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Chartered 1708

City of Annapolis  
 160 Duke of Gloucester Street  
 Annapolis, MD 21401

**STANTON CENTER LEASE AGREEMENT  
 WITH  
 ANNAPOLIS ARTS DISTRICT, INC.**

2       **THIS LEASE AGREEMENT** (“Lease”) is made this \_\_\_\_\_ day of \_\_\_\_\_  
 3 20\_\_, by and between The City of Annapolis, a municipal corporation of the State of Maryland  
 4 (“City”), and ANNAPOLIS ARTS DISTRICT, INC., a Maryland corporation (the “Tenant”).

5  
 6       **WHEREAS**, the City is the fee simple owner of the property known and described as 92  
 7 West Washington Street , Annapolis, Maryland 21401 (the “Property”), which is improved by  
 8 Stanton Community Center (the “Building”), and the City has space therein to lease; and

9  
 10       **WHEREAS**, the Tenant desires to lease a portion of the Building, which includes shared  
 11 use of the common areas (collectively, the “Premises”), and as more particularly depicted in  
 12 Attachment A, attached hereto and incorporated herein; and

13  
 14       **WHEREAS**, the Tenant wishes to lease the Premises for the purpose of office  
 15 space/administrative use (the “Purpose”); and

16  
 17       **WHEREAS**, the parties desire to enter into this Lease that defines the rights, duties, and  
 18 liabilities of the parties.

19  
 20       **NOW, THEREFORE**, in consideration of the mutual promises and covenants of this  
 21 Lease, and other good and valuable consideration, the receipt and sufficiency of which are  
 22 hereby acknowledged, the City and the Tenant agree as follows:

23  
 24 **1. Term.**

25  
 26       a.       The City leases to the Tenant and the Tenant hereby leases from the City the  
 27 Premises for a Term commencing upon City Council approval and terminating on June 30, 2023  
 28 (the “Term”), unless sooner terminated in accordance with the provisions of this Lease.

29  
 30       b.       Provided that the Tenant is not otherwise in default under this Lease and  
 31 continues to occupy the Premises, this Lease may be renewed for four (4) additional successive  
 32 terms of one (1) year at the sole and absolute discretion of the City, and upon the same terms  
 33 and conditions in this Lease (each a “Renewal Term and collectively the “Renewal Terms”).  
 34 Each Renewal Term shall commence and run with the City fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>). This  
 35 Lease shall automatically renew at the conclusion of the Term and each Renewal Term without  
 36 further action by the City unless the City notifies the Tenant in writing, not later than the end of  
 37 the then-current term, that the Lease shall not be renewed.

38  
 39       c.       The City expressly reserves the right to adjust any rent for any Renewal Term.  
 40

1  
2 **2. Use of Premises.**  
3

4 a. The Tenant may use and occupy the Premises during the Term of this Lease  
5 only for the Purpose and for no other purpose whatsoever. The space on the Property leased to  
6 other tenants is expressly and specifically excluded from this Lease, and the other tenants, as  
7 applicable, shall not be considered parties to or third party beneficiaries of 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. The Tenant represents and warrants to the City that: (1) the Tenant is  
16 knowledgeable in matters of real estate or had an opportunity to consult with a real estate  
17 professional; (2) the Tenant is relying solely on the Tenant's own expertise and/or the expertise  
18 of the Tenant's consultants with respect to the Premises; (3) the Tenant shall assume all risk  
19 that adverse matters, including, but not limited to, adverse physical and environmental  
20 conditions, may not have been revealed through the Tenant's, or the Tenant's consultants',  
21 inspections, tests, studies, and investigations of the Premises.  
22

23 c. The Tenant shall not use or occupy or permit the Premises, or any part thereof  
24 including, but not limited to, the Property and the Building, to be used or occupied, nor do or  
25 permit anything to be done in or on the Premises in a manner which would in any way (1) violate  
26 any of the terms of this Lease; (2) make it difficult for either the City or the Tenant to obtain fire  
27 or other insurance required by this Lease at standard rates; (3) cause or create a public or  
28 private nuisance in or on the Premises or the Property; (4) tend to impair or interfere with the  
29 character, reputation or appearance of the Premises, the Property, and/or the Building; or (5)  
30 impede or interfere with the provision of any governmental services to the Property, including  
31 but not limited, to fire and emergency services, utilities, police and public works.  
32

33 d. The Tenant shall limit the placement and location of its equipment, fixtures,  
34 improvements, advertisements and other property to the confines of the Premises, and shall  
35 keep the common areas, parking lots, alleyways and adjacent sidewalks of the Building and  
36 Property free from all such equipment, fixtures, improvements, advertisements and other  
37 property.  
38

39 e. The Tenant shall coordinate the scheduling and acceptance of deliveries by  
40 12:00 noon so as not to interfere with other tenants, traffic and/or parking at the Building.  
41

42 f. The Tenant shall comply with all requirements of the Americans with Disabilities  
43 Act (ADA) in its use of the Premises.  
44

45 g. Music or other amplified sound on the Premises shall not exceed the maximum  
46 decibel levels or the time restrictions specified in Chapter 11.12 of the Code of the City of  
47 Annapolis, as may be amended.  
48

49 **3. Rent.**  
50

1 a. As annual rent for the Premises, the Tenant shall pay the City One Dollar and No  
2 Cents (\$1.00) payable on the 1<sup>st</sup> day the Term and each Renewal Term (collectively, the  
3 "Rent"). Each payment shall be made promptly when due, without deduction, set off or  
4 counterclaim whatsoever, and without demand. All payments shall be made payable to the  
5 "City of Annapolis" and shall be sent or delivered to the Finance Director, Finance Department,  
6 City Hall, 160 Duke of Gloucester Street, Annapolis, Maryland 21401.

7  
8 b. The Tenant shall also pay as additional rent all sums, taxes, assessments, costs,  
9 expenses and other payments which the Tenant under any of the provisions of this Lease  
10 assumes or agrees to pay (the "Additional Rent"), and in the event of any nonpayment thereof,  
11 the City shall have all the rights and remedies provided in this Lease and/or by law or at equity.

12  
13 c. The Tenant shall also pay Additional Rent in the amount of Zero Dollars and No  
14 Cents (\$0.00) per month for refuse removal, HVAC maintenance, water, sewer, sanitation and  
15 other utilities, all to be provided by the City. If the Tenant's utility requirements should increase  
16 or decrease during the Term or any Renewal Term, the Tenant shall immediately notify the City  
17 in writing and the City, in its sole discretion, may make a change to this monthly amount.

18  
19 d. Except as otherwise provided for in this Lease, any Additional Rent shall be due  
20 and payable thirty (30) calendar days after receipt of notice of amount due and payable. All  
21 payments shall be made payable to the "City of Annapolis" and shall be sent or delivered to the  
22 Finance Director, Finance Department, City Hall, 160 Duke of Gloucester Street, Annapolis,  
23 Maryland 21401.

#### 24 25 **4. Quiet Enjoyment.**

26  
27 The Tenant may peaceably and quietly have, hold and enjoy the Premises for the Term  
28 of this Lease subject, however, to the terms of this Lease and compliance with these terms.

#### 29 30 **5. Utilities/Services.**

31  
32 a. The City shall arrange for the furnishing of the following utilities: electricity, heat,  
33 hot and cold water, sanitary drainage, and HVAC, that are used in connection with the operation  
34 of the Premises, and the Tenant agrees to pay the monthly fee established in Paragraph 3(c) of  
35 this Lease as reimbursement to the City for such utilities.

36  
37 b. The Tenant, at its sole cost and expense, shall arrange and pay for any  
38 telephone, internet, cable, and similar services, including any necessary telecommunications  
39 build-out of the Premises. The Tenant shall not arrange or pay for any build-out of any  
40 telecommunications without the prior written consent of the City.

41  
42 c. The Tenant, at its sole cost and expense, shall arrange and pay for any  
43 housekeeping services and janitorial work that are necessary for the operation of the Premises  
44 (other than space rented to other tenants), including, but not limited to, cleaning any and all  
45 bathroom facilities, cleaning windows and floors, and all other general and/or routine janitorial  
46 maintenance.

47  
48 d. The City shall arrange and pay for all trash and recycling removal and disposal  
49 on the Premises, and the Tenant agrees to pay the monthly fee established in Paragraph 3(c) of  
50 this Lease as reimbursement to the City for such removal and disposal.

1  
2 e. The City shall be responsible for ice and snow removal on the Property.

3  
4 f. The City shall be responsible for grounds maintenance of the Property.

5  
6 **6. Alterations; Fixtures, Equipment and Furnishings.**

7  
8 a. The Tenant shall not make or cause to be made any alterations, additions, or  
9 improvements to the Premises without first complying with Paragraph 7 of this Lease.

10  
11 b. The Tenant shall retain ownership of all of its trade and business equipment and  
12 furnishings from time to time installed on the Premises. The Tenant may remove any such  
13 fixtures, equipment or furnishings at any such time during the Term and shall remove all of it  
14 prior to the expiration of the Lease in accordance with Paragraph 24 of this Lease. Removal  
15 shall not cause any damage to the Premises or the Property. The Tenant shall pay for any  
16 damages it may cause, which shall be due and payable by the Tenant within thirty (30) calendar  
17 days of City invoicing.

18  
19 **7. Repairs and Maintenance.**

20  
21 a. The Tenant, at its own cost and expense, shall keep and maintain the Premises  
22 (other than space rented to other tenants) in good order and condition, and cause no waste or  
23 damages thereto. At the expiration of this Lease, the Tenant shall surrender the Premises  
24 broom clean and in the same order and condition in which they were on the commencement  
25 date, ordinary wear and tear accepted.

26  
27 b. The Tenant shall maintain all equipment and improvements in the Premises,  
28 including, but not limited to, all plumbing and electrical in accordance with all applicable federal,  
29 state, local and City laws, rules and regulations. The City shall maintain the central heating and  
30 plumbing systems for the common areas of the Building and the electrical wiring servicing the  
31 Building, and the Tenant agrees to pay the monthly fee established in Paragraph 3(c) of this  
32 Lease as reimbursement to the City for such maintenance.

33  
34 c. The City shall make all structural repairs, including, but not limited to, structural  
35 columns and floors, the roof, and the exterior walls of and parking facilities servicing the  
36 Premises.

37  
38 d. The Tenant shall not make or cause to be made any permanent alterations,  
39 additions, or improvements to the Premises without obtaining the prior written consent of the  
40 City which will be granted in the City's sole and absolute discretion. Further, prior to the Tenant  
41 repairing, replacing or otherwise altering any aspect of the Premises or the Property, the Tenant  
42 shall provide the City with thirty (30) calendar days prior written notice specifying the need for  
43 and nature of any and all such repairs, replacements or alternations, and providing the City with  
44 a copy of all applicable contracts or agreements with any third party hired by the Tenant to  
45 perform such repairs, replacements or alterations. The Tenant or its contractors shall not start or  
46 undertake any such repairs, replacements or alterations without the prior written approval of the  
47 City, and without first obtaining all necessary permits and governmental approvals. Such  
48 repairs, replacements or alterations shall be made and rendered by professional contractors  
49 licensed in the State of Maryland, be done in a good and workmanlike manner, and shall comply  
50 in all respects with all applicable federal, state, local and City laws, ordinances and regulations,

1 including, but not limited to, zoning, building and fire code requirements. The Tenant agrees that  
2 all such improvements shall become the property of the City when made, and further, that the  
3 Tenant shall be entitled to no reimbursement or re-payment for any such improvements.  
4

5 e. If the City is required to make any repairs to such portions of the Premises by  
6 reason, in whole or in part, of the negligent or willful act or failure to act by the Tenant or the  
7 Tenant's employees, agents, contractors, guests or invitees, the City may collect the cost of any  
8 and all such repairs from the Tenant as Additional Rent, which shall be due and payable by the  
9 Tenant within thirty (30) calendar days of City invoicing.  
10

11 f. The City shall have no liability to the Tenant by reason of any inconvenience,  
12 annoyance, interruption, or injury to business or other use or occupancy arising from making  
13 any repairs or changes that the City is required or permitted to make in or to any portion of the  
14 Premises, the Building, the Property, or the common areas, by any other tenant's lease, or by  
15 law.  
16

## 17 **8. Signs.**

18

19 The Tenant shall not to place or maintain any sign, billboard, marquee, awning,  
20 decoration, placard, lettering, advertising matter or other thing of any kind, whether permanent  
21 or temporary, on the exterior of the Premises or the Building or on the glass or any window or  
22 door of the Premises or the Building, without first obtaining the City's written consent. The  
23 Tenant shall maintain any sign, billboard, marquee, awning, decoration, placard, lettering or  
24 advertising matter or other thing of any kind, as may be approved by the City, and shall repair  
25 and replace when necessary to keep in good condition and repair at all times.  
26

## 27 **9. Driveways and Footways.**

28

29 a. The Tenant's employees, agents, contractors, clients, guests, and invitees shall  
30 be entitled to the non-exclusive use, free of charge, but in common with others, of the driveways  
31 and footways within the Property, subject to any rules and regulations as the City may, from  
32 time to time, require.  
33

34 b. The City shall at all times have full and exclusive control, management and  
35 direction of all driveways and footways. The City may restrict access to, temporarily close,  
36 construct, adjust, reduce or perform such other acts to all or any portion of these facilities as the  
37 City determines to be necessary or appropriate.  
38

39 c. The City shall have the right, but not the duty, to police all driveways and  
40 footways.  
41

## 42 **10. Non-Discrimination.**

43

44 a. The Tenant shall not discriminate against any person with regard to membership  
45 policies, employment practices, or in the provision of or access to services based on race, color,  
46 religion, national origin, ancestry, sex, age, or disability.  
47

48 b. This provision shall not be construed to prevent the Tenant from rendering  
49 services pursuant to this Lease to categories of individuals with specific needs.  
50

1 **11. City Rights.**

2  
3 a. Upon reasonable prior notice from the City to the Tenant, the City shall have the  
4 exclusive right to use all or any part of the roof and rear and side walls of the Premises and  
5 Building for any purpose; to erect additional stories or other structures over all or any part of the  
6 Premises, the Building or the Property; and to erect and maintain in connection with the  
7 construction thereof, temporary scaffolds and other aids to construction on the exterior of the  
8 Premises or the Building, In such event, the City may temporarily and reasonably limit or restrict  
9 access to the interior of the Premises.

10  
11 b. Upon reasonable prior notice from the City to the Tenant, the City shall have the  
12 right to use the Premises, the Building and the Property]for all purposes, as long as such use  
13 does not preclude the Tenant's reasonable use of the Premises as described.

14  
15 **12. Assignment; Sublet.**

16  
17 The Tenant shall not assign or sublet this Lease, or permit other persons to occupy the  
18 Premises, or grant any license or concession for the Premises without the prior written approval  
19 of the City.

20  
21 **13. Security, Property Loss Damage.**

22  
23 a. The Tenant assumes all risks associated with the security of the Premises (other  
24 than space rented to other tenants) and the Property. The City shall have no obligation or duty  
25 with regard to security. The Tenant shall police, light and maintain the Premises (other than  
26 space rented to other tenants) and the Property in a clean, safe and secure manner. The  
27 Tenant shall install secure office door key locks on each office door within the Premises, with  
28 copies of all such keys provided to the City in accordance with Paragraph 20, and shall take  
29 other reasonable measures to secure its personal property and records.

30  
31 b. The Tenant shall not under any circumstances issue any no trespass notices,  
32 whether oral or written, or exclude any individual from the Premises or the Property for any  
33 reason, except to prevent a crime from being committed on the Premises or the Property. If the  
34 Tenant desires to issue any no trespass notices or exclude any individual from the Premises  
35 and/or the Property, the Tenant shall send a written request to the City and the City shall make  
36 the ultimate decision how and if to act on this request.

37  
38 c. The City, its elected officials, appointees, directors, employees, agents, and  
39 representatives (the "Indemnified Parties") shall not be liable for any damage to property of the  
40 Tenant or of others located on the Premises or entrusted to its or their employees nor for the  
41 loss of any property by theft or otherwise, nor for any injury or damage to persons or property  
42 resulting from theft, casualty, acts of God, fire of every nature and type, the accumulation of  
43 snow or ice, explosion, falling plaster, steam, gas, electricity, wind, water, rain or snow which  
44 may overflow or leak or be discharged from any part of the Premises, the Property, and/or the  
45 Building or from the pipes, appliances or plumbing works of the same or from the street or  
46 subsurface or from any other place, or from dampness, or from any other cause whatsoever;  
47 nor shall the City be liable for any such damage caused by other tenants or persons in the  
48 Premises, the Property, and/or the Building, or for damage caused by operations in construction  
49 of any public or quasi-public works. All property of the Tenant kept or stored on the Premises  
50 shall be so kept at the risk of the Tenant only and the Tenant shall indemnify, defend and hold

1 the Indemnified Parties harmless from any claims arising out of damage to the same, including  
2 subrogation claims by the Tenant's insurance carrier.

3  
4 **14. Compliance with Laws.**

5  
6 The Tenant, at its sole cost and expense, shall keep in force all licenses, consents and  
7 permits necessary for the lawful use of the Premises for the purposes of this Lease. The  
8 Tenant, at its sole cost and expense, shall promptly comply with and do all things required by  
9 any notice served upon it or upon the City in relation to the Premises or any part thereof, from  
10 any of the departments or agencies of the City, a county, the State of Maryland, or the United  
11 States, if the same shall be caused by the Tenant's use of the Premises. The Tenant shall pay  
12 all costs, expenses, claims, fines, penalties, and damages that may in any manner arise out of  
13 the failure of the Tenant to comply. Failure to comply with this Paragraph shall constitute a  
14 breach of this Lease, and the City may terminate this Lease for default in accordance with  
15 Paragraph 22.

16  
17 b. The Tenant shall have a reasonable time not to exceed ten (10) calendar days to  
18 comply with any notice pursuant to Paragraph 14(a), unless such violation relates to public  
19 safety, in which case the City may order a temporary suspension of the Tenant's business and  
20 other operations pending compliance.

21  
22 **15. Insurance.**

23  
24 a. The Tenant, at its sole cost and expense, shall maintain in full force and effect  
25 during the Term of this Lease, and any Renewal Term, the following insurance coverages  
26 insuring against claims that may arise from or in connection with the Tenant's operation and use  
27 of the Premises.

28  
29 1. Commercial General Liability Insurance Policy, including contractual  
30 liability and property liability insurance for the Premises, written on an occurrence basis, in  
31 adequate quantity to protect against legal liability arising out of this Lease, but no less than  
32 \$1,000,000.00 per person and \$2,000,000.00 per occurrence in the aggregate, using a  
33 Combined Single Limit for bodily injury and property damage.

34 2. Workers Compensation insurance as required by Maryland law;  
35 Employers' Liability coverage with limits of at least \$100,000.00 each accident, \$100,000.00  
36 each employee disease, and \$500,000.00 disease policy limit..

37 b. On all Commercial General Liability Insurance policies, the City, its elected  
38 officials, appointees, directors, employees, agents, and representatives shall be named as  
39 additional insureds, which shall be shown on insurance certificates furnished to the 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 under 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  
29 Premises, the Building, or the Property arising from acts or omissions of the Tenant, its officers,  
30 agents, employees, contractors, patrons, volunteers, guests or invitees resulting in connection  
31 with this Lease. The Tenant shall also indemnify, defend and hold the Indemnified Parties  
32 harmless from and against any and all liabilities, claims, suits, or demands which may be made  
33 against the Indemnified Parties by any third party arising from the alleged violation of any third  
34 party's trade secrets, proprietary information, trademark, copyright, patent rights, or other  
35 intellectual property rights, or from the alleged violation of unfair competition, defamation,  
36 invasion of privacy, anti-discrimination laws or regulations, or any other right of any person or  
37 entity in connection with 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.



1 The indemnification for attorney fees applies whether or not the City Attorney or other attorney  
2 handles the defense.

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

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

#### 10 **17. Impairment of the City's Title.**

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

#### 21 22 **18. Liens and Encumbrances.**

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

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

#### 34 35 **19. Taxes and Assessments.**

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

46  
47 b. Taxes and assessments shall not be deemed to include any municipal, state or  
48 federal income taxes assessed against the City, or any municipal, state or federal capital levy,

1 estate, succession, inheritance or transfer taxes of the City, or any franchise taxes imposed on  
2 the City, or any income, profits or revenues tax, assessment or charge imposed on the rent  
3 received as such by the City under this Lease.

4 **20. The City's Right of Entry.**

5  
6 a. The City and its employees, representatives, agents, and servants, including any  
7 builder or contractor employed by the City, shall have the absolute unconditional right at any  
8 and all reasonable times without any prior notice to the Tenant to enter the Premises or the  
9 Property for any of the following purposes: (a) to inspect the Premises and the Property; (b) to  
10 make such repairs and/or changes in the Premises or the Property as the City may deem  
11 necessary or proper; (c) to enforce and carry out any provision of this Lease; (d) for any  
12 purpose relating to the safety, protection or preservation of the Premises or the Property; or (e)  
13 for any other purpose related to the enforcement of this Lease.

14  
15 b. The Tenant shall provide the City with a complete and current set of keys to all  
16 entrances and exits to the Premises.

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. Defaults or Breach.**

30  
31 a. The occurrence of any one (1) of the following events shall constitute a Default  
32 or 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 covenants,  
39 conditions or provisions of this Lease.

40  
41 3. The Tenant's any general assignment or general arrangement for the  
42 benefit of creditors, the filing by or against the Tenant of a petition to have the Tenant adjudged  
43 a 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

1           4.       Vacating or abandonment of the Premises by the Tenant.

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

5  
6           6.       Being delinquent on any other City obligation, tax, payment, or other  
7 liability, including any other leases or agreements with the City.

8  
9           b.       Upon the occurrence of a Default or Breach, the City may, after giving the Tenant  
10 ten (10) calendar days written notice, proceed in the following manner:

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

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

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

31  
32           d.       The City, in its sole discretion, may afford the Tenant a reasonable time to cure  
33 any default or breach of this Lease before declaring a Default or Breach and terminating this  
34 Lease.

35  
36 **23. Termination for Convenience.**

37  
38           Either party may terminate this Lease for convenience, for any reason, and at any time  
39 by providing thirty (30) calendar days prior written notice to the other party. Any such  
40 termination of this Lease by the City shall not discharge the Tenant from any obligation it may  
41 have to the City by reason of any transaction, loss, cost, damage, expense or liability which  
42 shall occur or arise (or the circumstances, events or basis of which shall occur or arise) prior to  
43 such termination, whether the same be known or unknown at the time of such termination. The  
44 City shall prorate any Rent, and any Additional Rent, as of the date of termination for  
45 convenience.

46  
47 **24. Surrender of Premises; Damage to Premises.**

48  
49           a.       On the last day or earlier termination of this Lease, the Tenant shall vacate the  
50 Premises and leave it in good condition and repair, normal wear and tear excepted. If the

1 Premises are not surrendered when required, the Tenant shall indemnify, defend and hold the  
2 Indemnified Parties harmless against loss or liability resulting from the delay by the Tenant in  
3 vacating the Premises, including, without limitation, any claims made by any succeeding tenant  
4 or other occupant founded on such delay. Any holding over with the consent of the City after the  
5 termination of this Lease shall be construed to be a tenancy from month-to-month upon the  
6 same terms and conditions as provided in this Lease, to the extent applicable.  
7

8       b. On the last day or earlier termination of this Lease, and in accordance with  
9 Paragraph 7 of this Lease, the Tenant shall, within thirty (30) calendar days and at its own cost  
10 and expense, dismantle and remove all of its personal property from the Premises. Any such  
11 property not removed at the expiration of this Lease in accordance with the preceding sentence  
12 and the Tenant's continued failure to remove the same within thirty (30) calendar days after  
13 receipt of notice from the City, shall be deemed abandoned and, at the election of the City, shall  
14 become the property of the City without payment of any kind to the Tenant, without increasing  
15 the City's liability to the Tenant, and for any disposition of it as the City decides to make.  
16

17       c. Within ten (10) calendar days of vacating, the City shall tour the Premises, with  
18 the Tenant present if possible, to determine the condition of the Premises. Any items  
19 determined to be in need of correction or repair shall be corrected or repaired by the City, and  
20 shall be invoiced by the City and paid by the Tenant within thirty (30) calendar days of such  
21 invoicing as Additional Rent.  
22

23       d. In case of any substantial loss of or damage to the Premises as the result of a  
24 taking under the power of eminent domain, or by fire, storm or other casualty or force majeure  
25 event, the City in its sole and absolute discretion may determine whether or not, and to what  
26 extent, to repair or restore any of the Premises, or to terminate this Lease pursuant to  
27 Paragraph 23. If the City decides to repair or restore, and any portion of the Premises remains  
28 suitable for the Tenant's use, then the Tenant shall be entitled to utilize that portion of the  
29 Premises. The City, as applicable and appropriate, shall prorate any Rent due by the Tenant to  
30 account for any decreased size of the Premises. If the City either decides not to repair and  
31 restore the Premises, and/or repairs and restores the Premises, but no portion of the Premises  
32 remains suitable for the Tenant's use, then this Lease shall be terminated pursuant to  
33 Paragraph 23. It shall be the sole responsibility of the Tenant to restore, repair and/or remove its  
34 own personal property, fixtures and equipment.  
35

## 36 **25. Modification.**

37

38       a. This Lease sets forth the entire agreement between the parties relative to the  
39 subject matter of this Lease. No representation, promise or condition, whether oral or written,  
40 not incorporated herein shall be binding upon either party to this Lease. This Lease shall not be  
41 waived, amended or modified except in writing and signed by the authorized representative(s) of  
42 both parties.  
43

44       b. No act by any representative or agent of the City, other than such a written  
45 agreement and acceptance by the City, shall constitute an acceptance thereof.  
46

## 47 **26. Representations and Warranties.**

48

49       The Tenant represents and warrants to the City that:  
50

1 a. The Tenant is a corporation organized under the laws of the State of Maryland,  
2 qualified to do business and in good standing in the State of Maryland, and authorized to  
3 conduct the business in which it is engaged and as described in this Lease.

4  
5 b. The Tenant is authorized to execute, deliver and perform this Lease.

6  
7 c. The Tenant shall not violate the order of any court or governmental authority or  
8 breach any contract or other agreement by entering into this Lease.

9  
10 d. There are no actions, suits, etc. pending or, to the best of its knowledge,  
11 threatened against the Tenant or which might adversely affect the Tenant's right to enter into or  
12 perform under this Lease.

13  
14 e. The Tenant has been represented (or has had the opportunity to be represented)  
15 in the execution of this Lease by independent legal counsel.

16  
17 f. There exists no actual or potential conflict of interest between its performance  
18 under this Lease and its engagement or involvement in any other agreement, or personal or  
19 professional activities. In the event such conflict or potential conflict arises during the Term of  
20 this Lease, or any renewal thereof, the Tenant shall immediately advise the City in writing  
21 thereof.

22  
23 g. The representations set forth in the Lease shall be true and valid throughout the  
24 Term.

25  
26 **27. Access to Records.**

27 a. At any time during normal business hours with reasonable prior notice from the  
28 City, and as often as the City may deem necessary, the Tenant shall make available to and  
29 allow inspection and copying by the City, its employees or agents, of all books, records,  
30 accounts, reports, information and documentation of the Tenant related to the subject matter of  
31 this Lease, including, but not limited to, all contracts, invoices, payroll, and financial audits.

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

37 **28. Remedies Cumulative and Concurrent.**

38  
39 No remedy provided by this Lease or reserved to the City is intended to be exclusive of  
40 any other remedies provided for in this Lease, and each such remedy shall be cumulative, and  
41 shall be in addition to every other remedy given under this Lease, or now or hereafter existing at  
42 law or in equity or by statute. Every right, power and remedy given to the City shall be  
43 concurrent and may be pursued separately, successively or together against the Tenant, and  
44 every right, power and remedy given to the City may be exercised from time to time as often as  
45 may be deemed expedient by the City.

1 **29. Waiver of Remedies for Breach Or Default.**

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

7 **30. Independent Contractor Status.**

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

11 **31. Binding Effect.**

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

14 **32. Governing Law.**

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

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

19 **33. Recitals.**

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

21 **34. Severability.**

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

25 **35. Survival.**

26 Those paragraphs in this Lease which by their nature are intended to survive, including,  
27 but not limited to, "Access to Reports", "Indemnification", "Defaults or Breach", and "Governing  
28 Law" shall survive the termination of this Lease.

29 **36. Time is of the Essence.**

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

31 **37. Authorization.**

32 This Lease is authorized by the City Council pursuant to Ordinance No. O-\_\_-\_\_.

33

34

1 **38. Notice.**

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

6  
7 To the City: Director  
8 Department of Recreation and Parks  
9 273 Hilltop Lane  
10 Annapolis, Maryland 21401

11  
12 With a Copy to: City Attorney  
13 Office of Law  
14 160 Duke of Gloucester Street  
15 Annapolis, Maryland 21401

16  
17 To the Tenant: Annapolis Arts District, Inc.  
18 212 West Street  
19 Annapolis, Maryland 21401  
20 Attn: \_\_\_\_\_  
21

22 **39. Counterparts.**

23 This Lease may be executed in any number of counterparts and by the parties hereto in  
24 separate counterparts, each of which when so executed and delivered shall be deemed to be an  
25 original and all of which taken together shall constitute but one and the same instrument.

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**IN WITNESS WHEREOF**, it is the intent of the parties that the Tenant has signed this Lease under seal and, further, that the parties have executed this Lease the day and year first written above.

WITNESS: ANNAPOLIS ARTS DISTRICT, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_ (Seal)  
Title: \_\_\_\_\_

ATTEST: CITY OF ANNAPOLIS

\_\_\_\_\_  
Regina C. Watkins-Eldridge, MMC,  
City Clerk  
By: \_\_\_\_\_  
Gavin Buckley, Mayor (Seal)

APPROVED FOR SUFFICIENT APPROPRIATIONS  
AND AVAILABILITY OF FUNDS:

\_\_\_\_\_  
Joanna D. Dickinson, Director  
Finance Department  
Source of Funds: \_\_\_\_\_

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Office of Law  
D. Michael Lyles, City Attorney



1  
2  
3  
4

**Attachment A**  
**The Premises**

See attached page(s).