

LEASE

Authorized by O-29-14

This Lease is made this _____ day of _____, 2014, by and between City of Annapolis, a municipal corporation of the State of Maryland ("Lessor"), and Cruisers University, Inc. trading as Annapolis Spring Sailboat Show ("Lessee").

Article I

Section 1.1. Premises and Term: Lessor hereby leases to Lessee, for the purpose of holding a boat show and related educational seminars, those parcels of land and of water (collectively "Premises") described and designated on the plat as Exhibit A attached to and made part of this Lease for the periods of time indicated, subject to the provisions and terms of this Lease. ~~The Premises and other parcels of land and water are subject to a letter agreement (the "Letter Agreement") among the Lessee, The National Sailing Hall of Fame ("NSHOF") and Chesapeake Marine Tours, Inc. ("CMT") (DBA "Watermark") dated November 13, 2014 which the Lessor acknowledges and incorporates its terms into this Lease as it affects the rights and obligations of the parties to this Lease and to the Letter Agreement. A copy of the Letter Agreement is attached to this Lease as Exhibit A. A diagram of the parcels subject to this Lease and the Letter Agreement is attached as Exhibit B.~~

- a. Charter dock Parcels 1 and 2 from Tuesday, April 21, 2015 at 5:00 PM through Tuesday, April 28, 2015 at noon; ~~per the Letter Agreement, CMT (Watermark) shall have exclusive use of Charter Dock Parcels 1 and 2 from Tuesday, April 21, 2015 at 5:00 PM through Tuesday, April 27, 2015 at 8:00 PM for use by Watermark tour boats, Miss Anne and water taxis;~~
- b. Ego Alley Parcel from Tuesday, April 21, 2015 at 5:00 PM through Monday, April 27, 2015 at 8:00 PM; ~~per the Letter Agreement, Lessee shall have exclusive use of the Ego Alley parcels currently under lease to CMT, exclusive of Slip 21, from Lessor from Tuesday, April 21, 2015 at 5:00 PM through Monday, April 27, 2015 at 8:00 PM for use in producing the annual boat show;~~
- c. Susan Campbell Park Parcel and Dock Street Parking Parcels A, B, C and D from Wednesday, April 22, 2015 at 7:00 AM through Tuesday, April 29, 2015 at 5:00 PM;
- d. Donner Parking Lot Parcel from Tuesday, April 21, 2015 at 7:00 AM through Monday, April 27, 2015 at 5:00 PM;
- e. Old City Recreation Center and Parking Lot, First Floor at 9 St. Mary's Street, from Monday, April 20, 2015 at noon through Wednesday, April 29, 2015 at 5:00 PM.
- f. ~~Whatever residual interest the City may have, if any, in~~ ~~the~~ ~~North Bulkhead City Dock Parcel adjacent to Susan Campbell Park, after taking into account interests previously conveyed by the City to the National Sailing Hall of Fame,~~ from Tuesday, April 21, 2015 at 5:00 PM through Tuesday, April 28,

2015 at 5:00 PM loaned to the NSHOF by Lessor under the terms of a Memorandum of Understanding Between the State of Maryland, Department of Natural Resources, The City of Annapolis, Maryland and The National Sailing Hall of Fame dated November 18, 2005 as amended by Addendum dated October 23, 2006 ; per the Letter Agreement, CMT (Watermark) shall have exclusive use of the City Dock North Bulkhead Parcel from Tuesday, April 21, 2015 at 5:00 PM through Tuesday, April 27, 2015 at 8:00 PM.

The boardwalk around the Ego Alley and Susan Campbell Park Parcels shall remain open to the public at all times, except for brief periods during setup and breakdown of the event when required for public safety.

The Premises shall not be open to the public before 10:00 AM or after 6:30 PM on days and dates specified for the term of use herein.

Section 1.2 Revision(s) to Premises: Lessor shall have the right on or before March 15, 2015, to alter the area of the Premises in order to reflect any change in ownership or infrastructure, provided written notice is furnished to Lessee on or before March 15, 2015. Lessee shall have the right to delete from the Premises any one or more of Charter Dock Parcel 1 and 2 and Dock Street Parcels C and D, provided written notice is furnished to the Office of the Mayor and to the Harbormaster on or before March 15, 2015. In the event of any change in area by Lessor or deletion of parcels by Lessee, rent shall be adjusted accordingly.

Section 1.3. Rent: Base Rent shall be: (A) the greater of (i) thirty percent (30%) of Lessee's gross receipts (after deducting admission taxes) from the sale by Lessee of tickets for admission to the shows for that year (hereinafter "Ticket Sales Base Rent") or, (ii) Sixteen Thousand One Hundred Seventy-Four Dollars (\$16,174.00) (hereinafter "Minimum Base Rent" as allocated below).

If Minimum Base Rent is paid, Lessee shall pay Lessor the Minimum Base Rent, in full, within thirty (30) days of the close of the show. Rent for the various parcels comprising the Premises shall be in the amount of Sixteen Thousand One Hundred Seventy-Four Dollars (\$16,174.00) allocated as follows:

Charter Dock Parcel 1:	\$ 1,500.00
Charter Dock Parcel 2:	\$ 500.00
Ego Alley Parcel:	\$ 2,820.00
Susan Campbell Parcel	\$ 00.00
Dock Street Parcel A	\$ 2,000.00
Dock Street Parcel B	\$ 2,000.00
Dock Street Parcel C	\$ 2,000.00
Dock Street Parcel D	\$ 2,000.00
Donner Parking Parcel	\$ 1,254.00
Old City Recreation Center	\$ 2,000.00
City's Interest in State Dock Parcel	\$ 100.00

If Ticket Sales Base Rent is paid, Lessee shall pay Lessor simultaneously with the payment of the State admissions tax. Proof of gross receipts from ticket sales shall be supplied at that time to the City of Annapolis Director of Finance in a form satisfactory to that Director.

Section 1.4. Use of Premises: Lessee is authorized to use existing and normal ingress to and egress from the Premises, existing and normal street and harbor lighting, and existing and normal police and fire protection. Any use of facilities and services beyond what is existing and normal shall be invoiced by the City as specified in Section 1.5 below.

Use of the Old City Recreation Center shall be for administrative and educational seminar purposes only. Lessee may sell non-alcoholic beverages inside the Old City Recreation Center during hours of daily operation exclusively to seminar participants and others conducting administrative business inside the Old City Recreation Center.

Lessee shall not block access for emergency vehicles to the Susan Campbell Park Parcel or to the public walkway/boardwalk along the City Dock.

Lessee is authorized to construct, install, or erect booths, exhibits, chairs, tables, and tents in the Premises in connection with the boat show without permanently affecting the Premises. Lessee shall obtain all required temporary structures permits associated with this boat show.

Lessee, at its own expense, shall install all temporary electrical equipment, lines and devices required to provide power to the Premises in compliance with the National Electric Code and subject to electrical inspection and all required permitting by the City.

Except as permitted above for the Old City Recreation Center, Lessee is prohibited from selling alcoholic and non-alcoholic beverages on the Premises. Amplified music or other amplified sound is prohibited on the Premises.

Lessee shall submit to the City a diagram of its proposed use of the Premises at least thirty (30) days prior to the boat show and obtain final City approval of the diagram.

Section 1.5. Costs and Expenses: Lessee shall pay all costs and expenses incurred by the City as a result of Lessee's use of the Premises. Expenses may include, but are not limited to: utilities, parking and transportation, facilities and services, police services, fire services and other City services. Full cost shall be determined by the Director of Finance and invoiced post-event and shall be due and payable thirty (30) days from date of invoice.

Article II

Section 2.1. Pre-Show Meetings and Inspection: Prior to the opening of each boat show, representatives of Lessor's Department of Neighborhood and Environmental Programs, Police Department, Fire Department, Harbormaster, and Department of Public Works shall inspect the Premises and nearby areas with Lessee's representative to determine compliance with City requirements and for determination of the condition of the Premises. Written approval by representatives of these Departments is required before Lessee may open any boat show. The opening of the boat show shall not be delayed by any Department whose representative is not present for the pre-inspection. Lessor shall not refuse permission to open either boat show or any part of the show under this paragraph unless a threat to health or safety has been identified. Lessor shall make every effort to limit that part of the boat show not opened in the event of such

threat and to allow Lessee to open the closed portion of the boat show as soon as the threat is abated to Lessor's satisfaction. All other federal, state, or county permits which may be required shall be the responsibility of the Lessee.

Section 2.2. Transportation: The Lessee shall prepare and submit a written "Transportation Plan with a Parking Element" to Lessor's Director of Transportation. The Transportation Plan shall address matters specified by the Director of Transportation and shall be submitted no later than April 1, 2015. Except for public ways within the Premises, the Transportation Plan shall not provide for the closure of any street or restrict parking to those associated with the boat shows. Moreover in publicizing the boat shows, Lessee shall direct all persons attending the event to park their vehicles at satellite lots and ride the shuttle to the site of the boat shows. Upon receipt of the Transportation Plan, the Director of Transportation shall make copies available to relevant Lessor Departments, including, but not limited to those listed in Section 2.1, and to interested parties who have requested a copy.

Article III

Section 3.1. Insurance: Lessee, at its own expense, shall obtain and keep in full force and effect comprehensive commercial general liability insurance of no less than Two Million Dollars (\$2,000,000.00) combined single limit, bodily injury and property damage, and Eight Million Dollars (\$8,000,000.00) umbrella policy, which shall be effective during the entire period of time during which the Lessee shall use or occupy the Premises or any part of the Premises.

The insurance policy or policies shall specifically name the City of Annapolis, and in their capacity as such, the elected officials, officers, agents and employees thereof, as additional insureds, and insure against any and all loss, costs, damages, and expenses suffered by any person or to any property, including property owned by Lessor, due to or alleged to be due to an act, omission or the negligence of Lessee, its officers, agents, employees, vendors, subtenants or contractors, directly or indirectly, in connection with the use of the Premises or any part of the Premises by Lessee, its officers, agents, employees, vendors, subtenants or contractors.

Lessee's insurer or insurers shall be authorized to write the required insurance, approved by the Insurance Commissioner of the State of Maryland, and subject to the approval of Lessor's City Attorney. The form and substance of the Lessee's insurance policy or policies shall also be subject to reasonable approval by Lessor's City Attorney, and shall be submitted to the City Attorney for such approval not less than thirty (30) days prior to Lessee's occupancy of the Premises. The policy or policies of insurance shall then be secured by Lessee and filed with the City Attorney not less than fifteen (15) days prior to Lessee's occupancy of the Premises. No approval shall be unreasonably withheld.

The Certificate for each insurance policy shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, whether at the request of Lessee or for any other reason, except after thirty (30) calendar days advance written notice mailed by the insurer to Lessor's City Attorney, and that such notice shall be transmitted postage prepaid, return receipt requested.

The obligations of Lessee under this Article are part of but do not limit or satisfy Lessee's obligations under Article IV or Article V.

Article IV

Section 4.1. Indemnity: Lessee shall forever indemnify, defend and hold harmless Lessor, its elected officials, officers, agents, and employees, from and against any and all claims, suits, actions, judgments, and liability for loss, injury, damages, attorney's fees, and/or expenses suffered or alleged to have been suffered during the lease term by any person or to any property due to or alleged to be due to an act, omission or the negligence of Lessee, its officers, agents, employees, vendors, subtenants or contractors, directly or indirectly, in connection with the use and occupancy of the Premises or any part of the Premises, by Lessee, its officers, agents, employees, vendors, subtenants or contractors.

Lessee shall reimburse Lessor, within thirty (30) days after demand for such reimbursement, for any damage done to Lessor's buildings, facilities, equipment or property caused by an act, omission or the negligence of Lessee, its officers, agents, employees, vendors, subtenants or contractors, during Lessee's use and occupancy of the Premises or any part of the Premises.

Article V

Section 5.1. Security: Lessee shall contract with and pay, as independent contractors, security guards from an agency duly licensed by the State of Maryland, in numbers sufficient to maintain security, peace and order at the boat shows inside the Premises during the lease term.

Article VI

Section 6.1. Interior Construction: Lessee shall have the right to construct, install or erect seats, platforms, booths, tanks, scaffolding, rigging, floating piers, pilings, docks, catwalks, tents, exhibits, and any other apparatus or structure which Lessee may deem necessary or desirable for the purpose of presenting the boat shows. Lessee shall have the right to erect and construct a temporary fence so as to enclose the Premises in such a manner as to limit entry onto the Premises through controlled entrances. Such fence shall not contain barbed wire, razor wire or any similar materials.

Section 6.2. Exterior Construction: Lessee shall erect and construct temporary wooden sidewalks, wherever necessary to provide for pedestrian traffic, outside of the Premises where the existing sidewalks are enclosed in the Premises by a temporary fence described in Section 6.1. All temporary sidewalks shall be handicap accessible and illuminated during hours of darkness and maintained by Lessee in a safe and secure condition.

Section 6.3. ADA and Other Permits: Lessee hereby assumes exclusive responsibility for compliance with any and all applicable provisions of the Americans with Disabilities Act of 1990, as amended from time to time, at the Premises, during the entire time Lessee uses or occupies the Premises or any part of the Premises. Subject to the inspection provisions of Section 2.1 of this Lease and to standard public safety

and health approvals, any and all permits, licenses or authorizations required to be obtained from the City by Lessee during the term of this Lease for the purpose of constructing or erecting the temporary structures described in Sections 6.1 and 6.2 of this Lease or for operating the boat shows, shall be deemed granted and issued upon the execution of this Lease by Lessor and Lessee. All other federal, state or county permits, which may be required, shall be the responsibility of the Lessee.

Article VII

Section 7.1. Trash: Lessee, at its own expense, shall provide an adequate and equal number of trash and recycling containers for its use within the boat show grounds during the entire use and occupancy period of the Premises, and shall provide for the prompt removal of all such containers, trash and refuse. The Lessee shall collect the same recycling materials that the Lessor collects in its curbside recycling service. Lessor, at its own expense, shall provide an adequate number of trash dumpsters outside the boat show grounds for the use of Lessee during the use and occupancy period and shall provide for the prompt removal of trash, refuse and recycling materials generated during the boat show.

Section 7.2. Cleanliness: Lessee shall be responsible for keeping the Premises free of debris, trash and refuse, which shall be placed in dumpsters or receptacles.

Section 7.3. Sanitation and Toilets: Lessee shall, at its own expense, provide adequate and sanitary toilet facilities throughout the Premises for use by the general public and others attending or participating in the boat shows, including sufficient ADA compliant sanitary toilet facilities.

Article VIII

Section 8.1. Quiet Enjoyment: Lessor covenants with Lessee that at all times during the term of this Lease, Lessee shall peacefully hold and quietly enjoy the use and occupancy of the Premises without any disturbance or hindrance from Lessor or from any other person claiming through Lessor, except that Lessor or others claiming through Lessor may enter onto the Premises to effect necessary repairs to their own facilities as reasonably contemplated by the terms of this Lease, and to assure compliance with the terms of this Lease. Lessee shall cooperate with the Lessor to effect this access to the Premises.

Section 8.2. Trash and Public Safety Cooperation: The parties shall cooperate with each other and use their best efforts to ensure that there is prompt trash removal, public safety protection and adequate traffic control during the designated period of use and occupancy by Lessee of the Premises.

Article IX

Section 9.1. Condition of Premises After Show: Following the lease term, Lessee, at Lessee's sole expense, shall return the Premises to Lessor in the same or superior condition than received, natural wear and tear excepted.

Section 9.2. Lessee's Equipment After Show: Prior to the expiration of the lease term, Lessee shall immediately remove all of its property, fixtures and chattels from the Premises. In the event that Lessee, its officers, agents, employees, vendors,

subtenants or contractors, fail to remove any item of property, Lessor reserves the right to remove and store any such property after the expiration or termination of the lease term at Lessee's expense or as an alternative, to leave the property at the Premises. In either case, Lessor shall charge Lessee per diem rental for storage of such property. Lessor shall bear no responsibility or liability for damage to or expense incurred as a result of property left, removed or stored under the provisions of this Section. Lessee shall pay to Lessor any expenses or charges under this Section billed to Lessee by Lessor within thirty (30) days after delivery of any such bill by Lessor to Lessee.

Section 9.3. Post-Show Inspection: Within ten (10) days following the expiration of the lease term, Lessee shall accompany Lessor during a tour of the Premises to determine the condition of the Premises. Items corrected or repaired by Lessor, deemed by Lessor to be the responsibility of Lessee, shall be billed by Lessor and paid by Lessee within thirty (30) days after receipt of such bill.

Article X

Section 10.1. Remedies: All duties, liabilities and/or obligations imposed upon or assumed by Lessee and Lessor by or under this Lease shall be taken or construed as cumulative and the mention of any specified duty, liability or obligation imposed upon or assumed by Lessee or Lessor under this Lease shall not be taken or construed as a limitation or restriction upon any or all of the other duties, liabilities, or obligations imposed upon or assumed by Lessee or Lessor under this Lease. The remedies provided for in this Lease shall be construed to be cumulative and in addition to any other remedies provided in law or equity which Lessor or Lessee would have in any case. Lessor shall have the right to seek and obtain in any court of competent jurisdiction an injunction, without the necessity of posting a bond, to restrain a violation or alleged violation by Lessee of any term of this Lease, anything to the contrary notwithstanding. In no case shall a waiver by either party of the right to seek relief under this provision constitute a waiver of any other or further violation. The remedies provided in this Lease shall not be deemed exclusive of other remedies not specified.

Article XI

Section 11.1. Impossibility of Performance: If, for any reason, an unforeseen event not the act of Lessor occurs, including but not limited to fire, casualty, act of God, labor strike or other unforeseen occurrence which renders impossible the fulfillment of any rental period of this Lease, Lessee shall have no right to claim damages against Lessor, but Lessee shall not be liable for the payment of rent for said rental period. However, if such impossibility relates to not more than five percent (5%) of the rental period, Base Rent, if determined under Section 1.3(A)(ii) of this Lease, shall be prorated to account for the number of scheduled hours the Show is not open to the public.

Article XII

Section 12.1. Payment: Lessee shall make all payments due under this Lease by check, payable to the City of Annapolis. In addition to all other amounts due pursuant to this Lease, Lessee shall pay Lessor a monthly late fee of 1.5% (18% per annum) of any payment more than sixty (60) days past due, until paid.

Section 12.2. Right to Audit: Section 12.2. Right to Audit: Lessor shall have the right to review and audit Lessee's ticket sales records related to Cruisers University

and Annapolis Spring Sailboat Show to confirm that Lessee has fulfilled its obligations under this Lease.

Article XIII

Section 13.1. Time is of the Essence: Time is of the essence in the performance of this Lease. The times and deadlines specified in this Lease shall not be extended for any reason, except as may be provided in this Lease, relating to the term of the Lease or the installation or removal of equipment, materials or displays from the Premises, without written consent of Lessor, and provided the extension does not exceed two (2) days, consent shall not be unreasonably withheld.

Article XIV

Section 14.1. Assignment: Lessee shall not assign, transfer, or otherwise dispose of this Lease without the prior written consent of Lessor, but such consent shall not be unreasonably or arbitrarily withheld. The foregoing shall not prevent Lessee from subleasing portions of the Premises to boat show exhibitors, provided the portion of the Premises subleased to any exhibitor does not exceed twenty-five percent (25%) of the total area of the Premises.

Article XV

Section 15.1. Independent Contractor: Lessee is an independent contractor and not the agent or employee of Lessor. Under no circumstances shall this Lease be considered to create an employee or agency relationship or a partnership or joint venture.

Article XVI

Section 16.1. Liens: Lessee hereby consents that Lessor shall have a lien upon all property of Lessee located from time to time upon the Premises for any and all unpaid charges which arise under this Lease. Lessee hereby consents to and Lessor shall have the power to impound and retain possession of such property until all such charges and late fees due under Article XIII have been paid, in full, to the satisfaction of Lessor. In the event such charges remain unpaid ten (10) days after the termination of this Lease, Lessor shall have the power to sell such property at public auction and apply the receipts from such auction to all such unpaid charges.

Article XVII

Section 17.1. Compliance with all Laws: Lessee shall comply with all laws, ordinances, and statutes applicable to the Premises or any part of the Premises, and the use and occupancy thereof, and to pay all taxes or charges imposed by law in connection with Lessee's use and occupancy of the Premises. Lessee shall have a reasonable time to correct any violation.

Article XVIII

Section 18.1. Immunities: Nothing in this Lease shall be interpreted or construed to waive, in whole or in part, or to otherwise diminish, Lessor's statutory, common law or other immunities in any action in tort, in contract or in any other form. The parties agree that if any duty assumed by Lessor under the terms of this Lease or any action

taken by Lessor pursuant to any such term is construed to waive, in whole or in part, any such immunity, then the immunity shall nevertheless be fully restored, and shall bind and protect the parties as a contractual undertaking.

Article XIX

Section 19.1 Authority: This Lease is authorized by Ordinance O- 29-14 adopted by the City Council of the City of Annapolis.

In Witness Whereof, the City of Annapolis, by and through its duly authorized agent, has caused this Lease to be executed on its behalf, and the Lessee, Cruisers University, Inc. trading as Annapolis Spring Sailboat Show and Cruiser University, Inc. trading as Annapolis Spring Sailboat Show, has duly executed this Lease on the date first written above.

**Cruisers University, Inc. trading as
Annapolis Spring Sailboat Show**

Witness
(Seal)

By: _____(Seal)
Paul Jacobs, President
Cruisers University, Inc. trading as
Annapolis Spring Sailboat Show

ATTEST:

City of Annapolis, Maryland

Regina C. Watkins-Eldridge, MMC,
City Clerk

By: _____
Michael J. Pantelides, Mayor (Seal)

REVIEWED AND APPROVED BY:

David Jarrell, Acting City Manager

APPROVED FOR FINANCIAL SUFFICIENCY:

Bruce T. Miller, Director
Finance Department

APPROVED FOR LEGAL FORM AND SUFFICIENCY*
(Subject to Execution by the City Mayor and City Council, if Indicated.)

OFFICE OF THE CITY ATTORNEY
*Approval of Legal Form and Sufficiency Does Not Convey Approval
or Disapproval of Substantive Nature of Transaction. Approval is
Based Upon Typeset Document. All Modifications Require Re-Approval.