking rate at its sole discretion. The use fee is based on the assumption that an average of approximately 80% of the patrons to Strathmore Hall will use the garage and that an average of two Strathmore Hall patrons will occupy each vehicle. WMATA's daily unreserved fee is charged for each vehicle using the garage for transit purposes, and each vehicle averages 1.1 transit patrons per vehicle. Accordingly, in order to charge Strathmore patrons an equitable fee, the formula used to determine the fee equates to the same per person rate for Strathmore patrons as is charged for transit patrons. This Use Fee shall be in addition to the fee for use of the Montgomery Bus Division Maintenance Facility as set out in paragraph IV.B.2.b.

- B. The Use Fee shall be remitted to WMATA by the 15th of each month for all events occurring during the previous month. The Use Fee shall be accompanied with a statement signed by the President of Strathmore Hall listing the ticketed events and the attendance at each of the ticketed events, together with a schedule of the ticketed events for the then current month.
- C. The Use Fee shall be reviewed on the fifth anniversary of this Agreement and every five years thereafter by a representative designated by each of WMATA and the County and shall be adjusted to the extent necessary to reflect, as closely as possible, the actual usage of WMATA Facilities by Strathmore Hall patrons, provided that either WMATA or the County may request a review and adjustment at any time, but such requests may not be made by any one party at intervals of less than 12 months. Any disputes that may occur during this review process shall be resolved in accordance with paragraph XXII.
- D. Late Charges. Unless otherwise expressly provided to the contrary herein, in the event that payment of any Use Fee or other charges required to be paid hereunder shall become overdue for five (5) Business Days beyond the date on which payment is due above, the sums so overdue shall be subject to a late charge in the form of interest at WMATA's Interest Rate (defined below) from the date on which payment was originally due to the date such sum is paid in full. The WMATA Interest Rate shall be established as of July 1 of each year and shall be the aggregate investment rate (Computed on a 360 day year) that WMATA has earned on its investments during the previous 12 month period, and shall apply to any late payments during the succeeding 12 month period. No grace period or notice requirement

shall be applicable to the County's failure to make payments when due hereunder and/or to the accrual of interest as of the day after the payment due date. No failure by WMATA to insist upon the strict performance by the County of County's obligations to make payments when due (including any interest at the WMATA Interest Rate and any other charges) shall constitute a waiver by WMATA of its right to collect the same or subsequently to enforce the provisions of this Agreement.

- E. In the event that payment of any fees or other monies due WMATA under this agreement is not made within 60 days of the date when payment is due, WMATA may, in addition to any other remedies available to it under this agreement and law, upon 30 days written notice, terminate this agreement. Upon receipt of such notice, the County shall have 15 days to make all payments delinquent or due when the 15 days expire. In the event all delinquent and due payments are made within the 15 days the termination notice shall be void and have no force or effect. In the event all delinquent and due payments are not made within the 15 day period, the termination shall be effective 30 days after receipt by the County.

IV. **USE OF THE PREMISES.** The WMATA Facilities may be used and occupied solely for parking, bus embarkation and debarkation, and related vehicular and pedestrian ingress and egress which do not interfere with the use of WMATA property for its intended purposes.

A. **Parking Facility.**

1. Parking shall be available on a non-exclusive basis to:
 - a. Patrons attending ticketed events at Strathmore Hall.
 - b. All other visitors to Strathmore Hall.

2. Parking for Strathmore Hall patrons or other visitors shall be available on a first come-first served basis.
 - a. WMATA will make 150 short term (not to exceed 7 hours) spaces available in the parking garage for use by WMATA and Strathmore patrons. The parking fees for these spaces will be the non-reserved daily parking fee in effect from time to time.
 - b. Under no circumstances will any other spaces be reserved or blocked off for any use except handicapped parking and WMATA Board of Directors approved reserved parking programs for Metrorail commuters.
3. Strathmore Hall patrons attending ticketed events and parking in the Parking Facility shall be permitted to depart the Parking Facility without further charge by presenting a ticket stub (one per vehicle) at any time from the start of a ticketed event until 2 hours after a ticketed event ends. For any Strathmore Hall event that ends after 9:00 PM, WMATA will stop fee collection activities for One Half hour at the time that the event is scheduled to end to permit the bulk of the Strathmore patrons to exit the parking facility expeditiously. Normal collection activities will resume after the One Half hour. Strathmore Hall patrons departing the Parking Facilities before or after the times designated in this subparagraph, or without a ticket stub, will be charged the full unreserved parking fee in effect at the time they leave the facility.
4. All other visitors to Strathmore Hall shall be charged the full unreserved parking fee in effect from time to time.
 - a. WMATA currently does not have a non-rider parking fee in effect at the Grosvenor-Strathmore Metrorail Station. In the

event WMATA elects to implement a non-rider parking fee at this station, visitors to Strathmore Hall will not be charged the non-rider parking rate. If WMATA intends to implement a non-rider fee, it shall provide the County 30 days notice and the County and WMATA will develop and implement a process to identify Strathmore Hall visitors to permit visitors to pay the full unreserved parking rate in effect for Metrorail riders rather than the non-rider fee.

- b. In the event the County desires to permit the use of parking for Strathmore visitors without charge to the visitors, WMATA and the County will develop a system to validate each visitor to permit them free exit/entry and the County shall be responsible for the payment of each validation issued at the then current full unreserved parking rate. Payment for validated parking shall be treated as use fees and shall be made in addition to, and at the time of, payments required in Paragraph III.
5. In the event Strathmore Hall desires to implement a valet parking system using the Parking Facility, the following will apply:
- a. The County shall take full responsibility for the valet service and (i) shall be responsible for repairing any damage or restoring the WMATA Facilities in the event of destruction, in either instance arising from the valet service; and (ii) shall indemnify, defend and hold WMATA harmless for any and all claims, actions, damages, injury, costs or expenses (including without limitation, attorneys fees) arising from acts or

omissions of the valet, operation of the valet service and/or the use of the valet service.

b. Valets will be required to park the cars on the top level of the parking garage until full and then successively lower levels as each level fills.

c. For security and verification purposes, valets will be required to present a pass for each vehicle they remove from the parking garage. The pass shall be developed, and may be changed from time to time, by mutual agreement of the County and WMATA.

6. The above procedures are based on WMATA's current fee collection process as of the date of this agreement. WMATA reserves the right to revise its fee collection process at any time. In the event WMATA changes its fee collection process, it will provide the County with 30 days prior notice and the County and WMATA will revise the above process as necessary to achieve the same results intended above.

B. Buses.

1. DEFINITIONS. As used in this subparagraph the following definitions apply:

a. "Park" shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.

- b. "Permission" shall mean permission granted by the WMATA street supervisor or other supervisory personnel, except where otherwise specifically provided.
- c. "Stand" shall mean halting a bus for the purpose of loading or unloading or for waiting in position to load or unload.
- d. "Street Supervisor" shall mean the person or persons designated by WMATA to exercise the powers and functions vested in this Agreement, and/or an authorized representative or representatives identified by uniform or proper identification cards.
- e. "Vehicle" shall mean a self-propelled highway vehicle designed and constructed for the carriage of passengers for hire, employing as a source of motive power (either directly or by electrical transmission) a reciprocating or rotary internal-combustion or turbine engine utilizing as fuel gasoline, diesel oil, or any other substance utilized by highway vehicles for fuel, and having overall dimensions not in excess of the following: length, sixty (60) feet, width, one hundred two (102) inches; height, twelve (12) feet eight (8) inches; and having a maximum gross loaded weight not in excess of forty thousand (40,000) pounds avoirdupois, distributed to provide no more than twenty thousand (20,000) pounds per axle; provided, however, that larger or heavier passenger-carrying vehicles may be operated at the Bus Facility by prior written mutual agreement of WMATA and the operator. Vehicles shall include automobiles, vans and buses.

2. DESCRIPTION OF FACILITIES TO BE USED.

- a. This agreement grants the County the right to provide for pick up and discharge of passengers at the Bus Facility at the Grosvenor Metrorail-Strathmore Station at the designated location agreed upon and at the specified times as stated in Exhibit A; subject to enumerated limitations, if any, regarding the number, dimensions, and axle weight of vehicles using each bus bay.
- b. In addition, the County may, upon 72 hours notice in each instance, park up to 45 buses at the Montgomery Bus Division Maintenance Facility between the hours of 9:00 AM and 3:00 PM on Mondays through Fridays.
 - (1) For use of this facility, the County shall pay WMATA a fee of \$15.00 per day per bus parked at the facility.
 - (2) Notwithstanding anything to the contrary in this agreement, WMATA has the unrestricted right to terminate the provisions of this subparagraph (use of the Montgomery Bus Division Maintenance Facility) upon 30 days written notice.
3. **USE OF FACILITIES.** The County may use the WMATA Grosvenor-Strathmore Metrorail Station Bus Facility for the sole purpose of pickup and discharge of passengers. Use of the Bus Facility shall be in accordance with WMATA's "PROCEDURES AND RULES FOR USE OF WMATA BUS BAY FACILITIES AT METRORAIL STATIONS" which are attached to this Agreement as Exhibit B and incorporated herein and which will be amended from time to time as needed with thirty (30) days notice to the County prior to the effective date of any amendment. No vehicle may be

used at any Bus Facility unless that vehicle is in compliance with the laws of the jurisdiction where that facility is located. The County's operators and any operators of its agents, representatives, or invitees must be licensed in accordance with the laws of the applicable jurisdiction, adequately trained in the operation of the vehicle, and knowledgeable of WMATA's "PROCEDURES AND RULES FOR USE OF WMATA BUS BAY FACILITIES AT METRORAIL STATIONS": Reference in the regulations to "licensees" shall mean the County, its agents, representatives or invitees.

4. CAPITAL EXPENDITURES. If the County requires bus facility enhancement such as signs, passenger shelters, lighting, etc. at any WMATA bus facility, a written request for such improvement shall be made to WMATA's Director of Planning by the County. If WMATA approves such request, the design and installation shall be accomplished by the County in accordance with WMATA's specifications and shall be approved by WMATA prior to installation. The County shall bear all costs of such installation after which WMATA will take full ownership of the installation and assume responsibility for maintenance as described in Paragraph VIII below.
5. EMERGENCIES. WMATA, in emergency situations, may restrict, modify, or prohibit the County or County's passengers access to the Bus Facility and/or to the Montgomery Bus Division Maintenance Facility. An emergency situation may be declared at the sole discretion of the WMATA Street Supervisor or other authorized WMATA personnel identified by uniform or proper

identification cards, at any time there is a threat to public health and safety as determined by standards and guidelines established by the jurisdiction where that facility is located or by WMATA. WMATA shall inform the Licensee as soon as possible of the emergency situation and of the restrictions that have been instituted at the Bus Facility. County personnel shall comply with any instruction from the authorized WMATA personnel regarding use of the Bus Facility in an emergency situation.

6. **LIABILITY, INDEMNIFICATION, AND INSURANCE.**

a. WMATA shall be relieved from all liability for damages to persons and property resulting from the acts or omissions of the County, its contractor or its subcontractor, employees, invitees, or agents arising out of the use of Bus Facility and/or the Montgomery Bus Division Maintenance Facility under this Agreement.

b. The County certifies by execution of this Agreement that it, its contractor, or invitees have in effect, and that it, its contractor, or its invitees will continue to maintain so long as this agreement is in effect, liability insurance coverage, for claims, demand and suits that occur as a result of the use of the Bus Facility and/or the Montgomery Bus Division Maintenance Facility, as follows:

- (1) Commercial General Liability Insurance: A standard Commercial General Liability Insurance Policy or its equivalent or better issued to and covering the liability for all operations under or in connection with this Agreement and all obligations assumed under this Agreement. The

coverage under such an insurance policy, or policies shall not have less than the following limits: PERSONAL INJURY AND PROPERTY DAMAGE LIABILITY \$1,000,000. COMBINED SINGLE LIMIT EACH OCCURRENCE.

- (2) Automobile Liability Insurance: An insurance policy covering the use of all owned, non-owned, hired, rented or leased vehicles appropriate to the circumstances in which they are being used as required by the Motor Vehicle Laws of Maryland. The coverage under such policy or policies, shall not be less than a COMBINED SINGLE LIMIT FOR BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY OF \$5,000,000 EACH OCCURRENCE.

- (3) WMATA shall be named as an additional named insured under the coverage for Commercial General Liability Insurance and Automobile Liability Insurance. A certificate of insurance shall be provided to WMATA for its approval prior to the use of the bus bay facilities and/or the Montgomery Bus Maintenance facility and WMATA shall be notified of any changes in the Licensee's insurance program including renewals within ten (10) days of said change or renewal.

- c. The County agrees to hold harmless, indemnify and defend WMATA against any and all claims, costs, damages, fines, and legal expenses arising from any occurrence which may hereafter result in injury, damage or death to persons or

damage to property occurring in or about the aforesaid WMATA Bus Facility and/or the Montgomery Bus Maintenance facility caused in whole or in part by the Licensee, its contractor or subcontractor, employees or agents.

- V. **OTHER ACTIVITIES.** The County is prohibited from engaging in any activity on WMATA property which is not specifically provided for in this Agreement.
- VI. **DISABLED/ABANDONED VEHICLES.** WMATA may cause immediate removal of any disabled or abandoned vehicle on or near its property if such removal is necessary for orderly flow of traffic. The owner shall bear the risk of damage to the vehicle, and reasonable value of the cost of such vehicle removal shall be paid by the owner to WMATA within 30 days.
- VII. **PUBLIC SAFETY-POLICE FUNCTION.** The Authority will provide its normal security for the facilities under its control. The Authority does not, by virtue of this Agreement, undertake any responsibility other than that already required by law, if any, to provide police and/or public safety protection to the County, other Licensees, Strathmore Hall, or its patrons and visitors, and/or passengers or vehicles, using WMATA Facilities.
- VIII. **MAINTENANCE AND REPAIR.**
 - A. WMATA, at its sole cost and expense, throughout the term of this Agreement, shall keep and maintain the Premises in good and safe order and condition, including the roofs, all railings and gutters, water, sewer and gas connections on or adjacent to or directly or indirectly servicing the WMATA Facilities, pipes and mains on or adjacent to or directly or indirectly servicing the WMATA Facilities and all other fixtures, machinery and equipment and shall make all repairs thereto, therein and thereon, interior and exterior, necessary to keep the same in good and safe order and condition, howsoever the necessity or desirability

therefor may occur, necessitated by wear and tear or otherwise; provided, however, that if WMATA shall perform the maintenance prescribed in Exhibit C (attached hereto and incorporated herein) in accordance with the terms thereof, WMATA shall be deemed to be in compliance with its maintenance obligations under this Agreement. WMATA shall not be liable to the County, Strathmore Hall or persons claiming by, through or under each of them under this Agreement, for any damage to vehicles or facilities resulting from any failure to maintain.

B. The County shall be solely responsible for the costs of repair and/or replacement of any WMATA Facilities which may be damaged or destroyed by the acts or omissions of the County, Strathmore Hall, or its/their employees, agents, representatives, licensees as defined in paragraph IV.B.3, or invitees. The cost of any willful damage or damage which cannot be attributed to normal wear and tear to the Pedestrian Bridge, however caused, shall be charged to the County. In the event of such damage, WMATA shall itemize the cost, and submit an invoice for the repair to the County, which shall remit payment within 30 days of receipt of the invoice.

C. The County may also, at its sole cost and expense, provide supplemental maintenance services to the elevators at the north end of the parking structure in the event WMATA's maintenance schedule does not permit repair of an elevator within 24 hours. Such maintenance activities by the County shall be coordinated with WMATA's Office of Elevators and Escalators in each instance, and shall be performed only by companies approved in advance by the Office of Elevators and Escalators.

D. The County may secure the bridge between the garage and Strathmore Hall at any time the bridge is not in use for Strathmore Hall activities.

E. Except in the case of emergencies, WMATA shall provide the County 60 days notice in the event planned maintenance or rehabilitation of any facility permitted for use by the County under this agreement will be placed out of service for more than 24 hours.

IX. CLEANING AND CUSTODIAL SERVICES.

A. WMATA, at its sole cost and expense, throughout the term of this Agreement, shall perform all cleaning and custodial services for the WMATA facilities (except the Pedestrian Bridge), generally in the same manner and on the same general schedule as it provides these services at its other similar facilities.

B. The County, at its sole cost and expense, throughout the term of this Agreement, shall perform all cleaning and custodial services for the pedestrian Bridge in its entirety to the point where the Pedestrian Bridge enters the parking garage. The County may also, at its sole cost and expense, provide supplemental custodial and cleaning services in the elevator and elevator lobbies at the north end of the parking structure, such cleaning and custodial activities by the County shall be coordinated with WMATA's Office of Grounds Maintenance and Custodial Services.

X. **NO IMPAIRMENT OF WMATA'S INTERESTS.** Except for Permitted Encumbrances as presented in the Facility Lease, the County shall not create or cause to be created any lien, encumbrance or charge upon this agreement, the WMATA Facilities, or any part of any of them, or WMATA's income derived therefrom and the County shall not suffer any other matter or

thing whereby the estate, right and interest of WMATA in the Premises or any part of any of them might be impaired.

XI. WMATA NOT LIABLE FOR INJURY OR DAMAGE, ETC.

A. No Liability of WMATA for Injury. To the fullest extent permitted by law, WMATA shall not be liable for any injury or damage to any property of the County, Strathmore Hall or any person, or the property of any person who is an employee, agent, representative, licensee as defined in paragraph IV.B.3, or invitee of the County or Strathmore Hall, happening on, in or about the WMATA Facilities and their appurtenances, nor for any injury or damage to any property belonging to them or any other person which may be caused by any fire, breakage or other event, or by the use, misuse or abuse of the WMATA facilities or area adjacent thereto (including, but not limited to, the common and public facilities, elevators, hatches, openings, installations, stairways or hallways, on or within the WMATA Facilities) or which may arise from any other cause whatsoever, unless caused by the gross negligence or an intentional act of WMATA in its capacity as owner or sublessee of the WMATA Facilities or its agents or employees in their capacities as agents or employees.

B. No Liability of WMATA for Utility Failure, Weather, Leaks, Etc. WMATA shall not be liable for any failure of water supply, gas or electric current, nor for any injury or damage to any property or person caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or other storms or disturbances, leakage of gasoline or oil from pipes, appliances, sewer or plumbing works, or from any other place.

XII. INDEMNIFICATION OF WMATA.

- A. **Obligation to Indemnify.** To the fullest extent permitted by law, County shall indemnify and save harmless WMATA against and from all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including without limitation, attorneys' fees and disbursements, which may be imposed upon or asserted against or reasonably incurred by WMATA or its respective agents, employees, officers or commissioners (the "Indemnitees"), unless the same shall have been solely caused by gross negligence or willful acts of such Indemnitees. This indemnity is applicable to any and all matters relating to, resulting from, or the implementation of this Agreement.
- B. **No Third Party Rights.** Except as expressly stated in this paragraph, nothing herein shall imply or provide a greater right on the part of third persons against the County than exists at law and no person who is not a party to this Agreement shall have any rights pursuant to this paragraph.
- C. **Contractor's Indemnification Payment.** In the event any contractor of County shall make an indemnification payment to the County relating to this Agreement, the County agrees to pay over such indemnification payment to WMATA, but only if and to the extent necessary to indemnify WMATA against any liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses with respect to the Agreement which have been imposed upon or asserted against or reasonably incurred by WMATA or its respective agents, employees, officers or commissioners.
- D. **Survival.** The provisions of this Article and all other indemnity provisions elsewhere contained in this agreement shall survive the Expiration Date.

- XIII. **RIGHTS AND OBLIGATIONS.** WMATA understands that the County is entering into this Agreement in order to provide certain benefits for Strathmore Hall. Performance of any obligations of the County by Strathmore Hall will be considered performance by the County hereunder, provided however, that nothing contained in this Agreement shall relieve the County of its responsibilities under this Agreement.
- XIV. **NO ILLEGAL OR HAZARDOUS USE.** County shall not use or occupy, nor permit or suffer the WMATA Facilities or any part thereof to be used or occupied for any unlawful or disreputable business, use or purpose, or for any disreputable, dangerous, noxious or hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the certificate of occupancy or of any Requirements, or which may make void or voidable any insurance then in force on the WMATA Facilities. Upon the discovery of any such unlawful, illegal, disreputable or hazardous use, the County shall immediately take all necessary steps, legal and equitable, to compel the discontinuance of such use.
- XV. **COMPLIANCE WITH ALL LAWS, RULES AND REGULATIONS.** The parties hereto represent that each will comply with all applicable, binding laws, rules and regulations, whether Federal, State or County, relating to the use and occupancy of the land.
- XVI. **NONASSIGNABILITY.** This Agreement shall not be assigned by either party without the prior written approval of the other party.
- XVII. **LIMITATION OF LIABILITY.** No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future commissioner, officer, employee or agent of the County or

WMATA in his or her individual capacity, nor shall any commissioner, officer, employee or agent of the County or WMATA incur any personal liability with respect to any other action pursuant to this Agreement.

XVIII. NOTICE PROCEDURE. Whenever it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect to this agreement, each such notice, demand, request, consent, approval or other communication shall be in writing (a "Notice") and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

- A. If to WMATA by registered or certified mail, postage prepaid, return receipt requested, or hand delivery addressed to Office of Property Development and Management, WMATA at 600 Fifth Street, N.W., Washington, D.C. 20001, with a copy to the Office of the General Counsel or to such other party or address (es) as WMATA may from time to time designate by notice given to County by registered or certified mail as aforesaid.
- B. If to County by registered or certified mail, postage prepaid, return receipt requested, or hand delivery addressed to County at 101 Monroe Street, Rockville, Maryland 20850, Attn.: Chief Administrative Officer with a copy thereof sent to County Attorney or to other such party or address (es) as County may from time to time designate by notice given to the WMATA by registered or certified mail as aforesaid.
- C. Receipt. Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given or served

when received at the recipient's office address as designated in this paragraph XVIII.

XIX. GOVERNING LAW AND FEDERAL TRANSIT ADMINISTRATION APPROVAL.

The laws of the State of Maryland shall govern the validity, interpretation, construction, and performance of this Agreement. The parties acknowledge that WMATA is bound by the WMATA Compact and that prior approval of this Agreement must be obtained from the Federal Transit Administration.

XX. AMENDMENTS. This Agreement shall not be amended, changed or modified except in writing duly executed by the parties hereto.

XXI. SEVERABILITY. If any provision of this Agreement is declared to be invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

XXII. RESOLUTION OF DISPUTES. All claims, disputes and other matters in question among the parties to this Agreement shall be decided in the following manner. If the dispute cannot be resolved informally, the party seeking resolution of the dispute shall provide written notice of the nature of the dispute to the other party and shall include with the written notice supporting data relating to its claim. The dispute shall be decided by a committee composed of a representative of WMATA and a representative of the County, said representatives to be designated by those persons holding the respective offices for which addresses are listed in Paragraph XVIII hereof and a neutral member of such committee shall be selected by such representatives within five days of receipt of the abovementioned written notice. The committee shall meet as soon as possible to determine the claim and shall issue its written decision (which shall be supported by at least two members of the committee) within 30 days of receipt by its members of the written notice. If the committee does not issue its written decision within

the time specified in this Paragraph, or if a neutral third party is not selected, the party seeking relief shall be deemed to have exhausted all administrative remedies, and may seek relief in a court of competent jurisdiction. A party may also appeal the decision of the committee to a court of competent jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.
[SEAL]
ATTEST:

MONTGOMERY COUNTY, MARYLAND

By: _____
Chief Administrative Officer

[SEAL]

WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY

ATTEST:

By: _____
Richard A. White, General Manager

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

Carol B. O'Keeffe
Principal Deputy General Counsel

EXHIBIT A

DESIGNATION OF BUS BAY

The Washington Metropolitan Area Transit Authority (WMATA), under the terms and conditions of the attached executed Use Agreement, hereby grants permission

to: _____ for use of bus bay
at the _____ Metrorail station.

EXHIBIT B

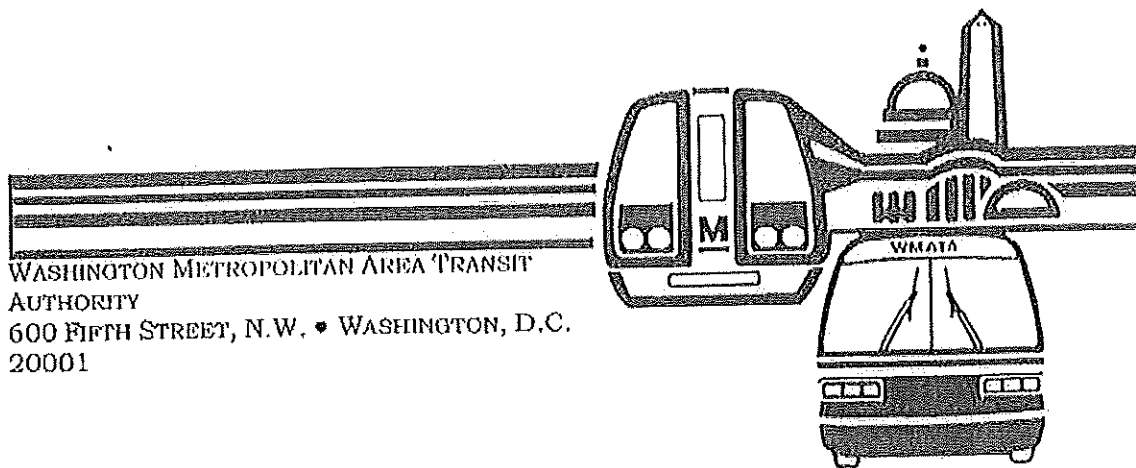
**Procedures and Rules
For the Use of
WMATA Bus Bay Facilities
At Metrorail Stations**

EXHIBIT C

MAINTENANCE

Unless and until such time that the County and WMATA agree that industry standards dictate a different maintenance plan, WMATA shall adhere to the maintenance frequency schedule contained in the most recent edition of the Parking Garage Maintenance Manual published by the National Parking Association, at least with respect to the provisions dealing with elevators, waterproofing, lighting and structural conditions. In addition WMATA shall:

1. Perform an annual washdown of the decks and degreasing where conditions require;
2. Clean oil and grit separators quarterly;
3. Keep stairways, roof decks, sidewalks and other areas of public use free of snow and ice in accordance with WMATA's snow and ice clearing procedures;
4. Generally maintain custodial standards at least equal to other parking garages managed by WMATA.



WASHINGTON METROPOLITAN AREA TRANSIT
AUTHORITY
600 FIFTH STREET, N.W. • WASHINGTON, D.C.
20001

PROCEDURES AND RULES FOR THE USE OF WMATA BUS BAY FACILITIES AT METRORAIL STATIONS

Revised
November 1991



Section A: GENERAL

1. Each licensee granted permission by WMATA to use WMATA bus bay facilities at Metrorail stations accepts and shall comply with these rules and procedures.
2. No licensee, while at WMATA facilities, shall
 - a. gamble or engage in games of chance,
 - b. deface, mark, or destroy WMATA property,
 - c. post, distribute, or display commercial signs, advertisements, or other printed material on WMATA facilities without prior approval from WMATA,
 - d. accept manifest baggage or express for handling,
 - e. enter any storage room or lavatory without prior approval from a WMATA Metrorail Station Manager by showing proper identification.
3. WMATA shall have the right to deny use of its facilities to any licensee whose employees are involved in a labor dispute which would affect the operation of WMATA at its facilities or the operations of others thereat.

Section B: SAFETY

1. No licensee shall bring into or carry into WMATA facilities any firearms or other weapons except as authorized by local, state, or federal law.
2. No licensee shall bring into or carry into WMATA facilities any radioactive materials, explosives, acids, flammables, compressed gases, or articles or materials having or capable of producing strong or offensive odors, or articles or materials likely to endanger persons or property.
3. Each licensee shall provide approved fire protection appliances as required by applicable Codes and National Fire Protection Association Standards.
4. The driver of any vehicle involved in an accident on WMATA



property resulting in injury or death of any person or damage to any property shall immediately stop such vehicle at the scene of the accident, render assistance as needed, and give his name, address, the number of his driver's license, and the registration number of the vehicle to WMATA supervisory personnel, the person injured, and to any Police Officer. The licensee of such vehicle shall make a report of such accident in accordance with the laws of the jurisdiction in which the WMATA facility is located, and shall deliver a copy of said report to the WMATA Office of Safety and Risk Management within three (3) days of the occurrence.

5. No licensee shall operate a vehicle in a careless and negligent manner or at a speed in excess of speed limits posted in the area where the vehicle is being operated, or in any event at a speed in excess of ten (10) miles per hour. All traffic controls, whether posted or given by a WMATA street supervisor, shall be obeyed by the licensee.

Section C: VEHICLES

1. The WMATA street supervisor or any other WMATA supervisory personnel shall have the authority to deny access to the WMATA facilities to any bus or other vehicle not maintained, operated, and registered in accordance with these regulations, or which is otherwise in violation of these procedures and rules or the laws, ordinances, or regulations of the jurisdiction in which the facility is contained; and shall have authority to require removal of any such vehicle from the facility on immediate notice. In the event the vehicle is not so removed, WMATA may remove it under the provisions in Section 8 below.
2. No vehicle will be permitted in or upon WMATA facilities which has a weight or dimensions larger than the maximum herein established for buses or which utilizes any fuel not permitted as a source of motor power for buses, as defined in these Procedures and Rules.
3. No licensee shall fuel, defuel, lubricate, clean, or repair a vehicle or any part thereof at WMATA facilities without permission of the street supervisor or other WMATA supervisory personnel.



4. A vehicle which parks or stands at WMATA facilities for ten (10) or more minutes shall have its motor turned off, unless ambient temperature is 32 degrees Fahrenheit or below or vehicle conditions would require the motor to remain running.
5. Vehicles shall only park or stand in spaces and for time periods designated in the agreement between WMATA and the licensee, except when otherwise directed by the WMATA street supervisor or other WMATA supervisory personnel.
6. No licensee shall leave a vehicle unattended without first having made sure that its motor is turned off and its parking brakes are set.
7. The WMATA street supervisor or other supervisory personnel shall have the authority to require the immediate removal from WMATA facilities or to a different location at the facility, any vehicle which:
 - parks or stands in excess of prescribed limits,
 - blocks the clear flow of traffic through the facility, or
 - is disabled.A disabled vehicle may be removed by the licensee if such action can occur within a reasonable time period.
8. Any vehicle that WMATA removes or moves within its facilities shall be at the risk of the licensee of such vehicle, and the cost thereof shall be billed to the licensee and payable to WMATA in thirty (30) days.

Section D: Definitions

As used herein:

- (a) "Vehicle" shall mean a self-propelled highway vehicle designed and constructed for the carriage of passengers for hire, employing as a source of motive power (either directly or by electrical transmission) a reciprocating or rotary internal-combustion or turbine engine utilizing as fuel gasoline, diesel oil, or any other substance utilized by highway vehicles for fuel, and having overall dimensions not



In excess of the following: length, sixty (60) feet; width, one hundred two (102) inches; height, twelve (12) feet eight (8) inches; and having a maximum gross loaded weight not in excess of forty thousand (40,000) pounds avoirdupois, distributed to provide no more than twenty thousand (20,000) pounds per axle; provided, however, that larger or heavier passenger-carrying vehicles may be operated at WMATA facilities by prior mutual consent of WMATA and the operator. Vehicle shall also include automobiles, vans, and buses.

- (b) "Licensee" shall mean any signatory of a contract with WMATA for use of WMATA facilities, and includes all personnel, employees, contractors, or agents of the licensee.
- (c) "Express" shall mean and include property other than baggage, mail, manifest baggage and newspapers, transported or to be transported by a carrier in accordance with the published tariffs of any carrier.
- (d) "Manifest baggage" shall mean and include property checked through on the line of any carrier (or of a carrier connecting with any carrier) on a ticket or tickets for passenger transportation.
- (e) "Park" shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.
- (f) "Permission" shall mean permission granted by the WMATA street supervisor or other supervisory personnel except where otherwise specifically provided.
- (g) "Stand" shall mean to halt a bus for the purpose of loading or unloading or for waiting in position for loading or unloading.
- (h) "Street Supervisor" shall mean the person or persons designated by WMATA to exercise the powers and functions vested in these Rules and Procedures, and/or an authorized representative or representatives identified by uniform or proper identification cards.



- (i) "WMATA" shall mean Washington Metropolitan Area Transit Authority.
- (j) "WMATA Facilities" or "facilities" shall mean bus bays and adjacent areas located at WMATA Metrorail stations.

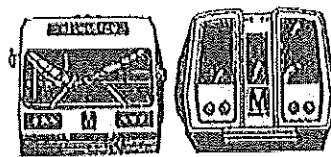


EXHIBIT "C-1"

ENDOWMENT FUND AGREEMENT, AUGUST 1, 1983

[SEE ATTACHED]

RECEIVED

AGREEMENT

OCT 8 1983

BY AND BETWEEN

THE STRATHMORE HALL FOUNDATION, INC.

Spool & Loosing

AND

MONTGOMERY COUNTY, MARYLAND.

This Agreement, entered into this 14th day of August 1983, by and between the Strathmore Hall Foundation, Inc. of Montgomery County, Maryland, a Maryland non-profit corporation (hereinafter referred to as the "Foundation"), and Montgomery County, Maryland, a body politic and corporate (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the County Council and the County Executive recognize the need to "promote and encourage the arts" in Montgomery County; and

WHEREAS, the County purchased the former "Corby Mansion" now known as "Strathmore Hall" and its 11-acre site for the purpose of creating a Center for promoting the performing, visual and literary arts and ancillary civic and social functions and activities; and

WHEREAS, the Strathmore Hall Foundation was incorporated, with the consent of the County Executive and the County Council, for the express purpose of developing and operating the Strathmore Hall Arts Center; and

WHEREAS, the County has agreed to assist the Foundation in establishing an Endowment Fund to be used for the operating expenses of the Strathmore Hall Arts Center; and

WHEREAS, the County has agreed to match funds raised by the Foundation for the Endowment Fund up to Five Hundred Thousand Dollars, on the basis of not less than One Hundred Thousand Dollars annually, assuming such money is appropriated annually by the County Council and that County funds are available; and

WHEREAS, the County has also entered into a Lease Agreement with the Foundation to lease Strathmore Hall to the Foundation for the purposes of developing and operating it as an Arts Center; and

WHEREAS, the parties hereto recognize that the Strathmore Hall Arts Center is an important and complex venture requiring multiple commitments on their part and on the part of other organizations and individuals in both the public and private sectors; and

WHEREAS, the parties hereto are willing to enter into a long term cooperative arrangement in order to promote their mutual interest in the operation and development of the Strathmore Hall Arts Center; and

WHEREAS, the Chief Administrative Officer or his designee is the duly authorized signatory of this Agreement and is responsible for all contractual changes and modifications;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants hereinafter recited, the County and the Foundation mutually agree as follows:

ARTICLE I

Scope of Services

The Foundation shall:

(a) foster and support the development of the Strathmore Hall Arts Center and the effective use of its facilities as a multi-disciplinary center for promoting and encouraging participation in and appreciation of the performing, literary and visual arts;

(b) improve and maintain the existing facility as an accessible arts center to sharpen the focus of community involvement; facilitate activities and enhance interests in the arts by young and old, amateur and professional, artist and audience; make its rooms suitable and available for display of works of art while simultaneously providing attractive sites for intimate concerts, lectures, meetings, exhibitions, workshops, demonstrations, receptions and other events and activities consistent with the purpose of the Center and the suitability of the facility; encourage or sponsor or underwrite such activities; provide an insurance program to protect the real and personal property of the Arts Center and protect the Foundation from liability arising from its activities; provide service facilities for cooperative use by community arts organizations;

(c) promote and expedite, or itself undertake, the planning, design, financing and construction of other buildings, structures and facilities on the site, or properties of the Strathmore Hall Arts Center necessary or desirable for carrying out the full range of activities in the performing, literary and visual arts to which the Center is dedicated; encourage or itself sponsor or underwrite performances, programs, exhibitions and other activities on the site, properties or under the aegis of the Strathmore Hall Arts Center;

(d) establish an Endowment Fund, totalling at least One Million Dollars (\$1,000,000), to be administered by its Board of Directors, the rents, incomes, dividends, interests, and profits from which shall be used for the operating expenses of the Strathmore Hall Arts Center. Other sources of operating funds may include, but shall not be limited to, private sector gifts, activities admissions, facility rental fees and program grants.

ARTICLE II

Term

The term of this Agreement shall commence upon execution of the Agreement by the County and shall be coterminous with the lease Agreement between the County and the Foundation respecting the Strathmore Hall site.

Any termination of the Lease Agreement dated August 1, 1983, between the County and the Foundation shall result in the automatic termination of this Agreement.

ARTICLE III

Financial Assistance

The Foundation shall seek funds for the Endowment Fund, from any source permitted by its Charter, for a total of at least \$500,000. The County hereby agrees to match, dollar for dollar, on a semi-annual basis, any and all funds allocated by the Foundation to the Endowment Fund in an amount cumulatively not to exceed \$500,000 subject to its appropriation by the County Council.

The County's contribution of \$500,000 shall be made available on the basis of \$100,000 per year, subject to the availability of County funds for this purpose and to the County Council actually appropriating such funds for this purpose. The sum of \$100,000 has been appropriated by the County Council for FY83 and is available for this purpose upon receipt of proof from the Foundation that they have established an Endowment Fund and allocated money to it.

In the event that the Foundation raises, for the Endowment Fund, in any year more than the amount appropriated for that year then the County Executive may request a supplemental appropriation, subject to the availability of County funds, and approval by the County Council of the appropriation, so that the County would be able to match the Foundation's allocation to the Endowment Fund.

After the Foundation has received the \$500,000 in matching funds from the County, the Foundation shall be responsible, except as otherwise provided herein or in the Lease Agreement, or as may be hereafter agreed, for generating all further operating and capital funds for the Strathmore Hall Arts Center.

The investing and management of the Endowment Fund shall be with the County's investment program and money management services. However, the Foundation may invest and manage the Endowment Fund by another method, so long as the County has an approval authority in how the Endowment Fund is invested and managed to the extent of the County's contribution to the Endowment Fund.

In the event of the dissolution of the Foundation or any violation of the terms of this Agreement, the amount contributed by the County to the Endowment Fund shall revert to the County except as otherwise provided, with respect to new construction, in the Lease Agreement. The Foundation agrees that, to the extent allowable by law, it shall first pay the County the amount it has contributed to the Endowment Fund before its other debts.

Nothing in the Agreement shall preclude, restrict or inhibit the establishment of any other Endowment or Investment Fund or Funds by the Foundation for any purpose or for any period of time, nor the disposition of the income derived from such other Fund or Funds.

Nothing in this Agreement shall preclude, restrict or inhibit the County from providing the Foundation such other financial or in-kind assistance or services as may, from time to time, be mutually considered by the parties hereto to be necessary or appropriate.

ARTICLE IV

Audit and Inspection

The Foundation agrees that the County may have access to its books and records relating to costs hereunder for purposes of audit and inspection at all reasonable times during the term of the Agreement and for a period of three (3) years thereafter.

ARTICLE V

Insurance

The Foundation shall procure fidelity insurance in an appropriate amount, to secure the County in the faithful performance by officers and employees of the Foundation of their fiduciary duties with respect to all monies contributed by the County pursuant to this Agreement.

ARTICLE VI

Disputes

Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by accord of the parties to this Agreement shall be decided by the CAO or his designee, who shall notify the Foundation in writing of his determination. The Foundation shall be afforded an opportunity to be heard and present evidence in support of its claim. Pending final decision of the dispute, the Foundation shall proceed diligently with the performance of the Agreement. The decision of the Chief Administrative Officer or his designee shall be final and conclusive. This Agreement shall be governed by the laws of the

State of Maryland, and nothing hereunder shall be interpreted to preclude the parties from seeking after completion or termination of the Agreement, any and all remedies provided by law.

ARTICLE VII

Nondiscrimination in Employment

The Foundation agrees to comply with the nondiscrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19, Montgomery County Code, 1972, As amended; Executive Regulation No. 9-75, dated April 3, 1975; Section 604 of the Rehabilitation Act of 1973, as amended; Health Education and Welfare Regulations (45 C.F.R. Part 84), June 3, 1977; and Executive Order No. 11246, as amended; which is incorporated herein and made a part hereof. The payment of liquidated damages referred to in subparagraph (e) of Executive Regulation 9-75 shall be in the sum of Fifty Dollars (\$50). Compliance with State or Federal nondiscrimination provisions shall be deemed by the County to be substantial compliance hereunder.

The Foundation will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, marital status, age or handicap. The Foundation will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, marital status, age or handicap. Such action shall include but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Foundation agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Foundation setting forth the provision of this Equal Opportunity clause.

The Foundation will, in all solicitations or advertisements for employees placed by or on behalf of the Foundation, state that all qualified applicants will receive

consideration for employment without regard to race, color, religion, sex, national origin, marital status, age or handicap.

In the event of the Foundation's noncompliance with the Equal Opportunity clause of this Agreement or with any of the said rules, regulations, or orders, the Agreement may be cancelled, terminated, or suspended, in whole or in part.

ARTICLE VIII

Independent Contractor

The Foundation shall perform this Agreement as an independent contractor and shall not be considered an agent of the County, nor shall any of the employees or agents of the Foundation be considered subagents of the County.

ARTICLE IX

Licenses and Responsibilities

The Foundation shall, without additional expense to the County, be responsible for obtaining any necessary licenses, and for complying with any applicable Federal, State, and municipal laws, codes, and regulations in connection with the performance of services specified herein. It shall be responsible for all damages to persons or property that occur or is a result of his fault or negligence. It shall take proper safety and health precautions to protect the County, the public, and the property of others, including the securing of liability insurance policies as set out in Article V above and in the Lease Agreement. The Foundation shall also be responsible for all services performed until completion of the Agreement.

ARTICLE X

Prohibited Activities

The Foundation shall not provide compensation or anything of value to any officer or employee of the County.

The Foundation hereby represents that it has not retained anyone to solicit or secure the contract from the County upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business or an

attorney rendering professional legal services consistent with applicable canons of ethics.

ARTICLE XI

County Saved Harmless

It is understood that in the performance of this Agreement, the Foundation assumes any and all responsibility and liability for losses, expenses, damages, demands and claims in connection with or rising out of any personal injury or damages or alleged damage to property sustained or alleged to have been sustained in connection with performance by the Foundation, its agents, servants, and employees under this Agreement.

ARTICLE XII

Assignment and Subcontracting

Neither this contract nor any interest therein nor claim thereunder shall be assigned or transferred by the Foundation except as expressly authorized in writing by the County CAO.

ARTICLE XIII

Termination for Convenience of the Government

The performance of work or services under this Contract may be terminated, in whole or in part, whenever the County CAO, after consultation with the Foundation, shall determine that termination of this Contract is in the best interest of the County. In such event, the County shall be liable only for payment in accordance with the payment provisions of this Agreement for work or services performed or furnished or expenses incurred by the Foundation prior to the effective date of termination. Termination hereunder shall be effected by delivery to the Foundation of a written Notice of Termination.

ARTICLE XIV

NOTICE

Pursuant to the requirement of Montgomery County Code 1972, Chapter 118, Notice is hereby given as follows:

1. Any public employee who has or obtains any benefit from any contract with any person transacting business with the County in which the public employee has an interest, financial or otherwise, must report such benefit to the Ethics Commission. In

the event that such public employee knows or should have knowledge of such benefit and fails to report such benefit to the Ethics Commission, he or she shall be in violation of the ethical standards of this Article. However, this provision shall not apply to a contract with a business entity where the employee's interest in the business has been placed in an independently managed trust.

2. It is unlawful for any person to offer, give or agree to give to any public or former public employee or for any public or former employee to solicit, demand, accept or agree to accept from another person gifts for or because of:

(a) an official public action taken, or to be taken, or which could be taken;

(b) a legal duty performed or to be performed, or which could be performed; or

(c) a legal duty violated or to be violated, or which could be violated by such public or former public employee. It is unlawful for any payment, gift, or benefit to be made by or on behalf of a subcontractor or higher tier of subcontractor or any person associated therewith as a inducement for the award of a subcontract or order.

3. Unless authorized under Section 11B-46 or 11B-54, it is unlawful for any person transacting business with the County to employ a public employee for employment contemporaneous with his or her public employment.

ARTICLE XV

Entire Agreement

This Agreement constitutes the entire contract between the parties and there are no other collateral contracts or agreements of any kind between the parties; except the lease Agreement identified hereinabove.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

ATTEST:

Robert K. Kendal

MONTGOMERY COUNTY, MARYLAND

John P. Berto
Chief Administrative Officer

ATTEST:

George L. Payne

STRATHMORE HALL FOUNDATION,
INC.

George L. Payne

I hereby certify that the above named corporate official is a duly authorized signatory for this Contract on behalf of said corporation.

George L. Payne
Secretary

Approved as to form and legality
Office of the County Attorney

Clyde H. Sorrell
Clyde H. Sorrell
Assistant County Attorney

Date

7/29/87

EXHIBIT "C-2"

ENDOWMENT FUND AGREEMENT MODIFICATION LETTER

AUGUST 3, 1990

[SEE ATTACHED]

[Handwritten signature]

STRATHMORE HALL ARTS CENTER

August 3, 1990

Mr. Robert K. Kendal, Director OMB
Montgomery County Government
101 Monroe Street
Rockville, Maryland 20850

RE: Strathmore Endowment Fund

Dear Mr. Kendal,

This communication confirms my understanding of both the "spirit" and "letter" of the relationship between the County and Strathmore Hall Foundation, Inc. regarding investment in, and use of, the Strathmore Hall Endowment Fund, as managed and invested within the County General Investment Fund according to the terms of our common Letter of Agreement, dated August 1, 1983.

1) Strathmore Hall may spend Interest from the fund on the operating expenses for Strathmore Hall Arts Center. (Art. I Sec [d])

2) Strathmore Hall may seek funds from any source permitted by its Charter for contributions to the Endowment Fund. (Art. III #1)

3) The stated goal of the Endowment Fund is to obtain One Million Dollars in Principal -- \$500,000 to be deposited by the County and \$500,000 from contributions by the Strathmore Hall Foundation, Inc. (Art. III #1)

4) Foundation contributions shall, by tradition be \$50,000 per year, but by Agreement not exceed \$100,000 per year unless the County formally appropriates a matching sum. (Art. III, #2 and #3)

5) Strathmore Hall and the County will seek to maintain the highest possible level of cash in the Fund during the fiscal year in order to maximize interest revenue. To this end, both Fund deposits and withdrawals should, when possible, be made at the turn of the fiscal year.

Please note that under these terms, Strathmore Hall withdrew \$50,000 from accrued Interest, not from Principal, for standard operating expenses on June 13th, 1990.

Sincerely,

[Handwritten signature of Eliot Planstiel]
Eliot Planstiel
Executive Director

EPF:bma

STRATHMORE HALL FOUNDATION, INC., 10701 ROCKVILLE PIKE, ROCKVILLE, MARYLAND 20852, 301/5800540

06/11/04 FRI 14:10 [TX/RX NO 7615]

EXHIBIT "C-3"

FIRST AMENDMENT TO ENDOWMENT AGREEMENT,

OCTOBER 1, 2004

[SEE ATTACHED]

FIRST AMENDMENT
OF
AGREEMENT
BY AND BETWEEN
THE STRATHMORE HALL FOUNDATION, INC.
AND
MONTGOMERY COUNTY, MARYLAND

This First Amendment of Agreement, entered into this 1st day of October, 2004, by and between the Strathmore Hall Foundation, Inc. of Montgomery County, Maryland, a Maryland non-profit corporation (hereinafter referred to as the "Foundation"), and Montgomery County, Maryland, a body politic and corporate (hereinafter referred to as the "County").

WITNESSTH:

WHEREAS, the parties entered into an Agreement dated August 1, 1983 to establish an Endowment Fund; and

WHEREAS, the Foundation modified that Agreement by that certain letter dated August 3, 1990 from Eliot Pfanstiehl of the Foundation to Robert K. Kendal, Director of OMB of the County, the Agreement and letter, being collectively the "Current Agreement"; and

WHEREAS, the Current Agreement will automatically terminate in the event the Lease Agreement between the parties dated August 13, 1983 is terminated; and

WHEREAS, the County and the Foundation do not wish the Current Agreement to terminate;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants hereinafter recited, the County and the Foundation mutually agree as follows:

1. Article II Term of the Current Agreement is hereby deleted in its entirety and the following new Article II is substituted therefor:

"The term of this Agreement commenced on the 1st day of August, 1983 and shall be conterminous with the Lease Agreement dated August 1, 1983 or any successor lease agreements; so long as possession of the Strathmore Hall site by the Foundation is continuous under such lease agreements between the County and the Foundation. Any termination of the aforesaid Lease Agreement or subsequent lease agreements between the County and the Foundation in which the possession of the Strathmore Hall site by the Foundation shall not be continuous shall result in the automatic termination of this Agreement."

2. All other provisions of the Current Agreement not modified by this First Amendment shall continue in full force and effect.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

COUNTY:

WITNESS:

MONTGOMERY COUNTY, MARYLAND

J. Anne Pope

By: D. M. Duncan (Seal)
Douglas M. Duncan
County Executive

FOUNDATION:

ATTEST:

STATHMORE HALL FOUNDATION, INC.

John Sauer-Hindley, Secretary

By: Eliot Plänsch (Seal)
Eliot Plänsch
President

Approved as to form and legality
Office of the COUNTY Attorney

By: Gileen T. Gasman

October 1, 2004
Date

EXHIBIT "D"
SINKING FUND

[SECTION 8.D.]

Division	Item	Current Cost (2003)	5 years	7 years	10 years	14 years	15 years
11062	Performance Draperies	\$46,753.00					\$32,000.00
11066	Adjustable Acoustics	\$50,000.00			\$15,000.00		
	Adjustable Acoustic in Attic	\$25,000.00			\$7,500.00		
11069	Performance Equipment Controls	\$65,000.00			\$28,000.00		
11061	Portable Dance Floors	\$17,125.00					\$8,000.00
11064	Performance Rigging	\$67,000.00	\$5,750.00		\$12,000.00		\$15,000.00
11130	Audio/Video Equipment	\$802,115.00	\$30,000.00		\$35,000.00		\$40,000.00
11063	Orchestra Risers	\$460,000.00			\$681,000.00		
11964	Performance Lighting Instruments & Accessories	\$42,575.00	\$18,000.00		\$21,000.00		\$24,000.00
12491	Horizontal Louver Blinds	\$9,500.00					\$17,500.00
12494	Roller Motorized Blinds	\$20,785.00			\$11,500.00		
12670	Choral Bench Seating	\$140,000.00					\$24,000.00
12715	Loose Audience Seating	\$116,442.00			\$7,500.00		\$9,900.00
16000	Landscape Lighting Fixtures	\$15,080.00					\$13,500.00
17100	Exterior CCTV Security	\$29,100.00	\$7,500.00		\$15,000.00		\$9,000.00
	Furnishings - Offices, Stage, Lobby & Education	\$617,550.00			\$65,000.00		\$240,000.00
	Telephone Sys.	\$400,000.00			\$280,000.00		\$18,000.00
	Computers	\$184,500.00	\$75,000.00		\$90,000.00		\$63,800.00
	Pianos	\$450,000.00					\$614,700.00
	STRAITHMORE TOTAL	\$3,558,445.00	\$136,250.00	\$-0	\$1,253,500.00	\$-0	

Footnote: \$2,004,450.00 divided by 15 years equals \$133,630.00

EXHIBIT "E"

MAINTENANCE RESPONSIBILITIES

[SECTION 9]

<u>ITEM/SYSTEM</u>	<u>MAINTAINED BY</u>
<u>Facility Maintenance</u>	
Facility Structural	County
Facility Exterior Surfaces and Finishes	County
Facility Interior Surfaces and Finishes	County
Facility Interior and Exterior Glazing and Systems	County
Facility Roofing Systems	County
Facility Sidewalk, Driveway and Parking Lots	County
Facility Mechanical Systems	
Refrigeration, Heating, & Air Handlers Systems	County
ATC, Energy Mgmt/Building Automation	County
Pumps, Controllers, and Water Treatment	
Facility Electrical Systems	
Feeders, Cabling, Distribution Systems	County
Switchgear, Transformers, Panel boards,	County
Motor Controls, Switches, Disconnects	County
Wiring, Receptacles and Wired Devices	County
Facility Emergency Generator and Power System	County
Facility Elevators & Dumbwaiters	
Facility Lighting Fixtures-Ext. & Int. Gen.	
Illumination	County
Facility Performance Lighting Fixtures	Strathmore
Facility Plumbing, Pumps, Tanks and Fixtures	
	County
Facility Fire Protection / Life Safety Systems	
Sprinklers and Fire Pump Systems	County
Building Fire Alarm System	County
Fire Extinguishers - Portable Wall Mounted	County
Fire Extinguisher System - Kitchen Areas	Strathmore
<u>Security</u>	
Facility Security - Intrusion and Card Reader System	County
Facility Security - CCTV /Recording System (Interior)	Strathmore
Facility Security - CCTV/Recording System (Exterior)	County
Facility Security - On Site Guards and Personnel	Strathmore
Facility Security - 24 Hour Monitoring Station Services	County
Facility Security - Telecommunications Link for Monitoring Services	Strathmore
Facility Housekeeping - Concert Hall, Education Bldg., Metro Walkway	
	County

<u>Item/System</u>	<u>Maintained by</u>
<u>Miscellaneous</u>	
Facility Education & Admin Electric Window Shades	Strathmore
Facility Manual Window Treatments (blinds)	Strathmore
Concert Hall Stage Platform Lift	County
Concert Hall Adjustable Acoustic Systems	Strathmore
Concert Hall Show Portable Rigging Systems	Strathmore
Concert Hall Orchestra Risers	Strathmore
Concert Hall Chorus Risers	Strathmore
Concert Hall Chorus Risers Benches	Strathmore
Concert Hall Installed Theater Seating	County
Concert Hall Free Standing Box Seat Chairs	County
Concert Hall Sound Systems	Strathmore
Concert Hall Lighting Dimmer System	Strathmore
Concert Hall Stage Portable Furnishings	Strathmore
Admin Office Furnishings	Strathmore
Education Spaces Furnishings	Strathmore
Facility Wide CC Master Antenna System	Strathmore
Facility Wide Show Video Monitoring System	Strathmore
Facility Wide Telephone and Voice Messaging Syst.	Strathmore
Facility Wide Computer, Data and Network Systems	Strathmore
Facility audio/visual equipment	Strathmore
<u>Grounds Maintenance</u>	
Grass Cutting	County
Tree Maintenance	County
Landscaping Plants	County/Strathmore
Landscaping Services - Mulching, Pruning, Weeding	County
Snow Removal	County
Facility Utilities:	
Electric, Gas, Water, Sewer	County
Telephone	Strathmore

03/29/04WAN/AR

EXHIBIT "F"

FIXTURES AND EQUIPMENT

[Section 10]

STRATHMORE HALL FOUNDATION, INC.
The Music Center at Strathmore

Furniture, Fixtures & Equipment Installed

A-V Systems (sound systems and lobby video monitors)
Data / Voice Structured Cabling System
Entrance Sign / Marquee
Landscaping (seeding, sodding, plants, trees, lighting, etc.
installed)
Adjustable Acoustic System (banners, drapes and hardware)
Donor Signage
Exterior Building Signage
Acoustic Panels in Music, Rehearsal, and Dressing Rooms
Exterior Site Furnishings (benches, litter and ash receptacles, etc.)
Motorized Shades and Mini Horizontal Blinds for Windows
Wall Visual Display Boards (White Dry Marker Boards)
Fire Extinguisher Cabinets
Access Flooring in Concert Hall Sound/Lighting Booths
Lockers in Performer's Changing, Staff and Usher Rooms

Furniture, Fixtures & Equipment Not Installed

Pianos and Musical Instruments
Orchestra Risers
Telephone System - Building Wide
Office Furnishing
Concert Hall Loose Box Seating Chairs
Computer Systems - Admin, Partner Organizations, Box Office
Café and Reception Lounge Furniture / Furnishings
Choral Bench Seating
Building Equipment (Ladders, Personal Lifts, Copiers, Faxes)
Education Wing Furniture / Furnishings

Concert Hall Dressing & Warm-Up Room Furniture / Furnishings
Chain Motor Rigging System
Concert Hall Lobby and Coat Room Furniture / Furnishings
Exterior Security Camera System
Performance Lighting Equipment and Dimmer Modules
Glass Accents on Concert Hall Lighting Fixtures
Additional Attic Stock Inventories of Finishes and Materials
Spare Parts for Theatre Equipment and Systems
Fire Extinguishers

CORRECT AS OF MAY 1, 2004

EXHIBIT "G"

DEFRAYMENT PAYMENT SCHEDULE

[SEE ATTACHED]

Resolution No.: 15-507
Introduced: February 10, 2004
Adopted: February 10, 2004

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Partial defrayment of maintenance and utilities costs by Strathmore Hall Foundation

Background

1. In 1979, the County acquired the Strathmore Mansion and its 11 acre site at 10701 Rockville Pike in North Bethesda. In 1981, a new not-for-profit organization, the Strathmore Hall Foundation, Inc., was established to operate the Mansion and grounds as a multi-disciplinary arts center. Since that time, the Strathmore Hall Foundation has managed the programming and day-to-day operations of Strathmore Hall.
2. Since the Strathmore Hall Foundation was created, the County and the Foundation have agreed by contract that the County is responsible for certain utilities, maintenance, custodial, and major mechanical expenses. The Foundation must pay for all other programming, staff, and facility costs.
3. The Strathmore Hall Foundation funds its budget primarily from earned income from ticket sales, facility rentals, and other types of sales, and from contributions from individuals, businesses, and foundations. In addition, in recent years the Foundation has received an annual grant from the Arts and Humanities Council of Montgomery County.
4. Throughout its 23-year history, the Strathmore Hall Foundation has managed its programming and business responsibilities effectively, held successful fundraising campaigns to support ongoing operations and special projects, and provided enjoyable programming for the County's increasingly diverse population. Demonstrating an ongoing commitment to community service, the Foundation has offered many events free of charge.
4. In 2000, the County Council approved the construction of a 180,000 square foot, 2,000-seat concert hall and education center on the Strathmore site using a combination of State and County funds. The new facility is under construction. It is anticipated that the project will be completed in September 2004 and will be opened in early 2005.

Exhibit G

5. As with the Mansion and grounds, the County will own the new facility and will contract with the Strathmore Hall Foundation to manage its programs and day-to-day operations. For the new facility the County will provide the same maintenance and utilities as it currently provides for the Mansion and grounds.
6. The Strathmore Hall Foundation intends to raise \$8 million to cover the costs of expanding its operations, purchasing furniture and equipment, and providing other services such as a Community Grant Fund to subsidize smaller community organizations that otherwise could not rent the new facility. In addition, the Foundation is conducting a separate campaign to raise a sizable endowment.
7. The Strathmore Hall Foundation also intends to agree to pay the County \$3.6 million from FY05-14 to partially defray the cost of the Arts Center's maintenance and utilities. This multi-year payment will enable the County to redirect taxpayer dollars to other essential County services.
8. The Council understands that the Executive intends to include a requirement for this payment in the County's contract with the Strathmore Hall Foundation.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

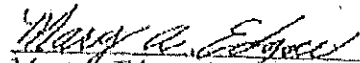
1. The Council confirms its understanding that:
 - (a) The Strathmore Hall Foundation intends to agree to pay the County \$3.6 million from FY05-14 on the payment schedule shown below to partially defray the cost of the Arts Center's maintenance and utilities during this time period.

Fiscal Year	\$
05	0
06	50,000
07	150,000
08	250,000
09	400,000
10	500,000
11	550,000
12	550,000
13	550,000
14	600,000
10 year total	3,600,000

- (b) The Executive intends to include a requirement for this payment in the County's management contract with the Strathmore Hall Foundation.

2. The Council recognizes the Strathmore Hall Foundation's leadership in promoting quality arts and humanities programs in Montgomery County. The Council expresses its appreciation for the Foundation's commitment to community service and its willingness to accept additional fundraising responsibilities to enable the County to devote more resources to other essential County services over the next 10 years.

This is a correct copy of Council action.



Mary A. Edgar, CMC
Clerk of the Council