

LICENSE AGREEMENT
BETWEEN
MONTGOMERY COUNTY, MARYLAND
AND
POWELL RECOVERY CENTER, INC.

DATE: 11/24/08

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License"), made this 20th day of November, 2008, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (the "County") and POWELL RECOVERY CENTER, INC., (the "Licensee"), (the County and the Licensee together the "Parties").

WITNESSETH:

WHEREAS, the County is the owner of the improvements and contiguous grounds located at 1 Lawrence Court, Rockville, Maryland, 20850 (the "Licensed Premises"), and

WHEREAS, the County, through Department of Health and Human Services, wishes to provide a continuum of residential and out-patient substance abuse treatment services for adults at the Licensed Premises; and

WHEREAS, the County has agreed to enter into a License with the Licensee to provide at the Licensed Premises a facility in which adult men and women who are alcohol and/or drug dependent and may have re-occurring mental health disorders will receive services more specifically set forth in Contract Number 8648025024 between the County and the Licensee; and

WHEREAS, the Licensee, as the Service Provider, has agreed to provide such services at the Licensed Premises and the County agrees to enter into a license for the Licensed Premises for this purpose.

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. LICENSED PREMISES: The County does hereby grant Licensee the privilege, license and right to the improvements and contiguous grounds, walkways and parking area located at 1 Lawrence Court, Rockville, Maryland, 20850 as cross-hatched on EXHIBIT A (the "Licensed Premises"), which is attached to this License and incorporated as if fully set forth, for the exclusive purpose of the Licensee, as the Service Provider, providing a facility in which adult men and women who are alcohol and/or drug dependent and may have re-occurring mental health disorders will receive services more specifically set forth in Contract Number 8648025024 attached as Exhibit B and incorporated as if fully set forth herein (the "Contract").

2. LICENSE TERM: The License Term shall commence October 1, 2008 and shall run concurrently with the Contract unless sooner terminated, and will expire automatically upon the termination of the Contract. Notice of any early termination of the Contract shall be given by Licensee to the County as detailed in Paragraph 3, below.

3. EARLY TERMINATION: 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. If the Licensee is removed as Service Provider under the Contract this License shall automatically terminate on the date of termination of the Contract. The County is under no obligation to provide alternate space for Licensee and is not responsible for any moving costs or any expenses incurred by Licensee to relocate or move whether such move or relocation is the result of termination or any other reason.

4. LICENSE FEE: In consideration of services provided by the Licensee as set forth in the attached Contract, and for the rights and obligations provided for in this License, Licensee shall pay One Dollar (\$1.00) per year to the County. All payments are to be made in advance on the first day of the Term, during each license year, and shall be payable by check to: Montgomery County, Maryland, Department of General Services, Office of Real Estate, P. O. Box 9464, Gaithersburg, Maryland 20898-9464.

5. USE OF LICENSED PREMISES: Licensee covenants and agrees that the Licensed Premises shall be used for the exclusive purpose of providing a facility in which adult men and women who are alcohol and/or drug dependent and may have re-occurring

mental health disorders will receive services more specifically set forth in Contract, attached as Exhibit B (the "Permitted Use"). Licensee agrees to ensure compliance with all licensing and operational requirements regulating the use of the Licensed Premises therein described. Licensee shall be responsible for obtaining all licenses and certifications required by State, Federal, and County law to operate the program as defined in the Contract. Failure to obtain and maintain any certifications and licenses required under State, Federal, or Local law to operate the program as defined in the Contract will constitute a breach of this License. Licensee will use and occupy the Licensed Premises during the License Term for no purpose other than the use as specified in the Contract.

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

7. CONDITION OF LICENSED PREMISES: Licensee accepts the Licensed Premises in "as is" condition. Licensee agrees to maintain the Licensed Premises in good condition and free of clutter throughout the License Term. Licensee acknowledges and agrees that at the end of the License Term, the Licensed Premises shall be returned to the County in the same condition as they were when Licensee accepted the Licensed Premises, with reasonable wear and tear excepted.

8. ALTERATIONS AND IMPROVEMENTS:

A. Licensee shall not undertake any alterations, changes or improvements to the Licensed Premises without the prior written consent of the County. Once the County's consent has been obtained, Licensee shall be responsible for the acquisition of any and all necessary permits and for the observance of all building and zoning ordinances and regulations then in effect. Failure to adhere to any previously approved plans, applicable ordinances or regulations shall be deemed to be a breach of this License.

B. The County's Approval and Inspection: In order to secure the County's approval of any structural alterations or improvements, Licensee shall submit to the County plans and specifications clearly setting forth the work to be performed. The County shall respond in writing within forty-five (45) days from receipt of plans and specifications. The County shall inspect the premises upon completion of the work to

determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not satisfactory to the County, Licensee shall undertake any necessary corrections, at Licensee's risk and expense.

9. LIENS: Licensee shall not do or suffer anything to be done whereby the Licensed Premises shall be encumbered by any lien, including mechanic's liens. Licensee expressly covenants and agrees that it will, during the term hereof, within sixty (60) days after the filing thereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to or upon the Licensed Premises or any portion thereof by reason of or any act or omission on the part of Licensee, and hereby expressly agrees to save and hold harmless the Licensor from and against any such lien or claim of lien. In the event any such lien does attach, or any claim of lien is made against said Licensed Premises, and shall not be thus released within said sixty (60) day period, the County, in its sole discretion (but nothing herein contained shall be construed as requiring it so to do), may pay and discharge the said lien and relieve the said Licensed Premises from any such lien, and Licensee agrees to pay and reimburse the County upon demand for or on account of any expense which may be incurred by the County in discharging such lien or claim.

10. SERVICES AND OPERATING EXPENSES:

A. By County: Subject to annual appropriation by the County Council and except for work necessitated by reason of Licensee's negligent or wrongful act, the County agrees to provide within the Licensed Premises, at the County's sole cost and expense the following:

- i. All repair and maintenance in the Licensed Premises over One Hundred Dollars (\$100.00);
- ii. Repair, replacement and preventive maintenance of HVAC, electrical and plumbing systems;
- iii. Office computers, telephones and appliances in the Licensed Premises that have been installed by the County will be the property of the County and maintained by the County's Department of Technology Services and County Maintenance;
- iv. Major structural repairs;

- v. Maintenance and repair to the exterior of the Licensed Premises including painting, roofing and gutters, including gutter cleaning;
- vi. General maintenance, including but not limited to interior and exterior window cleaning, lawn maintenance including grass mowing; general grounds keeping including mulching, trimming of shrubbery and trees, but excluding flower bed maintenance, snow and ice removal from sidewalks and parking lots adjacent to the Licensed Premises, from parking areas and driveway; gutter cleaning; light bulb replacement; carpet cleaning and repair; and maintenance required for code compliance. All such services shall be provided and performed at the same level and manner as provided and performed for all Montgomery County serviced properties;
- vii. Utilities, including electric, gas, fuel oil and water;
- viii. Trash removal, recycling and pest control;
- ix. Fire extinguisher service and replacements as necessary; and
- x. Interior painting as needed or as required by the County.

B. By Licensee: Licensee agrees to provide within the Licensed Premises, at Licensee's sole cost and expense, the following:

- i. All repair and maintenance in the Licensed Premises under One Hundred Dollars (\$100.00);
- ii. All custodial, janitorial and recycling services;
- iii. Telephone service not provided by the County;
- iv. Appliance replacement when, in County's sole judgment, replacement is necessary due to abuse, misuse, or negligence on the part of Licensee, its employees, patrons or agents. All appliances shall be approved by the County prior to their installation;

- v. Licensee shall not proceed with or use any unusual or hazardous materials in the performance of these requirements without consent of the County; and
- vi. Notwithstanding the obligations of the County regarding certain maintenance, Licensee will be responsible for damage to the structure, grounds or contents of the Licensed Premises due to the willful or negligent acts of Licensee, Licensee's employees, patrons, residents, or agents. In the event of such damage, the Licensee shall immediately make the necessary repairs or replacement to the satisfaction of the County, at Licensee's sole cost and expense or the County shall make such repairs or replacements for which Licensee shall promptly reimburse the County.

A summary of such repairs shall be transmitted quarterly to the Department of General Services, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850, Attention: Director of Real Estate.

11. FURNITURE, FIXTURES AND EQUIPMENT: At the termination of this License, Licensee must deliver to the County the Licensed Premises in good, clean condition, reasonable wear and tear excepted. All items which are attached to the Licensed Premises, or are a part of the Licensed Premises systems at the time the Licensed Premises is delivered to Licensee, shall remain with the Licensed Premises. 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.

12. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Insurance Requirements:

i. Licensee agrees to obtain and maintain, during the full term of this License, and any extension thereof, a policy of general liability insurance with a minimum limit of

liability of Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) for bodily injury and property damage including Contractual Liability, Premises and Operations, Independent Contractors, Personal Injury and fire liability issued by an insurance company licensed in the State of Maryland and acceptable to the County.

ii. Licensee agrees to obtain and maintain, during the full term of this License, and any extension thereof, a policy of Automobile Liability Coverage with a minimum limit of liability of One Million Dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including owned automobiles, hired automobiles and non-owned automobiles.

iii. Licensee agrees to obtain and maintain, during the full term of this License, a policy of workers' compensation and employers' liability meeting all statutory requirements of the State of Maryland with the following minimum Employers' Liability limits; *Bodily Injury by Accident - \$100,000 each accident, Bodily Injury by Disease - \$500,000 policy limits and Bodily Injury by Disease - \$100,000 each employee.*

iv. Licensee agrees to obtain and maintain, an All-Risks Property Policy during the License term and any renewal terms to protect the full replacement value of all contents of the Licensed Premises and all interests of the Licensee, the County and the Property of Others against any loss. Any deductibles under this policy shall be funded by the Licensee. The County does not provide any coverage for Licensee's owned contents and improvements to the Licensed Premises. County shall be named as a loss payee.

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

C. Certificate of Insurance: The Licensee must, within forty-five (45) days from execution of this License Agreement, deliver to the County a certificate(s) of insurance and copy of policies evidencing the coverage's required under this License Agreement. The certificates must be issued to: Montgomery County, Maryland, Department of General Services, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850. Licensee has the obligation to assure that the County always has a valid Certificate of Insurance and complete copies of the policies.

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

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

13. HOLD HARMLESS: Licensee agrees to indemnify and hold harmless and pay for the defense of the County from any and all claims of liability, actions, damages and expenses, including, but not limited to, reasonable attorneys fees and litigation costs, arising out of or related to Licensee's use of possession of the premises, including but not limited to play fields and play areas, from any breach of this License by Licensee, or from any claim, action, damage, liability or expense occasioned wholly or in part by any negligent act, errors or omission of Licensee, its agents, contractors, guests or employees, except such negligence as may be occasioned by the acts or omissions of the County, the County's employees, agents and contractors. Licensee further specifically agrees to hold the County harmless and pay for the defense of the County from any claim of liability

made in connection with any construction or installation of equipment by the Licensee within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Leased Premises hereinabove described.

14. 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, upon receipt of the same in writing, agrees to conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

B. 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 County.

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 and employees, guests and invitees.

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, upon receipt of the same in writing 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 County, and any violation of said rules and regulations upon the expiration of any applicable notice and cure period 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. County shall not discriminate against Licensee in the enforcement of any rule or regulation. If there shall be a conflict between this License and rules and regulations, the terms of this License shall govern.

G. 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.

H. Licensee must require and assure that all entrance doors and windows in the Licensed Premises shall be closed and locked when the Licensed Premises are not in use. Further, Licensee before closing and leaving the Licensed 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 County and in the event of an approved change, shall provide County with keys to the facility. Licensee shall, upon the termination of its tenancy, 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.

I. All occupants of the Licensed Premises shall be informed as to the safe and proper operation of all appliances and equipment in the Licensed Premises.

J. The Licensee is responsible for on site management of the Licensed Premises and must keep posted, in a conspicuous place within the Licensed Premises, the Licensee's responsibilities and obligations as specified in the Contract.

K. The Licensee must indemnify, defend and hold the County and the County's other tenants, licensees, agents and employees (together the "Indemnities") harmless from and against all liabilities, obligations, damages, judgments, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorney's fees, which may be imposed upon, incurred by, or asserted against any of the Indemnities and arising, directly or indirectly, out of or in connection with (i) The Licensee's breach of its obligations under this License; (ii) the acts or negligence of the Licensee, its agents, contractors, and employees in the premises or on the Licensed Premises; and (iii) the use or occupancy of the Licensed Premises, and by the Licensee, its agents, servants, employees and contractors. In case any action or proceeding is brought against any of the Indemnities by reason of any of the foregoing, the Licensee must reimburse the County the cost of defending such action or proceeding, or upon the County's written demand and at the Licensee's sole cost and expense, the Licensee must defend such action and proceeding by counsel approved by the County.

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

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

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

15. DESTRUCTION OF LICENSED PREMISES:

A. In the event of damage to or destruction of the Licensed Premises or any part of the Licensed Premises by fire, storm, flood or other casualty which does not require the Licensee to suspend entirely its business, the County shall, as soon as practicable after said damage or destruction,

repair and restore the Licensed Premises to the condition they were in immediately prior to said damage or destruction. Should such damage or destruction of said premises or any substantial part of the Licensed Premises render the Licensed Premises wholly unavailable for use by the Licensee for the Permitted Use, the County shall promptly begin and diligently pursue the repairing, restoration and rebuilding of the Licensed Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as the County may determine appropriate. In the alternative, the County may terminate this License within thirty (30) days following the date of the destruction of the Licensed Premises as described above by sending a termination notice to the Licensee.

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

16. 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 default or breach of the terms and conditions of the Contract which is not cured prior to the expiration of any applicable notice and cure period;

vi. Use of the Licensed Premises by the Licensee or with the consent of Licensee, for uses other than the Permitted Uses; and

vii. The intentional use of the Licensed Premises by Licensee or by Licensee's agents, employee, contractors, or guests, for any unlawful purpose.

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

18. SURRENDER OF POSSESSION: Licensee covenants and agrees that, at the expiration or other termination of this License, to remove all goods and effects from the Licensed Premises not the property of County, and to yield up to County the Licensed Premises and all keys, locks and other fixtures connected therewith (except property belonging to Licensee), 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. Subject to the terms of this License Agreement to the contrary, 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 Licensed Premises, its fixtures, and appurtenances, by said Licensee, its employees, or any other person or persons upon the Licensed Premises by Licensee's permission.

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

20. 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 statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government, or any municipality in which the Licensed Premises are located, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office (the "Applicable Laws"). In no event shall Licensee be liable for any violations of Applicable Laws with respect to the Licensed Premises which are existing as of the Commencement Date. The County shall be required to ensure that the Building and the land upon which the Building is located are in compliance with all Applicable Laws.

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

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

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

24. 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:

Powell Recovery, Inc.
14 S. Broadway
Baltimore, Maryland 21232
Attn: William Scott,
Executive Director

County:

Montgomery County, Maryland
Department of General Services
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850
Attn: Director of Real Estate

With a copy, that does not constitute Notice to:

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

25. RESIDENT AGENT: The Resident Agent for the Licensee is William Scott, Executive Director for Powell Recovery Center, Inc. and the address for receipt of notices and service of process is 14 S. Broadway, Baltimore, Maryland 21232. Licensee must immediately notify County of any change in resident agent or address as provided herein.

26. 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 Licensed Premises by the Licensee, its agents, contractors or employees or guests.

27. 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 for the services specified in the Contract. The Licensee shall not make or be

entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

28. AMERICAN DISABILITIES ACT REQUIREMENTS: 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 requirements in Federal, State, and County Laws and regulations. Licensee must obtain all required permits prior to making any modifications to the Licensed Premises and must comply with all applicable Building and Safety Codes.

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

30. FORCE MAJEURE: Neither Party will be deemed in default with respect to the performance of any terms, covenants, and conditions of this License if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or upsurged power, sabotage, inability to obtain any material or service, through natural or other cause beyond the control of either party; provided, however, that this provision shall not excuse any non-payment of License Fees. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a Party.

31. ENTIRE AGREEMENT: This License (which contains and includes the Exhibits) is the entire agreement between the Parties, and no representations, inducements, or agreement, oral or otherwise, between the Parties not contained in this License shall be of any force or effect.

32. MODIFICATION: This License (other than the Rules and Regulations, which may be changed from time to time) must not be modified in any manner except by an instrument in writing executed by both Parties with the same formality as this License.

33. GOVERNING LAW: This License and its performance is to be governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland.

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

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

SIGNATURE PAGE FOLLOWS

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

WITNESS:

By: Deborah A. Richard

COUNTY:
MONTGOMERY COUNTY,
MARYLAND

By: Diane Schwartz Jones
Diane Schwartz Jones, Assistant
Chief Administrative Officer

Date: 11/20/08

WITNESS:

By: _____

LICENSEE:
POWELL RECOVERY CENTER, INC.

By: William Scott
William Scott
Title: Executive Director

Date: 10-14-08

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Deborah A. Richard

RECOMMENDED

By: Cynthia L. Brenneman
Cynthia L. Brenneman, Director
Office of Real Estate

Date: 9/4/08

Date: 8/29/08

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

WITNESS:

COUNTY:
MONTGOMERY COUNTY,
MARYLAND

By: *Robert Richard*

By: *Diane A. Jones*
Diane Schwartz Jones, Assistant
Chief Administrative Officer

Date: 11/20/08

WITNESS:

LICENSEE:
POWELL RECOVERY CENTER, INC.

By: _____

By: *William Scott*
William Scott

Title: Executive Director

Date: 10-14-08

RECEIVED

NOV 23 5 55 PM '08
MONTGOMERY COUNTY
OFFICE OF THE COUNTY ATTORNEY

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

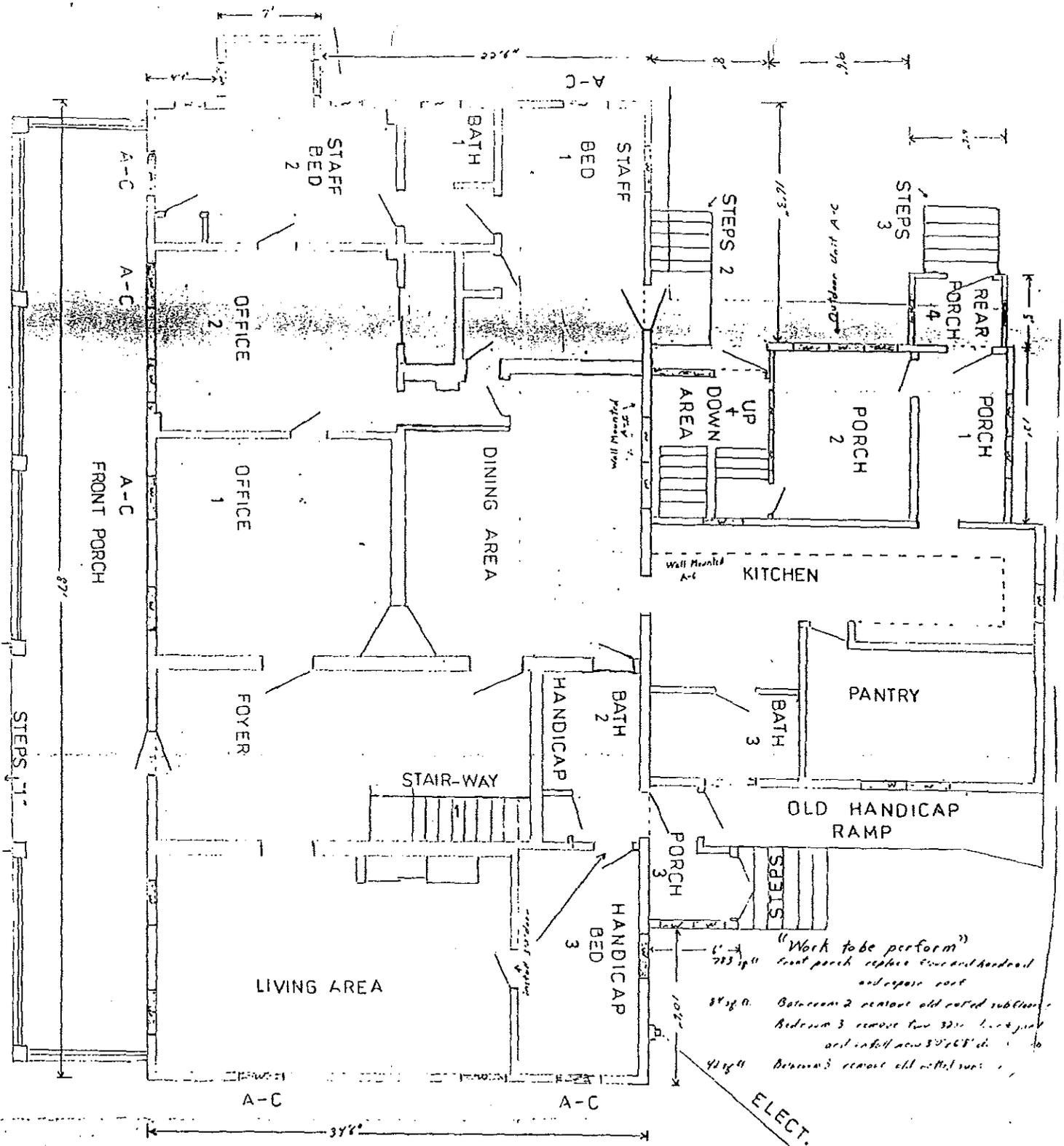
RECOMMENDED

By: *Charles Thomas*

By: *Cynthia L. Brenneman*
Cynthia L. Brenneman, Director
Office of Real Estate

Date: 9/4/08

Date: 8/22/08



"Work to be perform"
 front porch replace floor and handrail
 and expose wall
 8' x 8' 0" Between 2 remove old ceiling subfloor
 Bedroom 3 remove two 32" x 48" joist
 and install new 30" x 68" joist
 Bedroom 3 remove old wall paper

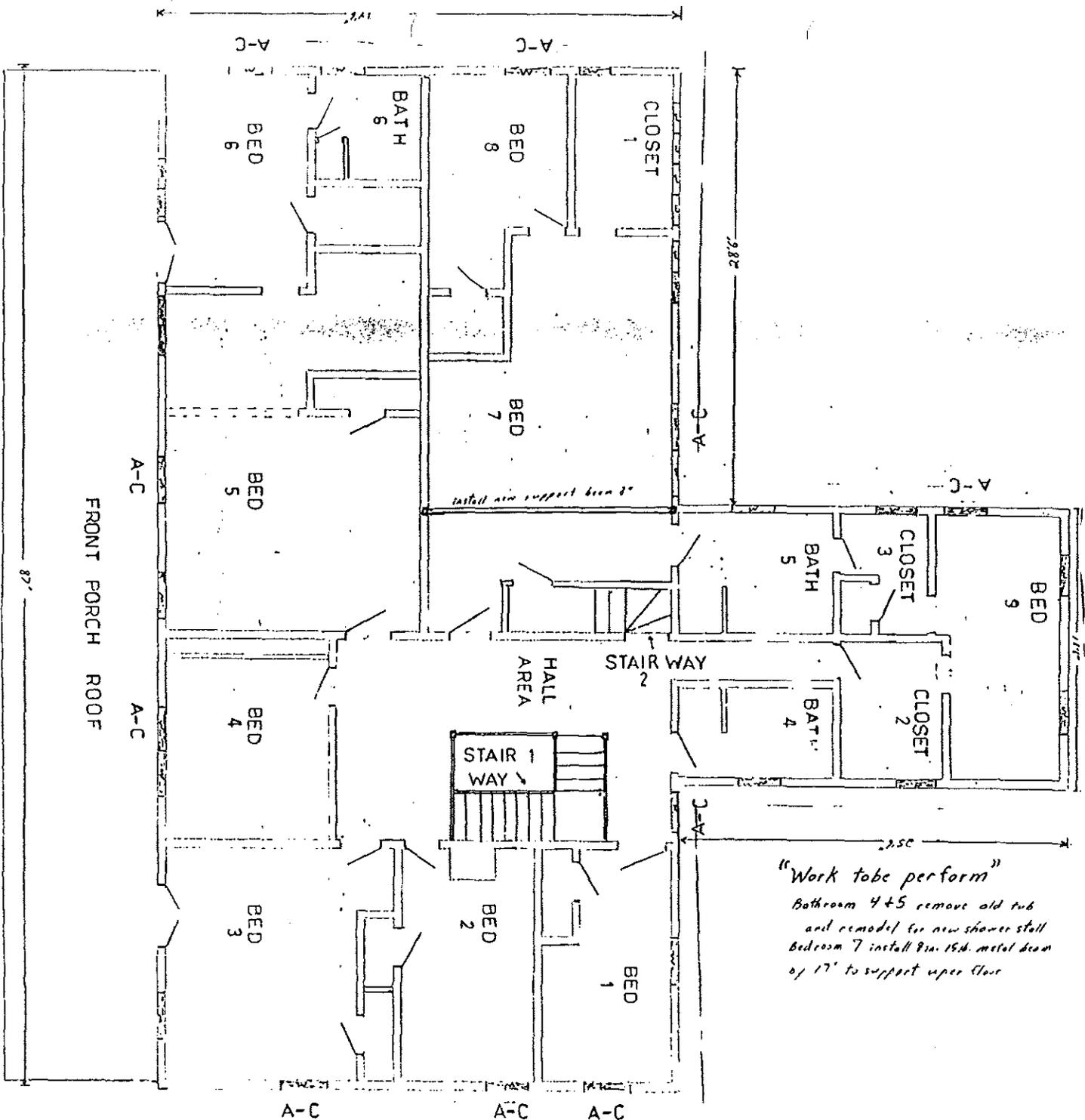
MONTGOMERY COUNTY
 FIRST FLOOR

1 LAWRENCE COURT RENOVATION

PROJECT

DRAWN BY [Signature] DATE 2-15-89 SCALE 1/8" = 1'-0"

Exhibit A



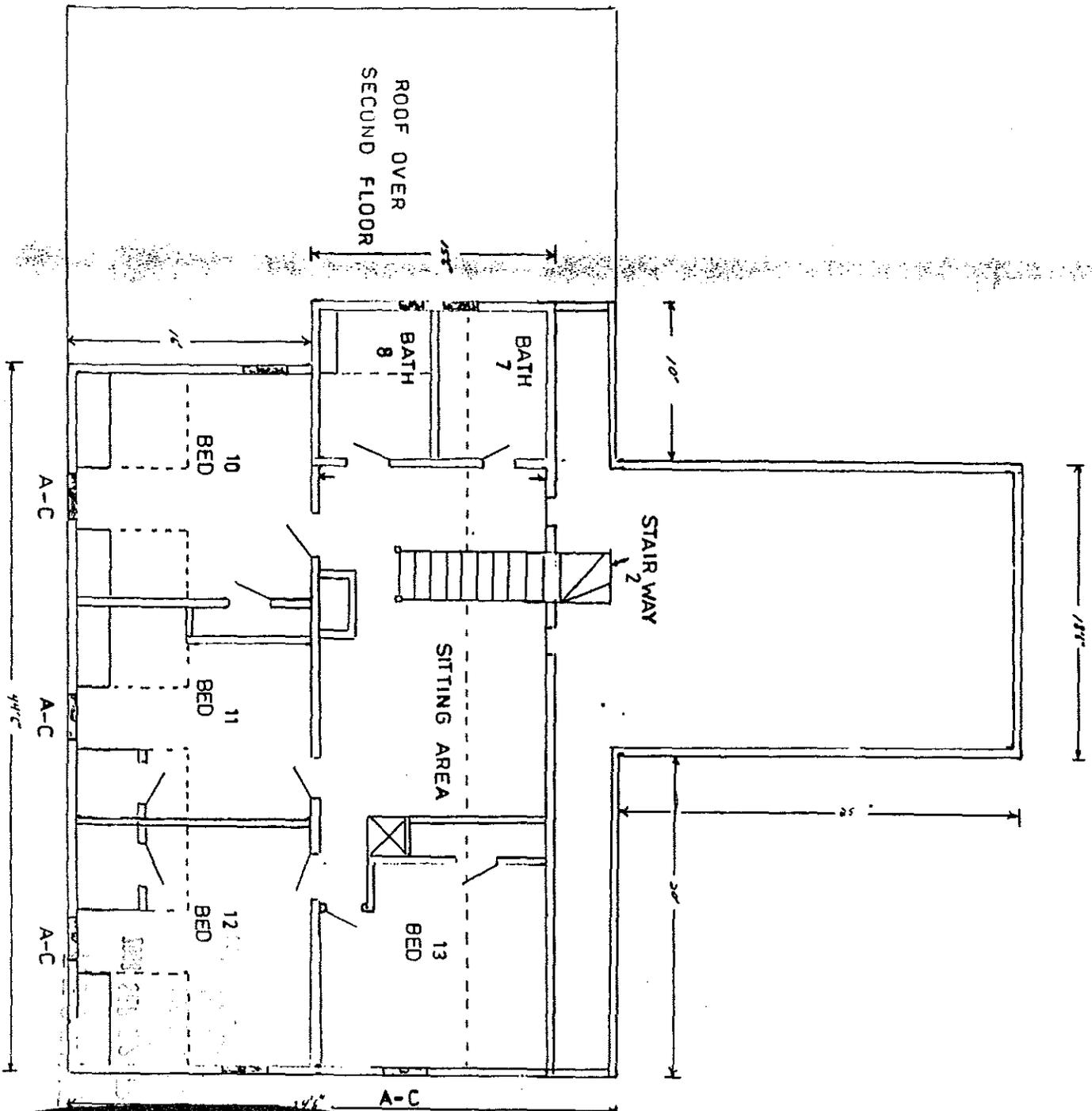
MONTGOMERY COUNTY

SECOND FLOOR

1. LAWRENCE COURT RENOVATION

PROJECT

DRAWN BY *W.P.S.* DATE 2-15-89 SCALE $\frac{1}{4}'' = 1'-0''$



MONTGOMERY COUNTY

THIRD FLOOR

1 LAWRENCE COURT RENOVATION

PROJECT

DRAWN BY *M.P.S.* DATE *2-15-89* SCALE $\frac{1}{4} = 1'$

CONTRACT

This Contract is between Montgomery County, Maryland (the "County") and Powell Recovery Center, Inc., 14 S. Broadway, Baltimore, MD 21232 (the "Contractor").

Background

1. Montgomery County, Maryland (the "County") through the Department of Health and Human Services provides a continuum of residential and outpatient substance abuse treatment services for adults.
2. The County requires a 24 hour program of residential treatment services for adult alcohol and/or drug dependent men and women who may have mild to moderate co-occurring disorders, in a facility provided by the County. The County requires an entity capable of providing these services to 14 men and 6 women in this facility. The length of stay for residents may vary from three to six months depending on the recommended treatment and the client response to treatment.
3. The objectives of this program are primarily to provide stabilization and relapse prevention services to adult men and women who have substance abuse disorders and who may have co-occurring mental health disorders, and have been pre-screened for eligibility for this program by the County based on successfully completing an intermediate care program or equivalent. Some clients will require support with development of pro-social skills in the areas of career development and employment skills and decision making. Such additional services will be coordinated with community entities such as with Division of Parole and Probation to resolve existing Court requirements, with services for homeless adults and the Housing Opportunities Commission to secure housing stability at time of discharge, and with community mental health providers for on-going care of co-occurring mental health disorders.
4. The County encourages the development of vocational services and linkages with training programs and employers that develop client skills and competencies so that Maryland residents can secure and maintain employment at a "living wage" which may require enhancements to a program of Halfway House services.

I. SCOPE OF SERVICES

- A. The Contractor must operate the Lawrence Court halfway house for adult men and women who are alcohol and/or drug dependent and may have co-occurring mental health disorders who are referred to the program after being pre-screened by the County and determined to be eligible under applicable State of Maryland regulations (Code of Maryland Regulations [COMAR] §10.47.02.06).

- B. Within 30 days of execution of this Contract, the Contractor must sign a space license agreement with the County Department of General Services for the County's facility located at 1 Lawrence Court, Rockville, Maryland 20850. The Contractor is responsible for daily housekeeping and maintenance of the County's facility where services under this Contract are to be performed. The Contractor also is responsible for payment for repairs at the facility as described in the space license agreement. The County is responsible for providing electrical, water, and sewer services as well as trash and snow removal and grass cutting services.
- C. All client data required under this Contract for statistical, case management and client records must be maintained by the Contractor in the State Alcohol and Drug Abuse Administration (ADAA) information system designated for this purpose.
- D. The Contractor must develop, obtain County approval of, and then implement a written service policy and procedure manual for the halfway house program described in this Contract. The Contractor must maintain documentation verifying that each administrative and clinical staff member of the program has reviewed a copy of the service policy and procedure manual within three weeks of their employment. The service policy and procedure manual must include:
1. the objectives of the program to be attained by the provision of halfway house services to alcohol and/or drug dependent, or co-occurring adult men and women;
 2. criteria used to measure the client's progress toward the attainment of the program objectives for the client population, time frames for achieving these objectives, and measures to mark client progress in achieving these objectives;
 3. a description and justification of the primary diagnostic and treatment modalities utilized by the program within the disease model of addiction which are ethnically and culturally relevant to the client population and incorporate evidence-based practices¹;
 4. a description of available individual, group, and family counseling sessions, the substance abuse education program, smoking cessation program, health and nutritional education programs, and family counseling program, and their ethnic and cultural relevance to the client population using intervention models and curricula that are consistent with these evidence-based practices;

¹ Resources may include: www.nreppsamhsa.gov, www.nattc.org, www.ibr.tcu.edu, and the National Clearinghouse on Alcohol and Drug Information (NCADI).

5. a description of therapeutic recreation, self-help and socialization activities available for clients who will reside in the half-way house program;
 6. a description of patient rights and grievance procedures; and
 7. a provision for annual documentation that the program's governing authority, Executive Director, clinical staff, and administrative staff have updated and reviewed the program's policies and procedures for service and organization as described in COMAR § 10.47.01.01 and this Contract's Scope of Services.
- E. The Contractor must develop and implement a written policy and procedure approved by the County which describes its organization and includes the requirements defined in COMAR §10.47.01.03, as well as the following:
1. a policy and procedure to coordinate the provision of services with the County;
 2. an emergency protocol to manage on site or re-locate to an alternate site in the event of a weather related or manmade disaster;
 3. an organizational chart showing the relationship between and the functions of all program staff and administrators; and
 4. a written plan for Continuous Quality Improvement (CQI) that includes a customer satisfaction survey.
- F. The Contractor must develop and implement a written policy and procedure approved by the County for admission and assessment requirements as described in COMAR § 10.47.01.04. Referrals will be pre-screened for eligibility by the County's Program Monitoring Unit (UMP) or designated referral source using American Society of Addiction Medicine (ASAM) criteria and successful completion of an intermediate care or equivalent program as guidelines. The assessment of adult men and women must be in a format approved by the County which includes the client's psychosocial, health (including any chronic condition), vocational, educational, and alcohol and/or drug treatment needs, and any legal matter pending to include, but not be limited to Parole & Probation, child support and Motor Vehicle Administration. The standardized assessment instrument for adults shall be the Addiction Severity Index (ASI), or an equivalent assessment instrument approved by the County and the Alcohol and Drug Abuse Administration. The admission policy and procedure must include:

1. documentation of medical necessity criteria for admission to this level of care based on standards of ASAM placement criteria and dimensions;
 2. documentation of procedures to conduct an intake and a mechanism to conduct emergency intakes;
 3. documentation of a policy on management of a wait list;
 4. documentation of a protocol for assessment of fee for service that is completed on each client admitted to the program;
 5. documentation that a medical examination was completed by a licensed medical practitioner during the client's treatment in an intermediate care facility (ICF) or comparable program, and that a complete record of the medical examination is placed in the client's treatment record within three working days following admission to the halfway house program. If the client is pregnant or has another chronic health condition, the documentation must include the maternity clinic the client is enrolled in or the primary care clinic in which s/he is to be enrolled;
 6. utilization of ASAM dimensions and Montgomery County Health and Human Services Admission Criteria; Continued Stay Criteria and Criteria for transfer/discharge to another level of care for continued substance abuse treatment services; and
 7. utilization of the adopted State tracking system software (HATS/SMART) for accepting drug testing results, to update treatment events, to prepare e-SAMIS reports for transmission to ADAA, and to document progress notes as an electronic case record.
- G. The Contractor must complete a written Individual Treatment Plan (ITP) with the participation of the client for each client and a Family Participation Plan (FPP) for each client and the client's family that meets the requirements of COMAR § 10.47.01.04. At a minimum, the ITP will be based upon the client's medical examination, psychosocial, ASAM dimensions, ASI, educational, vocational and treatment needs evaluation and other available information about the client and the client's family within seven (7) business days of the comprehensive assessment. The County must approve the format for these documents. The Contractor must encourage clients to participate in the development of the ITP for themselves and their family members and must document in the treatment record that the client has been informed of the opportunity to participate in the development of the plan and the client's consent to the ITP. At a minimum, the ITP must include:

1. a statement of the problem areas to be addressed for the client including those identified in the ASI and ASAM dimensions;
2. the short and long term goals of treatment;
3. strategy for implementation of these goals;
- 4.. target dates for completion of treatment goals;
5. and criteria for successful completion of treatment goals (stated in measurable, behavioral terms);
6. a schedule of treatment services including individual, group and if appropriate, family counseling needed by the client while in the Contractor's program to achieve goals stated in the ITP;
7. daily participation in self-help recovery groups and active involvement in order to develop sober social supports;
8. requirements to attend twice weekly urinalysis for drugs of abuse and to adhere to requirements for random breathalyzer and urinalysis in support of abstinence;
9. referrals to ancillary services and self help groups, if recommended.
10. ITPS must be updated a minimum of every ninety (90) days with new objectives added as they are identified.

H. The final ITP prior to successful completion of the program by the client must include the services and referrals needed by the client upon discharge from the program. All discharged clients, regardless of reason, must be provided with a referral for continued substance abuse treatment. The resources identified as referral agencies for discharged clients must be approved by the County. The aftercare service arrangements must be in a format approved by the County.

I. The Contractor must meet the requirements of COMAR § 10.47.02.06 by providing a minimum of four (4) hours per week of interventions directed toward preventing relapse, applying recovery skills, promoting personal responsibility, and community reintegration. The schedule of services must include education and documentation of services on Human Immunodeficiency Virus within 30 days of admission that includes a mechanism to assess risk, reduce risk and refer for counseling and testing as needed.

- J. The Contractor must meet the requirements of COMAR § 10.47.02.06 by providing, at a minimum, the following treatment services directly for each client whose ITP requires the provision of any or all of the following services:
1. individual (at least monthly), group and family support focusing on alcohol and/or drug abuse problems and the development of recovery and relapse prevention skills using intervention models and curricula that have empirical basis as “best practices” for the target population;
 2. case management;
 3. life skills and decision making seminars focusing on the activities of daily living and social skills necessary for age and role appropriate functioning in the community;
 4. health and nutritional education programs;
 5. HIV education, documented in the chart to have been completed within the first 30 days of treatment;
 6. a smoking cessation program;
 7. leisure and/or recreational activities;

The following required services may be provided through referral to a designated entity that has agreed in advance to collaborate with the Halfway House program if approved by the County:

8. psychiatric consultation and medication management services;
9. self-help groups focused on recovery and abstinence from alcohol and other drugs;
10. medical examination required for program admission;
11. vocational assessment, programming and rehabilitation services;
12. mental health counseling and/or therapy;
13. legal assistance;
14. social services for income, food stamps, medical or primary adult care (PAC) assistance; and

15. education services.

- K. The Contractor must meet the requirements of COMAR § 10.47.01.04 E for provision of family and self-help support services by providing directly or through referral (if approved by the County) culturally relevant family care services, information on self-help programs (e.g., Al-Anon) and support services to the client's family in accordance with the confidentiality provisions of 42 CFR (Code of Federal Regulations) §2.1 et seq. and the Health Insurance Portability and Accountability Act (HIPAA) and all other applicable federal, state and local laws governing client confidentiality. The family care services, information on self-help programs, and support services must include procedures for obtaining:
1. an assessment of the treatment needs of the client's family and/or significant others in relation to the impact of the client's addiction problems on family functioning and as indicated by the ITP;
 2. a method to provide for the treatment needs including family counseling (directly or by referral) of family members or significant others and a description of how they will be involved in the client's treatment process; and
 3. procedures to accommodate and encourage participation by the client's family or significant others in self help support groups and support activities such as Al-Anon and Alateen.
- l. The Contractor must monitor and document the self-administration of Over the Counter (OTC) and prescription medication by adult clients based on the specific authorization of the client's physician as required by COMAR § 10.47.01.04 on Medication Control and Staff requirements.
- M. The Contractor must coordinate the provision of service to each client with other agencies to which the County or Contractor refers the client, or with other agencies providing services to the client and/or family. The Contractor shall execute formal agreements with these other service providers in accordance with applicable federal, state and local confidentiality regulations, HIPAA or with appropriate release of information by the client and the County.
- N. The Contractor must enter into an agreement with the County's Urine Monitoring Program (UMP) to provide a minimum of twice weekly urinalysis service to test for drugs of abuse and support each client's abstinence as well as monitoring payment of a fee for urinalysis services.
- O. When necessary, the Contractor must provide transportation assistance to clients to ensure adequate access to community based services, employment, and educational programs as specified in the client's individual treatment plan. The

Contractor must ensure that any driver providing transportation services has a current valid driver's license without suspension or serious moving violations (including driving under the influence) in the prior two (2) years and during the period of employment.

- P. The Contractor must obtain and document approval from the County prior to the discharge of a client from the program for non-compliance with the Client's ITP. If the client poses an immediate threat to the health and/or safety of staff and/or other residents as determined by the Contractor, the Contractor may discharge the client without prior approval of the County. The Contractor must document and justify the reason for a client's discharge from the program in the client's written record and verbally notify the County by the next working day of any such discharge. All clients must be provided a referral for continuing care upon discharge as per procedure established by the County's Adult Addiction Services. Clients discharged who pose an imminent threat or who leave against advice, will be referred to the County's central assessment and referral site.
- Q. The Contractor must establish a requirement for automatic discharge from the program for violation of the abstinence requirement. This will include a protocol for on-site breathalyzer equipment for alcohol testing, the ability to collect urine samples on-site, and routine review of urinalysis results posted in HATS/SMART by the UMP. The protocol, subject to County approval, must have a mechanism to respond to a client's denial or challenge of the accuracy of a positive breathalyzer or urinalysis result to include a back-up system to validate abstinence (or lack thereof) pending discharge from the Halfway House.
- R. The Contractor must employ a sufficient number of staff who are qualified to provide direct services to clients as specified by COMAR § 10.47.01.03 and 10.47.01.06. The Contractor must be aware of any changes in COMAR or other applicable laws and regulations that deal with halfway house facilities and implement those changes. The County must approve the position description and minimum qualifications required for the Clinical Director or Clinical Supervisor prior to hire by the Contractor. The Contractor must attempt to hire at least one (1) staff member who is fluent in the Spanish language and document those recruiting efforts. At a minimum, the Contractor must employ the following number of staff to provide direct services to clients:
1. one (1) full time Clinical Director (preferred) or Clinical Supervisor certified by the applicable Health Occupations Board with a Master's degree in Counseling, Social Work, Psychology, or equivalent human services program and a minimum of three years experience in the direct provision of addiction treatment services, one year of which should be in the supervision of other clinicians and one year in the direct provision of addiction treatment services in a residential setting. If this person is not licensed by the applicable Board but is certified, then provision must be

made for requisite clinical supervision and this plan must be provided to the County to ensure that all credentialed staff are supervised by a person who is Board approved to act in that capacity;

2. one (1) full time program manager with a minimum of a Bachelor of Arts degree and three (3) years of facility management experience of which at least one year was in the residential addiction field who may also function as a Counselor if applicable educational and credentialing standards are met. This person is responsible for daily operational issues related to the physical plant, inventory and assurance that at least one staff member is on duty at all times;
 3. sufficient staff to meet the requirements in COMAR for staffing and for program services. These staff may be employed to provide supervision to clients and provide case management functions in the community for clients. These positions require at least a high school diploma and the ability to read and write English and at least one (1) year experience providing client services in an addiction treatment program (unless otherwise approved by the County);
 4. a sufficient number of culinary staff who meet the requirements of COMAR § 10.47.01.06 for Dietary Services² to provide, at a minimum, two (2) prepared meals per day Monday through Friday, and a self-serve breakfast and weekend meals that may be reheated by residents and/or staff; and
 5. if needed, may employ a secretarial or administrative support staff to serve as a receptionist and billing specialist, if required to fulfill support tasks related to program operations and the approved operating budget permits.
- S: Within six (6) months of execution of the Contract, the Contractor must develop a policy and procedure subject to County approval for the transfer or disposition of the Contractor's caseload of clients referred under the Contract upon termination of the Contract. The Contractor must implement the policy and procedure for caseload transfer or disposition upon written notice from the County. The Contractor's caseload transfer or disposition policy must address:
1. the time period for the completion of the transfer or disposition of Contractor's caseload;
 2. the Contractor's plan to assure that adequate client services are continued; and

² Dietary services must comply with applicable local, state and federal laws and may require a dietician licensed under section 5-101 of the Health Occupations Article, Annotated Code of Maryland, to develop and implement the dietary services plan (COMAR 10.47.01.05).

3. the County's right to review the need of each of the Contractor's County clients for continuing care and financial assistance.
- T. The Contractor must establish a written policy and procedure and maintain a schedule of client fees and a method of charging and collecting fees from clients and their families that is approved by the County. Any plan to modify the weekly fee must be submitted in writing to the County for consideration and must include a justification for the change, consideration of the impact on clients and declaration of benefit to the program's operations. The Contractor must assist clients who may be eligible to apply for public assistance such as food stamps, Primary Adult Care, Temporary Disability Assistance Program or other benefits and may consider such assistance in lieu of a room/board fee for consumers who are not fully employed.
- U. Contractor Qualifications
1. The Contractor must have experiential and theoretical knowledge of issues affecting alcohol and/or drug dependent adult men and women, and adults with co-occurring disorders and the challenges they face in early recovery and obtaining employment, housing, social support, and somatic and mental health services.
 2. The Contractor must have knowledge of community resources related to treatment of alcohol and/or drug dependent adult men and women, and adults with co-occurring disorders, and have prior experience in reducing barriers to accessing services and stigma for the target population.
 3. The Contractor must have knowledge of the Chronic Disease Model of treatment and experience in the application of this model in a halfway house setting and the ability to provide a plan of services of four (4) or more hours of substance abuse treatment per client directed toward relapse prevention, developing and applying recovery skills, promoting personal responsibility and achieving community reintegration.

II. RECORDS AND REPORTS

- A. The Contractor must develop and maintain a system of written records approved by the County which must conform to the certification standards for this type of facility as specified by COMAR § 10.47.01. The Contractor must make available to the County all client records, including specific medical information contained therein, upon request of the County. Each client record, at a minimum, must include:
1. the written intake evaluation;

2. a notice of privacy practices and confidentiality rights to meet federal and State requirements;
 3. a record of the client's medical examination;
 4. the client's individual treatment plan;
 5. the Contractor's notes documenting treatment services in writing or an approved electronic record format;
 6. release of information indicating that the client is aware that records are reviewed by the County and a statement of understanding that portions of client records will be maintained in an electronic format;
 7. the purpose and justification for the client's termination from the program; and
 8. a written discharge summary per COMAR § 10.47.01.04.
- B. Contractor must submit, in addition to monthly submission requirements established by ADAA, monthly reports to the County with both current month and cumulative year-to-date date, to:
1. document the average length of stay each month for active clients and utilization of the program by gender;
 2. document the number of active clients who required assistance due to Limited English Proficiency;
 3. document the number of clients who received on- and off-site vocational, job training and education assistance and the type, frequency and number of units of such assistance;
 4. document the number of active residents who received on- or off-site mental health services and the nature of such services (medication management, grief counseling, trauma treatment);
 5. document the number of residents discharged who participated in treatment for a minimum of 180 days and average length of stay by total for program and gender;
 6. document the number of residents discharged who obtained and maintained employment or were in training 30 hours or more per week while in residence;

7. document the number of discharged residents who were on Temporary Cash Assistance who become employed;
8. document the number of discharged residents who maintained abstinence during residence (as evidenced by negative urinalysis and breathalyzer results);
9. document the number of discharged residents who attend self-help fellowship meetings consistent with requirements of their ITP;
10. document the number of discharged residents who terminated services with a zero rent balance and zero balance for UMP services;
11. document the number of discharged residents who remained arrest free during residence;
12. document the number and percentage of discharged clients who perceived services received as meeting or exceeding expectations;
13. document the number of discharged residents who obtained housing (preventing homelessness) upon discharge;
14. document the number of discharged pregnant residents who received pre-natal care;
15. document the number of discharged residents who were provided access to medical and dental care; and
16. document the number of discharged residents with co-occurring disorders who were provided access to mental health care.

III. PERFORMANCE MEASURES

The Contractor must strive to meet the following Performance Measures each fiscal year as related to the services provided:

- A. At least 65% of discharged residents participated in treatment for a minimum of 90 days and average length of stay.
- B. At least 85% of discharged residents obtained and maintained employment or were in training 30 hours or more per week while in residence.
- C. At least 85% of discharged clients perceived services received as meeting or exceeding expectations.

- D. At least 85% of discharged residents maintained abstinence during residence (as evidenced by negative urinalysis and breathalyzer results).

IV. COMPENSATION

- A. The Contractor's approved fiscal year line-item budget is incorporated by reference and made a part of this Contract as Attachment B. Modifications to the Contractor's approved budget during the year must be justified by the proposing party and must be approved in writing by the County. A fiscal year for this Contract starts on July 1 and expires on the following June 30.
- B. The County will reimburse the Contractor for all reasonable costs incurred in providing the goods and services described in this Contract, in accordance with the approved line-item budget and subject to the following limitations:
1. The maximum compensation payable by the County to the Contractor under this Contract must not exceed \$390,000 for the initial contractual fiscal year, prorated to reflect the actual start of the contract term through June 30, 2009.
 2. No compensation will be made for any costs that exceed the relevant line-item budget in the Contractor's approved contractual fiscal budget year by more than 10%; and
 3. No compensation will be paid for any costs that exceed the Contractor's approved contractual fiscal year budget.
 4. The Contractor may retain all fees collected from, or on behalf of, clients, provided that these funds are used within the contract performance period for program purposes, and with County approval.
 5. The County will not be responsible for failure of the Contractor to collect client fees, fundraising contributions, or any other revenue sources projected in the Contractor's approved budget for total operating expenses.
- C. The total maximum compensation under this Contract for all goods and services as described in Article I., Scope of Services, Article II., Records and Reports, and Article III., Performance Measures, above, must not exceed \$390,000 for the initial contract term, prorated to reflect the actual start of the contract term through June 30, 2009 unless modified by an executed amendment and purchase order, change order, or superseded by another purchase order issued by the County's Department of General Services. Any amounts to be paid to the

Contractor must be established in the purchase order(s) executed by the County's Office of Procurement.

- D. All capital items for which the County reimburses the Contractor or purchased directly by the County shall become the property of the County upon expiration of the Contract.

V. INVOICES

Upon acceptance of the Contractor's invoice, the County will make payment to the Contractor on a monthly basis for services rendered, net 30 days, upon the Contractor's submission of an invoice to the County in a format approved by the County by the 15th day of the following month. Invoices must be accompanied by appropriate documentation of the services provided during that billing period to comply with programmatic requirements including the required service reports outlined in Article II., Records and Reports, all of which the Contractor must submit to the Program Monitor at 14703 Avery Road, Rockville, Maryland 20853.

VI. TERM

The effective date of this contract begins upon signature by the Director, Department of General Services. The period in which the Contractor must perform all work under the contract begins on the contract's effective date and ends on June 30, 2009. The Contractor must also perform all work in accordance with the time periods stated in the Scope of Services. Before this term for performance ends, the Director at his/her sole option may (but is not required to) renew the term. The Contractor's satisfactory performance does not guarantee a renewal of the term. The Director may exercise this option to renew the term three (3) times for one (1) year each plus one time for up to one year for the purpose of transitioning the services provided under this Contract to another contractor.

VII. GENERAL CONDITIONS AND INSURANCE

The County's General Conditions of Contract between County and Contractor, Attachment A, are incorporated by reference and made part of this Contract. The following insurance requirements supersede those outlined in the General Conditions:

Prior to the execution of the contract by the County, the Contractor must 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 the Division of Risk Management. This insurance must be kept in full force and effect during the term of this contract, including all extensions. The insurance must be evidenced by a certificate of insurance, and if requested by the County, the Contractor shall provide a copy of the insurance policies. The Contractor's insurance shall be primary.

Commercial General Liability

A minimum limit of liability of *one million dollars (\$1,000,000)*, combined single limit, for bodily injury and property damage coverage per occurrence including the following coverages:

- Contractual Liability
- Premises and Operations
- Independent Contractors
- Products and Completed Operations

Professional Liability

Professional liability insurance covering errors and omissions and negligent acts committed during the period of contractual relationship with the County with a limit of liability of at least *one million dollars (\$1,000,000)* per claim and aggregate and a maximum deductible of \$25,000. Contractor agrees to provide a one-year discovery period under this policy.

Automobile Liability Coverage

A minimum limit of liability of *five hundred thousand dollars (\$500,000)*, combined single limit, for bodily injury and property damage coverage per occurrence including the following:

- owned automobiles
- hired automobiles
- non-owned automobiles

Workers' Compensation/Employer's Liability

Meeting all statutory requirements of the State of Maryland Law and with 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*

Additional Insured

Montgomery County, Maryland, its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods and services provided under this contract.

Policy Cancellation

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

Certificate Holder

Montgomery County, Maryland
Health and Human Services, CMT / Ron Berger
401 Hungerford Drive, 6th Floor
Rockville, Maryland 20850

VIII. PRIORITY OF DOCUMENTS

The following documents are incorporated by reference and made part of this Contract and are listed in order of legal precedence below in the event of a conflict in their terms:

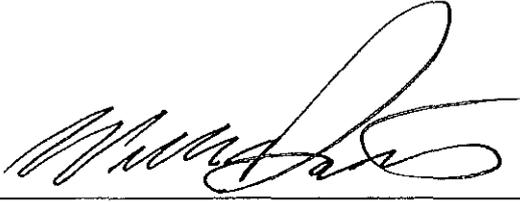
- A. This Contract document;
- B. The County's General Conditions of Contract between the County and Contractor (Attachment A);
- C. The Contractor's County approved fiscal year line item budget (Attachment B);

[SIGNATURE PAGE FOLLOWS]

SIGNATURES

POWELL RECOVERY CENTER, INC.

MONTGOMERY COUNTY, MARYLAND



Signature



David E. Dise, CPPO *Director
Office of General Services

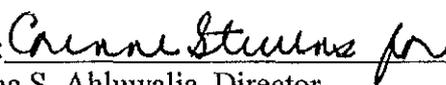
Typed William Scott

Date 9/20/2008

Title Executive Director

RECOMMENDED

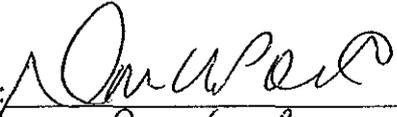
Date 9-9-08

By: 

Uma S. Ahluwalia, Director
Department of Health and Human Services

Date: Sept 3, 2008

APPROVED, OFFICE OF THE COUNTY ATTORNEY

By: 

Paralegal

Date: 9/5/08

*The County code, Chapter 11B-1, replaced the definition of Director (of Procurement) with Director of the Department of General Services.

GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY & CONTRACTOR**1. ACCOUNTING SYSTEM AND AUDIT, ACCURATE INFORMATION**

The contractor certifies that all information the contractor has provided or will provide to the County is true and correct and can be relied upon by the County in awarding, modifying, making payments, or taking any other action with respect to this contract including resolving claims and disputes. Any false or misleading information is a ground for the County to terminate this contract for cause and to pursue any other appropriate remedy. The contractor certifies that the contractor's accounting system conforms with generally accepted accounting principles, is sufficient to comply with the contract's budgetary and financial obligations, and is sufficient to produce reliable financial information.

The County may examine the contractor's and any first-tier subcontractor's records to determine and verify compliance with the contract and to resolve or decide any claim or dispute arising under this contract. The contractor and any first-tier subcontractor must grant the County access to these records at all reasonable times during the contract term and for 3 years after final payment. If the contract is supported to any extent with federal or state funds, the appropriate federal or state authorities may also examine these records. The contractor must include the preceding language of this paragraph in all first-tier subcontracts.

2. AMERICANS WITH DISABILITIES ACT

The contractor agrees to comply with the nondiscrimination requirements of Titles II and III, and other provisions, of the Americans with Disabilities Act of 1990, Pub. Law 101-336, as amended, currently found at 42 U.S.C., § 12101, et seq.

3. APPLICABLE LAWS

This contract must be construed in accordance with the laws and regulations of Maryland and Montgomery County. The Montgomery County Procurement Regulations are incorporated by reference into, and made a part of, this contract. In the case of any inconsistency between this contract and the Procurement Regulations, the Procurement Regulations govern. The contractor must, without additional cost to the County, pay any necessary fees and charges, obtain any necessary licenses and permits, and comply with applicable federal, state and local laws, codes and regulations. For purposes of litigation involving this contract, except for contract Disputes discussed in paragraph 8 below, exclusive venue and jurisdiction must be in the Circuit Court for Montgomery County, Maryland or in the District Court of Maryland for Montgomery County.

Furthermore, by signing, or performing work under, a contract for services or arising from a grant award to participate in a County-funded program, contractor expressly certifies and agrees that it will not expend County funds to assist, promote, deter, or otherwise influence union activity or organizing, and that it will comply with the requirements of Montgomery County Code, Section 11B-33B.

4. ASSIGNMENTS AND SUBCONTRACTS

The contractor may not assign or transfer this contract, any interest herein or any claim hereunder, except as expressly authorized in writing by the Director, Office of Procurement. Unless performance is separately and expressly waived in writing by THE DIRECTOR, OFFICE OF PROCUREMENT, an assignment does not release the contractor from responsibility for performance of this contract. Unless otherwise provided in the contract, the contractor may not contract with any other party for furnishing any of the materials or services herein contracted for without the written approval of the Director, Office of Procurement.

5. CHANGES

The Director, Office of Procurement, may unilaterally change the work, materials and services to be performed. The change must be in writing and within the general scope of the contract. The contract will be modified to reflect any time or money adjustment the contractor is entitled to receive. Contractor must bring to the Contract Administrator, in writing, any claim about an adjustment in time or money resulting from a change, within 30 days from the date the Director, Office of Procurement, issued the change in work, or the claim is waived. Any failure to agree upon a time or money adjustment must be resolved under the "Disputes" clause of this contract. The contractor must proceed with the prosecution of the work as changed, even if there is an unresolved claim. No charge for any extra work, time or material will be allowed, except as provided in this section.

6. CONTRACT ADMINISTRATION

A. The contract administrator, subject to paragraph B below, is the Department representative designated by the Director, Office of Procurement, in writing and is authorized to:

- (1) serve as liaison between the County and Contractor;
- (2) give direction to the Contractor to ensure satisfactory and complete performance;
- (3) monitor and inspect the Contractor's performance to ensure acceptable timeliness and quality;
- (4) serve as records custodian for this contract, including wage requirements;
- (5) accept or reject the Contractor's performance;
- (6) furnish timely written notice of the contractor's performance failures to the Director, Office of Procurement and to the County Attorney, as appropriate;
- (7) prepare required reports;
- (8) approve or reject invoices for payment;
- (9) recommend contract modifications or terminations to the Director, Office of Procurement;
- (10) issue notices to proceed; and
- (11) monitor and verify compliance with any MFD Performance Plan.

B. The contract administrator is NOT authorized to make determinations (as opposed to recommendations) that alter, modify, terminate or cancel the contract, interpret ambiguities in contract language, or waive the County's contractual rights.

7. COST & PRICING DATA

Chapter 11B of the County Code and the Montgomery County Procurement Regulations require that cost & pricing data be obtained from proposed awardees/contractors in certain situations. The contractor guarantees that any cost & pricing data provided to the County will be accurate and complete. The contractor grants the Director, Office of Procurement, access to all books, records, documents, and other supporting data in order to permit adequate evaluation of the contractor's proposed price(s). The contractor also agrees that the price to the County, including profit or fee, may, at the option of the County, be reduced to the extent that the price was based on inaccurate, incomplete, or noncurrent data supplied by the contractor.

8. DISPUTES

Any dispute by Contractor arising under this contract that is not disposed of by agreement must be decided under the Montgomery County Code and the Montgomery County Procurement Regulations. Pending final resolution of a dispute, the Contractor must proceed diligently with contract performance. Subject to subsequent revocation or alteration by the Director, Office of Procurement, the head of the County department, office or agency ("Department Head") of the contract administrator is the designee of the Director, Office of Procurement, for the purpose of dispute resolution. The Department Head, or his/her designee, must forward to the Director, Office of Procurement, a copy of any written resolution of a dispute. The Department Head may, with the contractor's consent, delegate this responsibility to another person (other than the contract administrator). A contractor must notify, in writing, the contract administrator of a claim, and must attempt to resolve a claim with the contract administrator prior to filing a dispute with the Director, Office of Procurement. The contractor waives any dispute or claim not made in writing and received by the Director, Office of Procurement, within 30 days of the event giving rise to the dispute or claim, whether or not the contract administrator has responded to a written notice of claim or resolved the claim. The Director, Office of Procurement, must dismiss a dispute that is not timely filed. A dispute must be in writing, for specific relief, and any requested relief must be fully supported by affidavit of all relevant calculations, including cost and pricing information, records, and other information. At the County's option, the Contractor agrees to be made a party to any related dispute involving another contractor.

9. DOCUMENTS, MATERIALS AND DATA

All documents, materials or data developed as a result of this contract are the County's property. The County has the right to use and reproduce any documents, materials, and data, including confidential information, used in the performance of, or developed as a result of, this contract. The County may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right of use of all documents, materials or data used or developed in connection with this contract. The Contractor must keep confidential all documents, materials, and data prepared or developed by the contractor or supplied by the County.

10. DURATION OF OBLIGATION

The contractor agrees that all of contractor's obligations and warranties, including all requirements imposed by the Minority Owned Business Addendum to these General Conditions, if any, which directly or indirectly are intended by their nature or by implication to survive contractor performance, do survive the completion of performance, termination for default, termination for convenience, or termination by mutual consent of the contract.

11. ENTIRE AGREEMENT

There are no promises, terms, conditions, or obligations other than those contained in this contract. This contract supersedes all communications, representations, or agreements, either verbal or written, between the parties hereto, with the exception of express warranties given to induce the County to enter into the contract.

12. ETHICS REQUIREMENTS/ POLITICAL CONTRIBUTIONS

The contractor must comply with the ethics provisions contained in Chapters 11B and 19A, Montgomery County Code, which include the following:

- (a) a prohibition against making or offering to make certain gifts. Section 11B-51(a).
- (b) a prohibition against kickbacks. Section 11B-51(b).
- (c) a prohibition against a person engaged in a procurement from employing or offering to employ a public employee. Section 11B-52 (a).
- (d) a prohibition against a contractor that is providing a recommendation to the County from assisting another party or seeking to obtain an economic benefit beyond payment under the contract. Section 11B-52 (b)
- (e) a restriction on the use of confidential information obtained in performing a contract. Section 11B-52 (c).
- (f) a prohibition against contingent fees. Section 11B-53.

Furthermore, the contractor specifically agrees to comply with County Code Sections 11B-51, 11B-52, 11B-53, 19A-12, and/or 19A-13.

In addition, the contractor must comply with the political contribution reporting requirements currently codified under Title 14 of the Election Law, Annotated Code of Maryland.

13. GUARANTEE

- A. Contractor guarantees for one year from acceptance, or for a longer period that is otherwise expressly stated in the County's written solicitation, all goods, services, and construction offered, including those used in the course of providing the goods, services, and/or construction. This includes a guarantee that all products offered (or used in the installation of those products) carry a guarantee against any and all defects for a minimum period of one year from acceptance, or for a longer period stated in the County's written solicitation. The contractor must correct any and all defects in material and/or workmanship that may appear during the guarantee period, or any defects that occur within one (1) year of acceptance even if discovered more than one (1) year after acceptance, by repairing, (or replacing with new items or new materials, if necessary) any such defect at no cost to the County and to the County's satisfaction.
- B. Should a manufacturer's or service provider's warranty or guarantee exceed the requirements stated above, that guarantee or warranty will be the primary one used in the case of defect. Copies of manufacturer's or service provider's warranties must be provided upon request.
- C. All warranties and guarantees must be in effect from the date of acceptance by the County of the goods, services, or construction.
- D. The contractor guarantees that all work shall be accomplished in a workmanlike manner, and the contractor must observe and comply with all Federal, State, County and local laws, ordinances and regulations in providing the goods, and performing the services or construction.
- E. Goods and materials provided under this contract must be of first quality, latest model and of current manufacture, and must not be of such age or so deteriorated as to impair their usefulness or safety. Items that are used, rebuilt, or demonstrator models are unacceptable, unless specifically requested by the County in the Specifications.

14. HAZARDOUS AND TOXIC SUBSTANCES

Manufacturers and distributors are required by federal "Hazard Communication" provisions (29 CFR 1910.1200), and the Maryland "Access to Information About Hazardous and Toxic Substances" Law, to label each hazardous material or chemical container, and to provide Material

Safety Data Sheets to the purchaser. The contractor must comply with these laws and must provide the County with copies of all relevant documents, including Material Safety Data Sheets, prior to performance of work or contemporaneous with delivery of goods.

15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE

In addition to the provisions stated above in Section 3, "Applicable Laws," contractor must comply with all requirements in the federal Health Insurance Portability and Accountability Act (HIPAA), to the extent that HIPAA is applicable to this contract. Furthermore, contractor must enter into the County's standard Business Associate Agreement when contractor or the County, as part of this contract, may use or disclose to one another, to the individual whose health information is at issue, or to a third-party, any protected health information that is obtained from, provided to, made available to, or created by, or for, the contractor or the County.

16. IMMIGRATION REFORM AND CONTROL ACT

The contractor warrants that both the contractor and its subcontractors do not, and shall not, hire, recruit or refer for a fee, for employment under this contract or any subcontract, an alien while knowing the alien is an unauthorized alien, or any individual without complying with the requirements of the federal Immigration and Nationality laws, including any verification and record keeping requirements. The contractor further assures the County that, in accordance with those laws, it does not, and will not, discriminate against an individual with respect to hiring, recruitment, or referral for a fee, of an individual for employment or the discharge of an individual from employment, because of the individual's national origin or, in the case of a citizen or prospective citizen, because of the individual's citizenship status.

17. INCONSISTENT PROVISIONS

Notwithstanding any provisions to the contrary in any contract terms or conditions supplied by the contractor, this General Conditions of Contract document supersedes the contractor's terms and conditions, in the event of any inconsistency.

18. INDEMNIFICATION

The contractor is responsible for any loss, personal injury, death and any other damage (including incidental and consequential) that may be done or suffered by reason of the contractor's negligence or failure to perform any contractual obligations. The contractor must indemnify and save the County harmless from any loss, cost, damage and other expenses, including attorney's fees and litigation expenses, suffered or incurred due to the contractor's negligence or failure to perform any of its contractual obligations. If requested by the County, the contractor must defend the County in any action or suit brought against the County arising out of the contractor's negligence, errors, acts or omissions under this contract. The negligence of any agent, subcontractor or employee of the contractor is deemed to be the negligence of the contractor. For the purposes of this paragraph, County includes its boards, agencies, agents, officials and employees.

19. INDEPENDENT CONTRACTOR

The contractor is an independent contractor. The contractor and the contractor's employees or agents are not agents of the County.

20. INSPECTIONS

The County has the right to monitor, inspect and evaluate or test all supplies, goods, services, or construction called for by the contract at all reasonable places (including the contractor's place of business) and times (including the period of preparation or manufacture).

21. INSURANCE

Prior to contract execution by the County, the proposed awardee/contractor must obtain at its own cost and expense the insurance specified in the applicable table (See Tables A and B) or attachment to these General Conditions, with one or more insurance company(ies) licensed or qualified to do business in the State of Maryland, and acceptable to the County's Division of Risk Management. Contractor must keep this insurance in full force and effect during the term of this contract, including all extensions. Unless expressly provided otherwise, Table A is applicable to this contract. The insurance must be evidenced by one or more Certificate(s) of Insurance and, if requested by the County, the proposed awardee/contractor must provide a copy of any and all insurance policies to the County. At a minimum, the proposed awardee/contractor must submit to the Director, Office of Procurement, one or more Certificate(s) of Insurance prior to award of this contract, and prior to any contract modification extending the term of the contract, as evidence of compliance with this provision. The contractor's insurance must be primary. Montgomery County, MD, including its officials, employees, agents, boards, and agencies, must be named as an additional insured on all liability policies. Forty-five days written notice to the County of cancellation or material change in any of the policies is required. In no event may the insurance coverage be less than that shown on the applicable table, attachment, or contract provision for required insurance. The Director, Office of Procurement, may waive the requirements of this section, in whole or in part.

22. INTELLECTUAL PROPERTY APPROVAL AND INDEMNIFICATION - INFRINGEMENT

If contractor will be preparing, displaying, publicly performing, reproducing, or otherwise using, in any manner or form, any information, document, or material that is subject to a copyright, trademark, patent, or other property or privacy right, then contractor must: obtain all necessary licenses, authorizations, and approvals related to its use; include the County in any approval, authorization, or license related to its use; and indemnify and hold harmless the County related to contractor's alleged infringing or otherwise improper or unauthorized use. Accordingly, the contractor must protect, indemnify, and hold harmless the County from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorneys' fees and the costs of the defense of the County, in any suit, including appeals, based upon or arising out of any allegation of infringement, violation, unauthorized use, or conversion of any patent, copyright, trademark or trade name, license, proprietary right, or other related property or privacy interest in connection with, or as a result of, this contract or the performance by the contractor of any of its activities or obligations under this contract.

23. NON-CONVICTION OF BRIBERY

The contractor hereby declares and affirms that, to its best knowledge, none of its officers, directors, or partners or employees directly involved in obtaining contracts has been convicted of bribery, attempted bribery, or conspiracy to bribe under any federal, state, or local law.

24. NON-DISCRIMINATION IN EMPLOYMENT

The contractor agrees to comply with the non-discrimination in employment policies and/or provisions prohibiting unlawful employment practices in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code, as well as all other applicable state and federal laws and regulations regarding employment discrimination.

The contractor 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, or sexual orientation.

The contractor must bind its subcontractors to the provisions of this section.

TABLE A - INSURANCE REQUIREMENTS
 (See Paragraph #21 Under the General Conditions of Contract Between County and Contractor)

	<u>CONTRACT DOLLAR VALUES (IN \$1,000's)</u>			
	<u>Up to 50</u>	<u>Up to 100</u>	<u>Up to 1,000</u>	<u>Over 1,000</u>
Workers Compensation (for contractors with employees)				
Bodily Injury by Accident (each)	100	100	100	See Attachment
Disease (policy limits)	500	500	500	
Disease (each employee)	100	100	100	
Commercial General Liability minimum combined single limit for bodily injury and property damage per occurrence, including contractual liability, premises and operations, and independent contractors	300	500	1,000	See Attachment
Minimum Automobile Liability (including owned, hired and non-owned automobiles)				
Bodily Injury each person	100	250	500	See Attachment
each occurrence	300	500	1,000	
Property Damage each occurrence	300	300	300	
Professional Liability* for errors, omissions and negligent acts, per claim and aggregate, with one year discovery period and maximum deductible of \$25,000	250	500	1,000	See Attachment

Certificate Holder
 Montgomery County Maryland (Contract #)
 Office of Procurement
 Rockville Center
 255 Rockville Pike, Suite 180
 Rockville, Maryland 20850-4166

*Professional services contracts only

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TABLE B. - INSURANCE REQUIREMENTS
(See Paragraph #21 Under the General Conditions of Contract Between County and Contractor)

	<u>Up to 50</u>	<u>Up to 100</u>	<u>Up to 1,000</u>	<u>Over 1,000</u>
Commercial General Liability minimum combined single limit for bodily injury and property damage per occurrence, including contractual liability, premises and operations, independent contractors, and product liability	300	500	1,000	See Attachment

Certificate Holder
Montgomery County Maryland (Contract #)
Office of Procurement
Rockville Center
255 Rockville Pike, Suite 180
Rockville, Maryland 20850-4166

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25. PAYMENTS

No payment by the County may be made, or is due, under this contract, unless funds for the payment have been appropriated and encumbered by the County. Under no circumstances will the County pay the contractor for legal fees. The contractor must not proceed to perform any work (provide goods, services, or construction) prior to receiving written confirmation that the County has appropriated and encumbered funds for that work. If the contractor fails to obtain this verification from the Office of Procurement prior to performing work, the County has no obligation to pay the contractor for the work.

If this contract provides for an additional contract term for contractor performance beyond its initial term, continuation of contractor's performance under this contract beyond the initial term is contingent upon, and subject to, the appropriation of funds and encumbrance of those appropriated funds for payments under this contract. If funds are not appropriated and encumbered to support continued contractor performance in a subsequent fiscal period, contractor's performance must end without further notice from, or cost to, the County. The contractor acknowledges that the County Executive has no obligation to recommend, and the County Council has no obligation to appropriate, funds for this contract in subsequent fiscal years. Furthermore, the County has no obligation to encumber funds to this contract in subsequent fiscal years, even if appropriated funds may be available. Accordingly, for each subsequent contract term, the contractor must not undertake any performance under this contract until the contractor receives a purchase order or contract amendment from the County that authorizes the contractor to perform work for the next contract term.

26. PERSONAL PROPERTY

All furniture, office equipment, equipment, vehicles, and other similar types of personal property specified in the contract, and purchased with funds provided under the contract, become the property of the County upon the end of the contract term, or upon termination or expiration of this contract, unless expressly stated otherwise.

27. TERMINATION FOR DEFAULT

The Director, Office of Procurement, may terminate the contract in whole or in part, and from time to time, whenever the Director, Office of Procurement, determines that the contractor is:

- (a) defaulting in performance or is not complying with any provision of this contract;
- (b) failing to make satisfactory progress in the prosecution of the contract; or
- (c) endangering the performance of this contract.

The Director, Office of Procurement, will provide the contractor with a written notice to cure the default. The termination for default is effective on the date specified in the County's written notice. However, if the County determines that default contributes to the curtailment of an essential service or poses an immediate threat to life, health, or property, the County may terminate the contract immediately upon issuing oral or written notice to the contractor without any prior notice or opportunity to cure. In addition to any other remedies provided by law or the contract, the contractor must compensate the County for additional costs that foreseeably would be incurred by the County, whether the costs are actually incurred or not, to obtain substitute performance. A termination for default is a termination for convenience if the termination for default is later found to be without justification.

28. TERMINATION FOR CONVENIENCE

This contract may be terminated by the County, in whole or in part, upon written notice to the contractor, when the County determines this to be in its best interest. The termination for convenience is effective on the date specified in the County's written notice. Termination for convenience may entitle the contractor to payment for reasonable costs allocable to the contract for work or costs incurred by the contractor up to the date of termination. The contractor must not be paid compensation as a result of a termination for convenience that exceeds the amount encumbered to pay for work to be performed under the contract.

29. TIME

Time is of the essence.

30. WORK UNDER THE CONTRACT

Work may not commence under this contract until all conditions for commencement are met, including execution of the contract by both parties, compliance with insurance requirements, encumbrance of funds, and issuance of any required notice to proceed.

THIS FORM MAY NOT BE MODIFIED WITHOUT THE PRIOR APPROVAL OF THE OFFICE OF THE COUNTY ATTORNEY.

PMMD-45. REVISED 1/18/08

**Wage Requirements for Services Contract Addendum to The General Conditions of Contract
Between County and Contractor**

- A. This contract is subject to the wage requirements of Section 11B-33A of the Montgomery County Code. A County contract for the procurement of services must require the contractor and any of its subcontractors to comply with the wage requirements of this Section, subject to exceptions from coverage for particular contractors noted in 11B-33A(b) and for particular employees noted in 11B-33A(f).
- B. Conflicting requirements (11B-33A(g)): If any federal, state, or County law or regulation requires payment of a higher wage, that law or regulation controls. If any applicable collective bargaining agreement requires payment of a higher wage, that agreement controls.
- C. Nonprofit organizations who are exempt from the wage requirements under 11B-33A must specify the wage the organization intends to pay to those employees who will perform direct, measurable work under the contract, and any health insurance the organization intends to provide to those employees.
- D. A contractor must not split or subdivide a contract, pay an employee through a third party, or treat an employee as a subcontractor or independent contractor, to avoid the imposition of any requirements in 11B-33A.
- E. Each contractor and subcontractor covered under 11B-33A must: certify that it is aware of and will comply with the applicable wage requirements; keep and submit any verifiable records necessary to show compliance; and conspicuously post notices informing employees of the wage requirements, and send a copy of each such notice to the County's Director of Procurement.
- F. An employer must comply with Section 11B-33A during the initial term of the contract and all subsequent renewal periods and must pay an increase adjustment in this wage rate, if any, automatically effective July 1 of each year. The County will adjust the wage rate by the annual average increase in the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or successor index, for the previous calendar year and must calculate the adjustment to the nearest multiple of 5 cents.
- G. An employer must not discharge or otherwise retaliate against an employee for asserting any right or filing a complaint of a violation, under the wage requirements.
- H. The sanctions under Section 11B-33(b), that apply to noncompliance with nondiscrimination requirements, apply with equal force and scope to noncompliance with the wage requirements under 11B-33A.
- I. The County may assess liquidated damages for any noncompliance by contractor with the Section 11B-33A wage requirements at the rate of 1% per day of the total contract amount, or for a requirements contract, the estimated annual contract value, for each day of the violation. This liquidated damages amount includes the amount of any unpaid wages, with interest. In the event of a breach of contract under this paragraph, the Contractor must pay to the County liquidated damages noted above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under this paragraph are difficult to ascertain, and that the liquidated damages provided for in this paragraph are fair and reasonable in estimating the damage to the County resulting from a breach of this paragraph by Contractor. In addition, the contractor is jointly and severally liable for any noncompliance by a subcontractor. Furthermore, Contractor agrees that an aggrieved employee, as a third-party beneficiary, may by civil action enforce the payment of wages due under the Section 11B-33A wage requirements and recover from Contractor any unpaid wages with interest, a reasonable attorney's fee, and damages for any retaliation for asserting any right or claim under the 11B-33A wage requirements.
- J. The Director may conduct random audits to assure compliance with Section 11B-33A. The Director may conduct an on-site inspection(s) for the purpose of determining compliance.
- K. If the Contractor fails, upon request by the Director, to submit documentation demonstrating compliance with Section 11B-33A to the satisfaction of the Director, the Contractor is in breach of this contract. In the event of a breach of contract under this paragraph, the Contractor must pay to the County liquidated damages noted in paragraph I. above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under this paragraph are difficult to ascertain, and that the liquidated damages provided for in this paragraph are fair and reasonable in estimating the damage to the County resulting from a breach of this paragraph by Contractor.

EQUIPMENT

Dell Computer w/ printer for client use; employment search \$1,200
Dell Computer w/ printer & scanner - staff use for SMART, data management, etc.. \$1,800

TOTAL EQUIPMENT

\$3,000

OTHER

Food (\$7.65/client per day - includes 3 meals and 2 snacks) \$43,000
Communication (telephone & DSL service, cable and client phone service) \$5,005
Client incentives and activities \$1,540
Staff training \$1,845

TOTAL OTHER

\$51,390

TOTAL DIRECT

\$311,144

INDIRECT COST (8%)

\$24,892

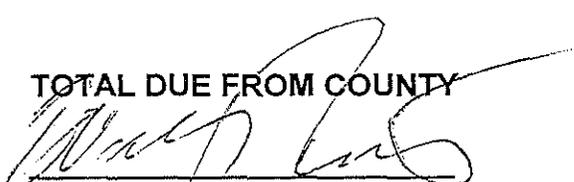
TOTAL PROGRAM COST

\$336,036

Client fees \$75.00 per week for 20 clients assuming 60% collection \$36,036

TOTAL DUE FROM COUNTY

\$300,000


Executive Director


Chief Financial Officer

*approved
9/6/08
CME Alpin, PLD.*