EXHIBIT 2

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE is made this _______ day of November of 2007, by and between Taylor Service Company, (formerly know as Howard County Sanitarium Company, d/b/a "Taylor Manor Hospital" and d/b/a "Taylor Health System"), a Maryland corporation ("Landlord"), and Sheppard Pratt Health System, Inc., a Maryland corporation ("Tenant").

LEASE

IN CONSIDERATION of the Rents hereinafter reserved and the agreements set forth herein and in the General Terms and Conditions, Landlord hereby leases to Tenant and Tenant rents from the Landlord the Premises, for the Term. Landlord and Tenant do hereby agree as follows.

1. <u>Lease Terms; Defined Words and Phrases; Attachments</u>. The terms of the Lease set forth below also constitute the definitions for the capitalized words and phrases when used in the foregoing grant and in the following Sections and Subsections and in the attached General Terms and Conditions of Lease, and in all the other Exhibits and Riders attached hereto.

1.1.<u>"Additional Rent".</u> Tenant shall pay as Additional Rent to Landlord Tenant's pro-rata share of Taxes and all-risk property and casualty insurance.

1.2. "Basic Rent". During the Term

- (a) for the entire **Center Building** (60,289 square feet):
 - Lease Year One: \$17.82 per square foot per annum, which equals \$1,074,349.98 per annum, payable in equal monthly installments of \$89,529.17.
 - Lease Years Two through Five: Each Lease Year's Basic Rent shall be two and one-half percent (2½%) above the Basic Rent for the prior Lease Year, and shall be payable in equal monthly installments.
- (b) For 1,100 square feet in K Cottage:
 - Lease Year One: \$10.69 per square foot per annum, which equals \$11,759 per annum, payable in equal monthly installments of \$979.92.
 - Lease Years Two through Five: Each Lease Year's Basic Rent shall be two and one-half percent (2½%) above the Basic Rent for the prior Lease Year, and shall be payable in equal monthly installments.
- (c) During any Renewal Option Term, the Basic Rent shall be as provided with respect to that Renewal Option Term.

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- (d) Tenant shall have the right on 30 days prior notice to discontinue the rental of the K Cottage. In the event that this notice is given prior to the start of the term, the K Cottage shall not be part of the Premises, but the rates for such rental shall continue to apply to applicable Expansion Space if and when utilized.
- (e) Tenant shall have the right to move any of the Taylor Service Company available food service equipment from the K Cottage to the Center Building for Tenant's use at Tenant's expense for all upkeep and the move.

1.3."<u>Building</u>". The Center Building, located on the campus of the property known as Taylor Manor Facility and having the address of 4100 College Avenue, Ellicott City, Maryland 21043.

1.4."<u>Commencement Date of the Term</u>". The Commencement Date of the Term shall be January 1, 2008.

1.5."<u>Effective Date</u>". The date of complete execution and delivery of this Lease by all parties, and delivery of a complete copy thereof to Tenant, which date shall be inserted above. The Lease shall be effective and binding upon the parties from and after the Effective Date.

1.6. "Expansion Option". By sixty (60) days written notice to Landlord, Tenant shall have the option, subject to Landlord's discretion, to increase the size of the Premises by incorporating other unleased areas in the Administration Building or other buildings in Landlord's Taylor Manor Facility. Expansion Space shall become part of the Premises, and the Basic Rent payable with respect to expansion space shall be at the Expansion Option Rate.

1.7."<u>Expansion Option Rate".</u> If expansion space added to the Premises pursuant to the Expansion Option, the Basic Rent for the balance of the Lease Year in which the space is added shall be as follows:

- (a) For the Administration Building, \$16.00 per square foot per annum, prorated and payable monthly
- (b) For any other building in which programs would be operated, the then current annual per square foot Basic Rent for the Center Building, prorated and payable monthly.
- (c) For any other building to be used for storage and other nonprogrammatic uses, the then current annual per square foot Basic Rent for the K Cottage, prorated and payable monthly.

In subsequent Lease Years, the Basic Rent for any expansion space shall be two and one half percent $(2\frac{1}{2}\%)$ above the Basic Rent for the Prior Lease Year, and the monthly installments shall be adjusted accordingly.

1.8."<u>Landlord's Notice Address</u>". Taylor Service Company, 4100 College Avenue, Ellicott City, Maryland 21041-0396, or P. O. Box 396, Ellicott City,

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Maryland 21041-0396.

Address.

1.9."Landlord's Rental Payment Address". Same as Landlord's Notice

1.10. "Lease Year". A period of twelve (12) consecutive full calendar months. Lease Year One shall begin on the Commencement Date of the Term hereof and shall end on the last day of the twelfth (12th) full calendar month thereafter. Each succeeding Lease Year shall commence upon the anniversary date of Lease Year One.

1.11. "<u>Permitted Use".</u> The Premises shall be used and occupied only for the purpose of operating inpatient, outpatient, and partial hospitalization mental health facilities and programs, residential/respite programs, and school programs (including but not limited to Type III and Level V), not including any program treating sex offenders other than patients who incidentally are dually diagnosed, and for no other purpose. The use by Tenant shall be in accordance with applicable zoning regulations (and any conditional use and zoning variance issued or granted) and other applicable laws.

1.12. "<u>Premises</u>". The Building plus the 1,100 square feet located in the K Cottage, plus any additional square feet which Tenant elects to include in the Premises pursuant to the Expansion Option. The Premises also include the parking areas and all other common areas to which Tenant has rights of access or shared use. The Premises are shown on Attachment 1 attached hereto as a part hereof.

1.13. "<u>Renewal Options</u>". Tenant shall have three (3) options to renew for additional terms of two (2) years each, each renewal option to be exercised as set forth in Sections 3.2 and 3.3 of the General Terms and Conditions.

1.14. "<u>Signage</u>". Tenant shall have signage and naming rights as set forth in Section 29 of the General Terms and Conditions.

1.15. "<u>Tenant Improvements</u>". Tenant may make those improvements to the Premises determined by Tenant to be necessary or desirable to make the Premises suitable for Tenant's Intended Use, pursuant to Sections 7-9 of the General Terms and Conditions.

1.16. "<u>Tenant's Notice Address</u>". Attention: Chief Financial Officer, P.O. Box 6815, Baltimore, Maryland 21285-6815.

1.17. "<u>Term</u>". A period of five (5) Lease Years, commencing on the Commencement Date of the Term. The "Term" shall also include one or more of the renewal terms pursuant to any exercise of a Renewal Option granted to Tenant hereunder.

2. <u>General Terms and Conditions</u>. The General Terms and Conditions to Lease, numbered as Sections 1 through 34 on pages numbered 5 through 19, attached hereto, are an integral part of this Lease and are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed and sealed this Agreement of Lease, or have caused the same to be executed on their respective behalves by their duly authorized representatives, the date and year first above written.

WITNESS:

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WITNESS OR ATTEST:

Eileen M. Eich Date: October 31, 2007

LANDLORD: Taylor Service Company

- Dayly Laseal) By: / / e

Bruce T. Taylor, M.D., President

TENANT: SHEPPARD PRATT HEALTH SYSTEM, INC.

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GENERAL TERMS AND CONDITIONS TO AGREEMENT OF LEASE

1. General Terms and Conditions to Lease. These are the General Terms and Conditions to Agreement of Lease, numbered as Sections 1 through 34 on pages numbered 5 through 19, and are attached to that Agreement of Lease dated Norember $\underline{1}$, 2007, between Taylor Service Company as Landlord, and Sheppard Pratt Health System, Inc., as the Tenant named therein.

2. Lease of Premises. Landlord has leased the Premises to the Tenant and Tenant has rented and accepted the same from the Landlord, subject to these General Terms and Conditions.

3. Term.

3.1.**Original Term.** The original Term of this Lease shall commence upon the Commencement Date of the Term.

3.2. **Renewal Options.** Provided Tenant is not in default of any of its obligations under this Lease, Tenant shall be entitled to renew this Lease, including all or any part of the Expansion Option space, for up to three (3) additional terms of two (2) years each, each renewal term commencing immediately following the expiration of the preceding term, on the same terms, conditions and rental as the original Term, with the following additional conditions:

3.2.1. Tenant will give written notification to Landlord no later than ninety (90) days prior to the termination of the preceding term of its election to renew this Lease; and

3.2.2. The Basic Rent for each year of each Renewal term will be two and one half percent $(2\frac{1}{2}\%)$ above the Basic Rent for the prior Lease Year, except that for the **first Lease Year of the First Renewal Term** and the **second Lease Year of the Third Renewal Term**, the Basic Rent will be determined as follows:

The greater of a) two and one half percent (2½%) above the Basic Rent for the prior Lease Year or b) an amount determined by (i) multiplying the Basic Rent for the square footage rate set forth in the Lease for the first year of the Lease Term for each rental area by the Consumer Price Index for All Urban Consumers (CPI-U), Baltimore Metropolitan Area Average, published for the preceding October 31 in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor (the "CPI Index"), and (ii) dividing that amount by the CPI published for October 31, 2007, and (iii) multiplying the resulting quotient by the number of square feet for that rental area currently included in the Leased Premises.

4. **Rents.** Tenant covenants and agrees to pay to Landlord during the Term, as Rent for the Premises, the aggregate of all Basic Rent due hereunder, as follows.

4.1.**Basic Rent.** The Basic Rent shall be payable in equal monthly installments of Basic Rent in advance on the first day of each full calendar month during the Term, without any deduction or setoff whatsoever, and without demand.

4.2.Late Charge For Failure to Pay Rent. All sums payable as Basic Rent shall be paid by Tenant to Landlord's Rental Payment Address, or at such other

address as Landlord may from time to time designate by Notice given to Tenant care of Tenant's Notice Address. If Tenant fails to pay any Basic Rent within twenty (20) days of the time it is due and payable (including deemed failure to pay due by dishonor of Tenant's check upon presentation for payment), then Landlord, in addition to all other rights and remedies contained in this Lease, may assess a one-time late charge against Tenant in the amount of Five percent (5%) of the delinquent amount. Tenant shall further be responsible for the payment of any legal expense and management fees incurred by Landlord in collecting any delinquent Rent due hereunder.

5. Compliance with Law. Tenant shall, throughout the Term, at Tenant's sole cost and expense, promptly comply with the provisions of all laws, ordinances, notices, orders, rules, regulations and requirements of any and all federal, state or municipal governments, JCAHO requirements identified after the Effective Date, and of the appropriate departments, commissions, boards and officers thereof as they relate to Tenant's use of the Premises except that Tenant shall not be required by reason of any governmental order or regulation to make any alteration, modification, substitution or other change of any nature to the structural, mechanical, electrical, plumbing, HVAC and sprinkler systems within or serving the Premises (all collectively referred to herein as "Alterations") unless and except to the extent that Alterations are required as direct consequence of Tenant's use and occupancy of the Premises for the Tenant's Intended Use.

6. Assignment and Subletting. Tenant agrees for itself and its permitted successors and assigns in interest hereunder that it will not (i) assign or otherwise transfer, mortgage or otherwise encumber this Lease or any of its rights hereunder; (ii) sublet the Premises or any part thereof or permit the occupancy or use of the Premises or any part thereof by any person other than Tenant; or (iii) permit the assignment or other transfer of this Lease or any of Tenant's rights hereunder by operation of law, including any levy or sale in execution of a judgment or any assignment or sale in bankruptcy, or insolvency, or the appointment of a receiver or trustee by any state or federal court, without the prior written consent of Landlord in each instance first obtained, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord will not consent to assignment or sublet to any program treating sex offenders (other than patients who incidentally are dually diagnosed). Each of the events referred to in the foregoing clauses (i), (ii) and (iii) are hereinafter referred to as a "Transfer"; and any transferee, assignee, mortgagee, sublessee or occupant with respect thereto is hereinafter referred to as a "Transferee". Any consent given to any one Transfer shall not constitute a consent to any subsequent Transfer. Any attempted Transfer without Landlord's consent shall be null and void and shall not confer any rights upon any purported Transferee. No Transfer, regardless of whether Landlord's consent has been granted or withheld, shall be deemed to release Tenant from any of its obligations hereunder or to alter, impair or release the obligations of any person guaranteeing the obligations of Tenant hereunder. An assignment or subletting of all or part of Tenant's interest in the Lease and Premises to any parent, subsidiary or affiliate corporation of Tenant or to the surviving corporation in connection with a merger, consolidation or acquisition between Tenant and any of its subsidiaries or any other corporation, or in connection with the sale of all or substantially all of the Premises and assets of the Tenant shall not be deemed a "Transfer" with respect to which Landlord's consent is required.

7. Abandonment of Premises or Personal Property; Surrender of Premises.

7.1. Abandonment. Tenant shall not abandon the Premises at any time during the Term of this Lease, but if Tenant does abandon the Premises or is dispossessed by process of law then any personal property belonging to Tenant and left on the Premises may, at the option of the Landlord, be deemed to have been abandoned by Tenant, in which case the provisions of Subsection 7.4 shall apply.

7.2. **Surrender.** Unless sooner terminated pursuant to the provisions hereof, this Lease shall expire absolutely upon the expiration of the Term without the necessity of any notice or other action from or by either party hereto. At the expiration or earlier termination of the Term of this Lease, Tenant shall, at the request of Landlord, remove any fixtures or improvements installed by Tenant or by Landlord at Tenant's request, repair any damage caused by such removal, and peaceably surrender the Premises in broom clean condition and good order and repair and otherwise in the same condition as the Premises were upon the commencement of this Lease, except (i) ordinary wear and tear, (ii) to the extent that the Premises is not required to be repaired or maintained by Tenant and (iii) damage by fire or other casualty not caused by Tenant.

7.3. **Trade Fixtures.** All trade fixtures installed by Tenant in the Premises, other than Tenant Improvements, shall remain the property of Tenant and shall be removable from time to time and also at the expiration of the Term of this Lease or other termination thereof, provided Tenant shall not at such time be in default under any covenant or agreement contained in this Lease; otherwise such fixtures shall not be removable. Tenant further agrees to reasonably repair any damage to the Premises caused by removal of such fixtures.

7.4.**Removal of Personal Property.** At the expiration or earlier termination of the Term of this Lease, Tenant shall immediately remove all personal property which it owns and is permitted to remove from the Premises under the provisions of this Lease and, failing to do so, Landlord may cause that property to be removed at the risk and expense of Tenant (both as to loss and damage) in which case Tenant hereby agrees to pay all reasonable costs and expenses incurred thereby, including sums paid to store the personal property elsewhere or dispose of same, together with the costs of any repairs to the Premises caused by the removal of the personal property.

8. Repairs and Replacements.

8.1.**Repairs and Replacements to be Made by Landlord.** Landlord shall deliver the Premises as of the commencement of the Term with all existing mechanical, electrical and plumbing systems, all other equipment, and all paving in good condition and in good working order, and in compliance with or grandfathered in all applicable code and regulatory standards. Except as otherwise provided in this Section 8, Landlord thereafter shall maintain, repair, and replace as necessary, (i) the roof of the Building and any other buildings of which the Premises are a part; (ii) the exterior walls and foundations of the Building (excluding all doors and locks, door frames, windows and glass within the Premises) and any other buildings of which the Premises are a part; (and floor tile) of the Building and any other building and any other building floor coverings such as carpet and floor tile) of the Building and any other buildings of which the Premises are a part; (iv) all utility services and

connections for the Premises, except Tenant shall be responsible to maintain telephone and/or computer lines it has installed to the Premises. (v) all common areas and the paved areas of the Premises, and (vi) the interior of all parts of the Administration Building if part of the Premises. Tenant shall reimburse Landlord monthly for Tenant's pro-rata share of repairs and maintenance provided pursuant to (vi) with respect to the interior of the Administration Building.

8.2. **Repairs to be Made by Tenant.** From and after the commencement of the Term, Tenant shall be responsible for the maintenance and repair of all Tenant installed improvements. Tenant shall at all times at its own expense keep and maintain the interior of the Premises in good order, and in a neat, safe, clean, and orderly condition, including, but not limited to, reasonable periodic painting of Tenant's exclusive use areas. Tenant shall keep all of Tenant's improvements in good order and repair and will make all replacements from time to time required thereto at its expense. Tenant will not paint or make other changes to plastic laminate surfaces without Landlord's consent. Tenant will maintain any laundry, kitchen, or food storage equipment which are or become included in the Premises.

8.3.**Snow Removal and Lawn Maintenance.** Landlord shall be responsible for all snow removal greater than 1" from all common walkways and the paved areas of the Premises and for all maintenance of the lawns (including lawn-mowing) and landscape surrounding the Premises.

9. Subsequent Alterations. Except as specifically provided in this Section, Tenant will not make any alterations to the Premises unless and until Tenant shall have obtained Landlord's written approval thereof, which consent shall not be unreasonably withheld, conditioned or delayed.

Landlord hereby consents to permit Tenant to fill in the swimming pool so as to allow use of the outdoor space by Tenant's clients, provided that Tenant may only fill in the swimming pool in accordance with a plan approved by Landlord that reflects a fill-in which can be undone without significant damage to the pool.

Interior modifications to the Building, in the nature of partitioning, painting, carpeting, wall-covering, and the like, not involving changes to the structural, mechanical, electrical, plumbing, HVAC and sprinkler systems within or serving the Premises, shall not be deemed alternations within the meaning of this Section requiring Landlord's consent.

10. Taxes. Tenant shall pay to Landlord as Additional Rent all Taxes levied upon or assessed against the Building during the Term of this Lease. Tenant shall pay to Landlord as Additional Rent Tenant's share of all Taxes applicable to any other buildings and all of the land of which the Premises are a part. The term "Taxes" shall be defined as all real estate and other *ad valorem* taxes, including, without limitation, real estate rental, receipt or gross receipt tax or any other tax on Landlord (excluding Landlord's income taxes), now or hereafter imposed by any federal, state or local taxing authority and whether as a substitution for or in addition to the present method of real property taxation currently in use.

To the extent that the same may be permitted by law, Tenant shall have the right to apply for the conversion of any assessment for local improvements assessed during the term of this Lease in order to cause the same to be payable in annual installments, whether or not such installments would extend beyond the term of this Lease, provided, however, that no such installment may extend beyond the useful life of the respective improvement as estimated by the responsible governmental agency or public utility. After any such conversion, Tenant shall pay and discharge punctually, as and when due, such installments as become due during the term of this Lease after the Commencement Date of the Term. Landlord agrees to permit the application for such conversions to be filed in Landlord's name, if necessary; and Landlord shall, in each instance within ten (10) days after request therfor, execute any and all documents requested by Tenant to accomplish the foregoing result.

Tenant shall have the right to contest or review all such Taxes by legal proceedings, or in such other manner as Tenant may deem suitable, which, if instituted, Tenant shall conduct promptly and at its own cost and expense; however, Landlord's prior written approval shall be required with respect to any such contest or review to the extent the same involves the assessment against the land (as distinguished from and excluding the improvements). If necessary, such permitted proceedings may be instituted in the name of Landlord, in which event Landlord shall cooperate and execute all documents necessary in connection therewith, at Tenant's expense. Notwithstanding the foregoing, Tenant shall promptly pay all such Taxes if at any time penalties would be imposed therefore, or the Premises or any part thereof shall then be immediately subject to forfeiture, or if Landlord would be subject to any criminal liability, on account of the non-payment thereof. The legal proceedings referred to above include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. In the event of any reduction, cancellation or discharge of the Taxes or proceedings, Tenant shall pay the amount finally levied or assessed against the premises or adjudicated to be due and payable on any such contested Taxes.

If there shall be any refunds or rebates on account of the Taxes paid by Tenant under this Lease, such refund or rebate shall belong to Tenant. Any such refunds received by Landlord shall be deemed trust funds and as such are to be received by Landlord in trust and paid to Tenant forthwith. Landlord shall, upon the request of Tenant, sign any receipts which may be necessary to secure the payment of any such refund or rebate, and shall pay over to Tenant such refund or rebate when and as received by Landlord.

Landlord shall promptly pay all such taxes and costs, and Tenant shall reimburse Landlord, within ten (10) days of receipt of Landlord's statement therefore, Tenant's proportionate share thereof on a per acre basis as to the land and on a per square foot basis as to the improvements. If the assessed value of the Building and any improvements upon the Building is separately stated by the taxing authorities or is obtainable from the assessor's worksheet, then Tenant's proportionate share of the Taxes with respect to the Building and the improvements shall be the Taxes therefore as shown in, or calculable from, said separate statement or said worksheets. If such assessed values are not separately stated or cannot be ascertained from the assessor's worksheets and the parties cannot otherwise agree then such values shall be determined by arbitration. Landlord covenants and agrees to promptly pay all Taxes applicable to the Premises prior to the date that the same shall be due and payable and hereby agrees to indemnify and old Tenant harmless against any and all expense, liability and damage, which Tenant may suffer as a result of

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Landlord's failure to pay in a timely manner any Taxes applicable to the Premises. In the event Landlord shall fail to pay in a timely manner, the Taxes applicable to the premises, Tenant shall have the right and Landlord hereby appoints Tenant as its attorney in fact, to pay any and all delinquent taxes assessed against the Premises and Landlord shall promptly reimburse Tenant for (i) any penalties incurred as a result of the delinquent payment of Taxes, both together with interest from the date any such amounts are expended by Tenant to the date reimbursed by Landlord. In the event such reimbursement is not received by Tenant prior to the date the next installment of Basic Rent shall be due or payable then, Tenant shall have the right to offset any such amounts paid against the next installment of Basic Rent due and payable under the Lease.

11. Utilities. If the Building is submetered for electricity, Tenant will pay all costs for electricity for the Building. For parts of the Premises which are not submetered for electricity, Landlord and Tenant shall agree on an appropriate share of the electricity bill to be reimbursed to Landlord. Landlord shall pay when due the costs of public water and sewer for all of the buildings of which the Premises are a part, together with all taxes, levies and other charges on such utilities. Tenant shall monthly reimburse Landlord for its share of all those public water and sewer costs applicable to the Building and its proportional share of other buildings, constituting the Premises. Tenant shall provide its own propane for uses in the Building. Tenant shall reimburse Landlord for its share of propane used in other portions of the Premises. Tenant shall check with Landlord at the end of the Lease if Landlord prefers the oil tank full or if Landlord prefers a payment to adjust for filling the oil tank serving the Building, since Landlord filled the tank at the beginning of Tenant's first occupancy. Landlord will maintain the existing Administrative Building emergency generator in good condition to service current telephone system until Tenant cutover to Tenant's new system. Tenant shall reimburse Landlord for the pro-rata cost of maintaining and operating the emergency generator outside the Administration Building. Tenant may remove the Tenant installed Center Building generator at the end of the Term if desired, provided that electrical service is maintained to all areas.

12. Indemnifications and Waiver of Claims.

12.1. **Indemnity by Tenant.** To the maximum extent permitted by law, but subject to the provisions of Subsection 12.5, Tenant shall and does hereby indemnify Landlord and agrees to save it harmless and, at its option to the extent not in violation of Landlord's insurance policy, defend it from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by them:

12.1.1. in connection with loss of life or personal injury, or damage to property or to the environment, suffered by third parties, and arising from or out of the occupancy or use by Tenant of the Premises, and occasioned wholly or in part by any act or omission of Tenant, its officers, agents, contractors, employees or invitees; or,

12.1.2. in connection with any claim or proceeding brought by a third party alleging, in whole or in part, that Tenant's acts, activities, conduct, or omissions in the Premises violate its obligations to comply with a law, rule, order, ordinance, direction, regulation or requirement of federal, state, county and municipal authorities imposing a duty with respect to the use, occupation or alteration of the Premises.

12.2. Indemnity by Landlord. To the maximum extent permitted by law, but subject to the provisions of Subsection 12.5, Landlord shall and does hereby indemnify Tenant and agrees to save it harmless and, at its option to the extent not in violation of Tenant's insurance policy, from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) in connection with loss of life, personal injury and/or damage to property suffered by third parties arising from or out of the use of or activity on any portion of the Premises by Landlord, occasioned solely by any act or omission of Landlord, its officers, agents, contractors or employees.

12.3. Environmental Indemnities.

12.3.1. Tenant hereby agrees to indemnify Landlord against and in respect of any damages resulting from or arising out of or by virtue of the escape, seepage, leakage, spillage, discharge, emission, disposal, or release from the Premises during the Term of any Hazardous Materials (hereinafter defined) other than (i) Hazardous Materials on the Premises prior to the commencement of the Term, or (ii) Hazardous Materials introduced to the Premises by Landlord or its agents, or (iii) Hazardous Materials first entering the Premises from property adjacent to the Premises.

12.3.2. Landlord hereby agrees to indemnify Tenant against and in respect of any damages resulting from or arising out of or by virtue of the escape, seepage, leakage, spillage, discharge, emission, disposal, or release of any Hazardous Materials (other than Hazardous Materials introduced to the Premises by Tenant or its agents) (i) from the Premises prior to the commencement of the Term or (ii) from the Premises at any time if the Hazardous Materials were introduced to the Premises by Landlord or its agents, or (iii) onto or from the Premises from property adjacent to the Premises owned by Landlord.

12.3.3. For the purposes of this Section 12, "Hazardous Materials" means hazardous substances, as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et. seq; any petroleum or petroleum products; asbestos or asbestos containing material; and any other "hazardous substances," "hazardous waste," or "hazardous materials" as such terms are defined by any applicable federal, state or local law relating to protection of the environment or establishing standards for the presence of any substance.

12.4. **Survival of Indemnities.** Landlord's and Tenant's obligations pursuant to this Section 12 shall survive any termination of this Lease with respect to any act, omission or occurrence which took place prior to such termination.

12.5. Waiver of Right of Recovery. Neither party, nor its officers, directors, employees, agents or invitees, nor, in case of Tenant, its subtenants, shall be liable to the other party or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, when such loss is caused by any of the perils which are or could be insured against under a standard policy of full replacement cost insurance for fire, theft and all risk coverage, or losses under workers' compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees (this clause shall not apply, however, to any damage caused by intentionally

wrongful actions or omissions); provided, however, that if, by reason of the foregoing waiver, either party shall be unable to obtain any such insurance, such waiver shall be deemed not to have been made by such party and, provided, further, that if either party shall be unable to obtain any such insurance without the payment of an additional premium therefor, then, unless the party claiming the benefit of such waiver shall agree to pay such party for the cost of such additional premium within thirty (30) days after notice setting forth such requirement and the amount of the additional premium, such waiver shall be of no force and effect between such party and such claiming party. Each party shall use reasonable efforts to obtain such insurance from a company that does not charge an additional premium or, if that is not possible, one that charges the lowest additional premium. Each party shall give the other party notice at any time when it is unable to obtain insurance with such a waiver of subrogation without the payment of an additional premium and the foregoing waiver shall be effective until thirty (30) days after notice is given. Each party represents that its current insurance policies allow such waiver. The provisions of this Section shall not limit the indemnification for liability to third parties pursuant to Subsections 12.1 and 12.2.

13. Insurance.

13.1. Tenant's Insurance Coverage. From and after the Commencement Date of the Term, Tenant, at its expense, shall obtain and maintain in effect as long as this Lease remains in effect and during such other time as Tenant occupies the Premises or any part thereof, insurance or a formal program of self-insurance providing at least the following coverage:

13.1.1. commercial general liability coverage with respect to the Premises and the business operated therein by Tenant and any subtenants, concessionaires or licensees of Tenant, to afford insurance against personal injury, death and property damage, and including insurance against assumed or contractual liability under this Lease, specifically including the liability of Tenant arising out of the indemnities provided in Subsection 12.1, with minimum combined single limits of Five Million Dollars (\$5,000,000) per occurrence and in the aggregate; and

13.1.2. professional liability coverage with respect to all of Tenant's professional activities in the Premises with minimum single limits of Three Million Dollars (\$3,000,000) per occurrence and in the aggregate; and

13.1.3. all-risk property and casualty insurance, including theft coverage, covering all of Tenant's personal property in the Premises (including, without limitation, all inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under this Lease) and Tenant's interest in all alterations and all leasehold improvements and all betterments installed in the Premises by or on behalf of Tenant; and

13.1.4. business income insurance to cover any losses due to a casualty to the Building which wholly or partially interrupts the conduct of Tenant's business in the Building; and

13.1.5. worker's compensation insurance with respect to all employees of Tenant working in or about the Premises.

13.2. **Self Insurance.** The terms of this Section permitting Tenant to selfinsure shall only be applicable to the party originally named in the Lease as Tenant and shall not apply to any subtenant or assignee of the named Tenant. So long as Tenant is not in default under the terms of this Lease, Tenant shall have the right to self-insure the risks that would otherwise be covered by the commercial general liability insurance policy required to be maintained by Tenant by the terms of this Section and Tenant shall thereupon assume the risks of and shall pay from the assets the costs, expenses, damages, claims, losses, and liabilities relating to injury or death to persons or damage to property, if and to the same extent that a third party insurance company would have those amounts of the insurance company were insuring those risks under the policy described in this Section. Initially Tenant has notified Landlord that it will self insure. If Tenant at any time ceases to self insure, Tenant shall so notify Landlord and shall provide appropriate policies meeting the requirements of Subsections 13.1 and 13.3.

13.3. **Policy Requirements.** Any company or companies writing any insurance which Tenant or Tenant's contractor is required to carry and maintain or cause to be carried or maintained pursuant to Subsection 13.1 shall be licensed to do business in the State of Maryland. Any commercial general liability and all-risk casualty insurance policies evidencing such insurance shall name Landlord and/or its designee(s) as additional insured, shall be primary and non-contributory, and shall also contain a provision by which the insurer agrees that such policy shall not be canceled, materially changed or not renewed without at least thirty (30) days advance notice to Landlord, at Landlord's Notice Address, by certified mail, return receipt requested, or to its designee.

13.4. **Tenant's Failure to Insure.** If Tenant fails to self insure or obtain insurance as required under this Section then Landlord may, but shall not be obligated to, obtain such insurance, and in such event, Tenant agrees to pay, as Additional Rent, the premium for such insurance upon demand by Landlord.

13.5. Landlord's Insurance Coverage. From and after the Commencement Date of the Term, Landlord, at its expense, shall obtain and maintain in effect as long as this Lease remains in effect and during such other times as Tenant occupies the Premises or any part thereof, insurance providing at least the following coverages:

13.5.1. commercial general liability coverage with respect to the Premises, to afford insurance against personal injury, death and property damage, including insurance against assumed or contractual liability under this Lease, specifically including the liability of Landlord arising out of the indemnities provided in Subsection 12.2, with minimum combined single limits of One Million Dollars (\$1,000,000) per occurrence and in the aggregate, with Five Million Dollars (\$5,000,000) umbrella coverage;

13.5.2. all-risk property and casualty insurance, including boiler and machinery insurance, for at least 90% of the full replacement cost value covering any property which at any time is or becomes part of the Premises; and

13.5.3. worker's compensation insurance with respect to all employees of Landlord working in or about the Premises.

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13.6. Tenant's Reimbursement of Insurance Costs. As Additional Rent, annually, within thirty (30) days of receipt of an invoice from Landlord, Tenant shall reimburse Landlord for Tenant's pro-rata share of the cost of the all-risk property and casualty insurance applicable to the Premises and obtained by Landlord pursuant to Section 13.5.2. Landlord and Tenant shall rely upon a worksheet provided by Landlord's insurance agent to determine Tenant's pro-rata share.

14. Damage and Destruction.

14.1. Tenant Obligation to Repair and Reconstruct. From and after the commencement of the Term, if the Building shall be damaged by fire, the elements, accident or other casualty (any of such causes being referred to herein as a "Casualty"), but the Building shall not be thereby rendered wholly or partially untenantable, then Tenant shall promptly cause such damage to be repaired and there shall be no abatement of Rent. If, as the result of such Casualty, the Premises shall be rendered wholly or partially untenantable, then, subject to the provisions of Subsection 14.3, Tenant promptly shall cause such damage to be repaired and all Rent shall be abated proportionately as to the portion of the Building rendered untenantable during the period of such untenantability.

14.2. Landlord Obligation to Replace. From and after the commencement of the Term, if any part of the Premises other than the Building shall be damaged by any Casualty, but said Premises shall not be thereby rendered wholly or partially untenantable, then Landlord shall promptly cause such damage to be repaired and there shall be no abatement of Rent. If, as the result of such Casualty, any part of the Premises other than the Building shall be rendered wholly or partially untenantable, then, Landlord shall promptly offer Tenant reasonably comparable other space, if available, and until such other space is available to Tenant, all rent for the damaged portion of the Premises shall be abated proportionately during the period of such unavailability.

14.3. **Option to Terminate Lease.** If (i) the Building is rendered wholly untenantable by a Casualty, or (ii) the Building is damaged to the extent of fifty percent (50%) or more of the gross area thereof; or (iii) the Building shall be so substantially damaged that it is reasonably necessary to demolish such Building for the purpose of reconstruction, then, in any of such events, either Tenant or Landlord may elect to terminate this Lease by giving the other notice of such election within sixty (60) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, Rent shall be adjusted as of the date of such termination, and Tenant shall assign to Landlord the right to all insurance proceeds, less any insurance proceeds applicable to Tenant's cost of business interruption or relocation.

15. Condemnation. If the whole or any part of the Premises is taken under the power of eminent domain then this Lease shall terminate as to the part so taken on the date Tenant is required to yield possession thereof to the condemning authority. Landlord shall make necessary repairs and alterations to restore the part not taken to useful condition and the Basic Rent shall be reduced proportionately as to the portion of the Premises so taken. If the amount of the Premises so taken substantially impairs the usefulness of the Premises for the Permitted Use, then either party may terminate this Lease as of the date when Tenant is required to yield possession. All compensation awarded for any taking of the fee and the leasehold shall belong to and be the property of Landlord; provided, however, that

Tenant, and not Landlord, shall be entitled to any portion of the award which does not serve to reduce Landlord's award and is made directly to Tenant in reimbursement for Tenant's cost of removal of its stock, trade fixtures, moving and relocation costs.

16. Right of Entry. Landlord and its representatives shall have the right at all reasonable times during normal business hours with prior written notice to enter the Premises for the purposes of inspecting them and exhibiting them for sale, lease or financing; and Landlord shall not be liable in any manner for any entry into the Premises for such purposes. Landlord reserves and shall at all times have the right to re-enter the Building upon 24 hours prior notice to Tenant's representative on the Premises (except in an emergency) to maintain, repair and replace the Building without abatement of Rent. Landlord shall not be required to give 24-hour notice to enter the Premises other than the Building but shall give such notice as is reasonable under the circumstances. Landlord may for the purpose of such work erect, use and maintain scaffolding, pipes, conduits and other necessary structures in and through the Premises where reasonably required by the character of the work to be performed, provided that entrance to the Premises shall not be blocked.

17. Subordination, Estoppel, Attornment and Non-Disturbance. This Lease and the tenancy created hereunder is hereby subject and subordinate to any leases, mortgages, deeds of trust, leasehold mortgages or other security interests (collectively "security interests") now or hereafter constituting a lien upon or affecting the Building or the Premises, or any part thereof, and to any and all increases, renewals, modifications, consolidations or replacements of the security interests. This subordination provision shall be self-operative and no further instrument of subordination shall be required. Tenant shall, at any time hereafter, within seven (7) days of any such request from Landlord, execute any estoppel certificate stating the status of this Lease and any defaults with respect thereto, and any other documents that may be required by any security interest or holder thereof or Landlord hereunder to subordinate Tenant's interest hereunder to the lien of any such security interest. In the event Tenant fails or refuses to comply with the request of Landlord hereunder, within the time provided, Tenant hereby irrevocably appoints Landlord as his attorney-in-fact, this appointment being an agency coupled with an interest, to execute any and all such certificates and instruments at the sole expense of Tenant.

Tenant agrees that upon any termination of Landlord's interest in the Premises, Tenant will, upon request, attorn to the person or organization then holding title to the reversion of the Premises (the "Successor") and to all subsequent Successors, and shall pay to the Successor all rents and other monies required to be paid by the Tenant hereunder and perform all of the other terms, covenants, conditions and obligations contained in this Lease, provided however, that Tenant shall not be so obligated to attorn unless, if Tenant shall so request in writing, such Successor will execute and deliver to Tenant an instrument wherein such Successor agrees that so long as Tenant performs all of the terms, covenants and conditions of this Lease, Tenant's possession under the provisions of this Lease shall not be disturbed by any such Successor.

18. Defaults by the Tenant; Remedies.

18.1. **Events of Default Defined.** Each of the following shall be deemed an "Event of Default" under this Lease:

18.1.1. failure by Tenant to pay Basic Rent or any other sum required to be paid under the terms of this Lease, when and as due hereunder which remains uncured more than ten (10) days following written notice;

18.1.2. failure by Tenant to perform or observe any other term, covenant, agreement or condition of this Lease on the part of Tenant to be performed, for a period of thirty (30) days after notice thereof from Landlord to the Tenant, unless the nature of the failure is such that (a) it cannot be cured within the thirty (30) day period, (b) the Tenant institutes corrective action within the thirty (30) day period, and (c) the Tenant diligently pursues such action until the failure is remedied:

18.1.3. the making by Tenant of any general assignment or general arrangement for the benefit of creditors or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; the appointment of a Trustee or receiver to take possession of substantially all of the Tenant's personal property located in the Premises or Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days; the attachment or execution of other judicial seizure of substantially all of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

18.2. Landlord's Remedies for Default. Upon the occurrence of an Event of Default, Landlord shall have the right, at its election, immediately upon such Event of Default or at any time thereafter and while any such Event of Default shall continue, to exercise one or more of the following remedies.

18.2.1. Landlord may terminate this Lease, as well as all right, title and interest of Tenant hereunder, by giving at least thirty (30) days written notice of Landlord's intention to terminate this Lease on the date of such given notice or on any later date specified therein, whereupon, on the date specified in such notice, Tenant's right to possession of the Premises shall cease and this Lease shall thereupon be terminated, except as to Tenant's liability for damages as hereafter set forth.

18.2.2. In the event of termination of the Lease prior to the end of the term, either by Landlord pursuant to Section 18.2.1 or by wrongful termination or abandonment by Tenant in addition to other remedies, Landlord shall have the right to accelerate the rent due for the balance of the Term, and to collect the same from Tenant in a lump sum. In the event that Landlord subsequently leases the Premises to a replacement Tenant, Landlord shall receive the subsequent rent as a trustee for Tenant and shall refund to Tenant as the subsequent rent is collected, a monthly amount equal to the monthly accelerated rent collected from Tenant, less the pro-rated amount of any brokerage fees, and fix-up costs incurred by Landlord with respect to the re-letting of the Premises.

18.2.3. Landlord may exercise any other remedy available to it at law, in equity, by statute or otherwise; and, for such purposes, Landlord shall be entitled to the benefit of all provisions of applicable city or county ordinances and public local laws and of the public general laws of the State of Maryland dealing with the speedy recovery of lands and tenements held over by tenants or proceedings in forcible entry and detainer.

Landlord shall exercise commercially reasonable efforts to mitigate its damages in the event of any Default by Tenant hereunder.

19. Security Deposit. Tenant will not be required to maintain a Security Deposit. Tenant's current security deposit may be credited, without interest, to the first month's lease payment under this lease.

20. **Consent to Requests**. Except as otherwise expressly set forth in this Lease to the contrary, Landlord's consent on any matter as to which Landlord's consent is required to be obtained under this Lease shall not be unreasonably withheld, conditioned or delayed.

21. Quiet Possession. Tenant, if and so long as it pays all Rent due hereunder, performs and observes the other terms and covenants to be performed and kept by it as provided in this Lease, and complies with the restrictions and easements of record, shall peaceably and quietly have, hold and enjoy the Premises without hindrance, ejection or molestation by Landlord or any person lawfully claiming through or under Landlord, subject to the right of other tenants of Landlord to use any common areas which are shown on <u>Attachment 1</u> to be part of the Premises, and subject to the Landlord's right at reasonable times to enter and inspect or repair the Premises. This covenant shall be construed as a covenant running with the land, and is not, nor shall it be construed as a personal covenant of Landlord, except to the extent of Landlord's interest in this Lease and only so long as such interest shall continue, and thereafter this covenant shall be binding only upon subsequent successors in interest of Landlord's interest in this Lease, to the extent of their respective interests, as and when they shall acquire the same, and so long as they shall retain such interest.

22. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be conclusively presumed to have been received one day after depositing into the United States mail, if delivery is by postage paid registered or certified mail, or by telecopier, or by FEDEX or other nationally recognized overnight courier service. Any notice in any other manner shall be deemed given when actually received. Any notice given by telecopier shall be promptly sent by first class mail, postage prepaid, as well. All notices to be sent to the Tenant shall be sent care of the Tenant's Notice Address. Notices to Landlord shall be delivered or addressed to Landlord's Notice Address, with a copy to any other persons designated by Landlord. Either party may, at any time, in the manner set forth for giving notices to the other, set forth a different address to which notices to it shall be delivered or sent.

23. **Recording.** Landlord and Tenant agree to execute a recordable form of Memorandum of Lease, upon the request of Landlord or Tenant (if not in default). The party effecting recordation shall pay the costs and expenses incurred to record the memorandum of lease.

24. **Applicable Law.** This Agreement shall be given effect, and shall be construed by application of the law of Maryland.

25. Severability. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected hereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26. **Time.** Time is of the essence of this Lease.

27. Brokerage. Landlord and Tenant agree and acknowledge that no broker has been involved in the creation of this tenancy and no brokerage commission is due. Each party covenants to pay, hold harmless and indemnify the other from and against any and all costs, expense or liability for any compensation, commissions or charges claimed by any other broker or any other agent with respect to this Lease or the negotiation thereof and in violation of the above-referenced acknowledgements and agreements.

28. Force Majeure. The obligations of the parties hereunder shall be in no wise affected, modified, impaired or excused, nor shall either party have any liability whatsoever to the other, because: (i) either party is unable to fulfill, or is delayed in fulfilling any of its obligations under this Lease by reason of strike, other labor trouble, governmental preemption of priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies or labor resulting therefrom, or any other cause, whether similar or dissimilar, beyond their reasonable control; or (ii) of any failure or defect in the supply, quantity or character of electricity, water or other utilities furnished to the by reason of any requirement, act or omission of the public utility or others serving the Building with electric energy, steam, oil, gas or water, or for any other reason whether similar or dissimilar, beyond Landlord's reasonable control.

29. Signage and Naming Rights. Tenant shall have the right to post a sign with its name at one or more mutually agreed prominent locations outside the Building and on the road(s) leading to the Building, and to post signs regarding the use of the Premises (such as signs limiting the use of parking), all subject to the approval of Landlord, such approval not to be unreasonably withheld. Landlord will also need to accommodate other tenants of the Taylor Manor Campus.

30. Holdover. In the event that, upon the expiration or sooner termination of the Term, Tenant fails to surrender possession of the Premises to Landlord, Tenant shall pay to Landlord as liquidated damages for each month or fraction thereof 120% of the Basic Rent last payable before the end of the Term. The payment of such damages shall not be deemed to extend the Term or renew this Lease, but during any such holdover period, Tenant shall be subject to all of the terms and conditions of the Lease other than those pertaining to Basic Rent.

31. Approval of Other Tenant Uses. During the Term, Tenant shall have the right to approve or disapprove any healthcare and special education uses of Landlord's Taylor Manor Campus (of which the Premises are a part) other than tenant uses which are in place or permitted by leases in effect on the Commencement Date of the Term, such approval not to be unreasonably withheld.

32. Other Services to be Provided by Landlord

(a) **Telephone.** During the Term, until such time as Tenant installs a new telephone switch system, Landlord shall permit Tenant to use the existing switch and leased telephone lines in the Building and other buildings leased to Tenant. Landlord, or its contractor, will have all responsibility for maintaining the switch and leased telephone lines. Tenant shall have

the right at any time at its own expense to install and use its own telephone switch system, provided that Tenant shall give Landlord at least thirty (30) days notice of its intention to switch over. Tenant may use Landlord's telephone system to connect Tenant's new fire alarm system until such time as Tenant has completed the installation of Tenant's own telephone switch system. In consideration of reimbursement by Tenant of allocated cost for monitoring, Landlord will continue to permit Tenant to utilize Landlord's vendor to monitor Tenant's fire alarm system until Tenant's new telephone switch is installed. Tenant also may use any existing telephone and headsets owned by Landlord, but Tenant will have the responsibility for maintaining or replacing the same. Tenant shall pay for all telephone charges applicable to its lines and Landlord shall pay for all telephone charges on its lines. In consideration of its use of the telephone switch and lines, Tenant shall pay to Landlord the annual sum of \$12,000 payable in monthly installments of \$1,000. The annual charge may change from time to time to reflect changes in the cost of Taylor's contract. Tenant shall bear the cost of any changeover or cancellation fees associated with any of the phone lines it may chose to change to different vendors.

(b) **Trash Pick-up.** Landlord will continue to pick-up Tenant's regular trash, in consideration of which Tenant will reimburse Landlord for Tenant's prorata share of dumpster charges.

33. Services to be Provided by Tenant to Landlord.

(a) Security Services. During the Term, Tenant shall make available to Landlord Tenant's security services, which shall provide for Landlord security services in the same manner and with the same level of care as such services are provide to Tenant. So long as Landlord utilizes such security services, Landlord shall reimburse Tenant at the rate of Four Hundred Fifty Dollars (\$450) per month, subject to annual adjustment to reflect any changes in direct cost experienced by Tenant.

(b) Janitorial Services. During the Term, Tenant shall make available to Landlord janitorial services for Landlord's area of the Facility for approximately 3 hours per week, in consideration of which Landlord shall reimburse Tenant at the rate of Two Hundred Dollars (\$200) per month, subject to annual adjustment to reflect any changes in direct cost experienced by Tenant.

34. Landlord's Right to Make Changes to the Campus. Landlord reserves the right to make changes and additions to the roads, parking, buildings and green areas of the campus outside of the Center Building as long as such changes do not interfere with the operation of Tenant's programs.

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AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE, made this <u>3rd</u> day of <u>January</u>, <u>2008</u>, by and between Taylor Service Company (hereinafter "Landlord") and Sheppard Pratt Health System, Inc. (hereinafter "Tenant").

WHEREAS, Landlord and Tenant have entered into a Lease dated on or about November 7, 2007; and

WHEREAS, the parties wish to amend certain provisions contained in said Lease.

NOW THEREFORE, in consideration of the premises and covenants herein contained, and in receipt of other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, it is agreed that the Lease Agreement be amended as follows:

As per Section 1.2 (d), Tenant is exercising right to discontinue the rental of the K Cottage. The K Cottage shall not be a part of the Premises effective 12/1/2007.

Except as hereby expressly modified or amended, the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have attached their hands and seals as of the day and year first written above.

WITNESS OR ATTEST:

WITNESS OR ATTEST:

Eleen M. Eink

LANDLORD: Taylor Service Company

Bv:

TENANT: Sheppard Pratt Health System, Inc.

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A not-for-profit behavioral health system

Sheppard Pratt Health System

6501 N. Charles Street P.O. Box 6815 Baltimore, MD 21285-6815 410-938-3000 Fax: 410-938-4532

January 25, 2012

Dr. Bruce Taylor CEO & Medical Director Taylor Service Company 4100 College Avenue P.O. Box 836 Ellicott City, MD 21041-0836

Dear Bruce:

This letter serves as notification of Sheppard Pratt's intention, under Section 3.2 of the Agreement of Lease between Sheppard Pratt Health System and Taylor Service Company dated November 7, 2007, to exercise its first two-year renewal option, through December 31, 2014. Please confirm your receipt of this notification.

As we have discussed, Sheppard Pratt anticipates a need for this facility for several years beyond 2014 and we look forward to further discussion with you regarding our respective plans for the future.

Sincerely,

Patricia A. Pinkerton Vice President and Chief Financial Officer

Cc: Dr. Steven Sharfstein, President and CEO



A not-for-profit behavioral health system

Sheppard Pratt Health System

6501 N. Charles Street P.O. Box 6815 Baltimore, MD 21285-6815 410-938-3000 Fax: 410-938-4532

June 26, 2014

Dr. Bruce Taylor CEO & Medical Director Taylor Service Company 4100 College Avenue P.O. Box 836 Ellicott City, MD 21014-0836

Dear Bruce:

This letter serves as notification of Sheppard Pratt's intention, under Section 3.2 of the Agreement of Lease between Sheppard Pratt Health System and Taylor Service Company dated November 7, 2007, to exercise its second two-year renewal option, through December 31, 2016. Please confirm your receipt of this notification

Bruce, it has always been a pleasure working with you. I wish you the best.

Sincerely,

Patricia A. Pinkerton Vice President & Chief Financial Officer

CC: Dr. Steven Sharfstein, President and CEO Jerry Noll, Vice President