Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2010 Legislative Session Legislative Day No. 8

Bill No. 44-2010

Introduced by: The Chairperson at the request of the County Executive

AN ACT pursuant to Section 612 of the Howard County Charter, approving a 40-year ground lease of approximately 13.88 acres of park land located at 6500 Mansion Lane, Elkridge, Howard County, Maryland by and between Howard County, Maryland and Howard County Tennis Patrons, Inc. under the terms of which the County agrees to reinvest certain rent; authorizing the County Executive to execute and deliver the lease on behalf of the County, and generally relating to the approval, authorization, execution, and delivery of a multi-year lease of certain premises owned by Howard County to the Howard County Tennis Patrons, Inc.

Introduced and read first time _____, 2010. Ordered posted and hearing scheduled.

By order_____
Stephen LeGendre, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2010.

By order _____
Stephen LeGendre, Administrator

This Bill was read the third time on _____, 2010 and Passed ___, Passed with amendments _____, Failed _____.

By order _____
Stephen LeGendre, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___day of _____, 2010 at ___ a.m./p.m.

By order _____
Stephen LeGendre, Administrator

Approved/Vetoed by the County Executive _____, 2010

_____
Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

WHEREAS, Howard County, Maryland (the "County") is the fee simple owner of Troy Regional Park consisting of several parcels of land located at 6500 Mansion Lane, Elkridge, Howard County, Maryland, containing 100.948 acres of land (the "Park"); and

WHEREAS, for the benefit of the citizens of the County and to add to the available public recreation amenities in the County, the County issued the County's Request For Proposal No. 17-05 (the "RFP") for the construction and operation of a tennis facility for use by the public and members on approximately 13.88 acres of the Park (the "Premises"); and

WHEREAS, Howard County Tennis Patrons, Inc. (the "Tennis Patrons") was formed exclusively as a non-profit corporation to develop participation in tennis as a means of healthful recreation and physical fitness and to encourage the maintenance of high standards of fair play and sportsmanship; and

WHEREAS, the Tennis Patrons responded to the RFP with a proposal for the construction and operation of a tennis facility for use by the public and members (the "Facility") on the Premises that will include at least 8 indoor tennis courts, at least 16 outdoor tennis courts with lights, public restrooms, and other ancillary and related facilities and also may include a stadium, all to be financed by the Tennis Patrons; and

WHEREAS, the County and the Tennis Patrons desire to enter a Ground Lease Agreement (the "Agreement"), substantially in the form attached as Exhibit A, for a 40-year ground lease of the Premises for the construction and operation of the Facility on the Premises; and

WHEREAS, the County has determined that the construction and operation of the Facility by Tennis Patrons will further the County's mission to provide quality recreation to the citizens of Howard County Maryland, pursuant to the Howard County Comprehensive Land Preservation Recreation and Parks Plan; and

WHEREAS, the Agreement provides that for the first 10 years of the Agreement, the County will spend approximately 50% of the Revenue Based Rent, not to exceed a threshold amount and as defined in the Agreement, to (i) purchase indoor court time, stadium time, or other services provided at the Facility or to rent recreational space all at a discounted rate, and (ii) reinvest the balance of the Revenue Based Rent into the construction and maintenance of the Park and its amenities, specifically excluding the Premises; and

WHEREAS, after 10 years, the County may use all of the Revenue Based Rent for any purpose; and

WHEREAS, because of the requirement to use a portion of the Revenue Based Rent as an investment into the Facility for the first 10 years of the Agreement, the Agreement may require the payment by the County of funds from an appropriation in a later fiscal year and therefore requires the County Council approval as a multi-year agreement pursuant to Section 612 of the Howard County Charter.

NOW, THEREFORE,

Section 1. Be It Enacted *by the County Council of Howard County, Maryland that, in accordance with Section 612 of the Howard County Charter, it approves the terms of the Ground Lease Agreement for the lease of approximately 13.88 acres of land located at 6500 Mansion Lane, Elkridge, Howard County, Maryland to the Howard County Tennis Patrons, Inc., for a term of 40 years which shall be in substantially the same form as Exhibit A attached to this Act.*

Section 2. And Be It Further Enacted *by the County Council of Howard County, Maryland that the County Executive is hereby authorized to execute and deliver the Ground Lease Agreement in the name of and on behalf of the County.*

Section 3. Be It Further Enacted *by the County Council of Howard County, Maryland,*

that the County Executive and the Director of Finance, provided that such actions are within the bounds of their authority, are authorized to enter into amendments to the Lease that are reasonably required to satisfy third-party financing requirements which may not be provided for in the Lease and to take all actions to execute, deliver, and file documents, instruments, certifications, form letters of instructions, written requests, agreements and other papers customarily delivered and reasonably required in connection with the third-party financing of the Facility, whether or not herein mentioned and not otherwise provided for herein or in the Lease, as may be reasonably necessary to permit the Tennis Patrons to obtain private or public financing of the Facility, and further provided that nothing herein shall authorize the Executive on behalf of the County to incur any obligation, either special or general, or otherwise to finance the Facility, nor alter the remaining material and substantive terms of the Lease.

Section 4. And Be It Further Enacted *by the County Council of Howard County, Maryland that this Act shall be effective immediately upon its enactment.*

GROUND LEASE AGREEMENT

TROY REGIONAL PARK
(Elkridge, Howard County, Maryland)

THIS GROUND LEASE AGREEMENT (this "**Lease**") is entered into on this ___ day of _____, 2010, by and between **HOWARD COUNTY, MARYLAND** (the "**County**"), a body corporate and politic, and **HOWARD COUNTY TENNIS PATRONS, INC.** (the "**Tenant**"), a Maryland non-stock corporation and a recognized non-profit organization**.**

Recitals

A. The County is the fee simple owner of Troy Regional Park consisting of several parcels of land located at 6500 Mansion Lane, Elkridge, Howard County, Maryland, containing 100.948 acres of land, plus or minus (the "Park").

B. For the benefit of the citizens of the County and to add to the amenities of the available public recreation in the County, the County designated approximately 13.88 acres of the Park as "Area 1 – Tennis Complex" to lease (the "Premises"), as more particularly shown on **Exhibit A** attached hereto, pursuant to the County's Request for Proposal No. 17-05 (the "RFP"), issued on July 9, 2008.

C. Tenant responded to the RFP with a proposal for the construction and operation of a public tennis facility on the Premises, comprising the Stadium, if constructed and, if constructed, the Shared Concourse (defined below), at least eight (8) indoor tennis courts, at least sixteen (16) outdoor tennis courts with lights, restrooms available for public use, and other ancillary and related facilities, which facilities may include training facilities, offices, locker rooms, private restrooms for use by Tenant, its employees, agents and invitees, concession stands, and a lounge area, and all "Indoor Facilities" and "Outdoor Facilities", defined below, and all subsequent alterations, additions or replacements to any of the foregoing (collectively the "Tennis Facility").

D. Tenant was formed exclusively as a non-profit corporation to develop participation in tennis as a means of healthful recreation and physical fitness and to encourage the maintenance of high standards of fair play and sportsmanship.

E. The County has determined that the construction and operation of the Tennis Facility by Tenant will further the County's mission to provide quality recreation to the citizens of Howard County Maryland, pursuant to the Howard County Comprehensive Land Preservation Recreation and Parks Plan.

F. Tenant's proposal has been accepted by the County, subject to the terms and conditions of the RFP and this Lease, and this Lease has been approved by the County Council of Howard County (the "County Council") by Council Bill ___ - 2010.

NOW, THEREFORE, WITNESSETH, that for the premises, which are deemed to be a material and substantive part of this Lease, and in consideration of the mutual agreements and covenants set forth in this Lease and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the County and Tenant agree as follows:

ARTICLE I
Definitions

1.1 Defined Terms. As used in this Lease the following terms shall have the meanings set forth below, such meanings to be applicable to both the singular and plural form of the terms defined:

1.1.1 "Access Road" means that portion of an access road extending from Mansion Lane to service the Park and to provide access to the Premises (the "Access Road"). The Access Road will extend from the point designated on Mansion Lane to the farthest ingress/egress point to the Premises, all as designated on the schematic plan and as more particularly shown on **Exhibit A**.

1.1.2 "Additional Rent" means all sums other than Base Rent which Tenant is obligated to pay to the County under the terms of this Lease.

1.1.3 "Ball Field" means a multi-use ball field which may be constructed by the County on Park property that is not within the Premises.

1.1.4 "Base Rent" has the meaning given in Section 3.1 of this Lease.

1.1.5 "County Events" means up to four (4) County events (of not more than seven (7) consecutive days each) per Lease Year subject to the terms in Section 5.1.

1.1.6 "County's Interest" means the County's fee interest in the Premises subject to this Lease and all other interests of the County pursuant to the Lease, including without limitation the reversionary interest in the leasehold interest and the Improvements, and the County's ownership interest in the Access Road, Public Improvements and Limited Public Improvements, if applicable, (collectively the "County's Interest").

1.1.7 "Designated Tennis Courts" means the greater of either a minimum of eight (8) or fifty percent (50%) of the outdoor courts that will be designated exclusively for public use, at no charge, during Tenant's outdoor court operating hours, and such right shall remain in effect year round, other than during the Tenant's Major Tournaments (defined below).

1.1.8 "Easements" mean the access, construction, grading, utility and other construction and operations easements and cross-easements as are necessary or otherwise appropriate to accommodate the construction, access to and between, use and maintenance of the Park, Premises, Public Improvements and Improvements, which Easements will be described in detail and granted in easement agreements to be entered into by the parties prior to the Loan

Closing Date. The Easements will include, without limitation, the County Easements defined in Section 6.8. All Easements may be subject to the approval of the County Council, which approval the parties shall use their reasonable efforts to obtain prior to Loan Closing.

1.1.9 "Effective Date of this Lease" or "Effective Date" means the date by which both of the following have occurred: (i) the Lease has been approved by the County Council of Howard County, if applicable, and (ii) the County fully executes the Lease.

1.1.10 "Improvements" mean the Tennis Facility (defined above) and also all buildings, structures, signage, and Public Improvements (defined below), and all subsequent alterations, additions or replacements, and all fixtures and non-moveable equipment placed on the Premises by Tenant, and all landscaping.

1.1.11 "Indoor Facilities" means those Improvements comprised of all indoor tennis courts, open space for workouts, offices, restrooms, locker rooms, showers, workout rooms, lounge areas, any retail tennis shops, vending machine areas, classrooms, dining areas, and all other rooms and spaces in the indoor tennis court building constructed by Tenant as part of the Tennis Facility, and all appurtenances to said Indoor Facilities, but excluding any such facilities to be installed within the Stadium, if constructed.

1.1.12 "Legal Requirements" all Federal, State and Local laws, regulations, ordinances, orders and requirements of the United States Government, the State of Maryland , and Howard County, including without limitation Title 19, "Recreation and Parks", of the Howard County Code and all related policy and procedures established under Title 19 (collectively the "Legal Requirements").

1.1.13 "Lease Year" means the period of time commencing on July 1 and expiring at the end of June 30. The first Lease Year shall include any partial year running from the Term Commencement Date, if different than July 1, to the following June 30. The final Lease Year shall include any partial year between July 1 and the end of the Lease Term or expiration or termination of the Lease.

1.1.14 "Limited Public Improvements" mean those certain sewer lines, water lines and other utilities and parking that have been completed by the County when it constructed Mansion Lane and also required storm water management facilities which will service the Access Road. Limited Public Improvements may include such additional public improvements that ordinarily would be constructed at the same time as the Access Road, if any.

1.1.15 "Outdoor Facilities" means those Improvements comprised of all outdoor tennis courts, the Shared Concourse, if constructed, and all exterior light fixtures, grandstands, walkways, fences, plazas, driveways, curbs, the Public Restrooms constructed by Tenant as part of the Tennis Facility, and all appurtenances to said Outdoor Facilities, including without limitation the landscaping, but excluding the Stadium, if constructed.

1.1.16 "Park Hours" mean all hours that the Park is deemed to be open to the public for use, with such hours ordinarily running from dawn to dusk or to 11:00 p.m. when extended night hours are in effect.

1.1.17 "Park Parking Lots" mean the parking lots in the Park that are not part of the Premises.

1.1.18 "Premises" as described above in the recitals is the leasehold estate in and to Area 1, together with the Improvements and Public Improvements (defined below) to be built thereon, and Easements thereon.

1.1.19 "Primary Parcel" shall mean that portion of the Premises identified as such on **Exhibit A**, which parcel shall be the location for the Improvements, excluding the Stadium and any Public Improvements and/or Limited Public Improvements to be constructed on the Stadium Parcel and/or in connection with the Stadium.

1.1.20 "Public Improvements" mean the sewer lines, water lines, drainage facilities and all other utilities, and all appurtenances thereto, and all sidewalks and parking lots, that Tenant constructs as part of the Improvements and any Limited Public Improvements constructed by Tenant, which Public Improvements, including the Limited Public Improvements, if applicable, are subsequently accepted by the County for ownership, operation and maintenance as public improvements.

1.1.21 "Public Restrooms" means those restroom facilities shown in Tenant's Plans and Specifications, as approved by the County, which are part of the Outdoor Facilities and which Tenant must manage, maintain, and keep open for public use in accordance with Articles V and VI.

1.1.22 "Rent" means collectively Base Rent, Revenue Based Rent and Additional Rent (each as defined in this Lease).

1.1.23 "Rent Commencement Date" shall be the date on which the County issues a Certificate of Occupancy for the Premises.

1.1.24 "Shared Concourse" means the shared walkway located on the Premises that, if constructed, will connect the Stadium and the bleachers to be constructed in connection with the Ball Field, if applicable.

1.1.25 "Site Plan" shall mean that certain site plan of the Premises, attached hereto as **Exhibit B** and incorporated herein by this reference.

1.1.26 "Stadium" means the tournament stadium (and the related facilities specific to the use of the Stadium including, but not limited to, grandstands, tennis courts, and lighting), the Shared Concourse (defined above) (if constructed) and all other improvements that are specific to the use of the Stadium, to be constructed on the Stadium Parcel. The Stadium, if constructed, may have regular permanent seating for up to approximately four thousand five hundred (4,500) spectators and

expansion seating accommodating up to approximately nine thousand (9,000) spectators, per the Approved Plans and Specifications (defined in Section 6.1 below).

1.1.27 "Stadium Parcel" shall mean that portion of the Premises identified as such on **Exhibit A**.

1.1.28 "Term Commencement Date" means the date which is the later to occur of (i) the date (the "Loan Closing Date") on which Tenant closes on the loan financing for the construction of the Improvements on the Primary Parcel (the "Loan Closing"), or (ii) receipt by Tenant of all requisite permits and other governmental approvals to commence construction of the Improvements on the Primary Parcel (the "Permit Date"), subject to the extension as provided for in this Lease. It is acknowledged by the parties hereto that the financing, and, thus, construction of the Improvements and the Stadium may be completed in separate phases.

1.2 Other Terms. All defined terms used in this Lease which are not defined in this Article I shall have the meanings ascribed to them elsewhere in this Lease.

ARTICLE II
Lease of Premises and Term

2.1 Lease. For and in consideration of the Rent and all other sums to be paid by Tenant hereunder, and the mutual covenants and agreements contained herein, the County hereby leases to Tenant, and Tenant hereby leases from the County, the Premises subject to the terms and conditions set forth in this Lease.

2.2 Condition of Premises. The County will deliver possession of the Premises in its **AS IS, WHERE IS** condition to Tenant on the Effective Date. The **AS IS, WHERE IS** condition, referred to herein as the **"AS IS**" condition, includes without limitation:

(a) All Legal Requirements applicable to the use and improvement of the Premises, and all violations of Legal Requirements.

(b) All surface and subsurface conditions, and all things in, on, about and under the Premises.

(c) All defects, latent and patent, on or in the Premises and buildings and existing improvements thereon.

(d) All buildings and existing improvements on the Premises in their **AS IS** condition.

Tenant acknowledges and confirms that in accepting the Premises for lease in its **AS IS** condition, WITH ALL FAULTS AND WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, Tenant is relying solely on its own inspection and evaluation of the Premises. Further, Tenant acknowledges and confirms that neither the County, nor any officials, agents, representatives, or employees of the County, has made any representations or warranties about

the Premises or the condition thereof and that the County explicitly disclaims all representations and warranties relating to the Premises, including but not limited to the Premises' compliance with the Legal Requirements and the suitability of the Premises for Tenant's intended use. Tenant acknowledges that any study period provided for in this Lease will afford Tenant the opportunity to make such inspections (or have such inspections made by consultants) of the Premises and all factors relevant to its use, including, without limitation, having to complete the subdivision of the Premises from the Park and the subdivision of the Primary Parcel and the Stadium Parcel, if required under the Legal Requirements, the construction of all Improvements, and the condition of title, soils and subsurfaces. Tenant represents that it is knowledgeable in real estate and construction matters, and that the inspections contemplated or permitted by this Lease provide Tenant with the opportunity to have made all of the investigations and inspections Tenant deems necessary in connection with its leasing and development of the Premises, including but not limited to those pertaining to the physical, including without limitation the subdivision thereof, and environmental condition of the Premises.

2.3 Reconfiguration or Relocation of Premises. In the event that Tenant's site development plan requires an adjustment of boundary lines so to permit construction of the Tennis Facility, which includes the Stadium, then, if such adjustment does not interfere with the County's plans for the Park excluding the Premises, which determination is within the sole and absolute subjective discretion of the County, the County may agree to reconfigure the boundaries of the Premises. If Tenant and the County cannot reach an agreement on a boundary line adjustment for the Premises, then either party may terminate the Lease by delivering thirty (30) days prior written notice.

Notwithstanding anything to the contrary in this Lease, prior to the completion of the site development plan, the County may have to relocate the site of the Tennis Facility due to (i) funding restrictions and requirements relating to the Park's acquisition with funds provided to the County by (a) the Land and Water Conservation Resource Funds, funded by the National Park Service, Department of the Interior of the United States, and (b) the Program Open Space Funds, funded by the Department of Natural Resources of the State of Maryland, and (ii) land use restrictions pursuant to the covenants, conditions, easements and restrictions running with certain parcel(s) of the Park pursuant to the Troy Hill Business Park Declaration of Covenants, Conditions, Easement and Restrictions recorded in the Land Records of Howard County, Maryland in Liber 4135, folio 0092.

2.4 Term. The "Term" of this Lease shall be for a period of 40 Lease Years from the Term Commencement Date, subject to the rights of early termination provided for in this Lease. If not commencing on a July 1 date, the first Lease Year shall include the time period from the Term Commencement Date through the first occurring June 30 thereafter. Notwithstanding anything to the contrary contained herein, but subject to the remaining provisions of this Section 2.4, the County shall have the right to terminate this Lease if (i) either the Loan Closing Date or the Permit Date do not occur on or before December 1, 2010, or if any of Tenant's design and construction milestone dates set forth in **Exhibit C** are not met by Tenant, or (ii) construction of the Improvements does not commence within thirty (30) days after the Term Commencement Date, or (iii) the Improvements to be constructed on the Primary Parcel are not substantially completed within fifteen (15) months from the date of commencement of construction (the

"Initial Substantial Completion Date"). The foregoing rights of termination do not negate other early termination rights or contingencies provided for herein.

Notwithstanding the foregoing, if for good cause, and not due to its own acts or omissions, Tenant is unable to close on acceptable financing for the Improvements by December 1, 2010, then Tenant may elect to either terminate this Lease or extend the Loan Closing Date, and thereby the Term Commencement Date, up to June 1, 2011, which date is subject to further extension by the mutual agreement of the parties in the event that Lease is not executed and, if required, approved by the County Council by August 1, 2010.

In the event that Tenant is unable to close on financing acceptable to Tenant for construction of the Stadium within twenty-four (24) months following the Effective Date of the Lease, Tenant shall not be required to construct the Stadium and the County shall have the option to terminate this Lease as to the Stadium Parcel, by giving the Tenant written notice thereof. In the event that the County terminates the Lease, Tenant shall restore the Stadium Parcel to a good and clean, grass field condition. Upon termination of this Lease as to the Stadium Parcel, in the condition provided for herein, Tenant shall have no further liability under this Lease with respect to the Stadium Parcel, except for those obligations which by their terms are expressly intended to survive expiration or termination of this Lease. In no event shall Tenant's failure to construct the Stadium be deemed an Event of Default hereunder. If the County elects the option to terminate this Lease with respect to the Stadium Parcel, the Primary Parcel shall become and be deemed the Premises henceforth. The parties shall execute all documents deemed reasonably necessary by the County relating to the release of the Stadium Parcel from this Lease.

In the event the Lease is terminated based on a failure to obtain financing or other approvals by the dates provided for herein, the County may purchase the Plans for the Improvements for a price equal to Tenant's cost.

2.5 Quiet Enjoyment. Subject to matters of public record, the **AS IS** condition of the Premises, the public use of the Premises provided for herein, and the terms and conditions of this Lease, the County covenants that Tenant shall have and enjoy throughout the Term the quiet, peaceful, exclusive and undisturbed possession of the Premises, without hindrance, ejection or molestation by any person. Actual possession of the Premises will be delivered to Tenant on the Effective Date.

2.6 Easements. The County and Tenant shall execute and record such Easements as are reasonably required for the construction of the Improvements on the Primary Parcel and the Stadium on the Stadium Parcel, if applicable, and the subsequent operation and maintenance of the Improvements and the Tennis Facility on the Primary Parcel and the Stadium on the Stadium Parcel, if applicable. All Easements may be subject to the approval of the County Council, which approval the parties shall use their reasonable efforts to obtain prior to Loan Closing. Tenant may terminate this Lease without penalty, if all Easements necessary for the construction and subsequent operation, maintenance and repair of the Premises and Improvements are not executed and, if required, approved by the County Council prior to Loan Closing.

ARTICLE III
Rent

3.1 Base Rent. "Base Rent" for each Lease Year shall be a payment, made as provided below, that is equal to the amortized cost of the Improvements as of the first (1st) day of the applicable Lease Year. Notwithstanding anything to the contrary contained in this Lease, during the Term, Base Rent shall be paid on a monthly basis but shall be offset in full by a credit to Tenant for the amortized cost of the Improvements. There shall be no Base Rent payable at such time as the Improvements are fully amortized.

3.2 Revenue Based Rent. "Revenue Based Rent" for each Lease Year shall be a payment, made as provided for in this section, that is equal to Tenant's Change in Net Assets from Operations (defined in **Schedule 1**) for such Lease Year less the Target Change in Net Assets from Operations (defined **Schedule 1**) for that same Lease Year; provided, however that Revenue Based Rent shall be zero for any Lease Year for which Tenant's Change in Net Assets from Operations is negative or zero. Revenue Based Rent shall be payable in arrears. Revenue Based Rent shall begin to accrue on the opening date of the outdoor and indoor tennis courts, unless otherwise deferred or credited, and shall be payable annually, in arrears, within ninety (90) days following the end of each Lease Year following the Rent Commencement Date through the expiration or termination of the Lease, with the last Revenue Based Rent Payment being due ninety (90) days following the date that the Lease is terminated or expires.

To insure that Revenue Based Rent payments are being made in the required amounts when due, and to insure Tenant's compliance with all terms and conditions of this Lease, the County, and its agents, shall have the access, review and audit rights set forth below.

3.2.1 Tenant shall submit to the County for review, every six (6) months from the Term Commencement Date, financial statements and reports, including without limitation a statement of cash flow, a trial balance summary, and, annually, an annual financial statement for Tenant's Fiscal Year, all in a form reasonably acceptable to the County (collectively the "Financial Statements"). Within ninety (90) days after the expiration of each Lease Year and within ninety (90) days after the expiration or earlier termination of this Lease, Tenant shall prepare and deliver to the County, at the place designated by the County, annual Financial Statements for the Tenant's Fiscal Year, or years, that correspond with the Lease Year, or any partial Lease Year, then ending. Said annual Financial Statements shall be audited in accordance with generally accepted accounting principles by a certified public accountant selected by Tenant.

3.2.2 Tenant shall keep at the Premises or at some other location in the State of Maryland, a permanent, accurate set of books and records of all revenues derived from all operations of the Tennis Facility and all activities conducted therein and on the Premises, including without limitation all supporting records such as tax reports, banking records and statements, cash register tapes, ledgers and other sales and receipts records (collectively the "Tenant's Books"). The Tenant's Books shall be retained and preserved for at least thirty-six (36) months after the end of the Lease Year to which they relate, and shall be subject to inspection and audit by the County and its agents at all reasonable times. Tenant shall maintain Tenant's Books in such a manner that its Financial Statements can be prepared in accordance with generally accepted accounting principles.

3.2.3 If the County is not satisfied, in its reasonable discretion, with any certified annual Financial Statements submitted by Tenant, then the County shall have the right to have its auditors make a special audit of the Tenant's Books, wherever located, pertaining to activities conducted by Tenant at the Tennis Facility and on the Premises during the period in question. Such request shall be made in writing and delivered to Tenant within twelve (12) months following the date of the annual Financial Statement that is the subject of the audit. At the County's request, Tenant shall make Tenant's Books available, during Tenant's regular business hours, for inspection and audit at the Premises. Tenant shall promptly pay to the County any deficiency on the Revenue Based Rent or the County shall promptly refund to Tenant any overpayment which is established by such audit. Tenant may dispute the County's findings, pursuant to the dispute resolution process described in Section 15.26 below.

3.3 Payment. The Base Rent, the Revenue Based Rent and all Additional Rent (defined below) payable hereunder shall be paid in the lawful money of the United States of America on the due date to the County at the address of the County's Department of Finance, at 3430 Court House Drive, Ellicott City, Maryland 21043, or to such other address or party of which written notice has been given by the County to Tenant. Tenant shall pay to the County, throughout the Term, the Rent free of any offset, abatement or other deduction whatsoever and without notice, excepting the offset provided for in Section 3.1 of this Lease. All sums payable by Tenant under this Lease, other than Base Rent and the Revenue Based Rent, shall be deemed to be "Additional Rent". If the County pays any costs and expenses which are the responsibility of Tenant to pay, then Tenant's obligation to reimburse such costs and expenses shall be deemed to be Additional Rent, which shall be payable in full within ten (10) days of the County's invoice to Tenant.

3.4 Net Lease. This Lease shall be a complete net lease, and the County shall not be required to make any payment of any kind whatsoever with respect to the Premises, except as may be expressly set forth herein. Accordingly, for the entire Term, unless otherwise provided for in this Lease, the Tenant shall pay all costs, expenses and obligations of every kind or nature relating to the Premises and the Tennis Facility which may arise or become due during the Term, including without limitation all taxes, licenses, permit fees, charges for public utilities of any kind including both utilities supplied by the County and other governmental authorities and utilities supplied by private companies, and all other obligations for governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including, but not limited to, all real property taxes, ad valorem taxes, personal property taxes, all payments in lieu of taxes, and assessments for sidewalks, streets, sewers, water, or any other public improvements, including the Limited Public Improvements and the Public Improvements to the extent title thereto is not conveyed to the County, and any other improvements or benefits which shall, during the Term be made, assessed, levied, or imposed upon, or become due and payable in connection with or a lien upon the Premises, the Tennis Facility and/or the Improvements, or any part thereof, or upon this Lease (collectively the "Impositions"). The Tenant shall indemnify, defend and hold harmless the County from and against the payment of all Impositions and all other similar costs, expenses and obligations.

3.5 Late Charge. Any installment of Rent not paid within five (5) days after the due date thereof shall be subject to (i) a late charge equal to five percent (5%) of the amount of such late

payment, plus (ii) default interest equal to twelve percent (12%) per year for each day that such payment remains due but unpaid. All accrued late charges, fees and interest shall be deemed to be Additional Rent.

3.6 Use of Revenue Based Rent. For the first ten (10) Lease Years following the Rent Commencement Date, the County will (i) spend approximately fifty percent (50%) of the Revenue Based Rent, paid and received, not to exceed an amount of Two Hundred Fifty Thousand Dollars ($250,000.00), to purchase, for public purpose, indoor court time or Stadium time and/or to rent recreational space and/or purchase services at the Tennis Facility at a discounted rate, and (ii) reinvest the remainder of the Revenue Based Rent into the amenities and/or maintenance of the Park, excluding the Premises. At the expiration of the tenth Lease Year, the County, through its Department of Recreation and Parks, may allocate the Revenue Based Rent in any manner that it chooses, including for expenditures in other parks. Tenant shall use the payments made to it by the County, under this use of Revenue Based Rent structure, (a) for additional amenities to and/or maintenance of the Tennis Facility and Improvements, and/or (b) to provide discounted rates for space rentals and services purchased by the County and Howard County, Maryland residents. Notwithstanding anything to the contrary contained herein, if Tenant is not required to pay Revenue Based Rent under the Lease, because Tenant's revenues have not met the threshold when such rental payments become due, then Tenant will not be required to offer discounted rates to the County, except in the event that Tenant receives grants, donations, or sponsorships for the specific purpose of subsidizing fees charged to the County and/or Howard County, Maryland residents. Furthermore, when Tenant is paying Revenue Based Rent and, thus, required to offer discounted rates, the discounted rates will be calculated so that Tenant can sustain meeting the threshold of paying Revenue Based Rent.

ARTICLE IV
Expenses, Impositions, Repair and Replacement Reserve, and Budget

4.1 Expenses. Tenant shall arranged to be billed directly by and make payments directly to the suppliers, providers and/or vendors for all charges for water, electricity, gas, sewage, trash and garbage disposal, telephone and other utility services furnished to the Premises.

4.2 Impositions. Tenant shall pay all Impositions. If, prior to the Rent Commencement Date or after the expiration or earlier termination of this Lease, any Imposition is not payable with respect to the Premises because the County is exempt under applicable law from paying such Imposition, then such Imposition shall not be prorated and Tenant shall be responsible for one hundred percent (100%) of such Imposition attributable to the period following the Rent Commencement Date or prior to the expiration or earlier termination of this Lease, as the case may be.

4.3 County's Payment. If the Tenant defaults in making any payment required to be made which may affect the Premises in any way and which is capable of being made by the County, then the County may, but shall not be required to, make such payment; provided, however, that except in the case of an emergency, for which no notice is required, the County shall not make any payment without giving the Tenant five (5) days prior written notice of its intention to do so. The amount of all payments, if made by the County, including without

limitation all fees, costs and expenses incurred relating thereto, shall be charged to the Tenant as Additional Rent, payable on demand, and interest, as Additional Rent, shall accrue on said payment made in the amount of six percent (6%) per annum from the date paid by the County up to the date the payment plus all accrued interest is repaid to the County. The making of such payment by the County shall neither cure any default of the Tenant under this Lease, nor prejudice the County's right to declare a default under this Lease and pursue all remedies provided for under this Lease and at law and in equity.

4.4 Repair and Replacement Reserve. On or before the second (2nd) anniversary of the Rent Commencement Date, Tenant shall deposit at least Seventy-five Thousand Dollars ($75,000.00) into an escrow account (which, as increased in its total reserve amount as provided for in this Section 4.4, shall be referred to as the "Repair and Replacement Reserve") to be administered and used as provided below. On each anniversary date of the Rent Commencement Date thereafter, Tenant shall deposit an additional Twenty-five Thousand Dollars ($25,000.00) into the Repair and Replacement Reserve, until such time as a maximum of Five Hundred Thousand Dollars ($500,000.00) is held in the Repair and Replacement Reserve, following which no further deposits shall be required except as provided for below.

4.4.1 Tenant will have exclusive control of the Repair and Replacement Reserve, but if Tenant does not comply with the terms and conditions of this Section 4.4, then the County may declare a default under this Lease. Tenant's accounting records must record the Repair and Replacement Reserve as restricted funds. Accordingly, Tenant must record all income, interest, and other accumulations of and to the Repair and Replacement Reserve, and all expenses, losses, and payments from the Repair and Replacement Reserve, separately from Tenant's other funds.

4.4.2 The Repair and Replacement Reserve may be used by Tenant exclusively to maintain, repair, and replace all Improvements to the Premises. Except as provided for below, if at any time during the Term the value of the Repair and Replacement Reserve falls below the amount then required to be maintained continuously for any 90-day period, then Tenant must promptly deposit an amount sufficient to keep the balance of the Repair and Replacement Reserve at the then required amount. In the event that a casualty occurs, Tenant may use the Repair and Replacement Reserve to take all necessary and prudent measures to secure the Improvements and to take other measures to protect the public health and safety prior to the receipt of any insurance proceeds following casualty to the Improvements. If Tenant withdraws funds from the Repair and Replacement Reserve as provided under this Section 4.4.2, then Tenant shall repay an equal amount into the Repair and Replacement Reserve from the insurance proceeds, less the amount of deductibles, if any, if feasible, and if said replenishment amount is not fully paid from the insurance proceeds, then the balance shall be paid on or before two (2) years from the date of such expenditure.

4.4.3 Notwithstanding anything to the contrary contained herein, if the Tenant provides evidence, and the County reasonably is satisfied, that Tenant's lender or bond issuer is requiring and maintaining reserve accounts that serve substantially the same purposes as the Repair and Replacement Reserve, then the County may waive the requirement of the Repair and

Replacement Reserve for the time period that such reserve accounts are being required and maintained by the Tenant's lender or bond issuer.

4.5 Budget Review. The County shall have the right to review and comment on the annual operating budget of the Tenis Facility and Improvements, and all amendments thereto, such review and comment not to be unreasonably withheld or delayed.

ARTICLE V
Use, Special Requirements, and Compliance

5.1 Permitted Uses/Special Requirements. Tenant shall be responsible for the operation and management of the Tennis Facility and Improvements (excluding the Public Improvements), said operation to include, at Tenant's discretion, tennis tournaments scheduled by Tenant, including up to four (4) national or regional tennis events per year (the "Major Tournaments"), tennis intramurals, classes, clinics, camps, exhibitions and general member and public use. The permitted use shall also include all ancillary and related uses as determined by Tenant, which may, but are not required, to include any or all of the following: sales of concessions, fitness, training classes or other services or programs normally offered by tennis facilities, and which may include the sublease of space to the USTA for administrative offices. In addition, Tenant may operate and manage non-tennis sporting and other community-based events at the Premises, as long as such events are within the scope of the RFP and are those events presented in Tenant's response to the RFP which have been accepted and approved by the County and/or activities that are ancillary thereto. All such uses shall be deemed "permitted events" as described in this Lease. With respect to the Major Tournaments, said tournaments shall be at times and for a duration mutually agreed upon by the parties when County parking is required. Additional requirements relating to Tenant's use of the Premises follow.

5.1.1 It is the intention of the parties that Tenant shall support and promote the inclusion of youth tennis clinics and after-school programming at the Tennis Facility, with registration fees subsidized by USTA, other community grants, and the County's reinvestment of the Revenue Based Rent. As additional consideration for the County entering into the Lease, Tenant shall also provide to the County, at no charge, access to and use of the Tennis Facility for the County Events, provided that (i) three (3) of the County Events will occur between the dates of April 30 and September 15 and one (1) will occur between the dates of September 15 and April 30, (ii) each County Event will be scheduled for dates mutually agreed upon at least one hundred (150) days in advance of said event, and for the event occurring between September 15 and April 30, the one hundred (150) day advanced notice shall be given no later than August 1, and (iii) fifty percent (50%) of the indoor and outdoor tennis courts at the Tennis Facility will be designated as unavailable for the County Events and open to Tenant's members, guest and invitees during said County Events. In connection with the County Events, Tenant or the management company of the Tennis Facility may be retained by the County at the County's expense to provide administrative and operational support, upon terms mutually agreeable to the County and Tenant or its management company, as applicable.

5.1.2 In addition to the County Events, for the Term of this Lease, the County shall have preferential use of the Designated Tennis Courts and the use of the Outdoor Facilities

in common with Tenant and its members, guests and invitees, excepting the Stadium and its related facilities, but including certain parking on the Premises (pursuant to the parking agreement between the County and Tenant and described in Section 5.11 below), for public use, other than during Tenant's permitted events and subject to the provisions of this Lease. To the extent not in use by Tenant, the County may use the balance of the outdoor tennis courts that are not Designated Tennis Courts, free of charge, other than during Tenant's permitted events.

5.1.3 Tenant will permit the Howard County Public School System ("HCPSS") to conduct all HCPSS High School graduations at the Stadium and the indoor exhibition court, shown on **Exhibit B**, on an annual basis at no rental charge for the use and operations thereof. HCPSS shall be responsible for all other costs and expenses related to the graduation ceremonies, such as furniture and audio rentals, set-up fees, if any, and janitorial services. The graduation ceremonies cannot be held on weekends and will be limited to two (2) graduations per day and no longer than four (4) hours each. HCPSS and Tenant will finalize the scheduling for the graduations by July 31 of the year preceding the graduations to be held, or as Tenant and HCPSS may otherwise agree. Tenant retains all rights to sell concessions during County Events and HCPSS graduation ceremonies. In connection with HCPSS's use of the Premises under this Section, Tenant or the management company of the Tennis Facility may be retained by HCPSS at HCPSS's expense to provide administrative and operational support, upon mutually agreeable terms.

5.1.4 Subject to the terms and conditions of this Article V, all Outdoor Facilities, with the exception of the Stadium, shall be open to public use at no charge during Park Hours.

5.1.5 Subject to provisions of this Lease providing for discounted rates, Tenant may charge market rate fees for use of tennis courts in the Indoor Facilities, such fees to be submitted to the County for review as part of the Tenant's operating budget process.

5.1.6 Tenant, at its sole cost and expense, shall plan and operate tennis clinics for all age groups at all levels of play and tennis camps for children and youth at all levels of play (collectively the "Educational Program Requirements"), with fees to be approved by the County and set in connection with the annual operating budget, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant acknowledges and confirms that the fees charged for the clinics and camps satisfying the Educational Program Requirements shall be subsidized by Tenant to the extent necessary to comply with the County's approved annual fee schedule, which fee schedule will be provided to Tenant, upon Tenant's request, during Tenant's operating budget process. The tennis clinics shall be offered year-round and the tennis camps shall be offered during the summer and during the Howard County Public School System's winter holiday break, which break is set by the Howard County Board of Education. The number of clinics and camps is subject to the final approval of the County and Tenant shall provide for such number that the County deems appropriate.

5.1.7 Tenant shall be responsible for the marketing and advertising for the Tennis Facility and the signage for the Tennis Facility, all to be in accordance with the terms and conditions of the Lease. Such marketing requirement includes, without limitation, the requirement that Tenant shall conduct and maintain an active program for recruiting the citizens of Howard County to satisfy the Educational Requirements. At least once each Lease Year,

during the Tenant's operating budget process, Tenant shall submit a recruitment plan to the County for the County's review and comment.

5.1.8 As additional consideration for the County entering into the Lease, Tenant shall provide to the County, for no additional charge, the use of a box suite in the Stadium, if built, and prime seating in the Indoor Facility for all tournaments held at the Tennis Facility and Stadium, including without limitation the Major Tournaments.

5.2 Management and Marketing. Tenant may hire a third party manager for the operation, management and marketing of the Tennis Facility, which manager would be bound to perform in such a way to insure that Tenant is in compliance with all terms and provisions of this Lease.

5.3 Market Rate Fees. Tenant's fees and charges for food, beverages, merchandise, and other concession items, and for any other goods and services, such as fees charged to the public, but not necessarily to the members or guests of the Tennis Facility, for the use of the Indoor Facilities, private lessons and private clinics, shall not exceed market rate prices charged to the public for comparable items, goods, or services at other commercial athletic venues in the Baltimore-Washington region. Upon the County's request, Tenant shall promptly provide the Financial Statements, the Tenant's Books, and other documents and information necessary to clearly show that Tenant is in compliance with the provisions of this Article V. All proposed changes to the Educational Program Requirements, such as fees charged and the number of programs that are made other than in connection with Tenant's annual operating budget, shall be delivered to the County in writing for the County's written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

5.4 Days and Hours of Operation/Public Availability. Subject to the provisions set forth in Section 5.1, the Tennis Facility will be open year-round with the exception of a few holidays such as Christmas, with the hours of operation of the indoor courts anticipated to be 6:00 a.m. to 11:00 p.m. ET. The Outdoor Facilities will be available, weather permitting, at least during Park Hours. If Tenant desires to expand the hours of operation for the Tennis Facility, then the Tenant must send a written notice to the County requesting the County's consent to the change, which consent shall not be unreasonably withheld, conditioned or delayed. The notice must set forth the proposed change in the hours of operation and the reasons for the proposed change. If the County plans to change the Park Hours, the County will give Tenant reasonable prior written notice.

The County shall provide Tenant with permits necessary to operate the Tennis Facility outside of Park Hours. As of the Effective Date, it is anticipated that Tenant will operate the Outdoor Facilities between the hours of 6:00 am and 11:00 pm ET, subject to the receipt of permits as stated above. The County shall accommodate access to the Tennis Facility during these hours of operation, as long as Tenant (i) provides security during the hours that the Park is closed, and (ii) assumes total responsibility for opening the main entry gate to the Park in the morning and securing all gates blocking entrance to the Park upon closing the Tennis Facility. Notwithstanding anything to the contrary contained herein, Tenant acknowledges that the Park will be closed and not plowed or salted during the time that the County's "Inclement Weather

Policy" is in effect. Therefore, if Tenant wants to operate during such time period, Tenant shall have to apply for an annual permit to allow an independent contractor to furnish snow removal and ice clearing.

5.5 Compliance with Educational Requirements and Legal Requirements. Tenant shall obey, perform and comply with the Educational Requirements and the Legal Requirements in any way affecting the Premises and/or the Tennis Facility, or the use or condition thereof, including Tenant's construction, alteration or demolition of the Improvements, or in any other way affecting this Lease or the Premises, including without limitation the operation of a health and fitness center, if applicable. Tenant shall have the right to contest in good faith the validity or applicability of any of the Legal Requirements. Tenant shall at its own expense obtain all licenses and permits necessary for its use of the Premises in accordance with this Article V, the Educational Requirements and the Legal Requirements. The County, as necessary, will timely cooperate with the Tenant, at Tenant's sole cost and expense, in making the applications for any such licenses and permits or otherwise as necessary to comply with the Educational Requirements and/or the Legal Requirements where the signature of County as owner of the Park is required.

Tenant shall not permit the Premises or any part thereof to be used in any manner which could impair the County's Interest or in such manner as might make possible a claim of adverse possession by the public or anyone else whatsoever or of implied dedication of the Premises or any part of them. Tenant shall not permit any waste of the Premises. Tenant shall not permit or suffer any act to be done or any condition to exist in, on, or about the Premises or any part of the Premises which may be dangerous or which may constitute a public or private nuisance or which may make void or voidable any insurance then in force with respect to the Premises, any part of the Premises, or Tenant's operations on the Premises.

5.6 Quality of Services. Tenant and its personnel shall exercise the professional standards consistent with a comparable first-class tennis facility in the operation of the Tennis Facility and the services provided. All rental and service fees charged to the public will be in accordance with Tenant's operating budget, which budget is subject to the County's review and comment or approval as set forth in this Article V, which comments or approval, as applicable, shall not be unreasonably withheld, conditioned or delayed. All personnel employed by Tenant shall be licensed if required by the Legal Requirements.

5.7 Advertising/Signage. Signage and all visual advertising and sponsorship signs, as permitted, shall be of professional design and graphics, and comply with all Legal Requirements, and all signage and advertising of any kind that is visible from the outside of the Tennis Facility and/or the Stadium, if applicable, shall be subject to final approval by the County as the ground lessor in addition to the approvals and permits required under the Legal Requirements. All advertising and signage which make reference to the County and/or the Park shall be subject to the approval of the County, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for the construction, maintenance, repair and illumination of all permitted signs.

Within six (6) months of the Effective Date, if all Legal Requirements have been satisfied, Tenant shall construct and maintain a temporary sign, approved by the County, such approval not to be unreasonably withheld, conditioned or delayed, at the entrance to the Premises containing text consistent with the following:

Future Site of HCTP Tennis Park
(or name as agreed upon by Tenant and the County)
at
Troy Regional Park
Howard County Dept. of Recreation and Parks

On or before the opening of the Tennis Facility, Tenant shall construct and maintain a permanent sign, approved by the County, to replace the temporary sign. The permanent sign will contain text consistent with the above, except the words "Future Site of ..." shall be deleted. The County and Tenant will enter into a license agreement for the sign placement.

The County also will provide Tenant with a license during the Term to place one (1) sign at a mutually agreed upon location at the entrance to the Park, one (1) directional sign at a mutually agreed upon location, and one (1) identification sign at a location visible from Route 95 (and, if reasonably possible, Route 100) (collectively the "Highway Signs"). Notwithstanding the foregoing, with respect to the Highway Signs, Tenant must obtain (i) all necessary State and/or Federal approvals for the Highway Signs, and (ii) all necessary local government approvals from the applicable departments of Howard County, Maryland. The County, as necessary, will timely cooperate with the Tenant, at Tenant's sole cost and expense, in making the applications for the Highway Signs where the signature of County as owner of the Park is required.

5.7.1 Tenant, at its sole cost and expense, shall provide the County with space in the Stadium and the Indoor Facilities for County public announcements and shall recognize the County on Tenant's exterior signage subject to the County's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and Legal Requirements. The County will be responsible for all costs relating to the creation and posting of the County's announcements and signs.

5.7.2 If Tenant provides the County with either digital and/or a photo-ready advertisement, as applicable, to be approved in the County's sole and subjective discretion, then the County will use reasonable efforts to place the ad in either the Department of Recreation and Parks' seasonal brochure and/or on its web site, at the cost paid by the Department. Additionally, the Department of Recreation and Parks will provide, if not prohibited or against County policy, a link to Tenant's web site on the Department of Recreation and Parks' web site.

5.8 Access Road, Public Improvements, Parking Lots and Stadium. The County will develop the schematic design plan for the Park and the Premises. After a reasonable time for review and comment from Tenant, the County will finalize the schematic design plan and proceed to design and construct the Access Road. Additionally, the County will design and construct required storm water management facilities which will service the Access Road and

may, but is not obligated to, construct additional Limited Public Improvements that ordinarily would be constructed at the same time as the Access Road, if any.

In consideration of the offset of Base Rent provided for in Article III, at the Loan Closing, Tenant shall reimburse the County one hundred percent (100%) of all contractor, professional and consultant fees, costs and expenses incurred and reasonably allocable to (i) topographical surveys of the core area of the Park as designated on **Exhibit B** (the "Park Core Area") and Premises, (ii) site analysis of the Park Core Area and Premises, (iii) "Master Plan" preparation for the Park Core Area and Premises, (iv) all completed schematic plans for the Park Core Area and Premises, including without limitation schematic plans for the Access Road, (v) the design and construction of the Access Road, leading from Mansion Lane up to the farthest ingress/egress point for the Premises required by the Department of Planning and Zoning for Howard County ("DPZ") and/or the Department of Recreation and Parks, and (vi) all Limited Public Improvements that benefit the Premises, if constructed by the County. Additionally, Tenant shall reimburse or pay the County, at the Loan Closing, a pro rata portion of all contractor, professional and consultant fees, costs and expenses reasonably allocable to the design and construction of the storm water management facilities servicing the Access Road and the Premises, which pro rata share shall be based on agreed-upon engineering calculations.

In addition to the Improvements, Tenant, at its own cost and expense, shall be responsible for the design and construction of all Limited Public Improvements required for servicing the Improvements and the Premises, not constructed by the County, with the location of all such Limited Public Improvements approved by the County, such approval not to be unreasonably withheld, conditioned or delayed.

5.9 Maintenance. Without limiting Tenant's maintenance obligations set forth elsewhere in this Lease, Tenant, at its sole cost and expense, shall maintain all of the Premises, excepting the Public Improvements, in good order and repair and in a clean, usable, orderly, attractive, safe and sanitary condition at all times and in compliance with the Legal Requirements. Tenant shall make all necessary repairs and replacements to keep the Premises in good condition and repair and to keep the Tennis Facility as a state of the art facility. Any unsightly or hazardous waste, trash or equipment on the Premises is strictly prohibited. All refuse generated by the operation of the Tennis Facility and any other Improvements, excepting the Public Improvements, shall be disposed of in accordance with all Legal Requirements in an expeditious and a sanitary manner. All refuse retained on the Premises shall be confined within secured sanitary confines, out of public view and maintained in such manner as to prevent noxious or unpleasant odors, and the Public Restrooms shall be kept clean and in good working order, adequately stocked with soap and all necessary paper products. Tenant shall be responsible for clearing and removing snow and ice from the parking lots on the Premises and from the sidewalks on the Premises. The County shall maintain the Access Road and subject to budget appropriations, shall maintain the remainder of the Park, excluding the Premises, to at least the County's then current standards and shall invoice the Tenant for fifty percent (50%) of the costs incurred to maintain the Access Road. Tenant shall pay all related invoices submitted by the County to Tenant for such costs within thirty (30) days from the date of the invoice, and all such invoiced costs shall be deemed to be Additional Rent due under this Lease. Notwithstanding anything to the contrary contained herein, if the County is delayed in plowing

or repairing the Access Road because of an Unavoidable Delay, as defined below, then Tenant shall have the right to plow and/or repair the Access Road in order to ensure continued pedestrian and vehicular access to the Premises and to otherwise maintain the safety and security of Tenant's members, guests and invitees. In the event that Tenant exercises its rights of repair of the Access Road pursuant to this Section 5.9, Tenant may offset the actual reasonable costs it incurs for the repair from the fifty percent (50%) share of the costs that Tenant owes to the County for costs incurred by the County to maintain the Access Road.

All of Tenant's exterior maintenance shall be in accordance with the County's then current standards. Tenant may propose a general landscaping plan for approval by the County, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant's compliance with the general landscaping plan shall be deemed satisfaction of Tenant's day-to-day landscaping obligations.

5.10 Security. Tenant shall have the care, custody and control of the Premises and shall, at its sole cost and expense, take all necessary measures to insure the safety and security of the Premises and all persons and property in, on, and about the Premises and provide all necessary security for the safe operation and maintenance of the Tennis Facility. The County shall have no obligation whatsoever to provide security for the Premises or any person or property in, on or about the Premises.

5.11 Tournaments: Parking and Notice. Upon Tenant meeting reasonable conditions regarding parking in the Park Parking Lots, the County will provide Tenant with a conditional parking permit for the Park Parking Lots for certain permitted tournament events, such as the Major Tournaments, and other permitted events. The permitted parking will be designated by the County in certain Park Parking Lots or Park areas for Tenant on tournament days. For parking during the Major Tournaments, Tenant shall have the right to collect parking fees, as approved by the County, such approval not to be unreasonably withheld, conditioned or delayed. For everyday parking, the parties may enter into a parking agreement that provides that the parties may share designated parking lots. The parking lots located on the Premises are for the sole use of Tenant and its members, guests, invitees, employees and contractors and may not be used by visitors to the Park except in accordance with a parking agreement to be entered by the parties. Tenant and the County shall enter into a license agreement for the Tenant's use of Park Parking Lots as provided for in this Section 5.11. Tenant's use of the Park Parking Lots shall in no manner disrupt the on-going programs and operation of the Park or the County's facilities, unless otherwise agreed to by the County. Tenant's use of the Park Parking Lots may be at an additional cost to Tenant. Tenant shall notify the County at least sixty (60) days in advance of the tournament or other permitted event for which overflow parking is needed.

Tenant acknowledges that the County Events, the Major Tournaments, other permitted events, Tenant tournaments and the HCPSS graduation ceremonies may increase traffic, congestion, and noise in the streets, roadways, business areas and neighborhoods surrounding the Premises. Therefore, Tenant shall abide by the number of tournaments permitted by this Lease and approved by the County. Subject to other sections of this Lease addressing signage, Tenant shall, at least twenty (20) days prior to holding or hosting a permitted tournament, exhibition or

event place a prominent, clearly visible sign near the entrance of the Access Road and the entrance on the northern entrance of Troy Hill Drive announcing the dates and times of the permitted tournament, exhibition or event. Tenant shall take other reasonable measures to ensure community awareness of the upcoming permitted tournaments, exhibitions or events, including but not limited to placing advertisements in local newspapers.

5.12 Membership on Tenant's Board of Directors. On or before the Effective Date, Tenant shall hold a meeting of its Board of Directors and, by resolution duly passed by its Board of Directors, amend Tenant's bylaws to add as members of its Board of Directors (i) the Director of the Howard County Department of Recreation and Parks, or the Director's designee, and (ii) a community member of the Greater Elkridge Community Association as designated by said community association and approved by Tenant. These designated members shall have the same voting rights as all other members of the Tenant's Board of Directors. During the Term of the Lease, Tenant shall not amend its bylaws in any way that diminishes the rights and powers of the designated members provided for herein.

5.13 County Inspection Rights and Right of Entry. Tenant shall permit the County, and its officials, employees, agents, and contractors, to enter upon the Premises at all reasonable times during normal business hours and upon reasonable advance written notice for the purpose of inspecting the Premises and/or Tenant's Books and Financial Statements and ensuring Tenant's compliance with all terms, covenants, and conditions of this Lease. Any purported limitations on the right of entry and inspection contained in this Article V or the Lease shall not apply to the County's exercise of its police, fire, zoning, licensing, inspection, and enforcement powers and all other governmental powers, rights, and functions, including without limitation review and approval rights, and entering the Premises to inspect, maintain, repair, reconstruct or replace any of the Public Improvements (all collectively the "Government Functions"), nor in the case of an emergency posing an imminent threat to the health, safety or welfare of persons or property.

ARTICLE VI
Improvements

6.1 General. Tenant shall construct the Tennis Facility, the Stadium, subject to the provisions of Section 2.4, and the Improvements in a timely and good and workmanlike manner, free from defects, in compliance with all Legal Requirements (including without limitation the Americans with Disabilities Act), and in conformity with the drawings, plans and specifications for the site and all exterior portions of the Improvements, including without limitation the footprint, size, location, placement, landscaping, in accordance with the County's policies and manuals relating to landscaping, and aesthetics of the Tennis Facility and Improvements, and the construction schedule and budget listed or set forth in **Exhibit D**, attached hereto and made a part hereof, such drawings, plans and specifications, construction schedule and budget subject to review and approval by the County (collectively the "Approved Plans and Specifications"), which approval shall not be unreasonably withheld, conditioned or delayed and will be expedited if possible. The parties agree to develop mutually acceptable design standards for the Improvements, including signage requirements.

Without limiting the Tenant's covenants in this Section 6.1, during all construction, Tenant shall undertake all necessary and prudent measures to control erosion and ensure that dirt, litter, construction materials, and debris do not blow or flow from the Premises or from construction vehicles that enter or leave the Premises, onto or into roads, storm water inlets, the Park and property outside the Premises and the Park.

6.1.1 During construction, the County, its officials, employees, agents, contractors, architects and engineers, or any of them, upon prior notice, may enter upon the Premises at all reasonable times to inspect the Improvements, and shall be furnished with copies of the Approved Plans and Specifications as requested. In the event that, during such construction or at any time prior to the issuance of the final certificate of occupancy, the County determines in its reasonable opinion that the construction is not being completed substantially in accordance with the Approved Plans and Specifications, written notice shall be given to Tenant, specifying in detail the particular deficiency, omission, or other aspect in which the construction does not conform with the Approved Plans and Specifications. Upon receipt of any such notice, Tenant shall take steps necessary to cause correction to be made as to all deficiencies, omissions and defects. From and after the completion of the construction of the Tennis Facility, Tenant shall, at its sole cost and expense, repair and replace all damaged Improvements, subject to the approval and inspection terms of this Article VI. In the event of a dispute, the provisions of Section 15.26 shall apply.

6.1.2 As required by the Legal Requirements, and without limiting the required scope or detail of the Approved Plans and Specifications, the Approved Plans and Specifications shall include detailed provisions for the construction of the Tennis Facility with (i) fireproof materials according to the standards and ratings of the local fire insurance rating organization, and (ii) energy efficiency and environmental design considerations, tracking those building code requirements set forth in Section 3.1000 *et seq.* of the Howard County Code, all of which shall be subject to the ordinary review and approvals of the Government Functions and the County's review and approval as ground lessor of the Premises, such approval not to be unreasonably withheld, conditioned or delayed.

6.1.3 Tenant shall not make any "change orders" to the Approved Plans and Specifications that materially affect the aesthetics, design, construction or location of the Improvements, including without limitation the items described in Sections 6.1, 6.1.1 and 6.1.2, without the written approval of the County, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that Tenant may make and agree to change orders without the County's prior consent that (i) do not change in any material way (A) the external appearance of the Tennis Facility as set forth in the rendering attached hereto as **Exhibit E** and the Approved Plans and Specifications, or (B) the permitted uses of the Improvements as provided for herein; or (ii) do not reduce the number of Designated Tennis Courts.

6.1.4 Review, approval or acceptance by the County of any documents or plans submitted to the County by Tenant under any provision of this Lease, including but not limited to the Approved Plans and Specifications, shall not constitute a representation, warranty or guaranty by the County as to the substance or quality of the documents or the resulting performance or product. Further such approvals do not constitute approvals otherwise required

under the Legal Requirements. At all times, Tenant, its officers, employees, agents, contractors and subcontractors, must use their own independent judgment as to the accuracy and quality of all such documents, work, performance and other matters.

6.2 Alterations. Following the initial construction of the Improvements, Tenant may from time to time during the Term, at Tenant's sole cost and expense and upon obtaining the County's approval, using the same criteria set forth in Section 6.1.3 above, and satisfying the Legal Requirements, make changes, alterations and additions to the Improvements, subject to the provisions of this Article VI. The County will timely cooperate with Tenant, at Tenant's sole cost and expense, to execute necessary instruments which are required for Tenant to obtain licenses and permits to make such additions or alterations from the applicable governmental authorities. Tenant shall make all such changes, alterations and additions to the Improvements in compliance with all Legal Requirements and only upon the County's approval of such changes, alterations and additions, where such approval is required, and as provided in this Article VI. The foregoing notwithstanding, and casualty excepted, in the event Tenant intends to materially alter the Improvements or demolish a material portion of the Improvements, Tenant shall provide the County with sixty (60) days prior written notice of such proposed alteration or demolition. If the County fails to timely object to the alteration or demolition within the sixty (60) day period, the County will be deemed to have consented to the same. All repairs, replacements, alterations or demolition shall be subject to Approved Plans and Specifications and County's inspection all as provided for in this Article VI. All revisions made to the Approved Plans and Specifications shall become part of the Approved Plans and Specifications, unless said revisions required the County's approval and said approval was not obtained.

6.3 Expense and Ownership. The construction of the Improvements on the Premises and all alterations and additions thereto and maintenance and repair thereof shall be at Tenant's expense and all Improvements shall become the property of the County upon the expiration or termination of this Lease without any compensation whatsoever to Tenant or cost to the County. Tenant shall surrender all Improvements upon the expiration or termination of this Lease.

6.4 Construction Term and Termination Rights. The "Construction Term" shall be the period from the Effective Date of this Lease until the Rent Commencement Date, as may be extended in accordance with this Lease. Anything herein contained to the contrary notwithstanding, this Lease may be terminated during the Construction Term, pursuant to any of the following provisions:

6.4.1 If Tenant does not obtain all necessary permits for the construction of the Outdoor Facilities and Indoor Facilities, and those Public Improvements and Limited Public Improvements to be constructed by Tenant as may be required for the use and operation of the Outdoor Facilities and Indoor Facilities, and a commitment for construction and permanent financing that fully funds the construction and completion of the Access Road, if applicable, the Outdoor Facilities and Indoor Facilities, and those Public Improvements and Limited Public Improvements to be constructed by Tenant as required for the use and operation of the Outdoor Facilities and Indoor Facilities on or before December 1, 2010 (subject to an extension of the Loan Closing Date as provided for herein), then either Tenant or the County shall each have the right to terminate this Lease upon written notice given to the other within thirty (30) days from December 1, 2010, provided that if

the Term Commencement Date occurs within the thirty (30) day notice period the notice of termination shall automatically be deemed withdrawn. If the Lease is terminated under this Section 6.4.1, then the Lease shall be of no further force and effect, except for any terms, covenants or conditions that are to expressly survive the expiration or termination of this Lease.

To evidence compliance with obtaining the permits and the loan commitments as required under this Section 6.4.1, Tenant shall deliver to the County copies of all requisite permits by the Permit Date and a copy of the loan application and any response thereto from the lender for the Loan Closing at least ninety (90) days prior to December 1, 2010, subject to any extension of the Loan Closing Date as may be provided for herein.

6.4.2 If the construction of the Access Road is not completed by the County by the time that Tenant is ready to proceed with construction of the Improvements, then as of that date the Tenant has the right, at Tenant's sole cost and expense, to elect to complete all work that is necessary to construct the Access Road (collectively the "Access Road Work") and the County grants to Tenant any and all temporary and permanent right of entries. Tenant shall give the County thirty (30) days prior written notice that Tenant intends to complete the Access Road Work. If in said thirty (30) day period the County delivers evidence to Tenant that the County will complete the Access Road Work within thirty (30) days from the date of Tenant's notice, then the County may proceed with said work. If the County completes the Access Road Work, as intended in this Lease, then Tenant shall fully reimburse the County for the Access Road Work at the Loan Closing or from the receipt of any other funds received by Tenant for the construction and/or operation of the Tennis Facility.

6.4.3 If the construction of the Outdoor Facilities and Indoor Facilities, and such Public Improvements and Limited Public Improvements required for the use and operation of the Outdoor Facilities and Indoor Facilities and to be constructed by Tenant, has not been substantially completed within eighteen (18) months from the Construction Start Date (the "Substantial Completion Date"), as evidenced by the issuance by the Tenant's architect of a certificate of substantial completion, then, unless such failure is due to Unavoidable Delays (as defined in Section 15.15 of this Lease), the County may elect to terminate this Lease upon written notice to the Tenant, and the Lease shall thereby be terminated and of no further force and effect, except for any terms, covenants or conditions that are to expressly survive the expiration or termination of this Lease.

6.4.4 Upon completion of the construction of the Improvements, including the Public Improvements and those Limited Public Improvements to be constructed by Tenant, and after completion of each alteration thereto, Tenant shall deliver to the County six (6) complete mylars of detailed as-built drawings showing the structure and all structural changes. In addition, Tenant shall furnish the County with (i) a written certification from Tenant's architect for such work certifying that, based upon the architect's observations, the subject work has been completed in accordance with the Approved Plans and Specifications, and (ii) a written certification by Tenant's general contractor for such work certifying that the subject work has been completed in accordance with the Approved Plans and Specifications.

6.5 Legal Requirements. Without limiting the generality of Section 5.5 hereof, Tenant shall comply with all Legal Requirements, including without limitation governmental requirements applicable to the zoning, use, operation, construction, alteration, demolition,

maintenance and repair of all Improvements on the Premises. The County agrees to join in applications for zoning, building permits, certificates of occupancy and all other applications for licenses and permits where the signature of the County as owner of the Premises is required; provided, however, that Tenant shall be solely responsible for pursuing such applications and obtaining and maintaining any zoning, building permits, certificates of occupancy and all other licenses sought thereunder; provided further, that the foregoing shall be at Tenant's sole cost and expense and Tenant shall pursue such governmental approvals with all due diligence and dispatch, using its good faith and diligent efforts to obtain same. The County, as ground lessor under this Lease, shall use reasonable efforts, at Tenant's sole cost and expense, to provide Tenant assistance in timely processing permits and government approvals required by Howard County, Maryland.

6.6 Liens and Bonds.

6.6.1 Tenant shall pay all costs incurred by Tenant in connection with the construction, alteration, demolition, maintenance and repair, unless otherwise provided herein, of the Access Road and all Improvements, including the Public Improvements and any Limited Public Improvements constructed by Tenant. The County's Interest and the Tenant's leasehold interest and interest in the Improvements (collectively the "Tenant's Interest") shall not be subject to liens of any nature, including without limitation any mortgage liens, unless otherwise approved as set forth below. Should a lien or claim of lien be filed against the County's Interest or the Tenant's Interest by any lender, bond issuer, contractor, subcontractor, mechanic, laborer or materialman, Tenant shall, within thirty (30) days after notice thereof, cause the same to be discharged of record, provided, however, that Tenant shall have the right to contest the amount or validity of any such lien or claim of lien by appropriate proceedings, but in such event Tenant shall promptly post a bond for the discharge of the lien by a responsible surety company to prevent foreclosure against either the Tenant's Interest or the County's Interest under such lien or claim of lien. Tenant shall prosecute such proceedings with due diligence.

All persons, lenders and bond issuers dealing with Tenant are hereby placed on notice that they cannot look to the County, the County's Interest or the County's credit or assets or to the Tenant's Interest for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, replacement, demolition or reconstruction of the Access Road, Improvements, Public Improvements or any Limited Public Improvements constructed by Tenant.

Notwithstanding the foregoing in this Section 6.6.1, subject to the approval and consent of the County, which approval and consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall have the right to grant a security interest in and to Tenant's leasehold estate and such lien holder right may include the right to foreclose on Tenant's leasehold estate and assume Tenant's right and obligations as "Tenant" under the Lease. Further, the County acknowledges that the lenders or bond issuers providing the financing for the Improvements and the Stadium, if applicable, may require insertion of usual and customary lender rights provisions to the Lease (including, without limitation, provisions regarding notice of any default by Tenant under the Lease, a reasonable period of time in which to cure such default, and a recognition of

the lender's leasehold interest or lenders' leasehold interests in the Premises and rights under the loan documents) as a condition to financing approval and the County agrees to cooperate with Tenant and its lenders or bond issuers in providing for such reasonable provisions, and such agreed upon provisions will be added to this Lease by an amendment or amendments acknowledging and confirming the addition and incorporation of a completed **Schedule 2**.

6.6.2 Prior to commencing construction and prior to each alteration made to the Improvements, including any demolition, Tenant shall provide, or cause its contractors to provide, performance bonds and labor and materialmen's bonds for the prompt payment of all amounts due for materials, supplies, labor, services, and equipment. The bonds shall be in a form approved by the County, such approval not to be unreasonably withheld, conditioned or delayed, and given by a surety company approved in advance by the County and shall name the County as obligees.

6.6.3 Prior to any payments being made for work completed related to the Improvements, including any demolition, Tenant shall cause its contractors to deliver to Tenant waivers of mechanic's lien for such completed work, in a form satisfactory to the County, in its reasonable discretion.

6.7 Title to Improvements, Public Improvements and Access Road.

6.7.1 Title to all Improvements, except for the Public Improvements, constructed on the Premises after the Effective Date of this Lease shall be vested in Tenant for the Term, or for so long as this Lease remains in effect. Upon the earlier to occur of the expiration or termination of this Lease, all right, title and interest in all Improvements existing on the Premises shall, at no cost to the County, automatically and without further documentation vest in the County, and Tenant shall have no right or obligation to remove any Improvements, unless required, in writing, to do so by the County. Upon request by the County, Tenant shall execute and deliver to the County such instruments as may be reasonably required by the County in order to evidence the County's ownership of the Improvements upon the expiration or sooner termination of this Lease. For so long as this Lease remains in effect, Tenant alone, or a Party claiming through Tenant, shall be entitled to claim depreciation of the Improvements for all taxation purposes.

In the event the County requires the removal and/or demolition of the Improvements upon the expiration or termination of this Lease, then Tenant shall complete the removal and/or demolition of the Improvements within one hundred eighty (180) days from the expiration or termination of the Lease and such work shall completed in accordance with the County's plans and specifications for removal and demolition, including the disposal of debris and the grading and resurfacing of the Premises. Tenant may use funds in the Repair and Replacement Reserve to pay the reasonable costs and expenses actually incurred for the removal and/or demolition of the Improvements.

6.7.2 To the extent constructed by Tenant and/or situate upon the Premises, upon completion of the Public Improvements, Limited Public Improvements and the Access Road in accordance with the Approved Plans and Specifications and the County's final inspection and agreement to accept the Public Improvements, Limited Public Improvements and the Access Road, Tenant shall convey to the County, by deed, and relinquish all rights, title and interest in and to, the

Public Improvements, the Limited Public Improvements and the Access Road. The conveyances shall be made subject to the terms and conditions set forth by the County in its governmental capacity, and shall be made free and clear of all liens and encumbrances. Notwithstanding anything to the contrary contained herein, (i) the Public Improvements, the Limited Public Improvements and the Access Road do not have to be conveyed at the same time, and (ii) the County is not bound to accept the Public Improvements, the Limited Public Improvements or the Access Road. Tenant shall have the right to maintain, operate, repair and replace, as Tenant deems appropriate such Public Improvements and Limited Public Improvements that are not accepted by the County, the costs of which shall be operating expenses of the Tennis Facility.

6.8 Utility Easements. Upon Tenant's written request, the County will grant to Tenant and/or the appropriate governmental authority or utility rights of way and/or easements on, over or under the Premises or the Park for construction for pole lines, pipes, conduits, communication transmission equipment and other equipment, for the provision of utility and other services to the Premises, including communication, electrical, water, gas, and sanitary and storm sewer. The grant of any such right of way or easement shall be subject to the approval of County, which approval may be withheld in the sole and absolute discretion of the County.

Tenant's leasehold interest and the Premises shall be subject to the County's rights in and to, and the County's use of, all areas of the Premises where either the Tenant or the County has installed sewer lines, water lines, drainage facilities and all other utilities, and all appurtenances thereto, and where Tenant has installed the Public Improvements, all such areas deemed to be "County Easements" for purposes of this Lease. The County, its successors and assigns, and its employees, agents, and contractors hereby shall have the right to enter upon the County Easements, and any other Easement, whenever it may be necessary to re-construct, repair, remove, replace, and maintain the Public Improvements and Limited Public Improvements, including the right to expand or modify the Public Improvements as needed for the public health, safety, and welfare at the County's expense and with access, use and service interruptions to the Premises minimized to the extent feasible. The County shall restore all areas disturbed and/or damaged by the County's tests, inspections, investigations and construction, substantially to their original condition. The County shall use its reasonable efforts not to cause damage to the Premises or Improvements and the County shall inform Tenant of any tests and work it will perform and Tenant may be present during such tests and work.

6.9 Signs. The County will design all identity (or branding) signs for the Park and all directional signs for the Park and the Premises, including the Tennis Facility. Tenant shall reimburse the County for reasonable fees, costs and expenses for all directional signs for the Tennis Facility posted in the Park and on the Premises.

In addition to other signage rights granted to Tenant herein and the signs posted by the County, Tenant will have the right to design, construct and install signs on the Premises containing Tenant's branding (or that of its sponsors) subject to the terms and provisions of Section 5.7 at locations approved by the County, which approval shall not be unreasonably withheld, conditioned or delayed. Unless otherwise provided for in this Lease, Tenant shall be responsible for the installation, construction, maintenance, repair and illumination of Tenant's signs.

6.10 Exterior Court Lighting. Subject to the Legal Requirements and the County's approval as ground lessor of the Premises, said approval to be given as part of the Approved Plans and Specifications, the Tenant may install and maintain exterior court lighting, enabling play after daylight hours.

6.11 Shared Concourse and Ball Field. If the Shared Concourse is constructed, and the Ball Field is constructed by the County, then the County, in common with Tenant, shall have the right of public use and access to the ticket booths, locker rooms and concession stands located within the Shared Concourse and Stadium, except during the time period of Major Tournaments. Tenant may charge the County a rental rate for the use of the Shared Concourse, which may be a discounted rate as agreed to by the parties.

6.11.1 As an accommodation to Tenant, in connection with the County's design and construction of the Ball Field, the County will deliver to Tenant a set of construction drawings for the Ball Field for review and comment. In the event that Tenant desires to upgrade, at its sole cost and expense, the seating planned, if any, for the Ball Field, the County will incorporate the upgraded seating into the construction drawings and plans and specifications, as long as Tenant escrows all funds needed for the costs and expense related to the upgraded seating prior to any work commencing on the seating, such work including the revision of all drawings, plans and specifications. Notwithstanding the foregoing, if the parties cannot agree to the terms and conditions of payment within the period of time prior to the County having to proceed with any work, then the County can proceed with its work as if the upgraded seating will not be constructed.

6.11.2 If the County constructs the Ball Field, the County shall provide Tenant with access to and use of the Ball Field for up to four (4) tournaments (of not more than three (3) days each) per Lease Year, at mutually agreed upon times and at a discounted rental rate.

6.12 RFP and Equal Business Opportunity. Tenant shall comply with the terms and conditions of the RFP that are specifically referenced in this Lease, including without limitation Exhibit I and Document G pertaining to the County's Equal Business Opportunity Program. If there is a conflict between the terms, covenants and conditions of this Lease and those of the RFP that are specifically referenced in this Lease, or the terms, covenants, and conditions of the RFP are more fully addressed and detailed in the terms, covenants and conditions of the Lease, the terms, covenants and conditions of this Lease shall control.

ARTICLE VII
Tenant's Due Diligence

After the Effective Date of this Lease, upon Tenant's request reasonably made and Tenant submitting a release and waiver to the County, the County shall deliver to Tenant all information in its possession that is reasonably related to the Premises, including without limitation any surveys, site plans, geotechnical or other engineering studies, title examinations, commitments or policies and environmental studies or audits and any and all other documents or information. From the Effective Date, Tenant and its authorized representatives shall have the right to investigate and inspect the Premises and shall have access to the Premises for determination of utility availability, and soil, engineering and feasibility testing and studies and other tests, studies, surveys, inspections

and investigations deemed necessary or appropriate by Tenant to determine that development and operation of the Premises as the Tennis Facility, as shown on **Exhibits B** and **E**, is feasible in Tenant's sole and absolute discretion. The period from the Effective Date of this Lease until the expiration of ninety (90) days after the Effective Date of this Lease is referred to as the "Inspection Period." Tenant shall have the right to terminate this Lease by written notice to the County delivered within ten (10) days after the expiration of the Inspection Period should Tenant determine in its sole discretion that development and operation of the Tennis Facility is not feasible. In the event of such termination, Tenant shall restore all areas disturbed and/or damaged by Tenant's tests, inspections and investigations, to their original condition. Tenant shall use its best efforts not to cause damage to the Premises, or any other Park area, and Tenant shall inform the County of any tests it will perform and the County may be present during such tests. Tenant shall indemnify, defend and hold harmless the County from and against all claims, losses, damages, or expenses, including without limitation reasonable attorney's fees, arising out of such entries and inspections, and all other obligations and liabilities arising under the covenant of indemnification shall survive any termination or breach of this Lease.

Tenant acknowledges that the County is making no representation or warranty with respect to the physical condition of the Premises or its suitability for the construction of the Tennis Facility thereon. Tenant further acknowledges and confirms that all reports, documents, surveys and any other information whatsoever supplied to Tenant by the County, at any time, is not, and shall not be construed to be, a representation or warranty as to the condition of the Premises or the feasibility of developing the Premises, including without limitation all updates of reports, documents, surveys and other information that may be supplied to Tenant by the County. It is Tenant's sole responsibility to undertake a thorough independent evaluation of all materials, inspections, reports, documents, surveys, and other information relating to the Premises. Tenant by accepting such materials, inspections, reports, documents, surveys and other information acknowledges that Tenant is solely responsible for completing its own due diligence to determine the condition of the Premises and the feasibility of developing the Premises pursuant to the RFP and this Lease and that the County has not made any representations or warranties regarding the same.

ARTICLE VIII
Assignment and Subletting

8.1 Assignment and Subletting. Other than (i) such collateral assignments as are required by Tenant's lender(s) in connection with Tenant's financing of the Outdoor Facilities, Indoor Facilities, the Stadium (if constructed) and other Improvements, and (ii) suite and/or seat licenses (or similar rights) which may be granted by Tenant, all of which cannot extend beyond the Term of this Lease, Tenant shall not assign or sublet all or any part of the Premises or any Improvements thereon at any time, unless consented to by the County, which consent shall not be unreasonably withheld, conditioned or delayed. Any permitted assignee or sublessee of this Lease shall be bound by all covenants, terms and conditions imposed upon the Tenant in this Lease.

8.2 Liability. Notwithstanding any permitted assignment or sublease, Tenant shall remain primarily liable under this Lease for all past, present and future obligations and liabilities.

8.3 Attornment. In the event of a termination of this Lease, each permitted subtenant under a sublease shall, if requested by the County, attorn to the County and continue to operate under the existing sublease or, at the County's election, enter into a new sublease. Otherwise the sublease shall automatically terminate and the County shall have the right to dispossess such subtenant.

ARTICLE IX
Environmental

9.1 Tenant's Representation. Except as provided for in **Exhibit F** of this Lease, Tenant represents and warrants that it shall not use, store, place or discharge upon the Premises or the Park, nor permit the use, storage, placement, or discharge upon the Premises or the Park, of any materials which, under federal, state or local law, statute, ordinance or regulation, or court or administrative order or decree, or private agreement relating to the environment and environmental matters in any way (collectively the "Environmental Requirements"), require special handling in collection, storage, treatment or disposal, including but not limited to any asbestos, nuclear or radioactive materials, PCB's, medical waste or other toxic, flammable, hazardous or contaminated substances (collectively called "Hazardous Substances"). Tenant hereby covenants to indemnify, defend and hold harmless the County from all liabilities and claims arising from the use, storage, or placement of any Hazardous Substances in, on or under the Premises or elsewhere in the Park, if brought or placed thereon by Tenant, its agents, employees, contractors or invitees. Tenant shall (i) within five (5) calendar days after written notice thereof, take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements, and (ii) within ten (10) calendar days after written demand therefore, reimburse the County for all amounts actually expended by the County to comply with any Environmental Requirements with respect to the Premises or with respect to any other portions of the Park as the result of the use, storage, placement or discharge of Hazardous Substances by Tenant, its agents, employees, contractors or invitees, or in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorney's fees, fines or other penalty payments.

9.2 Violations. For purposes of this provision, Tenant shall be conclusively deemed to have violated the Environmental Requirements if (i) any notice or order is directed to either the County or Tenant by any federal, state or local governmental agency, commission, body or court, alleging that such violation has occurred with respect to the Premises or adjacent Park, or (ii) if the County obtains, at the sole cost of Tenant, and delivers to Tenant a report prepared by an engineer or other party engaged in the business of testing or determining the existence of Hazardous Substances, which report states that there are Hazardous Substances used, stored, placed or discharged upon the Premises or the Park. In the event Tenant is deemed to have violated any of the Environmental Requirements as set forth in the preceding sentence, the County shall have the right and option, after ten (10) calendar days prior written notice to Tenant, to terminate this Lease by written notice thereof to Tenant, in which event the County shall retain all rights and remedies, and Tenant shall be subject to all liabilities, including its covenants of indemnification set forth in this Article IX and in other sections of this Lease notwithstanding such termination. Notwithstanding anything to the contrary contained herein, the County shall not require or perform more than one (1) environmental inspection and report

within twelve (12) months from the date of the immediately prior inspection, except in the event that (i) the County is selling the Park, (ii) another tenant, if any, requires an inspection of the Premises and/or the Park and that tenant agrees to pay all costs relating to the inspection, or (iii) an emergency or violation of this Section 9 arises which requires such an inspection and report.

9.3 Waste Disposal. Tenant shall, at its sole cost and expense, comply with all Legal Requirements and Environmental Requirements relating to the collection, sorting, separation and recycling of waste products, including garbage, refuse, trash and oils.

9.4 County Requirements. The County, in performing its Government Functions, reserves the right, where permitted by law, to refuse to collect or accept from Tenant any waste products, garbage, refuse or trash which is not separated and sorted as required by law, and to require Tenant to arrange for such collection, at Tenant's sole cost and expense, using a contractor satisfactory to the County.

9.5 Indemnification. Tenant shall pay all costs, expenses, fines, penalties or damages imposed on the County or Tenant by reason of Tenant's failure to comply with all sections of this Article IX, and Tenant shall indemnify, defend and hold the County harmless from and against all actions, claims and suits arising from such noncompliance, using counsel satisfactory to the County, in the County's reasonable discretion. Tenant's noncompliance with any of the environmental provisions in this Lease or the Environmental Requirements shall constitute a violation of a substantial obligation of the tenancy and the County's rules and regulations. Tenant shall be liable to the County for all actual costs and expenses, including reasonable attorneys' fees, of any action or proceeding by the County against Tenant, based upon Tenant's breach of such provisions.

9.6 Inspections and Testing. Tenant hereby grants to the County, and the County's agents, employees and contractors (including, but not limited to, any engineers or other parties engaged in the testing of Hazardous Substances) the right to enter upon the Premises, upon reasonable prior notice at any time for the purpose of determining whether Tenant, its agents, employees, contractors and/or invitees has or have violated any of the provisions of this Article IX. During such inspections and testing, all subject to the County's obligations set forth in Section 6.8 above, the County shall use reasonable efforts not to interfere with Tenant's operation of the Premises.

9.7 Tenant. As used in this Article IX the term "Tenant" is intended to mean Tenant and Tenant's employees, agents and contractors.

ARTICLE X
Insurance and Indemnification

10.1 Insurance Coverage. Throughout the Term, the Tenant shall obtain and maintain, and cause its contractors and subcontractors to obtain and maintain the following insurance coverage and all additional insurance or increase in coverage as may reasonably be required by the County from time to time:

10.1.1 During the construction of the Tennis Facility (including but not limited to all alterations), Tenant and/or its contractors and subcontractors, shall carry "Builder's Risk" insurance. Such insurance shall cover the interests of the Tenant and the County and the contractors and subcontractors, as their interests may appear, and shall insure against physical loss or damage to all property incorporated or to be incorporated in or on the Premises, including temporary buildings used for storage of property to be incorporated into the Premises, and shall cover reasonable compensation for contractors' or subcontractors' services or expenses required as a result of such insured loss. Such insurance shall be equal to the value of the Tennis Facility on a replacement cost basis. Such insurance shall also cover property to be incorporated into the Premises that are stored off-site or in transit.

10.1.2 Property Insurance coverage against loss by fire, windstorm, lightning and other hazards included within the term "extended coverage", with coverage equal to the total construction cost on a replacement cost basis and in an amount sufficient at all times to prevent the County or Tenant from being or becoming a co-insurer on any part of the risk, except for commercially reasonable deductibles.

10.1.3 Commercial General Liability Insurance coverage against loss or liability in connection with bodily injury, death, property damage or destruction occurring on the Premises arising out of the use thereof by Tenant or its agents, employees, permitted assigns or subtenants, invitees, visitors and guests, with combined single limits of not less than Ten Million Dollars ($10,000,000.00). Deductibles of more than Fifty Thousand Dollars ($50,000.00) must be pre-approved by County but such approval shall not be unreasonably withheld, conditioned or delayed. The policy shall contain, but not be limited to, the following coverage endorsements: contractual liability, including contractors and subcontractors, personal injury, products and completed operations, broad form property coverage, advertising injury, and explosion, collapse, and underground hazards (XCU).

10.1.4 Workers' Compensation Insurance in accordance with the statutory coverage for the state of Maryland, Coverage A, and Coverage B in the amount of One Hundred Thousand Dollars ($100,000.00).

10.1.5 Automobile Liability Insurance with limits of liability of at least One Million Dollars ($1,000,000.00) combined single limit per occurrence. Coverage for non-owned and hired vehicles shall be included. If hazardous materials are transported, insurance shall comply with applicable law relating to such transport.

10.1.6 Contractor's Pollution Liability Insurance with combined single limits of Ten Million Dollars ($10,000,000.00) per occurrence. Such coverage may be included under the Commercial General Liability Insurance policy by endorsement if there is no exclusion for sudden and accidental pollution or claims arising out of environmental work.

10.1.7 Professional Liability insurance for architectural and/or engineering services at a limit of Two Million Dollars ($2,000,000.00) per claim with a deductible not to exceed Fifty Thousand Dollars ($50,000.00). Coverage shall include errors and omissions coverage including liability assumed under contract, if available. This coverage may be written

on a claims-made basis provided that coverage for occurrences happening during the performance of services required under the contract shall be maintained in full force and effect under the policy or "tail" coverage for a period of at least three (3) years after the completion of the services.

10.1.8 Such other insurance coverage as may be required by County.

10.2 Insurance Requirements and Notices. Each insurance policy (except for workers' compensation insurance) shall (i) name the County as an additional insured, (ii) by its terms be deemed primary and noncontributory with respect to any other insurance carried by County, (iii) be cancelable only upon thirty (30) days or more prior written notice to County, and (iv) be issued by an insurer licensed to issue such policy in Maryland and have an acceptable rating with A.M. Best rating of A/XI or better unless otherwise approved by the County in writing.

10.2.1 At least five (5) days before the Effective Date, Tenant shall deliver to the County an original or signed duplicate copy of each insurance policy (or, at the County's option, a certificate thereof). At least thirty (30) days before any such policy expires, Tenant shall deliver to the County an original or a signed duplicate copy of a replacement policy therefore (or, at the County's option, a certificate thereof).

10.2.2 In the event of any material damage to the Premises, which is defined to be any damage having a restoration expense exceeding Fifty Thousand Dollars ($50,000.00), Tenant shall immediately notify the County. Except in cases where Tenant and the County agree not to make repairs or replacements, or the County directs that no repair or replacement be made, Tenant shall commence to diligently prosecute the repair or replacement of the damaged Improvements.

10.2.3 Upon notification by the County that any required coverage has lapsed, the County shall have the right, but not the obligation, to purchase such insurance and the Tenant shall be responsible for the payment of all applicable insurance premiums paid. All payments due from Tenant to the County for such payments shall be deemed to be Additional Rent.

10.2.4 Each policy of insurance required under this Lease shall include a provision of waiver of subrogation in favor of the County.

10.2.5 All insurance required by this Lease, except professional liability insurance, shall be written on an "occurrence" basis and not a claims-made basis, unless otherwise permitted in the Lease.

10.2.6. All proceeds of the insurance policies shall be used for the payment of liability claims, Tenant's indemnification obligations under this Lease, and the restoration or repair of the Improvements and Tenant's personal property and repayment of Tenant's financing obligations if required by Tenant's lender and/or bond trustee.

10.3 Release and Waiver. In consideration for the rights granted to Tenant by this Lease, Tenant does, for itself and its successors, assigns, officers, employees, agents, invitees, contractors, subcontractors, and any person claiming by, through, or under Tenant or any of them (collectively the "Releasors"), hereby remise, quitclaim, release, waive and forever discharge the County, its officials, employees, agents, successors and assigns (collectively the "Releasees"), acting officially or otherwise, from all actions, suits, claims and demands whatsoever at law or in equity which Tenant or any of the Releasors may have against the Releasees or any of them relating in any way whatsoever, directly or indirectly, to (a) the Premises and all conditions now or hereafter existing in, on, or about the Premises, except those solely attributable to and proximately caused by the negligence of the Releasees, and (b) the use, occupancy, operation, and maintenance of the Premises or any part of the Premises, excepting, however, the performance by County of its obligations under this Lease. Tenant hereby voluntarily and knowingly assumes all risk of loss, damage and injury, including death, that may be sustained by Tenant and the Releasors, and the public in general, in connection with the Premises and/or the use, occupancy, operation, and maintenance thereof, except in the event that such loss is solely attributable to and proximately caused by the negligence of the Releasees. Any exception made in this Section 10.3 to the release and waiver provided for herein is not to be deemed as a waiver of any immunity that may exist in any action against Howard County, Maryland.

10.4 Indemnification. The Tenant shall indemnify, defend and hold harmless the County, its officials, agents, employees, successors and assigns, against and with respect to all losses, damages, suits, claims, judgments, and actual and reasonable costs and expenses., including without limitation costs of investigation, litigation costs, reasonable attorney's fees, (collectively the "Losses") arising directly or indirectly from Tenant's use and occupancy of the Premises and/or all acts or omissions of the Tenant, its officers, employees, agents, contractors, subcontractors, and/or its invitees, on or affecting the Premises, except only when and to the extent such losses are solely attributable to and proximately caused by the negligence of the County or its officials, employees or agents. The foregoing shall apply without limitation, to Losses of all types including destruction or degradation of the environment including land, air, water, wildlife or vegetation, and all clean-up costs, fines, penalties and other pollution-related items. This indemnification is not to be deemed as a waiver of any immunity that may exist in any action against Howard County, Maryland. This covenant of indemnification shall survive the expiration and termination of this Lease.

10.5 Safety. All non-conflicting terms, conditions and specifications of the RFP regarding insurance, indemnification and safety requirements are hereby incorporated into and made part of this Lease, provided that if any Tenant subcontractor does not maintain the insurance coverages required by the terms of the RFP, it shall not be an Event of Default by Tenant hereunder as long as Tenant's insurance policies extend to coverage of the services performed by such subcontractor.

ARTICLE XI
Damage or Destruction

11.1 Damage/Repair or Restoration. If, during the Term, there occurs any damage to or destruction of the Premises, or any part thereof from any cause whatsoever, Tenant shall give

prompt notice thereof to the County, and Tenant shall immediately take such action as is necessary to assure that the Premises and nothing thereon constitute a nuisance or otherwise present a health or safety hazard, such work to be accomplished at Tenant's sole cost and expense, unless the parties agree otherwise regarding cost and expense that may be allocable to the Public Improvements and Limited Public Improvements, if applicable. The foregoing obligation shall not be contingent upon the availability of any insurance proceeds. In accordance with the other sections of this Article XI, Tenant, at Tenant's sole cost and expense, shall commence and proceed with diligence (subject to a reasonable time allowance for Unavoidable Delays) to repair, alter, restore, replace or rebuild the Improvements in accordance with Approved Plans and Specifications, or to raze the same in accordance with the applicable provisions of this Lease and the consent of the County. All repairs, alterations, and restoration shall be subject to the same review, approval and inspection requirements set forth in Article VI.

11.2 Insurance Proceeds. Subject to Tenant's lender's or bond trustee's requirements, all insurance proceeds paid to Tenant shall be held by Tenant in trust in a separate interest bearing account for the purpose of paying the cost of the work to be performed by Tenant pursuant to this Article XI, and if the insurance proceeds received by the Tenant shall be insufficient to pay the entire cost of the work, Tenant shall be responsible for the amount of any such deficiency. If the insurance proceeds shall exceed the entire cost of the work, then the excess proceeds shall be deposited into the Repair and Replacement Reserve. Under no circumstances shall the County be obligated to make any payment, disbursement or contribution towards or on account of the cost of any work performed by Tenant pursuant to this Article XI.

11.3 Termination of Lease For Damage During Last Five Years. If, during the last five (5) years of this Lease the Premises shall be damaged so that it is reasonably determined by the County and the Tenant that the cost of restoring the Premises to the same condition existing before the damage makes restoration of the Premises infeasible, notwithstanding the availability of insurance proceeds therefor, Tenant may terminate this Lease within sixty (60) days after such damage. Within one hundred eighty (180) days after such termination, Tenant shall raze all remaining Improvements and clear the land of the Premises of all debris and rubble and restore the land of the Premises to open park space to the satisfaction of the County. Insurance proceeds paid on account of such damage or destruction shall be used to raze the remaining Improvements, clear the land of debris and rubble, and restore the land of the Premises to open park space. This Section 11.3 shall survive the termination of this Lease.

11.4 Restoration During Last Five Years; Restoration Before Last Five Years.

11.4.1 If this Lease is not terminated pursuant to Section 11.3 above, Tenant shall proceed with the repair or restoration of the damaged Premises within ninety (90) days following such damage or destruction, and once commenced such restoration shall be diligently prosecuted to completion. The County shall have no liability to Tenant for, and Tenant shall not be entitled to terminate this Lease by virtue of, any delays in completion of repairs and restoration, except to the extent caused solely by the County. Tenant shall have the right to use funds available in the Repair and Replacement Reserve to pay for costs of restoration not covered by insurance proceeds. Tenant shall pay all costs of restoration in excess of available insurance proceeds and funds in the Repair and Replacement Reserve.

11.4.2 If the Premises shall be damaged before the last five (5) years of the Term of this Lease and if less than forty percent (40%) of the estimated cost of restoration is covered by insurance and the funds available in the Repair and Replacement Reserve, then Tenant shall have the right, upon giving notice to the County within sixty (60) days of such damage, to terminate this Lease. Within one hundred eighty (180) days after such termination, Tenant shall raze all remaining Improvements and clear the land of the Premises of all debris and rubble and restore the land of the Premises to open park space to the satisfaction of the County. Insurance proceeds paid on account of such damage or destruction shall be used to raze the remaining Improvements, clear the land of debris and rubble, and restore the land of the Premises to open park space. This Section 11.4.2 shall survive the termination of this Lease.

11.4.3 If this Lease is not terminated as provided above in Section 11.4.2 for damage occurring before the last five (5) years of the Term of this Lease, then Tenant shall proceed with the repair or restoration of the damaged Premises within ninety (90) days following such damage or destruction, and once commenced such restoration shall be diligently prosecuted to completion. The County shall have no liability to Tenant for, and Tenant shall not be entitled to terminate this Lease by virtue of, any delays in completion of repairs and restoration, except to the extent caused solely by the County. Tenant shall have the right to use funds available in the Repair and Replacement Reserve to pay for costs of restoration not covered by insurance proceeds. Tenant shall pay all costs of restoration in excess of available insurance proceeds and funds in the Repair and Replacement Reserve.

11.5 Non-Abatement of Rent. If the Lease is not terminated under this Article XI, the County may agree to an abatement, allowance, reduction or suspension of Base Rent or Revenue Based Rent by reason of the partial or total destruction of the Premises or any part thereof.

ARTICLE XII
Condemnation

12.1 General. If, at any time during the Term, the Premises or any part thereof is condemned or otherwise taken by exercise of the power of eminent domain or by the granting of a deed in lieu of condemnation, then the provisions of this Article XII shall apply to the condemnation proceedings and the distribution of any award pertaining thereto.

12.2 Total Taking. If the whole or substantially all of the Premises shall be taken for a public or quasi-public use by the exercise of the power of eminent domain or by purchase under threat of condemnation by any governmental agency, this Lease shall terminate in its entirety on the date the condemning authority actually consummates such taking of the Premises, and the Rent required to be paid by Tenant hereunder shall be appropriately prorated and paid to such date of taking or reduced as provided below. In the event of any such taking, the County and Tenant shall together make one claim together for an award for their combined interests in the Premises. If the whole or substantially all of the Premises shall be so taken, then the County and Tenant agree that the condemnation proceeds shall be distributed first to the repayment of any of Tenant's financing obligations that are outstanding, if any, second to Tenant to the extent that it is attributable to Tenant's estate and interest in the Premises and Improvements and Tenant's

personal property, and finally to the County to the extent it is attributable to the County's estate and interest in the Premises, Public Improvements, and Access Road.

12.3 Partial Taking. If less than substantially all of the Premises shall be taken for any public or quasi-public use under the power of eminent domain or by purchase under threat of condemnation by any governmental agency, and the remaining portion of the Premises can be adapted and economically operated for the purposes and in substantially the same manner as it was operated prior thereto in Tenant's good faith business judgment, Tenant shall give prompt notice thereof to the County and this Lease shall continue in full force and effect. Tenant shall proceed, with reasonable diligence, to perform all necessary repairs and to restore the Premises to an economically viable operating facility in strict accordance with all Legal Requirements and the requirements of Article VI above, and as nearly as possible to the condition the Premises was in immediately prior to such taking. The condemnation proceeds shall be paid to Tenant or as Tenant may direct as the restoration of the Premises progresses, to pay or reimburse Tenant for the cost of such restoration. The County and Tenant agree that any portion of the condemnation proceeds not so used for such restoration shall be paid first to the repayment of any of Tenant's financing obligations that are outstanding, if any, second to Tenant to the extent that it is attributable to Tenant's estate and interest in the Premises and Improvements and Tenant's personal property, and finally the County to the extent that it is attributable to the County's estate and interest in the Premises, the Public Improvements, and the Access Road.

In no event shall Tenant be entitled to any abatement, allowance, reduction or suspension of Base Rent or the Revenue Based Rent by reason of the partial taking of the Premises, or any part thereof or any interest therein.

12.4 Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken as aforesaid, this Lease shall not be affected in any way, except that the County may abate the Rent due hereunder. All condemnation proceeds as a result of such temporary use shall be paid to Tenant.

12.5 Proceedings. In any condemnation proceeding affecting the Premises which may affect the County's estate and interest in the Premises, the Improvements, the Public Improvements, and the Access Road, and Tenant's estate and interest in the Premises and the Improvements and the Tenant's personal property, both parties shall have the right to appear in and defend against such action as they deem proper in accordance with their own interests. Issues between the County and Tenant required to be resolved pursuant to this Article shall be joined in any such condemnation proceeding to the extent permissible under then applicable procedural rules of such court of law or equity for the purpose of avoiding multiplicity of actions and minimizing the expenses of the parties.

12.6 Termination. In the event of any termination of this Lease as the result of the provisions of this Article XII, the County and Tenant, effective as of such termination, shall be released, each to the other, from all liability and obligations thereafter arising under this Lease, except for Tenant's covenants of indemnification which shall survive the expiration or termination of the Lease and all other provisions expressly stated to survive the termination of this Lease.

ARTICLE XIII
Default and Remedies

13.1 Events of Default. The occurrence of any one or more of the following events shall be deemed an "Event of Default" for the purposes of this Lease:

13.1.1 Tenant fails to pay any Rent or any other sum that it is obligated to pay by any provision of this Lease, when and as due and payable and without demand therefore.

13.1.2 Tenant fails to timely fund the Repair and Replacement Reserve, to maintain the required balance in the Repair and Replacement Reserve, or to timely restore the balance of the Repair and Replacement Reserve.

13.1.3 Tenant fails to observe or perform any term, covenant, or condition of this Lease to be performed by Tenant and fails to cure such non-performance within thirty (30) days after receipt of written notice from the County of the Event of the Default, or such reasonable period of time as may be reasonably required to complete such cure, not to exceed sixty (60) days unless otherwise agreed by the parties, provided that Tenant promptly and dutifully commences and pursues cure said default.

13.1.4 Tenant (a) applies for or consents to the appointment of a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (c) makes an assignment for the benefit of creditors, (d) files a petition or answer seeking a reorganization or an arrangement with creditors, or seeks to take advantage of any insolvency law, (e) performs any other act of bankruptcy, or (f) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding.

13.1.5 An order, judgment or decree is entered by any court of competent jurisdiction adjudicating Tenant a bankrupt or an insolvent, approving a petition seeking a reorganization, or appointing a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, or there otherwise commences as to Tenant or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than sixty (60) consecutive days.

13.1.6 Tenant abandons the Premises, commits waste of the Premises, removes Improvements from the Premises, or allows the Improvements to fall into disrepair.

13.1.7 Tenant's representations, warranties or certifications made in or pursuant to this Lease are or become untrue in any material respect.

13.1.8 Tenant proceeds with dissolution or operates in any way to have its non-profit status revoked.

13.1.9 Tenant defaults under any other agreement made by and between Tenant and the County and fails to cure any such default with the applicable notice and cure period, if any.

13.1.10 Tenant defaults under the terms and provisions of any loan or bond issuance made relating to the use and occupancy of the Premises and the construction and operation of the Improvements, subject to the lender's or bond trustee's rights to notice, cure and assumption of all of Tenant's rights, obligations and liabilities under this Lease, if any.

13.2 County's Rights Upon Event of Default. Upon the occurrence of an Event of Default, and subject to the provisions of this Section 13.2, the County may take any or all of the following actions:

13.2.1 Re-enter and re-possess any or all of the Premises, including without limitation taking possession and title to all Improvements thereon.

13.2.2 Terminate this Lease by giving Tenant written notice of the termination, which termination shall be effective as of the date of the notice or any later date specified in the notice and shall result in the merger of the leasehold interest into the fee interest and the County owning the merged interest and all Improvements. Notwithstanding any termination of this Lease pursuant to an Event of Default, the County is not terminating the Tenant's obligation to pay in full all Rent due and owing and that Rent that would have become due and owing had the Lease not been terminated.

13.2.3 Relet any or all of the Premises for any or all of the remainder of the Term and collect and receive the rents therefore. Notwithstanding anything contained in this Lease or applicable law to the contrary, the County shall not have any duty or obligation to relet the Premises as the result of any Event of Default or have any liability to Tenant or any other person for any failure to relet or to collect any rent or other sum due from any such reletting. Tenant shall have no right in or to any surplus rent which may be derived by the County from any such reletting, in the event that the proceeds of such reletting exceed any Rent, installment or other sum owed by Tenant to the County under this Lease.

Tenant's liability hereunder shall not be diminished or affected by any such failure to relet or to collect any rent or other sum due from any reletting or the giving of any concessions in the event of a reletting. In such event, Tenant shall pay to the County, at the times and in the manner specified for the payment of Rent in this Lease (i) all Rent accruing during the remainder of the Term (or, if the Lease has been terminated, damages equaling the Rent which would have accrued during the remainder of the Term had the Lease not been terminated), less any monies received by County during the remainder from such reletting, adjusted to account for the cost to County of the reletting (including, without limitation, reasonable attorney's fees, leasing or brokerage company's fees, repair or improvement expenses, and other expenses incurred in connection with the reletting), plus (ii) any other sums for which Tenant is liable under this Lease. Tenant hereby waives all rights that it might have under applicable law, the exercise of which would be inconsistent with the provisions of this Section 13.2.

13.2.4 The County may at its election and at no cost to the County (a) use Tenant's personal property and trade fixtures located on and used in connection with the management and operation of the Premises, without liability for use or damage, or (b) store such personal property and trade fixtures for the account and at the cost of Tenant. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

13.2.5 Pursue any combination of these remedies or any other right or remedy available to County on account of the Event of Default under this Lease or at law or in equity.

13.2.6. Notwithstanding the provisions of this Article XIII, the County's rights and remedies shall be subject to any lender and/or trustee notice and cure rights provided for in this Lease, including the provisions to be appended hereto as Schedule 2.

13.3 Reimbursement of County's Expenses. Upon the occurrence of an Event of Default, Tenant shall, immediately on its receipt of a written demand from the County, reimburse the County, as Additional Rent, all actual costs and expenses incurred by County in relation to the Event of Default, including, by way of example rather than of limitation, all expenses, repossession costs, management expenses, operating expenses, legal expenses and reasonable attorney's fees.

13.4 Waiver of Notice to Reenter. Tenant hereby expressly waives, to the extent permitted by law, the service of any notice of intention to reenter provided for in any statute.

13.5 Costs of Collection and Enforcement. Tenant shall be liable for all actual and reasonable costs and expenses incurred by County (i) in enforcing any terms of this Lease, and (ii) in pursuing any legal action for enforcement of County's rights, including reasonable attorneys' fees. All such costs and expenses, including the attorneys' fees, shall be deemed to be Additional Rent.

13.6 Remedies Cumulative. All remedies provided for in this Article XIII, or remedies otherwise existing at law or equity, are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently.

13.7 Waiver of Breach. No waiver by the County of any default by Tenant shall constitute a waiver of any other breach or default by Tenant, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by the County shall give Tenant any contractual right by custom, estoppel, or otherwise. The subsequent acceptance of Rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular payment so accepted, regardless of the County's knowledge of the preceding breach at the time of accepting the payment. The acceptance of Rent or any other payment after termination shall not constitute a reinstatement, extension, or renewal of this Lease or revocation of any notice or other act by the County.

ARTICLE XIV
Surrender of the Premises and Holdover

Surrender of the Premises. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender the Premises to the County without delay, free of all liens, encumbrances and claims, and in good order, condition and repair, except for ordinary wear and tear and as otherwise provided in this Lease. Such surrender of the Premises shall be accomplished without the necessity for any payment therefore by the County. Upon such event, title to the Improvements shall automatically vest in the County without the execution of any further instrument; provided, however, Tenant covenants and agrees, upon either such event, to execute (at no cost or expense to the County) such appropriate documentation as may be reasonably requested by the County to transfer, or confirm the transfer of, title to the Improvements to the County. Within 180 days after such expiration or earlier termination of this Lease, if requested by the County in writing, Tenant shall, at its sole cost and expense, raze all Improvements and clear the land of the Premises of all debris and rubble and restore the land of the Premises to open park space to the satisfaction of the County. Tenant's obligations under this Article XIV shall survive the expiration or earlier termination of this Lease. Tenant may use funds in the Repair and Replacement Reserve to pay the reasonable costs and expenses actually incurred for the removal and/or demolition of the Improvements.

If Tenant fails to immediately surrender possession of the Premises, then, in addition to all other remedies available to the County, Tenant shall, at the County's sole election, become a tenant from month-to-month upon all the terms, covenants and conditions of this Lease, except that Tenant shall be liable for one hundred fifty percent (150%) of the monthly Base Rent to be payable to the County in monthly installments, in advance, on the first day of each calendar month for so long as Tenant shall remain in possession of the Premises. Tenant also shall be liable and pay all Revenue Based Rent that is due under the terms of this Lease, except that the amount of Revenue Based Rent shall include one hundred percent (100%) of all deferred income from sponsorship, advertising and licensing fees. Notwithstanding the County's acceptance of Rent from Tenant during this holdover period, Tenant shall be liable to the County for all damages, costs, liabilities and expenses, including attorneys' fees, that the County may sustain or incur by virtue of Tenant's failure to surrender the Premises, and the County in no way waives any rights or remedies that it has under this Lease or at law or in equity by virtue of Tenant's refusal to properly surrender the Premises.

ARTICLE XV
Miscellaneous

15.1 No County Debt. Tenant warrants that Tenant, its affiliates, and all entities under common control with Tenant or controlled by Tenant, if any, are not currently indebted to the County, as the ground lessor or as the Howard County Government. Further, Tenant covenants that Tenant, its affiliates, and all entities under common control with Tenant, if any, shall not at any time during the term of this Lease be indebted to the Howard County Government for or on account of any delinquent taxes, water bills, sewer bills, liens, assessments, judgments, fees or

other debts for which no written agreement or payment plan satisfactory to the Howard County Government has been established. Tenant shall remain current during the Term of this Lease with all such payments and shall inform the County in writing of Tenant's receipt of any notices of delinquent payments within five (5) days after receipt.

15.2 No Conflict of Interest. Tenant certifies to the County that entering into this Lease does not constitute a conflict of interest in accordance with the provisions of Section 901(a) of the Howard County Charter and Section 22.204 of the Howard County Code regarding conflicts of interest, attached hereto as **Exhibit G**.

15.3 Approval or Consent. Whenever the County's approval or consent is required in this Lease, (i) the request for approval or consent shall be submitted to the primary contact person designated in Section 15.4 below, and (ii) any such approval or consent may be withheld in the sole and absolute subjective discretion of the County, unless otherwise provided. If the County gives its approval or consent, then such approval or consent must be in writing to be relied upon by Tenant or any person or entity claiming reliance thereon.

15.4 Notice/Designated Contact Person. Any notice or consent required to be given by or on behalf of any party hereto to any other party shall be in writing and mailed by registered or certified mail, return receipt requested, or sent by air courier or expedited mail service or personal hand delivery, addressed as follows:

If to Tenant:	Art Tollick, President Howard County Tennis Patrons, Inc. 7634 Moon Portrait Way Columbia, MD 21046
With a copy to:	Ronald S. Schimel, Esquire Miles & Stockbridge P.C. 10490 Little Patuxent Parkway, Ste. 300 Columbia, MD 21044
If to County:	Howard County Department Recreation and Parks 7120 Oakland Mills Road Columbia, MD 21046 Attn: Director
With a copy to:	County Solicitor Howard County, Maryland 3430 Court House Drive Ellicott City, Maryland 21043

Unless received sooner, as evidenced by a signed a receipt, each notice shall be deemed received three (3) business days after the same shall have been so deposited in the United States mail. If notice is sent via overnight mail or hand delivery, it shall be deemed received on the day received if so evidenced by a signed receipt.

The persons designated for receipt of notices shall also be the primary contacts for all matters relating to this Lease. If the notice address, or the person to whom the notice should be sent, or the primary contact person changes, then proper notice of the same shall be given to the other party.

15.5 No Partnership. The parties hereto agree that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, or association between the County and the Tenant, nor cause the County or the Tenant to be responsible in any way for the debts or obligations of the other party. Neither the method of computing Rent nor any other provision contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between the County and the Tenant other than the relationship of ground lessor and tenant.

15.6 Fees and Commissions. The County and Tenant each warrants and represents to the other that the party making the warranty and representation has not used the services of any brokers, finders or real estate agents in connection with the negotiation or execution of this Lease. The County and Tenant hereby agree to indemnify and hold the other harmless from and against any and all costs, expenses, liabilities, causes of action, claims or suits by any party for compensation, commissions, fees or other sums claimed to be due or owing with respect to the representation of County or Tenant as applicable, in effecting this Lease.

15.7 Non-Waiver of Default. No acquiescence by either party to any default by the other party hereunder shall operate as a waiver of its rights with respect to any other breach or default, whether of the same or any other covenant or condition.

15.8 Severability. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be held invalid, then the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby, and all other provisions of this Lease shall be valid and enforced to the fullest extent permitted by law.

15.9 Estoppel Certificate. Each party agrees within a reasonable period of time after a request therefore by the other party to execute and deliver to the requesting party a statement certifying to its actual knowledge, (a) whether or not this Lease is in full force and effect, (b) the Term Commencement Date and termination date of the Term of this Lease, (c) the date to which Rent and all other charges hereunder are paid currently without any offset or defense thereto (or stating any such offset or defense), (d) the amount of Rent and all other charges hereunder, if any, paid in advance, (e) whether or not this Lease has been modified and, if so, identifying the modifications, (f) that there are no uncured defaults by the other party or describing the claimed defaults, and (g) such other matters as the requesting party shall reasonably request. Nothing in any such estoppel certificate shall be deemed to modify or amend this Lease.

15.10 Amendments. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated orally, except only by an instrument in writing signed by the parties to this Lease.

15.11 Terminology. The captions contained in this Lease are for convenience only and do not in any way limit or modify any term or provision hereof. The use of the terms "hereof," "hereunder" and "herein" shall refer to this Lease as a whole, inclusive of the Exhibits, except when noted otherwise. The use of the masculine or neuter genders herein shall include the masculine, feminine and neuter genders and the singular form shall include the plural when the context so requires.

15.12 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

15.13 Successors and Assigns. All covenants, promises, conditions, representatives, and agreements herein contained shall be binding upon, apply, and inure to the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns.

15.14 Interpretation. In interpreting this Lease, there shall be no inference, by operation of law or otherwise, that any provision of this Lease shall be construed against either party hereto.

15.15 Unavoidable Delays. Whenever this Lease imposes a timely duty or obligation upon a party, that party shall proceed to discharge that duty or obligation with all due diligence and dispatch, time being of the essence. In the event that either party shall be delayed or hindered in, or prevented from, the performance of any work, service, other act or obligation required under this Lease to be performed by the party and such delay or hindrance or prevention of performance is due to (i) strikes, walkouts, lockouts, boycotts or other labor disturbances, or inability to procure materials, all of which is not the result of the acts, omissions or negligence of the party claiming the unavoidable delay, or (ii) unavailability of utility services (power, fuel, water, sewer, communications, or otherwise) which is not the result of the acts, omissions or negligence of the party claiming the unavoidable delay, or (iii) federal, state or local governmental entity or agency laws, rules, regulations or ordinances (including laws, rules, regulations or ordinances applicable to the development and/or construction of the Improvements), or (iv) delays in issuance of permits and/or approvals relating to the development and/or construction of the Improvements as long as any such delay is not the result of the acts, omissions or negligence of the party claiming the unavoidable delay, or (v) civil disorder, riots, insurrection, war, or acts of terrorism, or (vi) earthquake, hurricane, flood, tornado (or comparable weather conditions of unusual severity) or other reasons of a like nature which are beyond the reasonable control of either party (collectively an "Unavoidable Delay"), then performance of such work, service, or other act shall be excused for the period of such delay and the period for the performance of such work, service, or other act shall be extended for a period equivalent to the period of such delay. Lack of financial resources on the part of either party shall not be an Unavoidable Delay, and Rent must always be paid on the date due.

15.16 Exhibits. The Exhibits and Schedules identified in this Lease and attached hereto are incorporated herein and made a part of this Lease by this reference.

15.17 No Merger of Estates. The parties intend that this Lease continue in effect and not be terminated or otherwise affected by the doctrine of merger of estates upon the ownership at

anytime during the Term by the same person of both the reversion and the leasehold estate under this Lease, unless the County declares the fee interest and leasehold interest to merge upon County's ownership of both.

15.18 Recordation. Tenant, at Tenant's sole cost and expense, may record this Lease among the Land Records of Howard County and shall provide County with a photocopy of the recorded copy at no cost to County. If Tenant records this Lease, then Tenant shall pay all transfer and recordation tax and all recording fees and charges.

15.19 Obtaining Approvals. The County and Tenant shall cooperate and use good faith efforts to obtain all approvals necessary to effectuate the terms and conditions of this Lease. In the event the Howard County Council fails to approve this Lease on or before August 1, 2010, if such approval is required, or the County fails to obtain any other necessary approval required for it to enter into this Lease, then this Lease shall become null and void and of no further force and effect, unless the parties agree to extend the time for obtaining said approvals as provided for under this Lease. In the event that there is an extension to obtain said approvals under this Section 15.19, there shall be a corresponding day for day extension of the dates as provided in **Exhibit C**. It is anticipated that amendments to this Lease will be required by Tenant's lender(s) and/or bond indenture trustee(s) and the parties will reasonably cooperate with each other and such lender and/or bond trustee, at no cost or expense to the County, to effectuate reasonable amendments that the lender and/or bond trustee may require to insure that its lien interest in the Premises and income therefrom is unencumbered and not subordinate to any other lien interest. Tenant shall have the right to terminate this Lease without liability to the Tenant in the event that the County does not approve such amendments and/or does not, for any reason, obtain County Council approval of such amendments, if such approval(s) is/are required.

15.20 Non-Discrimination. Tenant's mission in constructing and operating the Tennis Facility is to provide a public tennis facility for all residents of Howard County, Maryland. Tenant and its contractors and vendors shall not discriminate against any individual based on age, sex, race, religion, creed, disability, national origin or sexual orientation. If Tenant, its contractors or vendors violate any Legal Requirement on the basis of discrimination, Tenant's operations on the Premises may be suspended in whole or in part by County until such time as Tenant shall have remedied the discrimination. Additionally, Tenant, and all of Tenant's contractors and subcontractors, shall not discriminate as set forth in Section 6.12 of this Lease.

15.21 Choice of Law. This Lease shall be interpreted according to the laws of the State of Maryland. The parties hereto agree that any enforcement actions shall be commenced in a State Court of competent jurisdiction in Howard County.

15.22 WAIVER OF JURY TRIAL. THE COUNTY AND TENANT, KNOWINGLY AND IN FULL AGREEMENT, HEREBY WAIVE THE RIGHT TO PRAY A JURY TRIAL FOR ALL SUITS, ACTIONS OR PROCEEDINGS RELATING TO THIS LEASE WHICH ARE BROUGHT OR INSTITUTED BY EITHER ONE OF THEM, OR THEIR RESPECTIVE SUCCESSORS, HEIRS OR ASSIGNS. THE COUNTY AND TENANT ACKNOWLEDGE AND AGREE THAT THIS PROVISION IS A SPECIFIC AND MATERIAL ASPECT OF THE LEASE.

15.23 Authority. If any party to this Lease is a corporation, limited liability company or partnership, then the person signing on behalf of such legal entity represents, warrants and covenants that the person is authorized to do so and that the entity is duly organized, validly existing, in good standing and thereby duly qualified to do business in the State of Maryland. Upon delivering the executed Lease, Tenant also shall deliver to the County a certified copy of the resolution or statement of consent of the Tenant's board of directors or members, as applicable, authorizing the execution of this Lease, or other such evidence of authority reasonably acceptable to the County. In addition to such resolution or statement of consent, Tenant shall deliver to the County, upon the execution of this Lease, a certificate of good standing from the State Department of Assessments and Taxation for the State of Maryland.

15.24 Integration. This Lease and the exhibits, schedules, and addendums, if any, attached to this Lease, constitute the entire agreement between the parties, and there are no agreements or representations between the parties except as expressed herein. All prior negotiations and agreements between the County and the Tenant with respect to the subject matter hereof are superseded by this Lease. Except as otherwise provided herein, no subsequent change or addition to this Lease shall be binding unless in writing and signed by the parties hereto.

15.25 Government Functions. In addition to the releases and waivers made in Section 10.3 by the Releasees, Tenant acknowledges and confirms that the County by entering into this Lease is in no way limiting its Government Functions and how said functions may apply to Tenant and the Premises. Further, as part of the consideration for the County entering into this Lease, Tenant hereby waives, without limiting Section 10.3, all claims, assertions and defenses that might be made by Tenant that the County as ground lessor under this Lease has in any way permitted either the Tenant to act in a manner or condone Tenant’s omission to act in a way that is contrary to the Lease, the Legal Requirements and/or the Government Functions.

15.26 Dispute Resolution. For disputes for which the dispute resolution as set forth in this Section 26 is specified as being required, the parties agree that before declaring a default or an Event of Default hereunder, that, a senior representative of each of the County and Tenant shall meet and use good faith efforts to attempt an informal resolution of the dispute. If the parties are unable to reach a resolution of the dispute within ten (10) business days following the date on which one party gives notice to the other of the dispute, then either party may exercise all rights and remedies provided to it at law or in equity.

15.27 Survival. Notwithstanding anything to the contrary contained in this Lease, the provisions, including, without limitation, covenants, agreements, representations, warranties, obligations, and liabilities, of this Lease which from their sense and context are intended to survive the expiration or earlier termination of this Lease, whether or not such provision expressly provides for survival, shall survive such expiration or earlier termination of this Lease and continue to be binding upon the applicable party.

IN WITNESS WHEREOF, the Parties have executed this Lease, under seal, with the intent that it be a sealed instrument effective on the date first above written.

ATTEST/WITNESS:

TENANT:
HOWARD COUNTY TENNIS PATRONS, INC.,
a Maryland corporation

_____

By: _____(SEAL)
Arthur Tollick, President

ATTEST:

GROUND LESSOR:
HOWARD COUNTY, MARYLAND

_____
Lonnie R. Robbins
Chief Administrative Officer

By: _____(SEAL)
Ken Ulman
County Executive

APPROVED:
DEPARTMENT OF RECREATION & PARKS

_____
John R. Byrd, Acting Director

APPROVED:
DEPARTMENT OF PUBLIC WORKS

_____
James M. Irvin, Director

APPROVED for Sufficiency of Funds:

_____
Sharon F. Greisz, Director
Department of Finance

APPROVED as to Form and Legal Sufficiency
this _____ day of _____, 2010.

_____
Margaret Ann Nolan
County Solicitor

TENANT:
STATE OF MARYLAND, _____ COUNTY, TO WIT:

I HEREBY CERTIFY that on this _____ day of _____, 2010, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared Arthur Tollick, who acknowledged himself to be the President of Howard County Tennis Patrons, Inc. a Maryland corporation, and that he, as such officer being authorized so to do, executed the aforegoing Lease for the purposes therein contained by signing the name of said corporation as the tenant, by himself as such officer, and certified that he is duly authorized and has the power to execute the same.

AS WITNESS my Hand and Notarial Seal.

_____
Notary Public

My Commission Expires: _____

COUNTY EXECUTIVE:
STATE OF MARYLAND, _____ COUNTY, TO WIT:

I HEREBY CERTIFY that on this _____ day of _____, 2010, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared Ken Ulman, the County Executive for Howard County, Maryland, the ground lessor in the aforegoing Lease, who acknowledged the same to be the act of the County and that he executed the foregoing Lease for the purposes therein contained by signing in my presence the name of Howard County, Maryland, as County Executive.

AS WITNESS my Hand and Notarial Seal.

_____
Notary Public

My Commission Expires: _____

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

LIST OF EXHIBITS

Exhibit A - Premises
Exhibit B - Site Plan
Exhibit C - Tenant Design and Construction Milestones
Exhibit D - List of Approved Plans and Specifications (including the construction schedule and budget)
Exhibit E - Rendering of Tennis Facility and Stadium
Exhibit F - Tenant's Environmental Disclosure
Exhibit G - Conflict of Interest and Conduct

LIST OF SCHEDULES

Schedule 1 - Revenue Based Rent Calculation
Schedule 2 - Leasehold Improvement Lender(s) Provisions

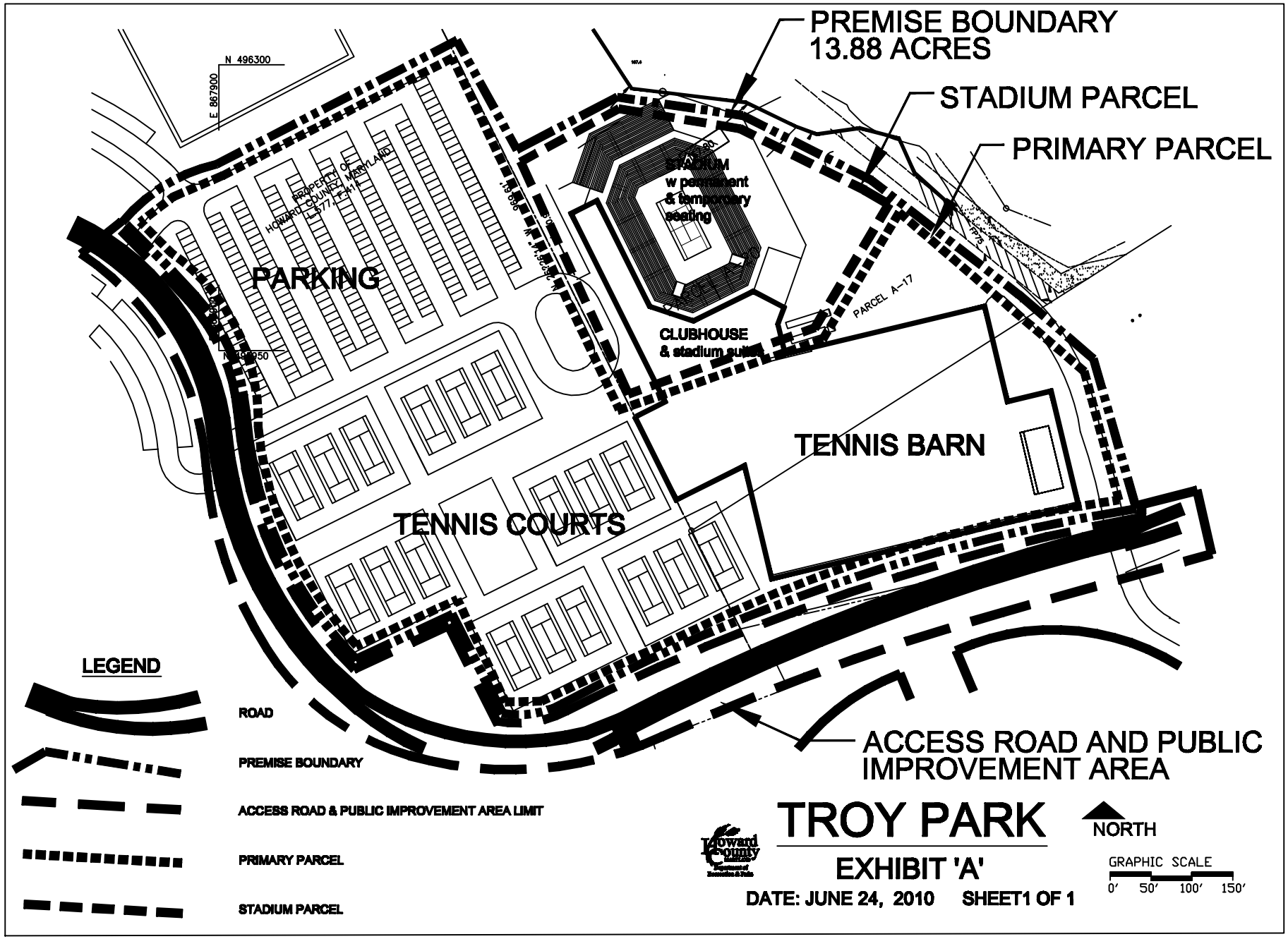
GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT A

PREMISES

[Metes and Bounds Description of the Premises, and the Primary Parcel and the Stadium Parcel, to be added when Boundary Survey completed.]

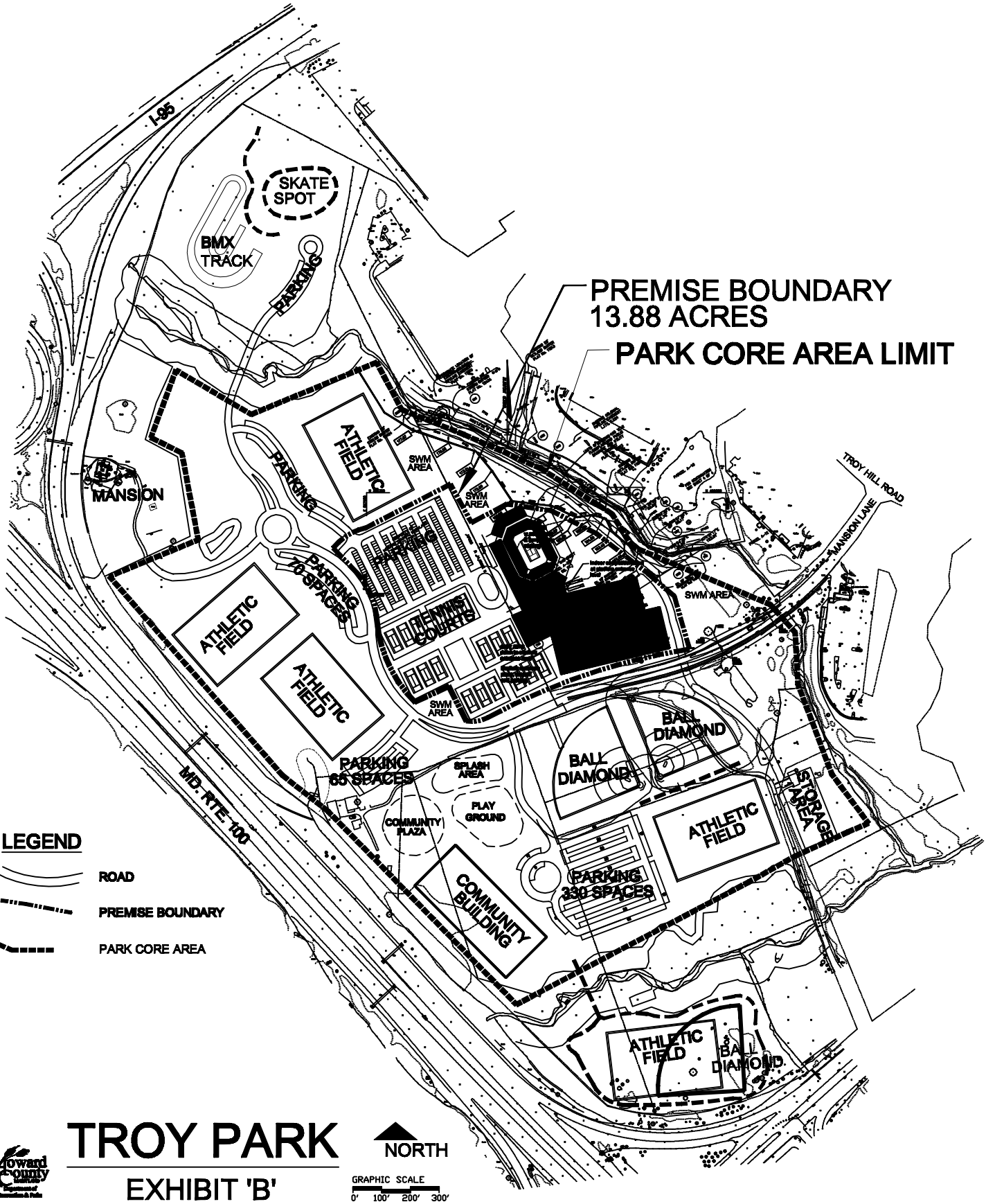

PREMISE BOUNDARY
13.88 ACRES
STADIUM PARCEL
PRIMARY PARCEL
N 496300
E 867900
PROPERTY OF
HOWARD COUNTY, MARYLAND
L.577, F.414
PARKING
STADIUM
w permanent
& temporary
seating
CLUBHOUSE
& stadium suites
PARCEL A-17
TENNIS BARN
TENNIS COURTS
ACCESS ROAD AND PUBLIC
IMPROVEMENT AREA
LEGEND
ROAD
PREMISE BOUNDARY
ACCESS ROAD & PUBLIC IMPROVEMENT AREA LIMIT
PRIMARY PARCEL
STADIUM PARCEL
TROY PARK
EXHIBIT 'A'
DATE: JUNE 24, 2010 SHEET1 OF 1
NORTH
GRAPHIC SCALE
0' 50' 100' 150'

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT B

SITE PLAN



TROY PARK

EXHIBIT 'B'

NORTH

GRAPHIC SCALE
0' 100' 200' 300'

DATE: JUNE 24, 2010 SHEET 1 OF 1

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT C

TENANT DESIGN AND CONSTRUCTION MILESTONES

Troy Regional Park Tennis Center Design and Construction Milestones	
Item	**Date**
Schematic Review and Comment	Fourteen (14) calendar days from the date of Tenant's receipt
Submission of Construction Drawings to DILP	October 1, 2010
Site Development Plan Approved	November 27, 2010
Loan Closing Date	December 1, 2010
Construction Start Date	Within thirty (30) days from Term Commencement Date
Initial Substantial Completion Date	Fifteen (15) months from the date of the Construction Start Date
Substantial Completion Date	Eighteen (18) months from the date of the Construction Start Date

NOTE: Notwithstanding the foregoing, subject to the conditions set forth in the Lease, Tenant may elect to extend the Loan Closing Date up to June 1, 2011, and thereby the Term Commencement Date and the remaining dates referenced in this **Exhibit C**.

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT D

LIST OF APPROVED PLANS AND SPECIFICATIONS
(including the construction schedule and budget)

[To be attached once completed and approved]

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT E

RENDERING OF THE TENNIS FACILITY AND STADIUM

[To be attached when completed and agreed upon by the parties.]

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT F

TENANT'S ENVIRONMENTAL DISCLOSURE

None as of the Effective Date of the Lease. This Exhibit will be revised and updated periodically. The Tenant will provide and integrated pest control plan if requested by the County.

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

EXHIBIT G

CONFLICT OF INTEREST AND CONDUCT

Howard County Charter
Section 901. Conflict of Interest.

(a) Prohibitions. No officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of any contract, job, work, or service for the County. No such officer or employee shall accept any service or thing of value, directly or indirectly, from any person, firm or corporation having dealings with the County, upon more favorable terms than those granted to the public generally, nor shall he receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable by the County, or by any person in connection with any dealings with the County, or by any person in connection with any dealings with or proceedings before any branch, office, department, board, commission or other agency of the County. No such officer or employee shall directly or indirectly be the broker or agent who procures or receives any compensation in connection with the procurement of any type of bonds for County officers, employees or persons or firms doing business with the County. No such officer or employee shall solicit or accept any compensation or gratuity in the form of money or otherwise for any act or omission in the course of his public work; provided, however, that the head of any department or board of the County may permit an employee to receive a reward publicly offered and paid for, for the accomplishment of a particular task.

(b) Rules of construction; exceptions by Council. The provisions of this Section shall be broadly construed and strictly enforced for the purpose of preventing officers and employees from securing any pecuniary advantages, however indirect, from their public associations, other than their compensation provided by law.

In order, however, to guard against injustice, the Council may, by resolution, specifically authorize any County officer or employee to own stock in any corporation or to maintain a business in connection with any person, firm or corporation dealing with the County, if, on full public disclosure of all pertinent facts to the County Council by such officer or employee, the Council shall determine that such stock ownership or connection does not violate the public interest.

The County Council may, by ordinance, delegate to the Howard County Ethics Commission the power to make such determinations and to authorize the ownership or connection. Any ordinance which delegates this power shall provide for procedures including a public hearing, and shall establish criteria for determining when the ownership or connection does not violate the public interest.

(c) Penalties. Any officer or employee of the County who willfully violates any of the provisions of this Section shall forfeit his office. If any person shall offer, pay, refund or rebate any part of any fee, commission, or other form of compensation to any officer or employee of the County in connection with any County business or proceeding, he shall, on conviction, be punishable by imprisonment for not less than one or more than six months or a fine of not less than $100.00 or more than $1,000.00, or both. Any contract made in violation of this Section may be declared void by the Executive or by resolution of the Council. The penalties in this Section shall be in addition to all other penalties provided by law.

Howard County Code
Section 22.204. Prohibited Conduct and Interests.

(a) Participation Prohibitions: County official and employees subject to this subtitle shall not:

(1) Except in the exercise of an administrative or ministerial duty which does not affect the disposition or decision with respect to the matter, participate on behalf of the county in any matter which would, to their knowledge, have a direct financial impact as distinguished from the public generally, on them, their spouse, parent, child, sibling or upon any business interest with which they are affiliated;

(2) Except as exempted by the County Council pursuant to Section 901(b) of the Howard County Charter, hold or acquire an interest in a business entity that has or is negotiating a contract with the county or is regulated by the official or employee;

(3) Except in the exercise of an administrative or ministerial duty which does not affect the disposition or decision with respect to the matter, participate in any matter involving a business entity with which they, their spouse, parent, child or sibling are negotiating or have an arrangement concerning prospective employment.

(b) Employment Prohibitions: Except as exempted by the County Council pursuant to Section 901(b) of the Howard County Charter or when the employment or interest does not create an actual or apparent conflict of interest, officials and employees shall not:

(1) Be employed by:

(i) Any entity subject to their official authority;

(ii) Any entity subject to the authority of the Howard County agency, board or commission with which they are affiliated;

(iii) Any entity which is negotiating or has entered into a contract with the Howard County agency, board or commission with which they are affiliated.

(2) Represent any party for a fee, commission or other compensation before any county body;

(3) Within one (1) year following termination of county service, act as a compensated representative of another in connection with any specific matter in which they participated substantially as a county official or employee.

The employment provisions listed above do not apply to:

(1) An official or employee who is appointed to a regulatory or licensing authority pursuant to a requirement that persons subject to its jurisdiction be represented in appointments to it;

(2) Subject to other provisions of law, a member of a board or commission who publicly disclosed a financial interest or employment to the appointing authority at the time of appointment;

(3) Employees or officials whose duties are ministerial, provided that the private employment or financial interest does not create a conflict of interest or the appearance of such a conflict.

(c) Solicitation/Acceptance of Gifts or Compensation: No employee or official shall solicit any gifts. No employee or official shall accept any gift or compensation, directly or indirectly, from any person that he/she knows or has reason to know, has financial interests, distinguishable from the interest of the public, that would be affected by the actions of the employee or official.

(d) Use of Prestige of Office: No county officials or employees subject to this subtitle shall intentionally use the prestige of their office for their own gain or that of another. The performance of usual and customary constituent services without additional compensation does not constitute the use of prestige of office for an official or employee's private gain or that of another.

(e) Disclosure of Confidential Information: Other than in the discharge of official duties, officials or employees may not disclose or use, for their own gain or that of another, confidential information acquired by reason of public position and which is not available to the public.

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

SCHEDULE 1

REVENUE BASED RENT CALCULATION

The following are the terms, conditions, definitions and calculations to be used in determining the amount of Revenue Based Rent due and payable under the Lease.

Revenue Based Rent for each Lease Year shall equal Tenant's Change in Net Assets from Operations (defined below) for such Lease Year less the Target Change in Net Assets from Operations (defined below) for that same Lease Year; provided, however that Revenue Based Rent shall be zero for any Lease Year for which Tenant's Change in Net Assets from Operations is negative or zero.

"Change in Net Assets from Operations" shall equal Tenant's Gross Operating Revenues (defined below) less Operating Expenses and Reserves (also defined below).

"Target Change in Net Assets from Operations" for any Lease Year shall mean the product of 1.25 multiplied by the minimum amount of Tenant's Change in Net Assets from Operations that is required for such Lease Year to avoid violating the minimum debt service coverage ratio requirement (if any) of Tenant's bond issuer or mortgage lender as set forth in the applicable loan documents.

"Gross Operating Revenues" shall be determined on an accrual basis in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and shall include: (i) all sums received from rentals of all or portions of the Tennis Facility, and revenues from classes, camps, programs and all tournaments, event tickets, concessions and other services, (ii) revenue from parking fees regardless of whether parking or concessions are operated on the Premises or otherwise within the Park as permitted by the County pursuant to permits and/or licenses, and (iii) all sums paid for and advertising signs placed within the Tennis Facility; provided, however, that Gross Operating Revenues shall exclude all sums paid for seat and box licensing fees, naming rights associated with the Tennis Facility and/or the naming of rooms, courts or other elements of the Tennis Facility and charitable donations to Tenant, as long as all of these funds are used for the construction and development of the Tennis Facility and/or used to lessen the amount of the required loan or placed in required reserve accounts.

"Operating Expenses and Reserves" shall be determined on an accrual basis in accordance with GAAP and consists of: (i) reasonable sums (based on comparable facilities in the Pennsylvania, Maryland, Virginia and District of Columbia region) paid to third parties to operate, maintain and manage the Premises, Improvements, tournaments (including Major Tournaments and tournaments relating to the Ball Field, if applicable), Tennis Facility and programs including, without limitation, reasonable management fees paid to a third party professional facility

manager to operate and manage the Premises, Improvements, tournaments, Tennis Facility and programs pursuant to the operational control by Tenant as provided in the Lease and reiterated below, (ii) other expenses of operating, maintaining and repairing all Improvements (including the exterior Improvements) and including payment of utilities, taxes and insurance premiums, (iii) general and administrative expenses, including supplies and general overhead expenses, payroll and benefits, and legal, accounting and auditor fees and expenses, directly attributable to the operation of the Tennis Facility, (iv) depreciation or amortization, as applicable, of costs directly incurred to consummate the lease transaction and directly incurred for the initial design, development and construction of all Improvements (including the exterior Improvements), (v) financing costs directly related to all Improvements, including interest expense, loan fees and similar financing related charges, but excluding the repayment of loan principal, and (vi) reasonable operating reserves for replacements of the Improvements and working capital expenditures in the amount which is the greater of the Lender-Required Reserves (defined below) or the reserves required or permitted under the Lease. Notwithstanding anything to the contrary contained herein, there shall be no double-counting of any cost, charge or expense to be included in Operating Expenses and Reserves.

"Lender-Required Reserves" shall include all reserves in the nature and amounts required in connection with financing for the development of the Tennis Facility and Improvements, including without limitation, reserves for taxes, capital improvements, repair and replacements, debt service, and capitalized interest.

GROUND LEASE AGREEMENT

TROY REGIONAL PARK

SCHEDULE 2

LEASEHOLD IMPROVEMENTS LENDERS PROVISIONS

[To be completed prior to the Loan Closing]