

AGREEMENT OF LEASE

BALTIMORE ZOO

BY AND BETWEEN THE

CITY OF BALTIMORE

AND THE

STATE OF MARYLAND

year Capital Improvement Plan which shall reflect projects anticipated over the FY 93-97 time period. Each year, the Capital Improvement Plan shall be revised and updated as part of the State's capital planning process.

5.3. Funding. The State and the City shall, subject to the requirements of the City's and State's budgetary and appropriations process, annually identify for funding certain Capital Improvements in the Capital Improvement plan. The City and the State agree that the process for identifying Capital Improvement projects to be funded by the State and the City in any given fiscal year, shall be conducted in a manner that will conform with the guidelines, requirements and time frames established by the State's Department of Budget and Fiscal Planning for submitting capital budget requests. In addition, the State may require, as a condition to the State's funding of a Capital Improvement, that the City and/or the Operator and/or another non-State source provide up to a fifty percent (50%) match for any Capital Improvement made to the Zoo and funded in part by State revenues.

5.4. Construction. The City and the State shall each have the right to review and comment on the architectural and design programs and the plans and specifications for all Capital Improvements funded by the other party. All comments shall be made within thirty (30) days of receipt of such programs, plans and specifications, otherwise the right to comment shall be waived. At all times that the Zoo is being operated under the Sublease Agreement with MZS, the City shall permit MZS to be responsible for construction management of Capital Improvements. The City's and the State's funds shall be paid directly to MZS, subject to the City's and the State's right to establish methods of oversight and accountability. Construction of the Capital Improvements shall be performed in compliance with all applicable laws, regulations and ordinances, including but not limited to City building codes and ordinances.

5.5. Mandated Improvements. A mandated improvement ("Mandated Improvement") shall mean any capital expenditure with