

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (“**Sublease**”) is made as of this 23rd day of February, 2024 (the “**Sublease Date**”) by and between **EH III RECREATIONAL CENTER LLC**, a Maryland limited liability company (“**Landlord**”) and **MONTGOMERY COUNTY MARYLAND**, a body corporate and politic (“**Tenant**”; Landlord and Tenant are sometimes hereinafter individually referred to as a “**Party**” or collectively as the “**Parties**”).

RECITALS

A. Acorn Storage No. 1, LLC, a Maryland limited liability company (the “**Prime Landlord**”), by Amended and Restated Declaration of Condominium (the “**Condominium Declaration**”) for Elizabeth House III Commercial Condominium dated as of October 31, 2019 and recorded among the Land Records in Book 58410, Page 154, including the bylaws attached as Exhibit B thereto, subjected certain real property, described in Exhibit A to the Declaration, to a condominium regime known as “Elizabeth House III Commercial Condominium” (the “**Condominium**”) pursuant to Section 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland (the “**Maryland Condominium Act**”).

B. In connection with the Declaration, the Prime Landlord filed that certain condominium plat entitled “Amended Condominium Plat of Elizabeth House III Commercial Condominium”, consisting of 14 sheets, dated October 2019 and recorded as Condo Plat Nos. 12144 – 12157 (the “**Condominium Plat**”).

C. The foregoing Condominium documents encumber a parcel of land owned by Prime Landlord, which parcel of land includes the Public Use Unit (defined below) and certain other property that is the subject of master leases to affiliates of the Housing Opportunities Commission of Montgomery County, which parcel of land is described in Exhibit A, attached hereto and made a part hereof, and which is hereinafter called the “**Prime Landlord Land**”.

D. Pursuant to the certain Amended and Restated Master Lease dated on or about the date hereof (as amended, the “**Master Lease**”), Landlord leased from Prime Landlord that certain property described in Exhibit B attached hereto and made a part hereof and known as the Public Use Unit of the Condominium (the “**Public Use Unit**”).

E. Tenant desires to lease the Public Use Unit from Landlord, and Landlord agrees to lease the Public Use Unit to Tenant, subject to the terms and conditions of this Sublease.

NOW, THEREFORE, in consideration of the agreements, terms, covenants, and conditions hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

ARTICLE 1 DEFINITIONS

1.1 Specific Terms. As used herein, the following terms shall have the following meanings:

“**ADA**” means Titles II and III of the Americans With Disabilities Act, 42 U.S.C. §12101, *et. seq.*, as amended, and any regulations promulgated thereunder.

“**Affiliate**” means, with respect to any Person, any other Person, which, directly or indirectly, controls or is controlled by, or is under common control with, the first-mentioned Person (“control,” including with correlative meanings, the terms “controlled by” and “under common control with,” shall have the meaning given to the term “Control” in this Section).

“**Base Rent**” is defined in Section 4.2.1.

“**Business Days**” means Monday through Friday, inclusive, other than holidays recognized by the Montgomery County, Maryland government.

“**Calendar Year**” means each period January 1 through December 31 during the Term.

“**Commercially Reasonable Best Efforts**” means the diligent and timely satisfaction of the following standards in the context of a Parties’ responsibilities: (a) undertaking all actions (including, without limitation, payment and performance obligations) that would usually and customarily be undertaken or performed by a diligent and experienced real estate developer and construction manager in performance of the terms of this Sublease and (b) undertaking such additional commercially reasonable actions as are appropriate in the context of unanticipated or unusual events, circumstances or obstacles to lawfully achieve such Parties’ responsibilities hereunder.

“**Condominium**” is defined in the Recitals.

“**Condominium Declaration**” is defined in the Recitals.

“**Condominium Documents**” means the Condominium Declaration, the Covenants, Conditions and Restrictions and the Condominium Plat.

“**Condominium Plat**” is defined in the Recitals.

“**Control**” means (a) the legal or beneficial ownership of more than fifty percent (50%) of the voting stock, limited liability company membership interests, partnership interests, capital or profits of the Person in question; or (b) the possession, directly or indirectly, of the right or ability, whether or not exercised, to direct or cause the direction of the management and policies of the Person in question, whether through the ownership of voting stock, limited liability company membership interests, partnership interests, capital or profits or by contract or otherwise. A Person shall be deemed to control another person if such Persons are under common control. Two (2) or

more Persons shall be under common control if fifty percent (50%) or more of the capital, voting or profits interests in each Person are held by a single Person or a single group of two (2) or more Persons.

“Covenants, Conditions and Restrictions” or **“REA”** means that certain Amended and Restated Declaration of Easements, Covenants, Restrictions and Agreements recorded among the Land Records in Book 58410, Page 203 that is binding on the Condominium, including the Public Use Unit, as subsequently amended.

“Day” or **“day”** means a “calendar day” except when stated to be a “Business Day.”

“Default Rate” means the legal rate of interest provided in Article 3, §57 of the Maryland Constitution.

“Disposition” is defined in Section 13.1.1.

“Environmental Laws” means all environmental or health and safety-related laws, regulations, rules, ordinances, orders or determination of any governmental or judicial authority at the federal, state, or local level, relating to Hazardous Materials, to the extent applicable to the Public Use Unit.

“Equipment” means all apparatus, machinery, devices, fixtures, appurtenances, equipment and personal property now or hereafter located in the Public Use Unit and necessary for the proper operation and maintenance of the Improvements to the extent that they are located in the Public Use Unit or are Limited Common Elements of the Public Use Unit: any and all shades, screens and blinds; floor coverings, wall and ceiling coverings; partitions, doors and hardware; elevators, escalators and hoists; heating, plumbing and ventilating apparatus; gas, electric and steam fixtures; chutes, ducts and tanks; furnaces, and boilers; air cooling and air conditioning equipment; washroom, toilet and lavatory fixtures and equipment; engines, pumps, dynamos, motors, generators, electrical wiring and equipment; tools, building supplies, swimming pool, recreational furniture and equipment; refrigerators, dishwashers, disposals, ranges and other kitchen appliances; and, all additions thereto and replacements thereof.

“Event of Default” is defined in Article 14.

“Existing Approvals” means those certain approvals received from Montgomery County, Maryland government or other governmental or quasi-governmental authority having jurisdiction necessary for the construction of the project known as “Elizabeth Square” more particularly described in **Exhibit C** attached hereto and made a part hereof.

“Hazardous Materials” means all substances, materials or wastes that are or become regulated by any local governmental authority, any state having jurisdiction over the Public Use Unit or any portion thereof or the United States Government or otherwise pose a material threat to human health, safety or the environment. Without limiting the generality of the foregoing, the term “Hazardous Materials” includes, without limitation, any and all materials, substances and wastes that are: (a) defined as a “hazardous waste”, “hazardous material”,

“hazardous substance”, “extremely hazardous waste” or “restricted hazardous waste” under any provision of local, state or federal law, or (b) petroleum, or (c) asbestos, or (d) polychlorinated biphenyls, or (e) radioactive materials, or (f) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), or (g) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, (42 U.S.C. § 6903), or (h) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601), as any of the same may be amended.

“Impositions” means all real estate taxes and assessments, fees and other charges, which are required to be paid by the Landlord, or the Landlord’s affiliates, with respect to the units in the Condominium.

“Improvements” means all improvements now or hereafter located in the Public Use Unit; all fixtures and equipment of every kind and description hereafter located in, or attached to, the Public Use Unit which by the nature of their attachment to the Public Use Unit become real property under Legal Requirements, and all renewals or replacements thereof or articles in substitution therefore, it being agreed that, to the fullest extent permitted by Legal Requirements, the equipment shall be deemed to be fixtures and a part of the Improvements.

“Land Records” means the land records of Montgomery County, Maryland.

“Landlord Event of Default” is defined in Section 14.5.

“Legal Requirements” means all federal, state or local constitutions, judicial or administrative decisions, orders, judgments, decrees, injunctions, decisions, laws, statutes, codes, rulings, rules, regulations, permits, building codes, ordinances or other rules of law, of any governmental or quasi-governmental authority that relate in any way or are applicable to the Public Use Unit, or the ownership, use or occupancy thereof, including, without limitation, Environmental Laws, the ADA and the Existing Approvals.

“Notice” or **“notice”** means any written notice, demand, consent, approval, request, or other communication or document required to be provided or provided to Landlord, Tenant, or any other Person, pursuant to any provision of this Sublease.

“Partial Taking” is defined in Section 18.4.

“Permitted Exceptions” is defined in Section 2.3.

“Person” or **“person”** means a natural person, a trust, a corporation, a partnership, joint venture, a limited liability company, association, or government or any agency or political subdivision thereof, and any other form of legal entity.

“Prime Landlord Land” is defined in the Recitals.

“Public Use Unit” is defined in the Recitals.

“**Rent**” is defined in Section 4.2.

“**Rent Commencement Date**” is defined in Section 4.2.1.

“**Repair**” and “**Repairs**” are defined in Section 15.1.1.

“**Secure**” is defined in Section 15.1.1.

“**Sublease**” means this Sublease Agreement, as the same may be amended from time to time.

“**Sublease Date**” means the date on which this Sublease becomes effective, which shall occur upon the date of the last signature to this Sublease.

“**Taking**” means either a Partial Taking or a Total Taking.

“**Tenant Event of Default**” is defined in Section 14.1.

“**Tenant Interests**” is defined in Section 13.1.1.

“**Term**” is defined in Section 2.5.1.

“**Total Taking**” is defined in Section 18.3.

1.2 Other Definitions. Any other term to which meaning is expressly given in another section of this Sublease shall have such meaning; provided, however, that in the event of any conflict or ambiguity regarding terms defined in multiple sections in this Sublease, the definition contained in Section 1.1 hereof shall apply.

1.3 Rules of Construction.

1.3.1 Except as specifically provided in this Sublease, any approval, consent, permission, submittal or authorization contemplated under this Sublease shall require that such approval, consent, permission, submittal or authorization shall be given in advance and in writing and any consent, approval, permission or authorization shall apply only in the instance given.

1.3.2 Except as specifically provided in this Sublease, any and all approvals, consents, permission or authorization contemplated in this Sublease by Landlord and/or Tenant shall not be unreasonably withheld, delayed or conditioned and shall be subject to any reasonable conditions contained in the consent or approval given.

1.3.3 The above stated Recitals are made part of this Sublease.

1.3.4 A term defined in this Sublease which includes one or more items, when used, shall mean all or one or more of those items, as applicable in the context.

1.3.5 A term defined in this Sublease which means or refers to an agreement, writing or statute shall mean and refer to that agreement, writing or statute as duly amended, modified, substituted for or replaced from time to time.

1.3.6 A term defined in this Sublease which means or refers to real or tangible personal property shall mean and refer to renewals or replacements, or substitutions therefor, but only as permitted under and in accordance with this Sublease, if applicable, provided however, that if at any time any portion of that property becomes no longer subject to this Sublease, the defined term shall mean and refer to so much of the property in question as remains subject to this Sublease.

1.3.7 In this Sublease, use of the word “including” shall mean “including but not limited to” unless specifically provided otherwise.

ARTICLE 2 PUBLIC USE UNIT AND TERM

2.1 Public Use Unit.

2.1.1 **Leasehold Grant.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Public Use Unit, for the Term and for the Rent set forth herein, in accordance with the terms and conditions of this Sublease.

2.1.2 **Condition of Public Use Unit.** Landlord shall deliver the Public Use Unit in the manner required under the Guaranteed Maximum Price Design-Build Contract, dated December 30, 2019, by and between the Housing Opportunities Commission and Montgomery County, Maryland for the construction of the Public Use Unit.

2.2 **Landlord’s Unsubordinated Leasehold Rights.** Landlord’s leasehold right, title, and interest in the Public Use Unit shall be and remain in Landlord for and during the Term, and shall always remain unsubordinated with respect to the rights of Tenant in the leasehold estate created by this Sublease.

2.3 **Title.** This Sublease shall convey to Tenant good and marketable leasehold title to the Public Use Unit, insurable by an A.L.T.A leasehold title insurance policy at customary rates, free and clear of all liens, encumbrances, restrictions, covenants, and defects in title, and further subject only to: (a) those covenants, conditions, easements, restrictions, rights of way, reservations, and similar matters on or affecting the Public Use Unit that are set forth on **Exhibit 2.3** attached hereto and made a part hereof, including, without limitation, this Sublease pursuant to Section 26.4 hereof, the Condominium Documents, the REA and any Taxes not yet due and payable (the **“Permitted Exceptions”**); and (b) any other easements or encumbrances to which Landlord and Tenant consent in writing.

2.4 **Expiration or Earlier Termination of Term.** At the expiration or earlier termination of the Term of this Sublease, title to and ownership of the Public Use Unit shall automatically and immediately revert, convey and vest in Landlord, for no consideration and free

and clear of all mortgages and liens, any Impositions accruing during the Term of this Sublease, any defects in title, and any leases or occupancy agreements, subject only to (a) title and survey encumbrances reasonably acceptable to Landlord, (b) encumbrances on title existing as of the Sublease Date and (c) encumbrances expressly permitted by Landlord during the Term of this Sublease, at the time of reversion, conveyance and vesting without the necessity of any further action being taken by the Landlord or Tenant. At the expiration or earlier termination of the Term of this Sublease pursuant to this Section, the Public Use Unit shall be free and clear of any Hazardous Materials.

2.5 Term.

2.5.1 **Term & Extension.** Unless sooner terminated in accordance with the provisions of this Sublease, the initial term (the “**Initial Term**”) of this Sublease shall commence on the Sublease Date and end on September 30, 2115. If the term of the Master Lease is extended beyond September 30, 2115 (in accordance with its terms or otherwise), the Tenant may require the Landlord to extend the Term hereof for the same period of time that the term of the Master Lease was extended (“**Extended Term**”) by providing a Notice to the Landlord within ninety (90) days after Tenant’s receipt of Notice of such extension, and thereafter, this Sublease shall automatically extend for such Extended Term. The Initial Term, whether or not it is extended by the Extended Term, is referred to as the “**Term**”.

2.5.2 **Termination Filings.** At the expiration or earlier termination of the Term, Tenant, at Landlord’s request, shall execute a termination of Sublease and deliver same to Landlord to evidence the termination of this Sublease and the Tenant’s rights and interests in the Public Use Unit under this Sublease.

2.6 Master Lease Renegotiation. If Landlord and Prime Landlord renegotiate the terms of the Master Lease in accordance with Section 2.4 of the Master Lease, then Landlord shall (i) consult with Tenant with respect to such renegotiation, (ii) afford Tenant the opportunity to comment on any amendment to the Master Lease related to such renegotiation and (iii) use its Commercially Reasonable Best Efforts to incorporate Tenant’s comments into any such amendment to the Master Lease; provided, however, that in no event shall such renegotiated Master Lease materially adversely impact the Tenant’s use of or access to the Public Use Unit or materially increase the costs of operating the Public Use Unit for the uses described in Section 3.1 hereof.

ARTICLE 3 USE OF PUBLIC USE UNIT

3.1 Use. Tenant shall use and shall employ Commercially Reasonable Best Efforts to cause its invitees, guests and users to use the Public Use Unit, solely for public recreational and aquatic uses and any uses ancillary or related thereto; provided, however, that a change in such use may be permitted in accordance with the provisions of Article 12 hereof.

3.2 Music. In connection with the permitted uses of the Public Use Unit, the Tenant may play amplified music in the Public Use Unit during regular business hours, which are currently 6:00

a.m. to 10:00 p.m. Monday through Friday and 8:00 a.m. to 9:00 p.m. on Saturdays and Sundays. Amplified music may also be played during special events and/or third-party events, provided that the music played during such events must end by midnight. Any proposed use by the Tenant of music outside such hours shall require the prior approval of Landlord, not to be unreasonably withheld, conditioned or delayed. Tenant acknowledges that the Condominium consists of a mixed-use project and that the upper floors of the project contain multifamily apartment units. The Tenant shall use Commercially Reasonable Best Efforts to prevent such amplified music from emanating into other portions of the Condominium. If issues arise concerning music or other noise emanating from the Public Use Unit, Tenant shall comply with Landlord's direction regarding such issues, which direction may include, for example, revised hours during which music is played in the Public Use Unit or a physical alteration to the Public Use Unit such as sound proofing and vibration reducing measures.

ARTICLE 4

RENT, FINANCIAL STATEMENTS, AND AUDITS

4.1 Payments. Except as expressly set forth in this Sublease, all Rent and other sums owed to Landlord shall be paid by Tenant without demand, deduction, setoff or counterclaim, when and as the same shall be due and payable hereunder. Payments shall be sent to the following address, or to such other address specified in a written notice given pursuant to Article 19:

Housing Opportunities Commission of Montgomery County
10400 Detrick Avenue
Kensington, Maryland 20895

4.2 Rent. "Rent" or "rent" shall include all amounts payable by Tenant to Landlord pursuant to this Sublease, including but not limited to the "Base Rent", and Landlord shall have the same rights and remedies to collect such monies, howsoever designated in this Sublease, as "**Rent**" or "**rent**".

4.2.1 Base Rent. Commencing on the first day of the calendar month following the Sublease Date (the "**Rent Commencement Date**"), Tenant shall pay Landlord in immediately available and appropriated funds, annual base rent in the amount of Ten Dollars (\$10.00).

ARTICLE 5

TRIPLE NET LEASE; ADDITIONAL RENT

5.1 Triple Net Sublease. This Sublease is intended to yield to Landlord irrevocably and unconditionally the Rent due hereunder absolutely net to Landlord with respect to the construction, development, operation, financing, insurance, maintenance and repair of the Public Use Unit. In addition to the Rent, Tenant agrees to pay all costs pertaining to the Public Use Unit and any improvements therein and to the ownership, operation, and use thereof during the Term, it being the agreement between Landlord and Tenant that this is a triple net lease, and Landlord shall not pay any costs or expenses pertaining to the Public Use Unit during the Term. The Parties acknowledge and agree that the "**Responsibility Matrix**" attached hereto and made a part hereof as **Exhibit D**, sets forth the allocation of the Landlord and the Tenant's costs related to the Condominium and the Public Use Unit.

5.2 Additional Rent. All sums payable to Landlord by Tenant pursuant to this Sublease are “Rent” or “rent” and Landlord shall have the same remedies for collecting any sum due hereunder as is available under Maryland law for the collection of rent or for sums specifically designated as “additional rent.”

ARTICLE 6 PAYMENT OF IMPOSITIONS, CONTESTS

6.1 Payment of Impositions. Nothing in this Sublease is intended to or shall be construed to require Landlord to make any payments to any taxing authority for the Public Use Unit under this Sublease. Further, no payments by Tenant under this Lease are intended to or shall be construed to require Tenant to contribute to, or make any payments to, any taxing authority for the benefit of any of the other units in the Condominium.

ARTICLE 7 COMPLIANCE WITH LAWS AND ORDINANCES

7.1 Tenant’s General Compliance with Legal Requirements. Tenant, at its sole cost, risk, and expense, shall comply with Legal Requirements, and shall exercise Commercially Reasonable Best Efforts in accordance with Legal Requirements and customary business practices for operating a public recreational and aquatic center. If Tenant fails to comply with any Legal Requirements (or fails to exercise Commercially Reasonable Best Efforts in accordance with Legal Requirements and customary business practices for operating a public recreational and aquatic center), such failure could result in a Tenant Event of Default.

7.2 Cooperation of Parties Regarding Compliance with Legal Requirements. Subject to Section 7.3, below, if Tenant’s compliance with Legal Requirements requires the cooperation and participation of Landlord, Landlord agrees to cooperate and participate, but at no additional cost or expense to Landlord. The Landlord’s cooperation and participation shall include the right, but not the obligation, of Landlord to cause or attempt to cause the applicable governmental or quasi-governmental authorities to waive or revoke a request for a specific action, as well as the obligation of Landlord to execute applications for governmental or quasi-governmental permits, licenses or approvals which are necessary in order for Tenant to comply with Legal Requirements.

7.3 Right to Contest.

7.3.1 By Landlord. Landlord shall have the right but not the obligation, at its sole cost, to contest the application or validity, in whole or in part, of any Legal Requirement purported to be applied to the Condominium, including the Public Use Unit, during the Term, by appropriate proceedings diligently conducted in good faith, and Tenant may participate therein. No such contest shall diminish, abrogate or affect to the detriment of Tenant any of Landlord’s obligations under this Sublease.

7.3.2 By Tenant. Tenant shall have the right but not the obligation, at its sole cost, to contest the application or validity, in whole or in part, of any Legal Requirement purported

to be applied to the Public Use Unit during the Term, by appropriate proceedings diligently conducted in good faith, and Landlord, at Tenant's request, may participate therein. No such contest shall diminish, abrogate or affect to the detriment of Landlord any of Tenant's obligations under this Sublease.

7.3.3 **Notices.** From and after the Sublease Date, each Party shall use Commercially Reasonable Best Efforts to deliver to the other within five (5) business days of receipt any notices it receives from any governmental or quasi-governmental authority or any Person concerning material violations of Legal Requirements for any units in the Condominium, including the Public Use Unit, which notices include (but are not limited to) those received pursuant to Section 8.1 hereof. In no event shall the failure to deliver such notices constitute a default or be the basis of an Event of Default hereunder.

ARTICLE 8 ENVIRONMENTAL MATTERS

8.1 Landlord's Notices to Tenant and Tenant's Notices to Landlord. During the Term, Landlord shall notify Tenant promptly upon Landlord's receipt of a notice alleging the release of Hazardous Material on or from Public Use Unit. Likewise, Tenant shall notify Landlord promptly upon Tenant's receipt of a notice alleging the release of Hazardous Material on or from the Public Use Unit.

8.2 Hazardous Materials. During the Term, Tenant shall not cause or permit Hazardous Materials to be used, generated, stored or disposed of, on or from the Public Use Unit; provided, however, that the foregoing prohibition shall not apply to any materials which are used in the ordinary course of development of property and construction of Improvements, or in the operation of Tenant's business or of any typical commercial products used in connection with operating and maintaining a public recreational and aquatic center, provided that the same are used, generated, stored and disposed of in accordance with all Legal Requirements. Tenant, at Tenant's sole cost and expense, shall remediate any and all Hazardous Materials located on, in, or emitting from the Public Use Unit during the Term to the extent the presence of such Hazardous Materials is caused by Tenant, or its contractors or agents, and such obligation of Tenant shall survive any termination of this Sublease, and shall be binding upon the Tenant's successors and assigns.

ARTICLE 9 INSURANCE

9.1 Self-Insurance. Tenant shall self-insure, either through the SIP Program (as defined below) or, at Tenant's option, through another program reasonably acceptable to Landlord. The Tenant is a member of the Montgomery County Self-Insurance Program ("**SIP Program**") and the Tenant agrees to provide certificates of insurance evidencing general liability coverage in the amounts of \$800,000 in the aggregate and \$400,000 per occurrence. These are the maximum limits of liability for which the SIP Program is responsible, as provided by the LGTCA (defined below). Additionally, Tenant shall have the right to self-insure the first \$250,000 of any claim under such property insurance policy through the Montgomery County Self-Insurance Program

(established and regulated by Article 20-37 of the Montgomery County Code). If the Montgomery County Self-Insurance Program increases the maximum available limit on the self-insurance portion of Tenant's property insurance, Tenant shall have the right to increase the amount of self-insurance hereunder accordingly and shall promptly notify Landlord of such increase in the portion of such property insurance covered under the Montgomery County Self-Insurance Program. Landlord and Tenant acknowledge that, as of the date hereof, a waiver of subrogation is not available under the self-insurance portion of Tenant's property insurance but is available for the balance of Tenant's property insurance.

9.2 Insurance Does Not Waive Tenant's Obligations. No acceptance or approval of any insurance by Landlord shall (a) relieve or release, or be construed to relieve or release, Tenant from any liability, duty, or obligation assumed by, or imposed upon, it by the provisions of this Sublease or (b) impose any obligation upon Landlord; provided, however, that Landlord waives any rights of recovery against Tenant and its trustees, officers, directors, employees, agents, and contractors for injury or loss on account of hazards covered by and actually paid under the Landlord's insurance.

9.3 Deficiencies in Coverage and Failure to Maintain Insurance. The insurance policies required by this Article 9 shall not be cancelled, terminated or modified (except to increase the amount of coverage) without at least thirty (30) calendar days prior written notice from the Tenant to Landlord. If Tenant fails to maintain any insurance policies as provided in this Sublease, Landlord may, upon at least fifteen (15) calendar days prior written notice to Tenant (during which period Tenant may obtain insurance), purchase reasonably necessary insurance and Tenant will reimburse the Landlord for the expense, subject to appropriations. Landlord shall notify Tenant in writing of the date, purposes, and amounts of any such payments made by it for the insurance, and any amounts of money paid therefor by Landlord shall be repaid to Landlord, if appropriated, within thirty (30) calendar days after written demand. If the required insurance policies are not reinstated or replaced by Tenant on or before the date the insurance policies renew (irrespective of any other notice, default, discussion or cure provisions or procedures in this Sublease), then such failure to replace or reinstate shall constitute a Tenant Event of Default. This provision is not intended to contract away the budgetary discretion of the County Executive or the Montgomery County Council.

9.4 Primary and Noncontributory Tenant's insurance coverage shall be primary and noncontributory insurance with respect to Landlord, its trustees, officials, employees, agents, and representatives.

9.5 Commercial Insurance. Notwithstanding the foregoing, Tenant shall have the right during the Term of this Sublease to obtain commercial insurance in conjunction with self-insuring under the SIP Program. In the event that Tenant elects to obtain commercial insurance, it shall obtain and maintain commercial general liability, property, business interruption, automobile liability, professional liability, and employment practices liability in amounts and on terms reasonably acceptable to Landlord in all respects; workers compensation (including employer's liability) and pollution liability/environmental impairment liability insurance will remain under the SIP Program. All such insurance shall (a) be procured from financially sound and reputable insurers licensed to do business in the State of Maryland and rated by A.M. Best as an A-X or

above or the equivalent, (b) provide a waiver of subrogation that includes a clause or endorsement stating, in essence, that in the event of any payment by the insurer under the policy, the insurer waives its right of recovery against any person or entity with respect to which the insured has waived its right of recovery, and stating that the coverage will not be prejudiced in any way by any such waiver by Tenant, and (c) be evidenced by an initial certificate of insurance and annual renewal certificates of insurance delivered to Landlord stating that Landlord (and such others as Landlord may reasonably determine) is/are additional insureds or loss payees (as their interest may appear) on applicable policies. Further, Tenant waives any rights of recovery against Landlord and its trustees, officers, directors, employees, agents, and contractors for injury or loss on account of hazards covered by the insurance required to be carried (with the exception of the property coverage deductible, which remains the responsibility of Tenant). At any time during the Term, but not more frequently, than once every twelve (12) months, upon the request by Landlord and the showing of a reasonable basis for such request, Tenant shall make available for Landlord's review copies of all policies of insurance required by this Sublease. The below include minimum requirements for commercial insurance that may be procured to fulfill the coverage needs of this Lease:

TYPE	LIMIT NOT TO BE LESS THAN
Commercial General Liability	\$1,000,000 per occurrence and \$2,000,000 in the annual aggregate for bodily injury, personal injury, and broad form property damage, including the following coverages: Contractual Liability, Premises and Operations; Products & Completed Operations; Assault & Battery; Independent Contractors & Subcontractors; Sexual Molestation and Abuse. Coverage shall be endorsed to apply on a per project or per contract basis.
Umbrella/Excess Liability	Umbrella/Excess Liability insurance coverage with a limit of liability of at least \$10,000,000 with no exclusions that limit the coverages required under the Commercial General Liability, and Automobile Liability.
Professional / Management Liability/Errors and Omissions	\$1,000,000 per claim and \$2,000,000 in the annual aggregate that covers professional errors and omissions, negligent acts, contingent bodily injury, vicarious liability, and misconduct or lack of ordinary skill during the term of the Agreement.
Automobile Liability	\$1,000,000 combined single limit for bodily injury and property damage coverage per occurrence including the following: owned automobiles, hired automobiles, non-owned automobiles, and loading and unloading.
Property Insurance	With a limit equal to the actual replacement value of real property (physical building), improvements & betterments and business income.

Employment Practices Liability	A minimum limit of \$1,000,000 covering wrongful acts arising from Tenant's employment processes such as wrongful termination, discrimination, sexual harassment, and retaliation.
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ARTICLE 10 INDEMNIFICATION AND TENANT LIABILITY

10.1 Indemnification.

10.1.1 Neither Landlord, Prime Landlord, the Housing Opportunities Commission of Montgomery County ("**HOC**"), or their respective partners, members, directors, officers, Commissioners, agents, servants, or employees (together, the "**Landlord Parties**"), shall be liable to Tenant for any loss, injury, or damage to Tenant or to any other person, or to its or their property, unless caused by or resulting from the gross negligence or willful misconduct of Landlord in the operation or maintenance of the Condominium, excluding the Public Use Unit. Tenant will indemnify, defend, and hold harmless the Landlord Parties from and against any and all claims, actions, losses, liens, costs, demands, judgments, damages, injuries (including death, personal injury, and damage to property), expenses (including reasonable attorneys' fees and litigation expenses), and liabilities ("**Claims**") asserted against or incurred by the Landlord Parties arising from or in any way related to Tenant's negligent acts or omissions, willful misconduct, failure to perform any obligations under this Sublease, or its use, occupancy, management, and operation of the Public Use Unit. Subject to appropriations, Tenant shall also indemnify Landlord and HOC against any penalty, damage, loss, cost, expense, or charge incurred or imposed by reason of Tenant's violation of any Legal Requirements. Upon written notice from Landlord, Tenant shall defend and pay all Claims and penalties incurred by or on behalf of the Landlord Parties to defend against any Claims, including but not limited to Claims brought by or related to Vendors (as defined below) or users, guests, invitees, subtenants, and licensees of the Public Use Unit.

10.1.2 If Tenant invites third-party contractors, subcontractors or service providers (collectively, the "**Vendors**") into the Public Use Unit to perform services therein, and which are not covered by the foregoing insurance or indemnity requirements, then Tenant shall require a contract with the Vendor that includes the following: (1) that Vendor is required to defend, indemnify, and hold Tenant, Landlord and HOC harmless from and against any and all claims, liability, injury, and costs (including attorney's fees and litigation expenses) arising out of Vendor's breach of such contract, failure to perform any obligations under such contract, or Vendor's negligent acts or omissions, gross negligence, fraud, or willful misconduct; (2) that Vendor is required to carry sufficient insurance, to be determined by Tenant, and, if applicable, to list Landlord and HOC as additional insureds, as their interests may appear, under any such insurance policies; (3) require that Vendor is responsible for the acts and omissions of their subcontractors; (4) require that the Vendor's insurance is primary and non-contributory; and (5) require the Vendor, if requested, to provide to Tenant with certificates of insurance evidencing their insurance coverage before they enter onto the Public Use Unit. Notwithstanding the foregoing, Tenant shall require that each Vendor carry at least \$1,000,000 in commercial general liability coverage, \$1,000,000 in excess/umbrella coverage, \$1,000,000 in automobile coverage,

and statutorily required workers' compensation coverage; provided, however, if the Vendor cannot meet such insurance requirements, Tenant will contact Landlord who will determine, in its sole discretion, whether to accept lower insurance amounts and/or to waive the insurance requirement.

10.2 Limitations. Any obligation of the Tenant arising from this Sublease, including maintenance and insurance, is subject to, limited by, and contingent upon the appropriation and availability of funds. Reference is hereby made to the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. §§ 5-301, et seq. (the "LGTC") and Md. Code Ann., Cts. & Jud. Proc. §5-5A-02 (together with the LGTC, the "County Tort Claims Statutes"), each as amended from time to time. The liability of Tenant shall be limited by the County Tort Claims Statutes for any claims against or with respect to Tenant and which are within the scope of the County Tort Claims Statutes. Any indemnification given by Tenant in this Sublease is not intended to create any rights or causes of action in any third parties, excluding Landlord, HOC and their respective Affiliates. Any increases in any caps shall apply to this Sublease automatically.

10.3 Payment Obligations. The indemnifying party shall promptly pay, or cause to be promptly paid, any and all damages, losses, costs, and judgments of every kind and nature that may be incurred by, or rendered against, one or more of the indemnified parties to whom payment is owed pursuant to Section 10.1 above provided that the indemnified party tendered its defense.

10.4 Survival. The provisions of this Article 10 shall survive for a period of one year following the earlier of (1) the expiration or (ii) the termination of this Sublease.

ARTICLE 11 OPERATIONAL STANDARDS; CONDOMINIUM MATTERS

11.1 Covenants, Conditions and Restrictions and Application of Record Documents to the Public Use Unit. The parties acknowledge and agree that the Landlord and other parties recorded the REA among the Land Records against the Condominium, including the Public Use Unit. Landlord and Tenant, and their respective successors and assigns, shall comply with the terms and provisions of the REA.

11.2 Landlord, Tenant, Prime Landlord, and Elizabeth House III Limited Partnership acknowledge and agree, as evidenced by the signatures below, that for the limited purposes of the allocation of maintenance responsibilities and costs between Landlord and Tenant with respect to the Public Use Unit only, this Sublease, including **Exhibit D** attached hereto, will control over any conflicts between this Sublease and any of (a) the Amended and Restated Declaration of Condominium for Elizabeth House III Commercial Condominium, (b) Amended Condominium Plat of Elizabeth House III Commercial Condominium, (c) REA and (d) Master Lease, all as amended from time to time in accordance with their terms.

11.3 Maintenance.

11.3.1 Tenant shall, during the Term hereof, at its sole cost and expense, repair, keep and maintain the Public Use Unit in compliance with all Legal Requirements and in good order and repair, and shall not permit any nuisance to exist or be maintained in the Public Use

Unit. Landlord shall have no obligation whatsoever for the repair, alteration, maintenance and replacement of any portion of the Public Use Unit.

11.3.2 Tenant shall have the right, to be exercised in its sole and absolute discretion, to engage and pay a reputable property manager to fulfill Tenant's obligations under this Sublease and to otherwise operate and maintain the Public Use Unit.

11.3.3 Tenant shall keep all garbage, trash, rubbish or refuse in rat-proof containers in the trash room of the Premises, and Tenant shall, at its sole cost and expense, cause such trash to be placed in trash dumpsters or other containers provided by Landlord and located within the common trash room located on level B1 of the Condominium. Tenant shall use only those dumpsters and recycling areas specifically provided and/or approved by Landlord as depicted on **Exhibit E**, attached hereto and made a part hereof, and shall use Commercially Reasonable Best Efforts to keep the area around the dumpsters free from debris for which it is responsible at all times.

11.4 Landlord Inspection Rights. Notwithstanding anything to the contrary in the REA, Landlord shall have the right to inspect the Public Use Unit no more than once each calendar year upon prior written notice to Tenant. At the end of the fifteenth (15th) anniversary of the Rent Commencement Date of this Sublease, and every tenth (10th) year anniversary thereafter, Landlord, at its sole cost and expense, shall have the right to retain a third-party consultant to conduct a property condition assessment of the Public Use Unit. If the property condition assessment identifies life safety issues, Tenant shall repair such items, at Tenant's sole cost and expense. Landlord may include Prime Landlord in its inspection of the Public Use Unit pursuant to this Section. The purpose of these inspection rights is to protect Landlord's and Prime Landlord's respective interests in the Property upon the expiration or earlier termination of this Sublease. Any inspections allowed hereunder may not unreasonably interfere with the normal operations of the Public Use Unit and evidence of insurance reasonably acceptable to the Tenant must be provided by Landlord and Prime Landlord to the Tenant prior to such inspections.

11.5 Condominium Matters.

11.5.1 **Common Elements.** The Landlord hereby grants to Tenant, for the Term of this Sublease, access to and use of the common elements of the Condominium to the same extent that the Landlord has such rights to use and access such common elements pursuant to and in accordance with the Condominium Documents; provided, however, that Tenant shall exercise such rights to use and access such common elements in strict accordance with the Condominium Documents and Legal Requirements.

11.5.2 **Annual Budget.** Sections 6.2, 6.3 and 6.4 of the REA provides for an annual budgeting process with respect to certain Common Expense and Maintenance Costs (as defined in the REA). Such sections of the REA are included herein as Exhibit 11.5.2 and are hereby incorporated by reference. Landlord hereby grants to Tenant, for the Term of this Sublease, and Tenant hereby assumes from Landlord, for the Term of this Sublease, all of the review and approval rights and obligations that it has pursuant to the REA with respect to such annual budgeting process. In furtherance of the foregoing, Landlord agrees that it shall provide to Tenant, within three (3) days of Landlord's receipt thereof, all proposed annual budgets, reconciliation

statements and other related documents and materials provided to Landlord pursuant to the REA. The Parties acknowledge and agree that the Responsibility Matrix (Exhibit D), sets forth the allocation of the Landlord and the Tenant's costs related to the Condominium and the Public Use Unit, including but not limited to certain Common Expense and Maintenance Costs (as defined in the REA).

11.5.3 Signage. The Landlord hereby grants to Tenant, for the Term of this Sublease, all of Landlord's rights, if any, to install or erect, and to thereafter maintain, repair and replace, signage on the exterior of the Public Use Unit or other portions of the Condominium to the same extent that the Landlord has such pursuant to and in accordance with the Condominium Documents; provided, however, that Tenant shall exercise such rights in strict accordance with the Condominium Documents and Legal Requirements. The parties acknowledge and agree that the Tenant's signage shall include, but not be limited to, the following exterior signage for the Public Use Unit: as identified on drawing GS 12, GS13, GS15, GS20, GS21 and a monument sign to be located on Second Avenue.

11.6 Security. Tenant acknowledges and agrees that, while Landlord may (but shall not be obligated to) provide security services with respect to portions of the Elizabeth Square project, of which the Public Use Unit is a part, Landlord is not providing any security services with respect to the Public Use Unit and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Public Use Unit. Tenant shall be obligated, at its sole cost and expense, to provide commercially reasonable and adequate safety and security measures with respect to the Public Use Unit, which may include but shall not be limited to onsite camera monitoring and dispatch, onsite rovers, uniformed security guards, security alarm installation and monitoring and other similar measures. Within thirty (30) days after the Sublease Date, Landlord and Tenant shall each designate a point of contact for security and emergency maintenance purposes and shall advise the other party of such point of contact and his/her contact information. Each party shall have the right to change such point of contact upon ten (10) days' prior written notice to the other party.

11.7 Roof Access; Loading Dock.

11.7.1 Pursuant to Section 3.12 of the REA, each Owner (as defined in the REA) has been granted certain rights to use the roof of the Condominium building. The Landlord hereby grants to Tenant, for the Term of this Sublease, access to and use of the roof of the Condominium building, which roof is a General Common Element of the Condominium, to the same extent, and on the same terms, that the Landlord has such rights to use and access such roof pursuant to and in accordance with the REA; provided, however, that Tenant shall exercise such rights to use and access such roof in strict accordance with the REA and Legal Requirements. For the avoidance of doubt, the Parties agree that Section 3.12 of the REA will permit the installation by Tenant of bi-directional cell phone amplification equipment on such roof.

11.7.2 Pursuant to Section 3.13 of the REA, each Owner (as defined in the REA) has been granted certain rights to use the loading dock, which is a General Common Element of

the Condominium. The Landlord hereby grants to Tenant, for the Term of this Sublease, access to and use of the loading dock, to the same extent, and on the same terms, that the Landlord has such rights to use and access such loading dock pursuant to and in accordance with the REA; provided, however, that Tenant shall exercise such rights to use and access such loading dock in strict accordance with the REA and Legal Requirements.

11.8 Responsibility Matrix. The Parties acknowledge and agree that the Responsibility Matrix (Exhibit D) sets forth the allocation of the Landlord and the Tenant's maintenance obligations hereunder, and the costs associated therewith. The Responsibility Matrix is to be used, read, reviewed, understood and interpreted together with that certain lease maintenance exhibit consisting of 169 plan sheets and which, due to file size, is not attached hereto but is available in the files of both Landlord and Tenant.

ARTICLE 12 CHANGES AND ALTERATIONS BY TENANT

12.1 Preconditions.

12.1.1 On or after the tenth (10th) anniversary of the Rent Commencement Date, Tenant shall have the right at any time, and at Tenant's sole cost, expense, and risk, to modify, remodel, rebuild, alter, and/or totally reconstruct (each, a "**Reconstruction Activity**") the interior of the Public Use Unit, including its Improvements (or any portion thereof), provided that any Reconstruction Activity shall not have a material adverse effect upon any other units in the Condominium and shall be (i) consistent with the permitted use of the Public Use Unit as described in Section 3.1 hereof, or (ii) required by Legal Requirements, or (iii) related to a casualty or Taking (and then, incident to a rebuilding of the Public Use Unit and the Improvements), or (iv) related to the demolition of the interior of the Public Use Unit (or any portion thereof) which have become obsolete, unsafe, unused, or uneconomical, or (v) otherwise necessary or desirable in Tenant's good faith business judgment and provided that Tenant has not otherwise previously been in default beyond applicable notice and cure periods under this Sublease for failure to maintain the Public Use Unit.

12.1.2 **Compliance with Laws.** All Reconstruction Activities shall be in accordance with Legal Requirements, including applicable zoning laws and condominium laws, as then in effect, and the Covenants, Conditions and Restrictions. In furtherance of the foregoing, Landlord and Tenant shall reasonably cooperate with one another, and with Prime Landlord, in order to amend the Condominium Documents and/or the Covenants, Conditions and Restrictions if required in connection with a Reconstruction Activity.

12.1.3 Prior Review.

(a) A Reconstruction Activity shall not require the prior approval of the Landlord if the Reconstruction Activity (i) subject to the further provisions of this subsection, does not alter the public recreational and aquatic use of the Public Use Unit, (ii) does not adversely affect the general common elements or the structural integrity of the Condominium, (iii) does not require an amendment to this Sublease, the Condominium Documents or the REA, (iv) does not

materially or adversely affect the residential and garage units of the Condominium and their use and occupancy, and (v) does not require any modifications to the Existing Approvals and otherwise complies with all Legal Requirements. Notwithstanding anything herein to the contrary, the Tenant shall not be permitted to change the permitted use of the Public Use Unit, as described in Section 3.1, until the twentieth (20th) anniversary of the Rent Commencement Date. Following such date, any such request for a change in the permitted use shall be subject to the provisions of this Article 12.

(b) Any Reconstruction Activity shall require the Tenant to comply with the provisions of this Section 12.1.3(b), whether approval of the Reconstruction Activity is required or not required by Section 12.1.3(a) above. For any Reconstruction Activity, Tenant shall submit to Landlord (i) a description of the Reconstruction Activity, (ii) any proposed revisions to this Sublease, the Condominium Documents, and the REA, or Legal Requirements, (iii) the methods, schedules, plans and drawings for the Reconstruction Activity, and (iv) any other information reasonably requested by Landlord (“**Submission**”).

(c) If Landlord approval is required pursuant to Section 12.1.3(a) above, such approval shall not be unreasonably withheld, delayed or conditioned and, within thirty (30) Business Days of Landlord’s receipt of the Submission, Landlord shall deliver written notice to Tenant (i) rejecting the Reconstruction Activity, (ii) approving the Reconstruction Activity with no comments, or (iii) conditionally approving the Reconstruction Activity, subject to Landlord’s detailed comments. If the Tenant disagrees with the Landlord’s determination concerning the Reconstruction Activity, the Parties shall negotiate the Landlord’s determination and shall finalize any negotiations with respect to the Reconstruction Activity within sixty (60) days from Tenant’s initial Submission. If necessary, the Parties shall modify the Existing Approvals and/or execute an amendment to this Sublease, the Condominium Documents and/or the REA to reflect the results of such negotiations, in each case with the Prime Landlord’s written consent. To the extent that Landlord’s comments include revisions to plans and drawings, Tenant shall incorporate into the drawings such changes as are reasonably necessary to satisfy the detailed comments from Landlord and Landlord shall be included in any and all processing of the plans and drawings with the applicable governmental authorities. Upon receiving an unconditional approval from Landlord of the Reconstruction Activity the Submission shall not be modified without the prior written review and approval of Landlord, which approval shall not be unreasonably withheld. A Reconstruction Activity shall not begin until Tenant has received the prior written approval of Landlord, if required, in accordance with the provisions of Section 12.1.3(a) above.

12.1.4 Inspection by Landlord. Landlord shall have access to the construction site for any Reconstruction Activity for inspections solely for the purpose of determining whether the work or improvements are being performed in accordance with the terms of this Sublease and the Landlord’s approval of the Reconstruction Activity, provided that Landlord inspections shall not unduly disrupt or delay Tenant’s work and shall be scheduled in advance with the active cooperation of the construction supervisor of Tenant. Landlord shall have the right to include the Prime Landlord in any inspections pursuant to this Section 12.1.4. By inspecting, having the right to inspect, or requiring the correction of any construction, Landlord accepts no liability for any construction defects, flaws, or mistakes, and waives none of its legal rights. No inspection conducted by Landlord shall be construed to be a warranty, guarantee, or

assurance of the adequacy of Tenant's or any contractor's work, or of the improvements constructed. The inspection conducted is for Landlord's sole benefit, and is for no other party's benefit, including but not limited to, Tenant's.

12.1.5 **Disclaimer of Liability.** Landlord accepts no liability and waives no rights under this Lease by reason of its approval of the method, schedule, plans, and construction drawings or specifications for any Reconstruction Activity, nor shall its approval be construed to be a warranty regarding the quality or means of construction.

ARTICLE 13 ASSIGNMENTS, SUBLEASES

13.1 Assignments by Tenant.

13.1.1 **Approval Required.** Tenant shall deliver to Landlord prior notice (a **"Disposition Notice"**) of any proposed transfer or assignment of this Sublease to a third party (collectively, the **"Tenant Interests"**) (each such assignment of Tenant Interests shall be referred to as a **"Disposition"**). A proposed transfer or assignment to another governmental authority, agency or entity of Montgomery County, Maryland shall not be considered a Disposition under this Sublease, provided that (i) any such transferee or assignee shall be bound by all of the terms of this Sublease, including but not limited to the terms of Article 12, and (ii) Tenant shall remain liable for the performance of each and every obligation hereunder subsequent to such Disposition, subject to the availability of funds and/or the Montgomery County Council's appropriation of funds.. In connection with any Disposition, (a) Landlord's approval of any such Disposition shall either be granted or denied within twenty (20) Business Days following Tenant's written request therefor, (b) such approval shall not be unreasonably withheld, conditioned or delayed, (c) such approval may be conditioned upon an amendment to this Sublease which, among other things, shall modify the provisions of Articles 6, 9, 10, 12, 13 and 14 hereof, and (d) any purported Disposition in violation of this prohibition shall be null and void.

13.1.2 **Conditions to Tenant Assignment.** Each assignment by Tenant of any of the Tenant Interests that is approved in writing by Landlord, shall be made expressly subject to the terms and conditions of this Sublease, and shall require:

(a) That the assignment of this Sublease shall not be binding on Landlord until a duly executed copy of the assignment and in the case of a non-governmental assignee, an amendment to this Sublease in form reasonably acceptable to Landlord reflecting normal and customary commercial lease provisions, is delivered to Landlord. The assignment and the amendment shall designate the name of the assignee and the address to which all notices required by this Sublease shall be sent.

(b) That the assignee of this Sublease shall, for itself, its successors and assigns, and expressly for the benefit of Landlord, assume by a written instrument in form and content reasonably satisfactory to Landlord, all rights and obligations of Tenant under this Sublease for the then unexpired Term, as the same may be amended pursuant to this Article 13, including without limitation all obligations of Tenant not previously performed under this Sublease (as

amended) required to be performed by Tenant prior to the expiration of the Sublease (as amended), and shall have agreed to be subject to all of the agreements, conditions, and restrictions to which Tenant is subject under this Sublease (as amended). However, such assignment shall not relieve Tenant of any liabilities and obligations previously accrued under this Sublease prior to the date of the assignment and amendment.

13.2 Non-Subordination. Nothing contained in this Article 13 or in any other section of this Sublease shall be deemed to constitute or allow a subordination of Landlord's leasehold interest in the Public Use Unit at the expiration or earlier termination of the Term pursuant to Section 2.4 hereof.

13.3 No Right to Mortgage or Sublease. Tenant shall not have the right to mortgage its interest (or any portion thereof) in the Public Use Unit. Tenant shall not have the right to sublease all or any portion of the Public Use Unit without the Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed, but which approval may be conditioned upon some or all of the requirements of Section 13.1 hereof. Notwithstanding the foregoing, Tenant shall have the right, without the prior written consent of Landlord, to sublease all or any portion of the Public Use Unit to another governmental authority, agency or entity of Montgomery County, Maryland, provided that (i) any such sublessee shall be bound by all of the terms of this Sublease, including but not limited to the terms of Article 12 and (ii) that the Tenant shall remain liable for the performance of each and every obligation hereunder subsequent to such sublease.

13.4 Landlord's Right to Assign. Landlord reserves the right to assign its leasehold interest under this Sublease to any entity, public or private, which succeeds to Landlord's leasehold interest in the Public Use Unit.

13.4.1 Assignee's Name and Address. Landlord's assignment shall not be binding on Tenant until a duly executed copy of the assignment is delivered to Tenant, designating the name and address of the assignee to which all notices required by this Sublease are to be sent.

13.4.2 Assignee's Obligations. Landlord's assignment shall require the assignee to assume all obligations of Landlord under this Sublease after the date of assignment up to and including the expiration or sooner termination of the Term, subject to Tenant's performance of all duties and obligations under this Sublease.

13.4.3 Effect on Landlord. Upon such assignment, Landlord shall be deemed relieved of all future obligations under this Sublease; however, such assignment shall not relieve Landlord of any then accrued liabilities and obligations under this Sublease prior to the date of the assignment.

ARTICLE 14 TERMINATION AND DEFAULT PROVISIONS

14.1 Default and Event of Default by Tenant under this Sublease. Subject to the provisions of Section 14.2 hereof, the following shall constitute an event of default by Tenant ("Tenant Event of Default"):

14.1.1 Tenant shall fail to make any payment to Landlord as and when due under this Sublease subject to any applicable notice and cure provisions;

14.1.2 Tenant shall fail to perform any other obligation contained in this Sublease subject to any applicable notice and cure provisions;

14.1.3 Any willful and material misrepresentation by Tenant in (a) this Sublease or (b) any other material submission to Landlord or (c) made by Tenant on behalf of Landlord to any governmental authority;

14.1.4 Except for remodeling or Reconstruction Activities in the event of a casualty, the Public Use Unit is abandoned for a period of 365 days or more ("**Goes Dark**"); or

14.1.5 Tenant's failure to meet its repair and maintenance obligations under the Responsibility Matrix (Exhibit D).

14.2 Tenant Event of Default; Notice and Cure. No Tenant Event of Default shall be deemed to have occurred unless notice of such default is delivered to Tenant and Tenant fails to cure such default within thirty (30) Days after delivery of the notice of the default to the extent such a cure is reasonably able to be effected within said 30-Day period, and if a longer time is necessary, Tenant shall commence the cure within said 30-Day period and use reasonable and diligent efforts to pursue the same thereafter. For the avoidance of doubt, the lack of immediately available funds and/or Tenant's failure to receive appropriations from the Montgomery County Council to meet its obligations under this Sublease will not excuse or otherwise bar a Tenant Event of Default.

14.3 Cure of Tenant's Default by Landlord. Without prejudice to any other right or remedy of Landlord, if there shall be a Tenant Event of Default, Landlord may cure the same at the expense of Tenant immediately and with simultaneous notice to Tenant in the case of (a) emergency; (b) where such Tenant Event of Default shall result in a violation of Legal Requirements (unless such violation does not need to be cured immediately in order to avoid incurring any fines, penalties or other sanctions) or the cancellation of any insurance policy maintained by Landlord; (c) where the health and safety of employees, invitees, guests or users in the Public Use Unit is at risk; or (d) where Tenant or any of its contractors, subcontractors, employees or agents interferes with Landlord activities or operations other than on a temporary basis and in a *de minimis* manner. All reasonable costs incurred by Landlord in curing such Tenant Event of Default, including, without limitation, reasonable attorneys' fees, shall be reimbursable by Tenant within thirty (30) Days after Landlord's delivery to Tenant of a written demand therefor, together with interest thereon, as additional rent, from the date such costs were paid by Landlord, at the Default Rate. Tenant's obligations under this Section 14.3 shall survive the expiration or termination of this Sublease if Landlord has provided a notice of a Tenant Event of Default prior to such expiration or termination and/or provides a notice of a Tenant Event of Default within ninety (90) days of such expiration or termination.

14.4 Remedies Available to Landlord. The Landlord and the Tenant wish to encourage the amicable resolution of matters constituting a Tenant default without the burden or financial

cost of litigation. Accordingly, the Landlord and the Tenant agree not to file suit in any court, or to otherwise commence any action or proceeding, unless and until appointed representatives from the Housing Opportunities Commission and Montgomery County Maryland's Executive Branch ("**Appointed Representatives**") meet and attempt to negotiate a resolution of any Tenant Event of Default. If the Appointed Representatives are unable to reach a consensus and issue a joint, written decision specifying the mutually agreeable resolution of the Parties with respect to the Tenant Event of Default within sixty (60) days of their initial meeting, then the Parties shall be free to pursue resolution by any lawful means, whether at law or in equity. The Appointed Representatives shall not commence an initial meeting until such time as Tenant has been provided notice of a Tenant Event of Default and the applicable cure period has expired.

If the Appointed Representatives do not reach a mutually agreeable resolution of a Tenant Event of Default as described above, the Landlord shall have the right to:

- (a) recover from Tenant any sums accrued but unpaid to Landlord under this Sublease,
- (b) obtain specific performance with respect to any obligation of Tenant under this Sublease where Landlord's remedy at law would otherwise be inadequate or unavailable,
- (c) seek monetary damages, except for special, consequential or punitive damages, and
- (d) in the event the Public Use Unit Goes Dark, terminate this Sublease.

If this Sublease is terminated pursuant to Section 14.4(d) above, both Parties shall be relieved of any future liability under this Sublease except for any obligations or liabilities that expressly survive the termination of this Sublease.

14.5 Default by Landlord. The following shall constitute an event of default by Landlord ("**Landlord Event of Default**"):

14.5.1 Failure by Landlord to perform any material obligation of Landlord under this Sublease, including but not limited to:

- (a) Landlord's failure to maintain the Condominium in a manner that Adversely Impacts Tenant's or Tenant's employees, invitees, guests, or users.
- (b) Landlord's failure to meet its repair and maintenance obligations under the Responsibility Matrix (Exhibit D) and such failure Adversely Impacts Tenant or Tenant's employees, invitees, guests, or users.
- (c) Landlord's violation of any Legal Requirements that Adversely Impacts Tenant's or Tenant's employees, invitees, guests, or users.

14.5.2 Landlord's interference with Tenant's business operations at the Public Use Unit (it being understood that Landlord's disapproval of a Reconstruction Activity in accordance with Article 12 hereof shall not be deemed to constitute interference with Tenant's business operations at the Public Use Unit).

14.5.3 Any willful and material misrepresentation by Landlord in this Sublease.

For purposes of this Section 14.5, the term “**Adverse Impact**” or “**Adversely Impacts**” shall mean a Landlord Event of Default which would (i) materially and adversely affect the use of the Public Use Unit by Tenant or its employees, invitees, guests, or users, (ii) be materially and adversely inconsistent with the rights and obligations of Landlord and Tenant under this Sublease, or (iii) materially and adversely increase Tenant’s costs of operating its business from the Public Use Unit.

14.6 Notice and Cure; Remedies Available to Tenant. No Landlord Event of Default shall have been deemed to have occurred unless notice of such default is delivered to Landlord, and Landlord fails to cure such default within thirty (30) days after delivery of such notice, to the extent such a cure is reasonably able to be effected within said 30-day period, and if a longer time is necessary (including, without limitation, in order to obtain the approval of the Housing Opportunities Commission for such remedial action, if necessary), Landlord shall commence the cure within said 30-day period and use reasonable and diligent efforts to pursue the same thereafter. Notwithstanding the foregoing, in the case of any Landlord Event of Default under Section 22.1 hereof, such cure period shall be ten (10) Business Days after delivery of such notice of default. Upon the occurrence of a Landlord Event of Default, Tenant shall be entitled (a) to terminate this Sublease by written notice to Landlord, in which event both parties shall be relieved of any further liability under this Sublease except for any obligations or liabilities that expressly survive the termination of this Sublease, (b) to obtain a decree of specific performance to enforce the obligations of Landlord under this Sublease where Tenant’s remedy at law would otherwise be inadequate or unavailable, or (c) to seek actual monetary damages provided, however, that in no event shall Landlord be liable for any consequential, special or punitive damages in connection with this Sublease or any of Landlord’s obligations hereunder. Nothing contained herein shall be deemed to limit the right of Tenant to enforce the indemnification obligations of Landlord established under this Sublease, all of which such obligations shall survive any termination of this Sublease.

14.7 Cure of Landlord’s Default by Tenant. Without prejudice to any other right or remedy of Tenant provided for herein, if there shall be a Landlord Event of Default which has not been cured by Landlord within the time period provided for in Section 14.6, Tenant shall deliver to Landlord a second notice of such default and, if Landlord has not cured or commenced cure of such Landlord Event of Default within ten (10) days after delivery of such second notice, then Tenant may cure the same at the expense of Landlord immediately and with simultaneous notice to Landlord, but only in the case of (a) Emergency or (b) where such Landlord Event of Default shall result in a violation of Legal Requirements (unless such violation does not need to be cured immediately in order to avoid incurring any fines, penalties or other sanctions) or the cancellation of any insurance policy maintained by Tenant. All reasonable costs incurred by Tenant in curing such Landlord Event of Default, including, without limitation, reasonable attorneys’ fees, shall be reimbursable by Landlord within thirty (30) days after Tenant’s delivery to Landlord of a written demand therefor, together with interest thereon from the date such costs were paid by Tenant, at the Default Rate. Notwithstanding the foregoing, in the exercise of its rights under this Section

14.7, Tenant shall not affect the general common elements, the structural integrity of the Condominium or the façade of the building; shall not affect the residential and garage units of the Condominium and/or their use and occupancy, and shall not pursue any remedy or cure which would require any modifications to the Existing Approvals, it being the express agreement of the parties that Tenant's self-help remedies be limited in the foregoing manner. For purposes of this Section 14.7, the term "Emergency" shall mean a situation in which immediate action is necessary to avoid imminent personal injury, imminent material property damage or suspension of any necessary services to the Public Use Unit.

14.8 No Waiver of Breach. No failure by Landlord or by Tenant to insist upon the strict performance by the other of any of the terms of this Sublease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of any of the terms of this Sublease. None of the terms of this Sublease to be kept, observed or performed by Landlord or by Tenant and no breach thereof, shall be waived except by a written instrument executed by Landlord or by Tenant, whichever the case may be. No waiver of any default of Landlord or Tenant shall be implied from any omission by the other to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition by the other.

ARTICLE 15 DAMAGE AND DESTRUCTION

15.1 Tenant's Rights, Duties, and Obligations. The following provisions of this Article 15 apply to a fire or other casualty with respect to the Public Use Unit.

15.1.1 General. If the Public Use Unit, or any part thereof, becomes damaged or destroyed by fire or other casualty, Tenant, at its option, may (a) repair, alter, change, substitute for, restore, replace, or rebuild the same, to such extent, condition, and character as Tenant shall determine, in its reasonably exercised business judgment, taking into account then existing market conditions (individually "**Repair**", and collectively, "**Repairs**"), or (b) make safe and secure, and sightly, the damaged or destroyed Public Use Unit, removing any of the Improvements as Tenant shall reasonably determine ("**Secure**") until such time as Tenant may elect to proceed under clause (a). Tenant shall proceed expeditiously to effect a Repair, subject to Tenant's rights under this Article 15 and in compliance with the Landlord approval and inspection rights under Article 12. Such approvals as may be required by Landlord shall not be unreasonably withheld, conditioned or delayed. All costs to Repair and Secure shall be borne by Tenant, regardless of whether such casualty loss is covered by insurance and whether the insurance proceeds are sufficient to cover Tenant's expenses. All Repairs shall be made in conformity with the provisions of this Sublease.

15.1.2 Proof of Loss. Whenever any part of the Public Use Unit is damaged or destroyed, Tenant shall promptly make proof of loss and shall proceed promptly to endeavor to collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction.

15.1.3 Application of Fire and Extended Coverage Insurance Proceeds and Obligation to Reconstruct. Except as otherwise provided in this Article 15, all sums payable for loss and damage arising out of the casualties covered by the fire and extended coverage policies shall be used to restore and, if necessary, rebuild the Public Use Unit existing or being constructed prior to such casualty.

All amounts for the Public Use Unit received upon such policies – whether Landlord’s or Tenant’s policies, as applicable – and any interest thereon, shall be used, to the extent required, for the Repair of the damaged Public Use Unit so that such Public Use Unit shall be restored to a condition comparable to the condition prior to the loss or damage (or, upon agreement by Landlord and or Tenant, as the case may be), replaced or partially replaced with new property of a design and density which are consistent with the former Public Use Unit, the use set forth in Section 3.1 and Legal Requirements. If the Public Use Unit is completely destroyed (or is damaged to a degree that Tenant determines that it is not practicable to restore same), Tenant may construct new improvements as if the same is a Reconstruction Activity requiring Landlord approval and inspections, subject to the requirements of Article 12 hereof.

15.1.4 Covenant for Commencement and Completion of Reconstruction. Tenant covenants and agrees to commence the Repair, if at all, as required by this Article 15, and to thereafter complete fully such Repair as expeditiously as possible.

15.2 Performance of Work. Except as otherwise provided in this Article 15, the conditions under which any work is to be performed, and the Landlord approval and inspection rights, and methods of proceeding with and performing the same, shall be governed by the provisions of Article 12 hereof. All Repairs by Tenant shall be completed free and clear of mechanics’ and materialmen’s liens, in compliance with this Sublease.

15.3 Surrender of Sublease. Except as otherwise provided in this Article 15, no destruction or damage to the Public Use Unit, or any part thereof, by fire or any other casualty, shall permit Tenant to surrender this Sublease or shall relieve Tenant from its obligations under this Sublease.

ARTICLE 16 LIENS

16.1 Tenant shall keep the Public Use Unit free and clear of all liens, and if a lien originating with or otherwise relating to the use, occupancy, construction, or Reconstruction Activity with respect to the Public Use Unit is imposed on any remaining portions of the Condominium, Tenant shall cause any such lien to be removed within thirty (30) days of written notice thereof.

ARTICLE 17 QUIET ENJOYMENT

17.1 Provided Tenant is not in default under this Sublease, then, upon paying the Rent herein and complying with all other terms and conditions of this Sublease to be met and complied

with by Tenant, Tenant shall quietly and peaceably enjoy the Public Use Unit without hindrance or molestation by Landlord or by anyone claiming by, under, or through Landlord.

ARTICLE 18 CONDEMNATION

18.1 Notice of Taking. Upon receipt by either Landlord or Tenant of notice of the institution of any proceedings for the taking or condemnation of all or a portion of the Condominium, including the Public Use Unit by the government of the United States, State of Maryland, Montgomery County or any other governmental authority, or any corporation under the right of eminent domain (a “**Taking**”), the party receiving such notice shall promptly give notice thereof to the other, and each Party may also appear in such proceeding and be represented by counsel

18.2 Special Account. Subject to Section 18.4 below, the full amount of any award for any Taking of the Public Use Unit (the “**Tenant’s Award**”) shall be paid to the Tenant.

18.3 Total Taking. In the event of a permanent Taking of (a) the fee title to the Prime Landlord Land on which the Condominium is constructed, or (b) the entire leasehold estate under the Condominium regime, (c) the Condominium building, or (d) the Public Use Unit (each event shall be referred to as a “**Total Taking**”), this Sublease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that any Rent payable or obligations owed by the Tenant to Landlord on or before the date of the Total Taking shall be paid in full.

18.4 Partial Taking; Procedures and Criteria for Course of Action. In the event of a permanent Taking that is less than a Total Taking and which adversely affects the Public Use Unit (a “**Partial Taking**”):

18.4.1 if Tenant reasonably determines that the continued use and occupancy of the remainder of the Public Use Unit by the Tenant is or can reasonably be made to be economically viable, structurally sound, and otherwise feasible based upon the amount of eminent domain proceeds and any other Tenant funds as are demonstrably available for the purpose of paying for such restoration (the “**Restoration Criteria**”), then, at Tenant’s option, the Public Use Unit shall be restored.

18.4.2 if Tenant reasonably determines that the continued use and occupancy of the remainder of the Public Use Unit by Tenant is not or cannot be made to be economically viable, structurally sound, and otherwise feasible, then this Sublease may be terminated pursuant to subsection 18.6.

18.5 Restoration. If a decision is made pursuant to subsection 18.4 to restore the remainder of the Public Use Unit, Tenant shall promptly proceed, at its expense, to commence and complete the restoration. Tenant may use the entire Tenant’s Award for such restoration, and may retain for its own use any portion of the Tenant’s Award remaining after the completion of the restoration. If Tenant has decided pursuant to subsection 18.4 to restore the remainder of the

Public Use Unit, and if the cost of the restoration shall exceed the amount of the Tenant's Award, the deficiency shall be paid by Tenant. Any restoration shall be performed in accordance with the Article 12 hereof.

18.6 Termination upon Non-Restoration. Following a Partial Taking, if a decision is made pursuant to subsection 18.4 that the remaining portion of the Public Use Unit is not to be restored, Tenant may surrender the Public Use Unit to Landlord and, if so surrendered, this Sublease shall thereupon be terminated without liability or further recourse to the parties hereto.

18.7 No Waiver. No provisions in this Sublease shall limit the rights of either Landlord or Tenant to seek compensation from a condemning authority as provided by statute, common law, the State of Maryland or the United States Constitution.

ARTICLE 19 NOTICES

19.1 Service to Tenant. All notices, demands, submissions or requests to Tenant shall be deemed to have been properly given if they meet the requirements of Section 19.3 below and are addressed as follows:

If to Tenant, to: Montgomery County, Maryland
 101 Monroe Street, 2nd Floor
 Rockville, MD 20850
 Attention: Chief Administrative Officer
 and
 Montgomery County, Maryland
 Department of General Services
 101 Monroe Street, 9th Floor
 Rockville, MD 20850
 Attention: Director

With a copy to: Office of County Attorney
 101 Monroe Street
 Executive Office Building, 3rd Floor
 Rockville, Maryland 20850-2419

and to such other addresses and to the attention of such other parties as Tenant may designate by notice to Landlord. If any of the foregoing parties changes its office address as herein stated, such party shall promptly give notice thereof to Landlord.

19.2 Service to Landlord. All notices, demands, submissions or requests to Landlord shall be deemed to have been properly given if they meet the requirements of Section 19.3, below, and are addressed as follows:

If to Landlord, to: EH III Recreational Center LLC
c/o Housing Opportunities Commission of Montgomery County
10400 Detrick Avenue
Kensington, MD 20895
Attention: President/Executive Director

With copies to: Office of General Counsel
Housing Opportunities Commission of Montgomery County
10400 Detrick Avenue
Kensington, Maryland 20895
Attention: General Counsel

Gallagher Evelius & Jones LLP
218 N. Charles Street, Suite 400
Baltimore, Maryland 21201
Attention: Mark P. Keener, Esquire
Email: mkeener@gejlaw.com

and to such other addresses and to the attention of such other parties as Landlord may designate by notice to Tenant. If Landlord changes its office address as herein stated, Landlord promptly shall give notice to Tenant.

19.3 Service Procedures. All notices, demands, or requests shall be in writing and shall be: (a) personally delivered; (b) sent prepaid for next business day delivery by a nationally recognized overnight courier service; or (c) sent via electronic e-mail provided such notice, demand or request is also sent in the manner set forth in either subclause (a) or (b) above. Notices and other communications shall be deemed to have been given on the earlier of actual receipt or on the first Business Day upon which delivery is attempted but cannot be made due to refusal of, or failure by the addressee to accept, such attempted delivery, or in the case of electronic mail on the date sent (provided such notice is also delivered as otherwise provided in subclauses (a) and (b) above).

ARTICLE 20 GOVERNING LAW

20.1 This Sublease will be governed by and construed pursuant to the laws of the State of Maryland (without reference to choice of law principles). Any action or proceeding arising hereunder shall be brought in the courts of Montgomery County, Maryland.

ARTICLE 21 SURRENDER

21.1 Surrender of Public Use Unit. On the expiration of the Term, Tenant shall surrender the Public Use Unit to Landlord without delay.

21.2 Removal of Personal Property, Trade Fixtures. Tenant may remove any of the Improvements at or prior to the termination or expiration of this Sublease.

21.3 Personal Property and Trade Fixtures Not Removed. Any Improvements and personal property of Tenant which shall remain in the Public Use Unit thirty (30) Days after the termination or expiration of the Term of this Sublease shall be deemed to have been abandoned and either may be retained by Landlord as its property or disposed of without accountability in such manner as Landlord may see fit. In no event shall Landlord be responsible for any loss or damage occurring to any property owned by Tenant which is not removed within thirty (30) days after the termination or the expiration of the Term of this Sublease.

21.4 Survival of Article. The provisions of this Article 21 shall survive for a period of one year following the earlier of (i) the termination or (ii) the expiration of this Sublease.

ARTICLE 22 CERTIFICATES BY LANDLORD AND TENANT

22.1 Certificate by Landlord. Landlord agrees, upon not less than ten (10) Business Days' prior notice from Tenant, to execute, acknowledge and deliver a written statement or estoppel certificate to Tenant, or to any of Tenant's security rating agencies, auditors, purchasers, or such other person or entity as Tenant may specify or to any governmental entity, if required by such governmental entity, indicating whether: (a) this Sublease is unmodified and in full force and effect (or if modified whether this Sublease is in full force and effect as modified and states the modifications); (b) states to the best knowledge of Landlord whether Tenant is in default in keeping, observing and performing any of the terms of this Sublease, and, if in default, specifies each such default of which Landlord has knowledge; (c) certifies to the best knowledge of Landlord as to the existence of any offsets, counterclaims or defenses to this Sublease on the part of Tenant or Landlord; and (d) sets forth any other matters which reasonably may be requested except as to proprietary or confidential information. It is intended that any such statement delivered pursuant to this Section 22.1 may be relied upon by any prospective assignee of Tenant's interest in this Sublease, but reliance on such certificate may not extend to any default of Tenant as to which Landlord shall have no actual knowledge. Tenant may also request a recognition certificate from Landlord for any subtenant and Landlord agrees to execute the same so long as it is on a form reasonably acceptable to Landlord that is consistent in all respects with the terms of this Sublease.

22.2 Certificate by Tenant. Tenant agrees, upon not less than ten (10) Business Days' prior notice from Landlord, to execute, acknowledge and deliver to Landlord and/or to any person or governmental entity (if required by such governmental entity) designated by Landlord, a written statement or estoppel certificate indicating whether: (a) this Sublease is unmodified and in full force and effect (or if modified, whether this Sublease is in full force and effect as modified and states the modifications); (b) states to the best knowledge of Tenant whether Landlord is in default in keeping, observing and performing any of the terms of this Sublease and, if in default, specifies each such default of which Tenant has knowledge; (c) certifies to the best knowledge of Tenant as to the existence of any offsets, counterclaims or defenses to this Sublease on the part of Landlord or Tenant; and (d) sets forth any other matters which reasonably may be requested except as to

proprietary or confidential information. It is intended that any such statement delivered pursuant to this Section 22.2 may be relied upon by Landlord or any prospective successor to Landlord's interest in the Public Use Unit or the Condominium, or any person or governmental entity, if required by such person or governmental entity but reliance on such certificate may not extend to any default of Landlord as to which Tenant shall have no actual knowledge.

ARTICLE 23 REPRESENTATIONS AND WARRANTIES

23.1 Landlord's Representations and Warranties. Landlord hereby represents and warrants that:

23.1.1 Landlord is a limited liability company and is in good standing under the laws of the State of Maryland, and is authorized to conduct the business in which it is engaged.

23.1.2 Landlord has power and authority to enter into this Sublease with Tenant.

23.1.3 Landlord has not received any written notice of any actions, suits, arbitrations, governmental investigations or pending proceedings to which Landlord is a party which might adversely affect Landlord's right to enter into or perform under this Sublease.

23.1.4 Landlord has not received any written notice of any condemnation proceedings pending or threatened with respect to the Condominium or the Public Use Unit.

23.1.5 Landlord has not received any written notice of the imposition of any special taxes or assessments to be levied against the Condominium or the Public Use Unit.

23.1.6 Landlord has not received any written notice that it is in violation of the order of any court or governmental authority or any contract to which it is a party by entering into this Sublease.

23.2 Tenant's Representations and Warranties. Tenant represents and warrants that:

23.2.1 Tenant is a political subdivision of the State of Maryland and is authorized to conduct the business in which it is engaged.

23.2.2 Tenant is authorized to execute, deliver and perform under this Sublease.

23.2.3 Tenant has not received any written notice that it is in violation of the order of any court or governmental authority or any contract to which Tenant is a party by entering into this Sublease.

23.2.4 Tenant has not received written notice of any actions, suits, arbitrations, government investigations or pending proceedings to which Tenant is a party which might adversely affect Tenant's right to enter into or perform under this Sublease.

23.2.5 Tenant shall perform its obligations under this Sublease diligently and in good faith.

23.3 Notices of Changes in Representations and Warranties. Each party shall give the other prompt notice of the occurrence of any event or the receipt of any notice or knowledge the effect of which would be to make any representation or warranty of the first party untrue or misleading in any material respect.

23.4 Survival. The representations and warranties of the parties, whether contained in this Article or elsewhere in this Sublease, shall survive the execution and delivery of this Sublease for a period of one (1) year after the Sublease Date.

ARTICLE 24 RIGHT OF FIRST OFFER

24.1 Landlord is the landlord of Public Use Unit A (“the **“Holy Cross Premises”**”) of the Condominium (as depicted on the Condominium Plat and described in the Condominium Declaration). The Holy Cross Premises is or will be subleased to Holy Cross Hospital of Silver Spring, Incorporated (“**Holy Cross**”) and will be operated by Holy Cross as a senior resource center (the “**Holy Cross Sublease**”). Upon the expiration or earlier termination of the Holy Cross Sublease, Landlord agrees that (a) if it decides to sublease the Holy Cross Premises, or any part thereof, to a subtenant which (b) intends to operate the Holy Cross Premises for a use other than a senior resource center, Landlord will, before offering publicly the Holy Cross Premises for sublease to another party, provide the Tenant with a written notice of Landlord’s intention to sublease the Holy Cross Premises. Upon Tenant’s receipt of the notice, Landlord and Tenant shall have sixty (60) days to negotiate in good faith a sublease for the Holy Cross Premises (“**Notice Period**”). If Tenant does not respond to Landlord’s written notice of its intention to sub-lease the Holy Cross Premises within the Notice Period, or if the parties cannot agree in good faith on acceptable terms which shall include, without limitation, the amount of the rent for the Holy Cross Premises, then Landlord or its successor shall be free to sublease the Holy Cross Premises to any other party, free and clear of any obligation under this Sublease. If Landlord and Tenant enter into a sublease for the Holy Cross Premises, such sublease shall provide that Tenant’s use of the Holy Cross Premises shall be in compliance with the Existing Approvals and shall contain provisions similar to Article 12 with respect to changes and alterations to the Holy Cross Premises and with respect to a change in use thereof. For the avoidance of doubt, if the Tenant fails to respond to Landlord during the Notice Period, or if Landlord and Tenant cannot agree in good faith on acceptable terms for the subleasing the Holy Cross Premises within the Notice Period, then the Tenant shall no right to sublease the Holy Cross Premises.

ARTICLE 25 ACCESS

25.1 Access to Public Use Unit A. The parties hereby acknowledge and confirm that Section 3.3 of the REA provides, for the benefit of the Public Use Unit A Owner (as defined in the REA), a non-exclusive perpetual easement for access to and from the Public Use Unit A (as defined in the REA) over, across, and through certain portions of the Public Use Unit. Tenant

acknowledges and agrees that its Leasehold Estate is subject to such easement rights for the benefit of such Public Use Unit A Owner.

ARTICLE 26

CONSTRUCTION OF TERMS AND MISCELLANEOUS

26.1 Invalid or Unenforceable Terms. If any provision of this Sublease or the application of such provision to any person or situation shall be held invalid or unenforceable, the remainder of this Sublease and the application of such provision to persons or situations other than those held invalid or unenforceable shall not be affected and shall continue valid and be enforced to the fullest extent permitted by law. Any such invalid or unenforceable provision shall be deemed automatically reformed to render same as close in meaning and effect as the original provision but still valid and enforceable.

26.2 Headings, Captions, Etc. Article headings, subheadings and captions of this Sublease and the Table of Contents contained in this Sublease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Sublease nor in any way affect this Sublease.

26.3 Relationship of Parties. This Sublease does not create the relationship of principal and agent or of partnership or of joint venture or of any association or agency between Landlord and Tenant, the sole relationship between these Parties being that of landlord and tenant with respect to the Public Use Unit.

26.4 Recordation of Sublease. Tenant shall record this Sublease at Tenant's sole cost and expense. Upon the expiration or sooner termination of this Sublease, Tenant covenants that it will, at the request of Landlord, execute, acknowledge and deliver an instrument terminating this Sublease, which termination shall be recorded among the Land Records at Landlord's sole cost and expense.

26.5 Gender, Number and Persons. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders. Unless the context shall otherwise indicate, the word "person" or any word having a similar meaning shall have the definition provided in Section 1.1.

26.6 Accounting Terms. Accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in effect in the United States from time to time.

26.7 Entire Sublease; Amendment. This Sublease and the Exhibits hereto contain the entire agreement between the Parties with respect to the subject hereof, and all other prior communications and agreements, written or oral, are superseded hereby. This Sublease may be amended or modified only by an instrument in writing, executed by the Parties and consented to by the Prime Landlord.

26.8 Successors and Assigns. The terms herein contained shall bind and inure to the benefit of the Parties and their successors and permitted assigns, except as otherwise provided herein.

26.9 Duplicates. This Sublease may be executed in one or more duplicates, each of which shall be deemed an original.

26.10 Construction of Sublease. In no event shall this Sublease be construed more strongly against any one person solely because such person or its representative acted as draftsman hereof, it being acknowledged by the Parties hereto that both have been represented by competent legal counsel, that this Sublease has been subject to substantial negotiation, and that all parties have contributed substantially to the preparation of this Sublease.

26.11 Exhibits. Each Exhibit to this Sublease is incorporated into this Sublease by reference and forms an essential part of this Sublease.

26.12 No Commissions. Each Party represents to the other that no real estate broker or other person is entitled to claim a commission as a result of the execution and delivery of this Sublease by such Party, and each Party agrees to indemnify, and hold harmless the other with respect to such representation and warranty.

26.13 Computation of Time. In the computation of any period of time provided for by this Sublease or by law, the day of the act or event from which such period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until the end of the next Business Day.

26.14 Landlord's Approvals and Consents. Except as otherwise specified in this Sublease with respect to approvals deemed to have been given by Landlord, wherever an approval or consent is required by Landlord under this Sublease, such approval or consent shall be deemed to have been validly given only if given by the President/Executive Director of HOC or his/her authorized designee.

26.15 Time of the Essence. Time is of the essence with respect to each party's performance of its obligations under this Sublease.

26.16 Patents, Trademarks, and Royalties. All payments for royalties and patent rights, registered designs, trademarks or names, copyright and other protected rights, and all fees which are or became payable for or in connection with any matter or thing used or required to be used in Tenant's performance under this Sublease or to be supplied by Tenant under this Sublease, shall be the responsibility of Tenant and shall be paid by Tenant to those to whom and at the time of which they become payable.

26.17 No Merger. The Parties expressly agree that absent the express written agreement of Landlord and Tenant, Landlord's leasehold interest in the Public Use Unit shall not merge with this Sublease during the Term of this Sublease regardless of whether the same Person is the owner of more than one estate.

26.18 No Liability for Officials and Others. Landlord and Tenant agree, notwithstanding any provision of this Sublease to the contrary, no director, officer, agent, official, representative, member, partner or employee acting on behalf of Landlord or Tenant, shall have any personal or individual liability for the performance of any covenant, term or condition under this Sublease, or for the cure of any breach under this Sublease.

26.19 Effective Date of Sublease. The Sublease Date of this Sublease is the date set forth in the preamble hereto.

26.20 County as Tenant. The County's obligations under this Sublease are as a Tenant. Nothing in this Agreement is intended to be, and shall not be construed as, a limitation of the police powers of Montgomery County, Maryland.

26.21 Intentionally Deleted.

26.22 Amendments to the Master Lease, the Condominium Documents, the Condominium Plat, and the Covenants, Conditions and Restrictions/Rules. An amendment to the Master Lease, the Condominium Documents, the Condominium Plat and the Covenants, Conditions and Restriction shall not require the prior approval of the Tenant if the amendment (i) does not adversely affect Tenant's use and occupancy of the Public Use Unit, (ii) does not adversely affect the general common elements or the structural integrity of the Condominium, and (iii) does not require any modifications to the Existing Approvals and otherwise complies with all Legal Requirements. Rules imposed under the Condominium Documents shall not apply to the Public Use Unit without the Tenant's prior written approval.

26.23 Lease of a Portion of Alexander House. Landlord and Tenant acknowledge and agree that, simultaneously with Tenant's Sublease of the Public Use Unit, Tenant is also leasing from Landlord the Public Use Unit No. 2 (the "PUU2 Lease"), which is a unit located within the Alexander House Commercial Condominium (as created by that certain Declaration of Condominium for Alexander House Commercial Condominium recorded among the Land Records at Book 53553, Page 388, as amended, and those certain Amended Condominium Plats of Alexander House Commercial Condominium recorded among the Plat Records of Montgomery County as Plat Nos. 12102 – 12139, as amended) and located directly adjacent to, and with direct access, to the Public Use Unit. This Sublease for the Public Use Unit and the PUU2 Lease are coterminous and both the Public Use Unit and the Public Use Unit No. 2 are designed to function as one continuous space. Thus, to fully understand the entire contractual relationship between Landlord and Tenant, the PUU2 Lease must be reviewed in connection with this Sublease. Once executed both this Sublease and the PUU2 Lease shall be recorded among the land records at Tenant's cost.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Sublease to be executed as an instrument under seal, as of the Sublease Date.


WITNESS:

LANDLORD:

**EH III RECREATIONAL CENTER LLC,
a Maryland limited liability company**

By: Housing Opportunities Commission of
Montgomery County, its Sole Member




By: 
Kayrine Brown
Acting in the capacity of President/
Executive Director

Date: 23rd Feb. 2024

STATE OF MARYLAND
COUNTY OF MONTGOMERY, TO WIT:

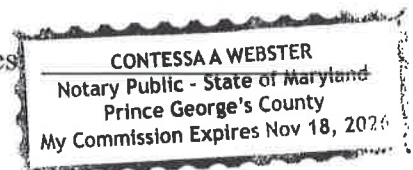
On this 23rd day of February, 2024, before me the undersigned officer, personally appeared Kayrine Brown, known to me or satisfactorily proven to me to be the person set forth herein, who acknowledged herself to be acting in the capacity of President/Executive Director of the Housing Opportunities Commission of Montgomery County, a body corporate and politic, established pursuant to the provisions of Titles 12 and 16 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, which entity is the sole member of EH III Recreational Center LLC, and, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said entity, as the act and deed of said entity.

AS WITNESS my hand and Notarial Seal.



Notary Public

My Commission Expires



IN WITNESS WHEREOF, the parties have caused this Sublease to be executed as an instrument under seal, as of the Sublease Date.

WITNESS:



TENANT:

MONTGOMERY COUNTY, MARYLAND

By: 
Fariba Kassiri
Deputy Chief Administrative Officer

Date: 2/23/24

STATE OF MARYLAND
COUNTY OF MONTGOMERY, TO WIT:

On this the 23rd day of February, 2024, before me the undersigned officer, personally appeared Fariba Kassiri, known to me to be the Deputy Chief Administrative Officer for Montgomery County, Maryland, and that she, as such Deputy Chief Administrative Officer, being authorized to do so, acknowledged that she executed the foregoing instrument for the purposes therein stated, by signing the name of Montgomery County, Maryland by herself as the authorized representative of Montgomery County, Maryland.

AS WITNESS my hand and Notarial Seal.


Notary Public

My Commission Expires: 3/20/2027



THERESA HAMPL
Notary Public, State of Maryland
County of Montgomery
My Commission Expires 3/20/2027

Approved as to form and legality by the Office of
the County Attorney

By: _____
Associate County Attorney

Date: _____

The undersigned is hereby executing this Sublease solely to evidence its agreement with Section 11.2 hereof and for no other purpose.

WITNESS:

PRIME LANDLORD / CONDOMINIUM
DECLARANT:
ACORN STORAGE NO. 1, LLC

_____ By: _____
Matilda Lee
Authorized General Manager

Date: _____

STATE OF MARYLAND
COUNTY OF MONTGOMERY, TO WIT:

On this the ____ day of _____, 2024, before me the undersigned officer, personally appeared Matilda Lee, known to me to be the Authorized General Manager of Acorn Storage No. 1, LLC, and that she, as such Authorized General Manager, being authorized to do so, acknowledged that she was executing the foregoing instrument for the purposes therein stated, by signing the name of Acorn Storage No. 1, LLC by herself as such Authorized General Manager.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

The undersigned is hereby executing this Sublease solely to evidence its agreement with Section 11.2 hereof and for no other purpose.


WITNESS:

ELIZABETH HOUSE III LIMITED PARTNERSHIP,
a Maryland limited partnership

By: EH III GP, LLC,
a Maryland limited partnership,
its General Partner

By: Housing Opportunities Commission of
Montgomery County

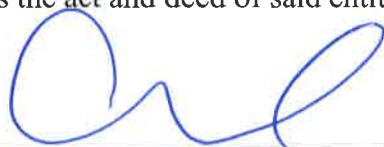


By: 
Kayrine Brown
Acting in the capacity of President/
Executive Director

STATE OF MARYLAND
COUNTY OF MONTGOMERY, TO WIT:

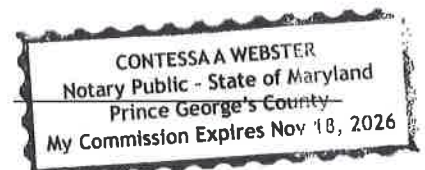
On this 23rd day of February, 2024, before me the undersigned officer, personally appeared Kayrine Brown, known to me or satisfactorily proven to me to be the person set forth herein, who acknowledged herself to be acting in the capacity of President/Executive Director of the Housing Opportunities Commission of Montgomery County, a body corporate and politic, established pursuant to the provisions of Titles 12 and 16 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, which entity is the sole member of EH III GP, LLC, which is the General Partner of Elizabeth House III Limited Partnership and, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said entity, as the act and deed of said entity.

AS WITNESS my hand and Notarial Seal.



Notary Public

My Commission Expires:



SCHEDULE OF EXHIBITS

Exhibit A	-	Legal Description of the Prime Landlord Land
Exhibit B	-	Legal Description of the Public Use Unit
Exhibit C	-	Existing Approvals
Exhibit D	-	Responsibility Matrix
Exhibit E	-	Trash Room
Exhibit 2.3	-	Permitted Exceptions
Exhibit 11.5.2	-	Annual Budgeting Process

EXHIBIT A

Legal Description of the Prime Landlord Land

ALL THAT CERTAIN piece or parcel of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate and being in Montgomery County, Maryland, being more particularly described as follows:

Lot One Hundred Sixteen (116) in Block lettered "A" of the subdivision known as "E. BROOKE LEE'S 2ND ADDITION TO SILVER SPRING" as per plat recorded in Plat Book 34, Plat No. 2250 among the Land Records of Montgomery County, Maryland.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Account No. 13-22-01041040

Property Address: 1315 Apple Avenue, Silver Spring, Maryland 20910

EXHIBIT B

Legal Description of the Public Use Unit

ALL THAT CERTAIN unit now or hereafter designated as the Public Use Unit, pursuant to and as established pursuant to an Amended and Restated Declaration of Condominium for Elizabeth House III Commercial Condominium (the "Amended and Restated Declaration of Condominium") made by Acorn Storage No. 1, LLC, dated October 31, 2019 and recorded among the Land Records of Montgomery County, Maryland in Book 58410, Page 154, together with an undivided interest in the general common elements of the Elizabeth House III Commercial Condominium, and as shown on a plat entitled "Amended Condominium Plat of Elizabeth House III Commercial Condominium" consisting of 14 sheets, dated October, 2019 and recorded as Condo Plat Nos. 12144 - 12157 (the "Amended Condominium Plat"); and being a portion of Land Unit 1 of the "ELIZABETH SQUARE LAND CONDOMINIUM" as established pursuant to a Declaration of Condominium for Elizabeth Square Land Condominium made by Acorn Storage No. 1, LLC and Alexander House Development Corporation and Alexander House Apartments Limited Partnership dated October 28, 2019, (the "Declaration of Condominium") and recorded among the Land Records of Montgomery County, Maryland in Book 58380, Page 375, and further shown on that certain plat entitled "ELIZABETH SQUARE LAND CONDOMINIUM" (the "Land Condominium Plat") recorded among the aforesaid Land Records as Condo Plat Number 12101, and also being part of Lot 18, Block, A, as shown on a plat of subdivision entitled "LOT 18, BLOCK A, E. BROOKE LEE'S 2ND ADDITION TO SILVER SPRING" and recorded among the aforesaid Land Records as Plat Number 25599 (the "Consolidated Plat").

TOGETHER WITH the improvements on the Property, if any, all of the benefits, rights and privileges granted by said Amended and Restated Declaration of Condominium and all the rights, ways, alleys, privileges, and appurtenances thereto belonging or in anywise appertaining.

AND TOGETHER WITH ALL of the benefits of easements granted by, and subject to the terms and conditions set forth in that certain Amended and Restated Declaration of Easements, Covenants, Restrictions and Agreements recorded among the Land Records of Montgomery County, Maryland in Book 58410, Page 203.

AND FURTHER TOGETHER WITH ALL of the benefits of easements granted by, and subject to the terms and conditions set forth in that certain Elizabeth Square Project Declaration of Covenants, Conditions, Easements, and Restrictions recorded among the Land Records of Montgomery County, Maryland in Book 58380, Page 421.

SUBJECT, HOWEVER, to all the provisions, restrictions, easements and conditions, as contained in said Declaration of Condominium, as amended, and the Bylaws relating thereto, as amended.

EXHIBIT C
Existing Approvals

[attached behind]

Elizabeth Square - Plan / Permit Tracking Log			
Last Update 2024.02.22			
PUBLIC IMPROVEMENT PLANS			
Agency	Plan Type	A/P #	Approval Date
M-NCP&PC	NRI / FSD		
APPROVED	Natural Resource Inventory / Forest Stand Delineation	420141320	04-11-2014
M-NCP&PC	NRI / FSD - Supplemental (Abandonment Area)		
APPROVED	Natural Resource Inventory / Forest Stand Delineation	420180402	09-28-2017
M-NCP&PC	FINAL FOREST CONSERVATION PLAN		
APPROVED	Final Forest Conservation Plan CBD	820160160	2017.11.01
APPROVED	Forest Bank		2018.01.19
M-NCP&PC	PROJECT PLAN - CBD Zone		
APPROVED	Elizabeth Square - Project Plan CBD	920150010	07-28-2015
REPLACED BY SKETCH PLAN 320170090			
M-NCP&PC	SKETCH PLAN - CR Zone		
APPROVED	Elizabeth Square - Sketch Plan	320170090	2017.12.07
M-NCP&PC	PRELIMINARY PLAN - CBD Zone		
APPROVED	Elizabeth Square - Preliminary Plan (CBD)	120150030	07-28-2015
M-NCP&PC	PRELIMINARY PLAN AMENDMENT A - CBD Zone		
APPROVED	Elizabeth Square - Preliminary Plan Amendment A (CBD)	12015003A	2018.03.23
M-NCP&PC	PRELIMINARY PLAN AMENDMENT B - CR Zone		
APPROVED	Elizabeth Square - Preliminary Plan Amendment B	12015003B	07-17-2018
APPROVED	Elizabeth Square - Preliminary Plan Amendment B (Certified Set)	12015003B	9/7/17/18
M-NCP&PC	SITE PLAN -AH / EH 3 - CBD Zone		
APPROVED	Alexander House - Site Plan Amendment A - CBD	81989071A	06-09-2015
APPROVED	Alexander House - Site Plan Amendment B - CBD	81989071B	12-12-2016
APPROVED	Elizabeth House III - Site Plan Resolution CBD	820160160	11-03-2016
APPROVED	Elizabeth House III - Certified Site Plan CBD	820160160	11-01-2017
REPLACED BY SITE PLAN 820170140			
M-NCP&PC	SITE PLAN - CR Zone		
APPROVED	Elizabeth Square - Site Plan	820170140	12-07-2017
APPROVED	Elizabeth Square - Site Plan (Certified Set)	820170140	07-24-2018
APPROVED	Elizabeth Square - Site Plan (Surety Estimates)	820170140	07-24-2018
APPROVED	Elizabeth Square - Site Plan	82017014A	01-09-2023
APPROVED	Elizabeth Square - Site Plan (Certified Set)	82017014A	02-23-2023

Elizabeth Square - Plan / Permit Tracking Log			
Last Update 2024.02.22			
PUBLIC IMPROVEMENT PLANS			
Agency	Plan Type	A/P #	Approval Date
M-NCP&PC / MCDOT	RECORD PLAT		
APPROVED	E Brooke Lee's Addition to SS (consolidation plat)	220180380	10-24-2019
APPROVED	Elizabeth Square Land Condominium	12101	10-28-2019
APPROVED	Elizabeth House III Commercial Condominium	11554 thru 11584	10-11-2016
APPROVED	Alexander House Commercial Condominium	11679 thru 11716	01-11-2017
MCDPS - WR	SWM Stage I		
APPROVED	SWM Concept	SM File#: 266615	07-02-2015
MCDPS - WR	SWM Stage 2		
APPROVED	SWM Concept/Site Development Plan - Phase I Only (EH3)	SM File#: 266615	09-07-2016
APPROVED	SWM Concept/Site Development Plan - CR Zone	SM File#: 266615	07-07-2017
MCDPS - WR	SEC-DEMO		
APPROVED	Sediment Control - Rough Grading Only for Demolition	SEC No. 288918	07-13-2023
MCDPS - WR	SWM FINAL - Phase One		
APPROVED	SESC/SWM Final	SEC No. 283077	2018.05.18
APPROVED	SWM Fee		09-17-2018
RECORDED	Greenroof Easements		
MCDPS - RW	TEMPORARY CONSTRUCTION ENTRANCE		
APPROVED	Constr. Access Permit - Apple Avenue	358511	08-01-2017
APPROVED	Constr. Access Permit - Fenwick Avenue	358512	08-01-2017
APPROVED	Driveway Permit - 2nd Avenue	393054	06-27-2023

Elizabeth Square - Plan / Permit Tracking Log

Last Update 2024.02.22

PUBLIC IMPROVEMENT PLANS

Agency	Plan Type	A/P #	Approval Date
MCDPS - RW	FENWICK LANE R/W		
APPROVED	Entrance Plan	PUBL- 361213	10-15-2018
APPROVED	Signage & Lane Markings	PUBL- 361213	05-16-2018
APPROVED	Street Lighting	PUBL- 361213	05-16-2018
APPROVED	Tree Protection Plan	PUBL- 361213	10-15-2018
APPROVED	Temporary Traffic Control - Fenwick Lane Improvements	PUBL- 361213	05-09-2018
APPROVED	Roadside Tree Permit	2018-0358	04-04-2018
APPROVED	Temporary Traffic Control - PEPCo Relocation	PUBL-361551	03-13-2018
APPROVED	Temporary Traffic Control - Verizon Relocation	PUBL-362486	05-02-2018
APPROVED	Support Of Excavation (SOE) Public Right -of-Way	PUBL-368041	06-11-2019
MCDPS - RW	APPLE AVENUE R/W		
APPROVED	Entrance Plan	PUBL- 361212	09-27-2018
APPROVED	Signage & Lane Markings	PUBL- 361212	04-10-2018
APPROVED	Street Lighting	PUBL- 361212	05-16-2018
APPROVED	Tree Protection Plan	PUBL- 361212	09-27-2018
APPROVED	Traffic Control / Pedestrian Control Plan - Apple Avenue	PUBL- 361212	05-09-2018
APPROVED	Roadside Tree Permit	2018-0358	04-04-2018
APPROVED	Traffic Control / Pedestrian Control Plan (Alexander House)	PUBL-360942	
APPROVED	Washington Gas (Replacement Line) #802370	PUBL-361607	02-07-2018
APPROVED	Support Of Excavation (SOE) Public Right -of-Way	PUBL-368041	06-11-2019
MCDPS - RW	SECOND AVENUE R/W		
APPROVED	Tree Protection Plan		06-15-2018
APPROVED	Verizon Relocation - Temporary Traffic Control	PUBL-362486	05-02-2018
APPROVED	Traffic Control / Pedestrian Control Plan (Alexander House)	PUBL-360942	
APPROVED	PEPCO / Crane & permanenet electric #3559958	PUBL-362975	10-24-2018
APPROVED	PEPCO / Remove overhead lines & install ug #3565006	PUBL-361551	03-13-2018
APPROVED	Comcast Relocation	PUBL-361493	03-12-2018
APPROVED	Tree Protection Plan	PUBL- 393054	06-27-2023
APPROVED	Temporary Traffic Control - 2nd Ave Demo	PUBL- 393054	06-15-2023
MCDPS - RW	CAMERON STREET R/W		
APPROVED	Sidewalk Improvements	PUBL- 380176	11-10-2021
APPROVED	Tree Protection Plan	PUBL- 380176	11-10-2021
APPROVED	Temporary Traffic Control - 2nd Ave Demo	PUBL- 380176	11-10-2021

Elizabeth Square - Plan / Permit Tracking Log			
Last Update 2024.02.22			
PUBLIC IMPROVEMENT PLANS			
Agency	Plan Type	A/P #	Approval Date
MCDPS - BP	BUILDING DEMOLITION-Existing		
APPROVED	Acorn Building - # 1414-1424 Fenwick Lane	821975	12-18-2017
APPROVED	Acorn Building - # 1426-1440 Fenwick Lane	821976	12-18-2017
APPROVED	Acorn Building - # 1315-1323 Apple Avenue	818648	12-18-2017
MCDPS - BP	BUILDING PERMIT		
APPROVED	Alexander House - Interior Improvemts	COMBUILD-769108	12-09-2016
APPROVED	Alexander House - Interior Public Use	COMBUILD-800177	07-13-2017
APPROVED	Alexander House - Interior Public Use	COMBUILD-800180	06-22-2017
APPROVED	Elizabeth House III / SCRRAC	COMBUILD-814359	10-25-2017
	Elizabeth House III		
	Elizabeth House III - Foundation to Grade		
	SCRRAC		
APPROVED	Elizabeth House III - Support of Excavation (SOE)	COMBUILD-840393	08-21-2019
MCDPS - FRS	FIRE ACCESS PLAN		
APPROVED	Fire Access Plan	920150010	07-01-2015
APPROVED	Interim Fire Access Plan	920150010	07-01-2015
MCDPS - SIGNAGE	SIGN CONCEPT PLAN		
APPROVED	Sign Concept Plan		
MCDOT	MCDOT Preliminary Plan Approval / Letter		
APPROVED	MCDOT - Preliminary Plan #120150030	120150030	06-16-2015
APPROVED	MCDOT - Sight Distance Evaluations - Prelim. Plan #120150030	120150030	06-16-2015
MCDOT	Fenwick Lane Abandonment		
PENDING	Abandonment Application	AB758	
MCDOT	FENWICK LANE R/W		
APPROVED	Lighting Plan		05-09-2018
APPROVED	Signage and Lane Marking Plan		05-16-2018
APPROVED	Temporary Traffic Control		05-09-2018
RECORDED	Declaration of Covenants		
APPROVED	Verizon Relocation - Temporary Traffic Control	PUBL-362486	
APPROVED	PEPCo Relocation - Temporary Traffic Control	PUBL-361551	03-13-2018
MCDOT	APPLE AVENUE R/W		
APPROVED	Lighting Plan		05-08-2018
APPROVED	Signage and Lane Marking Plan		04-10-2018
APPROVED	Temporary Traffic Control		05-09-2018
RECORDED	Declaration of Covenants		
MCDOT	SECOND AVENUE R/W		
APPROVED	Verizon Relocation - Temporary Traffic Control	PUBL-362486	05-02-2018
APPROVED	PEPCo Relocation - Temporary Traffic Control	PUBL-361551	03-13-2018
APPROVED	Comcast Relocation - Temporary Traffic Control	PUBL-361493	03-08-2018

Elizabeth Square - Plan / Permit Tracking Log			
Last Update 2024.02.22			
PUBLIC IMPROVEMENT PLANS			
Agency	Plan Type	A/P #	Approval Date
MCDOT	MCDOT Preliminary Plan Review - CR Zone		
APPROVED	MCDOT Preliminary Plan Review - Revision		06-07-2017
WSSC	GOV'T REVIEW - PRELIM. PLAN - CR Zone		
APPROVED	WSSC Preliminary Plan Government Review - Revision		06-16-2017
WSSC - HPA	HYDRAULIC PLANNING ANALYSIS		
APPROVED	Hydraulic Planning Analysis	DA5998Z16	10-31-2017
WSSC	MINOR SITE UTILITY PLAN		
APPROVED	Site Utility Plan, Alexander House Relocations	SU-0975-2018	04-06-2018
APPROVED	Minor Site Utility Plan, South County Regional Recreation Aquatic Center	MSU-1052-2018	08-10-2018
APPROVED	Minor Site Utility Elizabeth House III	MSU -1033-2018	08-10-2018
WSSC	SITE UTILITY PLAN		
APPROVED	Site Utility Plan		
WSSC	DRP-PLAN (SEWER RELOCATION)		
APPROVED	Elizabeth House IV Sewer Relocation Plan	DR6639A19	03-15-2019
WSSC	NON-DRP (FENWICK LANE FIRE HYDRANT)		
APPROVED		DRP-0779-2018	07-23-2018
MDE	NOTICE OF INTENT		
APPROVED	NOI-Sediment Control / SEC	MDRCP03GI	11-14-2017
MD DNR	ROADSIDE TREE PROJECT PERMIT		
APPROVED	Roadside Tree Permit - 2nd Ave and Fenwick Lane	2023-0218	03-28-2023
APPROVED	Roadside Tree Permit - Apple and Fenwick Lane	2018-0358	2018.04.04
APPROVED	Roadside Tree Permit - Second Avenue	2018.-0533	2018.06.15
FAA			
APPROVED	Notice of Obstruction	2019-AEA-198-OE	04-29-2019

EXHIBIT D
Responsibility Matrix

[attached behind]

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
001	AH	Plumbing	All plumbing that serves Alexander House that passes through Alexander House PUU2.	HOC	0%	100%	HOC	0%	100%	See drawings
002	EH3	Telecommunication	Cables, pathways and equipment in the SCRRAC area from B2 to 4th floor slab.	County	100%	0%	County	100%	0%	T400-T491-T402
003	EH3	Telecommunication	Phone lines for elevators and fire alarm system	HOC	50%	50%	HOC	50%	50%	
004	EH3	Telecommunication	Cables, pathways and equipment in the HOC and shared areas from B2 to 4th floor slab.	HOC	0%	100%	HOC	0%	100%	
005	EH3	Telecommunication	HOC Cables and pathways and equipment from 4th floor to roof	HOC	0%	100%	HOC	0%	100%	
006	EH3	Structural	Concrete Foundations, concrete retaining walls, concrete columns and beams and slabs BELOW the bottom of the 4th floor slab.	HOC / County	2) B1- 75% 3) Plaza- 75% 4) Plaza Level Upper Mechanical Room-	2) B1- 25% 3) Plaza- 25% 4) Plaza Level Upper Mechanical Room- 0%	HOC / County	2) B1- 75% 3) Plaza- 75% 4) Plaza Level Upper Mechanical Room- 100%	2) B1- 25% 3) Plaza- 25% 4) Plaza Level Upper Mechanical Room- 0%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
007	EH3	Structural	Concrete slabs and beams from level B2 to BELOW the bottom of the 4th floor slab. HOC Spaces	HOC	0.000%	100.000%	HOC	0.000%	100.000%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
008	EH3	Structural	Concrete slabs and beams from level B2 to BELOW the bottom of the 4th floor slab. County Spaces	County	100.000%	0.000%	HOC	100.000%	0.000%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
009	EH3	Structural	Concrete slabs and beams from level B2 to BELOW the bottom of the 4th floor slab. Shared spaces	HOC	50.000%	50.000%	HOC	50.000%	50.000%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
010	EH3	Structural	Concrete retaining walls below grade for entire building.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
011	EH3	Structural	Concrete structure, concrete columns and beams and slabs ABOVE the bottom of the 4th floor slab.	HOC / County	1) 4th Floor - 25%	1) 4th Floor - 75%	HOC / County	1) 4th Floor - 25%	1) 4th Floor - 75%	A401, A402, A405, A406, A407, A408, A409, A410, and floor plans
012	EH3	Signage	All non-SCRRAC Interior and exterior signage.	HOC	0%	100%	HOC	0%	100%	GS02, GS03, GS04, GS05, GS06, GS07, GS08, GS09, GS10, GS11
013	EH3	Signage	SCRRAC Interior and exterior signage. window walls, banners mounted on street lamp posts, MCG Recreation monument sign	County	100%	0%	County	100%	0%	GS02, GS03, GS04, GS05, GS06, GS07, GS08, GS09, GS10, GS11
014	EH3	Plumbing	Under slab and basement foundation drainage and sanitary system.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	
015	EH3	Plumbing	Plumbing system piping, pumps, drains and fixtures serving SCRRAC. See plans.	County	100%	0%	County	100%	0%	See plumbing drawings.

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
016	EH3	Plumbing	Plumbing system piping, pumps, drains and fixtures serving EH III. See plans.	HOC	0%	100%	HOC	0%	100%	See plumbing drawings.
017	EH3	Plumbing	Plumbing system piping, pumps, drains and fixtures serving shared spaces.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	See plumbing drawings.
018	EH3	Plumbing	Garage Drains	HOC	100%	0%	HOC	100%	0%	P711
019	EH3	Plumbing	All Sump pumps and ejector pumps except for SP8, SP9, SP14 and SP15.	HOC	33.000%	67.000%	HOC	33.000%	67.000%	
020	EH3	Plumbing	Sump pumps and ejector pumps SP8, SP9, SP14 and SP15.	County	100%	0%	County	100%	0%	
021	EH3	Mechanical	Mechanical ducts, piping, controls and equipment serving SCRRAC. See plans.	County	100%	0%	County	100%	0%	See mechanical drawings.
022	EH3	Mechanical	Mechanical ducts, piping, controls and equipment serving EH III and all other spaces.	HOC	0%	100%	HOC	0%	100%	See mechanical drawings.
023	EH3	Mechanical	Mechanical ducts, piping, controls and equipment serving shared spaces.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	See mechanical drawings.
024	EH3	Landscaping/Architectur al	Plaza waterproofing repair and replacement after 20 years from the effective date of the lease.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	
025	EH3	Landscaping	Materials plan at exterior - plaza and perimeter area	HOC	50.000%	50.000%	HOC	50.000%	50.000%	L202, L203
026	EH3	Landscaping	Irrigation	NA	NA	NA	NA	NA	NA	
027	EH3	General - Stairs	Maintenance and cleaning of stairs A, B, and C below 4th floor.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	
028	EH3	General - Stairs	Maintenance and cleaning of stairs A, B, and C 4th Floor and above.	HOC	0.000%	100.000%	HOC	0.000%	100.000%	
029	EH3	General - Stairs	Maintenance and cleaning of stairs D, E and F.	County	100%	0%	County	100%	0%	
030	EH3	General	HOC shall provide access to underside of SCRRAC spaces from HOC occupied spaces.	NA	NA	NA	NA	NA	NA	
031	EH3	General	Holy Cross space access. The County will provide access to the Holy Cross occupants during normal business hours. Access at all other times is prohibited.	NA	NA	NA	NA	NA	NA	

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
032	EH3	General	Plaza maintenance, security, trash removal, pest control, and snow removal. Snow removal must be completed promptly to maintain SCRRAC operating hours.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	
033	EH3	General	County will maintain FOGS system for the SCRRAC kitchen.	County	100%	0%	County	100%	0%	
034	EH3	General	HOC shall maintain and repair the entire trash chute system.	HOC	0%	100%	HOC	0%	100%	
035	eh3	General	County is responsible for any annual inspections/permits to maintain permits for the SCRRAC Spaces. HOC is repsonsible for any annual inspecitons/permits for HOC spaces.	NA	NA	NA	NA	NA	NA	
036	EH3	General	HOC shall provide keys and card readers to the County to access the following: all rooms on 3rd Floor, 2nd floor, Plaza B1, B2, stairs, roofs, and elevator 5.	NA	NA	NA	NA	NA	NA	
037	EH3	General	Facility operating hours will typically be 5:00 AM to 11:30PM. These operating hours can shift to 4:30 AM to 1:00 AM. The facility is open 7 days a week. HOC shall provide access to use the plaza for SCRRAC functions during these times. There is not any special access or privileges for EHII occupants into the SCRRAC.	NA	NA	NA	NA	NA	NA	
038	EH3	General	Green roof repair and maintenance	HOC	50%	50%	HOC	50%	50%	
039	EH3	General	Roof Membranes - HOC Responsible - Refer to plans for locations.	HOC	0%	100%	HOC	0%	100%	
040	EH3	General	Roof Membranes - County Resposible - Refer to plans for locations.	County	100%	0%	County	100%	0%	
041	EH3	Fire Protection	EHIII Fire protection system excluding risers, Level B2 to roof. Refer to plans for areas designated HOC.	HOC	0%	100%	HOC	0%	100%	FP001, FP098A, FP098B, FP099A, FP099B, FP099C, FP101A, FP101B, FP101C, FP102A, FP102B, FP102C, FP103A, FP103B, FP103C, FP701
042	EH3	Fire Protection	SCRRAC fire protection system from level B2 to Level 3 excluding risers.	County	100%	0%	County	100%	0%	FP001, FP098A, FP098B, FP099A, FP099B, FP099C, FP101A, FP101B, FP101C, FP102A, FP102B, FP102C, FP103A, FP103B, FP103C, FP701

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
043	EH3	Fire Protection	Shared spaces, fire protection risers and stand pipes. Fire pump repair and replacement. Annual system maintenance and testing for entire system.	HOC	33.000%	67.000%	HOC	33.000%	67.000%	FP001, FP098A, FP098B, FP099A, FP099B, FP099C, FP101A, FP101B, FP101C, FP102A, FP102B, FP102C, FP103A, FP103B, FP103C, FP701
044	EH3	Fire Alarm	SCRRAC dedicated fire alarm risers, panels and devices as shown on in the drawings listed	County	100%	0%	County	100%	0%	FA198A-FA198B-A198C-AFA199A-FA199B-FA199C-FA201A-FA201B-FA201C-FA202A-FA202B-FA202C-FA203A-FA203B-FA203C-FA221-FA601
045	EH3	Fire Alarm	EHIII dedicated fire alarm risers, panels and devices as shown on the drawings listed	HOC	0%	100%	HOC	0%	100%	FA198A-FA198B-A198C-AFA199A-FA199B-FA199C-FA201A-FA201B-FA201C-FA202A-FA202B-FA202C-FA203A-FA203B-FA203C-FA221-FA601
046	EH3	Fire Alarm	Shared fire alarm risers, panels and devices as shown on in the drawings listed. Annual maintenance and testing of entire system.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	FA198A-FA198B-A198C-AFA199A-FA199B-FA199C-FA201A-FA201B-FA201C-FA202A-FA202B-FA202C-FA203A-FA203B-FA203C-FA221-FA601
047	EH3	Elevators	EH3 Elevators 1 and 2 Cleaning, maintenance and inspection. (HOC to provide the phone line service for all elevators.)	County	100%	0%	County	100%	0%	
048	EH3	Elevators	EH3 Elevators 3 and 4 Cleaning, maintenance and inspection. (HOC to provide the phone line service for all elevators.)	HOC	0%	100%	HOC	0%	100%	
049	EH3	Elevators	EH3 Elevator 5 Cleaning, maintenance and inspection. (HOC to provide the phone line service for all elevators.)	HOC	43.000%	57.000%	HOC	43.000%	57.000%	
050	EH3	Electrical - Safety	Bi-directional Amplification System Head end unit	HOC	33.000%	67.000%	HOC	33.000%	67.000%	
051	EH3	Electrical - Power	SCRRAC Electrical System, service feeders from service entry, switchboards and distribution system to final devices. SCRRAC Underground electrical service feeder from Pepco vault to switchboards. SCRRAC Pepco service vault.	County	100%	0%	County	100%	0%	E198A to E204C, E701, E702

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
052	EH3	Electrical - Power	All other electrical systems and Residential Unit Electrical System, service feeders from service entry, switchboards and distribution system to final devices. EHIII Underground electrical service feeder from Pepco vault to switchboards. All other PEPCO service vaults.	HOC	0%	100%	HOC	0%	100%	E198A to E204C, E701, E702
053	EH3	Electrical - Power	Shared power systems where indicated.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	E198A to E204C, E701, E702
054	EH3	Electrical - Lighting	SCRRAC Lighting systems.	County	100%	0%	County	100%	0%	E098A to E103C, E799A to E703C, E050, E099B, E099C, E101A, E101C, E103A, E103C, E117A, E117B
055	EH3	Electrical - Lighting	EHIII and all other Lighting systems.	HOC	0%	100%	HOC	0%	100%	E098A to E103C, E799A to E703C, E050, E099B, E099C, E101A, E101C, E103A, E103C, E117A, E117B
056	EH3	Electrical - Lighting	Shared lighting systems where indicated.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	E098A to E103C, E799A to E703C, E050, E099B, E099C, E101A, E101C, E103A, E103C, E117A, E117B
057	EH3	Electrical - Heat Trace	Heat trace on SCRRAC piping	County	100%	0%	County	100%	0%	
058	EH3	Electrical - Heat Trace	Heat trace on all other piping other than SCRRAC piping.	HOC	0%	100%	HOC	0%	100%	
059	EH3	Electrical - Generator	EHIII emergency Generator and Fuel	HOC	0%	100%	HOC	0%	100%	E198A
060	EH3	Electrical - Generator	SCRRAC emergency Generator and Standby Generator and Fuel	County	100%	0%	County	100%	0%	E198A
061	EH3	Civil	Stormwater management system on Grade this excludes the green roofs.	HOC	33.000%	67.000%	HOC	33.000%	67.000%	
062	EH3	Architectural	Façade repair and maintenance for HOC areas.	HOC	0%	100%	HOC	0%	100%	A301 to A304
063	EH3	Architectural	Façade repair and maintenance for SCRRAC areas.	County	100%	0%	County	100%	0%	A301 to A304
064	EH3	Architectural	Façade repair and maintenance for shared areas.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	A301 to A304
065	EH3	Architectural	Curtainwall, window cleaning and exterior envelope cleaning for HOC Areas and half of shared areas.	NA	NA	NA	HOC	0.000%	100.000%	

Number	Condominium EH3 or AH	Discipline	Description of Shared Element	Party Responsible for Completing Capital Repair and Replacement of Item	County's Pro-Rata Share of Capital Repair and Replacement Cost	HOC Pro-Rata Share of Capital Repair and Replacement Cost	Party Responsible for Completing Ordinary Maintenance of Item	County's Pro-Rata Share of Ordinary Maintenance Cost	HOC's Pro-Rata Share of Ordinary Maintenance Cost	Drawing References
066	EH3	Architectural	Curtainwall, window cleaning and exterior envelope cleaning for SCRRAC Areas and half of shared areas.	NA	NA	NA	HOC	100.000%	0.000%	
067	EH3	Architectural	Below grade waterproofing excluding the plaza.	HOC	43.000%	57.000%	HOC	43.000%	57.000%	
068	EH3	Mechanical	Mechanical grease duct and access doors that serves the SCRRAC Kitchen on lobby level to roof.	County	100%	0%	County	100%	0%	See mechanical drawings.
069	EH3	Elevator lobbies on B1, level 2 and Level 3	The FSAE lobbies on these floors listed.	HOC	50.000%	50.000%	HOC	50.000%	50.000%	
070	EH3	General Common Elements	Any GCE not clarified above are included in this line item.	HOC / County	Refer to Lease Maintenance Exhibit 230908	Refer to Lease Maintenance Exhibit 230908	HOC / County	Refer to Lease Maintenance Exhibit 230908	Refer to Lease Maintenance Exhibit 230908	

EXHIBIT E

Trash Room

[attached behind]

C:\Users\mccoy\OneDrive\Documents\A1998\B1 Level Floor Plan - Part B.dwg



1 B1 LEVEL FLOOR PLAN - PART B
A199B SCALE: 1/8" = 1'-0"

GENERAL NOTES

1. NOT USED
2. ALL GYPSUM BOARD PARTITIONS IN SCRRAC AREAS TO HAVE IMPACT RESISTANT GYPSUM BOARD U.N.O.
3. DIMENSIONS ON PLANS ARE FROM FACE OF MASONRY TO FACE OF MASONRY, FACE OF TILE TO FACE OF TILE. FACE OF MASONRY TO FACE OF GYPSUM BOARD OR FACE OF GYPSUM BOARD TO FACE OF GYPSUM BOARD, U.N.O.
4. U.N.O. WALLS SHALL EXTEND TO THE ROOF OR SLAB ABOVE AND BE SEALED IN ACCORDANCE WITH WALL TERMINATION DETAILS AND NOTES ON SHEET A200A.
5. THE SAME WALL TYPE NEXT TO A DOOR OR OPENING SHALL CONTINUE OVER THE DOOR OR OPENING, U.N.O.
6. ALL STEEL ELEMENTS WITHIN POOL ATMOSPHERE AREAS TO BE FULLY COATED WITH SCHEDULED HIGH PERFORMANCE COATING. COAT CONCEALED SURFACES PRIOR TO INSTALLATION.
7. PROVIDE CONTROL JOINTS SPACED AT 30' MAX AT ALL GYPSUM BOARD WALLS, U.N.O.
8. PROVIDE REINFORCEMENT IN WALLS FOR MOUNTING OPERABLE PARTITION JAMBS, AV EQUIPMENT, TOILET PARTITIONS, MILLWORK, COUNTERTOPS, ADA GRAB BARS, LOCKERS, RESTROOM ACCESSORIES, WINDOW SHADE SYSTEMS, TYP.
9. SEE FINISH PLANS & INTERIOR ELEVATIONS FOR MOCKUP LOCATIONS. REFER TO SPECIFICATIONS FOR ADDITIONAL INFORMATION.
10. PROVIDE SCHEDULED CORNER GUARD AT ALL WALL AND COLUMN CORNERS AT FRONT AND BACK OF HOUSE, U.N.O. REFER TO FINISH SCHEDULE AND FINISH SPECIFICATIONS.
11. SEE SLAB EDGE PLANS, ENLARGED PLANS, AND FINISH PLANS FOR SLAB, FLOORING AND FLOOR DRAIN SLOPES AND LOCATIONS, U.N.O.
12. SEE SHEET A213B FOR RADIAL WORKING POINT # AS CENTERPOINT FOR RADIAL DIMENSIONS, U.N.O.
13. GENERAL NOTES #18 AND #19 ON SHEETS A204A, A213B SHALL APPLY TO THIS SHEET ALSO.
14. SEE SHEET A203B FOR TYPICAL PIPE PENETRATION DETAILS.
15. ALL STEEL IN POOL AREAS TO BE HOT DIP GALVANIZED
16. MAINTAIN 6'-8" CLEARANCE WITHIN MECHANICAL ROOMS FOR EGRESS
17. REFER TO ENLARGED PLANS AND OVERALL PLANS FOR DIMENSIONS U.N.O.
18. SEE A300 SERIES FOR EXTERIOR ELEVATIONS AND SHEETS A209B-D AND SHEET A2010A FOR INFORMATION ON EXTERIOR CURTAIN WALL, STOREFRONT AND LOUVERS TYPES AND DIMENSIONS
19. SEE SHEET A253 FOR ENLARGED DETAILS FOR TYPICAL ROOF DETAILS.

PLAN SHEET NOTES

1. CONCRETE COLUMN W/ CERAMIC TILE UP TO 10'-4" FROM F.F. PLASTER W/HIGH PERFORMANCE PAINT FINISH FROM 10'-4" TO UNDERSIDE OF SLAB, TYP. AT LEISURE POOL. EXTEND TILE FINISH AROUND GUNITE BASE. REFER TO POOL DWGS FOR PROFILE, TYP.
2. CONCRETE COLUMN W/ CERAMIC TILE UP TO 16'-0" FROM F.F. PLASTER W/HIGH PERFORMANCE PAINT FINISH FROM 16'-0" TO UNDERSIDE OF SLAB, TYP.
3. CONCRETE COLUMN W/ CERAMIC TILE UP TO 11'-4" FROM F.F. PLASTER W/HIGH PERFORMANCE PAINT FINISH FROM 11'-4" TO UNDERSIDE OF SLAB, TYP.
4. DOUBLE ROW OF SCHEDULED CLOTHES HOOKS ON WALL, SP-36A. SEE ELEVATION FOR MOUNTING HEIGHTS
5. PROVIDE LED AQUATICS SCOREBOARD MOUNTED TO CONCRETE COLUMNS. PROVIDE POWER AND DATA SEE IT/AV DWGS. SEE STRUCT. DWGS FOR STRUCT SUPPORT
6. LEISURE POOL SURGE TANK WITH STORAGE ABOVE. PROVIDE CRYSTALLINE WATERPROOFING AT TANK, TYP.
7. EYE WASH STATION
8. PROVIDE MIN. 4" HIGH CONCRETE EQUIPMENT PADS. SEE MECH. & STRUCTURAL DRAWINGS FOR LOCATION & REQUIREMENTS.
9. 42" FRP GUARDRAIL, RL-06
10. FRP GUARDRAIL & HANDRAIL, RL-06
11. 1 1/2" DIA. ALUMINUM RAILINGS (RL-05) ANCHORED TO WALL & SLAB
12. HANDRAIL W/ GLASS PANEL (RL-05), 1 1/2" DIA. ALUMINUM RAILINGS (RL-05)
13. RATED METAL ACCESS DOOR IN WALL FINISH W/HIGH PERFORMANCE PAINT. REFER TO 1/A222 FOR SIZE
14. 18"x18" RATED METAL ACCESS DOOR IN WALL FINISH W/HIGH PERFORMANCE PAINT. COORDINATE LOCATION WITH POOL FILL VALVE
15. ADA BENCH ANCHORED TO WALL
16. BUILT IN BENCHES W/SCHEDULED TILE FINISH, TYP.
17. EXHAUST AREA WELL
18. INTAKE AREA WELL
19. FLOOR DRAIN TYP. SEE SLAB EDGE AND POOL DRAWINGS PL-0103 - PL-5-08
20. WALL HYDRANT. SEE PLUMBING DRAWINGS FOR DETAILS
21. SURGE TANK BELOW. SEE POOL DRAWINGS. PROVIDE CRYSTALLINE WATERPROOFING AT TANK, TYP.
22. TRANSFORMER VAULT. SEE CIVIL DRAWINGS
23. CONCRETE COLUMN W/SCHEDULED BASE & PAINTED PLASTER FINISH UP TO 1'-0" ABOVE FINISHED CEILING, TYP.
24. SCHED AUTOMATED OPERABLE PARTITION. PROVIDE STRUCTURAL SUPPORT & POWER. SEE STRUCTURAL, ELECTRICAL DWGS.
25. QUARTZ COUNTERTOP ASSEMBLY. SEE FINISH SCHEDULE
26. SCHEDULED COILING COUNTER DOOR. FINISH TO MATCH COLOR OF ADJACENT WALL FINISH
27. (2) VENDING MACHINES SHOWN FOR REFERENCE AND ARE NOT A PART OF THIS CONTRACT. PROVIDE POWER.
28. PAINTED GYP BOARD ENCLOSURE WITH ST-1 TOP AT BASEBOARD HEATER, TYP.
29. 1'-5" HIGH B-1 BASE AT GYP BOARD ENCLOSURE, TYP.
31. REFER TO LANDSCAPE AND CIVIL DRAWINGS FOR SITE ELEMENTS
32. CANOPY ABOVE
33. LADDER. PROVIDE 30" x 30" LOCKABLE ACCESS HATCH AT GRATE
34. FIRE DEPARTMENT CONNECTION
35. STAIR. SEE LANDSCAPE DRAWINGS
36. RAMP. SEE LANDSCAPE DRAWINGS
37. 4'-0" HIGH PAINTED GYP. WALL W/PAINTED WOOD CAP, TYP.
38. MANUAL OPERABLE PARTITION. PROVIDE STRUCTURAL SUPPORT FOR OPERABLE PARTITIONS. SEE STRUCTURAL DWGS.
39. 1 1/2" DIA. ALUMINUM RAILING (RL-05) ANCHORED TO FLOOR SLAB
40. SIGNAGE OF BUILDING FACE AT LEVEL 2, 6' DIA.
41. AREA FOR CELL PHONE CHARGING STATIONS, 5% OF LOCKERS TO BE ADA ACCESSIBLE.
42. RECESSED SLAB W/SCHEDULED FLOORING
43. FURNITURE SHOWN FOR REFERENCE ONLY
44. PROVIDE ELECTRONIC SCOREBOARD. MOUNT TO WALL. PROVIDE POWER & DATA. REFER TO IT/AV DRAWINGS. SEE POOL DWGS FOR STRUCT SUPPORT.
45. PROVIDE WALL MOUNTED ELECTRONIC SHOT CLOCK. PROVIDE SUPPORT AS REQUIRED. PROVIDE POWER & DATA. REFER TO IT/AV DRAWINGS.
46. SCHEDULED RETRACTABLE BLEACHER SEATING ATTACHED TO WALL
47. 10' X 10' REMOVABLE WALL SECTION FOR FIRE SALVAGE
48. THICKENED SLAB FOR INGROUND SLEEVES, TYP. SEE STRUCT. DWGS.
49. MSC-03: PAVERS. SEE EXTERIOR FINISH SCHEDULE ON A2010A. HATCH IS SHOWN FOR GRAPHIC PURPOSES ONLY. PAVERS TO BE LAYED OUT TO MINIMIZE CUTTING AS MUCH AS POSSIBLE. FOLLOW PROFILE OF PARAPET AND GREEN ROOF, TYPICAL.
50. GLASS PARAPET WITH BACKUP WALL
51. WINDOW WASHING HOOK, SURFACE MOUNTED. SEE GENERAL NOTES ON MAIN ROOF PLAN
52. GREEN ROOF. REFER TO CIVIL FOR MORE INFORMATION
53. REMOVABLE PANELS. SEE MECHANICAL DRAWINGS
54. PROVIDE MIN. 4" HIGH SLEEVES AT PIPING AND CONDUIT PENETRATION, RUN WATERPROOFING. COORDINATE WITH FINAL LAYOUT
56. PROVIDE MIN. 42" HIGH 6" DIA. CONCRETE FILLED PAINTED METAL EXTERIOR BOLLARD.
57. PROVIDE PAINTED METAL CORNER GUARD PROTECTION AT ALL COLUMN CORNERS SUBJECT TO VEHICULAR TRAFFIC, TYP.
58. 1'-5" HIGH B-1 BASE AT GYP BOARD ENCLOSURE AT EXT. WALL LOCATION, TYP.
59. HOSE BIB TO BE MOUNTED BELOW EYEWASH STATION
60. PROVIDE STRUCTURAL STEEL COLUMNS AND UNTEL TO SUPPORT OVERHEAD COILING FIRE DOOR.
61. STEPPED CMU STEM WALL UNDER FAUX ROCK SLIDE. COORDINATE QUANTITY, LOCATION AND DIMENSIONS W/ FAUX ROCK SHOP DRAWINGS.
62. CONTROL JOINT AT CENTER OF MULLION TYP
63. REMOVABLE WALL FOR MECHANICAL UNITS
64. KITCHEN EXHAUST SHAFT. SEE MECHANICAL DWGS FOR EXHAUST FAN AND MORE INFORMATION
65. PROVIDE TWO POINT PLASTER TRAP AT SINK.
66. PROVIDE HOT FLUID APPLIED WATERPROOFING MEMBRANE AT POOL INTERSTITIAL SPACES, UNDERNEATH ALL POOLS AND SPAS, POOL DECK, B1 LEVEL TILED AREAS, U.N.O.
67. ADD WALL BACKING ON WALLS PER DETAILS ON SHEETS A2010A AND A2010B. COORDINATE LOCATION WITH FINAL EQUIPMENT LAYOUT
68. BUILT IN BENCHES W/SCHEDULED TILE FINISH, TYP. END OF BENCH TO BE CLOSED WITH CMU & TILE FINISH.
69. DUCT PENETRATIONS AT 4" HIGH CURB
70. 24"x 24" RATED METAL ACCESS DOOR IN WALL. FINISH W/HIGH PERFORMANCE PAINT.

KGD
architecture

1101 15th Street, NW
Suite 200
Washington, DC 20005
202.338.9800
www.kgdarchitecture.com

CONSULTANT

SEAL & SIGNATURE

PROFESSIONAL CERTIFICATION:

I CERTIFY THAT THESE DOCUMENTS WERE PREPARED OR APPROVED BY ME, AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MARYLAND, LICENSE NUMBER 11033, EXPIRATION 06/15/2021.
DPS STAMP

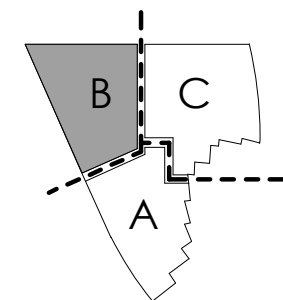
ELIZABETH SQUARE PHASE I

1315 APPLE AVENUE
SILVER SPRING, MD 20910

ISSUE FOR CONSTRUCTION

HOC

KEY PLAN



REVISIONS		
NO	DATE	DESCRIPTION
1	02.01.19	IFC PROGRESS PRINT
2	06.20.19	ISSUE FOR CONSTRUCTION
3	05.01.20	PERMIT REVISION #3
4	05.15.20	CCD-003
5	09.18.20	PERMIT REV#3 RESPONSE
6	09.25.20	CCD-005
7	06.30.21	CCD-008
8	11.24.21	CCD-009

ISSUE DATE	DESCRIPTION
06.01.17	DESIGN DEVELOPMENT
09.15.17	PERMIT ISSUE
11.10.17	BID SET
05.15.18	FINAL BID SET
09.07.19	IFC PROGRESS PRINT
02.01.19	IFC PROGRESS PRINT
06.20.19	ISSUE FOR CONSTRUCTION

PROJECT NUMBER 16111 + 17040

DATE 06.20.2019

SCALE As indicated
DRAWING TITLE

B1 LEVEL FLOOR PLAN -
PART B

DRAWING NUMBER
11/22/2021 10:19:27 AM

A199B

EXHIBIT 2.3

Permitted Exceptions

Chicago Title Insurance Company Commitment No. 2023-MD-2467 dated May 20, 2023 and issued by Integrity Title & Escrow Company, LLC

1. Any inaccuracy in the area, square footage, or acreage of the Land. The Company does not insure the area, square footage, or acreage of the Land.
2. Taxes or special assessments which are not shown as existing liens by the public records, or which are not due and payable as of the date of the policy anticipated by this Commitment. Possible future tax levies and/or front foot benefit charges, public charges, and/or the balance thereof for existing or proposed improvements which may have been levied or assessed, or which may be levied or assessed, but which are not yet due and payable to the State, County, Municipality, Metropolitan District or Commission as of June 30, 2024.
3. Easement, terms and conditions contained in a Notice of Amended Supplemental Final Order and Judgment Pertaining to Montgomery County, Maryland dated as of September 15, 2009, and recorded September 17, 2010, among the Land Records of Montgomery County, Maryland at, Book 39987, Page 054 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
4. Easements, terms and conditions contained in an Easement Deed by Court Order in Settlement of Landowner Action filed November 30, 2012 in Civil Action No. 1:11-CV-3434-CCB, recorded August 15, 2013 among the Land Records of Montgomery County, Maryland at, Book 47469, page 221 in the land records of the Clerk of the Circuit Court, Montgomery County.
5. Notes, restrictions and matters established per a Condominium Plat for "Elizabeth House III Commercial Condominium" consisting of 31 sheets, dated September 23, 2016, and recorded at Plat Books 11554-11584 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland, as amended by that certain "Amended Condominium Plat of Elizabeth House III Commercial Condominium" consisting of 14 sheets dated October 2019, and recorded at Plat Books 12144-12157 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
6. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, set forth in the Declaration of Condominium for Elizabeth House III Commercial Condominium dated September 30, 2016, and recorded at Liber 52958, folio 400 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland and the related By-Laws, as amended by that certain Amended and Restated Declaration of Condominium for Elizabeth House III Commercial Condominium (the "Amended and Restated Declaration of Condominium") made by Acorn Storage No. 1, LLC,

dated October 31, 2019, recorded at Liber 58410, folio 154 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.

7. Subject to the terms and conditions of a Memorandum of Lease dated September 30, 2016, by and between Acorn Storage No. 1 and EH III Recreational Center, LLC recorded at Liber 52928, folio 543 in the land records of the Clerk of the Circuit Court, Montgomery County and as amended at Liber 58410 folio 276 to replace the Exhibit A legal description.
8. Covenants, conditions, restrictions, reservation, easements and liens assessments, which burden the Land as contained in the Declaration of Easements, Covenants, Restrictions and Agreements dated September 30, 2016, and recorded at Liber 52958, folio 471 in the land records of the Clerk of the Circuit Court, Montgomery County, as amended and restated by that certain Amended and Restated Declaration of Easements, Covenants, Restrictions and Agreements dated October 31, 2019, recorded at Liber 58410, folio 203 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
9. Terms and provisions of Temporary Construction Easement Agreement dated May 20, 2019, and recorded at Liber 57594, folio 304 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland and shown an ALTA/NSPS Land Title Survey dated August 2019, and revised on October 28, 2019, entitled "Property Acquired by Acorn Storage No. 1, LLC" as performed by Rodgers Consulting as Job No. 1253A3 (the "Survey").
10. Terms and conditions of a Grant of Storm Water Management Easement and Right of Way to Montgomery County, Maryland dated June 10, 2019, and recorded at Liber 57707, folio 211 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland and shown on the Survey.
11. Terms and conditions of a Declaration of Public Improvements Easement dated June 14, 2019, and recorded at Liber 57733, folio 214 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland and shown on the Survey.
12. Notes, matters, setback lines, easements, and rights of way as shown on an ALTA/NSPS Land Title Survey dated August 2019, and revised on October 28, 2019, entitled "Property Acquired By Acorn Storage No. 1, LLC" as performed by Rodgers Consulting as Job No. 1253A3.
13. Notes, matters, setback lines, easements, and rights of way as may be shown on the Plat of subdivision entitled "LOT 18, BLOCK A, E. BROOKE LEE'S 2ND ADDITION TO SILVER SPRING" as recorded among the Land Records of Montgomery County, Maryland at Plat 25599 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
14. Notes, restrictions, matters, and setback lines established per the Plat of Condominium entitled "Elizabeth Square Land Condominium" recorded among the Plat Records of Montgomery County, Maryland as Condo Plat 12101 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.

15. Covenants, conditions, restrictions, reservations, easements, liens for assessments, and limitations on title, set forth in the Declaration of Condominium for Elizabeth Square Land Condominium made by Acorn Storage No. 1, LLC and Alexander House Development Corporation and Alexander House Apartments Limited Partnership dated October 28, 2019, and recorded among the Land Records of Montgomery County, Maryland at Liber 58380, folio 375 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
16. Terms and conditions of a Crane Swing Easement and Agreement dated May 21, 2019, by and between Elizabeth House III Limited Partnership, EH III Recreational Center LLC and Fenwick Station Venture LLC, recorded among the Land Records of Montgomery County, Maryland at Liber 58029, folio 272 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
17. Terms and conditions of a Crane Swing Easement and Agreement dated May 17, 2019, by and between Elizabeth House III Limited Partnership, EH III Recreational Center LLC and Housing Opportunities Commission of Montgomery County, recorded among the Land Records of Montgomery County, Maryland at Liber 58029, folio 238 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
18. Terms and conditions of a Crane Swing Easement and Agreement dated May 17, 2019, by and between Elizabeth House III Limited Partnership, EH III Recreational Center LLC and Housing Opportunities Commission of Montgomery County, recorded at Liber 58073, folio 412 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
19. Terms and conditions of a Crane Swing Easement and Agreement dated May 17, 2019, by and between Elizabeth House III Limited Partnership, EH III Recreational Center LLC and Alexander House Development Corporation and Alexander House Apartments Limited Partnership recorded among the Land Records of Montgomery County, Maryland at Liber 58029, folio 254 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
20. Terms and conditions of a Public Use, Access and Maintenance Easement Agreement dated August 27, 2019, recorded at Liber 58096, folio 251 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
21. Terms and conditions of a Declaration of Covenants (Maintenance and Liability) dated September 25, 2019, and recorded at Liber 58196, folio 59 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.
22. Terms and conditions of a Declaration of Covenants (Open Space) dated September 24, 2019, and recorded among the Land Records of Montgomery County, Maryland at Liber 58196, folio 85.
23. Terms and provisions of an Agreement to Build Moderately Priced Dwelling Units for a Permit of 20 or More Dwellings Units by and among Elizabeth House III Limited Partnership,

Alexander House Apartments Limited Partnership and Montgomery County recorded at Liber 58409, folio 264 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.

24. Terms and provisions of an Agreement to Build Workforce Housing for a Permit of 35 or More Dwelling Units by and among Elizabeth House III Limited Partnership, Alexander House Apartments Limited Partnership and Montgomery County recorded at Liber 58409, folio 289 in the land records of the Clerk of the Circuit Court, Montgomery County.
25. Subject to terms, conditions, and provisions of the Elizabeth Square Project Declaration of Covenants, Conditions, Easements, and Restrictions dated October 28, 2019, recorded at Liber 58380, folio 421 in the land records of the Clerk of the Circuit Court, Montgomery County, Maryland.

Exhibit 11.5.2

Annual Budgeting Process

[The following sections have been excerpted verbatim from the recorded REA. References to Residential Unit Owner mean Elizabeth House III Limited Partnership. Landlord is an "Owner" under the REA and, pursuant to Section 11.5.2 of this Sublease, Landlord has assigned to Tenant its review and approval rights and obligations that it has pursuant to the REA with respect to such annual budgeting process.]

Section 6.2 Payment of Common Expense and Maintenance Costs. Payments of Common Expense and Maintenance Costs shall be as follows:

(a) No later than ninety (90) days prior to the completion of the Improvements, and on or before January 15 of each year thereafter, the Residential Unit Owner shall deliver to the other Owners a budget (the "**Annual Budget**") which sets forth, in reasonable detail, the total amount of estimated Common Expense and Maintenance Costs for the following calendar year (or, in the case of the first partial year, for such partial year). Each Owner has until February 15 of each such year to review and approve the Proposed Annual Budget or to provide reasonable objections or comments with respect to the Proposed Annual Budget to the Residential Unit Owner. Failure by an Owner to respond to the Proposed Annual Budget by February 15 shall be deemed an approval of the Proposed Annual Budget by such Owner. In the event that an Owner provides reasonable objections or comments with respect to the Proposed Annual Budget on or before February 15, the Residential Unit Owner and such other Owner or Owners shall in good faith attempt to reconcile their differences with respect to the Proposed Annual Budget on or before March 15 of the then-current calendar year. If such differences cannot be reconciled on or before March 15, the provisions of Section 6.4 shall apply.

(b) Notwithstanding the foregoing subsection (a), each Owner acknowledges and agrees that its review and approval rights provided in such subsection (a) shall be limited to discretionary budget line items of a Proposed Annual Budget and shall not include the following costs and expenses, whether comprising a single line item in the Proposed Annual Budget or comprising part of a single line item in the Proposed Annual Budget ("**Non-Discretionary Budget Items**"): (i) insurance for the Common Elements required under Article 8 hereof, (ii) utility costs for the General Common Elements, and (iii) costs required to comply with Laws.

(c) Each Owner shall pay to the Residential Unit Owner (in trust, for the benefit of the Condominium) on the first business day of each month, one-twelfth of its allocable Pro Rata Common Expense Share of budgeted annual Common Expense and Maintenance Costs (or, in the case of the first partial year, in equal installments equal to the number of full months in such partial year). Notwithstanding the foregoing, the Owners acknowledge and agree that the costs of maintaining, repairing and replacing the sewer and storm water ejectors shall not be shared by Pro Rata Common Expenses Share, but instead shall be shared by the Owners based on actual usage, as measured by flow calculations.

(d) Within ninety (90) days after the end of each calendar year or partial calendar year, the Residential Unit Owner shall deliver to each other Owner a statement (each, a **“Reconciliation Statement”**), setting forth in reasonable detail: (i) the actual amount of all Common Expense and Maintenance Costs actually incurred during the immediately preceding calendar year (or partial calendar year, as the case may be); (ii) the aggregate amount paid by each Owner (A) pursuant to the subject Annual Budget plus (B) any Special Assessments levied pursuant to Section 6.7(i) hereof with respect to said calendar year (or partial calendar year, as the case may be); (iii) calculations of any deficiency owed by, or excess owed to, each Unit Owner; and (iv) explanatory notes regarding any divergence between the Annual Budget and the actual costs incurred, both on a line item (and, if applicable partial line item) basis and on a total cost basis. If the aggregate amount paid by an Owner pursuant to the Annual Budget for a given calendar year (or partial calendar year, as the case may be) together with any Special Assessments levied pursuant to Section 6.7(i) hereof paid by such Owner with respect to said calendar year (or partial calendar year, as the case may be) is less than such Owner’s allocable share of the actual amount of the Common Expense and Maintenance Costs actually and properly incurred during such calendar year (or partial calendar year, as the case may be), then within thirty (30) days after receipt of the Reconciliation Statement (or, with respect to the Public Use Unit, such longer period of time as may be necessary for the County to secure an appropriation for such charges, such period not to exceed ninety (90) days in any case), such Owner, in cash or current funds, shall pay to the Residential Unit Owner (in trust, for the benefit of the Condominium) the amount of any such deficiency. If the aggregate amount paid by an Owner pursuant to the Annual Budget for a given calendar year (or partial calendar year, as the case may be) together with any Special Assessments levied pursuant to Section 6.7(i) hereof paid by such Owner with respect to said calendar year (or partial calendar year, as the case may be) is greater than such Owner’s allocable share of the actual amount of Common Expense and Maintenance Costs actually and properly incurred during such calendar year (or partial calendar year, as the case may be), then the Residential Unit Owner shall provide for a credit in favor of such Owner against the next installment(s) of Common Expense and Maintenance Costs due from such Owner.

(d) Notwithstanding the foregoing subsections (a), (b) and (c) to the contrary and in accordance with Section 5.2(c), the Residential Unit Owner shall have the right to delegate and assign its obligations pursuant to this Section 6.2 to a property manager upon the assumption in writing of such obligations by such property manager.

Section 6.3 Books and Records. The Residential Unit Owner shall maintain complete and accurate books and records of all Common Expense and Maintenance Costs and each other Owner shall have the right, within seven (7) years after the end of any calendar year or partial calendar year, at reasonable times and after reasonable prior notice to the Residential Unit Owner, to audit, at the expense of such auditing Owner, such books and records relating to Common Expense and Maintenance Costs.

Section 6.4 Budget Deadlock. In the event that the Owners are unable to agree on an Annual Budget prior to March 15 of any calendar year (a **“Budget Deadlock”**), the prior year’s Annual Budget plus an annual increase of the greater of (a) three (3%) or (b) or the percentage change, if any, in the Consumer Price Index from the Consumer Price Index on the immediately preceding October 1, shall be used by the Owners for all purposes of this Article 6 until such time

as the Owners are able to resolve such Budget Deadlock. Any dispute involving the Annual Budget or otherwise related to an obligation to pay money under this Declaration, including, without limitation, enforcing an obligation to pay, or a dispute over the amount of money owed, or the procedure for the collection of money, may be resolved pursuant to Article 14.