

Lease Agreement
Between MORNINGSIDE STABLES, LLC and
Anne Arundel County, Maryland

Dated April ___, 2019

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LEASE AGREEMENT

THIS LEASE (“Lease”) is made this _____ day of _____, 2019, by and between **ANNE ARUNDEL COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (the “County”), and **MORNINGSIDE STABLES, LLC**, a Maryland limited liability company (the “Lessee”).

WHEREAS, the County owns certain property in Anne Arundel County, Maryland, known and designated as the Andy Smith Equestrian Center, 584 Broadneck Road, Annapolis, Maryland 21409 (the “Andy Smith Equestrian Center”); and

WHEREAS, the Lessee has requested that the County lease such property to the Lessee; and

WHEREAS, the parties agree to such lease upon the following terms and conditions:

NOW, THEREFORE, WITNESSETH THAT, for and in consideration of the rents set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. PREMISES:

(A) The County does hereby lease to the Lessee and the Lessee does hereby lease from the County the Andy Smith Equestrian Center (the “Leased Property”) in accordance with all of the terms and conditions of the Lease Agreement. The Lease Agreement represents the full and final understanding of the parties, and no other understanding or representations, oral or written, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto unless in writing and signed by the parties.

(B) By taking possession of the Leased Property, the Lessee accepts the Leased

Property in the condition in which it may then be, and waives any right or claim against the County arising out of the Leased Property, including the improvements thereon, the appurtenances thereto, and the equipment thereof.

2. **TERM:** The term of this Lease shall be for thirty (30) years, which shall commence on June 1, 2019 (“Commencement Date”), and shall terminate on May 31, 2049 with no option to renew. The term is collectively referred to herein as the “Term”.

3. **RENT:** The Lessee shall pay to the County the sum of Five Hundred Dollars (\$500) per month for the first twelve (12) month period from June 1, 2019 through May 31, 2020. For each subsequent twelve (12) month period remaining in any term of the Lease Agreement, rent shall increase four percent (4%) over the previous year, as noted in the chart below, effective on the 1st day of June in each succeeding year. Rent shall be paid automatically and the County shall not be required to issue an invoice.

YEAR	MONTHLY	ANNUAL
2019	\$ 500.00	\$ 6,000.00
2020	\$ 520.00	\$ 6,240.00
2021	\$ 540.80	\$ 6,489.60
2022	\$ 562.43	\$ 6,749.18
2023	\$ 584.93	\$ 7,019.15
2024	\$ 608.33	\$ 7,299.92
2025	\$ 632.66	\$ 7,591.91
2026	\$ 657.97	\$ 7,895.59
2027	\$ 684.28	\$ 8,211.41
2028	\$ 711.66	\$ 8,539.87
2029	\$ 740.12	\$ 8,881.47
2030	\$ 769.73	\$ 9,236.72
2031	\$ 800.52	\$ 9,606.19
2032	\$ 832.54	\$ 9,990.44
2033	\$ 865.84	\$ 10,390.06
2034	\$ 900.47	\$ 10,805.66
2035	\$ 936.49	\$ 11,237.89
2036	\$ 973.95	\$ 11,687.40
2037	\$ 1,012.91	\$ 12,154.90

2038	\$ 1,053.42	\$ 12,641.10
2039	\$ 1,095.56	\$ 13,146.74
2040	\$ 1,139.38	\$ 13,672.61
2041	\$ 1,184.96	\$ 14,219.51
2042	\$ 1,232.36	\$ 14,788.29
2043	\$ 1,281.65	\$ 15,379.82
2044	\$ 1,332.92	\$ 15,995.02
2045	\$ 1,386.23	\$ 16,634.82
2046	\$ 1,441.68	\$ 17,300.21
2047	\$ 1,499.35	\$ 17,992.22
2048	\$ 1,559.33	\$ 18,711.91
2049	\$ 1,621.70	\$ 19,460.39

All sums due and payable by the Lessee to the County under paragraph 3 of this Lease Agreement shall be referred to herein as “Rent”. Rent shall be paid in advance in equal monthly installments on the first day of each month. The initial payment of Rent shall be made payable to the Anne Arundel County Office of Finance and delivered to the County’s Office of Central Services, Real Estate Division, 2660 Riva Road, Annapolis, Maryland, 21401. Payment shall be to the County Office of Finance or to such other person, in such other form, or to such other place as the County may, from time to time, designate in writing at least thirty (30) days in advance of any Rent due date.

4. **ASSIGNMENT:** The Lessee may not assign or transfer all or any part of its interest in the Lease or in the Leased Property, nor sublet all or part of the Leased Property without the express written consent of the County, which consent may be granted or withheld by the County in its sole and absolute subjective discretion.

5. **USE OF LEASED PROPERTY:** The Lessee understands that the premises shall only be used for equestrian activities. No other use shall be allowed by the County.

6. **QUIET AND ENJOYMENT:** So long as the Lessee shall not be in default under this Lease Agreement, the Lessee shall be entitled to peaceful and quiet enjoyment of the

Leased Property, including the access to the Leased Property, without any interruption or interference from the County.

7. **OWNERSHIP OF IMPROVEMENTS:** Except as may be approved by the County, the Lessee shall not make any alterations, additions, or improvements of any kind to the Leased Property. All alterations, additions and improvements made by the Lessee or the County upon the Leased Property shall become the property of the County and shall remain upon and be surrendered with the Leased Property upon termination of this Lease. Except in the case of emergency, the Lessee will not make or suffer to be made any alteration, additions, or improvements to or of the Leased Property or any part of the Leased Property, or attach any new fixtures or equipment to the Leased Property (except, however, fixtures or equipment which replace or substitute for existing equipment) without first obtaining the County's written consent, which consent shall be within the sole and absolute subjective discretion of the County.

8. **DESTRUCTION OF LEASED PROPERTY:** In case of damage by casualty to the Leased Property or any part thereof, the Lessee's rental and expenses shall abate for the period of time, if any, in which the Leased Property is untenable. Specifically, untenability shall be construed to mean such condition of the Leased Property, but not of any improvements on the Leased Property constructed or placed by the Lessee, as will cause the Lessee to be unable to use the Leased Property as authorized by this Lease Agreement. Within the first forty-five (45) days after destruction or damage to the Leased Property, the County shall have the right to terminate this Lease upon fifteen (15) days' notice to the Lessee of its intention to not repair or reconstruct the Leased Property.

9. **GOVERNING LAW, JURISDICTION, AND VENUE:** This Lease Agreement shall be governed by Maryland law and any action brought by or between the parties shall vest jurisdiction and venue exclusively in the Courts located in Anne Arundel County.

10. **GOVERNMENT IMMUNITY:** Notwithstanding any provision of this Lease to the contrary, nothing contained herein shall preclude the County from pleading governmental immunity in actions brought against it.

11. **NOTICE:** Any notice required pursuant to the terms of this Lease, or otherwise, shall be mailed by United States mail, postage prepaid, to the parties at the addresses listed below.

County: Central Services
Real Estate Division
2660 Riva Road, 3rd Floor
Annapolis, Maryland 21401
Attn: Real Estate Manager

Lessee: Morningside Stables, LLC
433 Andover Road
Linthicum, Maryland 21090
Attn: Stephanie Brigham

12. **ACCESS:** The County shall have access to the Leased Property at all reasonable times for the purpose of inspection or for the purpose of performing any maintenance and repairs as the County may consider necessary or desirable. Except when an emergency exists that requires immediate attention, the County shall give the Lessee not less than twenty-four (24) hours prior notice that it desires to enter the Leased Property.

13. **NON-DISCRIMINATION:** At all times during the term of this Lease, or any renewal, the Lessee shall not discriminate in its use of the Leased Property against any person or

group of persons because of the race, creed, color, sex, sexual orientation, age, handicap, national origin, or ancestry of such person or group of persons.

14. **DEFAULT, EFFECT OF DEFAULT, AND TERMINATION:**

(A) Each of the following events shall constitute a default of this Lease (“Default”):

1. the Lessee’s failure to pay Rent or other sums herein specified within ten (10) calendar days after receipt of written notice of said default of the date of such Rent or sums are due; or

2. the Lessee’s failure to perform or comply with any of the conditions or covenants of this Lease and such failure continues for a period of thirty (30) calendar days after written notice to the Lessee.

(B) In the event of default, the County may terminate this Lease and remove or require the Lessee to remove the Lessee’s property from the Leased Property, without prejudice to any other remedy which the County might be entitled to pursue.

(C) Either party may terminate this Lease Agreement, with or without cause, upon 120 days’ written notice to the other party

15. **WAIVERS:** No waiver by the County of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach of the Lessee of the same or any consent or approval shall not be deemed to render unnecessary the obtaining of the County’s consent to or approval of any subsequent act by the Lessee whether or not similar to the act so consented to or approved.

16. **SEVERABILITY:** In the event any provision of this Lease or application of any provision is held invalid for any reason or reasons, such invalidity shall not affect the other

provisions or the applications hereto which can be given effect without the invalid provisions or application. To this end, all the provisions of this Lease are deemed to be severable, each from the other.

17. **CAPTIONS:** Captions in this Lease are for convenience only and shall not limit, enlarge or interpret the provisions of the Lease. Any personal pronoun used whether masculine, feminine or neuter shall include all the genders and the single shall include the plural. The plural shall include the singular unless the context shall indicate or specifically provide to the contrary.

18. **BENEFITS AND BURDEN:** The provisions of this Lease shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective heirs, personal representatives, legal representatives, successors and assigns, as appropriate.

19. **INSURANCE:** The Lessee shall be required to purchase and maintain during the life of the Contract Commercial General Liability Insurance, Business Automobile Liability Insurance, and Workers' Compensation Insurance with limits of not less than set forth below:

(A) **COMMERCIAL GENERAL LIABILITY INSURANCE:** At least \$1,000,000 combined single limit coverage on an occurrence basis covering all premises and operations and including Personal Injury, Independent Contractor, Contractual Liability and Products and Completed Operations. **The general aggregate limit is to apply per project.**

(B) **BUSINESS AUTOMOBILE LIABILITY INSURANCE:** At least \$1,000,000 Combined Single Limit to include owned, non-owned, and hired vehicles.

(C) **WORKERS' COMPENSATION INSURANCE:** Statutory benefits as required by Maryland law and, when required, the U. S. Longshoremen's and Harbor Workers' Compensation Act, including standard Other States coverage; Employers' Liability coverage

with limits of at least \$1,000,000 each accident/\$1,000,000 each employee disease/\$1,000,000 disease policy limit.

(D) On all Commercial General Liability and Business Automobile Liability Insurance policies, Anne Arundel County, Maryland, its agents, servants, and employees shall be named as additional insureds, which shall be shown on the insurance certificates furnished to the County under this Section.

(E) The Lessee shall provide the County with Certificates of Insurance evidencing the coverage required above. The Lessee shall provide certificates of insurance before commencing work in connection with the Lease.

(F) Providing any insurance required herein does not relieve Lessee of any of the responsibilities or obligations assumed by the Lessee in any resulting contract or for which the Lessee may be liable by law or otherwise.

(G) Failure to provide and continue in force insurance as required herein shall be deemed a material breach of any resulting Lease and shall operate as an immediate termination thereof.

(H) The Lessee shall advise the County at fax # 410-222-7623 and by first-class, certified mail within two (2) business days of any cancellation, non-renewal, or other termination of, or any substantive change to any insurance policy providing or represented as providing the coverages mandated herein. Failure to do so shall be construed as a material breach of this Lease.

(I) Insurance shall contain no limitations regarding the ownership or use of animals by any person.

20. **CONTINGENCY.** If the term of this Lease Agreement exceeds three years, this Lease Agreement is contingent upon approval by the Anne Arundel County Council, as required by Anne Arundel County Code, Article 8, §3-301. If this Lease Agreement is not approved, then it shall be null and void ab initio and of no further effect.

[Signature page follows]

