

LICENSE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
ACADEMY CHILD DEVELOPMENT CENTER, INC.

DATE: 6/23/03

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (hereinafter referred to as "License"), made this ²³ day of June, 2003, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (the "County") and ACADEMY CHILD DEVELOPMENT CENTER, INC. (the "Licensee"). (County and Provider together being the "PARTIES").

WITNESSETH:

WHEREAS, the County government is the owner of fee simple title in the building known as 14327 Stonebridge View Drive, Gaithersburg in Montgomery County, Maryland; and

WHEREAS, the County government solicited requests for proposals from organizations interested in providing child care in 14327 Stonebridge View Drive, Gaithersburg, Maryland; and

WHEREAS, a Tenant Selection Committee reviewed applications and choose the Academy Child Development Center, Inc. to provide a child care program appropriate to the needs of the community; and

WHEREAS, the purpose of the Policy on Use of County Buildings for Child Care is:

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

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

1. PREMISES: County does hereby grant Licensee the privilege, license and right to use approximately 2,190 licensable square feet in the premises known as 14327 Stonebridge View Drive, Gaithersburg., Maryland 20878, the "Licensed Premises" as outlined in red on **EXHIBIT A**, for the exclusive purpose of providing the child care services described in the Provider's Child Care Proposal attached as **Exhibit B** and incorporated as if fully set forth, ("the "Provider's Child Care Proposal")

2. TERM: The term hereby created shall be for two (2) years, commencing on May 1, 2003 and expiring April 30, 2005. It is agreed between the Parties that this License may be terminated at any time during the License term or any extension of the Licensed term by the County giving, thirty (30) days written notice of the termination, unless the Licensee is removed as Child Care Provider as allowed under the terms and conditions of this Agreement. In the event the License is terminated for any reason the County is under no obligation to provide alternative space for Licensee and is not responsible for any moving costs or any expenses incurred

3. RENEWAL OPTION: Licensee may at its option renew this License for two (2) additional and consecutive two (2) year terms, provided Licensee has not been in default under the terms hereof during the initial License term, and that Licensee shall have given County written notice of its intention to do so one hundred twenty (120) days prior to the expiration date of this License. In the event that this option is exercised, then all terms and conditions of this License shall apply for such renewal period.

4. LICENSE FEE:

(A). Beginning with the License commencement date, Licensee shall pay to the County as a license fee \$7.28 per licensable square foot per month, FIFTEEN THOUSAND, NINE HUNDRED, THIRTY-SIX and 00/100 DOLLARS (\$15,936.00) annually, ONE THOUSAND, THREE HUNDRED TWENTY-EIGHT and 60/100 DOLLARS (\$1,328.60) monthly. All payments are to be made in

advance on the first day of each month, and shall be payable to Montgomery County Government, Leasing Management, P. O. Box 62077, Baltimore, Maryland 21264-2077.

(B) Commencing with July 1, 2003 and the 1st of July thereafter during the License term, and any renewal period, the County will establish the license fee rate to be paid by Licensee for the next year, by determining the average per square foot operating cost for all Child Care facilities operated and maintained by the County Government. For purposes of this License operating costs shall include, but not be limited to, the following:

1. Utilities
2. Janitorial
3. Maintenance (major and minor)
4. Pest Control
5. Snow Removal
6. Grounds Maintenance
7. Fire Extinguishers
8. Trash Removal, recycling
9. Renovations as required to meet State licensing regulations
10. Security in the form of locking the facility.

(C) In addition to the License Fee payable under Paragraph 4 (B), commencing with the second year and every year thereafter of the License term and any renewal period, Licensee shall pay to County the cost of debt service incurred by County as a result of improvements and renovations to Child Care Facilities operated and maintained by the County government as additional Licensee Fees. The cost of debt service shall be determined annually by (1) adding all CIP costs for all County-owned and County-maintained Child Care Facilities; (2) multiplying the total cost by the average effective annual repayment rate for twenty year bonds; and (3)

dividing that result by the total square footage allocated to Child Care.

- (D) Pursuant to the Procedure for Implementing the Revised Policy for Waivers of Capital Cost Fee, attached hereto and made a part hereof, as **Exhibit C**, a waiver on the repayment of debt service, as stated hereinabove in Paragraph 4(c) shall be granted by County to Licensee provided that thirty (30%) percent or more of families served by Licensee are eligible for or enrolled in State or County Child Care.

- (E) Should Licensee fail to submit monthly License Fee payment in the above described manner, and should said failure continue for more than ten (10) calendar days after the first day of the month for which such License Fee payment is due and payable, Licensee shall pay to County, in addition to and as a part of the license fee payment in question, a late penalty of five percent (5%) of said monthly Licensee Fee payment. Should Licensee's failure to pay continue for more than twenty (20) calendar days after a monthly payment becomes due and payable Licensee shall pay to the County, in addition to and as a part of the License Fee payment in question, a late penalty of fifteen percent (15%) of said monthly License Fee payment. Should Licensee's failure to pay continue for more than thirty (30) calendar days after a monthly payment becomes due and payable, the County shall have the right to terminate this Agreement, recover possession of the premises and pursue any other legal remedies available to the County under the laws of the State of Maryland.

5. USE OF THE PREMISES:

- (A) The premises shall be used only for the provision of child day care services and those activities related to these services.

- (B) Licensee understands and agrees to rules and regulations concerning the operation of the Child Care Center, which may, from time to time, be issued by the Montgomery County Government.
- (C) Licensee agrees to provide child care services as set forth in the written proposal and presentation to the Tenant Selection Committee.

6. USE OF OUTDOOR PLAYGROUND AREAS: Licensee shall have access to the outdoor playground areas adjacent to the premises when used by Licensee in connection with its program and during its normal hours of operation. Repair, maintenance and replacement of playground equipment will be the responsibility of the party that provided it as shown on the attached **Exhibit D**.

7. ENROLLMENT: Licensee acknowledges and agrees that the Licensee will limit its enrollment to a maximum of 60 children, including 6 infants.

8. PRIORITY PLACEMENT: Licensee understands and agrees that children of Montgomery County Government employees shall have priority placement.

9. SPECIAL CONDITIONS: In addition to establishing priority placement for children of Montgomery County Government employees, the Licensee agrees to:

- (A) Comply with the Americans with Disabilities Act and all Federal, State and County laws regarding providing access and services to disabled children;
- (B) Share enrollment data with the Montgomery County Government;
- (C) Accept children whose parents participate in State/County subsidy programs;
- (D) Maintain licensing reports for inspection and evaluation for parental review.
- (E) Maintain compliance with all licensing requirements including State Child Care licensing requirements.
- (F) The program will obtain and maintain accreditation by the National Association for the Education of Young Children (NAEYC) or by another nationally recognized accreditation system.

10. CAPITAL IMPROVEMENTS AND ALTERATIONS: Licensee shall not undertake any alterations, changes, improvements, or additions to the premises without the prior written consent of the County. In order to secure County's approval of any alterations, changes, improvements, or additions, Licensee shall submit to County plans and specifications clearly setting forth the work to be performed. County shall respond in writing within 45 days from receipt of plans and specifications which are to comply with all applicable codes and regulations. County shall inspect the premises upon completion of the work to determine adherence to submitted plans and specifications. In the event that the completed work is not reasonably satisfactory to the County, Licensee shall undertake any necessary corrections, at Licensee's risk and expense. Once the consent of the County has been obtained, Licensee shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect.

Failure to adhere to any applicable ordinances or regulations shall be deemed to be a violation of this agreement. The cost of any such alterations or improvements shall be borne solely by Licensee.

11. SERVICES:

- (A) Licensee, at its risk and expense, shall be responsible for the provision of telephone services to the Licensed Premises, as deemed necessary by Licensee.
- (B) The County shall be responsible for the provision to the Licensed Premises of regular janitorial services on County workdays as specified in 4 (B) herein, refuse removal, recycling, and pest control. Any janitorial services beyond regular County services will be the responsibility of the Licensee.
- (C) The County shall provide fire extinguishers as the law requires.
- (D) The County shall be responsible for the payment of utilities necessary for the operation of the building of which the Licensed Premises are a part.

- (E) The County shall be responsible for maintenance of the grounds immediately adjacent to the building, of which the Licensed Premises are a part.
- (F) The County shall be responsible for snow and ice removal or treatment of walkways and the parking areas, as it becomes necessary.
- (G) The County shall be responsible for all renovations required to meet State licensing regulations.
- (H) The County shall be responsible for major structural repairs, and maintenance and repair of the building's mechanical systems.
- (I) The County and Licensee agree that the County's maintenance responsibilities, as outlined in items (B), (C), (D), (E), (F), and (G) and (H) hereinabove will be performed by the County, at the County's expense.

12. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the building is delivered to Licensee, shall remain with the building and shall be delivered to Licensee along with the building. Plumbing, electrical and heating fixtures and all other fixtures, except trade fixtures, installed by the Licensee shall remain in the Licensed Premises at end of term. All items installed within the Licensed Premises at Licensee's expense shall remain the property of Licensee and shall be removed by Licensee at the expiration or other termination of this License. Licensee shall, however, repair any damage caused by reason of said removal. Any personal property remaining within the Licensed Premises after termination of the License shall become property of the County. The County shall dispose of any such property in the manner it deems appropriate.

13. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Licensee agrees to obtain and maintain, during the full term of this License, a policy of liability insurance with minimum combined bodily injury and property damage in the amount of ONE MILLION AND NO/100 DOLLARS

(\$1,000,000.00) for each occurrence, and ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) in the aggregate, issued by an insurance company licensed in the State of Maryland and acceptable to the County, which policy must include the following coverage:

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

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

C. Licensee must obtain and maintain a minimum limit of liability of one million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following:

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

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

E. The County must maintain the County's normal fire and liability insurance on the Licensed Premises. The County reserves the right to self-insure.

F. Licensee shall, within the earlier of thirty (30) days from execution of this License or Licensee's entry onto the Licensed Premises, deliver to the County the required policies or certificates of insurance, evidencing the coverage hereinabove stated and naming the County as an additional insured and/or loss payee. The policies shall provide 45 days notice of cancellation to the County. Licensee has the obligation, without notice, to assure that the County always has a valid unexpired Certificate of Insurance.

G. The certificate holder shall be Montgomery County Government, 101 Orchard Ridge Drive, 2nd Floor, Gaithersburg, Maryland 20878, Attention: Leasing Management Unit.

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

15. RESPONSIBILITIES OF LICENSEE: Licensee covenants and agrees as follows:

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

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

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

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

E. Licensee shall not have pets in or about the Licensed Premises. This provision does not limit Licensee or Licensee's clients' rights to have bona fide service animals on the Licensed Premises. Licensee is solely responsible for the proper care of service animals in the Licensed Premises and in keeping the Licensed

Premises clean and free of debris and waste associated with the care and feeding of service animals.

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

G. Licensee acknowledges that all glass is in good condition at time of occupancy and Licensee will be responsible for the breakage of all glass in the Licensed Premises, and agrees to replace the same without delay unless breakage is due to the acts or omissions of the Licensor.

H. Licensee further acknowledges that all appliances and equipment are in working order and that repair or replacement of all appliances, such as washer, dryer, stoves and microwave oven, regardless of ownership, shall be the responsibility of Licensee and must comply with State licensing requirements

I. Licensee must maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any trade fixtures.

J. Licensee must require all entrance doors and windows in the Licensed Premises shall be closed and locked when said Licensed Premises are not in use. Further, Licensee, before closing and leaving the premises at any time, must close all windows and doors and secure the Licensed Premises. No additional locks or bolts of any kind shall be placed upon any of the entrance or interior doors or windows by Licensee nor shall any changes be made in existing locks or the mechanisms thereof without prior written approval of the County and in the event of an approved change, shall provide the County with keys to the facility. Licensee shall, upon the termination of its license, restore to the County all keys of the building, offices, and bathrooms, either

furnished to, or otherwise procured by, the Licensee, and in the event of the loss of any keys so furnished the Licensee shall pay to the County the cost thereof.

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

L. Licensee must be responsible for on site management of the Licensed Premises and must keep posted the Licensee's responsibilities and obligations as specified in Sections 11 and 15 of this License Agreement. Licensee must keep a copy of this License Agreement at the Licensed Premises and ensure the Licensee's on site representative is adhering to the terms and conditions herein.

M. Licensee shall adopt a strict "clean as you go" policy relative to food preparation, storage and serving. All food shall be stored in containers with lids and all cooking utensils and appliances shall be cleaned after each use. Tenant shall also be responsible for cleaning of Licensee's throw rugs.

16. DESTRUCTION OF PREMISES:

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

determine appropriate. In the alternative, the County may terminate this License within thirty (30) days following the date of the destruction of the Licensed Premises as described above by sending of the termination notice to the Licensee.

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

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

- i. Failure to perform under any term, covenant or condition of this License.
- ii. The commencement of any action or proceeding for the dissolution or liquidation of Licensee, or for the appointment of a receiver or trustee of Licensee's property.
- iii. The making of any assignment for the benefit of Licensee's creditors.
- iv. The abandonment of the Licensed Premises by Licensee.
- v. Any other default or breach of the terms and conditions this License or the Service Contract.

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

19. ACCESS: Licensee shall allow the County and the County's employees or agents to have access to the Licensed 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 the County, or which the County considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Licensed Premises.

20. SURRENDER OF POSSESSION: Licensee covenants and agrees that, at the expiration or other termination of this License and/or the Service Agreement the Licensee must remove all goods and effects from the Licensed Premises not the property of the County, and to yield up to the County the Licensed Premises and all keys, locks and other fixtures connected to the Licensed Premises, in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Licensee is not herein expressly made liable excepted. Licensee shall pay for all damages to the Licensed Premises, its fixtures, and appurtenances, as well as all damages sustained by Licensee or occupants of the Licensed Premises due to any waste, misuse, or neglect of said Premises, its fixtures, and appurtenances, by said Licensee, its employees, or any other person or persons upon the premises by Licensee's permission.

21. NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES: Licensee shall give to Licensor prompt verbal notice of accidents in or damages to the Licensed Premises, and, within twenty-four (24) hours, Licensee shall follow-up with a detailed written report of such accidents or damages.

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

23. BENEFIT AND BURDEN: The provisions of this License are personal to the Parties.

24. 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.

25. NON-DISCRIMINATION: Licensee agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code 1994, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Licensee assures the County that in accordance with applicable law; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, ancestry, national origin, age, sex, marital status, disability, sexual orientation, or genetic status.

26. PUBLIC EMPLOYMENT: Licensee understands that unless authorized under Sections 11B-52 and Chapter 19A 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.

27. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail and shall be deemed to be effective when received or refused by the addressee. Notices to the respective parties shall be addressed as follows:

Licensee:
ACADEMY CHILD DEVELOPMENT CENTER
10109 Darnestown Road
Rockville, Maryland 20850

Licensor:
MONTGOMERY COUNTY,
MARYLAND
Division of Facilities & Services
Leasing Management Unit
101 Orchard Ridge Drive,
2nd Floor
Gaithersburg, Maryland 20878

With a copy that does not
constitute notice to:
Montgomery County Government
Office of the County Attorney
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

28. RESIDENT AGENT: The Resident Agent for the Licensee is and its address for receipt of notices and service of process is. Licensee must immediately notify Licensor of any change in resident agent or address as provided herein.

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

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

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

SIGNATURE PAGE FOLLOWS

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

WITNESS:

By: Rebecca S. Domaruk

LICENSOR:
MONTGOMERY COUNTY,
MARYLAND

By: William M. Mooney
William M. Mooney, Assistant
Chief Administrative Officer

Date: 6/23/03

WITNESS:

By: Judith Dodge

LICENSEE:
ACADEMY CHILD
DEVELOPMENT CENTER

By: Marilyn C. Fleetwood
Title: President

Date: 6/10/03

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

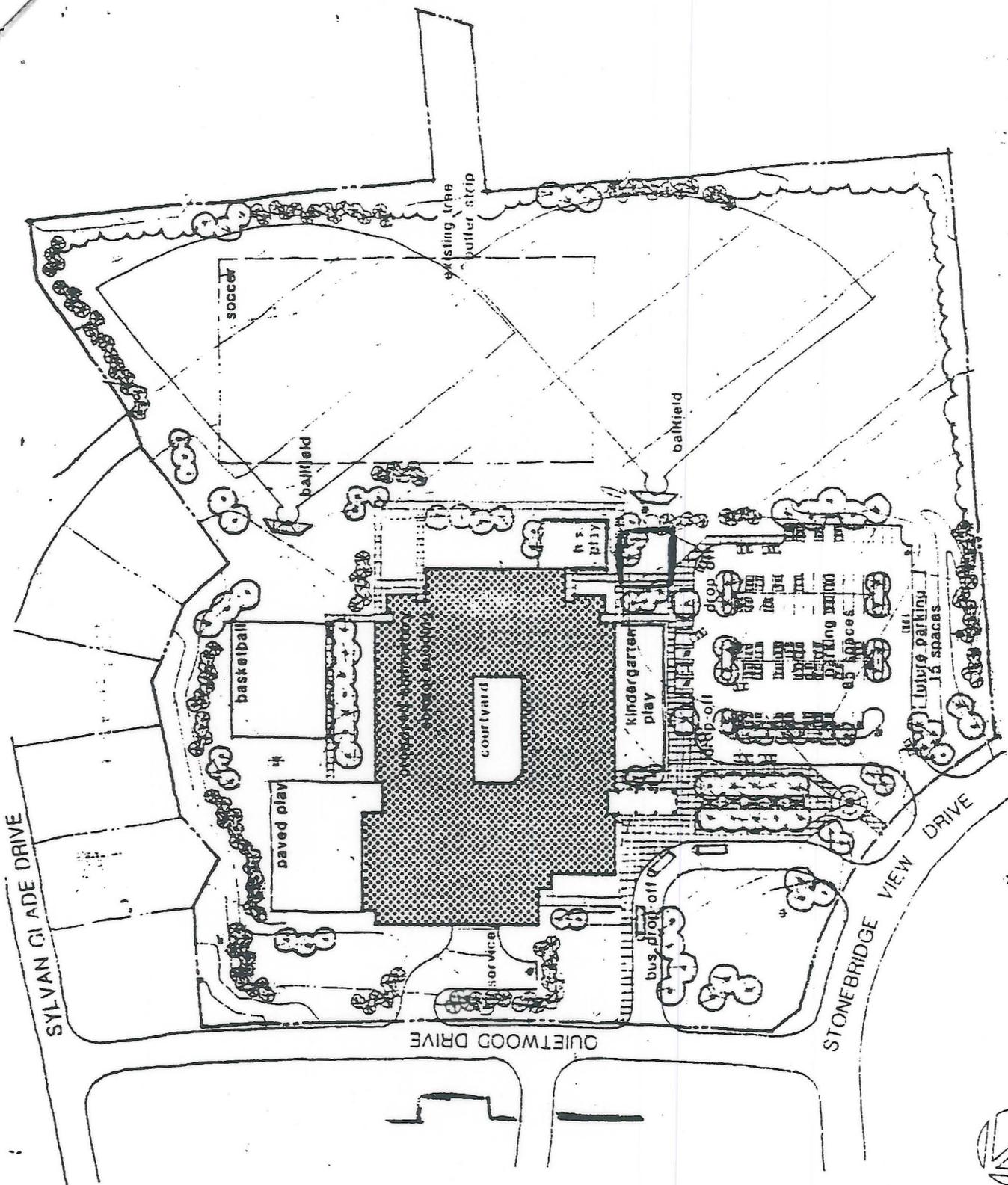
By: Lillian J. Baseman

RECOMMENDED

By: J. Ronald Smith
J. Ronald Smith, Chief
Facilities and Services Section

Date: 5/7/2003

Date: 6/22/03



scale in feet

0 50 100 200

BUILDING COMPLEX



EXHIBIT A

11-71

Statement of Financial Responsibility

1. Is the applicant a subsidiary of or affiliated with any other organizations(s), corporation(s), or any other firm(s)?



If yes, list each such organization, corporation or firm by name and address; specify the applicant's relationship, and identify the officers, directors or trustees common to the applicant:

2. Describe the plan for financing the program, if funds for the leasing of the facility and operating the program will be obtained from sources other the applicant's funds.

3. List sources and amount of cash available to meet equity requirements of the proposed venture:

- a. in banks (include names, addresses, telephone numbers and amounts)



- b. by loans from affiliated or associated organization, corporation, or firms (include names, addresses, telephone numbers and amounts)



4. List the names and addresses of all bank references

[REDACTED]

5. Financial condition of applicant -- attach previous two years financial statements.

6. Bankruptcy:

Has the applicant or, if applicable, the parent corporation or any subsidiary or affiliated corporation of the applicant or said parent corporation, or other interested parties been adjudged bankrupt, either voluntarily or involuntarily, within the past ten years?

[REDACTED]

If yes, give date, place and under what name:

7. Personal Interest: Does any member of the governing body of Montgomery County, Maryland, or the Housing Opportunities Commission, to which the accompanying application is being made, or any officer or employee of the aforesaid County who exercises any functions or responsibilities in connection with the carrying out of the project under which the program covered by the applicant's proposal is being made available, have any direct or indirect personal interest in the applicant?

[REDACTED]

8. If the applicant wishes, additional statements can be attached as evidence of the applicant's qualifications and/or financial responsibility.

[REDACTED]

CERTIFICATE OF INSURANCE



- STATE FARM FIRE AND CASUALTY COMPANY, Bloomington, Illinois
- STATE FARM GENERAL INSURANCE COMPANY, Bloomington, Illinois
- STATE FARM FIRE AND CASUALTY COMPANY, Scarborough, Ontario
- STATE FARM FLORIDA INSURANCE COMPANY, Winter Haven, Florida
- STATE FARM LLOYDS, Dallas, Texas

insures the following policyholder for the coverages indicated below:

Name of policyholder ACADEMY CHID DEVELOPMENT CENTER
 Address of policyholder 10109 DARNSTOWN ROAD, ROCKVILLE, MARYLAND 20850
 Location of operations MULTIPLE
 Description of operations CHILD CARE AND EARLY LEARNING

The policies listed below have been issued to the policyholder for the policy periods shown. The insurance described in these policies is subject to all the terms exclusions, and conditions of those policies. The limits of liability shown may have been reduced by any paid claims.

POLICY NUMBER	TYPE OF INSURANCE	POLICY PERIOD		LIMITS OF LIABILITY (at beginning of policy period)	
		Effective Date	Expiration Date		
90 EN 4624-3F	Comprehensive Business Liability	07/01/01	CONT	BODILY INJURY AND PROPERTY DAMAGE	
This insurance includes:	<input checked="" type="checkbox"/> Products - Completed Operations			Each Occurrence	\$ 1,000,000
	<input checked="" type="checkbox"/> Contractual Liability			General Aggregate	\$ 1,000,000
	<input type="checkbox"/> Underground Hazard Coverage			Products - Completed Operations Aggregate	\$ 1,000,000
	<input checked="" type="checkbox"/> Personal Injury				
	<input checked="" type="checkbox"/> Advertising Injury				
	<input type="checkbox"/> Explosion Hazard Coverage				
	<input type="checkbox"/> Collapse Hazard Coverage				
90 08 3474-3 F	EXCESS LIABILITY <input checked="" type="checkbox"/> Umbrella <input type="checkbox"/> Other	05/21/01	CONT	BODILY INJURY AND PROPERTY DAMAGE (Combined Single Limit)	
				Each Occurrence	\$ 1,000,000
				Aggregate	\$ 1,000,000
90 EE 3859-0F	Workers' Compensation and Employers Liability	09/10/01	CONT	Part 1 STATUTORY Part 2 BODILY INJURY	
				Each Accident	\$ 100,000
				Disease Each Employee	\$ 100,000
				Disease - Policy Limit	\$ 500,000
POLICY NUMBER	TYPE OF INSURANCE	Effective Date	Expiration Date	LIMITS OF LIABILITY (at beginning of policy period)	

THE CERTIFICATE OF INSURANCE IS NOT A CONTRACT OF INSURANCE AND NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE APPROVED BY ANY POLICY DESCRIBED HEREIN.
 ADDITIONAL INSURED: MONTGOMERY COUNTY, MARYLAND.

Name and Address of Certificate Holder

MONTGOMERY COUNTY, MARYLAND EARLY CHILDHOOD SERVICES
 DHHS/LESLIE HAMM 7300 CALHOUN PL. STE. 700 ROCKVILLE,
 MARYLAND 20855

If any of the described policies are canceled before its expiration date, State Farm will try to mail a written notice to the certificate holder 45 days before cancellation. If however, we fail to mail such notice, no obligation or liability will be imposed on State Farm or its agents or representatives.

Richard Pearce
 Signature of Authorized Representative
 AGENT 3-1-2002
 Title Date

Agent's Code Stamp
 AFO Code 9357

Internal Revenue Service

Department of the Treasury

*Declaration
of Tax Exempt
Status*

**P. O. Box 2508
Cincinnati, OH 45201**

Date: January 21, 2000

Academy Child Development Center Inc.
6225 Executive Blvd
Rockville, MD 20852

Person to Contact:

Bob Edwards 31-04014 4
Customer Service Representative

Telephone Number:

877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

52-1228660

Dear Sir or Madam:

This letter is in response to your request to change your organization's address. Please verify the entries above are correct, if not please contact the name listed above. This letter also replaces previous affirmation letters with the corrected address.

In January 1982, we issued a letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information submitted with the application, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii). That classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's purposes, character, method of operations, or sources of support have changed, please let us know so we can consider the effect of the change on the organization's exempt status and foundation status.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and record keeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. Your organization must comply with this revenue procedure to maintain its tax-exempt status.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, they are not automatically exempt from other federal excise taxes.

Academy Child Development Center, Inc.

Balance Sheet

As of 12/31/00

ASSETS

Cash

Furniture & Equipment

— accum deprec

Van & Buses

— accum deprec

Leasehold Improvements

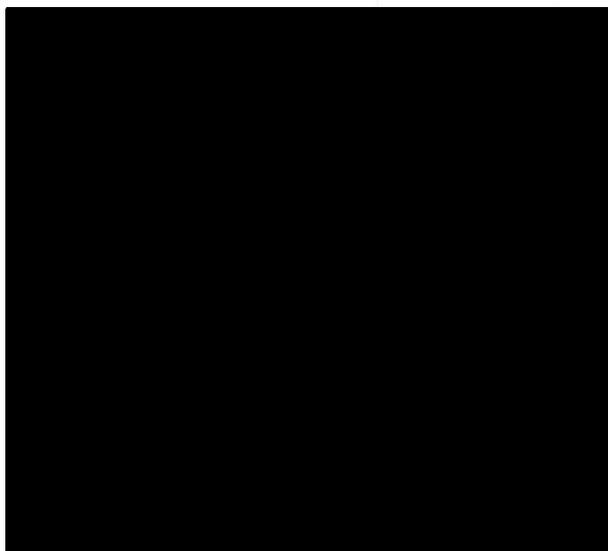
— accum amort

Other:

Deposits

Miscellaneous

Total Assets



LIABILITIES & FUND BALANCE

Accounts Payable

Advance Payments

Deposits

Note Payable

Total Liabilities

Fund Balance

Total Liabilities & Fund Balance



Academy Child Development Center, Inc.

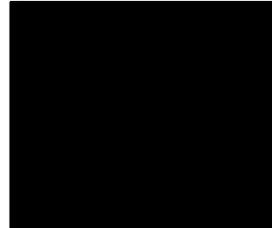
Statement of Revenue & Expenses

For the Period 1/1/00 - 12/31/00

REVENUES:

Tuitions
Interest
Other

Total Revenues



EXPENSES:

Salaries
Payroll Taxes
Employee
Advertising
Interest
Food
Micellaneous
Office
Telephone
Rent
Supplies
Training
Field Trips
Insurance
Utilities
Internet
Transportation
Depreciation & Amortization

Totals Expenses

Excess of Revenue over Expenses



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Academy Child Development Center, Inc.

Balance Sheet

As of 12/31/01

ASSETS

Cash

Furniture & Equipment
— accum deprec

Van & Buses
—accum deprec

Leasehold Improvements
—accum amort

Other:
Deposits

Total Assets

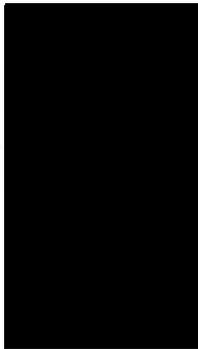
LIABILITIES & FUND BALANCE

Accounts Payable
Advance Payments
Deposits
Note Payable

Total Liabilities

Fund Balance

Total Liabilities & Fund Balance



Academy Child Development Center, Inc.

Statement of Revenue & Expenses

For the Period 1/1/01 - 12/31/01

REVENUES:

Tuitions
Interest
Donations
Other

Total Revenues



EXPENSES:

Salaries
Payroll Taxes
Employee Benefits
Advertising
Food
Miscellaneous
Office
Telephone
Rent
Supplies
Training
Field Trips
Insurance
Utilities
Transportation
Depreciation & Amortization
Professional
Pension

Total Expenses

Excess of Revenue Over Expenses



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NOTIFICATION OF PROPRIETARY INFORMATION

Please use this form to identify any **financial information** included in your application for child care space at the Academy Child Care Facility which is not Public Information.

Name of Applicant Marilyn Fleetwood

Academy Child Development Center, Inc.

Indicate specific pages or attachments which are proprietary financial information:

Financial Statements page 27 b.

Signature Marilyn C. Fleetwood

Date 3/7/02

Please return this form with your application.

CERTIFICATION

I (We) Marilyn C. Fleetwood

Certify that this applicant's Statement of Qualifications and Financial Responsibility and the attached information of the applicant's qualification and financial responsibility are true and correct.

I (We) also agree to comply with conditions stated in Montgomery County lease for child care spaced and that the scope of services as submitted in this completed application will be adhered to.

MARILYN C. FLEETWOOD

Name

PRESIDENT/ADMINISTRATOR

Title

10109 DARNESTOWN ROAD

Address

ROCKVILLE, MD 20850

City, State and Zip

Marilyn C. Fleetwood

Signature

2/28/02

Date

Name

Title

Address

City, State and Zip

Signature

Date

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

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

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

- 1) The Center shall enroll and provide care to families eligible for or enrolled in Child Care tuition subsidy programs (D.S.S. Purchase of Care and/or Working Parents Assistance Program). Families receiving subsidy shall comprise at least 30% of licensed capacity. The provider shall accept as full tuition payment the face value of vouchers issued by the DSS Purchase of Care Program. Written verification of meeting this requirement shall be required, or
- 2) The provider will serve Infants and Toddlers in Child Care, as defined by the State of Maryland Child Care licensing regulations for Group Child Care. The children served will be in space administered, operated or funded by Montgomery County Government, specifically for Infant Care and/or required by tenant selection for that specific center, or

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

- 3) The provider will serve children with handicapping conditions as designated or defined by physician or authorized agency. Waiver will be considered on a case by case basis for sites which meet the following criteria:
 - an approved plan for special need care must be on file with Child Care Administration
 - provider must document that enrollment of the child(ren) causes substantial additional cost to the program (additional staff, space modification performed at the provider's expense, specialized equipment) and that this cost has ongoing impact to financial viability of program, or,

Exhibit C

- 4) Centers may apply for consideration of waiver if #1 and #3 partially apply. DFS may waive all or a portion of capital cost fee if cost to the program of these combined factors is equal to or greater than capital cost fee.
- 5) Annual certification with documentation shall be required. Waivers will be forfeited by programs which provide incomplete or inaccurate information. If determined by DFS and DFR that waivers were not legitimate for a lease year, the capital cost fee for that year shall be applied to the following lease year.

APPLICATION FOR WAIVER OF CAPITAL COST OVERY FEE

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

- 1. 30% Voucher Service _____
- 2. Infant Care _____
- 3. Special Needs Care _____
- 4. Combination Waiver _____

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

Start date _____

End date _____

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

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

Name _____

Name _____

Title _____

Title _____

Address _____

Address _____

City, State and Zip _____

City, State and Zip _____

Signature _____

Signature _____

Date _____

Date _____

Child Care Equipment Inventory

Facility Address:

Academy Child Development
 Stonemill Elementary

Provider Name:



Check box to indicate who provided the item

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

