

1 **..Title**

2 **Lease of City Property: Fall 2019 Boat Shows** – For the purpose of authorizing a lease of  
3 certain municipal property located in the general harbor, Dock Street and Edgewood Road areas  
4 to United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc., for a certain  
5 period of time in October 2019, to conduct boat shows.

6 **..Body**

7  
8 **CITY COUNCIL OF THE**  
9 **City of Annapolis**

10  
11 **Ordinance No. O-44-15**

12  
13 **Introduced by: Mayor Pantelides**

14  
15 **Referred to**  
16 **Economic Matters Committee**  
17 **Environmental Matters Committee**

18  
19 **A ORDINANCE** concerning

20  
21 **Lease of City Property: Fall 2019 Boat Shows**

22  
23 **FOR** the purpose of authorizing a lease of certain municipal property located in the general  
24 harbor, Dock Street and Edgewood Road areas to United States Sailboat Shows, Inc. and  
25 United States Powerboat Shows, Inc., for a certain period of time in October 2019, to  
26 conduct boat shows.

27  
28 **WHEREAS,** United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc.,  
29 desire to lease certain municipal property for the purpose of conducting boat  
30 shows; and

31  
32 **WHEREAS,** the Annapolis City Council believes that these proposed boat shows would benefit  
33 the City; and

34  
35 **WHEREAS,** a lease setting forth details of the rental has been prepared and is considered  
36 satisfactory; and

37  
38 **WHEREAS,** Article III, Section 8 of the Charter of the City of Annapolis requires the passage  
39 of an ordinance to authorize the lease.

40  
41 **NOW THEREFORE,**

42  
43 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**  
44 **COUNCIL** that the proposed lease between the City of Annapolis and United States Sailboat  
45 Shows, Inc., and United States Powerboat Shows, Inc., for the rental of certain municipal  
46 property in the general harbor, Dock Street and Edgewood Road areas, as described in the lease,

1 a copy of which is attached hereto and made a part hereof, for portions of October 2019, more  
2 specifically described in the attached lease, and subject to the option to expand or reduce the  
3 number of days of the tenancy as provided in the lease, is hereby approved and the Mayor is  
4 hereby authorized to execute the lease on behalf of the City of Annapolis.

5  
6  
7 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**  
8 **ANNAPOLIS CITY COUNCIL** that it is expressly found by the City Council that the property  
9 to be leased will better serve the public need for which the property was acquired by stimulating  
10 local interest in the boating industry, encouraging visitors and residents of the City to visit the  
11 harbor and dock area, by generating tax revenues and rental income to the City and otherwise  
12 providing economic benefits to the City.

13  
14 **SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**  
15 **ANNAPOLIS CITY COUNCIL** that this Ordinance shall take effect from the date of its  
16 passage.

17  
18  
19 **EXPLANATION**

20 CAPITAL LETTERS indicate matter added to existing law.

21 [brackets] indicate matter stricken from existing law.

22 Underlining indicates amendments  
23

**CITY OF ANNAPOLIS BOAT SHOW LEASE AGREEMENT**

**(Fall 2019)**

Authorized by O-44-15

**THIS BOAT SHOW LEASE AGREEMENT (“Lease”)** is made this \_\_\_\_ day of \_\_\_\_\_, 201\_, by and between the City of Annapolis, a municipal corporation of the State of Maryland (the “Lessor”), and the United States Sailboat Show, Inc. and the United States Powerboat Show, Inc., Maryland corporations (jointly and severally, the “Lessee”).

**ARTICLE I**

**Section 1.1. Premises and Term:**

(a) The Lessor hereby leases to the Lessee those parcels of land and water described below (collectively, the “Premises”), and as further designated on **Exhibit A**, attached hereto and incorporated into this Lease. The Premises shall include the Lessor's right and interest in the Chandler, LLC boardwalk and dock (formerly, "Fawcett's") pursuant to an agreement between the Lessor and Chandler, LLC, unless such agreement has been terminated for any reason prior to this Lease’s Term (as defined below). The Premises shall not include the sidewalk on Dock Street between Craig Street and the State-owned property at the end of Dock Street, which are to be left open for public access subject to the terms of this Lease.

- i. Newman Street Parking Lot from Friday, October 4, 2019 at 12:01 AM through Wednesday, October 23, 2019 at 6:00 PM.
- ii. Prince George Street from Wednesday, October 2, 2019 at 12:01 AM through Wednesday, October 23, 2019 at 6:00 PM.
- iii. Boat moorings 1-13, 16-20 and 27, as depicted on **Exhibit B** (attached hereto and incorporated herein) from Sunday, October 6, 2019 at 6:00 PM through Wednesday, October 23, 2019 at 6:00 PM.
- iv. The Susan Campbell Park Parcel, Dock Street Parking Parcels A, B, C and D, and Dock Street from Randall Street to the water, expressly excepting public access roads and sidewalks from Randall Street to and through Craig Street (as depicted on **Exhibit A**) and the sidewalk exclusion specified above, from Sunday, October 6, 2019 at 6:00 PM through Wednesday, October 23, 2019 at 6:00 PM.
- v. All twenty (20) of Lessor’s boat moorings, # 41-60, located in St. Mary’s Cove, Spa Creek, from Sunday, October 6, 2019 at 6:00 PM through Wednesday, October 23, 2019 at 6:00 PM.
- vi. Edgewood Road/7090 Bembe Beach Road from Sunday, October 6, 2019 at 6:00 PM through Sunday, October 4, 2020 at 6:00 PM (i.e. year round).

1  
2 (b) Except for Edgewood Road/7090 Bembe Beach Road, the Lessee shall only use  
3 the Premises for the purpose of holding two (2) boat shows (each a "Show" and collectively, the  
4 "Shows").

5  
6 (c) Except for Edgewood Road/7090 Bembe Beach Road, the Lessee shall hold the  
7 Shows on the Premises only during the dates and times described above in this Section 1.1  
8 (collectively, the "Term").

9  
10 (c) The Premises shall not be open to the public before 10:00 AM or after 6:30 PM  
11 during the Term of this Lease. This time restriction shall not apply to private events authorized  
12 by the Lessee.

13  
14 Section 1.2. Rent:

15  
16 (a) Except as may be adjusted by Sections 1.4 and/or 2.3 of this Lease, the "Rent"  
17 shall be the greater of either: (i) fifty percent (50%) of the Lessee's gross receipts (after  
18 deduction of admission taxes) from the Lessee's sale of tickets for admission to the Shows  
19 during the Term of this Lease (collectively, the "Ticket Sales") or, (ii) Three Hundred Eighty-  
20 Five Thousand Dollars (\$385,000.00) (the "Minimum Payment").

21  
22 (b) The Lessee shall pay the Lessor the Rent, in full, within thirty (30) calendar days  
23 of the close of the Shows. If the Rent is based on the Ticket Sales, rather than the Minimum  
24 Payment, then the Rent shall be paid to the Lessor simultaneously with the Lessee's payment of  
25 its State of Maryland admissions tax. The Lessee shall also submit a copy of its Maryland State  
26 Admissions and Amusement tax report/return and such other proof of gross receipts from the  
27 Ticket Sales as may be reasonably requested by the Lessor's Director of Finance to: Director  
28 Department of Finance at 160 Duke of Gloucester Street, Annapolis, Maryland 21401. Copies of  
29 such payment and proof of gross receipts shall be provided to the Lessor's Harbormaster at 1  
30 Dock Street, Annapolis, Maryland 21401.

31  
32 Section 1.3. City Fees:

33  
34 (a) In addition to the Rent, the Lessee shall reimburse the Lessor the sum of Thirty-  
35 Eight Thousand Six Hundred Twenty-Five Dollars (\$38,625.00) for the costs incurred by the  
36 Lessor as a result of the Lessee's use of the Premises, including, but not limited to, utilities,  
37 inspections, parking and transportation, facilities and services, trash and recycling services,  
38 police services, fire services, and other safety services (collectively, the "City Fees"). The Lessee  
39 shall pay the Lessor the City Fees, in full, at the same time the Lessee pays the Rent.

40  
41 (b) *Police Services:* In exchange for the City Fees, the Lessor shall provide police  
42 services related to traffic control outside the Premises, security for the Lessee's office within the  
43 Premises, and liaison with the Lessee's security guards inside the Premises.

44  
45 (c) *Fire Services:* In exchange for the City Fees, the Lessor shall provide fire  
46 protection as required for the Shows. Following the erection of all booths and other Show

1 structures as described in Article VII of this Lease, but before the Shows open, the parties shall  
2 meet at the Premises to assure compliance with the Lessor's Fire Department regulations and  
3 accessibility of fire lanes and turning radius. No open flame devices or running of watercraft  
4 propulsion engines shall be permitted on the Premises during the open hours of the Shows.

5  
6 (d) *Utilities:* In exchange for the City Fees, the Lessor shall provide water and  
7 electricity as required for the Shows. The Lessee, at its own expense, shall install all temporary  
8 electrical equipment, lines and devices required to provide power to the Premises in compliance  
9 with the National Electric Code.

10  
11 (e) *Trash and Recycling:* In exchange for the City Fees, the Lessor shall provide an  
12 adequate number of trash and recycling dumpsters outside the Premises for the use by the Lessee  
13 during the Term of this Lease, and the Lessor shall also provide for the prompt removal of all  
14 trash, refuse and recycling materials deposited into these dumpsters during the Shows. The  
15 Lessee, at its sole expense, shall provide an adequate and equal number of trash and recycling  
16 containers for its use within the Premises during the Term of this Lease, shall regularly empty  
17 such containers into the Lessor-provided dumpsters, and shall also provide for the prompt  
18 removal of all such containers from the Premises after the Shows.

19  
20 Section 1.4. Revisions to the Premises:

21  
22 (a) The Lessor shall have the right to decrease the area of the Premises in order to  
23 reflect any change in ownership or infrastructure, provided written notice is furnished to the  
24 Lessee on or before April 1, 2019. In the event the total Premises area (measured in square feet)  
25 is reduced by any action of the Lessor under this Section 1.4, the Rent due and payable shall be  
26 reduced in direct proportion to the reduction in total Premises area. The Lessee shall present  
27 documentation including measurements and calculations to support any claim of reduced  
28 Premises.

29  
30 (b) The Lessee shall have the right to request to decrease the area of the Premises in  
31 order to reflect any change in the Shows, provided a written request is furnished to the Lessor on  
32 or before April 1, 2019. Any such change shall be subject to the Lessor's written approval, which  
33 approval shall not be unreasonably withheld. If such a decrease is approved by the Lessor, the  
34 Lessee shall be entitled to a pro rata reduction in the Rent, but only if the Rent is based on the  
35 Minimum Payment. The Lessee shall not be entitled to a reduction in the percentage of Ticket  
36 Sales due to the Lessor if the Rent is based on such Ticket Sales.

37  
38 (c) Any increase in the area of the Premises requires an amendment to this Lease,  
39 signed by both parties.

40  
41 ARTICLE II

42  
43 Section 2.1. Number of Days: The Lessor grants to the Lessee the right to add one (1)  
44 day at the end of either or both of the Shows for general public admission. The Lessee shall also  
45 have the right, in its sole discretion, to reduce the number of days of either or both of the Shows.

1 The Lessee shall provide written notice of such intention no later than thirty (30) calendar days  
2 before the opening of the first of the Shows governed by this Lease.  
3

4 Section 2.2. Other Boat Shows: The Lessor shall not lease the Premises for the purpose  
5 of holding boat shows on the Premises from June 1st through November 30th in the year of  
6 2019. The Lessee may, within its sole discretion, provide written authority to waive this  
7 restriction. This restriction shall be deemed to be automatically waived by the Lessee as to either  
8 Show reduced to less than one (1) ten (10) hour day pursuant to Section 2.1.  
9

10 Section 2.3. Adjustment to Rent: The Rent, but only if based on the Minimum Payment,  
11 and the City Fees shall be increased or reduced proportionately if the Lessee exercises its rights  
12 to extend or shorten the number of Show days pursuant to Section 2.1. All of the other provisions  
13 of the Lease shall remain in full force and effect.  
14

### 15 ARTICLE III

#### 16 Section 3.1. Use of the Premises:

17  
18 (a) The Lessee is authorized to use existing and normal ingress to and egress from the  
19 Premises, and existing and normal street and harbor lighting, all without additional charge.  
20  
21

22 (b) Amplified music or other amplified sound on the Premises shall not exceed the  
23 maximum decibel levels specified in Chapter 11.12 of the City Code, as may be amended.  
24

25 (c) The Lessee shall submit to the Lessor an initial diagram of its proposed use of the  
26 Premises at least thirty (30) calendar days prior to the Shows, and shall continue to submit  
27 updates of such diagram (as needed) up to the date of the opening of the Shows. The Lessee shall  
28 obtain final Lessor approval of the final (updated) diagram prior to opening the Shows, which  
29 approval shall not unreasonably be withheld or delayed.  
30

31 Section 3.2. Pre-Show Meetings and Inspection: At no additional cost to the Lessee and  
32 prior to the opening of each Show, representatives of the Lessor's Department of Neighborhood  
33 and Environmental Programs, Police Department, Fire Department, Office of Emergency  
34 Management, Harbormaster, and Department of Public Works shall inspect the Premises and  
35 nearby areas with the Lessee's representative(s) to determine compliance with Lessor  
36 requirements, and for determination of the condition of the Premises. Written approval by  
37 representatives of these Lessor departments shall be required before the Lessee may open either  
38 Show. The opening of the Shows shall not be delayed by any Lessor department whose  
39 representative is not present for this pre-inspection. The Lessor shall not refuse permission to  
40 open either Show or any part of the Shows under this Section unless a threat to health or safety  
41 has been identified. The Lessor shall make every effort to limit that part of the Show(s) not  
42 opened in the event of such threat, and to allow the Lessee to open the closed portion of the  
43 Show(s) as soon as the threat is abated to the Lessor's satisfaction.  
44

45 Section 3.3. Transportation: The Lessee shall prepare and submit a written  
46 "Transportation Plan" with a parking element to the Lessor's Director of Transportation at 308

1 Chinquapin Round Road, Annapolis, Maryland 21401, with a copy to the Lessor's Harbormaster  
2 at 1 Dock Street, Annapolis, Maryland 21401. The Transportation Plan shall address matters  
3 specified by the Lessor's Director of Transportation, and shall be submitted to that director no  
4 later than August 1, 2019. Except for public ways within the Premises, the Transportation Plan  
5 shall not provide for the closure of any street or restrict parking to only those associated with the  
6 Shows. Moreover in publicizing the Shows, the Lessee shall direct all persons attending the  
7 Shows to park their vehicles at satellite lots and ride a shuttle to the site of the Shows. Upon  
8 receipt of the Transportation Plan, the Lessor's Director of Transportation shall make copies  
9 available to all relevant agencies, including, but not limited to, those listed in Section 3.2, and to  
10 interested parties who have requested a copy.

#### 11 ARTICLE IV

12  
13  
14 Section 4.1. Insurance: The Lessee, at its sole expense, shall obtain and keep in full  
15 force and effect comprehensive commercial general liability insurance of no less than Two  
16 Million Dollars (\$2,000,000.00) combined single limit, bodily injury and property damage, and  
17 Eight Million Dollars (\$8,000,000.00) umbrella policy, which shall be effective during the  
18 Lease's Term and the entire period of time during which the Lessee shall use or occupy the  
19 Premises or any part of the Premises.

20  
21 Section 4.2. Additional Insured: The insurance policy or policies shall specifically name  
22 the "City of Annapolis, its elected officials, appointees, directors, employees, agents, contractors  
23 and representatives" as additional insureds, and insure against any and all loss, costs, damages,  
24 and expenses suffered by any person or to any property, including property owned by the Lessor,  
25 due to or alleged to be due to an act, omission or the negligence of the Lessee, its officers,  
26 agents, employees, vendors, subtenants or contractors, directly or indirectly, in connection with  
27 this Lease or the use of the Premises or any part of the Premises by the Lessee, its officers,  
28 agents, employees, vendors, subtenants or contractors.

29  
30 Section 4.3. Insurer: The Lessee's insurer or insurers shall be authorized to write the  
31 required insurance, approved by the Insurance Commissioner of the State of Maryland, and  
32 subject to the approval of the Lessor's City Attorney. The form and substance of the Lessee's  
33 insurance policy or policies shall also be subject to reasonable approval by the Lessor's City  
34 Attorney, and shall be submitted to the City Attorney at 160 Duke of Gloucester Street,  
35 Annapolis, Maryland 21401, with a copy to the Lessor's Harbormaster at 1 Dock Street,  
36 Annapolis, Maryland 21401, for such approval not less than thirty (30) calendar days prior to the  
37 Lessee's occupancy of the Premises. The policy or policies of insurance shall then be secured by  
38 the Lessee and filed with the City Attorney not less than fifteen (15) calendar days prior to the  
39 Lessee's occupancy of the Premises. No approvals pursuant to this Section 4.3 shall be  
40 unreasonably withheld or delayed.

41  
42 Section 4.4. Notice: The certificate for each insurance policy or policies shall contain a  
43 statement on its face that the insurer will not cancel the policy or fail to renew the policy,  
44 whether for nonpayment of premium, or otherwise, whether at the request of the Lessee or for  
45 any other reason, except after thirty (30) calendar days advance written notice mailed by the

1 insurer or the Lessee to the Lessor's City Attorney, and that such notice shall be transmitted  
2 postage prepaid, return receipt requested.

3  
4 Section 4.5. Lessee's Obligations: The obligations of the Lessee under this Article are  
5 part of but do not limit or satisfy the Lessee's obligations under the remainder of this Lease.

#### 6 7 **ARTICLE V**

8  
9 Section 5.1. Indemnity: The Lessee shall forever indemnify, defend and hold harmless  
10 the Lessor, its elected officials, appointees, directors, employees, agents, contractors and  
11 representatives, from and against any and all claims, suits, actions, judgments, and liability for  
12 loss, injury, damages and/or expenses suffered or alleged to have been suffered during the  
13 Lease's Term by any person or to any property due to or alleged to be due to an act, omission or  
14 the negligence of the Lessee, its officers, agents, employees, vendors, subtenants or contractors,  
15 directly or indirectly, in connection with this Lease or the use and occupancy of the Premises or  
16 any part of the Premises, by the Lessee, its officers, agents, employees, vendors, subtenants or  
17 contractors.

18  
19 Section 5.2. Reimbursement: The Lessee shall reimburse the Lessor, within thirty (30)  
20 calendar days after demand for such reimbursement, for any damage done to the Lessor's  
21 buildings, facilities, equipment or property caused by an act, omission or the negligence of the  
22 Lessee, its officers, agents, employees, vendors, subtenants or contractors, during the Lease's  
23 Term or the Lessee's use and occupancy of the Premises or any part of the Premises. The Lessee  
24 may request the Lessor to provide reasonably sufficient documentation or other proof of such  
25 damage prior to any reimbursement. If the Lessee disputes any request for reimbursement, it may  
26 appeal such request to the City Manager and/or his/her authorized designee for review and  
27 reconsideration.

#### 28 29 **ARTICLE VI**

30  
31 Section 6.1. Security: The Lessee shall contract with and pay, as independent  
32 contractors, security guards from an agency duly licensed by the State of Maryland, in numbers  
33 sufficient to maintain security, peace and order at the Shows inside the Premises during the  
34 entirety of the Lease's Term.

#### 35 36 **ARTICLE VII**

37  
38 Section 7.1. Interior Construction: The Lessee shall have the right to construct, install or  
39 erect seats, platforms, booths, tanks, scaffolding, rigging, floating piers, pilings, docks, catwalks,  
40 tents, exhibits, and any other apparatus or structure which the Lessee may deem necessary or  
41 desirable for the purpose of presenting the Shows. The Lessee shall have the right to erect and  
42 construct a temporary fence so as to enclose the Premises in such a manner as to limit entry onto  
43 the Premises through controlled entrances. Such fence shall not contain barbed wire, razor wire  
44 or any similar materials.

45





1 **ARTICLE X**  
2

3 Section 10.1. Condition of Premises after Shows: Upon the expiration or earlier  
4 termination of this Lease, the Lessee, at its sole expense, shall return the Premises to the Lessor  
5 in the same or superior condition than received, natural wear and tear excepted.  
6

7 Section 10.2. Lessee's Equipment after Shows: Prior to the expiration or earlier  
8 termination of this Lease, the Lessee shall immediately remove all of its property, fixtures and  
9 chattels from the Premises. In the event that the Lessee, its officers, agents, employees, vendors,  
10 subtenants or contractors fail to remove any item of property, the Lessor reserves the right to  
11 remove and store any such property after the expiration or earlier termination of this Lease at the  
12 Lessee's sole expense, or as an alternative, to leave the property at the Premises. In either case,  
13 the Lessor shall charge the Lessee a per diem rental for storage of such property. The Lessor  
14 shall bear no responsibility or liability for damage to or expense incurred as a result of property  
15 left, removed or stored under the provisions of this Section. The Lessee shall pay to the Lessor  
16 any expenses or charges due pursuant to this Section within thirty (30) calendar days after receipt  
17 of a bill from the Lessor.  
18

19 Section 10.3. Post-Shows Inspection: Within ten (10) calendar days following the  
20 expiration or earlier termination of this Lease, the Lessee shall accompany the Lessor on a tour  
21 of the Premises to determine the condition of the Premises. Items corrected or repaired by the  
22 Lessor, and deemed by the Lessor to be the sole responsibility of the Lessee, shall be billed by  
23 the Lessor and paid by the Lessee within thirty (30) calendar days after receipt of such bill. The  
24 Lessee may request the Lessor to provide reasonably sufficient documentation or other proof of  
25 such items corrected or repaired by the Lessor prior to any payment. If the Lessee disputes any  
26 bill for an item corrected or repaired by the Lessor, it may appeal such bill to the City Manager  
27 and/or his/her authorized designee for review and reconsideration.  
28

29 **ARTICLE XI**  
30

31 Section 11.1. Remedies: All duties, liabilities and/or obligations imposed upon or  
32 assumed by the Lessee or the Lessor by or under this Lease shall be taken or construed as  
33 cumulative, and the mention of any specified duty, liability or obligation imposed upon or  
34 assumed by the Lessee or the Lessor under this Lease shall not be taken or construed as a  
35 limitation or restriction upon any or all of the other duties, liabilities, or obligations imposed  
36 upon or assumed by the Lessee or the Lessor under this Lease. The remedies provided for in this  
37 Lease shall be construed to be cumulative and in addition to any other remedies provided in law  
38 or equity which the Lessor or the Lessee would have in any case. In no case shall a waiver by  
39 either party of the right to seek relief under this provision constitute a waiver of any other or  
40 further violation. The remedies provided in this Lease shall not be deemed exclusive of other  
41 remedies not specified.  
42

43 Section 11.2. Injunction: The Lessor shall have the right to seek and obtain in any court  
44 of competent jurisdiction an injunction, without the necessity of posting a bond, to restrain a  
45 violation or alleged violation by the Lessee of any term of this Lease, anything to the contrary  
46 notwithstanding.

1 **ARTICLE XII**

2  
3 **Section 12.1. Impossibility of Performance:**

4  
5 (a) Notwithstanding any other terms or provisions of this Lease, in the event the  
6 Lessor is temporarily or permanently prevented, restricted or delayed in the performance of any  
7 or all of the duties and obligations imposed upon or assumed by it hereunder, by act of the  
8 General Assembly of Maryland or the City Council of Annapolis, by a court of competent  
9 jurisdiction, by administrative delay not due to the fault of the Lessor (and its members and  
10 agents), or by an unforeseen event, not due to the fault of the Lessor (and its members and  
11 agents), including but not limited to fire, casualty, acts of God, strikes or other unforeseen  
12 occurrences which render impossible the fulfillment of this Lease, then the Lessor shall not be  
13 liable directly or indirectly for any claims caused to or suffered by the Lessee or any other person  
14 in connection with or as a result of such prevention, restriction or delay, and the Lessee shall not  
15 be liable for the payment of Rent for the Term of the Lease. However, if such prevention,  
16 restriction or delay relates to not more than five percent (5%) of the Term of the Lease, the  
17 Shows shall still be held and the Rent (only if based on the Minimum Payment) shall be prorated  
18 to account for the number of scheduled hours the Shows are not open to the public.

19  
20 (b) The Lessee shall not be responsible for delays in the performance of any or all of  
21 the duties and obligations imposed upon or assumed by it hereunder caused solely by  
22 unforeseeable causes beyond its control or the control of its subcontractors or suppliers of  
23 materials, such as fire, casualty, acts of God, strikes, or other unforeseen occurrences. However,  
24 if such delay relates to not more than five percent (5%) of the Term of the Lease, the Shows shall  
25 still be held and the Rent (only if based on the Minimum Payment) shall be prorated to account  
26 for the number of scheduled hours the Shows are not open to the public.

27 (c) The Lessor and the Lessee shall work cooperatively to determine possible  
28 alternatives, solutions and/or remedies to any prevention, restriction, or delay that may occur.

29  
30 **ARTICLE XIII**

31  
32 **Section 13.1. Payment:** The Lessee shall make all payments due under this Lease by  
33 check, payable to the *City of Annapolis*. In addition to all other amounts due pursuant to this  
34 Lease, the Lessee shall pay the Lessor a monthly late fee of one and one-half percent (1.5%), or  
35 eighteen percent (18%) per annum, of any payment more than sixty (60) calendar days past due,  
36 until paid.

37  
38 **Section 13.2. Right to Audit:** The Lessor shall have to right to receive and review a copy  
39 of the Lessee's Maryland State Admissions and Amusement tax report/return and any additional  
40 proof of gross receipts from the Ticket Sales as may be reasonably requested by the Lessor's  
41 Director of Finance to confirm that the Lessee has fulfilled its obligations under this Lease.

42  
43 **ARTICLE XIV**

44  
45 **Section 14.1. Time is of the Essence:** Time is of the essence in the performance of this  
46 Lease. Except as may be provided in this Lease or otherwise agreed to in writing by both parties,

1 the times and deadlines specified in this Lease shall not be extended for any reason relating to  
2 the Term of the Lease and/or the installation or removal of equipment, materials, displays, or  
3 property from the Premises.

4  
5 **ARTICLE XV**  
6

7 **Section 15.1. Assignment:** The Lessee shall not assign, transfer, or otherwise dispose of  
8 this Lease without the prior written consent of the Lessor, but such consent shall not be  
9 unreasonably withheld or delayed. The foregoing shall not prevent the Lessee from subleasing  
10 portions of the Premises to Show exhibitors, provided the portion of the Premises subleased to  
11 any exhibitor does not exceed twenty-five percent (25%) of the total area of the Premises.  
12

13 **ARTICLE XVI**  
14

15 **Section 16.1. Independent Contractor:** The Lessee is an independent contractor and not  
16 the agent or employee of the Lessor. Under no circumstances shall this Lease be considered to  
17 create an employee or agency relationship or a partnership or joint venture between the parties.  
18

19 **ARTICLE XVII**  
20

21 **Section 17.1. Liens:** The Lessee hereby consents that the Lessor shall have a lien upon  
22 all property of the Lessee located from time to time upon the Premises for any and all unpaid  
23 charges which arise under this Lease. The Lessee hereby consents to and the Lessor shall have  
24 the power to impound and retain possession of such property until all such charges and late fees  
25 due pursuant to this Lease have been paid, in full, to the satisfaction of the Lessor. In the event  
26 such charges remain unpaid ten (10) calendar days after the expiration or earlier termination of  
27 this Lease, the Lessor shall have the power to sell such property at public auction and apply the  
28 receipts from such auction to all such unpaid charges.  
29

30 **ARTICLE XVIII**  
31

32 **Section 18.1. Compliance with all Laws:** The Lessee shall comply with all laws,  
33 ordinances, and statutes applicable to the Premises or any part of the Premises, and the use and  
34 occupancy thereof, and to pay all taxes or charges imposed by law in connection with the  
35 Lessee's use and occupancy of the Premises. Provided the Lessee is making good faith progress  
36 towards correcting any violation under this Section, the Lessee shall have a reasonable time to  
37 correct that violation, not to exceed sixty (60) calendar days.  
38

39 **ARTICLE XIX**  
40

41 **Section 19.1. Termination:** In the event the Lessee should materially default in  
42 performance of its obligations under this Lease, and such default continues for more than thirty  
43 (30) calendar days after the Lessor has given written notice to the Lessee of such default, the  
44 Lessor shall have the right to immediately terminate the Lease and/or to pursue reimbursement  
45 from the Lessee for any damages to the Lessor resulting from the Lessee's material default of

1 this Lease. For purposes of this Article XIX, “materially default” and/or “material default” shall  
2 mean one (1) or more of the following:

- 3
- 4 (a) If any representation or warranty, expressed or implied, of the Lessee and pertaining  
5 to this Lease shall prove at any time to be incorrect or misleading in any material  
6 respect either on the date when made or throughout the Term of this Lease; or  
7
- 8 (b) If the Lessee shall fail to comply, fail to fulfill, or otherwise violate any of the terms,  
9 conditions, or obligations contained in this Lease; or  
10
- 11 (c) If the Lessee becomes insolvent or generally does not pay its debts as they become  
12 due, or if a petition for relief is filed by the Lessee in a bankruptcy court, or if the  
13 Lessee applies for, consents to, or acquiesces in the appointment of a trustee,  
14 custodian, or receiver for the Lessee or any of its assets and property, or makes a  
15 general assignment for the benefit of creditors, or in the absence of such application,  
16 consent, or acquiescence, a trustee, custodian, or receiver is appointed for the Lessee  
17 or for a substantial part of the assets and property of the Lessee and is not discharged  
18 within thirty (30) calendar days; or  
19
- 20 (d) If any bankruptcy, reorganization, debt arrangement, or other proceeding or case  
21 under any bankruptcy or insolvency or any dissolution or liquidation proceeding is  
22 instituted against the Lessee and is consented to or acquiesced to by the Lessee or  
23 remains for sixty (60) calendar days undismissed; or  
24
- 25 (e) If the Lessee loses or forfeits its corporate status, or ceases to be in good standing  
26 with the State of Maryland.  
27

28 Section 19.2. Other Leases: There are currently in effect leases between the Lessor and  
29 the Lessee for the Premises for boat shows for the years of 2015 through 2018. In the event the  
30 Lessee should materially default in performance of its obligations in any one (1) of the above  
31 years, such material default shall also constitute a material default in the leases for all years  
32 subsequent to it, including this Lease. If the material default continues for more than thirty (30)  
33 calendar days after the Lessor has given written notice to the Lessee of such material default, the  
34 Lessor shall have the right to terminate any of the leases for any one (1) or more of the years  
35 remaining in effect, including this Lease. Otherwise, execution of this Lease shall have no effect  
36 on those leases for the years of 2015 through 2018.  
37

## 38 ARTICLE XX

39

40 Section 20.1. Immunities: Nothing in this Lease shall be interpreted or construed to  
41 waive, in whole or in part, or to otherwise diminish, the Lessor’s statutory, common law or other  
42 immunities in any action in tort, in contract or in any other form. The parties agree that if any  
43 duty assumed by the Lessor under the terms of this Lease or any action taken by the Lessor  
44 pursuant to any such term is construed to waive, in whole or in part, any such immunity, then the  
45 immunity shall nevertheless be fully restored, and shall bind and protect the parties as a  
46 contractual undertaking.

**ARTICLE XXI**

Section 21.1. Lessee’s Representations: The Lessee hereby represents and warrants the following:

(a) The Lessee is a corporation(s), duly formed and validly existing under the laws of the State of Maryland and is qualified to do business and is in good standing in the State of Maryland.

(b) The Lessee has the power and authority to consummate the obligations and responsibilities contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance required under this Lease.

(c) The Lessee has obtained and shall continue to maintain, at its sole expense, such licenses and certifications as are necessary for the Shows and as required pursuant to this Lease, and shall present such licenses or certifications to the Lessor upon its request.

**ARTICLE XXII**

Section 22.1 Authority: This Lease is authorized by Ordinance O-44-15 adopted by the City Council of the City of Annapolis.

**IN WITNESS WHEREOF**, the Lessor, by and through its duly authorized agent, has caused this Lease to be executed on its behalf, and the Lessee, by and through its duly authorized agent, has duly executed this Lease on the date first written above. Witness the signatures and seals of the parties.

**United States Sailboat Show, Inc.,  
United States Powerboat Show, Inc.**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Paul Jacobs, President (Seal)

ATTEST:

**City of Annapolis, Maryland**

\_\_\_\_\_  
Regina C. Watkins-Eldridge, MMC,  
City Clerk

By: \_\_\_\_\_  
Michael J. Pantelides (Seal)  
Mayor

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

REVIEWED AND APPROVED BY:

\_\_\_\_\_  
Thomas Andrews, City Manager

APPROVED FOR FINANCIAL SUFFICIENCY:

\_\_\_\_\_  
Bruce T. Miller, Director  
Finance Department

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Michael G. Leahy, City Attorney