

1 LEASE

2
3 This Lease ("Lease") is made this ____ day of _____ 2015, by and between
4 The City of Annapolis, a municipal corporation of the State of Maryland ("City"), and
5 Chesapeake Children's Museum, Inc., a Maryland corporation (the "Tenant").
6

7 WHEREAS, the City is the fee simple owner of an improved parcel of land located at 25
8 Silopanna Road, Annapolis, Maryland and more accurately described in a deed recorded at
9 Liber 4881, folio 076 among the Land Records of Anne Arundel County (the "Property"); and
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11 WHEREAS, the Property is improved with a building (the "Building"), and the City has
12 space therein to lease; and
13

14 WHEREAS, the Tenant leased approximately three thousand seven hundred fifty (3,750)
15 +/- square feet of the Building, which includes the common areas, and shared use of certain
16 areas in the Building (collectively, the "Premises"), pursuant to an Amended Lease Agreement
17 dated September 25, 2006 ("Amended Lease Agreement") for the purpose of housing the
18 Chesapeake Children's Museum; and
19

20 WHEREAS, the Amended Lease Agreement expired on June 30, 2011, but the City has
21 permitted the Tenant to continue leasing the Premises on a month-to-month basis under the
22 same terms of the Amended Lease Agreement; and
23

24 WHEREAS, the Tenant wishes to continue leasing the Premises for the purpose of
25 housing the Chesapeake Children's Museum; and
26

27 WHEREAS, the parties desire to enter into this Lease that defines the rights, duties, and
28 liabilities of the parties.
29

30 NOW, THEREFORE, in consideration of these premises and the mutual promises and
31 covenants of this Lease, and other good and valuable consideration, the receipt and sufficiency
32 of which are hereby acknowledged, the City and the Tenant agree as follows:
33

34 1. TERM

35
36 a. The City leases the Premises to the Tenant and the Tenant leases the Premises
37 from the City for a Term of commencing on the date of City Council approval and terminating on
38 June 30, 2015 (the "Original Term"), unless terminated earlier in accordance with the terms of
39 this Lease.
40

41 b. Provided that the Tenant is not in default of this Lease and continues to occupy
42 the Premises, this Lease shall be automatically renewed for ten (10) additional successive
43 terms of one (1) year upon the same terms and conditions in this Lease (each a "Renewal Term
44 and collectively the "Renewal Terms"). Each Renewal Term shall commence and run with the
45 City fiscal year (July 1st – June 30th).
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47 c. The City expressly reserves the right to adjust any rent for any Renewal Term.
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1 2. USE OF PREMISES
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3 a. The Tenant may use and occupy the Premises during the Term of this Lease
4 only for the purpose of housing the Chesapeake Children’s Museum and only for those activities
5 routinely associated with a children’s museum, and for no other purpose. The space in the
6 Building leased to Bay Broadcasting Corporation, as of the date of this Lease, is expressly and
7 specifically excluded from this Lease.
8

9 b. The Tenant accepts the Premises in “As Is” condition. The City makes no
10 representation or warranty with respect to the condition or state of the Premises, or its fitness for
11 any particular use, and the City shall not be liable for any latent or patent defect thereon. Unless
12 as otherwise expressly provided in this Lease, the City does not make, and specifically
13 disclaims, any representations, warranties or covenants of any kind or character, express or
14 implied, with respect to the nature, condition, economical, functional, environmental or physical
15 condition of the Premises.
16

17 c. The Tenant shall not use or occupy or permit the Premises or the Property to be
18 used or occupied in a manner which would in any way (1) violate any of the terms of this Lease;
19 (2) make it impossible for either the City or the Tenant to obtain fire or other insurance required
20 by this Lease at standard rates; (3) cause or create a public or private nuisance in or on the
21 Premises or the Property; (4) create and/or permit the existence of a safety hazard on the
22 Premises or Property; or (5) tend to impair or interfere with the character, reputation or
23 appearance of the Premises or the Property.
24

25 d. The City shall retain for its exclusive use as much space as the City in its sole
26 discretion determines it needs in the Building’s ground floor for purposes of storage.
27

28 e. The Tenant shall obtain the City’s prior written approve before agreeing to or
29 accepting any federal, state or local grants or grant funding for improvements, changes and/or
30 repairs to the Premises or the Property that obligate the City to any responsibilities or liabilities.
31 If the Tenant should mistakenly or willfully obligate the City to any responsibilities or liabilities by
32 applying to, agreeing to or accepting any grants, the Tenant shall take full responsibility for any
33 such responsibilities and liabilities, including any associated costs and expenses.
34

35 f. The Tenant shall not, under any circumstances or for any reason, operate or
36 provide any programs or camps on the Premises or anywhere on the Property without first
37 obtaining all necessary permits, licenses, and City and other governmental approvals and
38 providing copies to the City.
39

40 g. The Tenant shall conduct any and all cooking on the Premises with immediate
41 and constant supervision by an adult employee or volunteer of the Tenant. The parties
42 acknowledge and agree to the Tenant utilizing a microwave, toaster oven and two-plate burner
43 at the Property. If the Tenant should decide to purchase, install and/or use any other cooking or
44 other kitchen appliances at the Property, including, but not limited to, a stove, oven, or
45 dishwasher, the Tenant shall send prior written notice to the City, shall obtain all applicable
46 permits and approvals, and shall comply with Sections 6 and 14 of this Lease.
47

48 h. The Tenant, at its sole cost and expense, shall perform background checks of all
49 its employees, volunteers, agents, and other contracted individuals, and shall provide copies of
50 all such background checks to the City.
51

1 3. RENT
2

3 a. In lieu of monetary rental payments, the Tenant shall, at its sole cost and
4 expense, maintain and repair the Premises as required by this Lease throughout the Term of
5 this Lease (collectively, the "Maintenance Obligations"). All such Maintenance Obligations shall
6 be made and rendered by professional contractors and other professionals licensed in the State
7 of Maryland, and shall comply in all respects with all applicable federal, state, county and City
8 laws, ordinances, and regulations. The Tenant shall not start or undertake any of the
9 Maintenance Obligations without first obtaining all necessary permits and City and other
10 governmental approvals. If the Tenant fails to fully and routinely complete the Maintenance
11 Obligations to the City's satisfaction, then this Lease shall automatically terminate without
12 further action required by the City and the remedies of Paragraph 21 shall fully apply. All
13 Maintenance Obligations made by the Tenant shall become the sole and absolute property of
14 the City, whether or not fully and finally completed.
15

16 b. The Tenant shall also pay as additional rent all sums, taxes, assessments, costs,
17 expenses and other payments which the Tenant under any of the provisions of this Lease
18 assumes or agrees to pay (the "Additional Rent"), and in the event of any nonpayment thereof,
19 the City shall have all the rights and remedies provided in this Lease and/or by law or at equity.
20

21 c. Except as otherwise provided for in this Lease, any Additional Rent shall be due
22 and payable thirty (30) calendar days after receipt of notice of amount due and payable. All
23 payments shall be made payable to the "City of Annapolis" and shall be sent or delivered to the
24 Finance Director, Finance Department, City Hall, 160 Duke of Gloucester Street, Annapolis,
25 Maryland 21401.
26

27 4. QUIET ENJOYMENT
28

29 The Tenant may peaceably and quietly enjoy the Premises for the Term of this Lease
30 subject, however, to the terms of this Lease and compliance with these terms.
31

32 5. UTILITIES, SERVICES
33

34 a. The Tenant shall, at its sole cost and expense, be responsible for the furnishing
35 of all utilities, including gas, electricity, light, heat, steam, power, water and sewer, and other
36 services used in connection with the operation of the Premises.
37

38 b. The Tenant, at its sole cost and expense, shall arrange and pay for any
39 telephone, internet, cable, and similar services, including any necessary telecommunications
40 build-out of the Premises. The Tenant shall not arrange or pay for any build-out of any
41 necessary telecommunications without the prior written consent of the City.
42

43 c. The Tenant, at its sole cost and expense, shall arrange and pay for any
44 housekeeping services and janitorial work that are necessary for the operation of the Premises
45 (other than space rented to other tenants), including, but not limited to, cleaning any and all
46 bathroom facilities, cleaning windows and floors, and all other general and/or routine janitorial
47 maintenance.
48

49 d. The Tenant, at its sole cost and expense, shall arrange for the collection of all
50 trash and recycling on the Premises (other than trash and recycling from other tenants) into
51 Tenant-purchased containers. The City shall arrange for the removal and disposal of all trash

1 and recycling collected in the Tenant's containers, provided that the containers are placed on
2 the curb area of Silopanna Road on the City-specified days of the week.
3

4 e. The Tenant, at its sole cost and expense, shall arrange and pay for the removal
5 of all snow and ice from the stairs, walkways, sidewalks, unpaved driveways and unpaved
6 parking areas for the Premises. The City shall arrange for the removal of all snow from the
7 paved portions of the driveway and parking areas for the Premises, which removal shall occur
8 after the City, in its sole discretion, has addressed all other City streets, facilities, and areas that
9 may need snow removal.

10
11 f. The Tenant, at its sole cost and expense, shall arrange and pay for routine
12 grounds maintenance for the Premises, including the parking areas, walkways, sidewalks, and
13 landscaping. The Tenant's landscape maintenance responsibilities only authorizes and permits
14 the Tenant to water, prune and weed the existing landscaping. If the Tenant desires to perform
15 additional landscaping for the Premises, it shall submit a landscape plan to the City and obtain
16 the City's written approval prior to starting or undertaking any such additional landscape work.
17

18 6. ALTERATIONS

19
20 a. The Tenant shall not make or cause to be made any alterations, additions, or
21 improvements to the Premises without obtaining the prior written consent of the City that may be
22 withheld in the City's sole and absolute discretion. All work done in accordance with any
23 approved alterations, additions, or improvements shall be done in a good and workmanlike
24 manner, by professionals licensed in the State of Maryland, in compliance with any necessary
25 permits and other governmental approvals, and in accordance with all applicable laws and
26 ordinances of any public authority having jurisdiction over the Premises.
27

28 b. The Tenant shall retain ownership of all of its trade and business equipment and
29 furnishings from time to time installed on the Premises. The Tenant may remove any such
30 equipment or furnishings at any such time during the Term and shall remove all of it prior to the
31 expiration of the Lease. Removal shall not cause any damage to the Premises or the Property.
32 The Tenant shall pay for any damages it may cause, which shall be due and payable by the
33 Tenant within thirty (30) calendar days of City invoicing. Any such property not removed at the
34 expiration of the Term shall be deemed abandoned and, at the election of the City, shall
35 become the property of the City without payment of any kind to the Tenant, without increasing
36 the City's liability to the Tenant, and for any disposition of it the City decides to make.
37

38 7. MAINTENANCE OBLIGATIONS

39
40 a. The Tenant's Maintenance Obligations, as defined above, shall include the
41 following:
42

43 1. The Tenant, at its sole cost and expense, shall keep and maintain the
44 Premises (other than space rented to other tenants) in good order and condition, and cause no
45 waste or damages thereto. At the expiration of this Lease, the Tenant shall surrender the
46 Premises broom clean and in the same order and condition in which they were on the
47 commencement date, ordinary wear and tear accepted.
48

49 2. The Tenant shall, at its sole cost and expense, maintain and repair the
50 Premises, including, but not limited to, the HVAC system, the plumbing systems, and the
51 electrical wiring servicing or within the Premises.

1
2 3. The Tenant, at its sole cost and expense, shall make all structural repairs,
3 including, but not limited to, structural columns and floors, the roof, and the exterior walls of the
4 Premises and the parking facilities servicing the Premises and the Property.
5

6 4. All interior surfaces, including windows and doors, of the Premises shall
7 be maintained in good, clean and sanitary condition by the Tenant. If at any time an inspection
8 by a City or other governmental agency reveals that there may be a problem with moisture in
9 the Premises that may damage the Building, the Premises or otherwise amplify or increase
10 mold, the Tenant shall be given a correction notice by the City to locate the source of the
11 moisture and to perform whatever repairs are necessary to correct the problem, at the Tenant's
12 sole cost and expense. If a City or other governmental inspector observes, smells, or
13 reasonably suspects mold growth that the Tenant is not able to locate or otherwise address, the
14 Tenant may be given a correction notice by the City, in its reasonable discretion, to hire a
15 trained specialist, at the Tenant's sole cost and expense, to inspect for mold and to determine
16 what remediation actions the Tenant may need to undertake.
17

18 b. Prior to the Tenant repairing, replacing or otherwise altering any aspect of the
19 Premises or the Property, the Tenant shall provide the City with thirty (30) calendar day prior
20 written notice specifying the need for and nature of any and all such repairs, replacements or
21 alterations, and providing the City with a copy of all applicable contracts or agreements with any
22 third party hired by the Tenant to perform such repairs, replacements or alterations. The Tenant
23 or its contractors shall not start or undertake any such repairs, replacements or alterations
24 without the prior written approval of the City, and without first obtaining all necessary permits
25 and other governmental approvals. Such repairs, replacements or alterations shall be made and
26 rendered by professional contractors licensed in the State of Maryland, and shall comply in all
27 respects with all applicable federal, state, county and City laws, ordinances, and regulations,
28 including, but not limited to, zoning, building and fire code requirements.
29

30 c. Upon written request by the Tenant, the City shall repair the single security light
31 on top of the Building, as needed in the City's reasonable discretion, at no additional cost to the
32 Tenant.
33

34 d. If the City is required to make any repairs to such portions of the Premises by
35 reason, in whole or in part, of the negligent or willful act or failure to act by the Tenant or the
36 Tenant's employees, agents, contractors, guests, or invitees, the City may collect the cost of
37 any and all such repairs from the Tenant as Additional Rent which shall be due and payable by
38 the Tenant within thirty (30) calendar days of City invoicing.
39

40 e. The City shall have no liability to the Tenant by reason of any inconvenience,
41 annoyance, interruption, or injury to business or other use or occupancy arising from making
42 any repairs or changes that the City is required or permitted to make in or to any portion of the
43 Premises or the Property, or the common areas, by any other tenant's lease, or by law.
44

45 8. SIGNS

46
47 The Tenant shall not place or maintain any sign, billboard, marquee, awning, decoration,
48 placard, lettering, advertising matter or other thing of any kind, whether permanent or
49 temporary, on the exterior of the Premises or on the glass or any window or door of the
50 Premises, without first obtaining the City's written consent. The Tenant shall maintain any sign,
51 billboard, marquee, awning, decoration, placard, lettering or advertising matter or other thing of

1 any kind, as may be approved by the City, and shall repair and replace when necessary to keep
2 in good condition.
3

4 9. PARKING AND BUS ACCESS

5
6 a. The Tenant's employees, agents, contractors, clients, guests, and invitees shall
7 be entitled to the non-exclusive use, free of charge, but in common with others, of the
8 driveways, footways and parking areas within the Property, subject to any rules and regulations
9 as the City may, from time to time, require.

10
11 b. Except as needed for the Tenant to comply with Section 5(e) of this Lease, the
12 City shall at all times have full and exclusive control, management and direction of all driveways,
13 footways and parking areas. The City may restrict access to, temporarily close, construct,
14 adjust, reduce, or perform such other acts to all or any portion of the parking areas or the
15 facilities as the City determines to be necessary or appropriate.
16

17 c. The City shall have the right, but not the duty, to police all driveways, footways
18 and parking areas and to change the arrangement, location, layout and arrangement thereof.
19

20 10. NON-DISCRIMINATION

21
22 a. The Tenant shall not discriminate against any person with regard to membership
23 policies, or employment practices, or in the provision of or access to services based on race,
24 color, religion, national origin, ancestry, sex, age, or disability.
25

26 b. This provision shall not be construed to prevent the Tenant from rendering
27 services pursuant to this Lease to categories of individuals with specific needs.
28

29 11. CITY RIGHTS

30
31 a. The City shall have the exclusive right to use all or any part of the roof and rear
32 and side walls of the Premises for any purpose, to erect additional stories or other structures
33 over all or any part of the Premises or the Property, and to erect and maintain in connection with
34 the construction thereof, temporary scaffolds and other aids to construction on the exterior of
35 the Premises. In such event, the City may temporarily and reasonably limit or restrict access to
36 the interior of the Premises.
37

38 b. The City shall have the right to use the Premises and the Property for all
39 purposes, as long as such use does not preclude the Tenant's reasonable use of the Premises
40 as described in this Lease.
41

42 12. ASSIGNMENT

43
44 The Tenant shall not assign or sublet this Lease, or permit other persons to occupy the
45 Premises, or grant any license or concession for the Premises.
46

47 13. SECURITY, PROPERTY LOSS DAMAGE

48
49 a. The Tenant assumes all risks associated with the security of the Premises (other
50 than space rented to other tenants) and the Property. The City shall have no obligation or duty

1 with regard to security. The Tenant shall police, light and maintain the Premises (other than
2 space rented to other tenants) and the Property in a clean, safe and secure manner.
3

4 b. The Tenant shall not under any circumstances issue any trespass notices,
5 whether oral or written, or exclude any individual from the Premises or the Property for any
6 reason; provided, however, that the Tenant may issue a temporary ban, not lasting longer than
7 seven (7) calendar days, to an individual if the Tenant has a reasonable belief that a temporary
8 ban is necessary to prevent a crime from being committed on the Premises or the Property
9 and/or to insure the safety of the Tenant's employees, volunteers and guests. If the Tenant
10 issues a temporary ban, it shall do so in writing and send a copy of the writing to the City
11 simultaneously with a copy to the person or persons temporarily banned, and shall notify the
12 City in writing of the facts justifying the temporary ban within three (3) business days after it is
13 issued. If the Tenant desires to issue any long-term or permanent trespass notice or exclusion
14 of an individual from the Premises and/or the Property, the Tenant shall send a written request
15 to the City containing all facts which it contends justify such action, and the City, in its sole
16 discretion, shall make the ultimate decision how and if to act on this request. The City, not the
17 Tenant, may extend the temporary ban beyond seven (7) days. Nothing in this section shall
18 require the Tenant to obtain City approval before calling or notifying the police as it may deem
19 necessary.
20

21 c. The City, its elected officials, appointees, directors, employees, agents,
22 contractors and representatives (the "Indemnified Parties"), shall not be liable for any damage to
23 property of the Tenant or of others located on the Premises or entrusted to its employees nor for
24 the loss of any property by theft or otherwise, nor for any injury or damage to persons or
25 property resulting from theft, casualty, acts of God, fire of every nature and type, the
26 accumulation of snow or ice, explosion, falling plaster, steam, gas, electricity, wind, water, rain
27 or snow which may overflow or leak or be discharged from any part of the Premises or the
28 Property or from the pipes, appliances or plumbing works of the same or from the street or
29 subsurface or from any other place, or from dampness, or from any other cause whatsoever;
30 nor shall the City be liable for any such damage caused by other tenants or persons in the
31 Premises or the Property, or for damage caused by operations in construction of any public or
32 quasi-public works. All property of the Tenant kept or stored on the Premises shall be so kept at
33 the risk of the Tenant only and the Tenant shall indemnify, defend and hold the Indemnified
34 Parties harmless from any claims arising out of damage to the same, including subrogation
35 claims by the Tenant's insurance carrier.
36

37 14. COMPLIANCE WITH LAWS 38

39 a. The Tenant at its sole cost and expense, shall keep in force all licenses,
40 consents and permits necessary for the lawful use of the Premises for the purposes of this
41 Lease. The Tenant, at its sole cost and expense, shall promptly comply with and do all things
42 required by any notice served upon it or upon the City in relation to the Premises or any part
43 thereof, from any of the departments or agencies of the City, a county, the State of Maryland, or
44 the United States, if the same shall be caused by the Tenant's use of the Premises. The Tenant
45 shall pay all costs, expenses, claims, fines, penalties, and damages that may in any manner
46 arise out of the failure of the Tenant to comply.
47

48 b. The Tenant shall use and operate the Premises in compliance with all
49 "Environmental Legal Requirements", which shall mean any applicable law relating to public
50 health, safety or the environment, including, without limitation, relating to releases, discharges
51 or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the

1 use and handling of polychlorinated biphenyls ("PCB's"), asbestos or asbestos containing
2 products, to the disposal, treatment, storage or management of solid or other hazardous or
3 harmful wastes or to exposure to toxic, hazardous or other harmful materials (collectively
4 "Hazardous Substances"), to the handling, transportation, discharge or release of gaseous or
5 liquid substance, and any regulation or final order or directive issued pursuant to such statute or
6 ordinance, in each case applicable to the Premises, or its operation, construction or
7 modification, including without limitation the following: The Clean Air Act, the Federal Water
8 Pollution Control Act ("FWPCA"), the Safe Drinking Water Act, the Toxic Substances Control
9 Act, the Comprehensive Environmental Response Compensation and Liability Act, as amended
10 by the Solid and Hazardous Waste Amendments of 1984 ("RCRA"), the Occupational Safety
11 and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Solid
12 Waste Disposal Act, and any federal, state or local statutes addressing similar matters, and any
13 federal, state or local statute providing for financial responsibility for clean-up or other actions
14 with respect to the release or threatened release of any of the above referenced substances.

15
16 15. INSURANCE
17

18 a. The Tenant, at its sole cost and expense, shall maintain in full force and effect
19 during the Term of this Lease, and any Renewal Term, the following insurance coverages
20 insuring against claims that may arise from or in connection with the Tenant's operation and use
21 of the Premises.
22

23 1. Commercial General Liability Insurance Policy, including contractual
24 liability and property liability insurance for the Premises, written on an occurrence basis, in
25 adequate quantity to protect against legal liability arising out of this Lease, but no less than
26 \$100,000.00 per person and \$300,000.00 per occurrence in the aggregate, using a Combined
27 Single Limit for bodily injury and property damage.

28 2. Workers Compensation insurance as required by Maryland law, with
29 limits of at least \$100,000.00 per accident and \$500,000.00 per occupational disease for each
30 employee.

31 3. Directors' and Officers' Liability Insurance Policy, in adequate quantity to
32 protect against legal liability arising out of this Lease, but no less than \$500,000.00 per
33 occurrence to cover all activities by the Tenant under this Lease, or if the Tenant decides not to
34 obtain such a policy, the Tenant shall indemnify, defend and hold the City harmless for any
35 damages and liabilities resulting from the failure to obtain such a policy.

36 b. On all Commercial General Liability Insurance policies, the City, its elected
37 officials, appointees, directors, employees, agents, contractors and representatives shall be
38 named as additional insureds, which shall be shown on insurance certificates furnished to the
39 City.

40 c. Such policy or policies of insurance shall contain a provision by which the insurer
41 waives any right of subrogation against the City arising out of any loss covered by such
42 insurance.

43 d. The City shall not be liable to the Tenant for any damage to the Tenant's property
44 caused by the negligence or intentional acts of any other tenant in the Premises, or caused by
45 any condition existing on or emanating from the property of any other tenant which is caused by
46 such tenant or any of its agents or contractors.

1 e. The Tenant shall insure and protect itself against injury, loss or damage to its
2 property arising from any cause whatsoever, including omission, fault, negligence or other
3 conduct of the City, through procurement of insurance coverage, without subjecting the City to
4 liability to the Tenant for any injury, loss or damage which may be insured against, and further,
5 without subjecting the City to subrogation claims of any insured

6 f. The Tenant shall submit to the City, simultaneously with the execution of this
7 Lease, Certificates of Insurance evidencing the coverage required by this Lease before
8 commencing the Term of this Lease. Such certificates shall provide that the City be given at
9 least thirty (30) calendar days prior written notice of any cancellation of, intention not to renew,
10 or material change in coverage.

11 g. The Tenant's insurance policy or policies shall not relieve the Tenant of any of its
12 responsibilities or obligations of this Lease or for which the Tenant may be liable by law or
13 otherwise.

14 h. The Tenant's insurance policy or policies shall be issued by an insurance
15 company(s) authorized to do business within the State of Maryland.

16 i. The required insurance shall be primary to any other valid and collectable
17 insurance.

18 j. The Tenant's failure to provide and continue in force the insurance policy or
19 policies required by this Lease shall constitute a material breach of this Lease and shall operate
20 as an immediate termination of this Lease.

21 16. INDEMNIFICATION

22
23 a. The Tenant shall be solely responsible for any and all injuries and damages to
24 persons and property resulting from any breach or default of this Lease by the Tenant, or any
25 negligent or intentional act or omission by the Tenant in carrying out the terms of this Lease or
26 otherwise arising from this Lease.

27 b. The Tenant shall indemnify, defend and hold the Indemnified Parties harmless
28 from and against all liability for injuries to persons, including death, and damage to the Premises
29 or the Property arising from acts or omissions of the Tenant, its officers, agents, employees,
30 contractors, patrons, volunteers, guests or invitees resulting in connection with this Lease. The
31 Tenant shall also indemnify, defend and hold the Indemnified Parties harmless from and against
32 any and all liabilities, claims, suits, or demands which may be made against the Indemnified
33 Parties by any third party arising from the alleged violation of any third party's trade secrets,
34 proprietary information, trademark, copyright, patent rights, or other intellectual property rights,
35 or from the alleged violation of unfair competition, defamation, invasion of privacy, anti-
36 discrimination laws or regulations, or any other right of any person or entity in connection with
37 the Tenant's use of the Premises or the Property under this Lease.

38 c. The Tenant's indemnifications include reasonable attorney fees and costs
39 incurred by the City in defending any claims, complaints, causes of action, lawsuits, or other
40 such actions.

41 d. The City, in its sole discretion, may participate in handling its own defense or
42 exclusively handle its own defense, and select its own attorneys, including the City Attorney.
43 The indemnification for attorney fees applies whether or not the City Attorney or other attorney
44 handles the defense.

1 e. Tenant indemnification does not limit any immunity which the Indemnified Parties
2 are entitled to assert, and includes all costs and expenses, including attorney's fees, whether or
3 not related to administrative or judicial proceedings.

4 f. The Tenant shall reimburse the City, within thirty (30) calendar days after
5 invoicing for such reimbursement, for any damage to the Premises or the Property caused by
6 the negligence or willful misconduct of the Tenant, its officers, agents, employees, contractors,
7 patrons, volunteers, guests or invitees.

8 17. IMPAIRMENT OF THE CITY'S TITLE
9

10 The Tenant shall not have the right, power, or permission to do any act or to make any
11 agreement that may create, give rise to, or be the foundation for, any right, title, interest, lien,
12 charge, or other encumbrance on the Premises or the Property. The Tenant shall not permit any
13 part of the Premises or the Property to be used by any person or persons or by the public, at
14 any time or times during the term of this Lease, in such manner as might tend to impair the
15 City's title to or interest in the Premises or the Property, or in such manner as might make
16 possible a claim or claims of adverse use, adverse possession, prescription, dedication, or other
17 similar claims of, in, to, or with respect to the Premises or the Property.
18

19 18. LIENS AND ENCUMBRANCES
20

21 a. The Tenant shall not permit any liens for labor or materials to attach to the
22 Premises or the Property as a result of the improvements made or constructed upon the
23 Premises or the Property by the Tenant and if such liens do attach, the Tenant shall cause
24 immediately such liens to be discharged of record or bonded for the full amount of the lien.
25 Failure of the Tenant to discharge or bond for the full amount of any lien with thirty (30) calendar
26 days of receipt of notice thereof shall be cause for the City, at its option, to immediately
27 terminate this Lease and sue the Tenant for damages.
28

29 b. During the Term of this Lease, the Tenant shall not mortgage or encumber the
30 Premises or the Property.
31

32 19. TAXES AND ASSESSMENTS
33

34 a. The Tenant shall pay all impositions including all state, county and City taxes
35 (including real estate ad valorem, sales, use, and occupancy taxes) and assessments of any
36 kind and nature whatever, including all interest and penalties on them, which shall or may
37 accrue or be incurred during the Term of this Lease. The Tenant shall pay all such taxes and
38 assessments before any fine, penalty, interest, or cost may be added for nonpayment, and shall
39 furnish to the City, on request, official receipts or other satisfactory proof evidencing such
40 payment. If any tax or assessment is payable in installments over a period of years, the Tenant
41 shall be liable only for payment of those installments falling due and payable during the Term,
42 with appropriate pro-ratio in case of fractional years.
43

44 b. Taxes and assessments shall not be deemed to include any municipal, state, or
45 federal income taxes assessed against the City, or any municipal, state, or federal capital levy,
46 estate, succession, inheritance, or transfer taxes of the City, or any franchise taxes imposed on
47 the City, or any income, profits, or revenues tax, assessment, or charge imposed on the rent
48 received as such by the City under this Lease.
49

1 20. THE CITY'S RIGHT OF ENTRY

2
3 a. The City and its employees, representatives, agents, and servants, including any
4 builder or contractor employed by the City, shall have the absolute unconditional right, at any
5 and all reasonable times with prior notice to Tenant (except in the event of an emergency in
6 which case no prior notice is required), to enter the Premises or the Property for any of the
7 following purposes: (a) to inspect the Premises and the Property; (b) to make such repairs
8 and/or changes in the Premises or the Property as the City may deem necessary or proper; (c)
9 to enforce and carry out any provision of this Lease; (d) for any purpose relating to the safety,
10 protection or preservation of the Premises or the Property; or (e) for any other purpose related
11 to the enforcement of this Lease.

12
13 b. The Tenant shall install a key lock box on the main entrance to the Premises,
14 and shall provide the City with combination to such box. The Tenant shall also provide the City
15 with a complete and current set of keys to all entrances and exits to the Premises, and the code
16 to the alarm system.

17
18 c. The City shall use reasonable efforts to minimize interference to the Tenant's
19 business or use of the Premises or the Property when making inspections or repairs, but the
20 City shall not be required to perform the inspections or repairs at any time other than during
21 normal working hours.

22
23 21. RESERVATION OF GOVERNMENTAL AUTHORITY

24
25 The City reserves the right at all times to exercise full governmental control and
26 regulation with respect to all matters connected with this Lease not inconsistent with the terms
27 of this Lease.

28
29 22. DEFAULT OR BREACH

30
31 a. The occurrence of any one (1) of the following events shall constitute Default or
32 Breach under the terms of this Lease:

33
34 1. Failure by the Tenant to make any payment of Rent, Additional Rent, or
35 any other payment required to be made by the Tenant under this Lease and the Tenant fails to
36 remedy such default within five (5) business days after any such payment is due and payable.

37
38 2. Failure by the Tenant to observe or perform any of the material
39 covenants, conditions or provisions of this Lease.

40
41 3. The Tenant's general assignment or general arrangement for the benefit
42 of creditors, the filing by or against the Tenant of a petition to have the Tenant adjudged a
43 bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy
44 (unless in the case of a petition filed against the Tenant, the same is dismissed within sixty (60)
45 calendar days), the appointment of a trustee or receiver to take possession of substantially all of
46 the Tenant's property located in the Premises or the Tenant's interest in this Lease where such
47 seizure is not discharged or bonded within ten (10) business days, the attachment, execution or
48 other judicial seizure of substantially all of the Tenant's interest in this Lease, where such
49 seizure is not discharged or bonded within ten (10) business days.

50
51 4. Vacating or abandonment of the Premises by the Tenant.

1
2 5. Any material misrepresentation by the Tenant to the City in connection
3 with the negotiation or execution of this Lease.
4

5 b. Upon the occurrence of a Default or Breach, the City may, after giving the Tenant
6 ten (10) calendar days written notice, proceed in the manner below.
7

8 1. Terminate this Lease and the Tenant's right to possession of the
9 Premises and with or without legal process, re-enter and take possession of the Premises and
10 remove the Tenant, any occupant and any property therefrom, without being guilty of trespass
11 or being liable to any suit, action or prosecution therefore, which liability the Tenant expressly
12 waives, and without relinquishing any rights of the City against the Tenant. Notwithstanding
13 such re-entry and termination of this Lease, the Tenant shall remain liable to the City for any
14 payments or damages, including, but not limited to, outstanding Rent and Additional Rent and
15 attorneys' fees, due or sustained prior thereto; or
16

17 2. Maintain the Tenant's right to possession, in which case this Lease shall
18 continue in effect, whether or not the Tenant shall have abandoned the Premises. In such event,
19 the City shall be entitled to enforce all of the City's rights and remedies under this Lease,
20 including the right to recover the Rent and Additional Rent as it becomes due hereunder.
21

22 c. No act or omission by the City shall be deemed to be an acceptance of a
23 surrender of the Premises or a termination of the Tenant's liabilities under this Lease, unless the
24 City shall execute a written release of the Tenant. The Tenant's liability under this Lease shall
25 not be terminated by the execution by the City of any new lease for all or any portion of the
26 Premises or the acceptance of rent from any assignee or subtenant.
27

28 d. The City shall afford the Tenant at least thirty (30) calendar days, with any
29 reasonable extension as needed, to cure any default or breach of this Lease before declaring a
30 Default or Breach and terminating this Lease.
31

32 23. TERMINATION FOR CONVENIENCE

33

34 The City may terminate this Lease for convenience, for any reason, and at any time by
35 providing thirty (30) calendar days prior written notice to the Tenant. Any such termination of
36 this Lease by the City shall not discharge the Tenant from any obligation it may have to the City
37 by reason of any transaction, loss, cost, damage, expense or liability which shall occur or arise
38 (or the circumstances, events or basis of which shall occur or arise) prior to such termination,
39 whether the same be known or unknown at the time of such termination.
40

41 24. SURRENDER OF PREMISES

42

43 On the last day or earlier termination of this Lease, the Tenant shall vacate the Premises
44 and leave it in good condition and repair, normal wear and tear excepted. If the Premises are
45 not surrendered when required, the Tenant shall indemnify, defend and hold the Indemnified
46 Parties harmless against loss or liability resulting from the delay by the Tenant in vacating the
47 Premises, including, without limitation, any claims made by any succeeding tenant or other
48 occupant founded on such delay. Any holding over with the consent of the City after the
49 termination of this Lease shall be construed to be a tenancy from month-to-month upon the
50 same terms and conditions as provided in this Lease, to the extent applicable. The Tenant's

1 obligations under this Paragraph shall survive the expiration or earlier termination of the Term of
2 this Lease.

3
4 25. MODIFICATION

5
6 No modification of this Lease shall be valid or effective unless agreed to and accepted in
7 writing by the City and no act by any representative or agent of the City, other than such a
8 written agreement and acceptance by the City, shall constitute an acceptance thereof.

9
10 26. REPRESENTATIONS AND WARRANTIES

11
12 The Tenant represents and warrants to the City that:

13
14 a. The Tenant is an entity organized under the laws of the State of Maryland,
15 qualified to do business and in good standing in the State of Maryland, and authorized to
16 conduct the business in which it is engaged and as described in this Lease.

17
18 b. The Tenant shall maintain its non-profit, 501(c)(3) status in good standing with
19 the IRS throughout the Term of this Lease, and shall provide the City Attorney with evidence of
20 such status each year the Lease is in effect. The Tenant shall immediately notify the City in
21 writing if such status shall lapse or change in any way.

22
23 c. The Tenant shall timely file its federal, state and local tax returns each year.

24
25 d. The Tenant is authorized to execute, deliver and perform this Lease.

26
27 e. The Tenant shall not violate the order of any court or governmental authority or
28 breach any contract or other agreement by entering into this Lease.

29
30 f. There are no actions, suits, etc. pending or, to the best of its knowledge,
31 threatened against the Tenant or which might adversely affect the Tenant's right to enter into or
32 perform under this Lease.

33
34 g. The Tenant has been represented (or has had the opportunity to be represented)
35 in the execution of this Lease by independent legal counsel.

36
37 h. There exists no actual or potential conflict of interest between its performance
38 under this Lease and its engagement or involvement in any other agreement, or personal or
39 professional activities. In the event such conflict or potential conflict arises during the Term of
40 this Lease, or any renewal thereof, the Tenant shall immediately advise the City in writing
41 thereof.

42
43 i. The representations set forth in the Lease shall be true and valid throughout the
44 Term.

45
46 27. ACCESS TO RECORDS

47
48 a. With at least ten (10) calendar days prior written notice from the City specifying
49 the records to be produced and the reason for such request, the Tenant shall make available to
50 and allow inspection and copying by the City, its employees or agents, of all books, records,
accounts, reports, information and documentation of the Tenant related to the subject matter of

1 this Lease, including, but not limited to, all contracts, invoices, payroll, and financial audits. If the
2 Tenant objects to producing any records, it shall inform the City of its objection within two (2)
3 business days of receipt of the request. The City shall review the Tenant's objection. The City,
4 in its sole discretion, may amend the request for records production. In any event, the City's
5 decision as to which records it requires access to shall be final.

6 b. The Tenant shall maintain all books, records, accounts, reports, information and
7 documentation required under this Lease for a period of at least three (3) years after the date of
8 termination of this Lease including any renewals, except in the event of litigation or settlement of
9 claims arising from the performance of this Lease, in which case the Tenant shall do so until
10 three (3) years after final adjudication of such litigation or settlement of claims.

11 c. No later than thirty (30) calendar days after the start of each City fiscal year of
12 the Original Term, and any Renewal Term, the Tenant shall provide the City with a complete
13 and accurate accounting of the Maintenance Obligations made pursuant to this Lease, along
14 with sufficient documents in such form as the City may require of the expenditure of all monies
15 related to such Maintenance Obligations.

16 28. REMEDIES CUMULATIVE AND CONCURRENT

17
18 No remedy provided by this Lease or reserved to the City is intended to be exclusive of
19 any other remedies provided for in this Lease, and each such remedy shall be cumulative, and
20 shall be in addition to every other remedy given under this Lease, or now or hereafter existing at
21 law or in equity or by statute. Every right, power and remedy given to the City shall be
22 concurrent and may be pursued separately, successively or together against the Tenant, and
23 every right, power and remedy given to the City may be exercised from time to time as often as
24 may be deemed expedient by the City.

25
26 29. WAIVER OF REMEDIES FOR BREACH

27 No failure or delay by the City to insist upon the strict performance of any term, condition
28 or covenant of this Lease, or to exercise any right, power or remedy consequent upon a breach
29 or default thereof, shall constitute a waiver of any such term, condition or covenant or of any
30 such breach or default, or preclude the City from exercising any such right, power or remedy at
31 any later time or times.

32 30. INDEPENDENT CONTRACTOR STATUS

33 Nothing contained in this Lease shall be construed to constitute the Tenant as an agent,
34 representative or employee of the City, or to create any relationship between the parties other
35 than landlord and tenant.

36 31. BINDING EFFECT

37 The terms of this Lease shall be binding on and enforceable against the parties and their
38 respective successors and assigns.

39 32. GOVERNING LAW

40 a. In all actions arising from this Lease, the laws of the State of Maryland shall
41 govern, and the venue for all actions initiated pursuant to this Lease shall be exclusively the
42 Courts of Anne Arundel County, Maryland.

1 b. The parties waive jury trial in all actions initiated pursuant to this Lease.

2 33. RECITALS

3 The Recitals of this Lease are incorporated into this Lease.

4 34. SEVERABILITY

5 If any of the provisions of this Lease are declared by a court or other lawful authority to
6 be unenforceable or invalid for any reason, the remaining provisions hereof shall not be affected
7 thereby and shall remain enforceable to the full extent permitted by law.

8 35. AMENDMENT OR MODIFICATION

9 This Lease sets forth the entire agreement between the parties relative to the subject
10 matter of this Lease. No representation, promise or condition, whether oral or written, not
11 incorporated herein shall be binding upon either party to this Lease. This Lease shall not be
12 waived, amended or modified except in writing and signed by the authorized representative(s) of
13 both parties.

14 36. TIME IS OF THE ESSENCE

15 Time is of the essence with respect to each and every provision of this Lease.

16 37. AUTHORIZATION

17 This Lease is authorized by the City Council pursuant to O-37-14.

18 38. NOTICE

19 Any notice required to be delivered shall be deemed to have been received when the
20 notice has been sent by certified mail, return receipt, overnight carrier, or hand delivered with
21 signed receipt to the following address and individual or such other address and/or such other
22 individual as a party may identify in writing to the other party:

- 23
- 24 To the City: Attn: Director
- 25 Department of Recreation and Parks
- 26 273 Hilltop Lane
- 27 Annapolis, Maryland 21401
- 28
- 29 With Copies to: City Attorney, Office of Law
- 30 160 Duke of Gloucester Street
- 31 Annapolis, Maryland 21401
- 32
- 33 To the Tenant: Chesapeake Children’s Museum, Inc.
- 34 Deborah Wood, President
- 35 25 Silopanna Road
- 36 Annapolis, Maryland 21403
- 37
- 38
- 39
- 40

1 WITNESS the signatures and seals of the parties.

2
3 WITNESS:

CHESAPEAKE CHILDREN'S MUSEUM, INC.

4
5
6
7 _____

By: _____
Deborah Wood (Seal)
Executive Director/President

8
9
10
11
12 ATTEST:

CITY OF ANNAPOLIS

13
14
15
16 _____
17 Regina C. Watkins-Eldridge, MMC,
18 City Clerk

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

19
20
21 APPROVED FOR FINANCIAL SUFFICIENCY:

REVIEWED AND APPROVED BY:

22
23
24 _____
25 Bruce T. Miller, Director
26 Finance Department

27
28 REVIEWED AND APPROVED BY:

29
30
31
32 _____
33 Michael Morris, Director
34 Department of Recreation and Parks

35
36 APPROVED FOR FORM AND LEGAL SUFFICIENCY

37
38
39 _____
40 OFFICE OF THE CITY ATTORNEY
41
42
43
44
45