

FINAL

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2021, Legislative Day No. 19

Bill No. 84-21

Introduced by Ms. Lacey, Chair
(by request of the County Executive)

By the County Council, October 4, 2021

Introduced and first read on October 4, 2021
Public Hearing set for and held on November 1, 2021
Bill Expires January 7, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Approval of Lease of County-owned property to the Boys
2 & Girls Clubs of Annapolis and Anne Arundel County, Inc.

3
4 FOR the purpose of approving the lease of a portion of a County-owned property known
5 as 1160 Reece Road, Severn, MD 21144, to the Boys & Girls Clubs of Annapolis and
6 Anne Arundel County, Inc.

7
8 WHEREAS, the County owns real property comprised of 10.6 acres of land, more
9 or less, known as 1160 Reece Road, Severn, MD 21144, and as more particularly
10 described in a Deed and Reservation of Easements Agreement recorded among the
11 Land Records of Anne Arundel County in Book 37365, Page 409 (the "Property");
12 and

13
14 WHEREAS, the County intends to construct a facility on the Property to serve the
15 youth and older population in that area to be known as the "Severn Center" (the
16 "Severn Center"); and

17
18 WHEREAS, the County desires to lease part of the Severn Center to the Boys &
19 Girls Clubs of Annapolis and Anne Arundel County, Inc. for an initial term of fifty
20 (50) years, as set forth in a Lease, a copy of which is attached hereto as Exhibit A;
21 and

22
23 WHEREAS, § 8-3-301 of the County Code requires that certain leases of County-
24 owned property that specify a term, including renewal options, of three years or
25 more, be approved by ordinance of the County Council; now, therefore,

26
27 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
28 That the Lease, attached hereto as Exhibit A, which leases part of the Severn Center to the


1 Boys & Girls Clubs of Annapolis and Anne Arundel County, Inc., is hereby approved. A
2 copy of the fully executed Lease Agreement shall be permanently kept on file with the
3 Administrative Officer to the County Council and the Office of Central Services.

4

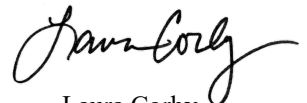
5 SECTION 2. *And be it further enacted*, That this Ordinance shall take effect 45 days
6 from the date it becomes law.

READ AND PASSED this 1st day of November, 2021

By Order:


Laura Corby
Administrative Officer

PRESENTED to the County Executive for his approval this 2nd day of November, 2021


Laura Corby
Administrative Officer

APPROVED AND ENACTED this 8th day of November, 2021


Steuart Pittman
County Executive

EFFECTIVE DATE: December 23, 2021

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF
BILL NO. 84-21 THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.


Laura Corby
Administrative Officer

LEASE

THIS LEASE (this "Lease") is made as of the ___ day of _____, 2021, by and between ANNE ARUNDEL COUNTY, MARYLAND (the "Landlord"), and the BOYS & GIRLS CLUBS OF ANNAPOLIS & ANNE ARUNDEL COUNTY, INC., a nonprofit organization incorporated in the State of Maryland in 1989 (the "Corporation").

WITNESSETH

WHEREAS, the Landlord is fee simple owner of real property comprised of 10.6 acres of land known as 1160 Reece Road in Severn, Maryland, adjacent to Van Bokkelen Elementary School as more particularly depicted in a Deed and Reservation of Easements Agreement recorded among the Land Records of Anne Arundel County in Book 37365, Page 409 (the "Premises"); and

WHEREAS, the Landlord intends to construct a facility on the Premises to serve the youth and older population in that area to be known as the "Severn Center" (the "Severn Center"); and

WHEREAS, the Corporation intends to lease parts of the Severn Center for the operation of a community recreational facility (the "Boys & Girls Club Facility") to be owned by the Corporation and operated by the Corporation, and it is intended that other parts of the Severn Center will be developed into a Senior Activity Center to be owned and operated by the Landlord (the "Senior Activity Center"); and

WHEREAS, the Landlord desires to grant to the Corporation a fifty (50) year lease for a portion of the Severn Center all as depicted and described on Lease Line Drawings and related notes to be recorded among the Land Records of Anne Arundel County and attached hereto as Exhibit A (hereinafter referred to as "Lease Line Drawings") on which the Corporation shall operate the Boys & Girls Club Facility upon the terms, covenants, conditions and easements set forth in this Lease; and

WHEREAS, the Corporation intends that the development of the Boys & Girls Club Facility will be provided by the Landlord.

NOW, THEREFORE, IN CONSIDERATION of the premises and of the mutual covenants and promises of the parties contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord and the Corporation agree as follows:

ARTICLE I

Definitions

The following words have the meanings indicated:

"Delivery Date" means 540 consecutive calendar day from the commencement of work, as determined by the issuance of a Purchase Order and Notice to Proceed to the prime

contractor. The Delivery Date may be extended at the sole discretion of the Landlord an additional 120 consecutive calendar days, which shall establish an "Outside Delivery Date" of 660 consecutive calendar days from the commencement of work.

"Force Majeure" means and includes, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of any of their departments, agencies or officials, or any civil or military authority; insurrections, riots; epidemics; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the person so affected, including, without limitation, the Corporation, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the person so affected and such person shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of such person, unfavorable to it.

"Lease Area" means that area leased to the Corporation pursuant to this Lease as depicted on the Lease Line Drawings including without limitation the Boys & Girls Club Facility.

"Remaining Premises" means all areas of the Premises not included in the Premises leased to the Corporation by the Landlord pursuant to this Lease.

"Senior Activity Center" means a senior center and related site improvements to be owned and operated by the Landlord on a portion of the Remaining Premises.

ARTICLE II

Lease of Premises

2.1. **Lease of Premises.** The Landlord hereby leases to the Corporation the Lease Area, and the Corporation hereby leases from the Landlord, the Lease Area including without limitations the Boys & Girls Club Facility, upon the terms, covenants, conditions and easements set forth in this Lease.

2.2. **Term.** The term of the Lease (the "Term") shall begin as of the date first written herein (the "Commencement Date") and shall continue subject to earlier termination as provided herein for a period of fifty (50) years (the "Termination Date"). Provided no event of default exists, the Corporation shall have the right to renew this Lease for an additional period of fifty (50) years after the expiration of the Term. To exercise such right, the Corporation shall give the Landlord at least 180 days' prior written notice prior to the expiration of the Term. If this Lease is so renewed, the term "Term" shall include the renewal period. Landlord and Corporation acknowledge that Landlord's obligations hereunder are subject to the approval of the Lease by Anne Arundel County Council.

2.3. **Ownership of Improvements.** Throughout the Term of this Lease, the Corporation shall be the owner of all improvements consisting of the Boys & Girls Club Facility erected on and personal property placed on the Premises by or on behalf of the Corporation. The Landlord and the Corporation agree that the Corporation will have the burdens and benefits of ownership for federal and state income tax purposes and will be entitled to all tax benefits and depreciation attributable to the Boys & Girls Club Facility during the term of this Lease. At the expiration or other termination of this Lease:

(a) the Corporation shall have the right to remove personal property placed on the Premises by the Corporation, and any personal property not so removed by the Corporation, following the end of the Term shall become the sole property of the Landlord;

(b) the Corporation shall leave the Premises in good and serviceable condition, normal wear and tear excepted; and

(c) all interests in the facility shall revert to the Landlord.

2.4. **Limitations on Leasehold Estate.** In addition to any other rights of the Landlord contained or reserved in this Lease, or other limitations on the Corporation's leasehold estate, the Landlord's lease of the Lease Area to the Corporation, and the Corporation's acceptance of the leasehold estate, is subject to the right of the Landlord to use the Boys & Girls Club Facility as reasonably necessary for the sole purpose of ingress to and egress to and from the Remaining Premises and surrounding grounds (i) in the event of an emergency, and (ii) in order to undertake construction, improvements, alterations, maintenance, repairs and replacements in or on the Remaining Premises. Any entry on the Lease Area shall be conducted so as to minimize interference with operations in the Lease Area.

ARTICLE III

Landlord Obligations

3.1. **Quiet Enjoyment.** As long as the Corporation keeps and performs all of its covenants and conditions under this Lease, it shall have during the Term quiet, undisturbed, and continued possession of the Boys & Girls Club Facility, as depicted in Exhibit A, free from all claims against the Landlord and all persons claiming under, by, or through the Landlord.

3.2. **Repair of Remaining Premises.** The Landlord shall repair and maintain on a timely basis and in a good and workmanlike manner the Remaining Premises, if and when the failure to repair or maintain such areas would materially and adversely affect the use and enjoyment of the Boys & Girls Club Facility. The Landlord has no obligation to undertake any repair, maintenance or modification solely to allow the Corporation to obtain or maintain debt and equity financing for the Boys & Girls Club Facility improvements.

3.3. **Utility Construction.** The Landlord, at its own cost and expense, shall construct or arrange for the construction or installation of utility structures and connections necessary to create all public water and sewer capacity and service for the Boys & Girls Club Facility.

3.4 **Ingress and Egress: Easements.** The Landlord covenants that during the period of development and construction of the Boys & Girls Club Facility, the Landlord shall provide, the Corporation, its employees and agents, the right, at all reasonable times, to walk over and through, and drive motor vehicles on roads and lanes within, the Remaining Premises, for the purpose of accessing the Boys & Girls Club Facility.

3.5 **Parking.**

(a) The Corporation has the right, in common with others, to use parking spaces located on the Remaining Premises, provided that, at all times, Landlord shall provide the Corporation with sufficient parking to satisfy Anne Arundel County zoning requirements.

(b) In addition to the use in common parking provided in subsection (a) of this Section 3.5, Landlord shall reserve for the exclusive use of the Corporation on the Remaining Premises four (4) parking spaces to accommodate vehicles operated by the Corporation. The spaces shall be located in close proximity to the Boys & Girls Club Facility. The number of spaces may be altered by mutual written agreement by the Landlord and the Corporation.

3.6 **Trash and Refuse Facility.**

(a) The Landlord, at its own cost and expense, concurrently with the construction of the Boys & Girls Club Facility, shall construct a dumpster enclosure on the Remaining Premises in the approximate location shown on Exhibit A. During the Term, the Landlord shall be responsible at its own cost and expense for all improvements, alterations, maintenance, repairs and replacement of the dumpster enclosure and the Corporation shall have the right to maintain within such enclosure a dumpster or other container for disposal and removal of trash and refuse and recycling from the Boys & Girls Club Facility.

(b) The Landlord, at its own cost and expense, concurrently with the construction of the Boys & Girls Club Facility, shall construct an access pad to the dumpster enclosure on the Remaining Premises in the approximate location as shown on Exhibit A. During the Term, the Landlord shall be responsible at its own cost and expense for improvements, alterations, maintenance, repairs and replacement of the access pad to the dumpster enclosure.

3.7 **Signage.** The Landlord shall be responsible for funding, constructing, maintaining, repairing and replacing two exterior signs: one at the Boys & Girls Club Facility main entry doors; and, the other adjoining the drive aisle near the entrance to the Premises. The Landlord and Corporation shall agree upon the size, design, text and materials of the initial sign and any future modifications to the sign.

3.8 **Notice of Repairs or Major Events.**

(a) The Landlord shall give fifteen (15) days prior written notice to the Corporation (i) when any work will be performed on or at the Severn Center that may interfere

with the daily operations of the Boys & Girls Club Facility, or (ii) when any major event will be held at the Remaining Premises that may interfere with the daily operations of the Boys & Girls Club Facility. In the case of emergency repairs that may interfere with the daily operations of the Boys & Girls Club Facility, only attempted telephonic notice will be required.

3.9. **Additional Obligations for Improvements, Alterations, Maintenance, Repair and Replacement.** In addition to all other obligations imposed upon or assumed by the Landlord under this Lease, Landlord shall be responsible for all improvements, alterations, maintenance, repair and replacement to and for those areas of the interior and exterior of the Severn Center that the Lease Line Drawings depict and describe as the Landlord's responsibility to undertake.

3.10. **Indemnification.** To the extent permitted by law and subject to appropriation and availability of funds, the Landlord shall defend, indemnify and hold harmless the Corporation and its agents, servants, officials and employees from and against any and all loss, damage, cost, expense or liability, including court costs and reasonable attorneys' fees and expenses, in any way arising out of any acts or omissions on the part of the Landlord, its agents, servants, officers, employees, invitees, tenants, guests and invitees in the development of that portion of the Remaining Premises that remains in the possession and control of the Landlord ("Landlord Premises"). This obligation shall survive any termination of this Lease.

ARTICLE IV

Corporation Obligations

4.1. **Rent.** Rent during the Term shall be One Dollar (\$1.00) per year. The rent for the entire Term shall be paid in advance on the Commencement Date (the "Rent").

4.2. **Net Lease.** All Rent shall be absolutely net to the Landlord, so that this Lease shall yield net to the Landlord the Rent. Accordingly, the Corporation shall pay all costs, expenses and obligations of every kind or nature relating to the Boys & Girls Club Facility which may arise or become due during the Term (including, without limitation, any taxes or assessments on the Boys & Girls Club Facility, water and sewer charges, other environmental charges, electricity, gas, phone, internet service including Wi-Fi). The Corporation shall indemnify and hold harmless the Landlord from and against the payment of any such costs or expenses.

4.3. **Use of Premises.** That portion of the Premises that is leased to the Corporation pursuant to this Lease shall be used by the Corporation for the operation of the Boys & Girls Club Facility and such other related services or uses as it deems necessary for the operation of the Boys & Girls Club Facility including such activities that may generate revenue for the Corporation. Such revenue generating activities shall not conflict with the use and enjoyment of the Landlord for the shared portions of the Property or the Landlord-portion of the property including the Senior Activity Center. The Boys & Girls Club Facility shall operate programs designed to achieve its mission to inspire and enable all young people, especially those who need them most to reach their full potential as productive responsible and caring citizens.

4.4. **Compliance with Laws.** In its use and maintenance of the Boys & Girls Club Facility and the improvements of the Boys & Girls Club Facility, the Corporation shall comply with all applicable federal, State, and County laws and regulations. In particular, and without limitation, the Corporation shall comply in all respects with the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, Article 49B of the Maryland Annotated Code, and any other laws that prohibit discrimination on the grounds of race, religion, color, national origin, sex, age, physical or mental handicap or disability, or any other class or characteristics protected by applicable law.

4.5. **Boys & Girls Club Facility Improvements.** The Landlord shall be responsible for development and construction of the Boys & Girls Club Facility improvements in accordance with all provisions of this Lease and in accordance with the approved Plans and Specifications, as prepared by Murphy and Dittenhafer, Inc., dated June 21, 2021 ("Plans and Specifications") and incorporated by reference. Substantial construction of the Boys & Girls Club Facility improvements shall be completed (i.e., all required certificates of occupancy shall be issued) by the Outside Delivery Date. If the Corporation makes any changes to the approved Plans and Specifications, the Landlord reserves the right to extend the Outside Delivery Date by a reasonable time period. Any changes to the Plans and Specifications, shall be submitted to and approved by the Corporation or its designee prior to becoming effective. Upon approval by Corporation or its designee, the Landlord shall cause the development and construction of the Boys & Girls Club Facility improvements in accordance with the Plans and Specifications as so revised. The Landlord represents and warrants that as of the date that the Boys & Girls Club Facility shall be delivered to the Corporation, the Boys & Girls Club Facility shall comply with all applicable laws and shall be constructed in a good and workmanlike manner in accordance with the Plans and Specifications as approved by the Corporation (the "Delivery Conditions"). Upon delivery, the Corporation and Landlord shall inspect the Boys & Girls Club Facility to determine if the Delivery Conditions shall have been satisfied. If the Delivery Conditions are not satisfied, Landlord will immediately commence and diligently and continuously pursue satisfaction of same, failing which the Corporation may undertake such work on Landlord's behalf at Landlord's sole cost and expense.

4.6. **Utility Construction and Maintenance.**

(a) Subject to Sections 3.2 and 3.3, the Corporation shall, at its own cost and expense, be solely responsible for the alterations, maintenance, repair and replacement of all utility systems within the Boys & Girls Club Facility. All work performed in connection with the Corporation's foregoing responsibilities shall meet applicable County requirements.

(b) Utility connection fees charged by the utility service providers shall be borne by the Landlord as determined by the utility service providers.

4.7. **Notice of Repairs or Major Events.** The Corporation shall give fifteen (15) days prior written notice to the Landlord (i) when any work will be performed on or about the Boys & Girls Club Facility that may interfere with the daily operations of the ongoing business of the Landlord, or (ii) when any major event will be held on or about the Boys & Girls Club Facility

that may interfere with the daily operations of the ongoing business of the Landlord or other tenants; in the case of emergency work that may interfere with the daily operations of the Landlord's ongoing business, only attempted telephonic notice will be required.

4.8. **Fire Alarm System Maintenance.** The Corporation and Landlord agree that the Boys & Girls Club Facility and the Remaining Premises shall be served by a common fire alarm system to be maintained by a single fire alarm monitoring, servicing and testing firm procured by the Landlord. Any such contract will include separate pricing to cover services to the Boys & Girls Club Facility and the Remaining Premises. The Corporation agrees to hire and employ during the Term the same fire alarm monitoring, servicing and testing firm that the Landlord hires and employs to provide fire alarm monitoring, servicing and testing services for the Remaining Premises. The Corporation and the Landlord agree to establish separate billing accounts for the payment of fire alarm monitoring, servicing, testing and replacement costs associated with the Boys & Girls Club Facility and Remaining Premises.

4.9. **Exterior Building Lighting.** The Landlord shall install, maintain, repair, replace, and supply electricity to serve, mounted lighting fixtures on the building exterior of the Boys & Girls Club Facility. The purpose of such lighting shall be to provide illumination of entrances to the Boys & Girls Club Facility at such times as the Boys & Girls Club Facility is in use.

4.10. **Payment of Taxes, Insurance Premiums and Utilities.** The Corporation covenants duly and punctually to pay and discharge all taxes, assessments, utility bills whether public or private, and other governmental or municipal dues, charges, levies and impositions, which are or may be imposed upon the Boys & Girls Club Facility together with all insurance premiums as provided in Sections 7.1 and 7.2 of this Lease. The Corporation shall pay all such taxes, utilities and insurance premiums before the same become delinquent or subject to interest or penalties, unless the same are being contested in good faith.

4.11. **Reserve Funds for Replacement.**

(a) Beginning on the Commencement Date, the Corporation shall maintain for the term of this Lease a replacement reserve account (the "Reserve for Replacement Fund") in a commercial bank. The Corporation shall deposit monthly an amount not less than One Thousand Dollars (\$1,000) to the Reserve for Replacement Fund for the term of the Lease and shall only expend funds from this account in accordance with Section 4.11(b) hereof. The Corporation shall, upon request, submit statements to the Landlord detailing activity on the account including the beginning balance, deposits, withdrawals, interest earned and ending balance. The Corporation shall have the right to make disbursements from the Reserve for Replacement Fund from time to time for the purpose of paying costs associated with the performance of any reasonable maintenance, repair or replacement with respect to the Lease Area, provided that such disbursements shall be approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord shall fail to approve or deny any request for disbursement authorization within 10 days following receipt of same, Landlord shall be deemed to have authorized such disbursement.

(b) Monies in the Reserve for Replacement Fund shall be held in an interest bearing account. Interest accruing on the Reserve for Replacement Fund, if any shall accrue to the benefit of the Reserve for Replacement Fund.

4.12. **Additional Obligations for Improvements, Alterations, Maintenance, Repair and Replacement.** In addition to all other obligations imposed upon or assumed by the Corporation under this Lease, the Corporation shall be responsible for, the maintenance, repair and replacement of the improvements and any alterations thereto constituting of the Lease Area.

4.13. **Indemnification.** The Corporation shall defend, indemnify and hold harmless the Landlord and their respective agents, servants, officials and employees from and against any and all loss, damage, cost, expense or liability, including court costs and reasonable attorney's fees and expenses, in any way arising out of any acts or omissions on the part of the Corporation, its agents, servants, officers, employees, invitees, tenants, guests and invitees in the, use, maintenance, repair and replacement of the Boys & Girls Club Facility. This obligation shall survive any termination of this Lease.

ARTICLE V

Covenants, Representations and Warranties

5.1. **Covenants, Representations and Warranties of Landlord.**

(a) Notwithstanding any other provision hereof, the Landlord in no way guarantees and has no obligation to make any repair or modification solely to allow the Corporation to obtain or maintain debt and equity financing for the Boys & Girls Club Facility.

(b) Subject to the approval of this lease by the Anne Arundel County Council, the Landlord represents and warrants that it has been duly authorized to execute and deliver this Lease, that all necessary approvals have been obtained, that its signature page has been validly executed and delivered, and that its obligations set forth herein constitute valid and binding obligations of the Landlord enforceable against it in accordance with their terms.

(c) The Landlord represents that it owns the Premises in fee simple.

(d) The Landlord covenants that during the design and construction of any improvement on the Landlord's Premises, the Landlord shall maintain, or cause to be maintained, the work sites under its responsibility in a clean and safe manner, free of debris, and shall be solely responsible for trash removal and the implementation of safety precautions and programs within such work sites. All construction, repair or maintenance work to be done by the Landlord or its agents, employees, and independent contractors shall be performed in compliance with all safety, occupational, and other laws and regulations, and so as to minimize disruption to the Corporation's operations.

(e) The Landlord shall not (either with or without gross negligence) (i) cause or permit the storage, escape, disposal or release on or about the Premises of any "hazardous substance" or pollutant as defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq., in a manner that violates any federal, State, County or City laws or regulations.

(f) The Landlord covenants and agrees that the Landlord will (i) keep the Remaining Premises and improvements thereon in a good state of condition and repair at its sole cost and expense, (ii) not suffer or permit any waste or neglect of the Remaining Premises, (iii) repair, replace and renovate the Remaining Premises when necessary.

(g) The Landlord covenants and agrees that the Landlord will obey and comply with all statutes, laws, ordinances, regulations, orders or other requirements of any governmental body exercising jurisdiction over the Remaining Premises or the use, condition or occupancy of the Remaining Premises.

(h) The Landlord covenants and agrees that the Landlord will obey and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses and permits applicable to the Remaining Premises.

5.2. **Covenants, Representations and Warranties of Corporation.**

(a) The Corporation represents and warrants that it has been duly authorized to execute and deliver this Lease, that its signature page has been validly executed and delivered, and that its obligations set forth herein constitute valid and binding obligations of the Corporation enforceable against it in accordance with their terms.

(b) The Corporation's maintenance work to be done by the Corporation or its agents, employees, and independent contractors shall be performed in compliance with all safety, occupational, and other laws and regulations, and so as to minimize disruption to the Landlord's operations.

(c) The Corporation shall not (either with or without negligence) (i) cause or permit the storage, escape, disposal or release of any "hazardous substance" or pollutant as defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq., in a manner that violates any federal, State, County or City laws or regulations, or (ii) permit any employee, member, licensee or agent of the Boys & Girls Club Facility to store, handle or use such substances or materials, in either case in any manner that violates any federal, State, County or City laws or regulations.

(d) The Corporation covenants and agrees that the Corporation will:

(1) keep the Boys & Girls Club Facility in a good state of condition and repair at its sole cost and expense; not suffer or permit any waste or neglect of the Boys & Girls Club Facility; repair, replace and renovate the Boys & Girls Club Facility when necessary; an

and will not substantially alter the appearance of the Boys & Girls Club Facility or improvements on the Premises;

(2) permit the Landlord to enter upon and inspect the Boys & Girls Club Facility and the improvements thereon at any reasonable time or times with reasonable verbal or written notice;

(3) not undertake any structural alteration to, or tear down, the improvements on the Boys & Girls Club Facility, nor permit them to be structurally altered or torn down, without the prior written consent of the Landlord (such consent not to be unreasonably withheld);

(4) not abandon the Boys & Girls Club Facility without the prior written consent of the Landlord (which Landlord may withhold in its sole and unfettered discretion);

(5) obey and comply with all statutes, laws, ordinances, regulations, orders or other requirements of any governmental body exercising jurisdiction over the Boys & Girls Club Facility, or the use, condition or occupancy of the Boys & Girls Club Facility;

(6) obey and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses and permits applicable to the Boys & Girls Club Facility.

(e) The Corporation covenants and agrees that it will not, without the prior written approval of the Landlord, which shall not be unreasonably delayed or withheld:

(1) with the exception of sales, assignments, encumbrances, transfers and liens pursuant to the exercise of rights and remedies by a Leasehold Mortgagee (as defined in Section 8.1(b) hereof) under its Leasehold Mortgage, sell, assign, encumber or otherwise transfer the Boys & Girls Club Facility or any part thereof, or permit the sale, assignment, transfer or encumbrance of the Boys & Girls Club Facility or any part thereof, to any person or entity during the Term, or permit any lien against the Boys & Girls Club Facility during the Term;

(2) sell, assign, encumber or otherwise transfer any beneficial interest in the Boys & Girls Club Facility to any person or entity;

(3) except as permitted or required by this Lease, or except as required in the ordinary course of maintaining and operating the Boys & Girls Club Facility, remodel, add to, reconstruct or demolish any part of the Boys & Girls Club Facility and improvements located on the Boys & Girls Club Facility; and

(4) without the prior written consent of the Landlord, permit the use of the Boys & Girls Club Facility for any purpose except the uses which were originally intended as set forth in this Lease, or permit any use of the Boys & Girls Club Facility in a manner different from that approved by the Landlord.

(f) The Corporation shall keep the Boys & Girls Club Facility free from all liens and claims of every kind, except those which have been consented to by the Landlord or otherwise approved by the Landlord in writing (such consent or approval not to be unreasonably withheld).

(g) The Corporation shall not use or occupy the Boys & Girls Club Facility in violation of any certificate of occupancy, permit or other governmental consent issued for the Boys & Girls Club Facility. If any governmental authority, after the commencement of the Term, shall contend or declare that the Boys & Girls Club Facility is being used for a purpose which is in violation of such certificate of occupancy, permit or consent or in violation of this agreement, then the Corporation shall, upon thirty (30) days' written notice from the Landlord, immediately discontinue such use of the Boys & Girls Club Facility for such purpose. If thereafter the governmental authority asserting such violation threatens, commences or continues criminal or civil proceedings against the Landlord or the Corporation for the Corporation's failure to discontinue such use, in addition to any and all rights, privileges and remedies given to Landlord under this Lease for default therein, Landlord shall have the right to terminate this Lease. The Corporation shall indemnify Landlord for and hold Landlord harmless from any and all liability for any such violation or violations.

ARTICLE VI

Management and Maintenance of the Property

6.1. Management and Maintenance Requirements.

(a) The Corporation shall provide for the management and maintenance of the Boys & Girls Club Facility. The Corporation shall prepare and keep up to date an Operations Manual that shall include all information pertinent to the operation of the Boys & Girls Club Facility. The Operations Manual shall include budget information; life/safety procedures, including monitoring and servicing; a building preventative maintenance plan; servicing and repair plans; personnel needs and staffing requirements to implement the operating plan; and an explanation of any anticipated major repairs and estimated cost of those repairs.

(b) The Corporation shall prepare an annual operating budget outlining anticipated revenues and expenses for the next year. The expenses shall include, but not be limited to, such items as maintenance, repair charges, dues and license fees, legal and accounting fees, premiums for insurance, water/sewer expenses, utilities and such other expenses and charges as would normally be considered as operating expenses for the Boys & Girls Club Facility under recognized and customary accounting principles and practices.

(c) The Corporation shall cause to be prepared an annual financial report specifying the revenues received and the expenses of the prior year. This report must be prepared and certified as true and correct by an independent certified public accountant. The

Corporation shall also provide evidence that all revenues received have been deposited with a federally insured bank or savings association.

(d) In the event the Corporation chooses to hire a professional management company to assist with building operations, the contract for services shall require prior written approval by the Landlord and shall contain provisions that, upon written request by the Landlord addressed to the Corporation, the contract shall be subject to termination, without penalty, in the event the contractor has defaulted under the terms of the contract after applicable cure periods, or the contractor has acted negligently or intentionally improperly or has committed fraud or violated any provision of applicable laws. Upon receipt of such request, the Corporation shall terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to the Landlord for continuing proper management of the Boys & Girls Club Facility. Any contract entered into shall require evidence that all employees at the Boys & Girls Club Facility are covered by workmen's compensation and that all vehicles are insured for liability.

6.2. **Reporting Requirements.** The Corporation shall submit to the Landlord on an annual basis (a) a copy of the Operations Manual, (b) a copy of the operating budget outlining anticipated revenues and expenses for the next year, and (c) a copy of the financial report specifying the revenues received and the expenses of the prior year prepared and certified as true and correct by an independent certified public accountant.

6.3. **Corporation's Administrative and Record Keeping Requirements.** For a period of ten (10) years from creation of such documentation, the Corporation shall execute, compile and retain documentation reasonably satisfactory to the Landlord, to be available at such time and such place as reasonably determined by the Landlord and the Corporation, for the periodic inspection of the Corporation's compliance with the requirements of this Lease. In conducting its compliance review, the Landlord will rely primarily on information obtained from the Boys & Girls Club Facility records and reports and findings from on-site inspection and audit reports.

ARTICLE VII

Insurance

7.1. **Insurance to be Maintained by the Corporation.** The Corporation shall purchase and maintain at its cost and expense (or cause to be purchased and maintained) insurance at the following levels of coverage:

- (a) the Corporation shall maintain commercial property insurance protecting against all loss and damages, at full replacement cost, sustained or suffered due to the loss of or damage to the fixtures, equipment and personal property as a result of fire, theft, lightning, windstorm, explosion, vandalism, malicious mischief or any other casualty (Causes of Loss – Special Form – ISO Form No. CP1030 or equivalent);

- (b) commercial general liability with minimum limits of coverage at \$400,000 per person and \$800,000 per occurrence, pursuant to the local government's tort claims act;
- (c) automobile liability insurance with minimum limits coverage at \$400,000 per person, \$800,000 per occurrence for both property damage and bodily injury;
- (d) workers' compensation provide statutory workers' compensation benefits covering all of their employees with respect to whom death or bodily injury claims could be asserted, as required under Maryland Law, and Employer's Liability with no limits; and

7.2. **Management Company Insurance.** The Corporation also shall require any management company that provides management services for the Boys & Girls Club Facility to maintain in full force and effect during the term of its management contract insurance of such types, in not less than the minimum limits of coverage required by the Corporation, and in accordance with such terms, required by this Section.

7.3. **Certificates of Insurance.** The Corporation and any applicable management company shall furnish the Anne Arundel County Office of Risk Management or its successor with certificates evidencing the type, amount, class of operations and effective dates of expiration of the insurance policies required herein. The insurance shall name the Landlord, and the holder of any Mortgage as additional insureds and/or loss payees (as applicable). To the extent that the insurance companies providing policies required by this Lease shall agree, the certificates shall include substantially the following statement: "The insurance covered by this certification shall not be canceled or materially altered, except after thirty (30) consecutive calendar days from when a written notice has been delivered to Anne Arundel County Office of Risk Management. The Landlord shall have the right to approve all insurance companies providing policies required by this Lease, and such approval shall not be unreasonably withheld".

7.4. **Insurance to be Maintained by the Landlord.** The Landlord shall maintain real property fire coverage on the Severn Center exclusive of the Boys & Girls Club Facility improvements, betterments, fixtures, and personal property.

7.5. **Periodic Review of Insurance Coverage.** The Landlord shall have the right to periodically review all documentation relating to the Corporation's insurance coverage to ascertain that the Corporation is in compliance with Article VII of this Lease, and the Corporation shall make such available within a reasonable time at the request of the Landlord. Moreover, every three (3) years during the term of this Lease the Landlord shall review the amounts of insurance coverage required under this Lease. If the Landlord determines that the amounts should be increased or decreased based on sound business and liability grounds, the Landlord shall inform the Corporation, and the Corporation shall comply with the change in the amount of insurance within thirty (30) days. Any changes in insurance coverage amounts

requested by the Landlord shall be consistent with insurance coverage amounts generally required by Anne Arundel County's Office of Risk Management for similar situations.

7.6. **Casualty.** In the event of a casualty involving any improvements on the Lease Area or the Remaining Premises, unless otherwise agreed to in writing by the Landlord, the Corporation and the Leasehold Mortgagee, the Landlord and the Corporation agree that each shall apply, proceeds of any hazard insurance to the restoration of the Lease Area or the Remaining Premises, as applicable, to the extent necessary to enable the Boys & Girls Club Facility and improvements on the Remaining Premises to be restored to their prior condition and to comply with all other obligations of the parties set forth in this Lease.

ARTICLE VIII

Mortgage Financing

8.1. **Leasehold Financing.**

(a) Subject to the Landlord's prior written consent (which shall not be unreasonably withheld or delayed) and as long as Corporation is not in default under the terms of this Lease, the Corporation may mortgage or otherwise encumber the Corporation's leasehold interest in the Boys & Girls Club Facility (a "Leasehold Mortgagee"), in whole or in part, during the Term or any part thereof, by executing a Leasehold Mortgage as security for the performance of the Corporation's obligations under such Leasehold Mortgage; it being understood at all times that the Landlord's fee ownership of the premises may not be encumbered or affected in any way by the Corporation through any mechanism or instrument.

(b) Any Leasehold Mortgagee may become the legal owner and holder of the Corporation's interest in this Lease by foreclosure of its Leasehold Mortgage, or as a result of the assignment of this Lease in lieu of foreclosure, whereupon such Leasehold Mortgagee shall immediately become and remain liable as tenant under this Lease (subject to the provisions of Sections 8.3 and 9.4), so long as, but no longer than, such Leasehold Mortgagee is in possession or is entitled to possession of the Boys & Girls Club Facility.

8.2. **Foreclosure of Leasehold Mortgages.**

(a) Prior to any foreclosure action or assignment of this Lease in lieu of foreclosure, the Leasehold Mortgagee shall give written notice to the Landlord at least forty five (45) days before the date of contemplated action. The Landlord shall have the right within thirty (30) days to notify Leasehold Mortgagee that it is exercising its Right of First Refusal and will purchase the Leasehold Mortgage pursuant to a purchase agreement which incorporates the terms and conditions of the conveyance. If the Landlord fails to exercise its Right of First Refusal stated above, this Right of First Refusal shall have no more force and effect.

(b) In the event of a foreclosure or assumption-in-lieu of foreclosure under any Leasehold Mortgage, the Leasehold Mortgagee may, in its sole discretion, upon written notification to the Landlord, assume or sell the Corporation's leasehold estate (by foreclosure

or deed in lieu of foreclosure) subject to all of the terms and conditions of the Lease. The purchaser at foreclosure or recipient of a deed in lieu of foreclosure (or the recipient of a deed from the purchaser at a foreclosure or by deed in lieu of foreclosure) shall be deemed to have assumed this Lease and shall be recognized by the Landlord for all purposes as the tenant hereunder.

(c) If more than one Leasehold Mortgagee elects to exercise the foregoing rights described in Section 8.2(b), the Landlord shall accept the exercise of such rights from the Leasehold Mortgagee with the highest priority lien.

8.3. Opportunity to Cure Corporation Default: Assumption of Lease.

(a) If an Event of Default by the Corporation occurs under Article IX of this Lease, before taking action to terminate the Lease, the Landlord shall offer simultaneously in writing to each Leasehold Mortgagee (i) an opportunity to cure the Event of Default and (ii) the option to either assume or sell the rights, obligations, and interests of the Corporation hereunder pursuant to Section 9.3 hereof or, upon termination of the Lease, to enter into a new Lease on substantially the same terms as herein described. Any Leasehold Mortgagee receiving such an offer from the Landlord may either (i) cure the Event of Default within one hundred eighty (180) days of the date of the offer, or (ii) exercise the option to assume or sell the Lease or enter into a new Lease by delivering written notice to the Landlord within one hundred eighty (180) days of the date of the offer or such longer period of time as may be reasonably needed to effect the termination of this Lease by the Landlord or, in the event of foreclosure under the applicable Leasehold Mortgage, to complete the foreclosure in accordance with Rules 14-101 et seq. of the Maryland Rules. Whenever the Landlord serves upon the Corporation a written notice of an Event of Default pursuant to Section 9.2 hereof, Landlord shall also serve such a written notice of an Event of Default upon any applicable Leasehold Mortgagee.

(b) If one or more than one Leasehold Mortgagee elects to cure the Event of Default, the Landlord shall accept the cure from the Leasehold Mortgagee that cures the Event of Default first. If no Leasehold Mortgagee elects to cure the Event of Default, but more than one Leasehold Mortgagee elects to assume the Lease or enter into a new Lease, the Landlord will permit the Leasehold Mortgagee having the highest priority lien to assume the Lease or enter into a new Lease.

(c) If a Leasehold Mortgagee cures the Event of Default, cure by the Leasehold Mortgagee shall constitute cure by the Corporation.

(d) If a Leasehold Mortgagee exercises the option to assume or sell the Lease, it or its purchaser, as applicable, shall assume all of the rights, obligations, and interests of the Corporation under this Lease without modification, except as agreed to in writing by the Landlord, and all of the terms and conditions of this Lease shall remain in full force and effect. If a Leasehold Mortgagee exercises the option to enter into a new Lease, the new Lease shall contain substantially the same terms as herein described, except as otherwise agreed to in writing by the Landlord.

8.4. **Opportunity to Cure Landlord Default.**

(a) If an Event of Default by Landlord occurs under Article IX of this Lease, before taking action pursuant to Section 9.4, the Corporation shall offer simultaneously in writing to each Leasehold Mortgagee an opportunity to cure the Event of Default. Any Leasehold Mortgagee receiving such an offer from the Corporation may cure the Event of Default within one hundred eighty (180) days of the date of the offer. Whenever the Corporation serves upon the Landlord a written notice of an Event of Default pursuant to Section 9.2 hereof, the Corporation shall also serve such a written notice of an Event of Default upon any applicable Leasehold Mortgagee.

(b) If more than one Leasehold Mortgagee elects to cure the Event of Default, the Corporation shall accept the cure from the Leasehold Mortgagee that cures the Event of Default first. If no Leasehold Mortgagee elects to cure the Event of Default, but more than one Leasehold Mortgagee elects to assume the Lease or enter into a new Lease, the Landlord will permit the Leasehold Mortgagee having the highest priority lien to assume the Lease or enter into a new Lease.

(c) If the Corporation or a Leasehold Mortgagee cures the Event of Default, cure by the Corporation or Leasehold Mortgagee shall constitute cure by the Landlord and the cure by the Corporation or Leasehold Mortgagee shall be deemed to be the actions of a volunteer and shall give rise to no rights of recovery or otherwise with respect to the Landlord.

8.5. **Landlord's Mortgage.** The Landlord represents that there is no mortgage on its fee simple interest on the Premises and agrees that, except as otherwise agreed by the Corporation, any fee simple mortgage on the Premises shall be subordinate to this Lease.

ARTICLE IX

Default

9.1. **Events of Default.** The occurrence of any one or more of the following events shall be deemed an "Event of Default" for the purposes of this Lease:

(a) If the Corporation fails to pay any Rent or either party to this Lease fails to pay any other sum that it is obligated to pay by any provision of this Lease, when and as due and payable and without demand therefore;

(b) If either party to this Lease fails to observe or perform any one or more of its non-monetary covenants or obligations contained in this Lease;

(c) If any representation or warranty of either party contained in this Lease or any other document or instrument executed by either party in connection with this Lease shall be untrue in any material respect as of the Commencement Date or shall become untrue in any material respect thereafter;

(d) If the Corporation commits a default, any loan documents executed in connection with any Leasehold Mortgage or any other instrument that places a lien on the Corporation's leasehold interest in the Boys & Girls Club Facility, and such default is not cured or waived within the permissible grace period, if any, specified in the applicable instrument or document; or

(e) If the Landlord fails to obtain certificates of occupancy for the Boys & Girls Club Facility by the Outside Delivery Date or if by any reason of Force Majeure the Corporation fails to satisfy either of such conditions by their respective dates, the Corporation shall not be deemed in default during the continuance of such inability.

9.2. **Notice: Grace Period.**

(a) Notwithstanding anything in Section 9.1 hereof to the contrary, and subject to Section 9.3, on the occurrence of an Event of Default by the Corporation, the Landlord may not exercise any of its rights or remedies on account thereof unless and until:

(1) If the Event of Default consists of a failure to pay money under Section 9.1(a), (i) the Corporation has failed to pay such sums within thirty (30) days after the Landlord has sent the Corporation written notice of the Event of Default, and (ii) any Leasehold Mortgagee has failed to pay such sums within sixty (60) days after the Landlord has sent any Leasehold Mortgagee written notice of the Event of Default; or

(2) If the Event of Default consists of a failure to observe or perform a non-monetary covenant or obligation, (i) the Landlord has sent the Corporation written notice of the Event of Default with a copy to any Leasehold Mortgagee, and (ii) either the Corporation or any Leasehold Mortgagee has failed to cure the Event of Default within sixty (60) days after the notice is sent, or the default is not cured within one hundred twenty (120) days if the default is of a nature that reasonably cannot be cured within sixty (60) days after notice and the Corporation or any Leasehold Mortgagee have failed to commence to cure the Event of Default within such sixty (60) day period or thereafter have failed to diligently and continuously pursue a cure.

(b) Notwithstanding anything in Section 9.1 hereof to the contrary, and subject to Section 9.4, on the occurrence of an Event of Default by the Landlord, the Corporation may not exercise any of its rights or remedies on account thereof unless and until it has obtained the written consent of all Leasehold Mortgagees that then have an outstanding lien on the Boys & Girls Club Facility, and until:

(1) If the Event of Default consists of a failure to pay money under Section 9.1(a), the Landlord has failed to pay such sums within thirty (30) days after the Corporation has sent the Landlord written notice of the Event of Default.

(2) If the Event of a Default consists of a failure to observe or perform a non-monetary covenant or obligation, the Corporation may not exercise any of its rights or

remedies on account thereof unless and until the Corporation has sent the Landlord written notice of the Event of Default, and either (i) the Landlord has failed to cure the Event of Default within sixty (60) days after the notice is sent, or (ii) the default is not cured within one hundred twenty (120) days if the default is of a nature that reasonably cannot be cured within sixty (60) days after notice and the Landlord has failed to commence to cure the Event of Default within such sixty (60) day period or thereafter has failed to diligently and continuously pursue a cure.

9.3. **Landlord's Rights Upon Event of Default.** Upon the occurrence of an Event of Default by the Corporation, and subject to the provisions of Section 9.2 and Section 8.3, the Landlord may take any or all of the following actions:

(a) reenter and repossess any or all of the Boys & Girls Club Facility and take possession and title to any or all of Boys & Girls Club Facility improvements thereon;

(b) terminate this Lease by giving the Corporation written notice of the termination, which termination shall be effective as of the date of the notice or any later date specified in the notice;

(c) relet any or all of the Boys & Girls Club Facility thereon for any or all of the remainder of the Term and collect and receive the rents therefore either as agent for the Corporation, if the Lease has not been terminated, or on the Landlord's own behalf, if the Lease has been terminated;

(d) cure the Event of Default in any other manner; or

(e) pursue any combination of these remedies or any other right or remedy available to the Landlord on account of the Event of Default under this Lease or at law or in equity.

9.4. **The Corporation's Rights Upon Event of Default.** Upon the occurrence of an Event of Default by the Landlord, and subject to the provisions of Section 9.2 and Section 8.4, the Corporation may take any or all of the following actions:

(a) terminate this Lease by giving the Landlord written notice of the termination, which termination shall be effective as of the date of the notice or any later date specified in the notice;

(b) cure the Event of Default in any other manner; or

(c) pursue any combination of these remedies or any other right or remedy available to the Corporation on account of the Event of Default under this Lease or at law or in equity.

ARTICLE X

Miscellaneous

10.1. **Non-recourse**. No officer or director of the Corporation assumes personal liability for payments and deposits due under this Lease.

10.2. **Amendment**. This Lease may not be amended without the written agreement of the parties and, for so long as it has any mortgage on any part of the Boys & Girls Club Facility, or any Leasehold Mortgagee. The Corporation and Landlord agree to cooperate to amend this Lease to the extent reasonably required as a result of changes in applicable government laws or regulations. Any amendment to this Lease shall not require the approval of the Anne Arundel County Council unless such amendment alters the identity of the tenant (except with respect to the exercise of remedies by any Leasehold Mortgagee), extends the Term, materially alters the intended or permissible use of the Boys & Girls Club Facility, or creates a new or an expanded financial obligation for the Landlord.

10.3. **Assignment or Subletting**.

(a) The Corporation may not assign this Lease or sublet the Boys & Girls Club Facility or any portion thereof without obtaining the Landlord's prior written consent, which Landlord may withhold in its sole and arbitrary discretion.

(b) Notwithstanding subsection (a) of this Section 10.3, the Corporation may license all or any portion of the Boys & Girls Club Facility to other users for (i) community service and/or public benefit purposes; or (ii) other events that are allowed by the Anne Arundel County Zoning Code and that are compatible with the use of the Remaining Premises as determined by the Landlord in its sole and unfettered discretion.

10.4. **No Waiver**. Failure of any party to require performance by another of any of the terms of this Lease shall not affect the party's right to enforce such term. Waiver of any term hereof shall not constitute waiver of any other term or breach hereof.

10.5. **Successors and Assigns**. This Lease shall be binding upon and inure to the benefit of the successors and permitted assigns of the respective parties.

10.6. **Beneficiary Under Deed of Trust as Assignee**. No beneficiary under a deed of trust encumbering the Corporation's interest in all or a portion of the leasehold estate created hereby shall be liable in any manner to the Landlord as an assignee of this Lease until such time as such beneficiary shall have (a) acquired the rights of the Corporation hereunder through foreclosure or other appropriate proceedings in the nature thereof, or as a result of any action or remedy provided for by law, by such deed of trust, or by this Lease, or (b) actually entered onto the Boys & Girls Club Facility and taken possession and control thereof.

10.7. **Headings**. The headings of this Lease are for reference only and shall not be deemed to limit or define the meaning hereof.

10.8. **Counterparts**. This Lease may be executed in counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

10.9. **Time of the Essence.** Time is of the essence in this Lease.

10.10. **Notices.** All notices and other communications required under this Lease shall be hand delivered, or emailed, or delivered by commercial courier with receipt, or mailed, by registered or certified mail, postage prepaid and return receipt requested, to the parties at the following addresses (or at such other address as any party may designate in writing):

To the Corporation: Chief Executive Officer
Boys & Girls Clubs of Annapolis & Anne Arundel County
121 South Villa Avenue
Annapolis, MD 21401
Office: 410-263-2542

To the Landlord: Real Estate Division, Central Services
2660 Riva Road, 3rd Floor
Annapolis, Maryland 21404
Telecopy No.: (410) 222-7913
Attn: Real Estate Manager

With a copy to: Anne Arundel County Office of Law
2660 Riva Road, Fourth Floor
Annapolis, Maryland 21401
Attention: County Attorney
Telecopy No.: (410) 222-7888

Such notice shall be deemed received on the date sent if by hand delivery or by confirmed telecopy or e-mail, on the date set forth on the receipt if delivered by commercial courier, or on the third business day subsequent to mailing as specified herein.

10.11. **Entire Agreement.** This Lease constitutes the entire understanding and agreement for the parties. All previous agreements, understandings, promises, and representations, whether written or oral, relating to this transaction, are superseded by this Lease.

10.12. **Governing Law and Forum for Actions.** This Lease shall be construed under and governed by the laws of the State of Maryland, without regard to those principles governing conflicts and choice of laws. Any action arising from or relating to this Lease shall be brought in the State courts of Maryland located in Anne Arundel County. To the extent permitted by law, Landlord and the Corporation waive their right to remove any such action to federal court.

10.13. **Estoppel Certificates.** The Landlord and the Corporation shall, without charge, at any time and from time to time, within fifteen (15) days after receipt of request therefore from the other party, execute, acknowledge and deliver to the requesting party, and to such Leasehold Mortgagee or other party as may be designated by the requesting party, a written

estoppel certificate in form and substance as may be reasonably required by either party or by a Leasehold Mortgagee or other party.

10.14. **Recordation.** Any party may record this Lease or a memorandum hereof and all parties agree to execute and deliver a memorandum of lease to any party so requesting.

10.15. **Interpretation.** This Lease has been prepared jointly by Landlord and the Corporation. In the event of any ambiguity in this Lease, such ambiguity shall not be resolved against either party solely because that party prepared this Lease.

10.16. **Parties' Costs and Expenses.** Each party (for purposes of this section, the "Defaulting Party") shall pay all costs, charges and expenses, including reasonable attorneys' fees, unless covered by title insurance, which the other party (the "Non-Defaulting Party") may incur or expend in defending or enforcing the validity or priority of this Lease, or any term, condition or covenant of this Lease, or in collecting any sum secured hereby, or in protecting the security of the Non-Defaulting Party, or, if an Event of Default by the Defaulting Party shall happen, in administering and performing the Non-Defaulting Party's powers, privileges and duties under this Lease. The Non-Defaulting Party may make advances or payments for such purposes; provided, however, that all advances or payments made by the Non-Defaulting Party for such purposes shall be due and payable to the Non-Defaulting Party upon demand; and further provided that no such advance or payment shall relieve the Defaulting Party from any Event of Default by the Defaulting Party hereunder. The Corporation's agreement under this Section 10.16 extends only to costs and expenses incurred by the Landlord in its capacity as Landlord under this Lease and not in its sovereign or governmental capacity.

10.17. **Non-Waiver of Immunity.** Nothing in this Lease shall be construed as a waiver of any sovereign or governmental immunity to which Landlord may be entitled and such immunity is expressly affirmed to the extent permitted by law.

10.18. **Further Assurances.** The parties to this Lease shall execute and deliver, each at their respective expense, such further agreements, documents, and other instruments and do such further acts as may be reasonably required to carry out the intent and purposes of this Lease.

10.19. **No Third Party Beneficiary.** No person or entity other than the Corporation and the Landlord, and any Leasehold Mortgagee to the extent of its rights and privileges hereunder, is or shall be entitled to bring any action to enforce any provision of this Lease or the performance of any obligation under this Lease by either party. The provisions of this Lease are solely for the benefit of and shall be enforceable only by the Corporation and the Landlord and their respective successors and assigns as permitted hereunder, and any Leasehold Mortgagee to the extent of its rights and privileges hereunder.

10.20. **Limitation on Voluntary Surrender.** The Corporation may not voluntarily terminate this Lease and surrender the Boys & Girls Club Facility without the written consent of Landlord, which Landlord may withhold in its sole and unfettered discretion. In no event may the Corporation voluntarily terminate this Lease and surrender the Boys & Girls Club

Facility without the written consent of all Leasehold Mortgagees that then hold an outstanding lien on the Boys & Girls Club Facility.

10.21. **Waiver of Trial by Jury.** Landlord and Corporation both waive, for themselves and for any Leasehold Mortgagee, any right to trial by jury to which any of them may be entitled in any action arising from or relating to this Lease.

10.22. **Subject to Funding.** Any financial obligation of the Landlord under this Lease is subject to all provisions of law and is subject to appropriation and availability of funds.

10.23. **Landlord Representative.** Unless otherwise expressly provided by this Lease, the Landlord's authorized agent for granting any Landlord consents or approvals required by this Lease shall be the Real Estate Manager or the Central Services Officer.

10.24. **Materiality of Recitals.** The "WHEREAS" recitals at the beginning of this Lease are a material part of this Lease and not merely prefatory.

10.25. **Placed in Service Date.** The date on which the Boys & Girls Club Facility shall be placed in service shall be the actual date of occupancy by the Corporation and not the Commencement Date.

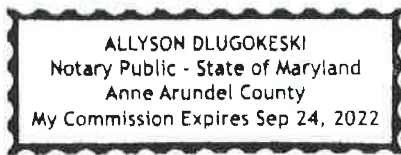
10.26. **Contingency.** The term of this Lease exceeds thirty-five (35) months and therefore is contingent upon approval by the Anne Arundel County Council, as required by Anne Arundel County Code, Article 8, §3-301. If this Lease is not approved, then it shall be null and void ab initio and of no further effect.

[Signature Pages to Follow]

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 21st day of September, 2021, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared Lisa Lindsay-Mondoro, Chief Executive Officer of the Boys & Girls Clubs of Annapolis & Anne Arundel County, Inc., and she acknowledged that she executed the foregoing Lease for the purposes therein contained, and he further acknowledged the same to be the act of the Boys & Girls Clubs of Annapolis & Anne Arundel County, Inc.

AS WITNESS my Hand and Notarial Seal:



Allyson Dlugokeshi
Notary Public

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this ____ day of _____, 2021, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared Matthew J. Power, the Chief Administrative Officer of Anne Arundel County, Maryland and he acknowledged that he executed the foregoing Lease for the purposes therein contained, and further acknowledged the same to be the act of Anne Arundel County, Maryland.

AS WITNESS my Hand and Notarial Seal:

Notary Public

[Notary Page for Lease, Anne Arundel County, Maryland and Boys & Girls Clubs of Annapolis & Anne Arundel County, Inc.]

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Boys & Girls Club Lease
Severn Center

I HEREBY CERTIFY that the within Lease was prepared by or under the supervision of an Attorney admitted to practice law in the State of Maryland.

AFTER RECORDATION RETURN TO:

Real Estate Division, Central Services
Anne Arundel County, Maryland
2660 Riva Road, 3rd Floor
Annapolis, Maryland 21404
Attn: Real Estate Manager

[Attorney Certification Page for Lease, Anne Arundel County, Maryland and Boys & Girls Clubs of Annapolis & Anne Arundel County, Inc.]

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