

**LEASE**

Between **ANNE ARUNDEL COUNTY, MARYLAND** and  
**CHESAPEAKE CONSERVATION CENTER LLC**

Dated \_\_\_\_\_

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (“Lease”) is by and between **ANNE ARUNDEL COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (the “County”), and the **CHESAPEAKE CONSERVATION CENTER LLC** (“Tenant”).

**WHEREAS**, the County owns certain improved property in Anne Arundel County, consisting of approximately 19.43 acres and generally known as “Quiet Waters Retreat,” which property is more particularly described in a deed dated October 15, 2019, and recorded among the Land Records of Anne Arundel County in Book 33897, page 490 (“Property”) and depicted on Exhibit A attached hereto; and

**WHEREAS**, the Property has not been legally subdivided, but individual Parcels have been designated (including Parcel number 3, “Parcel 3,” or “Lot 3”), and a “Lease Area = 5.82 Ac.” is shown on Exhibit A-1, a Site Plan prepared by Drum, Loyka & Associates, LLC, dated March 11, 2020, updated August 18, 2020, entitled “Lease Area Exhibit Quiet Waters Retreat” and as referenced in this Lease.

**WHEREAS**, the Tenant has requested that the County lease and provide access rights to the structures as the Tenant constructs on such Property to the Tenant;

**WHEREAS**, the County demolished in 2021 the structures that had previously existed on the Property within the leased area described below;

**WHEREAS**, the County approves and accepts the Chesapeake Conservation Center LLC as the Tenant under the Agreement to Lease the Leased Area dated December 24, 2019, and amended on December 12, 2020 (Amendment One) and February 19, 2021 (Amendment Two); and

**WHEREAS**, the County agrees 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, and based on the Recitals that are incorporated into this agreement, the parties hereto do hereby covenant and agree as follows:

**1. PREMISES**

The County does hereby lease to the Tenant and the Tenant does hereby lease from the County the following “Leased Property”: the 5.82 acres of land as shown on Exhibit A-1 (“Pre-construction Leasehold”) until such time as a structure with a footprint of up to 14,014 square feet (“Structure”) is constructed within that 5.82 acre area and a certificate of occupancy is issued for the Structure, at which time (upon issuance of a certificate of occupancy for the Structure) the Leased Property shall be the Structure. The foregoing narrowing of the Leased Property from the initial Pre-construction Leasehold to the later-constructed Structure shall occur automatically upon issuance of a certificate of occupancy for the Structure. Leased Property shall include also right of ingress and egress across the Property and use of the Property as described in this Lease. The Leased Property expressly EXCLUDES the Boat House located on Loden Pond, all rights to which remain vested in the County, with Tenant access as provided in this Lease. Tenant shall have the use in common with others of the parking areas, service roads and sidewalks, and all other common areas subject to reasonable rules and regulations for the use thereof as prescribed from time to time by the County. The Tenant has the right to erect on the Property such temporary tents and other temporary equipment consistent with and in support of its activities and those of its sub-lessees, subject to approval by the County as to timing and location, which approval shall not be unreasonably withheld. The County shall provide to the Tenant parking areas sufficient for the Tenant’s activities and those of its sub-lessees and invitees, and such parking areas shall be in reasonable proximity to the leased Structures.

(A) By taking possession of the Leased Property, the Tenant accepts the Leased Property “as is” and waives any right or claim against the County arising out of the condition of Leased Property, including the improvements thereon, the appurtenances thereto, the common areas to which it has access, and the equipment thereof, subject to the County’s obligations hereunder with respect to sufficient parking and access, Paragraph 5B (Use of the Lease Property) and Paragraph 13 (Maintenance).

(B) The Tenant has the right to construct structure(s) in a location and configuration mutually acceptable to the Anne Arundel County Department of Recreations and Parks (“County R&P”) and the Tenant, provided the footprint of the structures added together do not exceed the 14,014 square feet footprint. The Tenant also has the right to exclusive possession of the Structures as it may construct, except as otherwise provided herein.

(C) Prior to any Tenant construction of structure(s), shared public access of the Pre-construction Leasehold is available as for adjacent areas of the Property, subject to: i) the rules and restrictions provided for public use at Quiet Waters Park; ii) such additional rules and restrictions as the County may provide for the Property; and iii) the reasonable needs of Tenant to secure areas or restrict access related to the development, construction, or preparation for occupancy of the a new Structure. Public access to the Pre-construction Leasehold is through public use of Quiet Waters Park and not as invitees of Tenant.

## **2. TERM**

The parties intend that this will be a long term lease, and in reliance and while reserving its rights, the Tenant plans to dedicate significant investment in planning and implementing improvements in order to accommodate its activities and requirements. The County has benefitted from Tenant or its affiliate’s funds that enabled the purchase of the Property and will further benefit

as the owner of these improvements that will enjoy exclusive rights upon termination of the Tenant's leasehold.

(A) The term of this Lease shall be for a period of thirty (30) years (the "Term"), which shall commence on the date of execution by the County.

(B) Notwithstanding any other provision in this Lease, the Tenant may terminate this Lease at any time by giving the County thirty (30) days' advanced written notice of such termination.

(C) Provided no event of Default under Paragraph 22 exists, the term of this Lease may be renewed for up to two (2) additional terms of thirty (30) years each upon election by the Tenant in writing. If the Tenant exercises its right to elect renewal, the Term shall be automatically extended for the additional term upon the same terms and conditions as are set forth in this Lease and there shall be no requirement for any further documentation. In addition, the term may be renewed or altered by the parties upon the written mutual consent of the parties.

### **3. RENT**

The parties intend that the rent reflect the Tenant substantial contribution by Tenant or its affiliates, obtained through private donors, toward the County's acquisition of the Property to enhance conservation and for the benefit of the public and with public access assured.

(A) The Tenant shall pay Rent to the County as follows:

- (1) Annual rent for this Lease shall be One Dollar (\$1.00);
- (2) For any Renewal Terms of this Agreement, annual rent of One Dollar (\$1.00);
- (3) Payments for utilities, as set forth under Paragraph 9, and any applicable real property taxes are also due and payable as additional rent as set forth in this Lease.

(B) All sums due and payable by the Tenant to the County under this paragraph 3 of this Lease Agreement shall be referred to herein as "Rent." The rent shall be due and payable when the Lease Agreement is executed by all parties. 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. Any subsequent Rent payments shall be payable in advance to Office of Finance, 44 Calvert Street, Annapolis, Maryland 21401, Attention: Kathy Redlin, 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/SUBLEASE**

The Tenant may not assign or transfer any or all of its interest in this Lease or in 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. Notwithstanding the foregoing, the Tenant has the right without the need for County consent to assign, transfer, or sublease all or any portion of its interests to the Chesapeake Conservancy, Inc. Also, the Tenant may sublease portions of the Leased Property, as provided in Paragraph 5 (C) of this Lease.

**5. USE OF LEASED PROPERTY**

The Parties agree to the following terms and provisions governing the use of the Leased Property and portions of the Property:

(A) The Tenant shall have the right to conduct activities on the Leased Property that are consistent with its conservation mission. In addition, the Tenant shall have the right to name the Leased Property "The Earl Conservation Campus" in recognition of the private donors, James A. Earl and Sylvia T. Earl, and their contribution to the purchase price of the Quiet Waters Retreat property. The Tenant may erect and maintain signage related to its use and the naming of the Leased Property.

(B) The Tenant shall have the right to construct one or more new structure(s) on the Leased Property, as provided below, and at its own expense, subject to the Tenant securing all

applicable local, state and federal plan approvals, permits, and other applicable permissions. The County agrees to provide such information as may be necessary associated with the Tenant seeking such applicable local, state and federal plan approvals, permits, and other applicable permissions. Any Tenant renovated, expanded, constructed or replaced structures added together is allowed up to but shall not exceed the 14,014 square feet footprint for structures, which reflects the limit established in the REPI Deed of Conservation Easement of 15,414 square feet of footprint minus the current 1,400 square feet footprint for the Boat House. All costs of construction, expansion, or renovation shall be borne by the Tenant and shall not be subject to County management or procurement. It is the sole decision of the Tenant whether to expend such funds and the Tenant is under no obligation to do so. The Tenant's rights and obligations with respect to Structures shall not extend to the Boat House on Loden Pond, which shall be retained for the exclusive use by the County, except that the Tenant shall have access to the Boat House and pilings and any associated dock or pier sufficient to store and launch small non-motorized craft consistent with the Tenant or sublessee activities.

(C) The Tenant may sub-lease Structures (or portions thereof), provided the Tenant or the Chesapeake Conservancy, Inc. continues to use the Leased Property for its operations and provided the sub-lessee is a non-profit organization with a mission consistent with environmental sustainability, conservation of or public access to natural resources or related environmental work. Prior to executing any such sub-lease, the Tenant shall submit the proposed sub-lease to the County for review. The County shall have the exclusive right to approve or reject the Tenant proposed sub-lease, which approval shall not be unreasonably withheld. Tenant agrees that any sub-lease rental rate shall not be at commercial office space market rate and that the rent shall reflect the

non-profit nature of Tenant and take into consideration the resources devoted by the relevant entities in connection with the Structure.

(D) The Tenant and its sub-lessees shall be permitted to access parking areas and the areas surrounding the Leased Property, including water access points, for the use of staff of the Tenant, their sub-lessees, and their respective invitees. The Tenant may not sub-lease any right to water access unless the sub-lessee is also sub-leasing space in one of the above-designated Structures. The Tenant's access under this Lease shall not be limited to the park's normal operational hours. Any use of parking or water access shall be non-exclusive and subject to public use as part of the public use of the Property.

(E) The use of the Leased Property by the Tenant and any sub-lessees of the Tenant, including any proposed construction or demolition activities, shall be subject to the terms of any easement required by the U.S. Navy REPI program. The use by the Tenant and any sub-lessees of parking and access to areas contiguous to the leased Property shall be subject to: (i) the terms of any REPI easement; (ii) the right of the County and the public to use the Property, during normal park hours, for passive recreational uses; and (iii) only for areas of the Property that are outside of Parcel 3 (as shown on Exhibit A-1), applicable Program Open Space ("POS") restrictions. The County covenants and agrees that it has not accepted and will not accept POS funding for Parcel 3 and that it has not and will not impose POS restrictions on Parcel 3, or on the Tenant's Leased Property. The County further covenants and agrees that no limitations will be placed on land use for Parcel 3 that would prevent the Tenant from the uses and Structures as provided for under this Lease.

(F) Upon the termination or expiration of the Lease, including any additional terms, all improvements on the Leased Property, including any improvements constructed by the Tenant, shall remain the sole and exclusive property of the County, free and clear of any claim for



reimbursement or contribution by the Tenant or any of its sub-lessees except as provided herein, unless the County and the Tenant agree to exclude such improvement from the County's ownership rights.

(G) With the permission of the County R&P, which shall not be unreasonably withheld, the Tenant may hold events inside or outside of the Leased Property premises but within the boundaries of the Property provided, however, that such events shall be subject to reasonable scheduling constraints and shall not unreasonably interfere with the operation of Quiet Waters Park. Any events held on the Leased Property shall include the right to use the surrounding grounds provided such use does not unreasonably interfere with the operation of Quiet Waters Park. For purposes of this paragraph, an event shall mean a gathering of in excess of 50 invitees (excluding Tenant or sublessee board members and employees and any contractors hired to support such event); the County does not seek to regulate the Tenant's more routine activities or its ability to have invitees.

(H) Tenant shall at all times during this Lease conduct and maintain its activities on the Leased Property, including construction activities, in a clean and orderly manner. Aside from allowed renovations, demolition and other changes to the Structures that are allowed hereunder, the Tenant shall not intentionally strip, overload, damage, or deface the Leased Property. The Tenant shall not permit any activity on the Leased Property that is unlawful, constitutes a nuisance, or is injurious to any person or property or as would increase the danger of fire or casualty, or that would interfere with the compatibility of the Property with the surrounding neighborhoods and the passive recreational uses of Quiet Water Park.

(I) The Tenant agrees that the County may utilize meeting space in any of the structures upon permission by the Tenant, and agrees to cooperate with the County to schedule

and make space available from time to time if the space is available and the use does not interfere with activities of the Tenant or its sublessees.

(J) The County's use and activities of the Property, including but not limited to the use that is provided to the public, shall be limited to conservation and passive recreational uses only, and shall be subject to the easement required by the U.S. Navy REPI program and for areas outside of Parcel 3 any POS restrictions.

## **6. PERMITS**

The Tenant shall, at its sole cost and expense, obtain all Federal, State, County and other permits and governmental authorizations required in order to implement its use of the Leased Property. The Tenant shall provide the County with copies of all permits and governmental authorizations, and no installations or other work will be performed by the Tenant until all required permits are obtained and submitted to the County. If necessary, the County shall execute an affidavit granting the Tenant permission to obtain any permits necessary to implement Tenant's use of the Leased Property. The County agrees to provide the Tenant with information regarding planning and the County's plans for the Boat House and other portions of the Property that are not encompassed by the Tenant lease but that may impact the nature of the Leased Property and its conservation-related uses and mission, and accessibility by the public. The County also agrees to provide information regarding planning for and providing sufficient parking, access and utilities, and regarding improvements to the grounds, with the common goal of the County and the Tenant achieving a plan for the mutually beneficial improvement and use of the Leased Property and the Property consistent with the lease, conservation, and public access goals.

**7. TENANT IMPROVEMENTS**

Tenant shall be solely responsible for any improvements to the Leased Property. Any modifications to the Leased Property shall be subject to the approval, which shall not be unreasonably withheld, of the County pursuant to the terms of this Lease.

**8. TAXES**

The Tenant shall be responsible for real estate taxes assessed against the Leased Property which are directly attributable to the Tenant's facilities and use.

**9. UTILITIES**

As additional rent, the Tenant shall pay the cost of electricity supplied to and consumed on the Leased Property. The Tenant, at its sole expense, shall arrange during construction of the Structure for the installation of an electric meter to serve the Leased Property for direct billing of the electricity provider to the Tenant.

In addition, Tenant shall pay the costs of all other utilities for the Leased Property, as invoiced monthly by the County, including telephone, cable, internet, and trash removal. Each invoice for utility usage shall be accompanied by a copy of the invoice or other documentation.

**10. INSURANCE**

At all times during the term of this Lease Agreement the Tenant shall obtain, pay all premiums for, and file with the County Office of Central Services, Real Estate and Risk Management Divisions, current certificates of insurance representing the County as a named insured.

(A) **Commercial General Liability Insurance:** Commercial general liability insurance which insures against bodily injury, property damage, personal injury and advertising injury claims arising from the Tenant's occupancy of the Leased Property or operations incidental thereto, with a combined single limit of \$1,000,000 per occurrence, and a general aggregate limit of \$2,000,000. Such insurance shall be endorsed to include Anne Arundel County, Maryland and

its elected and appointed officials, agents, servants, employees, and authorized volunteers as additional insureds.

(B) **Business Auto Liability Insurance:** Tenant shall secure and maintain business auto liability insurance, which insures against bodily injury and property damage claims arising out of the ownership, maintenance or use of any owned, non-owned, or hired vehicles. A combined single limit of liability for bodily injury and property damage of \$1,000,000 per accident shall apply.

(C) **Workers Compensation and Employers Liability Insurance:** Workers compensation and employers liability insurance. The workers compensation insurance must satisfy Tenant's obligations under the workers compensation laws of the State of Maryland and, if applicable, the U.S. Longshoremen's and Harbor Workers' Compensation Act. Employers liability insurance must be secured with minimum limits of \$1,000,000 for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and a \$1,000,000 policy limit for bodily injury by disease.

(D) **Umbrella or Excess Liability:** Umbrella or excess liability insurance at a limit of at least \$1,000,000 each occurrence/accident and \$1,000,000 aggregate. This policy shall apply in excess of the required underlying commercial general, business auto, and employers liability coverages.

(E) **Evidence of Insurance/Insurers:** Tenant shall furnish acceptable certificates of insurance evidencing compliance with the insurance requirements of this Lease Agreement upon execution of this Agreement, and at the time of each insurance policy renewal thereafter. Initial certificates of insurance shall be delivered to: Office of Central Services, Real Estate Division, 2660 Riva Rd., Annapolis, Md. 21401. Subsequent certificates shall be delivered to: Office of Risk Management, 2660 Riva Rd., Annapolis, MD 21401. Required insurance shall be written

with insurers allowed to do business in the State of Maryland, with a rating of "A-" "V II" or better in the Best's Insurance Reports, unless otherwise approved by County. Such policies shall be endorsed to provide that no cancellation or non-renewal can take effect unless 30 days prior written notice by registered mail is furnished to the Tenant and the County. In the event of any such cancellation or non-renewal, the Tenant shall file with the County evidence of replacement coverage, which shall become effective no later than the date of cancellation or non-renewal.

(F) **Claims made policies:** Liability policies required herein are to be written on an occurrence basis, and may not be written on a "claims made" basis without the written permission of the County.

(G) **Property Insurance:** The Tenant shall secure and maintain risk of loss property insurance, or its equivalent, which insures against direct physical loss of or damage to Tenant's personal property, fixtures and equipment located in or at the Premises, on a replacement cost valuation basis, with limits not less than 100% of the insurable replacement cost of all personal property, fixtures and equipment located therein. Tenant shall be responsible for any deductible under the coverage. The County shall secure and maintain risk of loss property insurance or its equivalent (special form) property, which insures against direct physical loss of or damage to the Building and improvements, on a replacement cost valuation basis. The County shall be responsible for any deductible under the coverage.

(H) **Waivers of Subrogation:** The County and Tenant specifically waive any right of recovery from the other for any loss or damage to property (or any resulting loss of income or extra expense incurred to continue operations) of the other, to the extent that such loss or damage is covered by any property insurance purchased by either party. This waiver shall apply regardless of the cause of origin, including the negligence of either party. No property insurer shall hold any right of subrogation against the other as respects loss or damage occurring on or at the Leased

Premises, and each party's property insurance policy shall contain an appropriate waiver of subrogation provision.

## **11. INDEMNIFICATION**

(A) The Tenant shall indemnify, defend, and hold harmless the County and all of its agents, servants, invitees, and employees from and against any liability and all claims of whatever nature arising from any act or omission of the Tenant, or its contractors, licensees, agents, servants, sub-leasees, or employees, or arising from any accident, injury or damage whatsoever caused to any person or to the property of any person or property occurring in, on, or about the Leased Property or adjacent areas of the Property used by the Tenant, where such accident, damage, or injury results or is claimed to have resulted from an act or omission on the part of the Tenant or Tenant's contractors, licensees, agents, servants, invitees, or employees.

(B) To the extent permitted by law and subject to all defenses and immunities provided by law, and subject to appropriation and availability of funds, the County agrees and shall indemnify, defend, and hold harmless the Tenant and all of its agents, servants, invitees, and employees from and against any liability and all claims of whatever nature arising from any act or omission of the County, or its contractors, licensees, agents, servants, or employees, or arising from any accident, injury or damage whatsoever caused to any person or to the property of any person or property occurring in, on, or about the Leased Property or Property, where such accident, damage, or injury results or is claimed to have resulted from an act or omission on the part of the County or County's contractors, licensees, agents, servants, invitees, or employees.

(C) These indemnification obligations shall include all costs, expenses, and liabilities incurred in connection with any claim or proceeding, including any expense of investigation and defense.

**12. QUIET ENJOYMENT**

The Tenant 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, its agents, servants, invitees, and employees, or other tenants.

**13. MAINTENANCE OF LEASED PROPERTY**

The Tenant shall be responsible for the interior and exterior maintenance of the Structure under this Lease that it constructs, upon completion of such construction. Subject to the foregoing, the Tenant shall keep the Leased Property in a clean, sanitary, and safe condition. For Structures that the Tenant constructs, the Tenant shall thereafter be responsible for: i) maintenance of the exterior and structural integrity of the building envelope to include roof, siding, exterior walls of the Leased Property, ii) maintenance of the major mechanical systems within the Leased Property, including HVAC, plumbing to the fixture, and electrical to the panel; and iii) all other maintenance to the Structure not specifically enumerated here, including trash removal. The County shall be responsible for maintenance in a clean, sanitary and safe condition of the grounds, access roads, parking facilities, the Boat House, utility services servicing the Structure up to the exterior walls. The Tenant shall neither bring upon nor store upon the Leased Property any hazardous or toxic waste.

**14. OWNERSHIP OF IMPROVEMENTS**

All alterations, additions and improvements made by the Tenant 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, unless the County and the Tenant agree to exclude such improvement(s) from County ownership rights. Except in the case of emergency, and as provided in this Lease, the Tenant will not make or suffer to be made any significant 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 R&P's written consent, which consent shall not be withheld arbitrarily. The County agrees to provide the Tenant with information as may be needed for the planning for the renovation, expansion, reconstruction, or replacement with new structures and provide timely feedback and approvals as required under County Code provisions. The County further agrees to provide information about the County's plans for the Boat House and other portions of the Property that would not be subject to the Tenant lease. The County shall also provide information about the planning, design, and timely implementation of development as needed for parking, vehicle access on an acceptably paved roadway, utilities, and improvements and maintenance to the grounds, with the common goals of providing for the Tenant's activities and public access.

#### **15. DESTRUCTION OR CONDEMNATION OF LEASED PROPERTY**

(A) In case of damage by casualty to the Leased Property or any part thereof, the Tenant's rental and expenses and maintenance obligations shall abate, in whole or in part, as set forth below, for the period of time, if any, in which the Leased Property is untenable, and the County shall reasonably assist the Tenant in locating alternate office space sufficient to house the Tenant's operations until the Leased Property is repaired and approved for occupancy, including the option of providing County-owned space at no cost until the Leased Premises are suitable for occupancy, if such space is available. Specifically, for full abatement of Rent and expenses, 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 Tenant, as will cause the Tenant to be unable to use at least sixty percent (60%) of the Leased Property as authorized by this Lease. For a partial abatement of Rent and expenses proportionate to the percentage of the unusable portion of the Leased Property, 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 Tenant, as will cause the Tenant to be unable to use at least thirty percent (30%) but less than sixty percent (60%) of the Leased Property as authorized by this Lease.

(B) In the event that the Leased Property, or any part thereof, is taken or condemned for public use or purpose by any competent authority, Tenant reserves the right to seek compensation, damages or other relief commensurate with its investment into and improvements to the Property, including but not limited to the Leased Property, and any other factors that may be appropriate to consider, including the time of occupancy prior to condemnation and the value of any improvements constructed, and any applicable depreciation.

**16. GOVERNING LAW, JURISDICTION, AND VENUE**

This Lease Agreement shall be governed by Maryland law and any action arising out of or in any way related thereto shall vest jurisdiction and venue exclusively in the Courts located in Anne Arundel County, Maryland.

**17. GOVERNMENTAL 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.

**18. NOTICE**

Any notice required pursuant to the paragraphs 2, 10, and 22 under this Lease shall be mailed by United States mail, certified, postage prepaid, or by recognized commercial courier or delivery service to the parties at the addresses listed below or to such other address as either party may designate in writing to the other.

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

With a copy to: Anne Arundel County Office of Law  
2660 Riva Road, 4<sup>th</sup> Floor  
Annapolis, Maryland 21401

Tenant: President and CEO  
Chesapeake Conservation Center LLC  
716 Giddings Ave., Ste 42  
Annapolis, MD 21401

With a copy to: Vice President  
Chesapeake Conservation Center LLC  
716 Giddings Ave., Ste 42  
Annapolis, MD 21401

Other notices and all approvals may be made as above, or may be provided via email to facilitate prompt communication and cooperation.

## **19. 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 Tenant not less than twenty-four (24) hours prior notice that it desires to enter the Leased Property.

## **20. DELIVERY OF THE LEASED PROPERTY**

At the expiration or other termination of this Lease Agreement, the Tenant shall remove all goods and effects from the Leased Property that are not the property of the County, and yield to the County the Leased Property and all keys, locks, and other fixtures connected therewith, in the same condition that they were received at the beginning of the original term of the leasehold, or better condition, reasonable wear and use thereof excepted.

## **21. NON-DISCRIMINATION**

At all times during the term of this Lease, or any renewal, the Tenant shall not discriminate in its use of the Leased Property against any person or group of persons because of the race, creed,

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

## **22. DEFAULT, EFFECT OF DEFAULT, AND TERMINATION**

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

- (1) The Tenant's failure to pay Rent or utility costs within sixty (60) calendar days after receipt of written notice of said default of the date of such Rent or utility costs are due; or
- (2) Either party's failure to perform or comply with any of the following Default Conditions of this Lease and such failure continues for a period of sixty (60) calendar days after written notice to that party, except, for the Tenant, the cure period shall be one hundred twenty (120) days. For the purposes of this paragraph, the term Default Conditions shall mean only the following: (i) failure to pay Rent (as referenced in paragraph A.1.); (ii) failure by the Tenant to maintain the insurance coverages mandated under paragraph 10, above; or (iii) willful and repeated or continuous failure to comply with material restrictions of the REPI easement or material use restrictions or obligations contained under paragraphs 5 and 6 herein and that have an adverse impact on the enforcing party.

In the event of the County's assertion of a material breach or default by the Tenant the following procedure and steps shall be followed to resolve the dispute. First the parties shall try to resolve the matter by negotiation (with the option of support by a mediator). Second, in the event that negotiations do not resolve the material breach or default then County may pursue enforcement by seeking specific performance or actual damages for the breach or default. Third, in the event that such enforcement results in a judicial finding of default (but in no other circumstance) and the default continues, the County may seek termination of the Lease.

## **23. SPECIAL PROVISIONS REGARDING IMPROVEMENT COSTS**

The parties acknowledge that the Tenant intends to spend significant funds to improve some or all of the structures leased under this Lease, and that under the terms hereof the improvements become the property of the County upon termination. It is therefore agreed that under the circumstances of the substantial investment by the Tenant and that under the terms hereof the improvements become the property of the County upon termination, the equities require a

presumption against the termination by the County. However, in the event of Lease termination by the County in the first ten years of the lease term, the Tenant shall be entitled to reimbursement from the County that compensates the Tenant for the full amount expended by the Tenant in making alterations, repairs, improvements, and additions upon and to the Property, including the Leased Property, (“Tenant Investment”). In the event of Lease termination by the County after the first ten years of the lease term, the reimbursement from the County shall be the Tenant Investment, less an annual deduction for depreciation as calculated under the modified accelerated cost recovery system for commercial property (39 years), with year eleven serving as the first year for purposes of any depreciation calculation. In addition, in the event of any Lease termination by the County, the County shall also pay to the Tenant an amount equal to 25% of the increase (if any) of the appraised value of the Property due to such improvements as compared with the 2019 appraised value of the Property (as adjusted for inflation) when it was purchased by the County. In further recognition of the benefits to the County as a result of the arrangements described herein, in the event of termination of the Lease by the Tenant, the Tenant is released from any and all liabilities, obligations and debts whatsoever that have arisen or may arise in connection with or as a result of the lease, but this release is capped at the value of the Tenant Investment.

#### **24. SPECIAL PROVISION REGARDING TERMINATION OF LEASE**

Upon the earlier of either Lease termination or Lease expiration, the County agrees to prepare, execute and record a perpetual conservation easement prohibiting any improvements on the Property except as allowed by the REPI easement or as provided herein, and except any uses of the Tenant or the County as permitted under the REPI easement or in the referenced lease, provided such easement shall be consistent with and not in conflict with the REPI easement and any POS restrictions. The conservation easement shall provide that it may be enforced by the County, the Tenant, the Chesapeake Conservancy, Inc., and James A. Earl or Sylvia T. Earl, or their successors and assigns. This provision shall survive termination of the lease.

**25. WAIVERS**

No waiver by either party of any provision of this Lease shall be deemed to be a waiver of any other provision hereof, of any subsequent breach by the other party of the same provision of this Lease. Any consent or approval by a party shall not be deemed to render unnecessary the obtaining of that party's consent to or approval of any subsequent act by the other party whether or not similar to the act so consented to or approved.

**26. 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.

**27. INTEGRATION CLAUSE**

This Lease contains the full and final agreement between the parties and no matter, whether written or oral, not herein contained, shall be understood to be part of the Lease unless properly executed, in writing, by both parties.

**28. 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.

**29. BENEFIT 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.

**30. CONTINGENCY**

The term of this Lease Agreement exceeds thirty-five (35) months, and therefore is contingent upon approval by the Anne Arundel County Council, as required by Anne Arundel County Code, Article 8, §3-301. Signature by the County evidences that the County has secured approval by the Anne Arundel County Council.

**31. APPROPRIATIONS**

Any financial obligation of the County hereunder is subject to appropriations and availability of funds.

[Signature Page to Follow]

**IN WITNESS THEREOF**, the parties hereto have caused this Lease to be duly executed as of the day and year first above written.

**ATTEST:**

**ANNE ARUNDEL COUNTY, MARYLAND**

\_\_\_\_\_

By: \_\_\_\_\_  
Matthew Power Date  
Chief Administrative Officer for  
Steuart Pittman, County Executive

**ATTEST:**

**Chesapeake Conservation Center LLC**

DocuSigned by:  
*Roxie Magro*  
\_\_\_\_\_

DocuSigned by:  
*Joel Dunn*  
By: \_\_\_\_\_  
Name: *JOEL DUNN* Date *12/17/2021*  
Title: *President and CEO*

APPROVED FOR FORM AND LEGAL SUFFICIENCY  
GREGORY J. SWAIN, COUNTY ATTORNEY

\_\_\_\_\_ Date

**APPROVED:**

\_\_\_\_\_  
Jessica Leys, Director, Recreation and Parks

**APPROVED:**

\_\_\_\_\_  
Christine M. Anderson Date  
Central Services Officer