

LEASE

THIS LEASE made this 13th day of June, 1966,
by and between the Mayor and Aldermen of the City of Annapolis, a
municipal corporation of the State of Maryland, Lessor, hereinafter
called "City", and ANNE ARUNDEL COUNTY MARYLAND, a municipal corpora-
tion of the State of Maryland, Lessee, hereinafter called "County"

WITNESSETH:

WHEREAS, the City is the owner of certain property
located in Anne Arundel County, Maryland, presently being used by the
City as a watershed for its municipal water supply;

AND WHEREAS, the County wishes to construct on a portion
of said property hereinafter described a public golf course and
recreation facilities for the benefit of residents of Anne Arundel
County including the City of Annapolis;

AND WHEREAS, by an Ordinance duly passed by the City
on the 13th day of June, 1966, it was determined that the
public interest can best be served by the leasing of the hereinafter
described property to the County upon the Terms and conditions
hereinafter set forth;

AND WHEREAS, by said Ordinance the Mayor of the City of
Annapolis is authorized to execute this Lease on behalf of the
Municipality;

NOW THEREFORE, in consideration of the rent reserved herein,
and in further consideration of the covenants, conditions and agree-
ments herein contained, the parties agree as follows:

FIRST: The City does hereby demise and lease, subject to
the provisions hereinafter set forth, to the County all that property
shown on a plat thereof attached hereto and more specifically described
as follows:

DESCRIPTION

BEGINNING of the same at a stake set in the branch at the end of the north 72 degrees east 2265 foot line of the whole tract, running thence on and with said line the reverse thereof South 72 degrees west 2487 feet to a stake; thence south 74 degrees west 378 feet; thence north $37\frac{1}{2}$ degrees west 363 feet; thence north 30 degrees west 137 feet to a stake; thence north 52 degrees west 162 feet to a stake; thence north 33 degrees west 245 feet; north 15 degrees 10 minutes west 589 feet to a stake; thence north 35 degrees east 450 feet; south 29 degrees east 208 feet; south $52\frac{1}{2}$ degrees east 168 feet; south $1\frac{1}{4}$ degrees east 438 feet; thence south 55 degrees east 382 feet; north $42\frac{3}{4}$ degrees east 557 feet to a stake; north 28 degrees west 158 feet to a stake; thence north 25 degrees east 263 feet to a stake; thence north $56\frac{1}{2}$ degrees east 496 feet to a stake; thence north $30\frac{1}{2}$ degrees east 381 feet to a poplar tree; thence north $66\frac{1}{2}$ degrees west 323 feet to a stake; thence north 59 degrees west 536 feet to a stake; north 8 degrees east 250 feet; thence north $30\frac{1}{3}$ degrees east 200 feet to a stake; thence north 20 degrees east to a small gum tree; thence east 152 feet to a large gum tree; thence north 15 degrees east 214 feet to a stake; thence north 42 degrees west 183 feet; thence north $11\frac{1}{2}$ degrees west 135 feet to a gum tree; thence north $2\frac{1}{2}$ degrees west 178 feet to a pine tree; thence north $52\frac{1}{4}$ degrees east 226 feet to a post; thence north 17 degrees east 446 feet to the centre of the branch; thence north 11 degrees east 350 feet to the centre of the A. W. & B. R.R.; thence with the centre of said railroad South 51 degrees east 3657 feet; thence still with the centre of railroad south 53 degrees east 231 feet; south $57\frac{1}{2}$ degrees east 223 feet; thence south $60\frac{1}{4}$ degrees east $247\frac{1}{2}$ feet; thence leaving the railroad and running south $56\frac{1}{4}$ degrees west 226 feet; south $56\frac{1}{2}$ degrees west 825 feet; thence south $36\frac{1}{2}$ degrees west 363 feet; thence south $43\frac{1}{2}$ degrees west 165 feet; thence south $43\frac{1}{4}$ degrees west 338 feet to the beginning stake in the brance, containing two hundred and eight acres

and seventy-hundredth of an acre of land, exclusive of the right of way to the railroad.

BEING the same property conveyed by John M. Gantt, single to the Annapolis Water Company by deed dated September 1, 1904 and recorded among the Land Records of Anne Arundel County in Liber G.W. 28, folio 311.

The term of this Lease shall be for a period of fifty (50) years, commencing on the 13th day of June, 1966.

SECOND: As soon as is reasonably possible after the commencement of said term, the County shall construct upon the said property a public golf course, including such building, roadways, walkways and other facilities reasonably necessary for the proper operation of the same, in accordance with plans and specifications to be approved both by the Director of the County Department of Recreation and Parks and the Superintendent of City Recreation and Parks Department. All costs of such construction shall be borne by the County, and at the termination of this Agreement, all buildings, fixtures, chattels real and other improvements, whether a part of the original construction or subsequently made, shall become the sole property of the City. Any capital improvements, excluding ordinary maintenance and repairs made after the initial construction of the said golf course shall first be approved by the City. In the event the golf course is not constructed within three (3) from the date of commencement of the term of this Lease, or the County ceases to operate the same at any time after construction, the City shall have the option of terminating this Lease upon giving thirty (30) days written notice to the County.

THIRD: As rent for the demised premises, the County agrees to pay for the first year of the tenancy all of the net profits derived from the operation of the facilities upon the property to the extent of FIVE THOUSAND DOLLARS (\$5,000.00), and in each of the following years of the tenancy, the sum of FIVE THOUSAND (\$5,000.00) plus twenty percent (20%) of any net profits in excess of FIVE THOUSAND DOLLARS (\$5,000.00), until the indebtedness incurred by the County for initial construction of improvements is paid in full.

Thereafter the rent shall be the sum of fifty percent (50%) of the annual net profits derived from the operation of the facilities. Net profits shall be determined in accordance with recognized accounting principles at the close of each fiscal year hereafter, and a statement thereof setting forth receipts and expenditures shall be furnished to the City. Revenue accruing to the County from all sources in connection with the operation of any facilities upon the said property shall be taken into account in determining net profits. Payments made for amortization of any indebtedness incurred by the County in connection with the construction of improvements upon the property shall be considered an expense, but where such payments are deducted from revenue in determining net profits, no deductions or allowances for depreciation shall be made in determining net profits. The County further agrees that all expenses, dues, charges or payments of every description required by the terms of this Lease to be paid by the County shall be considered as additional rent, whether the same are required to be paid to the City or to others. Any amounts expended by the County for salaries of golf course personnel prior to the opening of the golf course shall be considered an expense of the first year of operation and shall be deducted from gross income before any distribution of any profits.

FOURTH: The County shall pay all charges for all utilities used upon or in connection with the demised premises, which charges shall be considered an operating expense.

FIFTH: The County shall cause this Lease to be recorded promptly after its execution among the Land Records of Anne Arundel County, and any costs of such recording shall be borne by the County, which costs shall be considered an operating expense.

SIXTH: This Lease shall be non-assignable by the County, and the County shall not sub-let all or any portion of the demised premises. This provision, however, shall not preclude the County from granting concessions, licenses or franchises to others in connection with the operation of the facilities on the demised premises, so long as the provisions of such concessions, licenses or franchises do not contravene any of the other provisions of this Agreement.

SEVENTH: The demised premises shall be used for recreational

purposes only, and neither the County or its invitees or licensees shall do any act, or make any omission, which would adversely affect the watershed of which the demised premises are a part, or in any manner adversely affect or pollute the Municipal water system.

EIGHTH: The City reserves the right for itself, its agents, employees and contractors to go upon and across the demised premises at reasonable times and places by foot or vehicle for purposes of ingress and egress to the remaining property of the City.

NINTH: The County agrees, at its sole cost and expense, to maintain the building and improvements of every description to be erected or made upon the demised premises in good condition and repair, and to perform all maintenance and repair, including such as are necessitated by ordinary wear and tear, and to deliver the demised premises to the City upon the termination of this Lease in good condition and repair.

TENTH: During the term of this Lease, the County shall carry fire, extended coverage and vandalism and malicious mischief insurance on all improvements on the demised premises in an amount equal to the maximum insurable value of the improvements, and in the event of damage or partial destruction of the improvements by any cause covered by such insurance, the County shall promptly apply the amount recovered from such insurance to the repair or replacement of the property lost, damaged or destroyed, and shall promptly restore such improvements without any abatement of rent. In the event, however, that the improvements are totally or substantially destroyed, the County shall have the option of reconstructing the same or terminating this Agreement upon reasonable notice to the City. The costs of such insurance shall be considered an operating expense.

ELEVENTH: The County shall carry and keep in force, at its own expense, with respect to the demised premises, a policy or policies of public liability insurance with a reputable insurance company covering both the City and the County with a minimum limitation of TEN THOUSAND DOLLARS (\$10,000.00) on account of property damage and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) on account of bodily injury to or the death of any one person, and THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) on account of bodily injuries to or the death

of more than one person as a result of any one accident or disaster; and the County shall defend, protect, indemnify and save harmless the City from and against any and all losses, damages, claims, suits, debts, actions, judgments or costs which may arise or result from any injury or death of any person or damage to any property belonging to any person by reason of the use and possession by the County of the demised premises, including any such injury, death or damage caused by any defects in or condition upon the demised property, whether latent or patent, whether now or hereafter existing, to the extent that the City shall have no liability whatsoever in connection with the use or condition of the demised premises,

TWELFTH: The City shall have the right to terminate this Lease at any time upon the breach or non-performance by the County of any covenant herein contained, provided that such breach or default shall continue for a period of thirty (30) days after notice by the City to the County of such breach or default, which notice shall specify the breach or default complained of, and the manner of its correction, if possible.

THIRTEENTH: The County agrees not to permit any transfer by operation of law of its interest in the demised premises, or any other involuntary alienation of the same, and will not permit the property or its interest in the property or in this Lease to become encumbered by mortgage, deed of trust, mechanic's lien or other encumbrance whatsoever, and in the event of any attempted encumbrance, involuntary transfer, assignment, attachment or alienation of the property or the lease-hold interest therein, this Lease shall terminate and the City may immediately re-enter and repossess the said property; provided, however, that the provisions of this paragraph shall not apply to the legal operation and effect of any revenue bonds which may hereafter be issued by the County for financing construction of the initial improvements for the golf course facility.

FOURTEENTH: The City shall have the right to go upon the demised premises at any reasonable time during the period of this Lease to inspect the same to determine if the provisions of this Agreement are being complied with by the County.

FIFTEENTH: The County shall indemnify the City against, and save it harmless from any loss or liability incurred or suffered, and any expense

incurred arising out of any breach by the County, its agents, servants, employees, visitors, or licensees or invitees, of any covenant or condition of this Lease arising out of the carelessness, negligence and improper conduct of the County, its agents, servants, employees, invitees, or licensees.

SIXTEENTH: Any timber required to be cut upon the leased premises for the establishment of the golf course may be sold by the County and the proceeds used for construction costs.

SEVENTEENTH: This Agreement shall be binding upon the parties hereto and their successors.

IN WITNESS WHEREOF, this Agreement is executed by the duly authorized officials of the parties hereto.

THE MAYOR AND ALDERMEN OF THE
CITY OF ANNAPOLIS

By Roger W. Moyer
ROGER W. MOYER, MAYOR

ATTEST:

Katherine S. Russell
KATHERINE S. RUSSELL, City Clerk

ANNE ARUNDEL COUNTY, MARYLAND

By Joseph W. Altcn, Jr.
JOSEPH W. ALTCN, JR.
COUNTY EXECUTIVE

ATTEST:

Alfred A. Hopkins
ALFRED A. HOPKINS
SECRETARY TO THE COUNTY EXECUTIVE

APPROVED FOR LEGAL FORM

AND SUFFICIENCY

COUNTY SOLICITOR

BY: Joseph W. Moyer
OFFICE OF LAW

6/27/66 - 7 -
DATE

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 14th day of June, 1966
before me the subscriber, a Notary Public of the State of Maryland, in and for
the County aforesaid, personally appeared _____

ROGER W. MOYER

and acknowledged the foregoing Lease to be the act of the Mayor and Aldermen
of the City of Annapolis.

AS WITNESS my hand and Notarial Seal.

Evelyn S. Russell
NOTARY PUBLIC

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 24th day of August, 1966
before me the subscriber, a Notary Public of the State of Maryland, in and for
the County aforesaid, personally appeared _____

JOSEPH W. ALTON, JR.

and acknowledged the foregoing Lease to be the act of Anne Arundel County,
Maryland.

AS WITNESS my hand and Notarial Seal.

Muriel Scummin Cooper
NOTARY PUBLIC

MY COMMISSION EXPIRES JULY 1, 1967