



Chartered 1708

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

**LEASE AGREEMENT (BOAT SHOWS)
WITH
UNITED STATES YACHT SHOWS, INC.
(Fall 2031-2036)**

Authorized by Ordinance O-32-25

THIS LEASE AGREEMENT (“Lease”) is made this _____, by and between the City of Annapolis, a municipal corporation of the State of Maryland (the “City”), and UNITED STATES YACHT SHOWS, INC., Maryland corporation (“Tenant”).

WHEREAS, the City is the fee simple owner of the property known and described as the City Dock in Annapolis, Maryland (the “City Dock”), which is improved by docking space, boat slips and a boardwalk, and the City has space therein and adjacent thereto to lease; and

WHEREAS, Tenant desires to lease certain portions of the City Dock, including docking spaces, boat slips, boat moorings, adjacent City waters, and certain portions of nearby boardwalks, sidewalks, parking lots, and City roadways (collectively, the Premises”), and as more particularly described in Article I of this Lease; and

WHEREAS, Tenant wishes to lease the Premises for the purpose of carrying on its business of annual fall boat shows, including in-water sail and powerboat shows where boaters may board stationary boat models, board and ride non stationary boats, attend seminars, participate in demonstrations or excursions, and research and purchase boats, boating equipment, foul weather gear, electronics, nautical education, charters, and other equipment and/or supplies from Tenant and a variety of Tenant-organized “Exhibitors”, as well as other boat show activities (each a “Show” and collectively, the “Shows”); and

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

NOW, THEREFORE, in consideration of these premises and the mutual promises and understandings stated herein, and other good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

ARTICLE I: PREMISES; TERM; RENT; CITY FEES

Section 1.1. Premises; Purposes:

(a) *Premises.* The City hereby leases to Tenant the Premises, which collectively consists of those parcels of land and water described below, and as designated on **Exhibit A**, **Exhibit B**, **Exhibit C**, and **Exhibit D**, all attached hereto and incorporated into this Lease. The

Premises shall not include the sidewalk on Dock Street between Craig Street and the Burtis Parcel, which is to be left open for public access subject to the terms of this Lease.

- i. "Basil Parking Lot", as designated on **Exhibit A**.
- ii. "Prince George Street Parcel", as designated on **Exhibit A**.
- iii. The "City Dock Parcel" as designated on **Exhibit A**, but expressly excepting public access roads and sidewalks from Randall Street to and through Craig Street (as depicted on **Exhibit A**) and the sidewalk exclusion specified above.
- iv. "Ego Alley", as depicted on **Exhibit A**.
- v. Subject to certain state restrictions as specified in recorded easements between the City and the Maryland Department of Natural Resources, the "Burtis Parcel", as designated on **Exhibit A**.
- vi. Boat moorings # 1-9 and # 12-15 ("Boat Moorings"), as depicted on **Exhibit B**.
- vii. Boat moorings, # 41-60, located in St. Mary's Cove, Spa Creek ("St. Mary's Boat Moorings"), as depicted on **Exhibit C**.
- viii. "Edgewood Road/7090 Bembe Beach Road", as designated on **Exhibit D**.

(b) *General Purpose.* Except for Edgewood Road/7090 Bembe Beach Road, Tenant shall only use the Premises for the purpose of holding the Shows.

(c) *St. Mary's Boat Moorings Purpose.* Tenant shall only use the St. Mary's Boat Moorings for the purpose of holding the Shows, which purpose shall not include the storage and/or docking of any private vessels owned or used by Tenant's employees and/or staff unless approved by the City. If Tenant does not require the use of the St. Mary's Boat Moorings for a Show, then Tenant shall provide notification of such to the City at least thirty (30) calendar days prior to that Show and the City, in its sole discretion, may take back use and operation of the St. Mary's Boat Moorings during that Show.

(d) *Edgewood Road/7090 Bembe Beach Road Purpose.* Tenant shall use Edgewood Road/7090 Bembe Beach Road for the storage of equipment, vehicles and materials, the construction and repair of docks and other equipment required for the Shows, staging for the Shows, and other Show operations. Tenant shall not allow general public access to Edgewood Road/7090 Bembe Beach Road or host any private events at Edgewood Road/7090 Bembe Beach Road.

(e) *Public Access.* Except for Edgewood Road/7090 Bembe Beach Road, the Premises shall only be open to the public between 10:00 AM and 6:30 PM during any Show. This time restriction shall not apply to private events authorized by Tenant.

(f) *Sailboat Advertising.* Tenant may request use of a portion of the Premises and/or the City Dock prior to any Show for the docking and/or mooring of a single sailboat to advertise that upcoming Show. The City may grant such permission in writing in its sole discretion, and such to any restrictions and/or location as the City may deem appropriate.

Section 1.2. Initial Term; Renewal Terms; Extension:

(a) *Initial Term.* This Lease shall commence January 1, 2031, and end December 31, 2031 (the "Initial Term"), unless sooner terminated, renewed, and/or extended, in accordance with the provisions of this Lease. Except for Edgewood Road/7090 Bembe Beach Road, Tenant shall only have access to the Premises during the Initial Term on those dates and times as specified in **Exhibit E** (the "Show Dates/Times"), attached here and incorporated herein. Tenant shall have access to Edgewood Road/7090 Bembe Beach throughout the entire Initial Term.

(b) *Renewal Term(s).* This Lease may be renewed for five (5) additional one (1) year terms (each a "Renewal Term" and collectively, "Renewal Terms") on the same terms and conditions, and in accordance with all of the requirements of this Section 1.2. In the event any renewal materially changes the terms and conditions set forth herein, the approval of Annapolis City Council may be required.

(c) *Operation of Renewal Term(s).* Starting on January 1, 2032, and each applicable January 1st thereafter throughout the Term (as defined below), this Lease shall automatically be renewed for five (5) additional one (1) calendar year periods (calendar years 2032, 2033, 2034, 2035, and 2036); provided that: (i) Tenant shall not be in default under Article XII of this Lease; (ii) there shall be no Force Majeure Event that prevents Tenant's use of the Premises, as further described in Article XI of this Lease; and (iii) there shall be no material change in the economic stability and sustainability of the power and/or sailing boating industry as reasonably documented by Tenant to the City. Except for Edgewood Road/7090 Bembe Beach Road, Tenant shall only have access to the Premises for any Renewal Term during the Show Dates/Times as specified in **Exhibit E**. Tenant shall have access to Edgewood Road/7090 Bembe Beach throughout the entire applicable Renewal Term.

(d) *Extension Period.* This Lease may be extended on the same terms and conditions, and in accordance with this subsection, only provided that (i) Tenant shall not be in default under Article XII of this Lease and (ii) there shall be no Force Majeure Event that prevents Tenant's use of the Premises, as further described in Article XI of this Lease (the "Extension Requirements"). If such Extension Requirements are met, then Tenant shall have the right, upon written notice to the City at least ninety (90) calendar days prior to January 1, 2037, to elect to extend this Lease for one (1) additional four (4) calendar year period for the calendar years 2037 through 2040 (the "Extension Period"), and the dates/times for any additional Shows shall be specified in an amendment to **Exhibit E** of this Lease. The Extension Period shall consist of four (4) individual one (1) year Renewal Terms, which Renewal Terms shall renew on January 1, 2037 for the 2037 Shows, on January 1, 2038 for the 2038 Shows, on January 1, 2039 for the 2039 Shows, and on January 1, 2040 for the 2040 Shows. These Renewal Terms shall be treated in the same manner and with the same obligations as those Renewal Terms specified in this Section 1.2. Any Extension Period shall be documented in writing and signed by the authorized representatives of each of the parties hereto, but shall not be required to go to Annapolis City Council unless there are material changes to any other terms and conditions set forth herein.

(e) *Definition of Term.* The Initial Term, any applicable Renewal Term(s), and/or any applicable Extension Period, shall collectively be referred to as the "Term".

Section 1.3. Rent:

(a) *Rent for Initial Term.* Except as may be adjusted by the provisions of this Lease, the "Rent" for the Initial Term shall be the greater of either: (i) fifty percent (50%) of Tenant's gross

receipts (after deduction of Maryland Admissions and Amusement Taxes) from Tenant's sale of tickets for admission to all Shows held during the Initial Term of this Lease (collectively, the "Ticket Sales") or, (ii) the sum calculated by increasing the Renewal Minimum Payment calculated in 2030 for the 2030 Show by fifty percent (50%) of the amount of the Consumer Price Index increase over the twelve (12) months preceding the Initial Term (the "Minimum Payment"). Tenant shall calculate the applicable Minimum Payment, in coordination with the City, for each Show, which calculation shall be included as part of the Report provided pursuant to Section 9.4 of this Lease.

(b) *Rent for Renewal Term(s).* The Rent for each Renewal Term shall be the greater of either: (i) fifty percent (50%) of the Ticket Sales during the applicable Renewal Term of this Lease or, (ii) the amount of the Minimum Payment for the immediately prior term of this Lease increased by fifty percent (50%) of the amount of the Consumer Price Index increase over the twelve (12) months preceding each respective Renewal Term ("Renewal Minimum Payment"). Notwithstanding the foregoing, (x) the maximum amount that the Renewal Minimum Payment shall increase during the Initial Term and the Renewal Terms for calendar years 2032, 2033, 2034, 2035, and 2036, collectively, shall be ten percent (10%); and (y) the maximum amount that the Renewal Minimum Payment shall increase during the Extension Period, and the corresponding Renewal Terms for calendar years 2037, 2038, 2039, and 2040, collectively, shall be ten percent (10%) above the Renewal Minimum Payment for calendar year 2036. "Consumer Price Index" as used in this Lease shall mean "United States City Average All Items for All Urban Consumers (CPI-U, 1982-84=100)" published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the publication of the Consumer Price Index of the U.S. Bureau of Labor Statistics is discontinued, comparable statistics on the purchasing power of the consumer dollar published by a responsible financial periodical selected by the City shall be used for making such computations.

(c) *Payment of Rent.* Tenant shall pay the City the applicable Rent, in full, within thirty (30) calendar days of the last move-out date specified in **Exhibit E** for the last Show held during the then-current term, payable to "City of Annapolis" c/o the Director of Central Services at 25 Shaw Street, Annapolis, Maryland 21401. If the Rent is based on the Ticket Sales, rather than the Minimum Payment or the Renewal Minimum Payment, then the Rent shall be paid to the City simultaneously with Tenant's payment of its Maryland Admissions and Amusement Tax following completion of the applicable Show. Tenant shall also submit a copy of its Maryland Admissions and Amusement Tax report/return and such other proof of gross receipts from the Ticket Sales as may be reasonably requested by the City to: Finance Director at 160 Duke of Gloucester Street, Annapolis, Maryland 21401. Copies of such payment and proof of gross receipts shall be provided to Director of Central Services at 25 Shaw Street, Annapolis, Maryland 21401.

Section 1.4. City Fees: In addition to the Rent, Tenant shall reimburse the City, within thirty (30) calendar days of receipt of City invoice, the sum calculated by increasing the City Fees paid in 2030 for the 2030 Show by fifty (50%) of the amount of the Consumer Price Index increase over the twelve (12) months preceding each Show, for the costs incurred by the City as a result of Tenant's use of City, inspection services, parking and transportation, facilities and services, police services, fire services, harbor master services, and/or other safety services for each Show less the cost of the dumpsters pursuant to Section 3.5(b) (collectively, the "City Fees"). Tenant shall calculate the applicable City Fees, in coordination with the City, for each Show, which calculation shall be included as part of the Report provided pursuant to Section 9.4 of this Lease.

Section 1.5. Revisions to the Premises:

(a) *City Decrease of Premises.* The City shall have the right to permanently and/or temporarily decrease the area of the Premises in order to reflect any change in ownership or change in City infrastructure provided written notice is furnished to Tenant at least one hundred and eighty (180) calendar days prior to the first impacted Show indicating the nature of the decrease and any applicable period of time for such decrease. In the event the total Premises area (measured in square feet) is reduced by any action of the City under this Section 1.5, the Rent shall be reduced in direct proportion to the reduction in total Premises area. Tenant shall present documentation including measurements and calculations to support any claim of reduced Premises. A permanent decrease in the area of the Premises requires an amendment to this Lease, signed by both parties. In the event a permanent decrease pursuant to this Section results in a reduction of over twenty percent (20%) of the Premises, Tenant shall have the right to terminate this Lease upon written notice to the City.

(b) *Tenant Decrease of Premises.* Tenant shall have the right to request to permanently and/or temporarily decrease the area of the Premises in order to reflect any change in the Shows, provided a written request is furnished to the City at least one hundred eighty (180) calendar days prior to the first impacted Show indicating the nature of the decrease and any applicable period of time for such decrease. Any such change shall be subject to the City's written approval, which approval shall not be unreasonably withheld. If such a decrease is approved by the City, Tenant shall be entitled to a pro rata reduction in the Rent. In addition, the amount of City Fees shall be reduced as appropriate based upon the reduction of services provided by the City. For example, if fewer service/working hours for police or fire protection is required, the amount of City Fees will be reduced proportionately. But if the reduction in area does not result in a reduction of City services, then no reduction in City Fees will be required. A permanent decrease in the area of the Premises requires an amendment to this Lease, signed by both parties.

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

ARTICLE II: CHANGE IN SHOW DATES/TIMES

Section 2.1. Finalizing Initial Term and Renewal Terms:

The parties hereby agree that the Show Dates/Times specified in **Exhibit E** for the Shows are tentative dates based upon current knowledge and calendars, and the parties hereby further agree that they shall meet no later than October 1st of each calendar year, throughout the Term of this Lease, to finalize and confirm such dates for the following calendar year. Any changes shall be memorialized in a written amendment to this Lease, signed by both parties.

Section 2.2. Number of Days: The City grants to Tenant the right to add one (1) day to any Show for general public admission. Tenant shall also have the right, in its sole discretion, to reduce the number of days of any Show. Tenant shall provide written notice of such intention no later than thirty (30) calendar days before the opening of the applicable Show.

Section 2.3. Adjustment to Rent: The Rent, but only if based on the Minimum Payment or the Renewal Minimum Payment, and the City Fees, as appropriate, shall be increased or reduced proportionately based upon the number of days added or deleted if Tenant exercises its rights to

extend or shorten the number of Show days pursuant to this Article. All of the other provisions of the Lease shall remain in full force and effect.

Section 2.4. Early Move-In; Late Move-Out: Tenant may request permission from the City's Director of Central Services in writing to move-in a portion or all of a specific Show no more than four (4) calendar days in advance of the earliest move-in date specified for that Show in **Exhibit E** to accommodate and/or avoid a weather event, flooding, or other Force Majeure Event that has occurred or will reasonably occur on the Premises. In addition, Tenant may request permission from the City's Director of Central Services in writing to move-out from a Show no more than four (4) calendar days later than the latest move-out date specified for that Show in **Exhibit E** to accommodate and/or avoid a weather event, flooding, or other Force Majeure Event that has occurred or will reasonably occur on the Premises. Tenant may be required to provide documentation or other evidence to the City to support its request. Tenant may not alter its move-in or move-out dates under this Section until written permission is received from the City's Director of Central Services. The City's Director of Central Services may grant permission if he/she determines, based on weather data collected and provided by the City's emergency services departments and Tenant-provided documentation, that a weather, flooding, or Force Majeure Event impact on the Premises will imminently occur or has occurred, and such approval of Tenant's request does not interfere with or impact any City legal obligations or any City emergency plans. The City's Director of Central Services' approval under this Section shall not be unreasonably withheld.

ARTICLE III: USE OF PREMISES; MAINTENANCE OF PREMISES

Section 3.1. Use of the Premises:

(a) *Access.* Tenant is authorized to use existing and normal ingress to and egress from the Premises, and existing and normal street and harbor lighting, all without additional charge.

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

(c) *Boat Lift.* The City's Harbormaster will lower the boat lift located in Slip Four of the Premises on the first day Tenant takes possession of the City Dock parcel of each Show. Such boat lift will stay lowered for the unobstructed display of boats in the water throughout that applicable Show. The City's Harbormaster will raise that boat lift back up and inspect same after the Show has cleared Slip Four for each Show. No one shall operate the boat lift except for employees of the City's Harbormaster.

Section 3.2. Site Plan: Before the erection of all booths and other Show structures as described in Article VII of this Lease, Tenant shall submit a "Site Plan" for each Show, as well as a flame retardant certificate for each tent to be erected, fifteen (15) calendar days before installation for review and approval by the City Fire Marshal's Office at fmo@annapolis.gov, with a copy to Director of Central Services, 25 Shaw Street, Annapolis, Maryland 21401. The City Fire Marshal's Office review of the Site Plan for each Show shall expressly include, at a minimum, fire lanes, turning radius, temporary structures, and a flame retardant certificate for each tent submission. The fire lanes approved by the City Fire Marshal's Office for each Show shall be clearly depicted on the approved applicable Site Plan, and such approved fire lanes shall all be maintained throughout the entire duration of the applicable Show.

Section 3.3. Transportation: Tenant shall prepare and submit a written "Transportation Plan" with a parking element to the City's Director of Transportation at 308 Chinquapin Round Road, Annapolis, Maryland 21401, with a copy to Director of Central Services, 25 Shaw Street, Annapolis, Maryland 21401. The Transportation Plan shall address matters specified by the City's Director of Transportation, and shall be submitted to that Director (with a copy to Director of Central Services) at least thirty (30) calendar days prior to each Show. Except for public ways within the Premises, the Transportation Plan shall not provide for the closure of any street, or restrict parking to only those associated with any Show. Moreover in publicizing any Show, Tenant shall direct all persons attending a Show to park their vehicles at satellite lots and ride a shuttle to the site of the Show.

Section 3.4. Pre-Show Meetings and Inspection: At no additional cost to Tenant, prior to the opening of each Show, representatives of the City's Department of Planning and Zoning, Annapolis Police Department, Annapolis Fire Department (Fire Marshal's Office), Office of Emergency Management, Harbormaster, Department of Public Works, and Annapolis Department of Transportation shall inspect the Premises and nearby areas with Tenant's representative(s) to determine compliance with the City requirements and this Lease, and for determination of the condition of the Premises. Written approval by representatives of these City departments shall be required before Tenant may open any Show. The opening of any Show shall not be delayed by any City department whose representative is not present for this pre-inspection. The City shall not refuse permission to open any Show or any part of the Show under this Section unless a threat to health or safety has been identified. The City shall make every effort to limit that part of the Show not opened in the event of such threat, and to allow Tenant to open the closed portion of the Show as soon as the threat is abated to the City's satisfaction.

Section 3.5. Trash and Recycling:

(a) *Containers.* Tenant, at its sole expense, shall provide an adequate and equal number of trash and recycling containers for its use within the Premises during the entirety of each Show, and shall also provide for the prompt removal of all such containers from the Premises after each Show. Tenant shall also arrange for the collection of the trash and recycling from such containers and the placement of such in third party roll-off dumpsters on the Prince George Street Parcel, and elsewhere as necessary.

(b) *Dumpsters.* Tenant shall regularly provide for (i) the third party roll-off dumpsters specified above to be emptied by a private refuse/recycling company during the Initial Term and any Renewal Term of this Lease and (ii) the management of such service. Tenant shall receive a credit against Rent for the cost of such management and services provided such hauler is selected in the following manner. At least sixty (60) days prior to the Shows for the Initial Term and any Renewal Term, the City shall request from at least three (3) companies proposals based on a scope of services developed by Tenant. The City and Tenant shall jointly review the proposals and select the lowest responsive company in accordance with the City's procurement laws and policies. After selection, Tenant shall directly contract with the selected company for the applicable Shows, and manage that contract and related collections. The City reserves the right to request a copy of such contract.

Section 3.6. Standpipe System:

(a) *Annual Inspections & 5-Year Hydrostatic Testing.* Tenant, at its sole expense, shall provide annual inspections and 5-year hydrostatic testing of the standpipe system that

services the Premises (the "Standpipe System") throughout of the Term of the Lease in accordance with NFPA 25 (Standard for the Inspection, Testing and Maintenance of Water Based Fire Protection Systems), and in coordination with the City's Department of Public Works and the Annapolis Fire Department (Fire Marshal's Office). The applicable edition of NFPA 25 for any inspection shall be the edition referenced by the NFPA 1 (Fire Code) edition adopted by the State of Maryland Fire Prevention Code at the time of inspection. Any contractor used for such inspections of the Standpipe System shall have a current State of Maryland Fire Sprinkler Contractor License Class Level I, IIIa or IIIb. The results of each testing shall be delivered by Tenant to the City's Fire Marshal's Office at fmo@annapolis.gov for recordkeeping purposes.

(b) *Standpipe Routine Maintenance.* Tenant, at its sole expense, shall provide routine maintenance for the Standpipe System to include exercising and lubrication of fire hose valves and caps and fire department connections and caps (collectively, the "Standpipe Routine Maintenance") throughout of the Term of the Lease in accordance with NFPA 25 (Standard for the Inspection, Testing and Maintenance of Water Based Fire Protection Systems), and in coordination with the City's Department of Public Works and the Annapolis Fire Department (Fire Marshal's Office). The applicable edition of NFPA 25 for any Standpipe Routine Maintenance shall be the edition referenced by the NFPA 1 (Fire Code) edition adopted by the State of Maryland Fire Prevention Code at the time of maintenance. The City shall provide Tenant with a scope of services for the Standpipe Routine Maintenance no later than, thirty (30) days from the start of the Initial Term, and Tenant shall use such scope to request proposals from at least three (3) companies for the Standpipe Routine Maintenance. The City and Tenant shall jointly review the proposals and select the lowest responsive company in accordance with the City's procurement laws and policies. After selection, Tenant shall directly contract with the selected company for the applicable Standpipe Routine Maintenance, and manage that contract. The City reserves the right to request a copy of such contract. The City reserves the right to have Tenant request new proposals for Standpipe Routine Maintenance, and enter into a new related contract, every three (3) years during the Term of this Lease.

(c) *Additional Maintenance; Repairs.* All maintenance and repairs (other than Standpipe Routine Maintenance as noted in Section 3.6(b) above) of the Standpipe System shall be completed by Tenant, on a reimbursable basis, through approved estimates presented to the City prior to any maintenance or repairs being performed. The City shall reimburse Tenant for all City-approved maintenance and repairs to the Standpipe System. Tenant shall ensure that all Standpipe System maintenance and repairs are conducted by a contractor with a current State of Maryland Fire Sprinkler Contractor License Class Level I, IIIa or IIIb. The records of each maintenance and/or repair shall be delivered by Tenant to the City's Fire Marshal's Office at fmo@annapolis.gov for recordkeeping purposes. At least sixty (60) days prior to any maintenance or repairs pursuant to this subsection, Tenant shall request from at least three (3) companies proposals based on a scope of services developed with the City. If Tenant is unable to obtain three (3) proposals, Tenant shall provide documentation of its unsuccessful attempts to contact and/or obtain that number of proposals. The City and Tenant shall jointly review the proposals and select the lowest responsive company in accordance with the City's procurement laws and policies. After selection, Tenant shall directly contract with the selected company for the applicable maintenance or repair, and manage that contract. The City reserves the right to request a copy of all such contracts.

(d) *City Change in Use of Standpipe System.* The parties understand and acknowledge that Tenant's agreement to and assumption of the responsibilities specified in this Section 3.6 are based on the understanding that the sole purpose for and use of the Standpipe System is for the Shows. No more than sixty (60) days after the start of the Initial Term of this

Lease, the parties shall meet to determine if the City desires to use the Standpipe System for purposes other than exclusively for the Shows, which may include, but is not limited to, use by City buildings, facilities, parking lots, and/or park areas; use by special events approved by the City; and/or use by special events organized by the City. If the City does desire a change in the use of the Standpipe System beyond exclusively for the Shows, then the parties shall amend this Lease to reflect that change in use and to re-allocate the responsibility for annual inspections, 5-year hydrostatic testing, Standpipe Routine Maintenance, and/or other maintenance and repairs of the Standpipe System. If at any time during the Term the City desires to use the Standpipe System for purposes other than exclusively for the Shows, then the parties shall amend this Lease to reflect that change in use and to re-allocate the responsibility for annual inspections, 5-year hydrostatic testing, Standpipe Routine Maintenance, and/or other maintenance and repairs of the Standpipe System.

Section 3.7. Cleanliness: Tenant shall be responsible for keeping the Premises free of debris, trash, and refuse during each designated period of use and occupancy by Tenant of the Premises.

Section 3.8. Sanitation and Toilets: Tenant shall, at its sole expense, provide adequate and sanitary toilet facilities throughout the Premises for use by the general public and others attending or participating in any of the Shows, including sufficient ADA compliant sanitary toilet facilities.

Section 3.9. Dock Street Traffic: Tenant, in coordination with the Annapolis Police Department and the City's Fire Marshal's Office, shall leave at least one (1) through lane of Dock Street open to all through traffic except as needed for either (a) move-in and move-out activities at the beginning and end of each Show, or (b) security reasons. Tenant shall use its best efforts to close Dock Street for the minimal time necessary to address any move-in/move-out activities or security concern.

Section 3.10. Dinghy Docks at Shipwright Street End: At any time during the Term of this Lease, and for any Show, the parties may mutually agree, through a written amendment to this Lease, to purchase, construct, borrow, install, use, and/or store, floating docks (in the City waters off of Shipwright Street End to accommodate the docking of dinghies. Any such amendment shall expressly address, at a minimum, the following: (a) the size, number, and type of floating dock(s); (b) the exact installation location(s) of the floating dock(s); (c) ownership of the floating dock(s); (d) allocation of any costs related to the floating dock(s) between the parties; (e) any additional dumpster needs related to the floating dock(s), including management of a dumpster contract and payment to a dumpster vendor; and (f) storage and/or other use of floating dock(s) when not in use during any Show.

Section 3.11. Utilities: The City, at its sole expense, shall provide water and electricity as required for the Shows. Tenant, at its own expense, shall install all temporary electrical equipment, lines and devices required to provide power to the Premises in compliance with the National Electric Code.

Section 3.12. City Fire Department and Harbormaster Boat Space: The Annapolis Fire Department and City Harbormaster shall have designated boat space within the Yacht Basin area of the Premises, and such areas shall be determined by the City and Tenant at the Pre-Show Inspection meeting pursuant to Section 3.4 for each Show.

ARTICLE IV: INSURANCE

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

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

Section 4.3. Insurer: Tenant's insurer or insurers shall be authorized to write the required insurance, approved by the Insurance Commissioner of the State of Maryland, and subject to the approval of the City Attorney. The form and substance of Tenant's insurance policy or policies shall also be subject to reasonable approval by the City Attorney, and shall be submitted to the City Attorney at 160 Duke of Gloucester Street, Annapolis, Maryland 21401, with a copy to Director of Central Services, 25 Shaw Street, Annapolis, Maryland 21401, for such approval not less than thirty (30) calendar days prior to Tenant's occupancy of the Premises for each Show. The policy or policies of insurance shall then be secured by Tenant and filed with the City Attorney not less than fifteen (15) calendar days prior to Tenant's occupancy of the Premises for each Show. No approvals pursuant to this Section 4.3 shall be unreasonably withheld or delayed.

Section 4.4. Notice: The certificate for each insurance policy or policies shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, whether at the request of Tenant or for any other reason, except after thirty (30) calendar days advance written notice mailed by the insurer or Tenant to the City Attorney, and that such notice shall be transmitted postage prepaid, return receipt requested.

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

ARTICLE V: INDEMNIFICATION; DAMAGES

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

Section 5.2. Reimbursement: Tenant shall reimburse the City, within thirty (30) calendar days after demand for such reimbursement, for any damage done to the City's buildings, facilities,

equipment, or property caused by an act or omission of Tenant, its officers, agents, employees, vendors, Exhibitors, subtenants or contractors, during the Lease's Term, or Tenant's use and occupancy of the Premises or any part of the Premises. Tenant may request the City to provide reasonably sufficient documentation or other proof of such damage prior to any reimbursement. If Tenant disputes any request for reimbursement, it may appeal such request to the City Manager and/or his/her authorized designee for review and reconsideration.

ARTICLE VI: SECURITY: CITY ACCESS

Section 6.1. Security: Tenant shall contract with and pay, as independent contractors, security guards from an agency duly licensed by the State of Maryland, in numbers sufficient to maintain security, peace and order at each Show during the entirety of Tenant's occupancy of the Premises for each set of Show Dates/Times.

Section 6.2. City Employee Access:

(a) ***City Access.*** Throughout the Term of this Lease, the City and its employees shall have the right at any and all reasonable times during any Show Dates/Times, after not less than one (1) hour prior notice to Tenant (except in the case of an emergency where no such notice is required), to enter the Premises during any Show for only the following purposes: (i) to perform any necessary governmental activities on the Premises; (ii) to make such repairs and/or changes in the Premises as the City may deem necessary or proper; (iii) for any purpose relating to the safety, protection or preservation of the Premises; or (iv) for any other purpose related to the enforcement of this Lease. **Tenant understands and acknowledges that the City shall have complete unfettered access to and use of the Premises (excepting Edgewood Road/7090 Bembe Beach Road) on any dates and/or times not specified as Show Dates/Times in Exhibit E.**

(b) ***Interference.*** The City shall use reasonable efforts to minimize interference to Tenant's business or use of the Premises when making inspections or repairs, but the City shall not be required to perform the inspections or repairs at any time other than during normal working hours.

(c) ***Badges.*** Tenant shall provide the City with at least ten (10) access badges for each Show to allow City employees to enter the Premises during that Show. The City will be required to provide employee names in advance and show valid employment identification to confirm their employment with the City.

(d) ***Tickets.*** Tenant shall not provide complimentary or discounted tickets (or similar) for any Shows to any City official, employee, agent or representative.

ARTICLE VII: CONSTRUCTION

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

Section 7.2. Exterior Construction: Wherever necessary to provide for pedestrian traffic, Tenant shall erect and construct temporary wooden sidewalks outside of the Premises where the existing sidewalks are enclosed in the Premises by a temporary fence described in Section 7.1. All temporary sidewalks shall be handicap accessible and illuminated during hours of darkness, and maintained by Tenant in a safe and secure condition.

Section 7.3. ADA and Other Permits: Tenant hereby assumes exclusive responsibility for compliance with any and all applicable provisions of the Americans with Disabilities Act of 1990 (ADA), as amended from time to time, at the Premises, during the entire time that Tenant uses or occupies the Premises or any part of the Premises. ***Expressly subject to the provisions of Sections 3.2 through 3.4 of this Lease, and to standard public safety and health approvals,*** any and all permits, licenses or authorizations required to be obtained from the City by Tenant during the Term of this Lease for the purpose of constructing or erecting the temporary structures described in this Article VII and for operating any of the Shows shall be deemed granted and issued upon the execution of this Lease by the City and Tenant. All other federal, state or county permits, which may be required, shall be the sole responsibility and expense of Tenant.

ARTICLE VIII: QUIET ENJOYMENT; OTHER SHOWS

Section 8.1. Quiet Enjoyment: The City covenants with Tenant that at all times during the Term of this Lease, Tenant shall peacefully hold and quietly enjoy the use and occupancy of the Premises on the Show Date/Times, and at all times for Edgewood Road/7090 Bembe Beach Road, without any disturbance or hindrance from the City or from any other person claiming through the City, except that the City or others claiming through the City may enter onto the Premises to effect necessary repairs to their own facilities as reasonably contemplated by the terms of this Lease, and to assure compliance with the terms of this Lease and all applicable laws. Tenant shall cooperate with the City to effect this access to the Premises.

Section 8.2. Other Boat Shows: The City shall not lease the Premises for the purpose of holding boat shows on the Premises other than this Lease or a lease with Tenant for the Spring Sailboat Show during the Term. Tenant may, within its sole discretion, provide written authority to waive this restriction. This restriction shall be deemed to be automatically waived by Tenant as to any Show reduced to less than one (1) ten (10) hour day pursuant to Article II.

ARTICLE IX: POST SHOW; REPORTS

Section 9.1. Condition of Premises after Shows: At the conclusion of each Show throughout the Term, and/or upon the earlier termination of this Lease, Tenant, at its sole expense, shall return the Premises to the City in the same or superior condition than received, natural wear and tear excepted.

Section 9.2. Tenant's Equipment after Shows: At the conclusion of each Show throughout the Term, and/or prior to the earlier termination of this Lease, Tenant shall immediately remove all of its property, fixtures and chattels from the Premises. In the event that Tenant, its officers, agents, employees, vendors, Exhibitors, subtenants or contractors fail to remove any item of property, the City reserves the right to remove and store any such property after the conclusion of the applicable Show for the Initial Term and each Renewal Term, and/or upon the earlier termination of this Lease, at Tenant's sole expense, or as an alternative, to leave the property at the Premises. In either case, the City shall charge Tenant a per diem rental for storage of such property. The City shall bear no responsibility or liability for damage to or expense incurred as a result of property left, removed, or stored under the provisions of this Section. Tenant shall pay to the City any

expenses or charges due pursuant to this Section within thirty (30) calendar days after receipt of a bill from the City.

Section 9.3. Post-Shows Inspection: Within ten (10) calendar days following the conclusion of each Show throughout the Term, and/or the earlier termination of this Lease, Tenant shall accompany the City on a tour of the Premises to determine the condition of the Premises. Items corrected or repaired by the City, and deemed by the City to be the sole responsibility of Tenant, shall be billed by the City and paid by Tenant within thirty (30) calendar days after receipt of such bill. Tenant may request the City to provide reasonably sufficient documentation or other proof of such items corrected or repaired by the City.

Section 9.4. Reports: Within thirty (30) calendar days after the end of each Show throughout the Term of this Lease, Tenant shall provide to the City's Mayor and the Annapolis City Council, c/o the Director of Central Services, 25 Shaw Street, Annapolis, MD 21401, a written report detailing Tenant's general success of the applicable Show; any changes or improvements to the Show or the Premises; details on the applicable Ticket Sales; the calculated Minimum Payment and City Fees; and addressing any City concerns related to this Lease (each a "Report" and collectively the "Reports"). If requested by the City, Tenant shall present such Reports at an Annapolis City Council meeting or work session.

ARTICLE X: REMEDIES; RIGHTS

Section 10.1. Remedies: All duties, liabilities and/or obligations imposed upon or assumed by Tenant or the City by or under this Lease shall be taken or construed as cumulative, and the mention of any specified duty, liability or obligation imposed upon or assumed by Tenant or the City under this Lease shall not be taken or construed as a limitation or restriction upon any or all of the other duties, liabilities, or obligations imposed upon or assumed by Tenant or the City under this Lease. The remedies provided for in this Lease shall be construed to be cumulative and in addition to any other remedies provided in law or equity which the City or Tenant would have in any case. In no case shall a waiver by either party of the right to seek relief under this provision constitute a waiver of any other or further violation. The remedies provided in this Lease shall not be deemed exclusive of other remedies not specified.

Section 10.2. Injunction: The City shall have the right to seek and obtain in any court of competent jurisdiction an injunction, without the necessity of posting a bond, to restrain a violation or alleged violation by Tenant of any term of this Lease, anything to the contrary notwithstanding.

Section 10.3. Liens: Tenant hereby consents that the City shall have a lien upon all property of Tenant located from time to time upon the Premises for any and all unpaid charges which arise under this Lease. Tenant hereby consents to and the City shall have the power to impound and retain possession of such property until all such charges and late fees due pursuant to this Lease have been paid, in full, to the satisfaction of the City. In the event such charges remain unpaid ten (10) calendar days after the expiration or earlier termination of this Lease, the City shall have the power to sell such property at public auction and apply the receipts from such auction to all such unpaid charges.

Section 10.4. Immunities: Nothing in this Lease shall be interpreted or construed to waive, in whole or in part, or to otherwise diminish, the City's statutory, common law or other immunities in any action in tort, in contract or in any other form. The parties agree that if any duty assumed by the City under the terms of this Lease or any action taken by the City pursuant to any such term

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

Section 10.5. Late Fees: Tenant shall make all payments due under this Lease by check, payable to the *City of Annapolis*. In addition to all other amounts due pursuant to this Lease, Tenant shall pay the City a monthly late fee of one and one-half percent (1.5%), or eighteen percent (18%) per annum, of any payment more than sixty (60) calendar days past due, until paid.

Section 10.6. Right to Audit: The City shall have to right to receive and review a copy of Tenant's Maryland Admissions and Amusement Tax report/return and any additional proof of gross receipts from the Ticket Sales as may be reasonably requested by the City's Director of Central Services and/or Finance Director to confirm that Tenant has fulfilled its obligations under this Lease.

ARTICLE XI: IMPOSSIBILITY OF PERFORMANCE

Section 11.1. Impossibility of Performance:

(a) *City Performance.* Notwithstanding any other terms or provisions of this Lease, in the event the City is temporarily or permanently prevented, restricted or delayed in the performance of any or all of the duties and obligations imposed upon or assumed by it hereunder, by act of the General Assembly of Maryland or the Annapolis City Council, by a court of competent jurisdiction, by administrative delay not due to the fault of the City (and its members and agents), or by an unforeseen event, not due to the fault of the City except as permitted herein (and its members and agents), including but not limited to unforeseeable causes beyond its control, such as, strikes, fire, storm, sea level rise, or other casualty, acts of God, or force majeure event, or other unforeseen occurrences which render impossible or not economically feasible the fulfillment of this Lease, expressly including disruption in usability of the Premises resulting from any City construction or renovation of the Premises or surrounding City-owned property (each, a "Force Majeure Event"), then the City shall not be liable directly or indirectly for any claims caused to or suffered by Tenant or any other person in connection with or as a result of such prevention, restriction or delay, and Tenant shall not be liable for the payment of Rent for the applicable term of the Lease.

(b) *Tenant Performance.* Tenant shall not be responsible for delays in the performance of any or all of the duties and obligations imposed upon or assumed by it hereunder caused solely by unforeseeable causes beyond its control or the control of its subcontractors or suppliers of materials, such as a Force Majeure Event or other unforeseen occurrences.

(c) *Prevention, Restriction, Delay.* If such prevention, restriction or delay pursuant to this Article XI relates to not more than five percent (5%) of the applicable Initial Term or Renewal Term of the Lease or five percent (5%) of the Premises, the Shows shall still be held and the Rent and City Fees (as described herein) shall be prorated to account for the number of scheduled hours a Show is not open to the public or the reduction in area, as the case may be. If such prevention, restriction or delay relates to five percent (5%) or more of the applicable term of the Lease or five percent (5%) or more of the Premises, (i) Tenant shall have the right to terminate this Lease and no Rent or City Fees shall be due and payable, and Tenant shall maintain its remaining Renewal Term options, or (ii) if Tenant elects not to terminate this Lease, the Rent shall be reduced prorata based upon the number of hours a Show is open to the public or the size of the Premises available for use in the Shows, and Tenant shall maintain its remaining Renewal Term options, whichever is applicable. The amount of City Fees shall only be reduced as appropriate based upon the reduction of services provided by the City. For example, if fewer

service/working hours for police or fire protection is required, the amount of City Fees will be reduced proportionately. But if the reduction in the applicable Initial Term or Renewal Term or area does not result in a reduction of City services, then no reduction in City Fees will be required.

(d) *Loss, Damage.* In case of any loss of or damage to the Premises as the result a Force Majeure Event, the City in its sole and absolute discretion may determine whether or not, and to what extent, to repair or restore any of the Premises. If the City decides to repair or restore, and any portion of the Premises remains suitable for Tenant's use, then Tenant shall be entitled to utilize that portion of the Premises. If the City decides not to repair and restore the Premises, then Tenant may in its discretion elect to remain on the Premises under the provisions of this Lease or to terminate this Lease, it being Tenant's sole responsibility to restore and/or repair such portions of the Premises as it may elect to undertake. If any portion of the Premises is rendered unusable during the Initial Term or any Renewal Term as a result of a Force Majeure Event, the Rent due and payable shall be reduced in direct proportion to the area of the Premises rendered unusable. Tenant shall present documentation including measurements and calculations to support any claim of reduced Premises. In addition, Tenant shall be entitled to a credit against Rent for all reasonable and documented costs in performing repairs to the Premises as a result of any such Force Majeure Event. Tenant shall be further entitled to such other adjustments as permitted pursuant to Section 1.5 of this Lease.

(e) *Cooperation.* The City and Tenant shall work cooperatively to determine possible alternatives, solutions and/or remedies to any prevention, restriction, or delay that may occur.

Section 11.2. Future City Construction or Renovation; Change in City Parking Management:

(a) *City Construction and Planning.* The City shall take the continued viability of the Shows into account in planning and timing any construction, renovation, and/or design of the Premises or surrounding City-owned property. Further, the City shall use best efforts, to the extent practicable, to avoid negatively impacting the Shows and shall keep Tenant informed of potential issues regarding any adverse impact on the Shows resulting from City construction, renovation, and/or design of the Premises or surrounding City-owned property. In addition, regarding any City construction, renovation, and/or design of the Premises or surrounding City-owned property, the City shall permit a representative of Tenant to participate in any meetings and discussions regarding the design, timing, construction, or renovation of the Premises or surrounding City-owned property.

(b) *Change in City Infrastructure.* In the event any change in City infrastructure results in an increase of Ten Thousand Dollars (\$10,000.00) or more in additional costs for Tenant, the Rent shall be reduced by Tenant's actual costs incurred due directly to such City infrastructure change. Tenant shall provide receipts and supporting documentation for such additional costs incurred within thirty (30) calendar days following the end of the impacted Show. In the event any change in City infrastructure results in a decrease of Ten Thousand Dollars (\$10,000.00) or more in Tenant's costs, the Rent shall be increased by such actual costs saved due directly to such City infrastructure change. Only increased or decreased costs directly attributable to the changes in City infrastructure shall be included in the calculations pursuant to this Section 11.2(b).

(c) *Change in City Parking Management.* Tenant understands and acknowledges that the City and Maryland Economic Development Corporation ("MEDCO") entered into that certain Annapolis Parking Concession Agreement dated September 1, 2022 ("Concession Agreement") for exclusive management of portions of the Premises that include parking spaces and/or parking lots. The City shall use best efforts, to the extent practicable, to avoid negatively impacting the

Shows, and to assist Tenant in obtaining use of the impacted portions of the Premises from MEDCO pursuant to the Concession Agreement. The City shall provide written notice to Tenant of such change at least one hundred and eighty (180) calendar days prior to the first impacted Show. In the event any change in City parking facilities pursuant to the Concession Agreement results in additional costs for Tenant, the Rent and any applicable City Fees shall be reduced by Tenant's costs incurred due to such change. The parties shall document any such change through a written amendment to this Lease, which addresses, at a minimum, the change in the Premises, and a corresponding reduction of the Rent and City Fees. In the event a change pursuant to this Section results in a reduction of over ten percent (10%) of the portion of the Premises that include parking spaces and/or parking lots, Tenant shall have the right to terminate this Lease upon written notice to the City.

ARTICLE XII: TERMINATION; DEFAULT

Section 12.1. Termination for Default: In the event Tenant should materially default in performance of its obligations under this Lease, and such default continues for more than thirty (30) calendar days after the City has given written notice to Tenant of such default (except that if such default shall not be reasonably curable within thirty (30) calendar days, such thirty (30) calendar day period shall be extended for such time as is reasonably necessary to cure the default provided Tenant commences to cure the default within thirty (30) calendar days and diligently prosecutes the cure until completion), the City shall have the right to immediately terminate the Lease and/or to pursue reimbursement from Tenant for any damages to the City resulting from Tenant's material default of this Lease. For purposes of this Article XII, "materially default" and/or "material default" shall mean one (1) or more of the following:

- (a) If any representation or warranty, expressed or implied, of Tenant and pertaining to this Lease shall prove at any time to be incorrect or misleading in any material respect either on the date when made or throughout the Term of this Lease; or
- (b) If Tenant shall fail to comply, fail to fulfill, or otherwise violate any of the terms, conditions, or obligations contained in this Lease; or
- (c) If Tenant shall fail to pay Rent, City Fees, and/or any other payment as required by the terms and conditions of this Lease; or
- (d) If Tenant becomes insolvent or generally does not pay its debts as they become due, or if a petition for relief is filed by Tenant in a bankruptcy court, or if Tenant applies for, consents to, or acquiesces in the appointment of a trustee, custodian, or receiver for Tenant or any of its assets and property, or makes a general assignment for the benefit of creditors, or in the absence of such application, consent, or acquiescence, a trustee, custodian, or receiver is appointed for Tenant or for a substantial part of the assets and property of Tenant and is not discharged within thirty (30) calendar days; or
- (e) If any bankruptcy, reorganization, debt arrangement, or other proceeding or case under any bankruptcy or insolvency or any dissolution or liquidation proceeding is instituted against Tenant and is consented to or acquiesced to by Tenant or remains for sixty (60) calendar days undismissed; or
- (f) If Tenant loses or forfeits its corporate status, or ceases to be in good standing with the State of Maryland and fails to renew its corporate status or place same in

good standing within ten (10) days of discovering that its corporate status is not in good standing.

Section 12.2. Defaults under Other Leases: There are currently in effect leases between the City and Tenant for the Premises, or similar City property, for boat shows for the years of 2021 through 2030. In the event Tenant should materially default in performance of its obligations in any one (1) of the above years, including failure to pay rent and/or other fees as required by such leases, such material default shall also constitute a material default in the leases for all years subsequent to it, including this Lease. If the material default continues for more than thirty (30) calendar days after the City has given written notice to Tenant of such material default, the City shall have the right to terminate any of the leases for any one (1) or more of the years remaining in effect, including this Lease. Otherwise, execution of this Lease shall have no effect on those leases for the years of 2021 through 2030.

Section 12.3. Additional Termination Rights:

(a) *Termination for Lack of Renewal.* If the requirements of Section 1.2 shall not be met for any of the Renewal Terms, then this Lease shall automatically terminate at the end of the then-current term.

(b) *Termination under Article XI.* The parties have those additional termination rights as specified in Article XI of this Lease.

ARTICLE XIII: REPRESENTATIONS

Section 13.1. Tenant's Representations: Tenant hereby represents and warrants the following:

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

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

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

Section 13.2 City Authority: This Lease is authorized by Ordinance O-32-25 adopted by the Annapolis City Council.

ARTICLE XIV: MISCELLANEOUS

Section 14.1. Time is of the Essence: Time is of the essence in the performance of this Lease. Except as may be provided in this Lease or otherwise agreed to in writing by both parties, the times and deadlines specified in this Lease shall not be extended for any reason relating to the Initial Term or any Renewal Term of the Lease, and/or the installation or removal of equipment, materials, displays, or property from the Premises.

Section 14.2. Assignment: Tenant shall not assign, transfer, or otherwise dispose of this Lease without the prior written consent of the City, but such consent shall not be unreasonably withheld

or delayed. A transferee with a minimum of five (5) years experience operating boat shows, expressly including prior experience working past shows on the Premises as part of or in connection with the Tenant, and a net worth of at least Two Million Dollars (\$2,000,000.00) shall be deemed approved. The foregoing shall not prevent Tenant from subleasing portions of the Premises to Show Exhibitors, provided the portion of the Premises subleased to any one (1) Exhibitor does not exceed twenty-five percent (25%) of the total area of the Premises.

Section 14.3. Independent Contractor: Tenant is an independent contractor and not the agent or employee of the City. Under no circumstances shall this Lease be considered to create an employee or agency relationship or a partnership or joint venture between the parties.

Section 14.4. Compliance with all Laws: Tenant shall comply with all laws, ordinances, and statutes applicable to the Premises or any part of the Premises, and the use and occupancy thereof, and to pay all taxes or charges imposed by law in connection with Tenant's use and occupancy of the Premises. Provided Tenant is making good faith progress towards correcting any violation under this Section, Tenant shall have a reasonable time to correct that violation, not to exceed sixty (60) calendar days.

Section 14.5. Binding Effect: The terms of this Lease shall be binding on and enforceable against the parties and their respective successors and assigns.

Section 14.6. Governing Law: In all actions arising from this Lease, the laws of the State of Maryland shall govern, and the venue for all actions initiated pursuant to this Lease shall be exclusively the Courts of Anne Arundel County, Maryland. The parties waive jury trial in all actions initiated pursuant to this Lease.

Section 14.7. Severability: If any of the provisions of this Lease are declared by a court or other lawful authority to be unenforceable or invalid for any reason, the remaining provisions hereof shall not be affected thereby and shall remain enforceable to the full extent permitted by law.

Section 14.8. Survival: Those sections in this Lease which by their nature are intended to survive shall survive the termination of this Lease.

Section 14.9. Recitals: The Recitals (WHEREAS clauses) are hereby incorporated into this Lease.

Section 14.10. Notice: Any notice required to be delivered shall be sent to the following address and individual or such other address and/or such other individual as a party may identify in writing to the other party:

To the City:	Director of Central Services 25 Shaw Street Annapolis, Maryland 21401
With a Copy to:	City Attorney 160 Duke of Gloucester Street Annapolis, Maryland 21401
To Tenant:	United States Yacht Shows, Inc. c/o Annapolis Boat Shows 110 Compromise Street Annapolis, Maryland 21401

Attn: Mary Ewenson

With a Copy to: Erin Benson, Esquire
YVS Law, LLC
185 Admiral Cochrane Drive, Suite 130
Annapolis, Maryland 21401

Section 14.11. Entire Agreement: Subject to Section 12.2, this Lease constitutes the sole and entire agreement of the parties with respect to the subject matter of this Lease, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the subject matter. Neither party has relied on any statement, representation, warranty or agreement of the other party or of any other person on such party's behalf, including any representations, warranties, or agreements arising from statute or otherwise in law, except for the representations, warranties, or agreements expressly contained in this Lease.

Section 14.12. No Oral Amendments: No amendment to or rescission, termination, cancellation or discharge of this Lease is effective unless it is in writing, identified as an amendment to or rescission, termination, cancellation or discharge of this Lease and signed by an authorized representative of the applicable party(s) to this Lease.

Section 14.13. No Peddlers, Hawkers, Itinerant Merchant License: A license for peddlers, hawkers, and itinerant merchants pursuant to Chapter 7.40 of the City Code, as may be amended, is not required to be obtained by Tenant during the Initial Term or any Renewal Term of this Lease and/or for the purpose of the Shows.

Section 14.14. Counterparts: This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signatures contained on following page(s).]

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

United States Yacht Shows, Inc.

By: _____

ATTEST:

City of Annapolis, Maryland

Regina C. Watkins-Eldridge, MMC,
City Clerk

By: _____
Gavin Buckley
Mayor

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Office of Law
D. Michael Lyles, City Attorney

**EXHIBIT A
THE PREMISES (GENERALLY)**

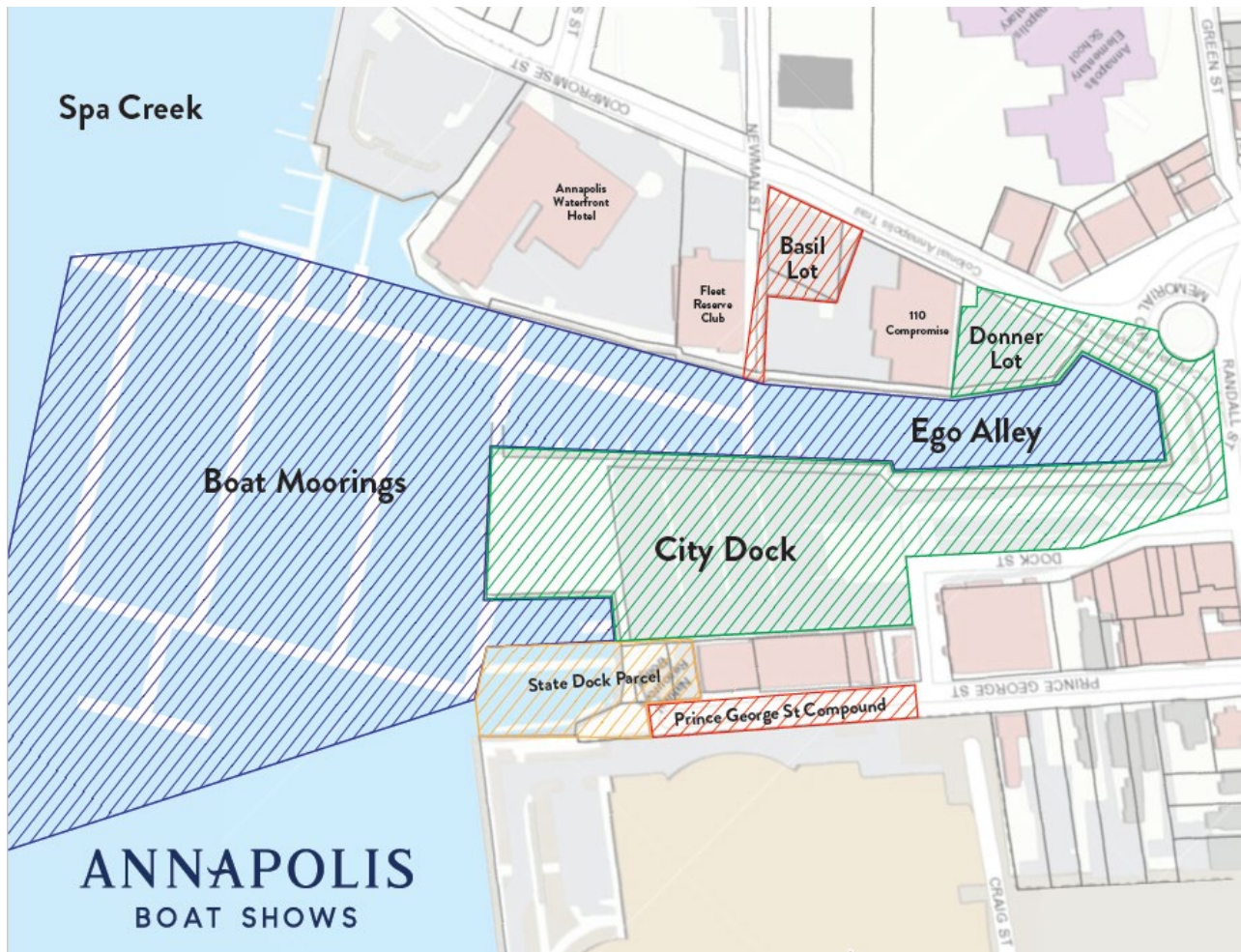


EXHIBIT B BOAT MOORINGS

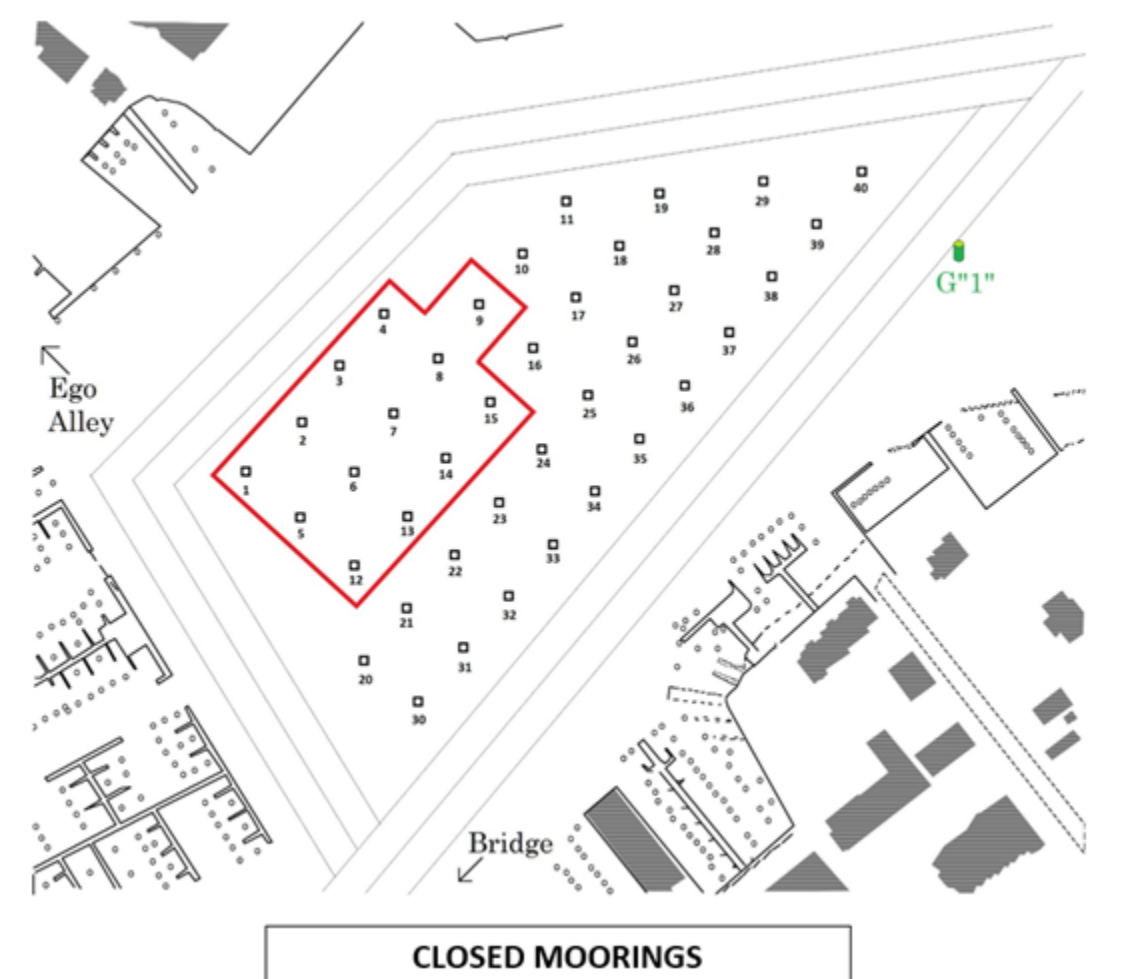


EXHIBIT C
ST. MARY'S BOAT MOORINGS



EXHIBIT D
EDGEWOOD ROAD/7090 BEMBE BEACH ROAD

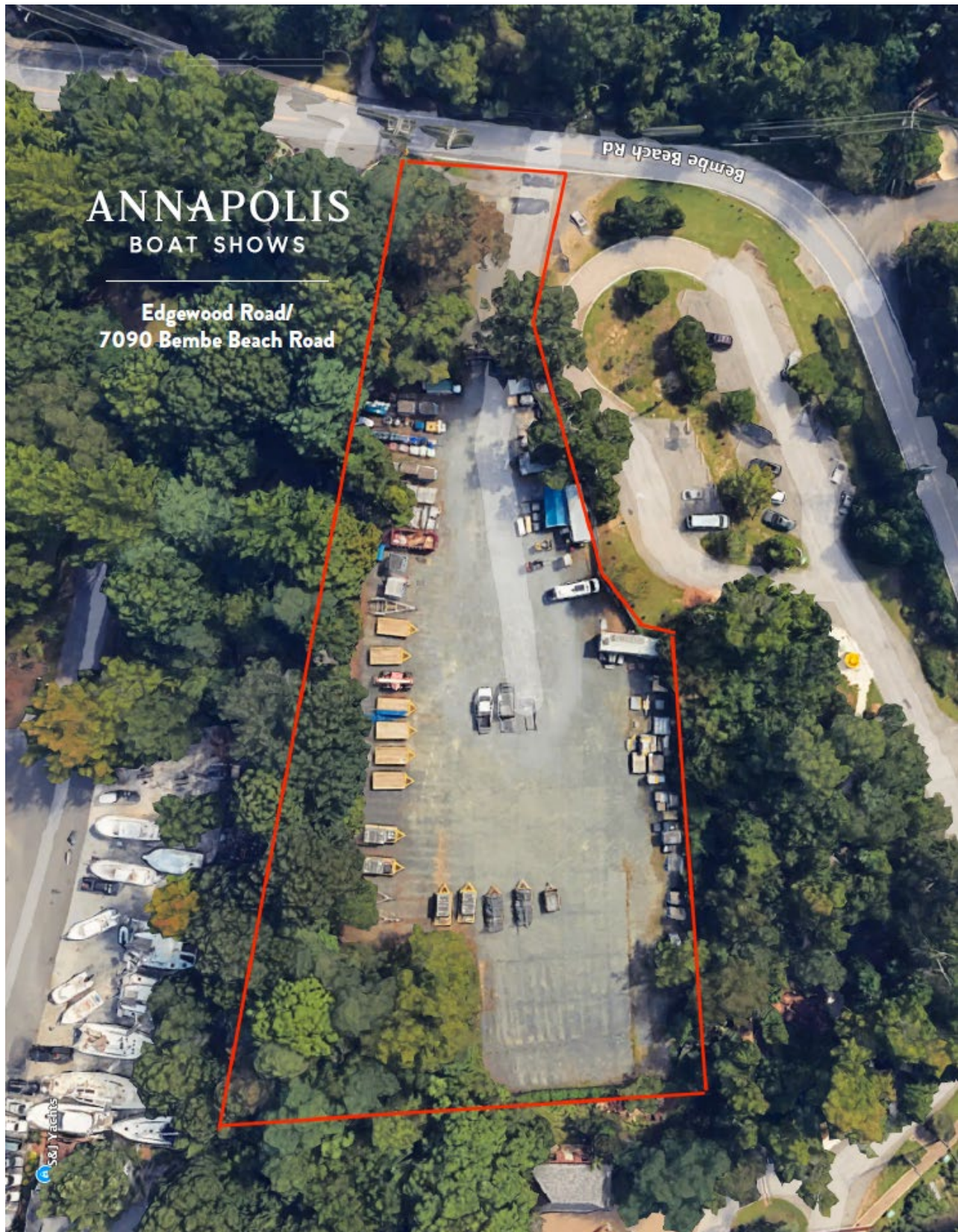


EXHIBIT E
SHOW DATES/TIMES

Basil Parking Lot from ____ through ____.

Prince George Street Compound from ____ through ____.

The Boat Moorings from ____ through ____.

The City Dock Parcel (including any and all existing or future improvements, including docks, buildings, structures, and open areas) from ____ through ____.

St. Mary's Boat Moorings from ____ through ____.

Ego Alley from ____ through ____.

The Burtis Parcel (including any and all existing or future improvements, including docks, buildings, structures, and open areas) from ____ through ____.

If and when leased to the City, the Navy parcel (including any and all existing or future improvements, including docks, buildings, structures, and open areas) from ____ through ____.

Edgewood Road/7090 Bembe Beach Road from ____ through ____ (i.e. year round).

Boat moorings 20,21 and 30, as depicted on Exhibit B from ____ through ____.