

1 **CITY COUNCIL OF THE CITY OF ANNAPOLIS**

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3 **ORDINANCE NO. O-49-09 Amended**

4  
5 **Introduced by Mayor Moyer**

LEGISLATIVE HISTORY			
First Reading:	Public Hearing:	Fiscal Impact Note:	120 Day Rule:
07/27/09	10/05/09	07/21/09	11/24/09
Referred to:	Meeting Date:	Action Taken:	
Economic Matters	10/27/09	Favorable w/ Amd	

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9 **AN ORDINANCE** concerning

10 **Lease of City Property: Boat Shows in 2015**

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13 **FOR** the purpose of authorizing a lease of certain municipal property located in the  
14 general harbor, Dock Street and Edgewood Road areas to United States Sailboat  
15 Shows, Inc. and United States Powerboat Shows, Inc., for a certain period of  
16 time in October 2015, to conduct boat shows.

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19  
20 **WHEREAS**, United States Sailboat Shows, Inc., and United States Powerboat Shows,  
21 Inc., desire to lease certain municipal property for the purpose of  
22 conducting boat shows; and

23  
24 **WHEREAS**, the Annapolis City Council believes that these proposed boat shows would  
25 inure to the benefit of the City; and

26  
27 **WHEREAS**, a lease setting forth details of the rental has been prepared and is  
28 considered satisfactory; and

29  
30 **WHEREAS**, Article III, Section 8 of the Charter of the City of Annapolis requires the  
31 passage of an ordinance to authorize the lease.

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33 **NOW THEREFORE:**

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35 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**  
36 **CITY COUNCIL** that the proposed lease between the City of Annapolis and United  
37 States Sailboat Shows, Inc., and United States Powerboat Shows, Inc., for the rental of  
38 certain municipal property in the general harbor, Dock Street and Edgewood Road

1 areas, as described in the lease, a copy of which is attached hereto and made a part  
2 hereof, for portions of October 2015, more specifically described in the attached lease,  
3 and subject to the option to expand or reduce the number of days of the tenancy as  
4 provided in the lease, is hereby approved and the Mayor is hereby authorized to  
5 execute the lease on behalf of the City of Annapolis.

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

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

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19 **ADOPTED** this 9th day of November, 2009.

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21 **ATTEST:**

**THE ANNAPOLIS CITY COUNCIL**

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25 Regina C. Watkins-Eldridge, MMC  
26 **City Clerk**

**BY:** \_\_\_\_\_  
**ELLEN O. MOYER, MAYOR**

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**LEASE AGREEMENT**

Authorized by O-49-09Amended

**LEASE AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between THE CITY OF ANNAPOLIS, a municipal corporation (hereinafter called "Lessor") on the one hand and the UNITED STATES SAILBOAT SHOW, INC. and UNITED STATES POWERBOAT SHOW, INC. (hereinafter jointly and severally called "Lessee").

**Article I**

**Section 1.1. Premises and Term:** Lessor hereby leases to Lessee, for the purpose of holding two boat shows, that property and water hereinafter called the "premises" described and shown on Exhibit A, (the sidewalk on Dock Street between Craig Street and the bulkhead at the Department of Natural Resources is not within the "premises" and is to be left open for public access), which is attached hereto and made a part hereof, for the periods of time hereinafter designated, subject to the provisions and terms of this agreement:

2015 – Monday, October 5 through Wednesday, October 21, inclusive

**Section 1.2. Revisions to Premises:** Lessor shall have the right to change the area of the premises from time to time in order to reflect any change in ownership or infrastructure. If the total area of the premises (exclusive of the Edgewood Road property) is reduced pursuant to this paragraph by five percent (5%) or more of the total area, Lessee shall be entitled to pro rata reduction in the Base Rent. If the total area of the premises is reduced pursuant to this paragraph by ten percent (10%) or more of the total area, Lessee shall have the right to pro rata reduction or to terminate the Lease. If Base Rent is determined using Ticket Sales Base Rent, then the reduction hereunder shall be calculated by reducing the fifty percent (50%) multiplier under Section 1.3(a) to reflect the area reduction (e.g. If the premises is reduced ten percent (10%) then Base Rent will equal: [50% x 90%] x gross ticket receipts. If the Base Rent is determined using Minimum Base Rent, then the reduction hereunder shall be determined using Minimum Base Rent, then the reduction hereunder shall be calculated by reducing the Base Rent by the percentage of the reduction of the total area. For purposes of this Section, the Edgewood Road property shall not be included in

1 premises area calculations or in rent adjustments.

2  
3 **Section 1.3. Rent:** Except as provided in Section 2.3, Base Rent shall  
4 be: (A) the greater of (i) 50% of Lessee's gross receipts (after deduction  
5 admission taxes) from the sale by Lessee of tickets for admission to the  
6 shows for that year (hereinafter "Ticket Sales Base Rent") or, (ii) Three  
7 Hundred Seventy-Five Thousand Nine Hundred Fifty Dollars (\$375,950.00)  
8 (hereinafter "Minimum Base Rent"); plus (B) if the Edgewood Road property is  
9 used, Two Thousand Sixty Dollars (\$2,060.00) each year used (hereinafter  
10 "Edgewood Road Rent"), Lessee shall pay Lessor the Minimum Base Rent, in  
11 full, within thirty (30) days of the close of the show. Any further monies over  
12 the Minimum Base Rent due to Lessor as a result of ticket sales shall be paid  
13 by Lessee to Lessor simultaneously with the payment of the State admissions  
14 tax. Proof of gross receipts form ticket sales shall be supplied at that time to  
15 the City of Annapolis Director of Finance in a form satisfactory to the said  
16 Director. In addition to the Base rent, Lessee shall pay Lessor, Additional  
17 Rent equal to Twenty-Five Thousand Seven Hundred Fifty Dollars  
18 (\$25,750.00) toward the costs incurred by the City in providing electricity,  
19 water, inspections and public safety services to the Boat Shows and in  
20 providing increased public services during the Shows. Lessee shall pay  
21 Lessor the Additional Rent and (if applicable) Edgewood Road rent, in full, at  
22 the time Lessee pays the Minimum Base Rent.

23  
24 **Article II**

25 **Section 2.1. Number of Days:** Lessor grants to Lessee the right to  
26 add one day at the end of either or both of the two boat shows for general  
27 public admission. Lessee shall have the right, in its sole discretion, to reduce  
28 the number of days of either or both of the boat shows.

29  
30 **Section 2.2. Other Boat Shows:** Lessor covenants that it will not lease  
31 the premises for the purpose of holding boat shows on the premises from  
32 June 1 through November 30 in the year of 2015. Lessee may, within its sole  
33 discretion, provide written authority to waive these restrictions. These  
34 restrictions shall be deemed to be waived by Lessee automatically as to either  
35 boat show (power or sail) reduced to less than one 10-hour day under Section  
36 2.1.

37 **Section 2.3. Adjustment to Rent:** The Minimum Base Rent and  
38 Additional Rent shall be increased or reduced proportionately, if Lessee  
39 exercises its rights to extend or shorten the number of days pursuant to  
40 Section 2.1. Notice of any such extension or shortening shall be given by  
41 Lessee in writing to Lessor by June 1 of the year in which the affected show is  
42 to be held. All of the other provisions of the lease shall remain in full force

1 and effect.

2  
3 **Article III**

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5 **Section 3.1. Facilities and Services:** Lessee shall have the use of the  
6 following facilities and services without additional charge:

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8 All that area indicated on Exhibit A (except as the area may be revised  
9 pursuant to Paragraph 1.2 hereof), which is attached hereto and made  
10 a part hereof, including Lessor's right and interest in the so-called  
11 "Fawcett's Lot", and all related facilities including ingress and egress,  
12 existing and normal street and harbor lighting, existing and normal  
13 electricity, water supply for said area, and normal police and fire  
14 protection.

15  
16 **Section 3.2. Police Services:** Lessor agrees to provide police services  
17 related to traffic control outside the show, security for Boat Show office within  
18 the show and liaison with Lessee's security guards inside the show without  
19 further charge.

20  
21 **Section 3.3. Fire Services:** Lessor agrees to provide fire protection as  
22 required without further charge. Following the erection of all booths and other  
23 show structures as described under Section 7.1 hereof but before the show  
24 opens, the parties shall meet at the premises to assure compliance with Fire  
25 Department regulations and accessibility of fire lanes and turning radius. No  
26 open flame devices or running of watercraft propulsion engines shall be  
27 permitted on the demised premises during the open hours of the shows.

28  
29 **Section 3.4. Utilities:** Lessor shall provide water and electricity without  
30 further charge. Lessee at its own expense shall install all temporary electrical  
31 equipment, lines and devices required to provide power to the premises in  
32 compliance with National Electric Code. Lessee shall be responsible for  
33 refuse removal as provided under Section 8.1 hereof.

34  
35 **Section 3.5. Parking and Transportation:** The Lessee shall  
36 coordinate all plans for the provision of any intra-city mode of transportation  
37 during the course of the boat shows with the City of Annapolis Department of  
38 Transportation. Lessee shall furnish to Lessor a transportation plan including  
39 a parking element.

40  
41 **Section 3.7. Pre-Show Meetings and Inspection:** Prior to the  
42 opening of each show, representatives of the Department of Neighborhood

1 and Environmental Programs, Annapolis Police Department, Annapolis Fire  
2 Department, Harbormaster, and Annapolis Department of Public Works shall  
3 inspect the premises and nearby areas with Lessee's representative to  
4 determine compliance with City requirements and for determination of the  
5 condition of City property to be leased. Written approval by representatives of  
6 all these departments is required before Lessee may open the show. The  
7 opening of the show shall not be delayed by any department whose  
8 representative is not present for said inspection. Lessor shall not refuse  
9 permission to open the show or any part of the show under this paragraph  
10 unless a threat to health or safety has been identified. Lessor shall make  
11 every effort to limit that part of the show not opened in the event of such  
12 threat and to allow Lessee to open the closed portion of the show as soon as  
13 the threat is abated to Lessor's satisfaction. All other federal, state or county  
14 permits which may be required shall be the responsibility of the Lessee.

15  
16 **Section 3.8. Transportation:** The Lessee shall prepare and submit to  
17 the Director of Transportation a Transportation Plan with a Parking Element.  
18 The Plan shall address matters specified by the Director and shall be  
19 submitted no later than August 15 of each year for which the premises are  
20 leased. Except for public ways within the leased premises, the Plan shall not  
21 provide for the closure of any street or restrict parking to those associated  
22 with the boat shows. Moreover in publicizing the boat shows, the Lessee will  
23 direct all persons attending the event to park their vehicles at satellite lots and  
24 ride the shuttle to the site of the boat shows. Upon receipt of the Plan, the  
25 Director shall make copies available to relevant agencies and to interested  
26 parties who have requested a copy.

27  
28 **Article IV**

29  
30 **Section 4.1. Insurance:** Lessee shall, at its own expense, obtain and  
31 keep in full force and effect comprehensive commercial general liability  
32 insurance of no less than Two Million Dollars (\$2,000,000.00) combined  
33 single limit, bodily injury and property damage; and Eight Million Dollars  
34 (\$8,000,000.00) umbrella policy; which shall be effective during the entire  
35 period of time during which the Lessee shall use or occupy the premises, or  
36 any part thereof.

37 Such insurance policy shall specifically name the City of Annapolis, and  
38 in their capacity as such, the officers, agents and employees thereof, as  
39 additionally insured, and insure against any and all loss, costs, damages, and  
40 expenses suffered by any person, or to any property, including property  
41 owned by Lessor, due to or alleged to be due to: an act, omission or the  
42 negligence of Lessee, its officers, agents, employees, vendors, subtenants or

1 contractors; or directly or indirectly to the use of the premises, or any part  
2 thereof by Lessee, its officers, agents, employees, vendors, subtenants or  
3 contractors.

4 The insurer or insurers of the policy or policies referred to in the  
5 preceding paragraph shall be: authorized to write the required insurance;  
6 approved by the Insurance Commissioner of the State of Maryland; and  
7 subject to the reasonable approval of the City Attorney of Annapolis. The form  
8 and substance of the policy or policies of insurance shall also be subject to  
9 reasonable approval by the City Attorney of the City of Annapolis, and shall  
10 be submitted to the City Attorney for such approval not less than thirty (30)  
11 days prior to Lessee's occupancy of the premises. Said policy or policies of  
12 insurance shall then be secured by Lessee and filed with the City Attorney of  
13 the City of Annapolis not less than fifteen (15) days prior to Lessee's  
14 occupancy of the premises. Said approvals shall not be unreasonably  
15 withheld.

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

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

25  
26 **Article V**

27  
28 **Section 5.1. Indemnity:** Lessee agrees that it shall forever indemnify,  
29 defend and hold harmless the Lessor, its officers, agents, employees, from  
30 and against any and all claims, suits, actions, judgments, and liability for loss,  
31 injury, damages and/or expenses suffered or alleged to have been suffered  
32 by any person or to any property due to or alleged to be due to: an act,  
33 omission or the negligence of Lessee, its officers, agents, employees,  
34 vendors, subtenants or contractors; or directly or indirectly the use of the  
35 leased premises, or any part thereof, by Lessee, its officers, agents,  
36 employees, vendors, subtenants or contractors.

37 Lessee agrees to reimburse Lessor, within thirty (30) days after  
38 demand for such reimbursement, for any damage done to Lessor's buildings,  
39 facilities, equipment or property caused by an act, omission or the negligence  
40 of Lessee, its officers, agents, employees, vendors, subtenants or contractors  
41 during Lessee's use and occupancy of the leased premises or any part  
42 thereof.

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**Article VI**

**Section 6.1. Security:** Lessee shall contract with and pay, as independent contractors, security guards from an agency duly licensed by the State of Maryland, in numbers sufficient to maintain security, peace and order at the boat shows inside the premises during the lease term.

**Article VII**

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

**Section 7.2. Exterior Construction:** Lessee agrees to erect and construct temporary wooden sidewalks, wherever necessary to provide for pedestrian traffic, outside of the leased premises where the existing sidewalks are enclosed in the premises by said temporary fence described in Section 7.1. Said walks shall be handicap accessible and illuminated during the hours of darkness and maintained by Lessee in a safe and secure condition.

**Section 7.3. ADA and Other Permits:** Lessee hereby assumes exclusive responsibility for compliance with any and all applicable provisions of the Americans with Disabilities Act of 1990, as amended from time to time at the demised premises, during the entire time Lessee uses or occupies those premises, or any part thereof, pursuant to this Lease Agreement. Subject to the inspection provisions of Section 3.7 and to standard public safety and health approvals, any and all permit, license or authorization required to be obtained from the City or any agency thereof by the Lessee during the term of this Lease for the purpose of constructing or erecting the temporary structures described in Sections 7.1 and 7.2 above or for operating the shows, shall be deemed granted and issued upon the execution of this Lease by the Lessor and Lessee. All other federal, state or county permits, which may be required, shall be the responsibility of the Lessee.

**Article VIII**

1           **Section 8.1. Trash:** Lessee, at its own expense, shall provide an  
2 adequate number of trash containers for its use within the show grounds  
3 during the entire occupancy period of the premises and shall provide for the  
4 prompt removal of said containers, trash and refuse. Lessor, at its own  
5 expense, shall provide an adequate number of trash dumpsters outside the  
6 show grounds for the use of Lessee during the occupancy period and shall  
7 provide for the prompt removal of trash and refuse in these dumpsters.  
8

9           **Section 8.2. Cleanliness:** Lessee shall be responsible for keeping the  
10 premises free of debris, trash and refuse and shall place the same in  
11 dumpsters or receptacles.  
12

13           **Section 8.3. Sanitation and Toilets:** Lessee shall, at its own expense,  
14 provide adequate and sanitary toilet facilities throughout the demised  
15 premises for use by the general public and others attending or participating in  
16 the boat shows.  
17

18           **Article IX**  
19

20           **Section.9.1. Quiet Enjoyment:** Lessor covenants with Lessee that at  
21 all times during the term of this Lease Agreement, Lessee shall peacefully  
22 hold and quietly enjoy the demised premises without any disturbance or  
23 hindrance from Lessor or from any other person claiming through Lessor,  
24 except that the City or others claiming through the Lessor, may enter onto the  
25 demised premises to effect necessary repairs to their own facilities as  
26 reasonably contemplated by the terms of this Agreement and to assure  
27 compliance with the terms of this Agreement. Lessee shall cooperate with the  
28 Lessor to effect this access to the demised premises.  
29

30           **Section 9.2. Trash and Public Safety Cooperation:** The parties  
31 agree to cooperate with each other and use their best efforts to ensure that  
32 there is prompt trash removal, public safety protection and adequate traffic  
33 control during the designated period of occupancy by the Lessee of the  
34 premises.  
35

36           **Article X**  
37

38           **Section 10.1. Condition of Premises After Show:** Following the  
39 occupancy period, the Lessee, at Lessee's sole expense, shall return the  
40 premises in the same or superior condition than received, natural wear and  
41 tear excepted.  
42

1           **Section 10.2. Lessee's Equipment After Show:** Prior to the expiration  
2 of the lease term, Lessee shall immediately remove all of its property, fixtures  
3 and chattels from the leased premises. In the event that Lessee, its officers,  
4 agents, employees, vendors, subtenants or contractors fail to remove any  
5 item of property, Lessor reserves the right to remove and store any such  
6 property after the expiration or termination of the lease term at Lessee's  
7 expense or as an alternative, to leave the property at the leased premises. In  
8 either case, Lessor shall charge Lessee per diem rental for storage of such  
9 property. Lessor shall bear no responsibility or liability for damage to or  
10 expense incurred as a result of property left, removed or stored under the  
11 provisions of this Section. Lessee shall pay to Lessor any expenses or  
12 charges under this Section billed to Lessee by Lessor within thirty (30) days  
13 after delivery of any such bill by Lessor to Lessee.

14  
15           **Section 10.3. Post-Show Inspection:** Within ten (10) days following  
16 the expiration of the occupancy period, Lessee shall accompany Lessor  
17 during a tour of the premises to determine the condition thereof. Items  
18 corrected or repaired by Lessor, deemed by Lessor to be the responsibility of  
19 Lessee, shall be billed by Lessor and paid by Lessee within thirty (30) days  
20 after receipt of such bill.

21  
22           **Article XI**

23  
24           **Section 11.1. Remedies:** It is understood and agreed that any and all  
25 duties, liabilities and/or obligations imposed upon or assumed by Lessee and  
26 Lessor by or under this lease shall be taken or construed as cumulative and  
27 that the mention of any specified duty, liability or obligation imposed upon or  
28 assumed by Lessee or Lessor under this Lease, shall not be taken or  
29 construed as a limitation or restriction upon any or all of the other duties,  
30 liabilities, or obligations imposed upon or assumed by Lessee under this  
31 Lease. The remedies provided herein shall be construed to be cumulative and  
32 in addition to any other remedies provided herein, or any remedies provided  
33 in law or equity which Lessor or Lessee would have in any case. It is  
34 understood and agreed that Lessor shall have the right to seek and obtain in  
35 any court of competent jurisdiction an injunction without the necessity of  
36 posting a bond to restrain a violation or alleged violation by Lessee of any  
37 covenant or covenants contained in this agreement, anything to the contrary  
38 notwithstanding. In no case shall a waiver by either party of the right to seek  
39 relief under this provision constitute a waiver of any other or further violation.  
40 The remedies provided hereunder shall not be deemed exclusive of other  
41 remedies not specified.

42

1 **Article XII**

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3 **Section 12.1. Impossibility of Performance:** If, for any reason, an  
4 unforeseen event not the act of Lessor occurs, including but not limited to fire,  
5 casualty, act of God, labor strike or other unforeseen occurrence which  
6 renders impossible the fulfillment of any rental period of this Lease, Lessee  
7 shall have no right to nor claim for damages against Lessor; but Lessee shall  
8 not be liable for the payment of rent for said rental period, except that if such  
9 impossibility relates only to more than five percent (5%) of the rental period,  
10 Base Rent, if determined under Section 1.3(A)(ii) hereof, shall be prorated to  
11 account for the number of scheduled hours the Show is not open to the  
12 public.

13  
14 **Article XIII**

15  
16 **Section 13.1. Payment:** Lessee shall make all payments due under  
17 this Agreement by check, made payable to the City of Annapolis. In addition  
18 to all other amounts due hereunder, Lessee shall pay Lessor a monthly late  
19 fee of 1.5% (18% per annum) of any payment more than sixty (60) days past  
20 due, until paid.

21  
22 **Article XIV**

23  
24 **Section 14.1. Time is of the Essence:** Time is of the essence in the  
25 performance of this Agreement, and the times herein granted shall not be  
26 extended for any reason, except as provided herein, for the occupancy or use  
27 of the aforementioned premises or for the installation or removal of  
28 equipment, materials or displays therefrom without written permission from  
29 the Lessor.

30  
31 **Article XV**

32  
33 **Section 15.1. Assignment:** Lessee shall not assign, transfer, or  
34 otherwise dispose of this Lease without the prior written consent of Lessor,  
35 but such consent shall not be unreasonably or arbitrarily withheld. The  
36 foregoing shall not prevent Lessee from subleasing portions of the premises  
37 to boat show exhibitors provided the portion of the premises subleased to any  
38 exhibitor does not exceed twenty-five percent (25%) of the total area of the  
39 Premises.

40  
41 **Article XVI**

42

1           **Section 16.1. Independent Contractor:** Lessee herein is an  
2 independent contractor and not the agent or employee of the Lessor. Under  
3 no circumstances shall this Lease be considered a partnership or joint  
4 venture.

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6           **Article XVII**

7  
8           **Section 17.1. Liens, Etc:** Lessee hereby consents to and Lessor shall  
9 have a lien upon all property of Lessee located from time to time upon the  
10 premises for any and all unpaid charges which arise under this Lease. Lessee  
11 hereby consents to and Lessor shall have the power to impound and retain  
12 the possession of such property until all such charges and late fees due under  
13 Article XIII have been paid, in full, to the satisfaction of Lessor. In the event  
14 such charges remain unpaid ten (10) days after the termination of the rental  
15 period, the Lessor shall have the power to sell such property at public auction,  
16 and apply the receipts from such auction to all such unpaid charges.

17  
18           **Article XVIII**

19  
20           **Section 18.1. Compliance with all Laws:** Except as otherwise  
21 provided herein, Lessee agrees to comply with all laws, ordinances, and  
22 statutes applicable to the leased premises, or any part thereof, and the use  
23 thereof, and to pay all taxes or charges imposed by law in connection with  
24 Lessee's use and occupancy of the said leased premises, provided, however,  
25 the Lessee shall have reasonable time to correct any such alleged violation.

26  
27           **Article XIX**

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29           ~~**Section 19.1. Other Leases:** This Lease Agreement shall have no  
30 effect on the Lease Agreements for the 2009 through 2014 boat shows  
31 between the parties.~~

32  
33           **Section 19.1. Other Leases:** There are currently in effect leases  
34 between Lessor and Lessee for the same premises for boat shows for the  
35 years of 2010 through 2014. In the event Lessee should materially default in  
36 performance of its obligations in any one of the above years, such default  
37 shall constitute a default in the leases for all subsequent years, including  
38 2015. If the default continues for more than thirty days after Lessor has given  
39 written notice to Lessee of such default, Lessor shall have the right to  
40 terminate any of the leases for any one or more of the years remaining in the  
41 leases. Otherwise, execution of this lease agreement for the year 2015 shall  
42 have no effect on lease agreements for the years of 2010 through 2014.”

**Article XX**

**Section 20.1. Immunities:** Nothing herein shall be interpreted or construed to waive, in whole or in part, or to otherwise diminish Lessor's statutory, common law or other immunities in any action in tort, in contract or in any other form. The parties further agree that if any duty assumed by Lessor under the terms of this Agreement or any action taken by Lessor Pursuant to any such tern is construed to waive, in whole or in part, any such immunity, then the immunity shall nevertheless be fully restored, and shall bind and protect the parties as a contractual undertaking.

**Article XXI**

**Section 21.1 Authority:** This Lease is authorized by Ordinance O-49-09Amended adopted by the Annapolis City Council.

**IN WITNESS WHEREOF**, the City of Annapolis, by and through its duly authorized agent, has caused this Lease to be executed on its behalf, and the Lessee, United Sates Sailboat Show, Inc. and United States Powerboat Show, Inc. has duly executed this lease this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

ATTEST: THE ANNAPOLIS CITY COUNCIL  
\_\_\_\_\_  
Regina C. Watkins-Eldridge, MMC BY: \_\_\_\_\_  
City Clerk ELLEN O. MOYER, MAYOR

UNITED STATES SAILBOAT SHOW, INC.  
\_\_\_\_\_  
Witness BY: \_\_\_\_\_  
C.E. HARTMAN, PRESIDENT

UNITED STATES POWERBOAT SHOW, INC.  
\_\_\_\_\_  
Witness BY: \_\_\_\_\_  
C.E. HARTMAN, PRESIDENT

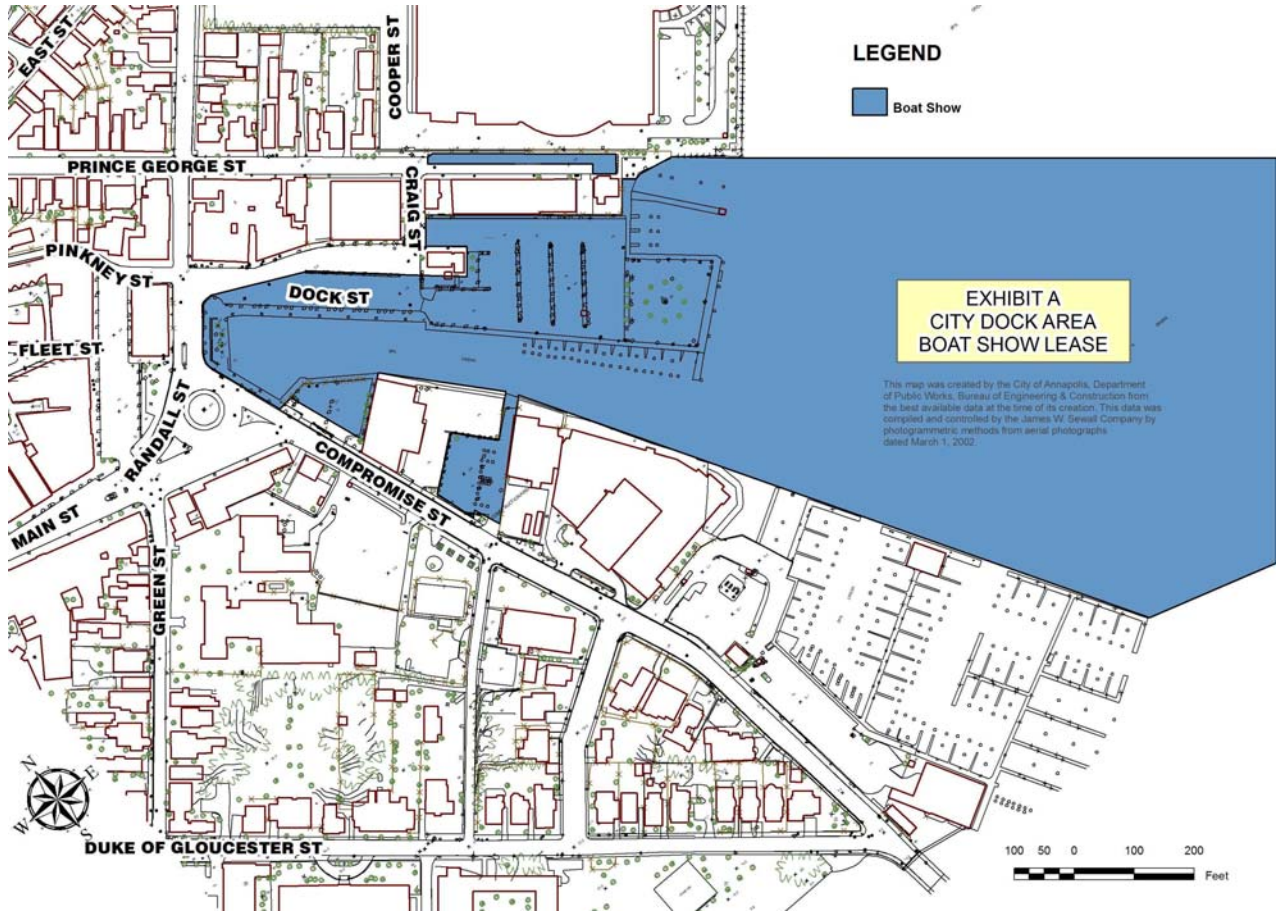
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Exhibit A



## **Staff Paper**

### **O-49-09 Lease of City property: Boat Shows in 2015**

Under Article II, Section 8 of the Annapolis City Charter, it is necessary for the City Council to enact an ordinance to authorize a lease of City property. Ordinance O-49-08 seeks to do just that for the Boat Shows in 2015. Areas of the City to be leased include municipal property located in the general harbor, Dock Street, and the Edgewood Road area.

The lease would be executed as between the City of Annapolis (Lessor) and United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc. (Lessee). Under the terms of the lease, rent shall be (A) the greater of (i) 50% of Lessee's gross receipts (after deducting admission taxes) from the sale by Lessee of tickets for admission to the shows for that year or, (ii) \$375,950.00; plus (B) if the Edgewood Road property is used, \$2,060.00 each year used. In addition to the Base rent, Lessee shall pay additional rent equal to \$25,750.00 toward the costs incurred by the City in providing electricity, water, inspections and public safety services to the Boat Shows and in providing increased public services during the Shows. Lessee shall pay Lessor the additional rent and (if applicable) Edgewood Road rent, in full, at the time Lessee pays the minimum base rent.

Just as with the lease executed last year (O-38-08; for years 2013 and 2014), the Lessee is responsible for the development of a transportation plan which includes a parking element.

Prepared by Seth B. Zirkle, Office of Law, (410) 263-1184